

South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Main report and annexes

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Map of the Project Area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 03-08-2021

Abbreviations and Acronyms

AfDB	African Development Bank
AGM	Annual General Meeting
APG	Agricultural Producer Group
AMVAT	Agricultural Markets, Value Addition and Trade Development Project
AWPB	Annual Workplan Budget
CAMP	Comprehensive Agricultural Master Plan
CAADP	Comprehensive Africa Agriculture Development Program
CBSS	Cooperative Bank of South Sudan
CDC	County Development Committees
CO	Country Office
COI	Core Outcome Indicator
COSOP	Country Strategic Opportunities Programme
DG	Director General
EC	European Commission
ERP	Enterprise Resource Planning [Software]
ESMP	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plans
FAO	Food and Agriculture Organization of the United Nations
FCV	Fragile, Conflict and Violent
FM	Financial Management
GAFSP	Global Agriculture and food Security Program
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GEWE	Gender Equality and Women's Empowerment
GIZ	German International Cooperation Agency
GoSS	Government of South Sudan
G-PCU	Government-Project Coordination Unit
G-PDT	Government-Project Design Team
GRM	Grievance Redress Mechanism
HDI	Human Development Index
IA	Implementing Agencies
IDP	Internally Displaced Persons
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMF	International Monetary Fund
IPC	Integrated Food Security Phase Classification
IRF	Inclusive Rural finance
IRR	Internal Rate of Return
JICA	Japan International Cooperation Agency
Km	Kilometre
LF	Logical Framework
MAFS	Ministry of Agriculture and Food Security
MoEF	Ministry of Environment and Forest
M&E	Monitoring and Evaluation
MSE	Micro-Small Enterprises
MTR	Mid-Term Review
NAC	National Advisory Committee

NGO	Non-Governmental Organization
NPV	Net Present Value
NTC	National Technical Committee
OECD	Organisation for Economic Cooperation and Development
PCG	Project Coordination Group
PCR	Project Completion Review
PCU	Project Coordination Unit
PDO	Project Development Objective
PDR	Project Design Report
PDT	Project Design Team
PIM	Project Implementation Manual
PMT	Project Management Team
PP	Procurement Plan
READ	Rural Enterprises for Agricultural Development Project
RFI	Rural Financial Institution
RPO	Rural Producer Organization
SACCO	Savings and Credit Cooperative Organization
SBCC	Social Behaviour Change Communication
SDG	Sustainable Development Goal
SECAP	Social, Environmental and Climate Assessment Procedures
SSA	Sub-Saharan Africa
SSLRP	South Sudan Livelihood and Resilience Project
TA	Technical Assistance
ToC	Theory of Change
ToMT	Training of Master Trainer
ToT	Training of Trainers
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNSDCF	United Nations Sustainable Development Cooperation Framework
USAID	United States Agency for International Development
USD	United States Dollar
VSLA	Village Savings and Loan Association
WB	World Bank
WOP	Without Project
WFP	World Food Programme
WP	With Project

In line with IFAD mainstreaming commitments, the project has been validated as:

Gender Transformative Youth Sensitive Nutrition Sensitive Persons with Disabilities Indigenous Peoples
Climate Finance Adaptive Capacity

Executive Summary

Political and Economic Context – The Republic of South Sudan (hereafter referred to as ‘South Sudan’) is the newest internationally recognized country in the world. It ranks the fourth most fragile state globally, after years of drawn-out conflict and political, social and economic uncertainty. Internal fighting has led to massive cross-border displacements of about 4.3 million people, out of which 1.6 million are displaced in neighbouring countries, mainly Uganda and the Democratic Republic of Congo (DRC). Conflict led to a breakdown of governance structures, law and order, and the disruption of community institutions that supported livelihoods. A new Peace Agreement was signed in September 2018 and a Unity Government formed in February 2020, which represent an important phase of transition from conflict towards peace, stability and the initiation of economic recovery and development.

Despite the enormous challenges, the country is resource rich, with fertile soils and abundant water supplies from the Blue and White Nile rivers. It has a land area of 648,000 km², of which 75 percent is suitable for agriculture and 50 percent is highly suitable for crop cultivation. Notwithstanding the significant potential of the agriculture sector, food and humanitarian aid still made up 71 percent of USD 1.6 billion of official development assistance in 2018, increasing to USD 1.8 billion in 2020, with around two-thirds of the population categorized as IPC3ⁱⁱ and above – the most concentrated globally. Cereal production only covers around two-thirds of demand, suggesting greater potential for further domestic production.

Rationale for IFAD Involvement– The Peace Agreement has encouraged the return of the displaced population³, most of whom are returning to conditions of limited physical and financial assets and weak public and private service coverage, especially women and youth. The agricultural sector is constrained by seasonally impassable community access roads⁴, poor post-harvest and value addition facilities and inadequate irrigation and water harvesting technologies, among other challenges. The context therefore remains fragile, with localized inter-community conflict driven by competition for natural resources, adverse weather conditions and flooding, and a potential humanitarian crisis if adequate livelihood opportunities are not availed to the returnees and the general population. The re-integration of the rural population into viable livelihood opportunities is therefore a critical strategy towards the sustenance of the Peace Agreement in South Sudan.

The complex situation of the South Sudan context therefore demands a mix of approaches to support the transition from humanitarian aid to sustainable development and lasting peace. This includes deliberate efforts to support agriculture production, food security and agro-enterprise development, complemented by interventions focused on rebuilding human and social capital, trust, durable relationships and partnerships. Such an approach would need to be accompanied by complementary efforts to expand rural financial services to rural areas, and tapping into the emerging fintech potential of various platforms, including mGurush, a money transfer platform launched in 2019.

The proposed Rural Enterprises for Agriculture Development (READ) project aims at responding to critical growth and development challenges confronted by smallholders by supporting the development of rural producers’ organizations (RPOs) as effective value-chain actors and credible partners for upstream and downstream food value chain development. The READ project seeks to foster the holistic development of RPOs, by promoting good governance and accountability systems vis-à-vis their constituencies; enhancing their sustainable business models and economic initiatives and strengthening their capacity to provide services to farmers including facilitating access to financial services, technology, inputs and markets. READ also aims to contribute to the peace, recovery and stabilization agenda by strengthening the social fabric within communities and creating livelihood opportunities for the rural population, including returnees and IDPs. READ will be implemented through a *conflict-sensitive lens*, whilst ensuring inclusion and empowerment of youth and women.

Project Goal and Objective – READ project’s overall goal is to ‘improve food security, income and resilience among the targeted rural households.’ The Project Development Objective is to ‘empower Rural Producers’ Organization (RPOs) as sustainable and resilient food value chain players.’

Geographic Area of Intervention – Selection of counties is guided by ranking of all counties – based on an objective criterion. A total of six counties in six states have been selected for implementation under phase I – for regional balance. These include Aweil Centre, Magwi, Maridi, Nzara, Yambio and Renk. The flexible programming has been adopted whereby selection of additional states is contingent upon a second phase. A decision for expansion into phase II will be based on lessons learned from implementation of phase I and the prevailing security situation.

Target Group – The primary target group are rural poor smallholder farmers who are reached through membership-based organizations such as agricultural producer groups, agricultural cooperatives, Village Savings and Loans Associations and Savings and Credit Cooperative Organizations. These organizations are the primary channel for reaching the end beneficiaries. The project will target approximately 27,511 households or 162,315 people with specific focus on women, youth and people of vulnerable groups, through 456 RPOs and MSEs and 324 RFIs.

Targeting Strategy – READ aims to promote economic empowerment and food security of smallholder rural producers, with a focus on women, youth, through their membership-based organizations and their sustainable integration into value chains. READ adopts a number of targeting strategies to reach the target groups – using a pro-poor and social inclusion lens that utilizes geographic targeting, self-targeting and direct targeting. Specific quotas will be applied to ensure women (50 percent), youth (70 percent) and vulnerable groups, mainly returnees (10 percent) and persons with disabilities (5 percent) are prioritized within the supported groups.

Components– READ development objective will be achieved through implementation of three interlinked and complementary components: (i) Rural Producers’ Organisations Development; (ii) Inclusive Rural Financial Services; (iii) Policy and Regulatory Framework Development. The third component will seek to ensure that READ is effectively implemented, including support to the development of key policies and capacity building of MAFS at the central and local levels as well as project support by the G-PCU and the PMT of the FM.

Component 1 – Rural Producer’s Organisations Development – The objective of this component is to support RPOs development through a holistic approach. The support will be directed to existing formalized organizations such as cooperatives, and the less structured Agriculture Producers’ Groups (APGs), including women and youth groups through a graduation approach. The focus is to equip them with assets and capacities needed to promote equitable and sustainable market linkages for rural producers. The ultimate aim is to improve the social and economic welfare of RPOs and their members, while creating opportunities for other value chain actors interested in developing micro-enterprises along the specified value chains. An underlying theme of the component will be to promote women and youth participation and membership and to include them in decision-making levels of the RPOs as well as encourage growth in nutrient-rich and climate resilient value chains.

Component 2 – Inclusive Rural Financial Services– The objectives of this component are to: (i) enhance the capacities of target groups to access financial services and products; (ii) enhance the capacity and inclusive outreach of rural financial institutions (VSLAs/SACCOs) and (iii) strengthen the capacity of the Cooperative Bank of South Sudan (CBSS) to expand its outreach to rural areas and agriculture sector. Component 2 aims to support RPOs and value chains under Component 1 with financial services for sustainable long-term investments. CBSS will also deploy fintech technologies including biometric payments and mobile banking. Component 2 will also give special focus to women (minimum 50 percent) and youth (minimum 70 percent), as well as support to climate resilient investments.

Component 3 – Policy and Regulatory Framework Development – This subcomponent will: i) support the development of a conducive policy and legal framework for cooperative development and inclusive rural finance; ii) strengthen the capacity of MAFS staff and offices at the national, state and county level to formalize and register cooperatives and iii) support MAFS staff coordinate and implement policy and projects – related to the national policy framework for agriculture and rural development and inclusive rural finance, with support to the Government’s Project Coordination Unit and at the decentralized level.

Theory of change – The Theory of Change is based on the premise that over 60 percent of households are facing varying levels of food and nutrition security. The underlying assumption of the READ approach is that the GoSS will continue to intensify efforts to address the underlying causes of conflict, striving to promote the humanitarian-development-peace nexus and pursue ongoing commitments for economic and public finance management reforms to stabilize the economy.

To address these issues, the most effective approach for the economic empowerment of rural producers is to foster their collective and inclusive participation in economic services by their organizations, and thereby provide an appropriate governance structure. READ will adopt a group approach to enhance vulnerable household's livelihoods and resilience. The RPOs are considered as means to transform the lives of the target beneficiaries, by providing economic services to their members. The services will likely include input supply, storage facilities, collective marketing opportunities, access to financial services, equipment and agricultural advisory services. These are key to increasing productivity, reducing risk, manage and market their produce and increase income, while also representing members’ interests for bulking and bargaining power.

READ will adopt a *differentiated context-specific approach* by investing in formalized and *not-yet-formalized* groups, while adopting a graduation approach for less structured groups, and will invest in inclusive rural financial services for better access by the target groups. Policy support that underpins the cooperative sector and inclusive rural finance will be a cornerstone of the project, with capacity building of MAFS. In aligning with the post-conflict context, READ will undertake a *Peace and Conflict Analysis* to inform a *do-no-harm and peace responsive approach* capable of building peaceful co-existence between communities, and to support the development of conflict-sensitive cooperation among RPOs, their members and authorities, as well as mitigation of grievances among all RPOs involved.

These interventions implemented as a coherent package targeting the same end beneficiaries will result in (a) Empowered and formalized RPOs with improved members’ participation, capable to promote women and youth economic and social empowerment, food security and resilience to climate change, and eventually to offer services to their members for the strengthening of selected value chains; (b) RPOs and MSEs are enabled to provide improved value chain services to producers (in production, aggregation, processing and marketing); (c) Increased financial inclusion and fintech in poor and underserved areas and (d) Cooperative and IRF policy and regulatory frameworks are strengthened and operationalized. Through promoting sustainable and resilient value chain, creating enabling environment on inclusive rural finance, supporting empowerment of RPOs and improved policy frameworks, READ will contribute to improve food security, diets, income and resilience of the targeted rural households.

Environment and Social Category – The categorization of the READ project is **moderate**, as measured against nine standards for environmental and social impact, due to anticipated negative environmental and social impacts. This triggers the need to prepare an Environmental, Social and Climate Management Plan (ESMP) matrix, which will address any potential impacts.

Climate Risk Classification – The READ project climate risk classification is **substantial**, following the information gathered during design, using the tool SECAP 2021. This categorization requires the preparation of a targeted adaptation assessment, which is accordingly prepared and annexed to the PDR. Recurrent floods and droughts are a high risk in South Sudan, risking project impact. In response, risk analysis of sub-projects will be undertaken on interventions that will enhance resilience of communities and added to the selection criteria used by the Ips.

Implementation Arrangements– The MAFS is the lead executing agency for the project and will provide oversight and support to READ through the G-PCU and the relevant support committees. UNDP is designated by the government as Fund Manager and main implementing agency (IA), and will be responsible for the overall day-to-day project implementation of components 1 and 2 through the PMT, with ILO as a technical agency for component one and CBSS as implementing agency for component two. UNDP as main

IA will ensure that activities under components 1 and 2 concerning financial management and procurement systems are compliant with IFAD fiduciary Guidelines and are in place prior to the project's effectiveness. Subcomponents 3.1 and 3.2 will be implemented by the G-PCU with technical support from ILO, and strategic and policy guidance from the NAC and NTC. NAC will be the overarching governing body responsible for the project. A Project Coordination Group (PCG) comprising of project implementation entities at national and county level will maintain cross-component linkages.

Project Costs by Component and Financier (in USD)

Total project costs are estimated at US\$ 25.5 million over a 7-year period. IFAD will fund an estimated 78 percent of the total project costs through a GAFSP grant of US\$ 20 million. Other sources of funding include: a) UNDP co-financing for an estimated amount of US\$ 1.5 million (6 percent of total project costs); b) CBSS co-financing for an estimated amount of US\$ 1.8 million (7 percent of total project costs); c) Beneficiaries in-kind contributions for an estimated amount of US\$ 0.7 million (3 percent of total project costs); d) GoSS for an estimated amount of US\$ 1.4 million in-kind contribution (6 percent of total project costs).

	IFAD/GAFSP grant		UNDP		CBSS		The Government		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
A. Rural producers' organizations development												
1. Project inception activities	874.0	76.8	228.6	20.1	-	-	35.3	3.1	-	-	1,137.9	4.5
2. Strengthening RPO institutional capacity	1,427.2	90.3	-	-	-	-	153.6	9.7	-	-	1,580.8	6.2
3. Business capacity development and financing	5,895.1	78.3	509.0	6.8	-	-	377.1	5.0	752.0	10.0	7,533.2	29.5
Subtotal	8,196.3	79.9	737.6	7.2	-	-	565.9	5.5	752.0	7.3	10,251.9	40.2
B. Inclusive rural financial services												
1. Community based financial services	1,963.7	90.7	46.4	2.1	-	-	155.4	7.2	-	-	2,165.5	8.5
2. Support to CBSS expansion and agency banking	248.2	16.4	-	-	1,094.2	72.5	166.8	11.1	-	-	1,509.2	5.9
3. CBSS loan portfolio mobilization	2,298.2	75.3	-	-	750.0	24.6	2.0	0.1	-	-	3,050.2	12.0
Subtotal	4,510.1	67.1	46.4	0.7	1,844.2	27.4	324.3	4.8	-	-	6,724.9	26.4
C. MAFS capacity development and project management												
1. Conducive policy and legal environment	257.8	90.0	-	-	-	-	28.6	10.0	-	-	286.5	1.1
2. MAFS capacity building	1,691.7	80.0	-	-	-	-	422.5	20.0	-	-	2,114.2	8.3
3. Project coordination and oversight	5,344.1	87.2	695.4	11.3	-	-	91.2	1.5	-	-	6,130.6	24.0
Subtotal	7,293.6	85.5	695.4	8.2	-	-	542.3	6.4	-	-	8,531.3	33.4
Total PROJECT COSTS	20,000.0	78.4	1,479.4	5.8	1,844.2	7.2	1,432.5	5.6	752.0	2.9	25,508.1	100.0

Project Benefits – The principle quantifiable benefits of the project include: i) a moderate increase in yields; ii) a reduction in post-harvest losses; iii) an increase in the output price fetched by RPOs and MSEs, including value addition; iv) an increase in the RPO membership base; v) returns on investment yielded by the loans issued by supported financial institutions. The economic and financial analysis built on three producer-level models and four group-level models that are explicitly linked to each other, as well as two MSE models. Overall, the results of the economic analysis show that READ is a viable project, with an Economic Rate of Return (ERR) of 27 percent and a positive Net Present Value (NPV) of USD 26.5 million, against a Social Discount Rate (SDR) of 6 percent.

Summary of the integrated Project Risk Management Matrix – A number of risks and mitigating measures are identified and set in place throughout the project to counter the inherent and residual risks, which form a part of the Integrated Project Risk Matrix (IPRM). The project's overall inherent risk is assessed as substantial and residual risk as moderate.

Exit Strategy and Sustainability – The READ exit strategy draws on multiple levels of intervention to ensure handover and continuation of services after the project ends. These include: (i) certified trainers acting as resource persons within the target groups; (ii) the strengthening of profitability of RPOs and community-based financial organization (CBFO) (iii) de-risking and strengthening of CBSS banking model with CGF instrument and agent network; (iv) the institutional strengthening and capacity building of MAFS officers at county, state and national levels; (v) capacity building of the G-PCU at national level and (vi) national policy development – all which act as integral parts of the exit strategy.

Sustainability – Given the Project's central premise to support RPOs, sustainability is a core element of the READ project to be achieved through institutional, economic and environmental sustainability. In addition, the focus on institutional building will ensure that requisite capacities will be embedded in Government structures at both national and decentralized levels. The Peace and Conflict- sensitivity approach will support achievement of sustainable community and national level cohesion.

Implementation Readiness – To foster implementation readiness, a draft first AWPB, 18-month procurement plan, draft matching grants guidelines and Project Implementation Manual (PIM) have been prepared to reduce implementation delays. A draft of the MoU to be signed between MAFS and UNDP is included in the PIM, as are Terms of reference of key positions of the G-PCU and PMT. Key inception activities include: (i) fulfilment of disbursement conditions which includes the purchase and installation of accounting software; (ii) finalization of the credit guarantee facility in consultation with other collaborating partners; (iii) on-boarding of technical partners and service providers including UNDP, ILO & CBSS, and (iv) finalization of the targeting strategy in consultation with beneficiaries and decentralized Government structures.

1. Context

A. National context and rationale for IFAD involvement

a. National Context

- Political, economic and social context** – the Republic of South Sudan (hereafter referred to as 'South Sudan') is the newest internationally recognized country in the world, after it seceded from Sudan and gained independence in 2011. South Sudan became an independent state on 9 July 2011 following decades-long conflict with Sudan. In the wake of two further civil wars

(2013-2015 and 2016-2018) and the signing of a second power-sharing agreement (the Revitalised Agreement on the Resolution of the Conflict in South Sudan, R-ARCSS), South Sudan is set to resume its journey towards lasting peace and sustainable development. The R-ARCSS affirms signatories' commitment to a permanent ceasefire, a Revitalized Transitional Government of National Unity (RTGNU), humanitarian assistance and reconstruction, as well as improved economic, financial and natural resource management.

2. Notwithstanding, South Sudan continues to face significant challenges. Years of war have left the country underdeveloped, with weak economy compounded by the effects of the pandemic, mounting government debt^[2] and price volatility. Although gains were made prior to the pandemic through an uptick in oil prices and political stability that saw growth rebound and inflation decline and the exchange rate stabilize, these gains were quickly reversed due to declining oil revenues, pandemic response measures and the contagion effects of the Ukraine war on regional food security. Of the estimated 12.2 million people living within its borders, over 8 million are estimated to be living in extreme poverty and in need of humanitarian assistance.^[3] There are approximately 1.4 million internally displaced persons (IDPs) plus 350,000 refugees, the majority of whom are from Sudan.^[4] South Sudan holds sub-Saharan Africa's third largest oil reserves of about 3.5 billion barrels. The resource represents approximately 95% of exports and is a fundamental driver of Government revenue, which if optimised could enable significant gains across the SDGs. However, the lack of economic diversification also leaves the country over-exposed to fluctuations in global markets and vulnerable to regional instability.^[5] Further, the capital-intensive industry provides few opportunities for decent, formal employment with the majority of the population relying upon the informal economy as both consumers and traders, especially women, youth and IDPs.
3. **Conflict** – While the prevalence of violence in the country has declined over the past two years, localized conflict persists in many areas and peace remains fragile. According to the 2021 fragility states index rankings, South Sudan is ranked fourth globally – after Yemen, Somalia and Syria. The country continues to experience bouts of localized violence – as key drivers of conflict persist. These drivers are linked to key dynamics around political-military competition for resources by the elite; isolation of citizens from decision-making and central state government services; and lack of access to livelihoods opportunities or to natural resources, which is intensified by ethno-political divisions and militarization of cattle raiding. The re-integration of the rural population into viable livelihood opportunities is therefore a critical strategy towards the sustenance of the Peace Agreement in South Sudan.
4. In addition to conflicts, the country has suffered from the dual impacts brought by desert locusts and flooding, in 2019 and 2020, and the ongoing Ukraine war, which weakened an already fragile food security situation.
5. **Demographics** – South Sudan has an estimated population of 12.3 million with 85 percent living in rural areas, deriving their livelihoods from the agriculture, fisheries & livestock sectors. The country is ranked 185th out of 189 countries in the Human Development Index (HDI), with a score of 0.43339. It is also one of the youngest countries in the world with a mean average age of 19 years, and 45 percent of the population is below the age of 15 years of age. Population growth rate is high at 4 percent, although population density is one of the lowest in the world - with between 13 to 18 people per km², compared to 45 in sub-Saharan Africa. A total of 65 ethnic groups and 70 languages are spoken, with the 10 largest ethnic groups constituting approximately 80 percent of the population.^[6]
6. South Sudan is in dire need of initiatives that provide livelihood and employment opportunities for the youth. Youth destitution and lack of inclusion are key aspects of the two-fold economic and security issues in the country. About 60 percent of employed youth are in the agricultural sector, primarily subsistence farming and raising livestock. However, youth employment is dominated by low-productivity and unremunerated/under-remunerated work. The youth literacy rate is 27 percent, and they lack technical skills in general, and in particular young women, as 60 percent of those who do not go to school are women. Given the absence of viable prospects, young people find themselves in highly insecure and vulnerable situations. Many rural youth migrate to urban centres where they engage in low-paying jobs in the informal sector.
7. **Humanitarian Aid and Food Insecurity** – Despite being a large recipient of humanitarian aid, where about 55 percent of all official development aid disbursed in 2019 was humanitarian aid (or USD 1,679 million), the food situation remains dire. According to the recent IPC report of February-March 2022, the total number of people at IPC3 and above is estimated at 6.81 million (55 percent of the population) and is estimated to reach 63 percent in the June-September 2022 period – the highest concentration of acute food insecure globally.^[7] While the seasonal trend is upward in the lean season of July/August, the fluctuation in figures is trending upwards. Essentially, food security has experienced a reverse trend between 2013-2022.^[8]
8. The drivers of this crisis remain embedded in macroeconomic mismanagement, which although efforts by the GoSS are being made with the help of the IMF through the Staff Monitoring Programme, additional challenges related to conflict and weather-related shocks remain, resulting in a continued lag behind similar situations in sub-Saharan fragile and conflict-affect countries when it comes to resilience to shocks and domestic food production. In 2021, South Sudan cereal deficit was equivalent to 35 percent of the overall requirements for the year.^[9] Food prices continue to be a major challenge; the price of maize has increased by 200 percent between 2016 and 2021.^[10] This situation is aggravated by the effect of the war in Ukraine. Despite not importing food from Russia and Ukraine directly, South Sudan is indirectly affected by significant food price increase with imported wheat price inflation from neighbouring countries and increased prices of fuel and fertilisers that account for 30 percent of food prices.^[11]
9. **Agricultural Potential** – Agri-food sector is the backbone for the majority of people's livelihoods in South Sudan. The sector is estimated to account for 36 percent of the non-oil GDP, and employed about 50 percent of the population in 2018 (some three-fifth of female and one-third of male employment). In its broader sense, food systems are the primary source of livelihoods to some 88 percent of the rural households and to about half of urban households. For those households that practice agriculture, it is usually the main source of income (90 percent), while about 60 percent of the population is dependent on livestock rearing for food security and income generation.

10. South Sudan has a high agricultural potential to feed itself and to export food to neighbouring countries. The diverse climatic zones, fertile soils and reasonable rainy season offer good conditions for a diversity of food products. However, the country faces significant constraints to agricultural production. Only 1 to 2 percent of the estimated 64 million ha of agricultural land is cultivated in any year, and the prevalence of manual cultivation methods limits the area cultivated by households to less than two hectares on average, depending on labour availability. Furthermore, close to 80 percent of farm labour is provided by women who combine this activity with their other domestic chores. Mechanization remains marginal and is limited to land preparation and sowing essentially in demarcated medium to large-scale farms. Public investment in agriculture remain less than one percent of the total national budget and the sector remains underinvested.
11. The gap between local supply and demand in staple cereal production is around one-third, which makes food prohibitively expensive for about two-thirds and is compounding the proportion of people in need of food aid (Annex 11 – Agriculture Context). While an estimated 82 percent of the population is rural, food production is limited to the area cultivated by households (est. 0.4-1.7 hectares), depending on the availability of labour. The cereal deficit remains around half a million metric tonnes, with slight improvement in 2021 over 2020^[12].
12. **Doing business in South Sudan** - South Sudan ranks number 186th most difficult country for doing business out of the 190 countries evaluated on the “Ease of Doing Business” report. Private agribusiness sector is hampered in its development by hyper-inflation, poor infrastructure development, lack of proper firm legal base (business registration, agriculture sector policies and regulations, and import/export regulations), limited access to necessary information/data, lack of clear land acquisition processes, limited intellectual property protection, unclear dispute resolution processes, informal taxes and non-transparent taxation regime, informal markets (inputs, outputs and labor) and limited financial services. Years of conflict and economic mismanagement have profoundly disrupted markets and the remaining value chains are rudimentary. Several physical markets have stopped functioning, are poorly integrated and suffer from an underdeveloped road network and lack of security for the transporting of food products. In addition, the communities have perpetually been recipients of humanitarian aid, which may impact on their ability to engage in sustainable development initiatives.
13. **Rural Producer Organizations** – Notwithstanding the complex context, there is evidence of rural producers starting to organize themselves into economic interest groups (recent ILO study on Cooperative development^[XXXXXXXX]). The International Labour Organization (ILO) cooperatives needs assessment⁹ surveyed a total of 142 cooperatives enterprises engaged in various value chain processes across the country¹⁰ as at October 2020, serving a total membership of 11,944 registered individual cooperatives members, of which 6,026 members constituting 50.4 percent were women and remaining 49.6 percent were males. Almost 70 percent of those cooperatives are engaged in the agriculture sector (cropping activities, fishery, non-timber forestry products, dairy and agro-processing). The existence of various informal groups very often led by women is also acknowledged by the assessment, which highlights the potential to upgrade some of them into well organized and legally registered cooperative enterprises. In addition, ILO’s needs assessment identifies challenges to cooperatives’ inclusion and participation in agricultural sectors, namely: efficiency in production, product quality issues related to post-harvesting techniques, limited value chain support services and limited market information. There is potential to associate non-formalized groups to existing cooperatives to enable them benefit from cooperatives services.
14. **Access to finance** – Access to financial services is a daunting challenge both at demand and supply side, due to the complex economic, policy and regulatory context. There are 29 licenced banks in the country, with mostly urban coverage, due to lack of infrastructure, electricity, mobile network coverage, policy and registration gaps. In 2019, South Sudan installed a nationwide mobile money platform called mGurush with significant potential to drive the fintech penetration in the country. The community-based finance sector, savings and credit cooperatives (SACCO) sector and commercial agriculture finance sector are present in the country, but have all been severely impacted by the recent conflicts, displacements of people, macroeconomic instability including inflation and currency volatility, COVID-19, floods and locusts invasion, and have not yet started to efficiently build back despite the emerging steps of overall economic recovery.
15. **National Strategies and Policies on Smallholder agriculture, rural poverty reduction and enhanced food security** – The overall development vision, goals and strategy of the GoSS are articulated in the South Sudan Development Plan and its implementation framework, the South Sudan Development Initiative (SSDI). The National Development Strategy (2021-2024) seeks to prepare for the multiple threats and complex risks posed by the current context within both planning and implementation processes. Through a risk-informed approach, the NDS determines to build the resilience of the population, whilst consolidating peace, reducing the humanitarian footprint, stabilizing the economy and enabling a return to sustainable development. This goal of the NDS will be achieved through five core objectives, encompassing aspects of peace and governance (integrating key residual components of the R-ARCSS) economy, infrastructure, social development and protection, and plus empowerment of women and youth. The UN Sustainable Development Cooperation Framework (UNSDCF 2023-2025) between the GoSS and the UNCT also reaffirms the importance of development outcomes related to inclusive and sustainable economic development and growth.
16. Investment in agriculture is guided by the Comprehensive Agriculture Master Plan-Irrigation Development Master Plan (CAMP-IDRP) 2015-2040 – spanning across a 25-year period, which was devised under the framework of the Comprehensive Africa Agriculture Development Programme (CAADP) – to achieve continental and regional agricultural development. The CAMP is gender sensitive and covers key development themes addressed in READ such as food security and nutrition, youth empowerment, environment and climate change. The Plan was developed to further align with national development policies and objectives, such as Vision 2040 and the National Development Strategy (NDS), and with the policies and strategies of a number of line ministries.^[13]
17. South Sudan also has a National Nutrition Policy and has been a member of the Scaling-Up Nutrition (SUN) Movement since 2016. It has a gender policy and many policies and laws incorporating gender perspective but laws and regulations are not implemented and other are still in draft form.

18. In addition, implementation of the Rural Finance Policy (formulated in 2012 with a five-year implementation period) needs to be revisited given the absence of active SACCOs and the low indicated number of bankable members in the rural areas.
19. The procurement regulations are outdated and in conflict with International Financial Institutions (IFIs) procurement rules. Accordingly, the majority of IFIs prefer to use their own procurement rules and guidelines instead of the existing country's system. The 2011 Cooperative Societies Act is supported by the 2020 Cooperative Society By-Laws of 2020, however, strategy, policy framework and regulations that supports their implementation is needed to ensure compliance within the law.
- 20.

b. Special aspects relating to IFAD's corporate mainstreaming priorities

21. The READ project aims to be gender transformative, youth sensitive and include climate finance and prioritize people with disability. In a fragile context where women, youth and other marginalized groups (such as returnees, internally displaced persons, ethnic groups and persons with disabilities) face significant barriers to contribute to economic activities and graduate from food assistance, the READ programme will support an inclusive and sustainable approach to value chain strengthening to drive economic and social empowerment of the supported communities.
22. **Gender** – South Sudan has a Gender Inequality Index (GII) of 0.839 due to the gender norms and roles that prevail in the country, which undermine the promotion of equal rights and the ability of women to participate actively in development. Women account for over 60 percent of the population in South Sudan, and make up 60 percent of the agricultural workforce. According to the Commission on Human Rights in South Sudan, the number of female-headed households increased as a direct result of the conflict. Subsequently, female-headed households play a major role in agricultural production, yet, experience limited access to productive assets. Even though the Land Act enshrines women's land rights, access to land is confined to their husbands and male family member.
23. Extension services are also mainly targeting men at 88.7 percent compared to women at 9.7 percent. This limits women's participation in agriculture and access to credit, further compounded by low levels of literacy among women (28 percent). While national data is scarce, SSAPU's data based on 80 cooperatives suggest that 52.3 percent of members are female while 28.5 percent are female youth. Of the total number of female members, about 16 percent are engaged in cooperative boards. Notwithstanding the promising outlook, validation of women's membership, participation and leadership opportunities should be part of the envisaged group profiling under READ.
24. *Women experience time poverty*, working long hours in a day, tending to multiple responsibilities. Women are exposed to high risk of sexual harassment and violence, and *Gender-based-violence (GBV)* continues to impede women from exiting the circle of social violence. The transitional constitution aims to guarantee equality between the two sexes and promote *women's participation in public life and their representation* in the legislative and executive organs by at least 25 percent to redress imbalances created by history, customs, and traditions. However, women's voice and leadership in decision-making bodies is still limited. None of the political parties have fully met their obligations in terms of female nominees. Even though a comprehensive draft of a National Gender Policy (2013) provides a framework to mainstream gender equity across national development initiatives, gender-related policies and strategies in South Sudan are yet to be operationalised^[14].
25. **Youth** – In South Sudan, youth are between 18-35 years and consist of 70 percent of the population (72 percent under the age of 30 years, and 51 percent under the age of 18 years). The youth literacy rate is at 27 percent. While the number of girls enrolled in schools has increased over the last few years, girls school enrolment and completion rates remain low compared to boys for both primary and post-primary levels. The economic crisis, endemic violence and trauma induced by the conflict are considered key drivers of criminality, gang violence and rural cattle raiding, primarily conducted by young men to survive and gain resources for dowry payment. Against the backdrop of volatile markets and reduced job opportunities that are stable and secured, the military and security sector became the main employment option for many young men. The implicit benefits included the set-up of check-points, demand for taxes and looting facilitated through the possession of arms.^[15]
26. An exceptionally large share of the youth population is in non-wage, low-productivity employment concentrated in the agriculture sector. The youth lack training and education opportunities, marketable skills, and are vulnerable to recruitment by armed militias, further exposing their households to violence, displacement and limited productive labour (Institute of Security Studies, 2019). Many youth-based organisations, are politicised or organised along ethnic lines, limiting their potential to contribute to building peace and their participation in youth empowerment initiatives. South Sudanese laws do not specify youth representation in programmes, hence, they are always under-represented and their needs ignored, in decisions taking. Positive steps were taken, such as the approval and adoption of the South Sudan Youth Development Policy in 2020 and the development of a Youth Strategy, which can be capitalized to empower youth to influence democracy and peace building in the country. READ will support the implementation of the strategy and engage relevant stakeholders as necessary.
27. **Returnees** – Former refugees, "returnees" are women and men who return from a different county in South Sudan or often from neighbouring countries after time in exile. They return spontaneously or in an organized fashion, with the intention of remaining there permanently^[16]. The main challenges returnees face is their social and economic reintegration into their respective communities. Returnees who had access to essential services in refugee camps (e.g., food, education, WASH) are unlikely to access similar services upon their return. At the same time, communities who stayed have to share their limited resources and services with the returnees. These dynamics need to be considered in the READ programme targeting strategy in order to maintain social cohesion in the supported communities.
28. **Internally Displaced Persons** – In the context of recurring ethnic conflicts and consequences of climate change, a large number of South Sudanese are pushed to move in order to seek better opportunities. In November 2021, there were around 1.6 million^[17] IDPs in the country, 55 percent of whom were women and girls. A quarter of IDPs reside in displacement sites while

others stay in informal settlements in host communities. IDPs have limited access to essential services (because of distance[18] or because services are sometimes taxed by host communities such as WASH facilities[19]), housing and limited food stocks. The presence of IDPs in host communities and the additional pressure on resources often leads to tensions. IDPs are exposed to protection risks and struggle to access livelihood opportunities.

29. **Persons with disabilities** – Adopted from the UNCRPD, the South Sudan Disability and Inclusion Policy defines persons with disabilities as those who have long-term physical, mental, intellectual or sensory impairment which in interaction with various barriers may hinder their full and equal participation in society on an equal basis with others³. Faced with manifold structural challenges, such as access to education, employment, health care services, persons with disabilities tend to live below the poverty line. According to the South Sudan Annual School Census (ASC) in 2012, only 1.37 percent of all enrolled pupils are children with disabilities. Households headed by an individual with disability are 38 percent more likely to live in poverty than households headed by an individual without disability. The National Disability Assessment indicated that 89.3 percent of respondents with disabilities were unemployed, 4.5 percent had been employed and 6.2 percent were engaged in business[20]. That said, persons with disabilities are confronted with poor infrastructure and stigma and prejudice, hindering their ability to fully contribute to the country’s economic growth.
30. **Food and Nutrition** – According to the last national representative household survey conducted in South Sudan, about 31 percent of children under five years old are stunted[21]. In READ targeted states, stunting levels are higher than the national average and classified as high and very high public health significance. The prevalence of global acute malnutrition (GAM) among children has exceeded the last years the global emergency threshold of 15 per cent. In 2022, two million people, including 1.4 million children under five years old and 676,000 pregnant and lactating women (PLW) are expected to be acutely malnourished[22]. The poor food intake is a key driver to malnutrition. In South Sudan, only 68 per cent of infants less than six-months old are exclusively breastfed and four percent of children 6-23 months old receive a minimum acceptable diet[23]. Heavy women’s workload and suboptimal childcare practices are important factors compounding child malnutrition. Women also suffer from unhealthy diets due to limited access to food and intra-household dynamics that position women the last to eat in times of food stress.
31. **Climate change and Environment** – South Sudan’s landscape includes extensive grassland, swamps and tropical rainforest, which stretch along both banks of the Nile River. The Nile River system is the dominating physical feature of the country. It runs from south to north through the country joined by its major tributaries, the Bahr el Ghazal, the Bahr al-Arab and the Sobat. The centre of the country is dominated by the Sudd wetland, a large swampy area occupying the heart of South Sudan. It is one of the largest freshwater ecosystems (wetland) in the world, incorporating an area of approximately 57,000 square kilometres. The wetland is rich in biodiversity and around one million agro-pastoralists inhabit the area. The country’s natural assets include significant agricultural, mineral, timber and energy resources. The climate is mostly hot and dry, with seasonal rains that allow for two or three harvests a year in the country’s green belt. Climate change is driving more frequent and intense weather and climate extremes such as floods and droughts, negatively impacting agricultural production, food and water resources, and people’s livelihoods. These effects can lead to conflict and humanitarian disasters, and are increasingly contributing to displacement in different parts of the country. Apart from oil, however, its natural resources are largely unexploited and only 4.5 per cent of its potential arable land is cultivated.[24]
32. These mainstreaming issues closely interact with each other. Women empowerment is a key pathway to improve nutrition outcomes. Climate change mitigation and building the adaptive capacity of smallholders is a game changer for food and nutrition security in the South Sudanese context. Crops that are more resistant to extreme weather events and particularly those food value chains that present opportunity of income generating activities for vulnerable groups such as women and youth will be prioritised.
33. Bearing in mind the prevailing social and customary norms, the project will take deliberate efforts to integrate targeted social inclusion interventions to ensure that women, youth and marginalized groups fully engage and benefit from all the proposed project activities. As such, 70 percent and 50 percent of READ’s target groups will be youth and female respectively. The mainstreaming eligibility criteria is completed in the table below:

Table 1. Mainstreaming theme eligibility criteria

Gender transformational Nutrition sensitive Youth sensitive Climate finance

Situation analysis	<input checked="" type="checkbox"/> National gender policies, strategies and actors <input checked="" type="checkbox"/> Gender roles and exclusion/discrimination <input checked="" type="checkbox"/> Key livelihood problems and opportunities, by gender	<input type="checkbox"/> <input checked="" type="checkbox"/> National nutrition policies, strategies and actors <input type="checkbox"/> <input checked="" type="checkbox"/> Key nutrition problems and underlying causes, by group <input type="checkbox"/> <input checked="" type="checkbox"/> Nutritionally vulnerable beneficiaries, by group	<input checked="" type="checkbox"/> National youth policies, strategies and actors <input checked="" type="checkbox"/> Main youth groups <input checked="" type="checkbox"/> Challenges and opportunities by youth group	
Theory of change	<input checked="" type="checkbox"/> Gender policy objectives (empowerment, voice, workload) <input checked="" type="checkbox"/> Gender transformative pathways <input checked="" type="checkbox"/> Policy engagement on GEWE	<input type="checkbox"/> <input checked="" type="checkbox"/> Nutrition pathways <input type="checkbox"/> Causal linkage between problems, outcomes and impacts	<input checked="" type="checkbox"/> Pathways to youth socioeconomic empowerment <input checked="" type="checkbox"/> Youth employment included in project objectives/activities	
Logframe indicators	<input checked="" type="checkbox"/> Outreach disaggregated by sex <input checked="" type="checkbox"/> Women are >40percent of outreach beneficiaries IFAD empowerment index (IE2.1)	<input type="checkbox"/> Outreach disaggregated by sex, youth, indigenous peoples (if appropriate) Output level Cis CI 1.1.8 Mandatory Outcome level Cis (at least one of below) CI 1.2.8 CI 1.2.9	<input checked="" type="checkbox"/> Outreach disaggregated by sex and youth	
Human and financial resources	<input checked="" type="checkbox"/> Staff with gender TORs <input checked="" type="checkbox"/> Funds for gender activities <input checked="" type="checkbox"/> Funds for IFAD empowerment index in M&E budget	<input type="checkbox"/> <input checked="" type="checkbox"/> Staff or partner with nutrition TORs <input type="checkbox"/> <input checked="" type="checkbox"/> Funds for nutrition activities	<input checked="" type="checkbox"/> Staff with youth TORs <input checked="" type="checkbox"/> Funds for youth activities	<i>To qualify as climate-focused, a value amount for adaptation and/or mitigation finance must be inserted in Section G.a. on Project Costs. Refer to the Climate Finance Tracking Annex of the IFAD Project Design Guidelines for detailed guidance.</i>

c. Rationale for IFAD involvement

34. The complex South Sudan context, as presented in the contextual analysis, demands a mix of approaches to support the transition from humanitarian aid to sustainable development and lasting peace. This includes deliberate efforts to support agriculture production, food security and agro-enterprise development, complemented by interventions focused on rebuilding human and social capital, trust, durable relationships and partnerships. Such an approach requires a careful mix of conflict-sensitive strategies that increase women’s empowerment, building an enabling environment for youth to access economic opportunities and promote social and community cohesion.
35. The 2021 World Bank-FAO study on approaches for transforming the agriculture sector from humanitarian aid to a development growth path, identifies the following priority areas of intervention: (i) investments in social and human capital through community-based approaches; (ii) strengthening farmer organizations to enable access to technology, inputs and markets; (iii) pursuing territorial approaches to consolidate social and environmental dimensions and contribute to peace; (iv) promote opportunities to support development of a nascent private sector; and (v) restoring human and institutional capacities at various levels. The National Development Strategy (2021-2024), confirms these general principles, and commits the Government of South Sudan to providing an enabling environment to support the transition from humanitarian aid to sustainable development.
36. The READ project lies squarely at the centre of promoting private solutions for rural smallholders’ producers, by professionalizing rural producers’ organizations, including cooperatives and less organized or informal groups at pre-cooperative stage. It will do so holistically, building RPOs and orienting them to become business entities, by endowing them with business tools, capital and equipment needed to unlock their business potentials. The project will also aim at linking supported RPOs to downstream market-based opportunities at the local level.
37. IFAD is therefore well placed to support READ, which builds and leverages off the less contentious areas of value chain development, and also works on growth areas such as agribusiness development, which remain nascent, with full of potential to build trust among communities. IFAD will draw on experiences in the recently approved South Sudan Livelihoods and Resilience Project (SSLRP), IFAD’s strategy for engagement in countries with fragile situations, and experiences in other post-conflict countries such as Afghanistan and Iraq. IFAD’s engagement under READ will be anchored within the context of the *humanitarian-development-peace* nexus. READ aligns with the Government’s own policy priorities enunciated in the Comprehensive Agriculture Master Plan (CAMP) and within its five development themes, and the Revitalized Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS), which commits to restoring economic foundations by generating employment and improving livelihoods, while noting IFAD’s Country Strategy Note (2021-2022). READ’s approach offers flexible programming in the event of sudden changes and resilience development for longer-vision aspirations, reflecting a change in direction towards peace and stability.

B. Lessons learned

38. **Women play a critical role in addressing household food insecurity and nutrition goals** In South Sudan development partners, such as UNDP, FAO, WFP, WB and AfDB as well as local NGOs, such as CARE and CORDAID, have supported women-centered initiatives that promote their empowerment and their social and economic integration. Other countries in fragile context, such as Eritrea in the NAP project, have successfully supported empowerment of women. The experiences drawn from these initiatives attest that women contribute largest share of labour force in agriculture and livestock, especially small ruminants which contribute to household incomes and nutrition. Women are also involved in agribusiness enterprises, but face various challenges that constrain their business development, such as access to finance and productive assets, especially land and factors of production. Activities that will drive integration of women in economic activities are given priority in RPOs development. The RPOs will promote women membership and their active participation in leadership within their organizations. Labour saving technologies and financial literacy initiatives and nutrition related activities will be integrated in READ components to primarily target women. Women will also benefit from enterprise development interventions including development of business plans and access to finances and markets.
39. **The cooperative movement galvanizes holistic value chain development** As reported by the recent ILO study^[25] (cited above), existing cooperatives are characterized by limited membership, weak service provision and almost nonexistent of higher level/union organizations. Nevertheless, the emerging farmer cooperative movement in South Sudan is an asset to build upon to improve the food security and nutrition of rural populations, their resilience to climate change and increase their access to more profitable markets. A few initiatives have been implemented in support of cooperative business initiatives in selected value chains (e.g. a program by UNCDF focusing on peanut paste and organic cooking oil^[26], and a joint project by Nespresso and Technoserve focusing on coffee^[27]), with only one FAO initiative supporting the establishment of pre-cooperative groups and the formalization of cooperatives^[28]. READ design is set to address gaps and challenges of cooperatives in a holistic manner, across different value chains, with emphasis on development of institutional and business capacity to access finance, building enabling business environment, strengthening regulatory framework (cooperative act) and support their growth/graduation through capacity building and access to productive assets.
40. Access to finance is a critical constraint to the development of small business enterprises, including those of cooperatives and less formalized producer organizations. Consultations with various stakeholders, such as South Sudan Women entrepreneurs, South Sudan Cooperative Bank and others pointed to distrust, distance, affordability (high interest rates, transaction costs and unattainable conditions) as well as financial illiteracy as major barriers on demand side. On the supply side, key challenges include factors such as weak financial infrastructure, lack of credit infrastructure, documentation requirements, lack of pro-poor financial products and limited banking facilities in rural areas, resulting in limited uptake of financial services across the country. Further, lessons from partners such as UNDP's YEDCB project and CORDAID indicate that the Village Saving and Loans Association (VSLAs) have shown the potential of group-lending models in the context of South Sudan to increase access to financial services at the community level, but most of them are not formalized, and lack institutional and organizational capacities. The presence of Saving and Credit Cooperatives (SACCOs) in rural areas is limited, but present the potential to access wholesale credits for on-lending to their members. READ, in collaboration with CBSS, under component 2 will expand availability of finances to project beneficiaries (members of RPOs enterprises, SACCOs, VSLAs and SMEs) through its agent network model, diversification financial products and a guarantee fund. A number of rural finance projects in the region such as FARMSE in Malawi, RUFEP in Zambia and RUFIP III in Ethiopia have applied similar approaches which have informed the design of READ's Component 2.
41. **Adapted Implementation Arrangements** The context characterized by fragility, limited institutional capacities, and inadequacy of coordination mechanisms, requires implementation arrangement that is adapted to challenges and constraints to effective delivery of goods and services to project beneficiaries. In South Sudan, all International Financial Institutions (IFIs) including IFAD uses third-party implementation arrangement, such as UN agencies and non Governmental Organizations (NGOs), with demonstrated comparative advantage for the context. Lessons from these practices show that third party project implementing entity with adequate country presence and experience working in the country can offer important levels of flexibility and adaptive action to a sudden change in the security situation and lead to a rapid resumption of activities, while managing fiduciary risks.^[29] Although this arrangement tends to increase programme management costs and coordination demands, the efficiency and effectiveness gains outweigh these shortfalls. The implementation of READ will thus be managed by UNDP as the Fund Manager, under the oversight of the Government of South Sudan through the G-PCU in the Ministry of Agriculture.
42. **Flexibility at implementation minimizes risks to achievement of project objective.** In fragile context situations, flexibility is critical to keep implementation at pace. Lessons from other development partners in the country suggest the importance of adopting a flexible implementation approach that allows quick adjustments in case of emergence of conflict situations in project areas. Experience from other projects in South Sudan and other countries with similar contexts, such as Afghanistan and Somalia, shows that a sudden change in security situation requires flexible programming and scenario-based planning. This helps to mitigate risks of project disruptions and improve the chances of maintaining gains for resilient outcomes.^[30] Building on analytical work done by other development partners, such as ILO, WB and IFAD-SLLRP a Peace Conflict Analysis will be undertaken at the inception of READ to develop an in-depth understanding of the conflict patterns and devise conflict-friendly approaches in the project components that would minimize the risk to reaching project objectives. It is also envisaged that READ will undertake an early mid-term review within 3 years of implementation to reflect on context changes that would warrant project re-orientation and/or changes in terms of implementation arrangements and approaches. In addition, READ foresees modular and phased implementation to ensure that conflict in one geographical location will not impact on the entire project.
43. **Capacity development of institutions requires a judicious approach.** The capacity of States, Counties and Payams is extremely low. Donors and partners have invested heavily in developing the capacity of the nascent administration, both nationally and at state levels to improve their technical skills, systems and infrastructure. For instance, the 2007-2013 Sudan Productive Capacity Recovery Program built the capacity of the ministries of agriculture, forestry, livestock, fisheries and animal

resources of five states (Northern Bahr el Ghazal, Western Bahr el Ghazal, Lakes, Western Equatoria, Central Equatoria and Unity) and 14 counties (FAO 2013). As donors withdrew with the escalation of the conflict, the capacity of government and state ministries declined, accelerated by the economic crisis. To date, staff retention at these levels has become a significant challenge, with trained personnel moving to other sectors for better remuneration. In addition, mandates of the county and Payam agricultural departments remain unclear. Capacity gaps in MAFS, both in terms of policy frameworks in relation to cooperative and rural finance regulatory frameworks, will be addressed by the READ project, which will also promote training and capacity building for MAFS cooperative staff both at central and decentralized levels, under component 3.

44. **Climate change impacts on food production is threatening the resilience of communities.** Over the last several years, food production and food security in South Sudan have deteriorated to alarmingly low levels, particularly since the current conflict began in 2013, and exacerbated by the drought beginning in 2015. Recent extreme events such as floods (2014, 2017) and droughts (2011, 2015) have led to deaths, displacement, and destroyed livelihoods for many working in the agriculture sector. Variable rainfall puts these communities further at risk. Potential increase in either intensity or frequency of extreme weather events and continuation of erratic rainfall threaten food security and the sustainability of rain fed agriculture sector in South Sudan. If seasonal rainfall declines or is poorly distributed, food access could be affected in two inter-related ways. First, reduced seasonal crop production due to low rainfall would force households to purchase more of their food. Second, climate-induced food price volatility could require households to spend more of their income on food. In addition, climate-related disasters, such as floods, limit physical access to markets. Generally, the two most anticipated climate impacts in South Sudan and their specific impacts are: (i) increase in temperature – will increase evapotranspiration in plants and soil moisture, increasing the amount of water crops will need. It will also cause potential increase in pest and pathogen outbreaks in crops and livestock; and (ii) Increased variability of rainfall – including potential increases in droughts, floods, and changes in the onset and duration of the rainy season – may lead to additional agricultural impacts such as increased competition for water resources during droughts between pastoralists and farmers, while floods will decrease crop and livestock yields, delay or shorten the rainy season and cause crop failure.[\[31\]](#)
45. **Matching grants offer investment incentive to rural Producer organizations.** In the absence of vibrant market-based solutions to rural finance in the country, the matching grants instrument is proposed for READ. The UNDP's experience suggests the need to work with existing delivery mechanisms and develop clear eligibility criteria to avoid the risk of elite capture. Lessons from project in other countries in the region, such as, Kenya Climate Smart Agriculture (WB), and the Smallholder Dairy Commercialization Project (IFAD) and the Malawi Rural Livelihood and Economic Empowerment Project (IFAD), among others shows that matching grants promote inclusive access to finance for market-led investments in agriculture value chains to smallholder farmers through their producer organizations, such as cooperatives and agribusiness groups (SMEs). Furthermore, lessons from these projects suggests the need for stringent economic viability appraisal of proposals for grant funded investments; flexibility in the forms of contributions (both cash and in-kind contributions) by the grantees to reduce the exclusion of the poor due to their liquidity constraints. In READ, the matching grants will be used to reduce risks associated with new investments in agribusiness by RPOs and MSEs in component 1. The RPOs will be supported to develop viable business plans and proposals to be funded through the matching grants. In addition, a competitive selection process will be applied to ensure inclusive access to matching grant resources. The draft Matching Grant guidelines (in Annex 16) has been developed, stipulating eligibility criteria and the grant rewarding process that will be followed. The guidelines have included key elements to curb elite capture.

2. Project Description

C. Project objectives, geographic area of intervention and target groups

Project objectives, geographic area of intervention and target groups

46. The overall goal of the Rural Enterprises for Agricultural Development (READ) project is to 'improve food security, income and resilience among the targeted rural households.' The Project Development Objective is to 'empower Rural Producers' Organization (RPOs) as sustainable and resilient food value chain players. The strategy for achieving this is built on the RPO (Agricultural Producer Groups and Cooperatives, as well as Village Saving and Loans Associations (VSLAs), Savings and Credit Cooperatives (SACCOs)) and MSEs, as central to restoring individual/household and collective capital and assets, and towards attaining greater social cohesion and peace consolidation.
47. **Geographic Intervention Area and Targeting Criteria** – The project will work in six pre-selected counties in six states – for regional balance – guided by ranking of all counties using an evidence-based approach to be validated at inception, for implementation under phase I. County selection criteria will have a clear definition and data source that guarantee transparency and legitimacy of the selection process in a conflict-sensitive context. The criteria used are as followed: (a) synergy with other projects or potential for scaling up, (b) agricultural productivity potential, (c) low risk of future conflicts, (d) availability of RPOs, APGs, SACCOs, VSLAs and MSEs, (e) accessibility, connectivity and habitability, (f) climate change risk level, and (g) acute food insecurity. Depending on the security situation, availability of additional funding and achievement of key results in the first six counties; the project may expand to all twelve counties, building on the lessons learned and best practices from the first three years of implementation. The PIM outlines the structure of the phasing strategy, including geographic areas, value chains, and key results (outputs and outcomes).
48. **Target Groups** – The primary target groups are poor smallholder producers organized through economic and special interest groups such as Agricultural Producers' Organizations (RPOs), such as Agricultural Producers' Groups (APGs), marketing cooperatives, Village Saving and Loans Associations (VSLAs), Saving and Credit Cooperatives (SACCOs), as well as MSEs. The READ project will reach a total of approximately 27,511 households (equivalent to 162,315 beneficiaries) through their RPOs

(29 cooperatives, 240 APGs, 300 VSLAs and 24 SACCOS). Special focus will be given to women (50 percent), youth (70 percent) and vulnerable groups.

49. **Targeting Strategy** – READ will apply a combination of geographic targeting, self-targeting and direct targeting mechanisms. In terms of self-targeting, at least 75% of READ selected value-chains will be suitable for women, youth and vulnerable groups (including returnees and ethnic groups); leverage on informal youth networks and VSLA's, which are usually composed of women, to ensure self-selection and inclusion of women and develop and roll out tailored financial products for women groups, returnees and young entrepreneurs from different ethnicities. READ provides services in line with the needs of all of the target groups. Pro-poor criteria, as well as a social inclusion lens will be applied to the value chain and market opportunity analyses to avoid elite capture and ensure adequate targeting and benefits for the READ target groups engaged in value chain development activities. Additionally, direct targeted activities will be designed for the most vulnerable groups. READ will deliberately support and establish new APGs with quotas for vulnerable groups (e.g., poor households, returnees, IDPs), including women-only groups (at least 30 percent) and youth-only groups (40 percent), and provide capacity-building to graduate to cooperatives. Out of the MSEs supported, 40 percent shall be women-led and 50 percent shall be youth-led. READ will pay particular attention to ethnic balance to avoid the false perception of preferential selection of one group over another. Further, 60 percent of the asset and grant transfer will go to youth- and women-led RPOs. Deliberate interventions on empowerment and capacity building will build confidence to target beneficiaries with less voice and power and enable them to actively engage in project activities. As such, capacity development interventions through RPOs will be adapted to the context and tailored to the needs and interests of the target beneficiaries. Targeting mechanisms, such as ceilings for matching grants, will be further defined in the READ Targeting strategy which will be developed at inception stage based on the county profiling and value chain analysis (see draft outline in PIM Annex 9).
50. READ will mobilize women and youth through informal channels, apply Gender Action Learning System (GALS) approach onto RPOs, provide leadership training and build financial literacy. To set an enabling foundation for women, youth and vulnerable groups, READ will promote a conducive policy and institutional environment. Participatory processes, capacity building of key project staff and implementing partners as well as close consultations with elders, local authorities and husbands will be central to boost participation of the most vulnerable. That way, the following quotas can be achieved: 50 percent of the beneficiaries will be women, 70 percent youth, 10 percent returnees and to the extent possible, 5 percent PWDs. To measure the target beneficiaries' progress against selected vulnerability indicators, a categorisation model will be used, in addition to the graduation model of the RPOs. In this regard, a simple poverty index will be defined, based on key indicators, which will be measured at the project baseline, mid-term and endline as part of the impact evaluation plan (see more details in the PIM).
51. **Gender focus** - (50 percent of the beneficiaries will be women). Being cognizant of the patriarchal structures limiting women's empowerment, READ must apply a holistic approach, which involves men, especially elders, local authorities, and husbands, from the onset. By sensitizing male figures, they will comprehend the added value brought to the household and facilitate READ's activities. The GALS methodology will be applied to the groups to address unequal power dynamics within the groups and households and set forth a path for change in behavior and practices, pivotal to enact transformational change. In short, gender-transformative results will be achieved via three pathways: (i) economic empowerment through increased access and control of resources (ii) ensure women occupy decision-making positions in RPOs that provides them with leadership training, mentoring and elevates their voice and participation in policy engagement activities; 40 percent of RPOs selected will have women in decision-making positions; and (iii) promote equitable division of labour in the household and in the community - alongside the provision of time and labor-saving technologies, awareness creation and facilitation of procedures to address pervasive SGBV.
52. **Youth focus** - (70 percent of the beneficiaries will be youth, out of which 50 percent are young women). Leveraging on RPOs, APGs, MSEs, READ will offer productive livelihoods in the agricultural sector and build entrepreneurial marketable skills for young people to establish a productive life away from conflict. Youth empowerment will be achieved through: (i) economic empowerment through job creation via youth-only groups (at least 40 percent of newly established APGs), youth-led MSEs (50 percent) and increased participation in formalized RPOs, SACCOs and VSLAs along selected value chains ; (ii) capacity strengthening in enterprise development through skill-based training; (iii) implementation of market-oriented business plans via matching grants and asset transfers (60 percent of grants and assets will go to youth-, and women-led RPOs); (iv) support linkages to markets; (v) financial literacy training; (vi) increased participation and leadership in RPOs and rural-decision making bodies, (vii) enhanced voice and participation in policy engagement activities.
53. **Nutrition focus** – the project does not intend to be nutrition sensitive although it integrates selected nutrition activities to build capacities and address needs of selected vulnerable groups. The project will promote market-oriented safe, diverse and nutritious food production through selected value chains, via the Rural Producers Organisations (including post-harvest management, safe value addition, processing and packaging–, reduction chemical residues) - special attention will be given to quality and food safety standards;
54. VSLAs representing or serving vulnerable groups, such as women will be targeted with home garden kits (including seeds, tools and training), collective initiative that can be expanded to individual households members;
55. Nutrition - healthy diets and dietary diversity will be part of awareness creation and capacity development among beneficiaries, whereby existing and proven nutrition messages will be integrated in communication materials and ILO capacity building modules. RPOs will be used as a platform for awareness raising and behaviour change on gender equity and healthy diets. The service providers with relevant experience in implementing food and nutrition awareness and training activities will be deployed to undertake these activities. Materials for Social Behaviour Change Communication on healthy diets developed by the other IFAD-funded programme – SSLRP will be used for READ.
56. **Environment and climate change** - Consequences of climate change such as recurring flooding and droughts are also a large driver of vulnerability. In November 2021, 7.5 percent of the population was affected by flooding in 33 out of the 78 counties; with detrimental impact on livelihoods, access to services and waterborne diseases. During the public consultation with RPOs,

Cooperatives and SMEs, climate change induced drought and floods emerged as the main development and livelihood challenges in South Sudan.

57. READ will have negligible or no contribution to emission of greenhouse gases. Mainstreaming of climate into project components will ensure environmentally friendly design and implementation of subprojects. The beneficiary RFIs will be capacitated to ensure that they provide loans (line of credit) to finance interventions that enhance resilience of the community's against climate change. Based on classification of READ for climate impacts, a targeted adaptation assessment is prepared and annexed to the PDR.
58. According to IFAD's Climate Adaptation in Rural Development (CARD) assessment tool, crop production will be decrease in South Sudan under climate change. The main findings of the tool are:
 - In Eastern Equatoria state, production of Cassava in 2023-2025, Sorghum and Maize in 2024 and 2025 will increase under climate change. The production of other crops such as Groundnut, Maize, Millet, Peas, Rice and Soy will decrease. Managed Grass production will also increase in Upper Nile State in 2023 and 2024. Production of crops in Western Equatoria and Northern Bahr El-Ghazal states will decrease during 2023-2032 under climate change.
59. The above two findings can lead to the conclusion that: (i) Climate change will affect crop production in majority of South Sudan and (ii) Climate adaptation options should be mainstreamed in to government and developmental partners' efforts to reduce climate risk and also to increase crop production.
60. Based on the Substantial classification for climate impacts, Climate Risk Analysis and Targeted Adaptation Assessment has been prepared. The Assessment includes the prioritized adaptation interventions that could be incorporated into business plans and integrated into project activities. The Second Nationally Determined Contributions (2021) of South Sudan and IFAD's Adaptation Framework have been used to select the best strategies and adaptation options for READ project. The targeted adaptation assessment is annexed to this PDR and all finance institutions, including CBSS, should make use of it. Accordingly, the following climate adaptation and mitigation strategies for agriculture, infrastructure, industry and forestry have been identified for READ: Adaptation strategies: (i) Promote climate-smart agriculture and livestock techniques, (ii) Adoption of digital solutions to keep farmers informed about agricultural markets, (iii) Promote the use of climate-resilient seeds and crops. (for example, utilizing varieties of flood-resilient rice in flood-prone areas), (iv) Establish early warning systems, (v) Promote community-based watershed management, (vi) , and introduce an index-based agriculture insurance system in the country.
61. The most important adaptation measures that can be applied to all sectors/sub sectors, identified from IFAD's Adaptation Framework, to reduce climate risks are:
 - Build coastal and river flood defenses near vulnerable farming areas
 - Improve existing irrigation systems to reduce water loss
 - Introduce new varieties of existing crops, e.g. with greater drought or flood resistance
 - Build expertise in the use of climate forecast information for improvement of cropping strategies and yield forecasting
 - Implement Agroforestry techniques
 - Develop early warning systems to improve response to climate disasters
 - Change approach to farmland management to work with flooding, rather than fighting against it (particularly in flood plains where flood sediments increase productivity of pastures)
 - Identify alternative sources of water supply during drought
62. **Implementation of adaptation interventions:** The prioritized adaptation interventions will be implemented through: (i) Capacity development to cooperatives and farmers to integrate adaptation options that can best fit to the agro-ecology and (ii) CBSS will evaluate business proposals for loan acquisition with climate lens. To this effect, a preliminary climate risk analysis will be undertaken for business proposals that are eligible for loan and prioritized adaptation interventions will be integrated into activities considered in the business proposals. For example: interventions that will be implemented in drought prone area should consider drought resistant crops and livestock production, water conservation etc. and those projects in areas experiencing flood should consider flood protection, water intensive crops such as Rice, Soybeans, Wheat, Sugarcane, Alfalfa and Pasture.

D. Components/outcomes and activities

63. READ's development objective will be achieved through interventions under three technical components presented hereunder: (i) Rural Producer's Organisations Development; (ii) Inclusive Rural Financial Services and (iii) Policy and Regulatory Framework Development.
64. **Component 1: Rural Producers; Organizations Development.** The objective of this component is to ensure RPOs comply with the legal framework requirements of cooperatives, and that they conduct climate smart business in a professional manner^[32] and align with the READ targeting strategy for inclusion of the smallholder producers, women, youth and other vulnerable groups. The ultimate aim is to improve the social and economic welfare of RPOs and cooperative members, while creating opportunities for other actors interested in developing micro-enterprises along the specified food value chains. Strengthening the fragile food production system in targeted counties will increase food production and productivity, encourage producers to invest further in their farm and improve households' food security. An underlying strategic agenda to promote women and youth will be pursued, to enhance their membership in RPOs and their inclusion in leadership positions at the decision-making level, as well as integrating nutrient-rich foods and climate resilient value chains.
65. The **Expected Outcomes** are: i) Empowered, inclusive and formalized RPOs with improved members' participation; and ii) RPOs and MSEs are enabled to provide improved climate resilient value chain services to producers (in production, aggregation, processing and marketing). These outcomes will be achieved through a set of interventions under three sub-components: a) Selection of Climate Resilient Food Value Chains, Group Profiling and Sensitization of the Selected Entities; b) Institutional and

governance capacity development of RPOs; c) Supporting climate smart Business Capacity Development and Financing.

66. **Sub-Component 1.1: Selection of Climate Resilient Food Value Chains, Group Profiling and Sensitization of the Selected Entities.** This sub-component will focus on baseline assessments and analytical activities that will guide the overall project implementation strategy, focusing on: i) selection of climate resilient value chains, through VC analysis; ii) mapping/profiling of Rural Producer Groups (APG), VSLAs, and SACCOs and identification of participating partners, such as service providers; iii) conduct Market Opportunity Analysis for high value crops and iv) undertake Peace and Conflict Analysis (PCA) to ensure a stable operating environment and increased market penetration. These activities will form READ's start-up phase and will not only serve as an entry point for implementation, but also help to validate targeting approach and identification of specific tailored interventions to facilitate sustainable empowerment of women, youth and other vulnerable groups.
67. **Selection of Climate Resilient Value Chains.** The objective of value chain selection is to promote value addition and market participation for farmers in project areas. To achieve this, a value chain analysis will leverage on previous studies conducted by various partners (UNDP, Cordaid, FAO, Government of SS). The VC selection criteria will focus on key parameters defined in the PIM, that include abundance of natural resources, climate impacts, production area, relevant agricultural food systems, such as market demand, food and nutrition security, gender and youth empowerment and employment opportunities. An evidence-based participatory selection criteria that resonates with the short and medium-term plans of the county/country government policies will also be used to select the value chains. In addition, the analysis will include impact of value chain on livelihoods of various ethnic groups residing in targeted areas. Each county will have 2-3 pre-identified value chains which participating female and male farmers can select from and maximum of 6-7 at project level. Value-chains perceived as a source of conflict will be avoided. Strengthening value chains that are most suitable to women will ensure the sustainability of women economic empowerment opportunities.
68. **Groups profiling and selection of beneficiaries.** The project will establish an inclusive and cost-effective platform to deliver services to the dispersed small-scale producers, returnees, women and youth in the target area. Through a participatory process, detailed profiles will be developed for all the RPO and MSEs in the target counties. The profiling will include collection of critical baseline information about their current status, operational functions, legal status, membership base (disaggregated by sex and age), board composition, if applicable, strengths and gaps, such as missing VC actors, as elaborated in the PIM. The group profiling will also include basic data on members and their differentiated challenges, needs and priorities. A participatory approach will be used to select RPOs aligned to the value chains and have at least 70 percent youth and 50 percent women at membership level, however youths or women led RPOs will be given priority. In addition, selected RPOs should have women and youth in decision-making positions (40 percent and 30 percent respectively out of all selected RPOs). The VSLAs, which will mostly be comprised of women, will be a key entry point for women empowerment interventions such as labour-saving devices, homestead gardens, nutrition education and promote a saving culture among women and their access and control of resources.
69. **Market Opportunity Analysis for high value crops.** This analysis will explore the various market opportunities around the identified value chains and value chain actors, in local, regional and possibly international markets for high value crops. The analysis will assist RPOs to identify opportunities outside of their local networks and help them to forge linkages with new and existing players within the specified and identified project value chains. Opportunities for women-led RPOs will be prioritised.
70. **Peace and Conflict Analysis.** This analysis will be led by UNDP with the support of a research centre (Think Tank). The PCA will not only inform the project strategies and activities but aid the development of policies and programming on appropriate governance structures, accountability mechanisms and business models for economic service delivery while ensuring consistency to the principles of 'do no harm' and peace responsive approaches. The analysis will include assessment on how project interventions could interact with the conflict dynamics, including inter-communal tensions. To this end, the analysis will identify actors, drivers, dynamics, dividers and connectors of peace and conflicts to minimize negative impacts, avoid triggering inter-communal tensions while also maximizing positive impacts.
71. **Sub-component 1.2. Institutional and governance capacity development of RPOs.** This sub-component will strengthen the institutional and governance capacity of RPOs, and create a conducive platform that advances gender equity and youth inclusion, as well as awareness raising on climate resilience, food and nutrition security. The sub-component aims to formalize 240 APGs or strengthen 24 underperforming cooperatives into viable entities by the end of the project period. This will involve merging, formalizing, graduating and empowering them to work within the confines of the legal framework to deliver efficient and effective economic service to their members.
72. The proposed interventions and delivery models are elaborated in the PIM, and they include equitable institutional and governance capacity building, membership mobilization and sensitization, among others of existing and newly formed RPOs (APGs or cooperatives) and VSLAs and SACCOs to enhance quality of their business model, strengthen governance structures, conduct trainings on leadership (including empowering women and youth to take on leadership positions, 40% and 30% out of all supported RPOs respectively), finance, management and compliance for their boards as well as address cross cutting issues, such as the development and implementation of climate sensitive business plans, gender equity, Gender Based Violence (GBV), youth employment, child labour and nutrition, aimed at creating strong and inclusive organizations. To achieve this the sub-component will benefit from the development and adaptation of ILO Capacity Building Modules (including Gender Entrepreneurship Together Ahead) in line with the annual capacity needs assessment, Training of Trainers and roll-out of trainings to RPOs.
73. In each APG, a group leader will be identified and trained to convey key messages and facilitate dialogues on balanced diets and gender equity. Additionally, a home garden kit (including climate resilient seeds, tools and a leaflet) will be provided to VSLAs as a collective initiative led by the group leader. The climate resilient seeds will be multiplied and together with the tools be shared among the VSLA members (priority will be given to the most vulnerable households with children under two years old) to enable them start their own homestead gardens. With the use of water cans on a small area, home gardens provide additional and diversified foods to sustain food and nutrition security of households.

74. **Sub-component 1.3. Supporting Business Capacity Development and Financing.** The focus of this subcomponent is to enhance the business skills and facilitate access to critical infrastructure needed by the RPO to support their businesses in efficient and professional manner - aiming at increasing their market participation and value addition support for their members – and ultimately increase members’ income and food production (key drivers of food and nutrition security). This subcomponent will finance investments focusing on: (i) improving business skills and development of climate resilient business plans; (ii) support grading of RPOs to determine their level of market preparedness and interventions needed [33]; (iii) provide mentorship, coaching and facilitate peer-to-peer learning programmes among RPOs, women and youth; (iv) support services of specialized critical staff; [34] (v) asset transfer and matching grant to support bulking and value addition; and (v) support adherence to product quality standards (including food safety) [35] and market linkages through UNDP digital market platform and market information sourced from other players (WFP, FAO).
75. The market preparedness level of all participating APGs/Cooperatives will be undertaken using a diagnostic capacity needs assessment tool and baseline information availed under sub-component 1.1. The Capacity Implementation Building Plan (CIBP) will grade the RPOs into three maturity levels - based on their governance, volumes and market penetration. These levels will determine the type of financing windows (matching grants or asset transfer) and infrastructure support required to transition each entity to the next level.
76. To enhance social inclusion, avoid elite capture and create employment opportunities for youth, a categorisation model along with a wealth ranking will aid the selection of the most vulnerable beneficiaries. Overall, 60 percent of the asset transfer and matching grant window will be targeted to youth and women-led RPOs, for their members. The selection of business plans will undergo a rigorous screening process to: (i) make sure that climate risks are identified and adaptation option integrated into activities, (ii) prioritise proposal that promote labour-saving technologies for women, and (iii) exclude proposals, which create adverse and environmental impacts and exclusion of affected ethnic groups in targeted areas. As market, processing and storage facilities may be financed, READ will closely consult with local authorities, elders, chiefs and targeted communities to avoid any disruption of indigenous use of land, and seek their free, prior consent.
77. **Component 2: Inclusive Rural Financial Services.** The main objective of this component is to build sustainable long-term access to inclusive rural financial services among the project target groups, within a fragile context, to improve households’ purchasing power and capacity to meet their essential needs. The specific objectives are to: (i) enhance the capacities of target groups to access climate sensitive financial services and products; (ii) enhance the capacity and outreach of inclusive rural financial institutions (VSLAs/SACCOs); (iii) leverage VSLAs’ potential to provide social services to their members; and (iv) strengthen the Cooperative Bank of South Sudan rural and agriculture finance outreach and delivery of quality services to rural population. The interventions under this component will be delivered through two sub-components: a) community-based financial services; b) CBSS expansion, development of agency banking network and CBSS loan portfolio mobilization. The expected outcome from this component is ‘increased financial inclusion in poor and underserved areas.
78. **Sub-component 2.1: Community-based financial services** – This sub-component aims to enhance the capacity of community-based financial service providers to deliver affordable and climate sensitive financial services and products. This will entail: (i) the formation and/or strengthening of rural financial institutions (RFI) – VSLAs and SACCOs, (ii) support the graduation and transformation of VSLAs into SACCOs (iii) the provision of specific targeted training to RFIs, (iv) financial services tailored to the needs of RPOs and their members, and more specifically to rural women and youth.
79. **Sub-component 2.2: CBSS expansion and development of agency banking network** – The CBSS, was requested by the Government of South Sudan to partner with READ, to increase its rural outreach and strengthen inclusive rural finance (IRF) services in rural South Sudan. CBSS has committed to expand its presence and banking model in the project area. An expansion strategy has been developed by CBSS, with a commitment to open 1-2 new branches in the project area as part of its co-financing for READ. CBSS will also extend its outreach through an agency banking model that will empower cooperatives and SACCOs to serve as its banking agents. CBSS will provide to the respective agents MIS support and point-of-sale (POS) machines and licenses. In addition, CBSS will further its outreach by: (i) extending the provision of wholesale loans to cooperatives (including SACCOs and agricultural/marketing cooperatives) for on-lending to their members and (ii) extending direct loans to APGs, VSLAs, Cooperatives and MSEs, in the target areas. Some of the loan products will include farm input loans, pre-harvest loans, post-harvest loans, farm implements and machinery financing, working capital and invoice/purchase or discounting. CBSS loans to RPOs will complement the asset transfers and the matching grants scheme under component 1, as follow-up financing, to ensure long-term impacts from their investments. The loans will be provided on a subsidized interest rate basis by CBSS, tied with a subsidy from READ. Agricultural insurance will be integrated on the loan against weather and supply chain shocks. CBSS will also establish an environmental and social safeguard system, whereby business plans are screened against their environment, social and climate impacts.
80. The component will also facilitate CBSS by providing a reasonable level of risk cover to the lender, while also providing an affordable level of service to the borrower. The project will set up a credit guarantee fund (CGF), which will be used to collateralize loans and cover default loans among the target groups of READ sector, on proof of concept basis, towards the government’s vision of de-risking the agricultural sector in South Sudan. The risk (and potential loan losses) will be split (50/50) between CBSS and the READ project, with only a portion of the loan amount collateralized, to help leverage CBSS loan funds at least two-fold. The project will cover some of the commercial interest rate earnings that CBSS will forgo to stimulate demand for financial services from the RFIs, RPOs and its members. The project will develop a detailed operational manual for the CGF at project inception. The manual will provide clear details on charges, collateral and liability levels, fund leveraging, risk sharing, including risk associated with SACCO lending to their members, and exit strategy.
81. **Component 3 – Policy and Regulatory Framework Development.** The objective of this component is to strengthen the national policy framework for agriculture and rural development and to support the capacity development of MAFS staff working on cooperative development at state and county levels. Specifically, READ will provide support: i) for the development of a

conducive policy and regulatory framework for cooperative development and inclusive rural finance, which is favorable to women and youth; ii) strengthen the capacity of MAFS staff and offices at the national, state and county level to support registration of cooperatives, as part of formalizing them; and iii) Project coordination and oversight and other support of MAFS staff to coordinate and implement projects and to formulate and implement national policies and regulatory frameworks related to agriculture and rural development and inclusive rural finance, with support to the Government-Project Coordination Unit (G-PCU) and the decentralized government entities. READ will integrate women and youth-specific constraints in agriculture and rural development policy and frameworks and ensure that they are women and youth-friendly. The expected outcome from this component is 'Cooperative and IRF policy and regulatory frameworks are strengthened and operationalized'.

82. **Subcomponent 3.1. Conducive Policy and Legal Framework.** Strengthening of the policy and regulatory frameworks will involve a participatory policy review process that includes consultation and validation at the national and local levels, including the involvement of farmers (women, youth and vulnerable groups), strategic plan development and implementation of legislation with M&E support for follow-up. ILO will provide technical support to the review process, ensuring that it benefits from existing draft legislation and policies, which remain pending for approval or area(s) streamlined to ensure they are approved and implemented.
83. **Subcomponent 3.2. MAFS Capacity Building on Cooperative Development.** The support to the enabling environment around cooperative and rural development at the national will be mirrored in the states and counties by involving and capacitating MAFS staff working at the State and County level. Capacity building will be preceded by a capacity and needs assessment of MAFS Cooperative Officers and Community Development Officers at the County level. The project will finance the construction of a National Cooperative Resources Centre (NCRC) at the MAFS headquarters, in Juba, which will house a library of information on cooperative development - nationally.
84. In liaison with other partners (FAO, AfDB, World Bank), READ will support the formalization and registration process of RPOs and RFIs by MAFS staff, starting at the County level and utilize or complement any existing electronic platforms or systems introduced in this area by other development partners and, if necessary and where needed, introduce new systems. The project will also plan exchange visits of MAFS staff at national and state level throughout the duration of the project and support post-graduate studies of staff in relevant areas as a long-term investment in the capacity and future of MAFS.
85. **Subcomponent 3.3. Project Coordination and Oversight** This subcomponent will cover costs related to the operation of: (i) the Government-Project Coordination Unit (G-PCU); (ii) the Project Management Team (PMT) of UNDP; (iii) provisions for oversight committees; (iv) SECAP related safeguard activities; and (v) monitoring & evaluation and knowledge management related costs. The G-PCU will provide oversight of the project with support from PMT to ensure cross learning and capacity building of the G-PCU and MAFS staff and its decentralized entities for sustainability. The PMT staff composition will transition to national staffing responsible for national policy frameworks for agriculture and rural development and inclusive rural finance as well as implement and coordinate and future projects.
86. To facilitate adequate application of a social inclusion lens and mainstreaming across project activities, including evaluation and monitoring, READ will build MAFS and IPs capacities on cross-cutting themes, including FPIC, and gender-responsive budgeting and monitoring and evaluation to track social and economic impacts. A social safeguards expert will cover the mainstreaming themes on behalf of the project within the PMT.

E. Theory of Change

87. The post-conflict context of South Sudan is characterized by localized conflicts and insecurity, limited access to productive infrastructure, assets and public and private services, including access to finance for productive investments in agriculture; vulnerability to impacts of climate change; and over 60 percent of households facing varying levels of food and nutrition insecurity. The situation is even more dire for women and youth, who are systematically marginalized due to patriarchal structures. Government institutions are weak, while policy and regulatory frameworks remain inadequate to support the Government's vision of transitioning from humanitarian to sustainable development pathway. The role of rural producer organizations is of critical importance to restore individual and collective human capital and assets and contribute to social cohesion and peace consolidation, while facilitating inclusive, conflict-sensitive, do-no-harm approaches and optimisation of gender, youth and climate adaptive approaches to value chain development that addresses the gap between domestic food supply and demand.
88. The underlying assumption of READ's proposed design is that the Government of South Sudan (GoSS), with the support of the development community, will (i) continue to intensify efforts to address the underlying causes of conflict to restore peace and stability across the country, (ii) strive to balance emergency programs with longer-vision programs that support resilience and development along the humanitarian-development-peace nexus, and (iii) pursue ongoing commitments for economic and public finance management reforms to stabilize the economy, and to ensure efficient use of public funds to better prepare for climate induced shocks.
89. While the wider issue of security, political instability and poor infrastructure are well known and far reaching, more specific constraints exist that centre around: poor access to markets orientation and integration; poor access to financial services and poor agri-business enabling environment. To address the aforementioned constraints and GoSS strategic development trajectory, READ will focus on economic empowerment of rural producers to foster their collective and inclusive actions; strengthen their organizational and governance structures; and business orientation and enable them to provide sustainable economic services, such as access to markets and finance to their members. READ will adopt a group approach to enhance vulnerable household's livelihoods and resilience, and the RPOs are considered as means to transform the livelihoods of the target beneficiaries. The envisaged economic services by RPOs to their member will include input supply, storage facilities, collective marketing opportunities, access to financial services, equipment and agricultural advisory services. These services are key to enabling smallholders to increase productivity, reduce risk, manage and market their produce for increased incomes and livelihoods. In addition, RPOs will play a key role in representing their members' interests in the negotiation of contracts with buyers, gaining a stronger bargaining powers through bulking and collective selling of members' produce.

90. READ will apply a farming as a business approach under Component 1, that will support business orientation for existing RPOs such as primary agricultural cooperatives, marketing cooperatives and cooperative unions, while adopting a graduation approach for the less structured Agriculture Producers' Groups (APGs) and Associations, including women and youth groups, to equip them with assets and capacities needed to promote their equitable and sustainable market linkages. Further, project support will place a deliberate focus on economic activities that are capable of improving the economic status and well being of RPO members and their households while strengthening their resilience and adaptation to climate change.
91. Under component 2, the project will invest in the development of inclusive rural financial services, to ensure that the vulnerable target groups and their RPOs supported under component 1 have access to long-term viable financial services beyond the READ project period. This will consist support to Village Savings and Loan Associations (mostly composed of women) and Savings and Credit Cooperatives, as well as expansion of agency banking model to deepen access to credit for agriculture through a partnership with the Cooperative Bank of South Sudan. Furthermore, under component 3 the project will support effective implementation of the relevant policy frameworks regulating the cooperative sector and inclusive rural finance, with support to MAFS at the national, state and county levels.
92. The proposed READ interventions will contribute to 'empowered rural vulnerable households through sustainable and resilient Rural Producers' Organizations, including Agricultural Producer Groups and Cooperatives, Village Saving and Loans Associations, Savings and Credit Cooperatives and MSEs, to transform to sustainable and resilient food value chain players', contributing to long-term impacts on 'improved food security, income and resilience among the targeted rural households. The RPOs development as proposed by the READ project will be promoted through a multi-tier approach and as a coherent package targeting the same end beneficiaries that will result in: (i) RPOs established and empowered, capable to promote women and youth social and economic empowerment; enhanced food security and resilience to climate change, and eventually to offer services to their members for strengthening selected value chains; (ii) improved and sustainable financial inclusion for vulnerable people; and (iii) improved oversight functions and policies on cooperative and rural finance frameworks. By promoting effective RPO, expanding rural finance inclusion and improved policy frameworks.
93. Women's empowerment will be central in the project at individual, household, community and at interest groups levels. Social and economic empowerment of women will be achieved via three pathways: (i) economic empowerment via women-led and women-only RPOs and improved supply of financial services tailored to women's needs, which will increase access and control over resources, including credit; (ii) voice and decision-making positions in RPOs and engagement in policy dialogues, and (iii) promotion of equitable division of labour in the households and in the community alongside the provision of time and labor-saving technologies. READ will apply GALS to address unfavourable social norms to achieve sustainable behavioral change and gender transformation.
94. READ will enhance livelihoods of rural populations by increasing households' access to nutritious foods. Food availability and diversity will be increased through homestead gardens to vulnerable groups; and nutrition awareness and RPO training modules will be deployed to increase beneficiaries' knowledge on diversified and nutritious diets
95. READ will deliberately contribute to job creation and skill-enhancement for increased employability of youth. Youth economic empowerment will be pursued through (i) newly established APGs (40 percent youth-only groups), (ii) 50 percent of MSEs will be youth-led and (iii) increased youth membership in formalized RPOs, SACCOs, VSLAs for the selected value chains. READ will focus on two types of employment opportunities: (a) full-time employment opportunities at the level of RPOs and MSEs, including technical functions and institutional functions at the group-level; and (b) independent wage employment in seasonal farm activities. Out of the 1,369 newly created jobs, at least 958 will go to youth^[36]. Supporting job creation opportunities, READ will strengthen capacities for enterprise development and provide access to asset transfer and matching grants (60% of grants and assets will target youth- and women-led RPOs), and support linkages to the market. Youth social empowerment will be enabled via (i) strengthening youth leadership in RPOs, SACCOs and VSLAs; (ii) leadership training; and (iii) ensure youth voices are heard in policy engagement activities. GALS will be a critical tool to break harmful norms and behaviors, impacting young men and women.

F. Alignment, ownership and partnerships

96. Alignment with Sustainable Development Goals – successful attainment of READ's goal and PDO will contribute to the achievement of: (i) SDG 1 (End poverty in all its forms everywhere) and SDG 2 (End hunger, achieve food security and improved nutrition and promote sustainable agriculture) through implementation of RPO development activities that promote good governance and accountability systems among their constituents, enhance their sustainable business models and economic initiatives and strengthen capacities to provide services to farmers, including facilitating access to financial services, technology, inputs and markets; (ii) SDG 5 (Achieve gender equality and empower all women and girls) through mainstreaming activities that directly target women's participation through a 50 percent quota in READ activities; (iii) SDG 8 (Decent work and economic growth) by helping youth find work or roles that provide value addition that rely on uptake in knowledge, technology and new practices; (iv) SDG 10 (Reduced inequality within and among countries) by focusing on people with disabilities and reintegration of IDPs; SDG 13 (take urgent action to combat climate change and its impact) by promoting climate smart agriculture through trainings to RPO leaders and their constituents
97. Alignment with National Priorities – READ is aligned with the Government's policy priorities, as stipulated in the Comprehensive Agriculture Master Plan (CAMP) and with its five development themes, and the Revitalised Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS), which commits to restore economic foundations by generating employment and improving livelihoods. READ will also contribute towards attainment of the South Sudan Partnership for Recovery and Resilience (PfRR) priorities, which focus on rebuilding trust in people and institutions and restoring productive capacities, as well as the Government's Framework for Return, Reintegration and Relocation of Displaced Persons within agriculture sector. The CAMP and IDMP are investment plans under the framework of the Comprehensive African Agriculture Development Programme (CAADP) and its companion documents (livestock, fisheries, and forestry) to achieve continental and regional agricultural

development objectives, including the Africa Vision 2063.

98. Therefore, READ project is clearly aligned to the main priorities of the government to address the underlying causes of the conflict and to stabilize the economy. Consequently, strengthening critical service delivery institutions, governance, and economic and public financial management systems will be supported as the country seeks to build resilience to future shocks, providing building blocks for a diversified, inclusive, and sustainable growth path. As the economy recovers from multiple shocks, sustaining the momentum into the medium-term will also crucially depend on the government’s ability to stimulate the creation of a sufficient number of quality jobs to absorb a young and expanding labor force. Finally, READ project will support policy frameworks by strengthening cooperatives, APGs for the effective and sustainable integration of rural producers into value chains. In addition, VSLA development at the community-level will be key to restoring basic financial behaviours of communities, critical for restoring confidence in rural financial services. At the same time, READ, in partnerships with CBSS, will attempt to enable rural enterprises and rural producers’ long-term sustainable access to inclusive rural financial services, acknowledging the current challenges in promoting access to finance, asset transfers and matching grant schemes for the development of APGs and cooperatives businesses in South Sudan.
99. Alignment with IFAD Policies and Corporate Priorities – READ is aligned with IFAD South Sudan Country Strategy Note’s objective to “contribute to rebuilding rural agricultural livelihoods, improve household resilience and promote stability in rural communities” and its two strategic objectives that emphasize the need to mainstream social inclusion, nutrition, and climate aspects in all investments, but also to strengthen government systems, policies, and capacities. Moreover, the objective of IFAD’s Strategic Framework 2016-2025 to ‘enable rural households and communities to gain increasingly remunerative, sustainable and resilient livelihoods that help them permanently move out of poverty and food insecurity’. READ is also aligned with IFAD’s Special Programme for Countries with Fragile Situations: Operationalizing IFAD’s Fragility Strategy. The project will focus on strengthening rural organizations and local institutions towards more resilient local governance systems, using food security as the primary entry point to tackle fragility and conflict. The other areas where READ is in alignment with IFAD policies/priorities are: i) Environmental Natural Resource Management (ENRM) Policy and Climate Change Strategy, whereupon the environmental and climate adaptation and mitigation measures associated with the identified risks are fully integrated into READ interventions. The SECAP Review Note (in Annex 6) provides more details on ENRM and climate change adaptation and mitigation; (ii) Targeting Policy (2010) – to ensure project benefits reach the intended beneficiaries in inclusive manner - guided by the project targeting strategy; (iii) Gender Equality and Women’s Empowerment (2012) – READ is fully aligned with IFAD’s policies on Gender Equality and Women’s Empowerment. Measures are included to ensure that women and youth benefit from projects interventions; (iv) READ aligns with IFAD’s corporate commitment to nutrition-sensitive interventions.
100. Harmonization and Partnerships – The design sought to coordinate and harmonize with ongoing and/or planned projects financed by various development partners that support READ related thematic areas. The objective is to: a) take advantage of existent synergies and avoid duplications; and b) explore the possibility for co-financing and/or parallel financing, c) allow scaling-up opportunities for successful innovations and good practices supported by other partners. The following partnership opportunities have thus far been identified as potential partners for collaboration within READ project:

Table 2: READ Potential Partnerships for Collaboration and Service Providers

READ key Players	Partners for collaboration	Donor Project linkages
MAFS/SPCU	UNFAO	World bank
UNDP	UNOPS	European Union
ILO	WFP	FCDO projects -British
CBSS	UNICEF	BMZ-GIZ
	UNFPA	African Development Bank
	GIZ	Dutch projects

G. Costs, benefits and financing

a. Project costs

101. Total project costs are estimated at US\$25.5 million over a 7-year period. IFAD will fund an estimated 78 percent of the total project costs through a GAFSP grant of US\$20 million. Component 1: Rural Producers Organizations’ development accounts for 40 percent of total project costs (US\$10.2 million). Component 2: Inclusive rural Financial Services accounts for 26 percent of total project costs (US\$6.7 million). Component 3: MAFS capacity development and project management accounts for 33 percent of total project costs (US\$8.5 million).

Table 5: Project costs by component and subcomponent

	Cost		IFAD/GAFSP	
	Including Contingencies	% of Total	grant Financing	% Financing
A. Rural producers' organizations development				
1. Project inception activities	1,137.9	4.5	874.0	76.8
2. Strengthening RPO institutional capacity	1,580.8	6.2	1,427.2	90.3
3. Business capacity development and financing	7,533.2	29.5	5,895.1	78.3
Subtotal	10,251.9	40.2	8,196.3	79.9
B. Inclusive rural financial services				
1. Community based financial services	2,165.5	8.5	1,963.7	90.7
2. Support to CBSS expansion and agency banking	1,509.2	5.9	248.2	16.4
3. CBSS loan portfolio mobilization	3,050.2	12.0	2,298.2	75.3
Subtotal	6,724.9	26.4	4,510.1	67.1
C. MAFS capacity development and project management				
1. Conducive policy and legal environment	286.5	1.1	257.8	90.0
2. MAFS capacity building	2,114.2	8.3	1,691.7	80.0
3. Project coordination and oversight	6,130.6	24.0	5,344.1	87.2
Subtotal	8,531.3	33.4	7,293.6	85.5
Total PROJECT COSTS	25,508.1	100.0	20,000.0	78.4

102. The South Sudan Pound (SSP) is facing high inflation, resulting in volatility of the exchange rate. For this reason, the costing has been done using US\$ as the input currency. The related SSP amounts have been calculated using the latest available exchange rate as published by the Bank of South Sudan, amounting to 484 SSP per US\$. [37] The level of local inflation for 2022 is estimated at 34 percent, but it is projected to progressively reduce reaching 11 percent by 2026. [38] The level of international inflation is projected to remain relatively stable, starting at 1.7 percent in 2023 and reaching 1.8 percent by 2026. [39] The use of US\$ as input currency, as well as the use of Purchase Parity Prices, yielded a moderate level of price contingencies despite the high level of local inflation.

	Totals Including Contingencies							Total
	2023	2024	2025	2026	2027	2028	2029	
A. Rural producers' organizations development								
1. Project inception activities	589.1	130.0	140.4	104.5	65.8	71.1	36.9	1,137.9
2. Strengthening RPO institutional capacity	83.3	336.4	278.9	283.8	288.9	290.4	19.1	1,580.8
3. Business capacity development and financing	502.5	1,332.8	1,402.2	1,423.5	1,423.7	1,344.2	104.4	7,533.2
Subtotal	1,174.9	1,799.1	1,821.5	1,811.8	1,778.4	1,705.7	160.4	10,251.9
B. Inclusive rural financial services								
1. Community based financial services	82.7	387.1	469.3	439.0	373.2	377.3	36.9	2,165.5
2. Support to CBSS expansion and agency banking	744.6	166.9	115.3	117.4	119.5	121.7	123.8	1,509.2
3. CBSS loan portfolio mobilization	20.2	602.0	704.0	806.0	408.0	510.0	-	3,050.2
Subtotal	847.5	1,156.0	1,288.6	1,362.4	900.7	1,009.0	160.8	6,724.9
C. MAFS capacity development and project management								
1. Conducive policy and legal environment	204.8	81.7	-	-	-	-	-	286.5
2. MAFS capacity building	759.0	513.3	253.0	178.4	170.5	154.5	85.7	2,114.2
3. Project coordination and oversight	892.8	961.6	1,016.1	930.0	776.9	803.8	749.5	6,130.6
Subtotal	1,856.5	1,556.6	1,269.1	1,108.4	947.3	958.3	835.1	8,531.3
Total PROJECT COSTS	3,879.0	4,511.7	4,379.2	4,282.6	3,626.4	3,672.9	1,156.3	25,508.1

103. Project costs by expenditure categories have been estimated based on the IFAD circular IC/FOD/02/2013. Project costs by expenditure category and financier are presented in the table below.

Table 7: Project costs by expenditure category and financier

	IFAD/GAFSP grant		UNDP		CBSS		The Government		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
I. Investment Costs												
A. Works	345.0	38.0	254.3	28.0	127.1	14.0	181.6	20.0	-	-	908.0	3.6
B. Goods, services & inputs	1,983.9	60.6	180.1	5.5	785.4	24.0	326.9	10.0	-	-	3,276.3	12.8
C. Equipment & materials	473.6	57.8	82.2	10.0	181.6	22.2	81.9	10.0	-	-	819.4	3.2
D. Vehicles	310.1	67.0	-	-	-	-	152.7	33.0	-	-	462.8	1.8
E. Consultancies	1,475.2	81.4	172.4	9.5	-	-	163.9	9.0	-	-	1,811.5	7.1
F. Training	3,453.9	90.0	-	-	-	-	383.8	10.0	-	-	3,837.6	15.0
G. Workshops	132.7	77.3	23.3	13.6	-	-	15.7	9.1	-	-	171.7	0.7
H. Grants & subsidies	4,903.0	86.7	-	-	-	-	-	-	752.0	13.3	5,655.0	22.2
I. Credit, guarantee funds	750.0	50.0	-	-	750.0	50.0	-	-	-	-	1,500.0	5.9
Total Investment Costs	13,827.5	75.0	712.3	3.9	1,844.2	10.0	1,306.5	7.1	752.0	4.1	18,442.4	72.3
II. Recurrent Costs												
A. Salaries & allowances	4,370.5	83.0	767.1	14.6	-	-	126.0	2.4	-	-	5,263.6	20.6
B. Operating costs	528.3	100.0	-	-	-	-	-	-	-	-	528.3	2.1
C. Overheads / MGMT. fees	1,273.7	100.0	-	-	-	-	-	-	-	-	1,273.7	5.0
Total Recurrent Costs	6,172.5	87.4	767.1	10.9	-	-	126.0	1.8	-	-	7,065.6	27.7
Total PROJECT COSTS	20,000.0	78.4	1,479.4	5.8	1,844.2	7.2	1,432.5	5.6	752.0	2.9	25,508.1	100.0

b. Project financing/co-financing strategy and plan

104. IFAD, through the GAFSP grant, will fund up to 78 percent of the total project costs for a total amount of US\$20 million. Other financiers will contribute as follows: a) UNDP for an estimated amount of US\$1.5 million (6 percent of total project costs). Co-financing will cover cost-sharing of selected project staff, provision for salary increases, as well as contributions to key activities (VC analysis, iHubs); b) CBSS for an estimated amount of US\$1.8 million (7 percent of total project costs), mainly by funding the Bank's expansion in the READ target area and by contributing to the CGF on a *pari passu* basis; and interest rate subsidy c) Beneficiaries for an estimated amount of US\$0.7 million (3 percent of total project costs), through in-kind contributions to the matching grants provided in component 1; d) GoSS for an estimated amount of US\$1.4 million in-kind contribution (6 percent of total project costs) mainly in the form of tax exemption. GoSS will exempt expenditure managed by UNDP of taxes. The value of these exemptions will be calculated as part of READ reporting on in-kind contributions, in collaboration between UNDP and G-PCU. The GoSS will cover taxes on expenditure made by MAFS under component 3.1 and 3.2 through exemption. The GAFSP financing will cover taxes if applied on MAFS operating costs. A description of in-kind contribution measurement criteria, and recording procedures is included in the project implementation manual.

Table 8: Project costs by component/subcomponent and by financier

	IFAD/GAFSP grant		UNDP		CBSS		The Government		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
A. Rural producers' organizations development												
1. Project inception activities	874.0	76.8	228.6	20.1	-	-	35.3	3.1	-	-	1,137.9	4.5
2. Strengthening RPO institutional capacity	1,427.2	90.3	-	-	-	-	153.6	9.7	-	-	1,580.8	6.2
3. Business capacity development and financing	5,895.1	78.3	509.0	6.8	-	-	377.1	5.0	752.0	10.0	7,533.2	29.5
Subtotal	8,196.3	79.9	737.6	7.2	-	-	565.9	5.5	752.0	7.3	10,251.9	40.2
B. Inclusive rural financial services												
1. Community based financial services	1,963.7	90.7	46.4	2.1	-	-	155.4	7.2	-	-	2,165.5	8.5
2. Support to CBSS expansion and agency banking	248.2	16.4	-	-	1,094.2	72.5	166.8	11.1	-	-	1,509.2	5.9
3. CBSS loan portfolio mobilization	2,298.2	75.3	-	-	750.0	24.6	2.0	0.1	-	-	3,050.2	12.0
Subtotal	4,510.1	67.1	46.4	0.7	1,844.2	27.4	324.3	4.8	-	-	6,724.9	26.4
C. MAFS capa city development and project management												
1. Conducive policy and legal environment	257.8	90.0	-	-	-	-	28.6	10.0	-	-	286.5	1.1
2. MAFS capacity building	1,691.7	80.0	-	-	-	-	422.5	20.0	-	-	2,114.2	8.3
3. Project coordination and oversight	5,344.1	87.2	695.4	11.3	-	-	91.2	1.5	-	-	6,130.6	24.0
Subtotal	7,293.6	85.5	695.4	8.2	-	-	542.3	6.4	-	-	8,531.3	33.4
Total PROJECT COSTS	20,000.0	78.4	1,479.4	5.8	1,844.2	7.2	1,432.5	5.6	752.0	2.9	25,508.1	100.0

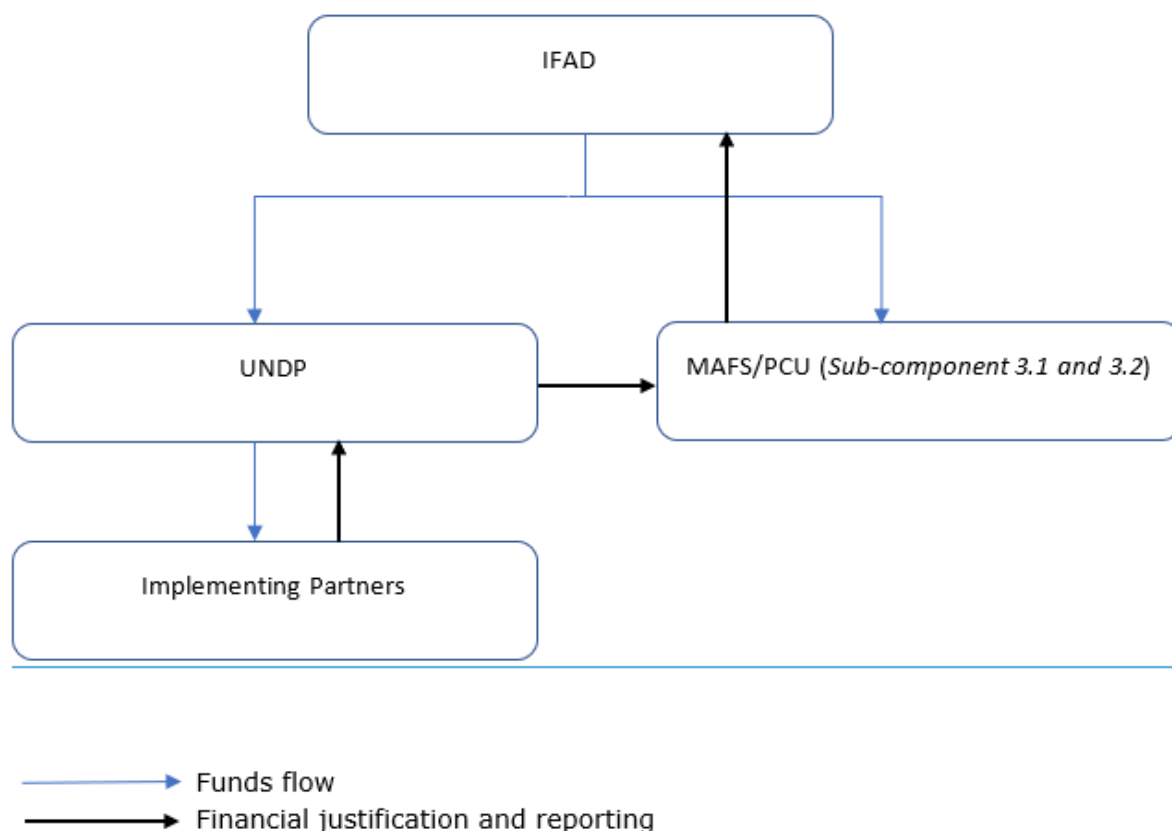
c. Disbursement

105. READ project duration will be 7 years with a total project cost amounting to US\$ 25.6 million comprising of approximately US\$ 18.7 million (72.9%) investment costs and US\$ 6.9 million (27.1%) recurrent costs. The main categories of expenditures under investment costs are goods and services; consultancies; training; grants and subsidies; and credit guarantee funds. Under recurrent costs, the main categories are salaries & allowances; and management costs. The project cost includes an IFAD (GAFSP) grant of US\$ 20.2 million; Government of South Sudan financing of US\$ 1.4 million; UNDP contribution of US\$ 1.4 million; CBSS (private sector) contribution of US\$ 1.8 million; and beneficiary contribution of US\$ 0.75 million.

106. MAFS will maintain a designated account in USD to receive funds from IFAD, and an operating account in South Sudanese Pound (SSP) for operational funds transferred from the designated account. Disbursements to UNDP will be based on a payment scheduled tagged to specific programme deliverables as per the contract between UNDP and MAFS. Other implementing entities that act as service providers will operate separate local currency accounts to receive project funds. Effective management of funds held in SSP denominated bank accounts will be essential in order to mitigate against value erosion arising out of the volatile exchange rate regime in the country. MAFs PCU will directly manage and account for the funds disbursed under sub-component 3, and will also be accountable for consolidating all READ financial reporting.

107. Report-based disbursement will be the mechanism used for withdrawing funds from IFAD financing by MAFS. Interim Financial Reports (IFRs) package will be used as a basis of submission of withdrawal applications to IFAD. The IFRs package will be included in the Financial Management and Financial Control Letter (FMFCL) which will be issued upon signature of the financing agreement. A draft is also included in the PIM. Project will be using the Revolving Fund modality under the report-based disbursements. The first advance should be based on the forecast amount of IFAD financed expenditures approved in the Annual Work Plan and Budget (AWPB) for the period of six months and as reflected in the first IFR. Further advances to the Designated Account will be made for the next reporting period based on expenditures forecast provided that at least 75% of the immediately preceding advance and 100% of all prior advances have been fully justified. Disbursement to UNDP will be conditional upon receipt of timely quarterly financial reports and other reporting deliverables that will be included in the contract between UNDP and MAFS.

108. Funds flow will follow the structure indicated in the figure below:



109. MAFS will be responsible for submission of withdrawal applications to IFAD through ICP. The report-based disbursement described above will require the PCU to submit IFRs to IFAD. The IFR template is included in the PIM.

d. Summary of benefits and economic analysis

110. Overall, the results of the economic analysis show that READ is a viable project, with an Economic Rate of Return (ERR) of 27 percent and a positive Net Present Value (NPV) of US\$26.4 million, against a Social Discount Rate (SDR) of 6 percent. These results provide a strong justification to invest in the project, further corroborated by the sensitivity analysis presented below. Based on a preliminary GHG accounting exercise, the project may be expected to generate some level of negative environmental co-benefits that could, in turn, hamper its viability (see table below). These results make the case for the implementation of targeted measures aimed at averting and mitigating potential carbon emissions generated by the project.

Economic indicators	IRR	NPV (US\$)
Base scenario	27%	26,482,192
With env. Co-benefits @ low price	22%	20,192,394
With env. Co-benefits @ high price	18%	13,902,596

111. **Expected benefits.** The principle quantifiable net incremental benefits of the project are assumed to stem from: i) a moderate increase in yields, as farmers acquire improved farm inputs and equipment through loans and RPO services; ii) a reduction in post-harvest losses, resulting from the acquisition of improved post-harvest facilities and equipment (both at the farmer and RPO level); iii) an increase in the output price fetched by RPOs and MSEs as they move up the value chain; and iv) an increase in the RPO membership base unlocking greater economies of scale for the target groups; v) returns on investment yielded by the loans issued by supported financial institutions. A sensitivity analysis was conducted at the economic level to test results against changes in each of these assumptions.

112. **Financial analysis.** The financial models on which the analysis is premised were selected with the intention of capturing the graduation pathway of farmer groups and their members. To this effect, the analysis built on three producer-level models and four

group-level models that are explicitly linked to each other, so as to show the cumulative benefits to RPO members. Group-level models were selected to represent different types of groups (two APGs and two Cooperatives), different value chains (cereal, groundnut and honey) and different activities (two for bulking and two for processing). Two additional models were developed for MSEs, one for a micro enterprise with two employees and another one for a small enterprise of eight employees. Aside from the financial profitability indicators, these models were also used to derive the return on investment and incremental income on loans offered by supported financial institutions, i.e. VSLAs, SACCOs and CBSS. All of the models appear financially viable, with relative variations across the different target groups, value chains and activities (see table below).[\[40\]](#)

Target group	Model	Supported investment	Financial analysis indicators		
			NPV (US\$)	IRR	C/B ratio
Individual producers	Cereal production	Improved seeds and hermetic storage bags	94	75%	2.31
	Groundnut production	Improved seeds and hermetic storage bags	76	47%	1.64
	Honey production	Improved beehives and beekeeping equipment	466	29%	3.50
APGs	Cereal post-harvest and bulking	Mechanical thresher and hermetic silos	20,222	24%	2.50
	Honey value addition	Spinning machine and wax melter	35,503	40%	1.20
Coops	Cereal storage and bulking	Storage facility and equipment	90,388	33%	1.30
	Groundnut processing	Peanut butter processing facility and equipment	178,169	59%	1.34
MSEs	Fish trading	Scales, trading equipment and motorcycle	6,554	29%	1.20
	Vegetable processing	Solar driers, grinding machinery and motorcycle	35,462	34%	1.12

113. **Income analysis.** An income analysis was performed based on the above-mentioned financial models, under the assumption that benefits to individual farmers would accrue both from increased farm income and from increased revenue shares from their farmer groups. By weighting the total revenue increases and applying an success rate of 80 percent, the average income increase across the target population was estimated at 25 percent. The largest share of the income increase (approximately 83 percent) is generated by the revenue accruing from RPO membership, which is consistent with the project's ToC and demonstrates the potential impact of investing in producer organizations, as well as gaging farmer's interest in joining the groups.

114. **Sensitivity Analysis.** A sensitivity analysis was conducted to test the robustness of results against key risks identified in the IPRM and in particular fragility and security, macroeconomic stability and vulnerability to environmental conditions; as well as changes in key assumptions retained in the different models. The results of the sensitivity analysis are summarized in the tables below. At the project level, results prove robust in all the scenarios considered, including increased project costs associated to macroeconomic instability, reduced and delayed project benefits associated to fragility and security and vulnerability to environmental conditions, and different discount rates. At the beneficiary level, economic indicators appears to be most sensitive to changes in yields growth rates, with the NPV and IRR touching their lowest point if no improvement in yields is assumed. This supports the argument that the proposed intervention should be, as much as possible, complemented with agronomic support by linking to existing projects operating in the same area. Considering the relatively conservative assumptions retained across the different models, however, the sensitivity analysis reinforces the argument that the project is robust and worthwhile.

Economic indicators	IRR	NPV (US\$)	Associated IPRM risks	Risk probability	
				Inherent	Residual
Project level					
Base scenario	27%	26,482,192			
costs +10%	25%	24,947,629	Macroeconomic stability, and in particular inflation and ER volatility, which could cause project costs to soar	High	High
costs +20%	22%	23,413,066			
costs +30%	21%	21,878,503			
benefits -10%	24%	22,299,410	Fragility and security, and in particular the resurgence of conflict, as well as vulnerability to environmental conditions such as drought and floods, could hamper project benefits	High	High
benefits -20%	22%	18,116,627			
benefits -30%	18%	13,933,845			
benefits delayed 1 year	21%	21,411,007	Fragility and security, and in particular the resurgence of conflict, could halt project activities and hence delay benefits	High	High
benefits delayed 2 years	17%	16,616,116			
Discount rate @ 8%	27%	20,660,008			
Discount rate @ 12%	27%	16,038,011			

Economic indicators	IRR	NPV (US\$)
Beneficiary level		
Base scenario	27%	26,482,192
yields +0%	14%	8,542,445
yields +10%	21%	17,568,780
yields +20%	27%	26,482,192
PHL reduction -0%	26%	24,635,429
PHL reduction -25%	27%	25,595,442
PHL reduction -50%	27%	26,482,192
output price premium -50%	13%	8,722,961
output price premium -25%	16%	11,307,770
output price premium -0%	27%	26,482,192
RPO membership increase +0%	22%	18,694,541
RPO membership increase +20%	27%	26,482,192
RPO membership increase +40%	32%	34,159,049
Non-performing loans @20%	17%	12,579,795
Non-performing loans @15%	22%	19,530,993
Non-performing loans @10%	27%	26,482,192

e. Exit Strategy and Sustainability

115. **Exit strategy** - The READ exit strategy draws on multiple levels of interventions to ensure smooth project completion, handover and continuation of services beyond the project life. These include: (i) use of certified trainers drawn from within the target groups; (ii) strengthening RPOs and establishing sustainable business linkages and networks; (iii) community-based financial services (iv) de-risking the CBSS lending and strengthening its banking model that involves rural-based agent network; (v) the institutional strengthening and capacity building of MAFS officers and offices at the county, state and national levels; (vi) capacity building of the G-PCU at national level and (vii) national policy and regulatory framework development.

116. **Sustainability** – to ensure strong footing from the beginning, the project has worked with the assigned G-PDT and the IFAD Liaison Officer to ensure adequate participation of key stakeholders and partners in the project design. This approach has created co-ownership, commitment and enhanced prospects for READ sustainability. In addition, sustainability is inbuilt into project activities through the demand-driven nature of the project interventions, participatory approaches with self-targeting strategy. Full control of entire process by Producer groups - from developing their own business models, to identifying their main capacity and investment needs, and overseeing the implementation of the chosen economic activities. They will be capacitated to plan, operate, maintain and monitor the implementation of their business plans, assuming total responsibility for the assets provided to them after handover. The continued provision of financial services after the project ends is ensured through the partnership with CBSS, who's mandate is to serve the growth of the cooperative movement.

3. Risks

H. Project risks and mitigation measures

117. Several risks exist that could potentially hamper implementation of READ activities and attainment of its development objective. The magnitude and probability of the risks are measured and presented and mitigation measures provided, in Annex 9: Integrated Project Risk Matrix (IPRM). Overall inherent risk is rated as high and residual risk as moderate.
118. **Financial management risk.** Overall financial management risk is considered substantial based on: limited experience in managing IFAD resources; unstable political environment which may impact implementation ; financial management systems being put in place may not provide sufficient controls for programme funds; significant high risk activities (specifically training and workshops); complex implementation arrangements (through various implementing agencies); risks associated with yet undefined monitoring and reporting arrangements for matching grants and credit guarantees; and risk of limited access to financial records/documents from implementing partners. In order to address these risks, several mitigation measures have been agreed, among them: establishment of legal arrangements to govern the various implementing partners; conditioning disbursement of funds related to matching grants and credit guarantees to establishment of guidelines for management, monitoring, and reporting of these facilities; training of accounting staff (of all implementers) on IFAD's financial management requirements, including minimum internal controls and supporting documents for high risk transactions; purchase of accounting software for MAFS PCU and tailoring to IFAD financial reporting requirements; and proposed clauses for inclusion in the contracts with implementing partners including UNDP to ensure auditor access to financial records of the programme. The residual risk remains substantial on the basis that the mitigation measures are yet to be implemented, the risk will be reassessed at start-up and as part of the first supervision.

I. Environment and Social category

119. The UNDP's Social and Environmental Safeguard (SES) policy was found inadequate as it doesn't have a standard on rural finance. Therefore, all environment, social and climate related requirement will be prepared and implemented in accordance to IFAD's SECAP 2021.
120. Based on IFAD SECAP 2021, the online screening tool was run to categorise READ projects for its environmental and social impacts against nine standards. The categorization is **Moderate** which triggers the preparation of the Environmental, Social and Climate Management Plan (ESCMP) matrix. The ESCMP includes: (i) potential positive and negative impacts of the project, (ii) mitigation measures, (iii) budget, time and responsible organisations (iv) M&E as well as compliance monitoring plans. The ESCMP is annexed with the SECAP Review Note of this PDR.
121. Generally, significant and irreversible negative impacts are not anticipated during project implementation and other impacts can be mitigated, if not avoided, through the implementation of mitigation measures.
122. The assessment of CBSS has shown that it doesn't have environment and social system. Therefore, CBSS should assign one or two experts responsible for environmental and social impact assessments of the project related activities. As part of READ's capacity development program the CBSS experts will be trained on IFAD's SECAP which includes: Environment, social and climate screening, preparation of ESCMP and compliance monitoring.
123. Cognizant of the available National Environmental Impact Assessment procedure and IFAD's SECAP, projects/business plans financed by the CBSS will be screened and appropriate studies such as ESCMP will be prepared based on the screening outcome (categorization) and implemented accordingly. Therefore, CBSS will make sure that applicable mitigation measures are integrated into the business plans.

J. Climate Risk classification

124. Climate Risk Classification of the READ project was undertaken using the SECAP 2021. Reliable and up to date information and data were used from the World Bank Climate Change Knowledge Portal (CCKP), Think Hazard Model and INFORM tool. Furthermore, information on adaptive capacity was collected from the Ministry of Environment and Forestry (MoEF). The Climate Risk Classification has considered the available risk classification components/variables such as hazard risk, exposure, sensitivity and adaptive capacity. Accordingly, the climate risk was classified as Moderate during the development of the concept note and later modified to **Substantial**, based on information collected during the design mission. This classification requires the preparation of Climate Risk Analysis (CRA) and a targeted adaptation assessment. Accordingly, the CRA and targeted adaptation assessment are prepared and annexed to the PDR. A substantial Risk Classification has an implication on: (i) Targeting: consideration of climate risk during targeting of counties, Bomas, Payamas; (ii) Climate sensitive loans: provision of loans by CBSS and other cooperatives should be subject to the review of business plans using a climate lens; (iii) Staffing: UNDP, MAFS, CBSS and other implementing agencies should have an expert looking after climate activities and (iv) Capacity Development to the experts and financial institutions on climate areas. South Sudan, being susceptible to climate change impact, project activities are at risk of being affected by recurrent drought and flood. Therefore, risk analysis of sub projects and business plans need to be undertaken and activities or interventions that will enhance resilience of communities need to be included in the selection criteria used by CBSS, MFIs, SACCOs.

4. Implementation

4. implementation

K. Organizational Framework

a. Project management and coordination

125. The Ministry of Agriculture and Food Security (MAFS) will be the lead executing agency for the project. Building on lessons learnt and ongoing developments in the country, READ will be implemented through tailored implementation arrangements with the involvement of UNDP, hereafter referred to as Fund Manager and involvement of other third-party Implementing Agencies (IAs) that will be responsible for implementation of technical interventions, through sub-agreements with the Fund Manager under the oversight of the Government-Project Coordination Unit (G-PCU). MAFS will implement subcomponents 3.1 and 3.2., which involves capacity building activities with Technical Assistance (TA) support. Moreover, MAFS (G-PCU) will be accountable for consolidation and submission of financial reports, submitting disbursement requests to IFAD and coordinating annual audits.
126. Country ownership will be assured through the implementation modalities that involve the Implementing Agencies who will work with the Decentralized Development Committees at the County, Payam and Boma levels, which will ensure compliance with the County Development Agenda, and through frontline staff where they exist (please see Annex 12: Organigram).
127. The UNDP was selected as Fund Manager (FM) for READ by the GoSS in close consultation with IFAD. The FM will establish a Project Management Team (PMT), which will comprise of (a) a Team Leader; (b) two Project Management & Technical Support Officers (to cover components 1, 2 and 3); (c) Communications and Knowledge Management (KM) Officer; (d) Monitoring & Evaluation (M&E) and Safeguards Officer; (e) Social Inclusion, Nutrition and Climate Focal Point Officers; (f) a Logistics and Admin Associate and (g) one driver. UNDP will co-finance the Communication and KM Officer and the M&E and Safeguards Officer. The PMT will also be supported by a Chief Programme Officer who will provide programme support and linkage with the country office. Procurement activities will be supported by the UNDP Country Office procurement unit, where a designated procurement officer will support READ procurement activities.
128. Legal arrangements will be put in place to govern the relationship between: (a) IFAD and GOSS (Financing Agreement); (b) GOSS and UNDP (MoU to specify reporting requirements and access to programme financial records, among others); and subsidiary agreements between UNDP and ILO/CBSS for implementation of component 1 and 2. The MoUs for READ will be subject to IFAD no objection.
129. The FM will be responsible for: i) overall project implementation, especially contracting of service providers under components one and two or entering into sub-agreements with service providers for delivery of specific services; ii) preparation and supervision of implementation contracts/sub-agreements with Implementing Agencies (IAs) involved in the implementation of project activities (as per organigram); iii) procurement, financial management for activities implemented by UNDP, M&E and reporting to GoSS and IFAD as required; (iv) preparation of AWPBs, procurement plans, v) implementation progress and quarterly financial reporting for activities implemented by UNDP, prepared according to IFAD's reporting format for submission to G-PCU; vi) set-up, installation and maintenance of UNDP's own Project M&E and safeguards system (to cover also financial intermediaries); vii) manage project procurement activities, including oversight of procurement by Implementing Agencies and submission of procurement packages to the PCU for transmission to IFAD for 'No Objection'.
130. At the behest of the GoSS, ILO will serve READ in the capacity of Technical Service Provider for components 1 and 3. In this regard, ILO will use a number of its training tools [41](#) for capacity building of RPOs and MAFS, which will be adapted to suit READ's needs and context. Other third-Party Implementing Agencies (IAs) will be selected competitively to provide support to all the project components, backstopped by ILO for Components 1 and 3. Selection IAs will be based on technical expertise, knowledge of the country context, international experience and capacity to develop APGs and VSLAs and support their graduation. Further details on implementation modalities are provided in the PIM.
131. Under Component 2, CBSS will remain the main implementing agency for expansion of its agency banking model and outreach services. CBSS will co-finance the expansion strategy through: (i) the opening of 1-2 branches at county level and (ii) leveraging the CGF up to USD 1.5 million in the project area. Financial literacy training and capacity of VSLAs and SACCOs will be conducted by third-party service providers through a competitive process aimed to enhance cost-effectiveness and capitalize on comparative advantages of various service providers (including CBSS) available in the country. An operational model for delivering financial literacy training will be put in place at inception to ensure that the content of training for different categories of CBSS clients is coordinated and agreed with CBSS.
132. Under Component 3, MAFS will provide oversight and support through the G-PCU and the relevant support committees. In support of the G-PCU, UNDP will implement and contract service providers (including ILO) for activities under sub-component 3.1 and 3.2 that cover: (i) the development of policy and regulatory frameworks and (ii) the training and capacity building activities of decentralized staff and the building/equipping of the decentralized offices of MAFS. The G-PCU will comprise of: (i) a project manager and (ii) an accountant at full cost and at shared cost (with SSLRP) (iii) a finance manager, (iv) an M&E Officer, and (v) a procurement officer .
133. Oversight arrangements - A National Advisory Committee (NAC) will be established, and chaired by the Undersecretary of Cooperative and Rural Development in MAFS and Co-chaired by the Undersecretary of the Ministry of Finance and Planning (MoFP), with membership of the Undersecretary of Agriculture and Food Security and other Undersecretaries from relevant line ministries. The NAC will provide strategic operational guidance on a quarterly and annual basis, and additional special meetings for approval of project documents, and approves the AWPBs and progress reports before they are submitted to IFAD for 'No Objection'. A National Technical Committee (NTC) will also be part of the governance structure, chaired by the Director General of Cooperative Development and Co-chaired by the Director in the MoFP, with membership of the DG of Rural Development, the

DG Agriculture Production and Extension Services, the DG Planning and other relevant DGs from relevant line ministries.

134. The NTC's responsibility will be to: (a) provide technical guidance of the project; (b) update the NAC on technical and operational issues related to the project; (c) facilitate technical and operational partnerships with stakeholders within the government to advance operational coordination issues related to the project; (d) coordinate with technical counterparts of other government agents; (e) update their undersecretaries on any progress and challenges and plans of the project; (f) provide technical and operational guidance to project quarterly and annual progress reports and work plans; and (g) participate in periodic monitoring of the project. Decentralized government structures at the County, Payam and Boma levels will play an important part in maintaining alignment with the County Development Agenda, supporting the raising of community awareness of the project and grievance redress or conflict resolution as needed.
135. Flow of funds, implementation and contractual arrangements are summarized in the organigram on implementation arrangements in Annex 12: Organigram.

b. Financial Management, Procurement and Governance

136. Overall responsibility for financial management will remain with the lead programme agency (MAFS). Financial management functions for the programme will involve budgeting, receipt of funds, payments, justification of advances, generation of withdrawal applications, filing supporting documentation, financial reporting for all programme activities including preparation of IFRs and annual financial statements, and annual audit processes in line with IFAD's audit guidelines. UNDP will be appointed as "Fund Manager" to implement Components 1 and 2. Component 3 will be directly implemented by MAFS, through the Project Coordination Unit (PCU). IFAD financial management procedures will be the overarching guidelines through which READ project will be implemented.
137. In line with GAFSP requirements, the financial management-related aspects of the project design are consistent with IFAD's risk-based assurance framework. Further details on financial management procedures for READ are contained in the PIM.
138. GAFSP requires IFAD to report on project progress (including, progress on disbursement and progress in outputs/outcomes included in the project's results framework/M&E systems) using the standardized GAFSP reporting template on a 6-monthly basis (data as of June 30 and December 31 of each year). Additionally, GAFSP requires IFAD to submit a report on closures and use of funds within 30 days after the end of each financial reporting year (or such other frequency agreed upon with the Trustee). IFAD requires recipients to submit quarterly interim financial reports (due 45 days from the end of the quarter) as well as annual audited financial statements due six months from the financial year end. IFAD also conducts annual supervision missions to review financial performance of funded programmes. The FM arrangements foreseen for READ are aligned to IFAD's and will make it possible to comply with GAFSP financial reporting requirements.
139. **Staffing.** The MAFS PCU is staffed by technical assistants recruited by the World Bank. These are PCU director and heads of Finance, Procurement and M&E. Each project will have a project manager, M&E officer, finance manager, and procurement officer. These positions have already been filled for the SSLRP project and a similar structure has been proposed for the READ project. The head of finance is expected to provide an oversight role for the projects and therefore the main task will be undertaken – as for SSLRP - by the dedicated READ finance management office and Accountant.
140. UNDP already has an established office in South Sudan. The established structure includes a Head of finance who provides overall leadership of the accounting function. A finance officer will be recruited by UNDP to support the management of READ project funds under the leadership of the Head of Finance, and to establish monitoring mechanisms for matching grant/rural finance activities
141. Budgeting will be jointly done between the MAFS and UNDP, together with other key stakeholders identified for project implementation. UNDP will coordinate budgeting process for Component 1 (together with ILO) and Component 2 (together with CBSS); MAFS PCU will be responsible for budgeting for Component 3. MAFS PCU will be responsible for consolidation of the AWPB and presentation to NAC for approval/endorsement.
142. The approved AWPB will form the basis on which expenditure will be incurred, both by the PCU and UNDP. Any expenditure incurred outside the approved AWPB without IFAD no-objection will be deemed ineligible for financing from the grant funds. The detailed cost tables in the PDR are indicative of the costs to be incurred over the project period and can be altered during the process of the AWPB.
143. The AWPB shall indicate the financing sources (IFAD grant, UNDP, private sector – CBSS, GoSS and beneficiaries) for each activity, every item should be linked to a proper cost category and component/subcomponent. This is important as each funding source will finance expenditure items as per the financing rule in the financing agreement which should be reflected in the AWPB.
144. Schedule 2 of the financing agreement will specify the disbursement categories of the project.
145. **Funds Flow arrangements.** Funds for subcomponents 3.1 and 3.2 will flow directly from IFAD to MAFS. Funds for the components managed by UNDP under the contract with MAFS will flow directly to UNDP based on pre-determined deliverables as per the payment schedule and upon submission of a withdrawal application by MAFS. IFAD will disburse based on the Revolving Account Mechanism. MAFS will maintain a designated account in USD to receive funds from IFAD and an operating account in South Sudanese pounds (SSP) for day-to-day project activities. Funds held in the SSP denominated bank accounts will be reviewed from time to time, minimizing the amounts as much as possible with a view of mitigating against value erosion arising out of a volatile exchange rate.
146. Implementation of the IFAD Client Portal (ICP), an IFAD web-based site for electronic loan/grant information management

including online submission, authorization and approval of withdrawal applications, access of project documentation, among others, will be a requirement for READ from the first year of implementation. ICP will be used to process withdrawal applications from MAFS.

147. Training and workshops account for USD 4.1m (approximately 16%) of the total programme costs, part of which will be conducted through UNDP. Requirements for supporting documentation expenditure incurred on training and workshops are included in the PIM.
148. **Accounting and financial reporting.** MAFS PCU will have responsibility for overall financial reporting.
149. *Accounting software.* The PCU does not have an accounting software and has been using MS Excel for the accounting needs of the existing World Bank project. Whereas PCU has been able to generate financial reports, MS Excel has limitations as it is prone to errors and manipulation, limits production of timely and accurate reports, prone to data loss and does not provide audit trail. The PCU is in the process of procuring an off-the-shelf accounting software that will be used for SSLRP, READ and other projects implemented by the PCU. The accounting software to be procured will have to have the capacity to handle multiple projects in parallel. UNDP has its own accounting system, which will be used to maintain financial records for READ. Coding of READ expenditure by UNDP will be mapped to READ financing structure, by component and expenditure category.
150. Expenditure managed by UNDP will be exempted of taxes, and the value of these exemptions will be calculated as part of READ reporting on in-kind contributions, in collaboration between UNDP and G-PCU. The GAFSP financing will cover taxes on expenditure made by MAFS under component 3.1 and 3.2. A description of in-kind contribution measurement criteria, and recording procedures is included in the project implementation manual.
151. *Financial reporting.* Templates will be shared with UNDP which will be used for quarterly financial reporting. The reports will provide justification of funds transferred to UNDP for the previous month, including detailed transaction listing. The format of the quarterly report is specified in the PIM and will be laid out in the FCFML which will be issued upon signature of the financing agreement. The contract with UNDP will require quarterly financial reports to be submitted to the PCU within 30 days of quarter end, to enable the PCU to consolidate READ's IFRs in time to comply with IFAD's 45 day submission deadline. UNDP will be responsible for submitting financial reports to the MAFS PCU in the format specified in the FMFCL. PCU will then consolidate all the reports for review/approval by MAFS and submission to IFAD.
152. Financial reports will constitute monthly progress reports, quarterly interim financial reports, and annual unaudited financial statements. Interim Financial Reports (IFRs) shall be submitted to IFAD every 45 days following end of the quarter with the annual financial statements for presentation to statutory auditors submitted no later than four months following the end of a financial year. The financial statements must be consolidated covering both reports by PCU and UNDP.
153. *Accounting standards.* MAFS uses cash basis of accounting under the International Public Sector Accounting Standards framework, with some modification towards recognition of advances to implementing partners. UNDP on the other hand uses International Public Sector Accounting Standards (IPSAS) accrual basis framework. There is a need to clarify the applicable standards for the consolidated financial statements for the project.
154. **IFAD supervision and external audits.** IFAD will conduct annual supervision and implementation support missions for the programme. As part of the missions, IFAD will review the financial and technical performance of the programme at MAFS, UNDP and other implementing partners. Accordingly, all implementers will be expected to provide access to financial records and documents to support expenditure incurred and outstanding cash balances.
155. Signed financial statements (consolidated for PCU and UNDP) for audit are to be shared with IFAD no later than four months following the end of the financial year as are audit TORs for clearance. The external audit of the financial statements of the project is expected to be in compliance with IFAD General Conditions and the IFAD Handbook for auditing and financial management for projects.
156. IFAD requires projects' audited financial statements to include reporting on fixed assets procured for the project, amongst other mandatory financial reports. G-PCU will be required to keep records of all assets procured under READ, whether by MAFS, UNDP or other implementing partners, throughout project implementation.
157. In accordance with the IFAD General Conditions and the IFAD Handbook for auditing and financial management for projects, READ must have its financial statements audited annually. The Audited financial statements shall be sent to IFAD no later than 6 months after the end of the fiscal year. In addition to the audit report, the independent auditor will prepare a management letter. This will include recommendations on the adequacy of the financial management system, and on the system of internal control. The management letter will also include a follow up section on the status of implementation of previous years' recommendations.
158. The financial statements of the project will be subject to audit on an annual basis, in line with IFAD's audit guidelines. The Audit Chamber (supreme audit institution) is empowered by the laws of the GoSS, to audit all Government Funds. However, because of the human resource constraints and that the Chamber's capacity is still being developed, a private practice auditor shall be appointed. Consideration of Audit Chamber as an auditor of IFAD's projects in South Sudan will be envisaged in the future after an assessment of the Audit Chamber's capacity to audit the projects timely. In the meantime, the projects will avail of private audit firms following IFAD's procurement processes.
159. Standard TOR for audit engagements as spelt out in the IFAD Handbook for auditing and financial management for projects shall be used. The prepared TORs are subject to IFAD clearance.
160. **Procurement Arrangements** - Components 1 and 2 are implemented by UNDP as Fund Manager and UNDP procurement

procedures will apply for respective procurement activities. The FM is responsible for overall project implementation that encompass procurement management, and preparing and following up on implementation contracts/sub-agreements with Implementing Partners (IPs) involved in the implementation of component activities. Supplementary to the UNDP procurement procedures, the FM will ensure all selections of grant sub-recipients shall be included in the Procurement Plan (PP). However, the resulting procurement activities to be implemented by the sub-recipients shall not be part of the PP. Procurement will be undertaken by sub-recipients themselves following good commercial practices that are consistent with IFAD guidelines with support and oversight from the FM. These arrangements will be reflected in the PIM and ensuing sub-recipient agreements as necessary. Procurement progress reporting by UNDP will be at intervals for all other reporting requirements to GOSS and IFAD and will include an updated procurement plan, contracts register and register of assets procured by the FM through READ funding.

161. **Procurement by GOSS** – For procurement activities under READ funding and directly implemented by GoSS, IFAD’s project procurement guidelines will apply. This includes project funding for the functioning of the G-PCU and the relevant capacity development activities. Each contract to be financed by proceeds of IFAD’s investment will be included in the project Procurement Plan (PP) prepared by the G-PCU and subject to No Objection from IFAD. Implementation will be through the PCU housed in the IFAD funded SSLRP project in MAFS under prevailing IFAD procurement guidelines as revised from time-to-time. MAFS will make use of existing procurement resources in SSLRP which will already be in place and can be complemented by an assistant only where the volume of work necessitates it. The MAFS will ensure that the Ministerial Procurement Committee (MPC) authorizations are granted in a timely manner to mitigate delays in obtaining approvals. To mitigate potential risks, the threshold for IFAD’s prior review will be USD 20,000. There will be quarterly reviews and/or supervision of procurement and IFAD will provide Technical Assistance, when needed, to support the procurement processes as part of capacity building. MAFS will be expected to work through the No Objection Tracking Utility System (NOTUS) and register all contracts in the IFAD Contract Monitoring Tool (CMT). MAFS procurement staff will be required to attend the IFAD certification programmes in project procurement - BUILD PROC. Arrangements should be put in place and attempts made by MAFS to ensure that Procurement staff attend the BUILD PROC certification in the initial stages of the project.
162. **Governance.** Whilst the enforcement of good governance would be the primary responsibility of the Government, all READ stakeholders will be made aware that IFAD applies a zero-tolerance policy towards fraudulent, corrupt, collusive or coercive actions in Projects financed through its loans and grants. Therefore, READ will promote good governance through the involvement of communities and beneficiaries in: a) the preparation of the annual work plans and budgets; b) the transparent and fair procurement process; and c) the monitoring and evaluation of Project activities. A Grievance Redress Mechanism (GRM) is provided and would provide an avenue for any stakeholders interested in, among other things, providing any information that could ensure the project’s good governance.

L. Planning, M&E, Learning, KM and Communication

a. Planning, M&E, Learning, Knowledge Management and Communication

163. **Planning:** The planning cycle will start with the preparation of the AWPB, which is a key instrument for implementation and operational control. The AWPB shall be initiated before the fiscal year ends and will cover detailed annual planning of activities and implementation responsibilities, physical results targeted, expected outputs and the related budget and procurement plan. The collation, revision, and finalization of the AWPB will be the responsibility of the Project Manager, the two Technical Officers, and the M&E and Safeguards Officer under the supervision of UNDP. The AWPB will be submitted for technical review and approval by the NTC and the NAC, after which it will be submitted to IFAD for no-objection. Once the AWPB has been approved, the various implementing entities will be expected prepare detailed activity plans through regular planning meetings undertaken on a monthly basis.
164. **M&E processes and responsibilities:** The READ Project will follow UNDP’s Monitoring and Evaluation systems and processes, as well as its knowledge management and communication modalities, integrating minimum expectations and standards of IFAD and GAFSP. In terms of responsibilities, the NTC will provide overall project implementation oversight while the PMT will lead on the coordination and implementation of activities. Overall responsibility for performance of the M&E function and data collection and analysis will rest with READ M&E and Safeguards Officer who will be supported by IPs and State and County focal points. In the first year of the project, the M&E and Safeguards Officer will focus on establishing a functional M&E and safeguards system for the project in line with IFAD and UNDP standards. The M&E and Safeguards Officer will also be responsible for the timely conduct of all M&E-related outputs and contribute to the preparation of Annual Work Plans and Budgets (AWPB).
165. **Role and responsibilities of the PCU:** The PCU M&E Officer will review all M&E related outputs and provide guidance to the PMT. The PCU will carry out at least two monitoring visits per year to the target areas. The PMT M&E and Safeguards Officer will provide orientations and capacity building to MAFS and project stakeholders that generate field-level data, as well as promoting the institutionalization of the M&E information systems within government processes.
166. **Indicators:** The expected results of READ at output, outcome and impact level will be measured through a set of indicators including selected GAFSP indicators, IFAD Core Outcome Indicators (COI) as well as project-specific indicators. All indicators will be coherent and SMART (specific, measurable, achievable, relevant, time-bound), as well as gender and youth disaggregated. Output and outcome indicators identified in the READ Project Design Report will be monitored at least on a yearly basis, while impact and PDO level indicators will be monitored at baseline, mid-term and completion through the respective surveys. The UNDP gender specialist will be consulted to ensure that the indicators and M&E system adequately monitors inclusion, poverty, gender, and other aspects.
167. **Surveys and studies:** A baseline study measuring the status of the main indicators before the start of the project will be carried out with support of stakeholders. A mid-line survey will be carried out to evaluate the progress of the project towards the

achievement of its outputs, outcomes, and objectives within the project's half term lifetime. An end-line survey, with a control group as per the IFAD COI guidelines, will be carried out at the end of the program in order to measure the final outcomes and impacts and support the preparation of the Programme Completion Report (PCR). Throughout implementation, the project will also undertake in-depth analyses of selected project activities to document observed trends, patterns, policy, and institutional implications as well as impacts. A specific study on asset accumulation will be conducted at project completion, to complement the end-line survey's findings on income increase and contribute to a more comprehensive assessment of beneficiary households' wealth.

168. **Data Collection and analysis:** Overall responsibility of the M&E function and data collection will rest on UNDP's M&E Officer, who will be supported by State focal points. Data collection and analysis methodologies will follow the guidelines set out within the IFAD's Core Indicators Framework^[42] and the GAFSP M&E Plan^[43], as well in the UNDP handbook on planning, monitoring and evaluation^[44]. Data will be collected using adequately designed forms developed by the PMT at inception in line with IFAD and GAFSP guidelines. Data from different sources will be consolidated and analyzed by the M&E and Safeguards Officer to provide information on the performance of the various components, identify problems, explore possible solutions and track good practices to share through the knowledge management system. Information will also be shared with and discussed by project stakeholders to assess the overall progress in implementation and institute measures to improve performance.
169. **Management Information System (MIS):** An excel-based MIS system will be set up to facilitate the entry and flow of data. The MIS will track program data on outputs and outcomes, lessons learned, good practices, and other important sector information to analyze performance of the programme. The MIS will process information and present it in visual formats such as dashboards and charts. The MIS will be set up by a service provider, which will also provide training to relevant staff, under the supervision of the M&E and Safeguards Officer. Regular updates will incorporate new information requirements arising during programme implementation.
170. **Reporting:** The project requires reporting on a number of areas, including work plans, financial and procurement plans, implementation progress, and progress toward outputs and outcomes. Reports will be prepared in close collaboration with implementing partners as well as state project focal points. They will include: 1) quarterly progress reports; 2) biannual progress reports; 3) annual progress reports. Progress reports will cover the implementation of project activities, realization of project outputs, risks and challenges and mitigation measures undertaken, with the consolidated biannual and annual reports including more comprehensive technical and financial information. The preparation of each of these reports will be coordinated and consolidated by the PMT before it is sent to the NTC and NAC for review and approval. The FM will consolidate the reports to produce a Project-wide report for submission to GoSS and IFAD on a biannual and annual basis.
171. **Gender and youth in M&E:** Integrating a gender and youth dimension in M&E and reporting through sex-disaggregated data and analysis will be imperative in the READ project. Gender and youth will be mainstreamed into the project's M&E system to measure the extent of which the project has addressed the different needs of women, men and the youth and has made an impact on their lives and overall social and economic well-being. Project reports will identify the extent to which the project has reached women and men of different age groups and the degree to which they have benefited from project activities and outputs. This involves gender disaggregation of data on project activities and outputs to ascertain if women and the youth have fully participated in group membership and leadership, training, livelihoods activities, access to credit/finance, and enterprise.
172. **Internal Review Missions:** Internal review missions will be undertaken on an annual basis by the PMT, with participation from UNDP and MAFS. The missions will focus on resolving bottlenecks in project implementation, establishing and/or expanding partnerships and assessing overall progress of project implementation. The review mission will also assess achievements and lessons, review innovations, and reflect on improvement measures to feed into the KM cycle. A report will be published on the findings of these missions and will be disseminated to all stakeholders and shared with the IFAD supervision missions.
173. **Knowledge management and learning:** KM&L will serve as a foundation for replication of successes, provide the analytical basis to resolve challenges, and help to adapt activities to changing social and economic circumstances in the target areas. In the first year of the project, the Communication and Knowledge Management (KM) Officer will prepare a project-level KM strategy in line with the UNDP and IFAD policies on knowledge management. The KM strategy will set out a plan to build a robust KM system for the project. This system will enable the project to generate, capture, share and disseminate relevant information and knowledge to various stakeholders in a timely manner.
174. The Communication and KM Officer will be responsible for documenting and sharing knowledge generated by the project. The quarterly reviews held at national level through the NTC meetings shall be one of the sources for knowledge management products, and will be used to capture lessons learned and best practices. Relevant information should also be extracted from the M&E system and synthesized into relevant knowledge products. Actual results should be then compared with previously defined objectives, lessons should be drawn from successes and failures, and best practices and innovations processed into relevant knowledge products.
175. Key information and lessons generated by the project will be disseminated through relevant knowledge products in line with the project's KM strategy. These may include newsletters, project briefs, technical manuals, working papers, and case studies. Knowledge products generated by the project will be disseminated using various communication tools, such as digital communication campaigns, relevant websites, local radio stations and knowledge-sharing events. Knowledge will also be shared internally within the project through regular review meetings, whose findings will be disseminated across the states and archived for further use. More details on the knowledge products to be generated by the project, as well as on their content and dissemination channels, will be provided in the project's KM strategy to be developed at inception.
176. **Communication:** The Project will develop a strategic communications plan for targeted groups, general public and donors' oriented communication products. The strategic communication together with KM&L will be used to increase the familiarity among target audiences with IFAD projects by raising awareness about the results achieved through IFAD's investment, in

addition to document best practices and lessons learned. Knowledge products will be produced for both beneficiary communities and project implementers. A project webpage will be designed, linked to the UNDP South Sudan and IFAD websites/portals, and used to share with the public key information about the project, its achievements, good practices, policy studies, and other key documents.

b. Innovation and scaling up

177. **Innovations** – Considering the legacy of conflict and humanitarian assistance, READ will introduce some critical innovations into the project area, which include: (i) support to rural producer organisations with a focus on post-harvest downstream activities along the value chain, including bulking, processing and production for value addition; (ii) support for formalization and graduation model of APGs into Cooperatives and VSLAs into SACCOs; (iii) promotion of adoption of climate smart technologies by smallholder producers through their RPOs; (iv) investments in infrastructure through asset transfers and services that allow for bulking and opportunities to scale-up commercial activities, and linkages to markets; (v) de-risking agricultural lending through a credit guarantee fund to help RPOs and MSEs access financial resources from CBSS; (vi) agency banking model and fintech approaches e.g. through M-Gurush mobile money transfer platform to extend banking services to rural areas; (vii) agricultural insurance to contribute to de-risking the agriculture sector; (viii) business incubation centres (iHubs) that aim to help enterprises pursue their business growth strategies.

178. **Scaling-up of Results** – READ's overall intention is to introduce a business-oriented mindset, with due consideration to building scale. Investments in equipment, installations and machinery are modular and scalable in nature. They will act as vehicle for diffusion with the support provided under Component 2, as South Sudan transitions from aid to development. In addition, the installation of an MIS in SACCOs will give these organisations the capacity to scale-up their services due to enhanced efficiency for tracking the members and clients as well as their savings and loan portfolio.

M. Project Target Group Engagement and Feedback, and Grievance Redress

a. Project Target Group Engagement and Feedback.

179. The purpose of the planned project target group engagement and feedback modalities is to ensure the project is delivering interventions in line with target beneficiaries' needs and expectations, in a transparent manner. The project is based on a group approach, including Agricultural Producers Groups, Cooperatives, Village Savings and Loans Associations as well as Saving and Credit Cooperatives. Leveraging on the structure of these groups, the project will capture and integrate the view of the beneficiaries into the project implementation and the delivery of the capacity development activities.

180. During the start-up phase, the project will conduct sensitization and mobilisation activities including information sharing and consultation of social stakeholders such as local governmental authorities and village elders. Given the conflict-sensitivity of the project, these activities will be extremely important to ensure the transparency and buy-in of the project's targeting, to validate the relevance of the project's activities for the target groups, to confirm the communities' interest in participating in the proposed activities to avoid any disruptions of peace and coexistence in the targeted communities. SECAP documents and other project-related information will be shared with the local authorities, via the community meetings planned at inception phase and other potential channels such as mass media. The main stakeholders will include the target economic groups but also representatives from social target beneficiary groups, including ethnic groups residing in the localities, women and youth, returnees and other marginalized groups. The discussions will be facilitated by PMU/IP and local authorities, such as chiefs and elders, and will be conducted in a participatory manner to ensure inclusion of views/feedback of different categories of participants.

181. During project implementation, regular meetings will take place with the beneficiaries through their groups. A feedback mechanism will be established via the group representatives (leadership members) to make sure the project addresses beneficiaries' needs and expectations. If not, the project should adjust the intervention design and implementation accordingly. The PMU and IP staff will be trained on IFAD SECAP principles, including FPIC and the importance of beneficiary engagement and feedback, as well as participatory approaches to project implementation and monitoring. They will be responsible for the effective implementation of the engagement and feedback process, building on lessons and good practices from IFAD SSLRP.

b. Grievance redress.

182. Planning, design and Implementations of policies, programmes and projects may cause grievances. Possible Sources of complaints are geographic coverage and beneficiary targeting, job creation, land acquisition/compensation, quality of service delivery, delay in project implementation etc. Hence Grievance Redress Mechanism will be put in place to receive and address complaints, concerns, inquiries, and suggestions on a proposed initiatives from various levels such as community level, Payam, Boma, County, State and National. Generally, GRM consists of (i) GRM committee at all levels, (ii) Capacity building to GRM committee and awareness creation to beneficiaries. At the lowest administrative level, READ will build on the communal chief system and engage chiefs and elders to resolve disputes, which may arise through READ. The GRM steps to be followed are elaborated in the PIM.

183. The project will build on existing GRM systems of key partners and stakeholders. The CBSS, has a Customer Service Unit that looks at customers' complaints, with dedicated customer email, and questionnaires to gather complaints. The existing GRM systems of MAFS, RPOs, SACCOs and SMEs need to be strengthened and formalized to ensure fair and timely resolution of complaints through: (i) the establishment of GRM committees at all levels, including at MAFS, APG, SACCOs, cooperatives, SMEs and VSLAs; (ii) creating awareness of GRM committees and clients to ensure, as much as possible, any grievance is resolved at the lowest administrative level (community, Payams, Bomas), and if it is not resolved be directed to the court.

N. Implementation plans

a. Supervision, Mid-term Review and Completion plans.

184. In preparation for project implementation, a draft AWPB and 18-month procurement plan has been prepared along with a consolidated workplan for the entire duration of the project, which is included in the PIM. The designation of UNDP as Fund Manager and main Implementing Agency by the Government ensures that a financial management and procurement system, which is compliant with IFAD Guidelines on Financial Management and Procurement, is in place prior to the project's effectiveness. Considering that both UNDP as the main IA and G-PCU will have procurement responsibilities, they will both have to ensure that proper procedures are adhered to and particularly when IFAD prior review is required for activities implemented by Government. The time needed to accommodate the review and approval of the different procurements is incorporated in the Procurement Plan. Draft Terms of References for UNDP, ILO and CBSS, as well as key positions of the G-PCU and PMT experts, are included in the PIM. Some aspects that require further work at inception include: (i) the finalization of the guarantee facility in consultation with other collaborating agencies; (ii) baseline studies to arrive at specific targets; (iii) the identification of technical service providers for implementation of technical components 1-3; (iv) finalization of matching grant guidelines; (v) installation/customization/training on the accounting software for G-PCU staff; (vi) recruitment of a Social Inclusion and Nutrition Officer in the G-PCU; (v) development of targeting, social inclusion and nutrition strategies and actions for readiness (vi) assignment of an Environment and Climate expert at the G-PCU; and (vii) establishment of an Environment, Social and Climate system at CBSS. At present, no expenditures are expected to be incurred before the start of the programme.
185. At the start of the project, it will be important to have all the G-PCU and PMT staff and critical experts in place. A start-up workshop will be conducted within 3 months of project inception to help project staff and other stakeholders understand the features of the project design, become aware of its implementation strategies and operational procedures stipulated in the PIM, including M&E system.

Supervision, Mid-term Review and Completion plans

186. Supervision – Given the prevailing security situation in the country and the need for flexible programming, implementation support and supervision missions will be arranged in consultation with the G-PCU, MAFS and the government and other development partners. In the first year of implementation, and considering the risk associated with the implementation of subcomponent 3.2., IFAD will ensure that quarterly monitoring meetings for procurement and financial management takes place. The frequency, length and team composition of missions will be based on the project's needs for support at a given time, involving either remote-based or in-country physical implementation support and supervision missions, at least once every 12 months. Due to IFAD's limited logistical capacity in the country, FAO-Investment Centre of other partners will be engaged to support the supervision of the project, as needed. If the security situation is not deemed conducive for physical IFAD missions, a locally-based institutions/individuals (third-party monitoring) to undertake field verification mission to complement IFAD's remote supervision provisions, in line with IFAD's Guidance Note on Remote Supervision. This would be done in collaboration with MAFS.
187. Mid-Term Review (MTR) – MAFS and IFAD will jointly conduct an MTR no later than mid-point of project implementation, in accordance with IFAD requirements. The review will evaluate whether the project is set to achieve the objectives and will identify any constraints and recommend any course correction as may be required. The MTR will also be an opportunity to assess sustainability and exit strategy options in preparation for completion.
188. Project Completion Review (PCR) – The GoSS will be responsible for PCR, with the support of IFAD, as needed. The main purpose of the review process is to promote accountability, reflect on performance and articulate lessons learned to inform future project design and to define an appropriate post-project strategy. The completion review process will also be critical for identifying opportunities for scaling-up best practices. As part of the completion activities, a Beneficiary Impact Assessment will be undertaken, and findings used to inform the PCR. The PCR will be undertaken after project completion but before the project closure and in accordance with the PCR guidelines.

Footnotes

[1] Integrated Food Security Phase Classification (IPC) is a tool used to classify the severity and magnitude of food insecurity and acute malnutrition. The IPC scale ranges from 1 (Minimal/None) to 5 (Catastrophe/Famine); IPC 3 corresponds to Crisis.

[2] IMF World Economic Outlook Database - April 2022; General government gross debt as a percentage of GDP: 2020=37.153%, 2021=58.162

[3] 2.3 million girls; 2.0 million women; 2.3 million boys; 1.9 million men; 4.6 million children aged 0-17; 3.3 million adults; 0.6 million aged 60+. Gender and age disaggregation information does not include refugees. Data drawn from Humanitarian Response Plan 2022-2023.

[4] Ibid

[5] The Republic of South Sudan is bordered by Ethiopia, Sudan, Central African Republic, Democratic Republic of the Congo, Uganda and Kenya. All of these countries have or continue to experience violent conflict and/or threats from violent extremism.

- [6] FAO and World Bank; 'Transforming Agriculture in South Sudan: From Humanitarian Aid to a Development Oriented Growth Path'; March 2022.
- [7] 'Hunger Hotspots: FAO-WFP early warnings on acute food insecurity – June–September 2022 Outlook'.
- [8] World Bank; 'South Sudan Agriculture Livelihoods Project – PAD', October 2020.
- [9] Food and Agriculture Organisation of the United Nations. (2019). South Sudan Resilience Strategy - 2019-2021.
- [10] World Food Programme Price database, raw data accessible on OCHA Humanitarian Data Exchange website: <https://data.humdata.org/dataset/wfp-food-prices-for-south-sudan>
- [11] The Guardian, Davis L. (2022) Millions at risk in South Sudan as Ukraine war forces slashing of aid
<https://www.theguardian.com/global-development/2022/jun/14/millions-at-risk-in-south-sudan-as-ukraine-war-forces-slashing-of-aid-world-food-programme>
- [12] 'Special Report: 2020 FAO/WFP Crop and Food Security Assessment mission (CFSAM) to the Republic of South Sudan'; 13 May 2021. [Special Report – 2020 FAO/WFP Crop and Food Security Assessment Mission \(CFSAM\) to the Republic of South Sudan](#)
- [13] The Ministry of Agriculture and Food Security (MAFS), Ministry of Animal Resources and Fisheries (MLF), and Ministry of Environment and Forestry (MEF) and Ministry of Water Resources and Irrigation (MWRI).
- [14] GenderIndex.org South Sudan 2019
- [15] Rift Valley Institute (2021), South Sudan: Youth, violence and livelihood, available here: <https://reliefweb.int/report/south-sudan/south-sudan-youth-violence-and-livelihoods>
- [16] United Nations High Commissioner for Refugees (UNHCR) online glossary. Accessible here: <https://www.unhcr.org/glossary>
- [17] The World Bank in South Sudan. Overview. October 2021. Accessible here: <https://www.worldbank.org/en/country/southsudan/overview#1>
- [18] A quarter of internally displaced and returnees reside in settlements further than 5km from a functional health facility. United Nations Office for Coordination of Humanitarian Affairs. (2022). Humanitarian Needs Overview. Humanitarian Programme Cycle 2022
- [19] OCHA (2022). Humanitarian Needs Overview South Sudan. Issued February 2022. Accessible [here](#)
- [20] Ministry of Gender, Child, Social Welfare (2013). South Sudan National Disability and Inclusion Policy (2013)
- [21] Ministry of Health, National Bureau of Statistics. Household Health Survey 2010. Available at: <https://microdata.worldbank.org/index.php/catalog/2588>
- [22] United Nations Office for Coordination of Humanitarian Affairs. (2022). Humanitarian Needs Overview. Humanitarian Programme Cycle 2022
- [23] 2021 UNICEF Nutrition briefing note for Jan-Mar 2021
- [24] South Sudan's State of The Environment, 2018
- [25] ILO - Needs Assessment Report For Cooperative Enterprises And Other Similar Producer Groups (2020 - unpublished).
- [26] Terekeka Peanut Paste and Cooking Oil Capacity Building Project
- [27] Revitalizing South Sudan's Coffee Industry
- [28] Food Security through Commercialization of Agricultural sector in marginalized areas in Kenya and South Sudan under the CAADP framework: see link: <http://www.fao.org/partnerships/resource-partners/investing-forhttp://www.fao.org/partnerships/resource-partners/investing-for-results/news-article/en/c/1119228/results/news-article/en/c/1119228/>
- [29] AfDB – Skills for Youth Employability and Social Inclusion in South Sudan; Project Document 2020
- [30] FAO and World Bank - Transforming Agriculture in South Sudan
- [31] USAID; 2019 South Sudan Climate Vulnerability Profile: Sector- and Location-Specific Climate Risks and Resilience Recommendations
- [32] Professional refers to business related performance related to issues such as cost management, whereby the percentage of revenue (margin) goes to members as payment for their produce or efficient use of assets, among other performance objectives to be defined during implementation.
- [33] Conducted annually or biannually to monitor growth plan, progress made and suggest appropriate interventions.
- [34] May involve services by a specialized RPO or a Union offering audit services.

- [35] Food standards that follow the Codex alimentarius and ISO norms to ensure food stored, handled and processed in the targeted value chains is free from infectious agents and toxins.
- [36] More detailed information on new employment creation can be found in the EFA and PIM.
- [37] Bank of South Sudan, date of validity: 21 June 2022. <https://www.boss.gov.ss/currency-operations/exchange-rates/>
- [38] International Monetary Fund, World Economic Outlook Database, April 2021. <https://www.imf.org/en/Publications/WEO/weo-database/2021/April>
- [39] World Bank, Commodity Price Forecast - 20 April 2021. <https://www.imf.org/en/Publications/WEO/weo-database/2021/April>
- [40] It is worth noting that larger groups (agricultural cooperatives) attract larger profits than smaller groups and even than MSEs. This is consistent with the argument that economies of scale and the size of the membership base are a key determinant of the success of supported RPOs.
- [41] Including: Think.Coop – an orientation on the cooperative business model; Start.Coop – a step-by-step tool to start a cooperative; Manage.Coop – a guiding tool on management and governance of a cooperative; My.Coop – a package designed to enable managers of agricultural cooperatives to identify and address major challenges in market-oriented agricultural development; ApexFinCoop – a training programme to support financial cooperative APEX organizations in developing and implementing an effective strategic planning.
- [42] IFAD, 2022, “IFAD’s Core Indicators Framework – 12/05/22 update”
- [43] GAFSP, 2022, “GAFSP Monitoring and Evaluation Plan 2022”: <https://www.gafspfund.org/sites/default/files/inline-files/Revised%20ME%20Plan%20%282022%29%20Tier%20%20and%203%2006.21.2022.pdf>
- [44] UNDP, 2009, “Handbook on Planning, Monitoring and Evaluating for Development Results”, <http://web.undp.org/evaluation/handbook/documents/english/pme-handbook.pdf>

South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex 1: Logframe

Mission Dates: 10-19 May 2022

Document Date: 08/11/2022

Project No. 2000004330

Report No. 6197-SS

East and Southern Africa Division
Programme Management Department

Rural Enterprises for Agriculture Development

Logical Framework

Results Hierarchy	Indicators				Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility		
Outreach	1 Persons receiving services promoted or supported by the project				Progress reports	Every six months	FM	CI 1: The sum of all APG and Cooperative members + RPO and MSE employees + 50% of VSLA and SACCO members (to avoid double counting) + individual households trained in financial literacy; CI 1.a: Assuming that each direct beneficiary represents a household (may be revised, as there could be RPO members from same household); CI 1.b: Assuming an average household size of 5.9 persons	
	Males								
	Females								
	Young								
	Not Young								
	Non-Indigenous people								
	Total number of persons receiving services		0	13071					27511
	Male		0	50					50
	Female		0	50					50
	Young		0	70					70
	1.b Estimated corresponding total number of households members				Progress reports	Every six months	FM		
	Household members		0	77119					162315
	1.a Corresponding number of households reached				Progress reports	Every six months	FM		
	Women-headed households		0	20					20
	Households		0	13071					27511

Results Hierarchy	Indicators				Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility		
Project Goal Improved food security, diets, income and resilience among targeted rural households	Percentage of households experiencing moderate or severe food insecurity - measured through the FIES (GAFSP tier 1/1)				Baseline, midline and impact surveys	At baseline, mid-term and completion	FM	According to the Food Security and Nutrition Monitoring System Round 27 (December 2021), the average FIES at national level is 84%. Data on the target counties was not available, hence the baseline and related numerical endline will be calculated at inception; Based on the income analysis developed in the project's EFA	
	Percent change			-10					-20
	Household income increase - production-based approach, i.e. revenues minus cost (GAFSP tier 1/2)				Baseline, midline and impact surveys	At baseline, mid-term and completion	FM		
	Percent change			12.5					25
Development Objective RPOs empowered as sustainable and resilient food value chain players	2.2.5 Rural producers' organizations reporting an increase in sales				COI survey to Producers Organizations at baseline, midline and impact surveys	At baseline, mid-term and completion	FM	CI 2.2.5: Based on advice from the Cooperative specialist and discussion with the project design team, 80% of supported APGs and Cooperatives are assumed to be able to achieve an increase in sales as a result of project support; CI IE.2.1: Total persons (15% of total outreach, based on 50% male representation); Males (7.5% of total outreach, based on 50% male representation); Females (7.5% of total outreach, based on 50% female representation); Young (10.5% of total outreach, based on 70% youth representation)	
	Percentage of rural POs			80					80
	Number of Rural POs			134					269
	IE.2.1 Individuals demonstrating an improvement in empowerment				COI survey at baseline, midline and impact	At baseline, mid-term and completion	FM		
	Young								
	Young			1372					2889
	Total persons								
	Total persons			1960					4126
	Females								
	Females			980					2063
	Males								
	Males			980					2063

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outcome Outcome 1: Empowered and formalized RPOs with improved members' participation	Supported RPOs graduating				Baseline, midline and impact surveys	At baseline, mid-term and completion	FM	Endline target based on an analysis performed by the Cooperative specialist; Average membership is assumed to be 30 for APGs and 60 for Coops, growing by 20% and reaching 36 and 72 respectively at endline
	APGs		45	90				
	Cooperatives		5	10				
	Corresponding number of members - males							
	Corresponding number of members - females							
	Corresponding number of members - young							
	Corresponding number of members		1980	3960				
	Supported RPOs' membership base increase				Baseline, midline and impact surveys	At baseline, mid-term and completion	FM	
	RPOs' membership base increase		10	20				
	APGs membership base	30	33	36				
	Cooperative membership base	60	66	72				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Output Output 1.1: Improved governance and accountability mechanisms of RPOs, with a specific focus on women and youth	Persons sensitized/trained on RPO governance				RPO Meeting Minutes - Records of attendance, Progress Reports	During supervision, at least once a year	FM, service providers	Persons sensitized/trained on RPO governance: At least 50% of the supported RPO members are assumed to take part in these trainings, and trickle down to other members; Two leaders per RPO, 50% of which women; Supported RPOs regularly holding an annual general meeting: Based on advice from the Cooperative specialist, at least 80% of supported APGs and Cooperatives are assumed to be able to hold an AGM by project end (targeted support will also be provided by the project to this effect, see component description for details)
	RPO members sensitized - total members		3348	6696				
	RPO leaders trained - total leaders		336	672				
	Persons sensitized/trained on RPO governance		3684	7368				
	Supported RPOs regularly holding an annual general meeting				RPO Meeting Minutes - Records of attendance, Progress reports	During supervision, at least once a year	FM, service providers	
	APGs		40	80				
	Cooperatives		40	80				
	Corresponding number of members (M/F/Y)							
	Supported RPOs		40	80				

Results Hierarchy	Indicators				Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility		
Outcome Outcome 2: RPOs and MSEs are enabled to provide improved value chain services to producers (in production, aggregation, processing and marketing)	Supported organizations reporting new or improved value chain services, by organization type (APGs, Cooperatives, MSEs)				Baseline, midline and impact surveys	At baseline, mid-term and completion	FM	Supported organizations reporting new or improved value chain services: Based on advice from the Cooperative specialist and discussion with the project design team, at least 70% of supported APGs, Cooperatives and MSEs are assumed to establish new or improved VC services as a result of project support; Agribusiness companies/enterprises/POs adopting climate resilient or sustainable agriculture interventions in their operations: 80% of supported organizations; CI 2.2.1: End target based on the assumptions retained in the EFA; refer to Annex 4 for more details	
	Supported organizations			35					70
	Of which production services (e.g. farm inputs, extension)			50					50
	Of which post-harvest services (e.g. bulking, marketing)			50					50
	Of which processing/value addition			50					50
	Agribusiness companies/enterprises/POs adopting climate resilient or sustainable agriculture interventions in their operations (GAFSP tier 2/15)				Progress reports	Every 6 months	FM		
	Agribusiness companies/enterprises/POs		0	182					365
	APGs		0	120					240
	Cooperatives		0	14					29
	MSEs		0	48					96
	2.2.1 Persons with new jobs/employment opportunities				COI survey at baseline, mid-term and completion	Baseline, mid-term and completion	FM		
	Males		0	342					685
	Females		0	342					685
	Young		0	479					958
Total number of persons with new jobs/employment opportunities		0	684	1370					

Results Hierarchy	Indicators				Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility		
Output Output 2.1: Increased number of RPOs and MSEs with business skills and sustainable business models, with increased knowledge and awareness on gender equity, nutrition and climate adaptation	2.1.1 Rural enterprises accessing business development services				Service provider report, progress reports	During supervision, at least once a year	FM, service providers	CI 2.1.1: Sum of all APGs, Cooperatives and MSEs accessing BDS, 50 APGs per county, 6 cooperatives per county, 20 MSEs per county, Average membership is assumed to be 30 for APGs and 60 for Coops, growing by 20% and reaching 36 and 72 respectively at endline; CI 1.1.8: Target based on number of APG members, as APGs are the main entry point for targeted nutrition support, 5.9 members per household, as above	
	Size of enterprises		0	6696					13392
	Rural enterprises		0	228					456
	Women in leadership position								
	1.1.8 Households provided with targeted support to improve their nutrition				Progress reports	During supervision, at least once a year	FM, service providers		
	Total persons participating			5400					10800
	Males			2700					5400
	Females			2700					5400
	Households			5400					10800
	Household members benefitted			31860					63720
Young			3780	7560					
Output Output 2.2: RPOs provided with assets and infrastructure for BP implementation and capable of providing improved economic services to their members	Number of business plans financed, by type of organization (APGs, Cooperatives, MSEs)				Service provider report, progress reports	During supervision, at least once a year	FM, service providers	Number of business plans financed, by type of organization: APGs (80% of level 1; level 0 will not be provided asset transfers), Cooperatives (80% of level 2 RPOs + 80% of level 2 RPOs graduating to level 3), MSEs (80% of targeted MSEs), 80% of funded BPs are assumed to be climate smart and nutrition sensitive; selection criteria will reflect this; CI 2.1.6: 50% of higher level cooperatives (level 2 and 3) will be using matching grants for the construction of such facilities	
	Number of business plans financed		0	150					301
	APGs		0	84					168
	Cooperatives		0	18					37
	MSEs		0	48					96
	Climate-smart/nutrition sensitive BPs financed		0	120					241
	2.1.6 Market, processing or storage facilities constructed or rehabilitated								
	Total number of facilities		0	12					23

Results Hierarchy	Indicators				Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility		
Outcome Outcome 3: Increased financial inclusion in poor and underserved areas	1.2.5 Households reporting using rural financial services				COI survey at baseline, mid-term and completion	At baseline, mid-term and completion	FM	Baseline estimates loosely based on the SSADP-II baseline report. Pending review of IRF specialist.	
	Total number of household members								
	Households		5	13					20
	Households								
Output Output 3.1: Enhanced capacity of community-based financial service providers to deliver affordable products and services	Number of community-based financial service providers supported				Progress reports	During supervision, at least once a year	FM	Number of community-based financial service providers supported: New VSLAs (20 new VSLAs per county), Existing VSLAs (Assuming that there are 50 VSLAs per county and that the project will target 60% of them), New SACCOs (3 new SACCOs per county (assuming that 3 VSLAs form a SACCO, there will be 54 VSLAs graduating)), Existing SACCOs (Targets to be confirmed at baseline, as it was not possible to confirm the number of existing SACCOs in the target area), VSLA members (25 members per VSLA), SACCP members (75 members per SACCO); CI 1.1.7: Only individual households that are not members of producer groups are accounted for here. An average of 1350 individual households per county will be targeted.	
	Number of community-based financial service providers			162					324
	New VSLAs formed			60					120
	Existing VSLAs supported			90					180
	New SACCOs formed (from VSLA graduation)			6					18
	Existing SACCOs supported			6					6
	Of which organizations with at least one PWD member			5					5
	Number of VSLA members (F/M/Y)			3750					7500
	Number of SACCO members (F/M/Y)			900	1800				
	1.1.7 Persons in rural areas trained in financial literacy and/or use of financial products and services				Progress reports	During supervision, at least once a year	FM, service providers		
	Males			2025					4050
	Females			2025					4050
	Young			2835					5670
	Persons in rural areas trained in FL and/or use of FProd and Services (total)			4050					8100

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Output Output 3.2: Increased outreach and accessibility of CBSS financial services	Number of CBSS agents capacitated and equipped				Progress reports	During supervision, at least once a year	FM, service providers	Number of agents: Each of these groups are equipped with a functioning MIS system and accessories, alongside capacity building by CBSS; Volume of loans: Based on CBSS loan tiers and tentative projections used in the EFA. Pending review of IRF specialist
	Number of CBSS agents capacitated and equipped	0	50	50				
	Volume of CBSS loans outstanding				Baseline, midline and impact surveys	At baseline, mid-term and completion	FM	
	Individual loans		900	1800				
	Group loans		1440	2880				
	MSE loans		720	1440				
	Volume of CBSS loans outstanding		3060	6120				
Outcome Outcome 4: Cooperative and IRF policy and regulatory frameworks are strengthened and operationalized	Supported RPOs complying with policy and regulation on cooperative development				Progress reports	At baseline, mid-term and completion	FM, MAFS	Supported RPOs complying with policy and regulation on cooperative development: In order to be complying, RPOs need to be legally registered, have provided an audit over the past three years, have held an AGM and election yearly, they need to be active and operating within mandate; Supported RPOs annually supported by qualified MAFS staff: Endline target defined by the Cooperative specialist; type of support retained to be further defined at inception.
	Supported RPOs		40	80				
	APGs/Cooperatives		40	80				
	VSLAs/SACCOs		40	80				
	Supported RPOs annually supported by qualified MAFS staff				Progress reports	At baseline, mid-term and completion	FM, MAFS	
	Supported RPOs		45	90				
	APGs/Cooperatives		45	90				
	VSLAs/SACCOs		45	90				

Results Hierarchy	Indicators				Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility		
Output Output 4.1: Review of policies and regulatory frameworks on cooperative and inclusive rural finance	Number of policy products completed with project support related to agriculture, natural resource management, and food/nutrition security (GAFSP tier 2/11)				Progress reports	During supervision, at least once a year	FM, MAFS	Tentatively: 1) National Cooperatives Development Policy; 2) Review of the National Strategy for Cooperative Development; 3) Review of the rural finance policy framework; 4) Review of other policy and programming to harness the job creation potential for youth and rural women's empowerment through agricultural cooperatives.	
	Number of policy products			4					4
Output Output 4.2: Increased MAFS capacity to oversee RPO development at national, state and country level	Number of MAFS staff trained, by state and county				Records of attendance, progress reports	During supervision, at least once a year	FM, MAFS	20 cooperative and community development officers per state	
	Number of MAFS staff trained			90					150
	National level MAFS staff			30					30
	State/county level MAFS staff			60					120
	Males			50					50
	Females			50					50
	Young			30					30

South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex 2: Theory of change

Mission Dates: 10-19 May 2022

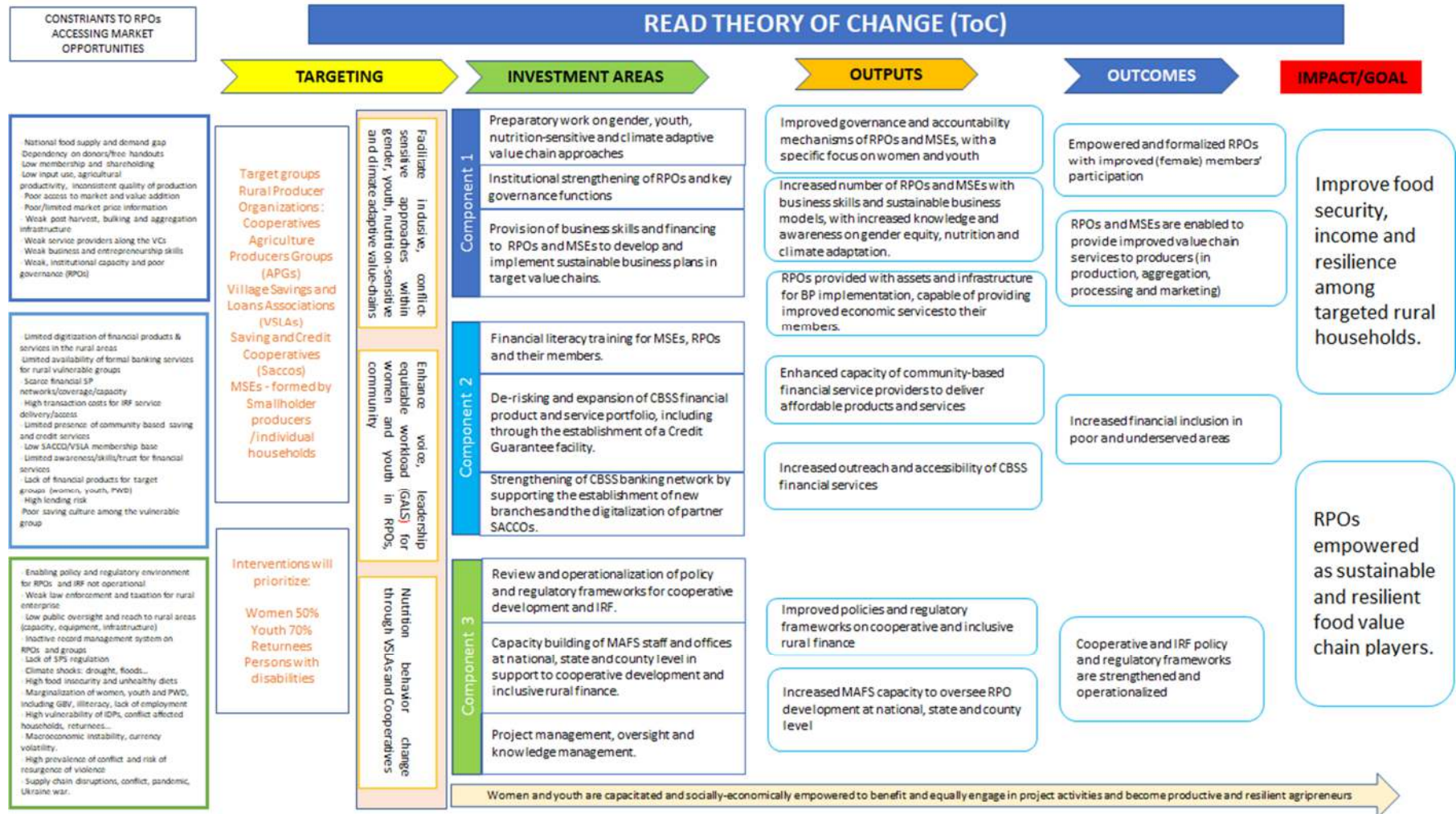
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Programme Management Department

Annex 2: Theory of change



South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex 3: Project cost and financing: Detailed costs tables

Mission Dates: 10-19 May 2022

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Project No. 2000004330

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East and Southern Africa Division
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Annex 3: Project Cost and Financing: Detailed Cost Tables

Total project costs. Total project costs are estimated at US\$25.5 million over a 7-year period. IFAD will fund an estimated 78 percent of the total project costs through a GAFSP grant of US\$20 million. Component 1: Rural Producers Organizations' development accounts for 40 percent of total project costs (US\$10.2 million). Component 2: Inclusive rural Financial Services accounts for 26 percent of total project costs (US\$6.7 million). Component 3: MAFS capacity development and project management accounts for 33 percent of total project costs (US\$8.5 million).

	Cost Including Contingencies	% of Total	IFAD/GAFSP grant Financing	% Financing
A. Rural producers' organizations development				
1. Project inception activities	1,137.9	4.5	874.0	76.8
2. Strengthening RPO institutional capacity	1,580.8	6.2	1,427.2	90.3
3. Business capacity development and financing	7,533.2	29.5	5,895.1	78.3
Subtotal	10,251.9	40.2	8,196.3	79.9
B. Inclusive rural financial services				
1. Community based financial services	2,165.5	8.5	1,963.7	90.7
2. Support to CBSS expansion and agency banking	1,509.2	5.9	248.2	16.4
3. CBSS loan portfolio mobilization	3,050.2	12.0	2,298.2	75.3
Subtotal	6,724.9	26.4	4,510.1	67.1
C. MAFS capacity development and project management				
1. Conducive policy and legal environment	286.5	1.1	257.8	90.0
2. MAFS capacity building	2,114.2	8.3	1,691.7	80.0
3. Project coordination and oversight	6,130.6	24.0	5,344.1	87.2
Subtotal	8,531.3	33.4	7,293.6	85.5
Total PROJECT COSTS	25,508.1	100.0	20,000.0	78.4

Financing plan. IFAD, through the GAFSP grant, will fund up to 78 percent of the total project costs for a total amount of US\$20 million. Other financiers will contribute as follows: a) UNDP for an estimated amount of US\$1.5 million (6 percent of total project costs). Co-financing will cover cost-sharing of selected project staff, provision for salary increases, as well as contributions to key activities (VC analysis, iHubs); b) CBSS for an estimated amount of US\$1.8 million (7 percent of total project costs), mainly by funding the Bank's expansion in the READ target area and by contributing to the CGF on a *pari-passu* basis; c) Beneficiaries for an estimated amount of US\$0.7 million (3 percent of total project costs), through in-kind contributions to the matching grants provided in component 1; d) GoSS for an estimated amount of US\$1.4 million in-kind contribution (6 percent of total project costs) mainly in the form of tax exemption.

	IFAD/GAFSP grant		UNDP		CBSS		The Government		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
A. Rural producers' organizations development												
1. Project inception activities	874.0	76.8	228.6	20.1	-	-	35.3	3.1	-	-	1,137.9	4.5
2. Strengthening RPO institutional capacity	1,427.2	90.3	-	-	-	-	153.6	9.7	-	-	1,580.8	6.2
3. Business capacity development and financing	5,895.1	78.3	509.0	6.8	-	-	377.1	5.0	752.0	10.0	7,533.2	29.5
Subtotal	8,196.3	79.9	737.6	7.2	-	-	565.9	5.5	752.0	7.3	10,251.9	40.2
B. Inclusive rural financial services												
1. Community based financial services	1,963.7	90.7	46.4	2.1	-	-	155.4	7.2	-	-	2,165.5	8.5
2. Support to CBSS expansion and agency banking	248.2	16.4	-	-	1,094.2	72.5	166.8	11.1	-	-	1,509.2	5.9
3. CBSS loan portfolio mobilization	2,298.2	75.3	-	-	750.0	24.6	2.0	0.1	-	-	3,050.2	12.0
Subtotal	4,510.1	67.1	46.4	0.7	1,844.2	27.4	324.3	4.8	-	-	6,724.9	26.4
C. MAFS capacity development and project management												
1. Conducive policy and legal environment	257.8	90.0	-	-	-	-	28.6	10.0	-	-	286.5	1.1
2. MAFS capacity building	1,691.7	80.0	-	-	-	-	422.5	20.0	-	-	2,114.2	8.3
3. Project coordination and oversight	5,344.1	87.2	695.4	11.3	-	-	91.2	1.5	-	-	6,130.6	24.0
Subtotal	7,293.6	85.5	695.4	8.2	-	-	542.3	6.4	-	-	8,531.3	33.4
Total PROJECT COSTS	20,000.0	78.4	1,479.4	5.8	1,844.2	7.2	1,432.5	5.6	752.0	2.9	25,508.1	100.0

Disbursement by year. Total project costs by component/subcomponent and year are summarized in the table below:

	Totals Including Contingencies							Total
	2023	2024	2025	2026	2027	2028	2029	
A. Rural producers' organizations development								
1. Project inception activities	589.1	130.0	140.4	104.5	65.8	71.1	36.9	1,137.9
2. Strengthening RPO institutional capacity	83.3	336.4	278.9	283.8	288.9	290.4	19.1	1,580.8
3. Business capacity development and financing	502.5	1,332.8	1,402.2	1,423.5	1,423.7	1,344.2	104.4	7,533.2
Subtotal	1,174.9	1,799.1	1,821.5	1,811.8	1,778.4	1,705.7	160.4	10,251.9
B. Inclusive rural financial services								
1. Community based financial services	82.7	387.1	469.3	439.0	373.2	377.3	36.9	2,165.5
2. Support to CBSS expansion and agency banking	744.6	166.9	115.3	117.4	119.5	121.7	123.8	1,509.2
3. CBSS loan portfolio mobilization	20.2	602.0	704.0	806.0	408.0	510.0	-	3,050.2
Subtotal	847.5	1,156.0	1,288.6	1,362.4	900.7	1,009.0	160.8	6,724.9
C. MAFS capacity development and project management								
1. Conducive policy and legal environment	204.8	81.7	-	-	-	-	-	286.5
2. MAFS capacity building	759.0	513.3	253.0	178.4	170.5	154.5	85.7	2,114.2
3. Project coordination and oversight	892.8	961.6	1,016.1	930.0	776.9	803.8	749.5	6,130.6
Subtotal	1,856.5	1,556.6	1,269.1	1,108.4	947.3	958.3	835.1	8,531.3
Total PROJECT COSTS	3,879.0	4,511.7	4,379.2	4,282.6	3,626.4	3,672.9	1,156.3	25,508.1

Project costs by expenditure category. Total project costs by expenditure category and financier are presented in the following table:

	IFAD/GAFSP grant		UNDP		CBSS		The Government		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
I. Investment Costs												
A. Works	345.0	38.0	254.3	28.0	127.1	14.0	181.6	20.0	-	-	908.0	3.6
B. Goods, services & inputs	1,983.9	60.6	180.1	5.5	785.4	24.0	326.9	10.0	-	-	3,276.3	12.8
C. Equipment & materials	473.6	57.8	82.2	10.0	181.6	22.2	81.9	10.0	-	-	819.4	3.2
D. Vehicles	310.1	67.0	-	-	-	-	152.7	33.0	-	-	462.8	1.8
E. Consultancies	1,475.2	81.4	172.4	9.5	-	-	163.9	9.0	-	-	1,811.5	7.1
F. Training	3,453.9	90.0	-	-	-	-	383.8	10.0	-	-	3,837.6	15.0
G. Workshops	132.7	77.3	23.3	13.6	-	-	15.7	9.1	-	-	171.7	0.7
H. Grants & subsidies	4,903.0	86.7	-	-	-	-	-	-	752.0	13.3	5,655.0	22.2
I. Credit, guarantee funds	750.0	50.0	-	-	750.0	50.0	-	-	-	-	1,500.0	5.9
Total Investment Costs	13,827.5	75.0	712.3	3.9	1,844.2	10.0	1,306.5	7.1	752.0	4.1	18,442.4	72.3
II. Recurrent Costs												
A. Salaries & allowances	4,370.5	83.0	767.1	14.6	-	-	126.0	2.4	-	-	5,263.6	20.6
B. Operating costs	528.3	100.0	-	-	-	-	-	-	-	-	528.3	2.1
C. Overheads / MGMT. fees	1,273.7	100.0	-	-	-	-	-	-	-	-	1,273.7	5.0
Total Recurrent Costs	6,172.5	87.4	767.1	10.9	-	-	126.0	1.8	-	-	7,065.6	27.7
Total PROJECT COSTS	20,000.0	78.4	1,479.4	5.8	1,844.2	7.2	1,432.5	5.6	752.0	2.9	25,508.1	100.0

Costing assumptions

Project costs, including both investment and recurrent costs, have been estimated based on the following main assumptions:

(a) Project duration: The duration of the project is estimated at 7 years, from 2023 to 2029. The presentation of READ to the Board is planned for December 2022 and the project start can be foreseen in the early 2023, taking into account the time required for the signature of the financing agreement and meeting effectiveness conditions.

(b) Unit costs: The cost estimation is essentially based on information collected during the physical design mission, and especially on those provided by UNDP. Additional information was sourced through the IFAD-funded SSLRP project. Staff costs were calculated based on UNDP salary scales for the PMT and on the current salary levels for the PCU, taking into account co-financing from other projects. In particular, UNDP is expected to share the cost of the M&E and KM officers during the first three years, and the PCU committed to share the cost of the M&E, Procurement and FM specialists with SSLRP up to 2027.

(c) Physical contingencies: The project will support the construction of selected infrastructures, mainly as part of the MAFS capacity building activities under component 3. In order to address possible errors in estimating quantities and / or methods used in the preparation of the project, a 5% physical contingency rate was applied to all civil works and related equipment.

(d) Price contingencies: Provisions for price increases, commonly referred to as "price contingencies", are designed to cope with the effects of inflation and exchange rate devaluation. They are calculated by Costab on the basis of national and international inflation levels. Based on forecasts by the IMF, the level of local inflation for 2022 is estimated at 34 percent, but it is projected to progressively reduce reaching 11 percent by 2026. For the development of the Costab, the local inflation rate was calculated as the average of the latest six years available and fixed at 22% across the project duration. For inflation at the international level, an average rate of 1.8% was retained across the project period based on World Bank forecasts of the MUV index. The use of US\$ as input currency as well as the use of Purchase Parity Prices were adopted to contain the impact of inflation on the project's costs.

(e) Exchange rate: The mission retained an exchange rate of 484 SSP for 1 US\$, based on the latest available exchange rate as published by the Bank of South Sudan. Based on the historical fluctuations of this exchange rate and the relatively large gap between levels of inflation at the national and international levels, this rate is likely to vary during the project implementation period. However, it remains very difficult to make a precise forecasts on this evolution.

(f) Taxation and foreign exchange: The estimated costs include all taxes. The average levels of tax exemption were determined by MAFS for each expenditure category and used to compute the GoSS contribution; they are summarised in the table below. The foreign exchange portion of the costs accounts for the direct and indirect costs of imported goods, services and inputs incorporated into the cost of the project.

(g) Expenditure categories: The definition of expenditure categories was based on the IFAD circular IC/FOD/02/2013 on "Standardized category descriptions for loan/grant allocation tables". Table 1 shows the categories of expenditures with the related physical contingency rates, tax exemption levels and foreign currency units.

Expenditure category	Tax exemption rate	Physical contingencies	Foreign exchange
I. Investment Costs			
Works	20%	5%	30%
Goods, services & inputs	10%	0%	40%
Equipment & materials	10%	0%	60%
Vehicles	33%	0%	70%
Consultancies	10%	0%	50%
Training	10%	0%	20%
Workshops	10%	0%	20%
Grants & subsidies	0%	0%	0%
Credit, guarantee funds	0%	0%	0%
Overheads / MGMT. fees	0%	0%	0%
ILO technical assistance	0%	0%	50%
II. Recurrent Costs			
Salaries and allowances	0%	0%	50%
Operating costs	0%	0%	0%

Detailed Cost Tables

Republic of South Sudan
Rural Enterprises for Agricultural Development (READ)
Table 1.1. Project inception activities
Detailed Costs

Unit	Quantities								Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)							
	2023	2024	2025	2026	2027	2028	2029	Total		2023	2024	2025	2026	2027	2028	2029	Total
I. Investment Costs																	
A. County profiling and selection of Payams/Bomas																	
Develop participatory criteria for selection of the selection of target Payams and Bomas /a	Workshop	1	-	-	-	-	-	-	1	1.5	1.5	-	-	-	-	-	1.5
Study/mission to profile and select target counties/payams/bomas /b	Study	6	-	-	-	-	-	-	6	10	60.5	-	-	-	-	-	60.5
Workshop for the validation of selected counties/payams/bomas	Workshop	1	-	-	-	-	-	-	1	1.5	1.5	-	-	-	-	-	1.5
Subtotal											63.6	-	-	-	-	-	63.6
B. Gender, youth, nutrition and climate sensitive value chain analysis																	
1. Ongoing value chain analysis in 5 states (UNDP co-financing)																	
Contracting of service provider	Study	5	-	-	-	-	-	-	5	30	151.4	-	-	-	-	-	151.4
Consultations and workshops	Workshop	5	-	-	-	-	-	-	5	3	15.1	-	-	-	-	-	15.1
Printing and dissemination	Lumpsum	5	-	-	-	-	-	-	5	1.5	7.6	-	-	-	-	-	7.6
Subtotal											174.1	-	-	-	-	-	174.1
2. New value chain analysis in 1 state (implemented by ILO)																	
Contracting of service provider	Study	1	-	-	-	-	-	-	1	30	30.3	-	-	-	-	-	30.3
Consultations and workshops (UNDP co-financing)	Workshop	1	-	-	-	-	-	-	1	3	3.0	-	-	-	-	-	3.0
Printing and dissemination	Lumpsum	1	-	-	-	-	-	-	1	1.5	1.5	-	-	-	-	-	1.5
Subtotal											34.8	-	-	-	-	-	34.8
3. Market opportunities analysis within the selected value chains /c																	
Contracting of service provider	Study	1	-	-	-	-	-	-	1	30	30.3	-	-	-	-	-	30.3
4. Gender and nutrition assessment to inform intervention design																	
Contracting of service provider	Study	2	-	-	-	-	-	-	2	2.5	5.0	-	-	-	-	-	5.0
Subtotal											244.2	-	-	-	-	-	244.2
C. Participatory mapping and profiling of target groups /d																	
Mapping and profiling study of target groups to assess their baseline status	Study	1	-	-	-	-	-	-	1	30	30.3	-	-	-	-	-	30.3
Sensitization workshops with target groups on project interventions and expectations /e	Workshop	60	-	-	-	-	-	-	60	0.5	30.3	-	-	-	-	-	30.3
Leverage informal youth and women networks to raise awareness on READ and mobilise youths in bomas and payams /f	Network	12	-	-	-	-	-	-	12	0.2	2.4	-	-	-	-	-	2.4
Workshop with key government players and administration to define, validate the selection criteria of target groups	Workshop	1	-	-	-	-	-	-	1	1.5	1.5	-	-	-	-	-	1.5
Subtotal											64.5	-	-	-	-	-	64.5
D. Peace and conflict analysis																	
Contracting of service provider (competitive selection)	Study	1	-	-	-	-	-	-	1	35	35.3	-	-	-	-	-	35.3
Workshops for the presentation, validation of the analysis (UNDP co-financing)	Workshop	2	-	-	-	-	-	-	2	3	6.1	-	-	-	-	-	6.1
Printing and dissemination of material	Lumpsum	1	-	-	-	-	-	-	1	1.5	1.5	-	-	-	-	-	1.5
Subtotal											42.9	-	-	-	-	-	42.9
E. Development/adaptation of capacity building modules, including ILO training tools and methodologies (ILO)																	
1. Adaptation and standardization of ILO's training tools and methodologies /g																	
National consultant	Pers.day	100	-	-	-	-	-	-	100	0.3	30.3	-	-	-	-	-	30.3
Validation workshop	Workshop	1	-	-	-	-	-	-	1	3	3.0	-	-	-	-	-	3.0
Publication and printing of the finalized tools	Lumpsum	1	-	-	-	-	-	-	1	50	50.5	-	-	-	-	-	50.5
ILO technical backstopping	Pers.month	1	-	-	-	-	-	-	1	15.5	15.6	-	-	-	-	-	15.6
Subtotal											99.4	-	-	-	-	-	99.4
2. Identify relevant support organisations/service providers for the delivery of capacity building modules																	
Scoping study/mapping of service providers /h	Study	1	-	-	-	-	-	-	1	12	12.1	-	-	-	-	-	12.1
Subtotal											111.5	-	-	-	-	-	111.5
Total Investment Costs											526.6	-	-	-	-	-	526.6
II. Recurrent Costs																	
A. Technical support for component 1 and 3																	
Technical Officer/Component 1 and 3 Coordinator (IPSA 9) /i	Pers.month	6	12	12	6	-	-	-	36	10.417	62.5	125.0	125.0	62.5	-	-	375.0
Technical Officer/Component 1 and 3 Coordinator - transition to NPSA (NPSA 10) /j	Pers.month	-	-	-	6	12	12	6	36	5.274	-	-	-	31.6	63.3	63.3	189.9
Provision for salary increase /k	Lumpsum	-	-	-	-	-	-	-	-	-	5.0	15.4	10.4	2.5	7.8	5.3	46.4
Total Recurrent Costs											62.5	130.0	140.4	104.5	65.8	71.1	611.3
Total											589.1	130.0	140.4	104.5	65.8	71.1	1,137.9

/a 3 payams and 5 Bomas per county

/b One mission per county

/c Based on the VC analysis, to deep-dive into specific market opportunities for READ target group

/d APGs, Cooperatives, VSLAs, SACCOs and MSEs

/e 2 in each of 30 target Bomas, or 10 per county

/f Transport + airtime, 2 networks per county

/g Adaptation of relevant tools to local context (incl integration of a gender, nutrition and climate lens) as well as their translation

/h Mapping and needs assessment of cooperative BDS providers operating in the targeted counties (cooperative unions, NGOs, etc.)

/i Hiring assumed to begin during the second half of the first year; position to be transitioned to NPSA position after MTR

/j In year 7 the position will be maintained only for the first half

/k Provision for an 8% annual increase on the base salary, to be entirely funded by UNDP as co-financing

	Unit	Quantities							Total	Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)							Total
		2023	2024	2025	2026	2027	2028	2029			2023	2024	2025	2026	2027	2028	2029	
I. Investment Costs																		
A. Coaching/training on institutional capacity																		
1. Capacity building of relevant support organisations/service providers to deliver training programmes /b																		
International consultant / Master trainer /c	Pers.day	22	22	-	-	-	-	-	44	0.5	11.1	11.3	-	-	-	-	22.4	
International travel for master trainer	Mission	1	1	-	-	-	-	-	2	5	5.0	5.1	-	-	-	-	10.2	
National consultant to support master trainer /d	Pers.day	22	22	-	-	-	-	-	44	0.3	6.7	6.8	-	-	-	-	13.4	
ToT workshops	Workshop	1	1	-	-	-	-	-	2	15	15.1	15.4	-	-	-	-	30.5	
Awareness raising of trainers on cross-cutting themes to ensure mainstreaming in project activities	Workshop	1	1	-	-	-	-	-	2	5	5.0	5.1	-	-	-	-	10.2	
ILO technical backstopping	Pers.month	1	1	-	-	-	-	-	2	15.5	15.6	15.9	-	-	-	-	31.6	
Subtotal											58.6	59.7	-	-	-	-	118.3	
2. Roll out trainings/coaching to RPOs to strengthen their institutional and governance capacity /e																		
Delivery of training/coaching to RPO members /f	Person	-	1,285	1,285	1,286	1,286	1,286	-	6,428	0.06	-	79.2	80.6	82.1	83.6	85.1	410.7	
Delivery of training/coaching to RPO leadership /g	Person	-	134	134	134	135	135	-	672	0.1	-	13.8	14.0	14.3	14.6	14.9	71.6	
Sensitization of RPO members during the AGM	Group	-	67	67	67	67	68	-	336	0.12	-	8.3	8.4	8.6	8.7	9.0	42.9	
Subtotal											-	101.2	103.0	105.0	107.0	109.0	525.2	
Subtotal											58.6	160.9	103.0	105.0	107.0	109.0	643.5	
B. RPO formalization and graduation																		
1. Support the formation of new RPOs through the County and Payam committees and women/youth networks /h																		
Member mobilization targeting women, youth and persons with disabilities	Group	-	18	18	18	18	18	-	90	1	-	18.5	18.8	19.2	19.5	19.9	95.8	
2. Targeted support for RPO graduation																		
Support registration by convening pre-cooperative training, development of by laws and other mandatroy requirements	Group	-	67	67	67	67	68	-	336	0.42	-	28.9	29.4	30.0	30.5	31.5	150.3	
Support the development of strategic plan, policies and internal controls and documentation	Group	-	67	67	67	67	68	-	336	0.28	-	19.3	19.6	20.0	20.3	21.0	100.2	
Subtotal											-	48.2	49.0	49.9	50.8	52.5	250.5	
3. Support the development of cooperative unions																		
Focused training for unions on self regulation, audit and support services to backstop primary cooperatives	Union	-	1	2	2	2	1	-	8	5	-	5.1	10.5	10.6	10.8	5.5	42.6	
Subtotal											-	71.8	78.3	79.7	81.2	77.9	388.9	
C. Targeted support for institutional strengthening of RPOs																		
Logistical support for convening AGMs /i	Group	-	67	67	67	67	68	-	336	0.52	-	35.8	36.4	37.1	37.8	39.0	186.1	
Support employment of key RPO personnel on a digressive basis /j	Pers.year	-	67	67	67	67	68	-	336	0.49	-	33.7	34.3	34.9	35.6	36.8	175.3	
Subtotal											-	69.5	70.8	72.0	73.3	75.8	361.4	
D. Gender mainstreaming among project target groups																		
National expert on GALS or equivalent gender mainstreaming methodology /k	Lumpsum	1	1	-	-	-	-	-	2	7.5	7.6	7.7	-	-	-	-	15.3	
Operationalization of GALS or equivalent methodology among target groups /l	Lumpsum	1	1	1	1	1	1	1	7	17	17.2	17.5	17.8	18.1	18.4	18.8	126.8	
Subtotal											24.7	25.2	17.8	18.1	18.4	18.8	142.0	
E. Targeted support to improve nutrition among project target groups																		
Promotion of collective home garden support through APGs /m	APG	-	60	60	60	60	60	-	300	0.15	-	9.0	9.0	9.0	9.0	9.0	45.0	
Total											83.3	336.4	278.9	283.8	288.9	290.4	1,580.8	

/a For APGs and Cooperatives; support for VSLAs and SACCOs is budgeted under SC 2.1.

/b To be implemented by ILO. The ToTs will cover capacity building activities under SC 1.2, SC 1.3 and SC 2.1

/c The ToT is expected to last 2 weeks for 30 trainers, with additional days for coaching and preparation

/d A national consultant will be supporting the master trainer in the organization of the training

/e Content and modules of the trainings, including SECAP and mainstreaming themes, to be detailed in the PDR/PIM

/f Assuming that 50% of RPO members will be interested in participating to this training

/g Two leaders per group, gender parity 50%

/h Targeted at level 0 farmer groups

/i Two AGMs per group

/j Annual salary based on 900 SSP per day

/k For the development/adaptation of training material and the provision of ToT

/l Trainings, exchange visits, mobilization of GALS champions, etc.

/m Seed+ tools + leaflet package

Detailed Costs	Unit	Quantities							Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)							Total	
		2023	2024	2025	2026	2027	2028	2029		Total	2023	2024	2025	2026	2027	2028		2029
I. Investment Costs																		
A. Coaching, training and mentoring of RPOs and MSEs on business and financial literacy																		
1. Support iHubs to deliver continuing Business Development Services /b																		
Construction of iHubs (UNDP co-financing)	iHub	4	-	-	-	-	-	4	75	317.8	-	-	-	-	-	-	317.8	
Equipment of 4 existing iHubs in the READ target area (UNDP co-financing) /c	iHub	4	-	-	-	-	-	4	15	60.5	-	-	-	-	-	-	60.5	
Equipment of 2 new iHubs in Upper Nile and Bar-el Ghazal /d	iHub	2	-	-	-	-	-	2	15	30.3	-	-	-	-	-	-	30.3	
Contribution to the staffing of 6 iHubs /e	Person	6	12	12	12	12	12	6	72	12	72.6	147.9	150.6	153.3	156.0	158.9	80.9	920.2
Operational costs of iHubs (UNDP co-financing)	iHub	3	6	6	6	6	6	3	36	5	15.1	30.8	31.4	31.9	32.5	33.1	16.8	191.7
Subtotal											496.4	178.7	181.9	185.2	188.6	191.9	97.7	1,520.5
2. Roll out of trainings on business and financial literacy for RPOs and MSEs /f																		
Training of RPO members and MSEs	Person	-	2,666	2,666	2,666	2,667	2,667	-	13,332	0.06	-	164.3	167.3	170.3	173.4	176.5	-	851.8
Standardization of business operational manuals of RPOs and MSEs	Manual	-	91	91	91	91	92	-	456	0.16	-	15.0	15.2	15.5	15.8	16.2	-	77.7
Subtotal											-	179.3	182.5	185.8	189.2	192.8	-	929.5
B. Capacity building of RPOs and MSEs on improved product development and standards																		
Training on quality assurance and food safety practices /g	Organization	-	45	45	46	46	46	-	228	1.25	-	57.8	58.8	61.2	62.3	63.4	-	303.5
Contract a consortium of service providers to deliver specialized value addition and processing services to RPOs and MSEs /h	Consortium	-	6	6	6	6	6	-	30	1.20	-	61.6	62.7	63.9	65.0	66.2	-	319.4
Linking RPOs and MSEs with specialized practitioner to mentor and coach them on site /i	Pers.year	-	12	12	12	12	12	-	60	1.25	-	15.4	15.7	16.0	16.3	16.5	-	79.9
Support RPOs and MSEs to get standard marks with certified bodies (SS Bureau of standards) /j	Organization	-	8	9	9	9	9	-	44	0.48	-	3.9	4.5	4.6	4.7	4.8	-	22.5
Subtotal											-	138.8	141.8	145.6	148.3	150.9	-	725.4
C. Facilitation of business information sharing and peer learning																		
1. Facilitate exchange visits and peer to peer learning																		
Organize exchange visits at the regional level /k	Visit	-	1	1	1	1	1	-	5	16	-	16.4	16.7	17.0	17.3	17.7	-	85.2
Organize peer to peer visits at the national level /l	Visit	-	6	6	6	6	6	-	30	1.6	-	9.9	10.0	10.2	10.4	10.6	-	51.1
Subtotal											-	26.3	26.8	27.3	27.7	28.2	-	136.3
2. Facilitating access to local, national, and regional markets through digital platforms /m																		
Support staff based in iHubs to sensitize/train RPOs on platform registration and use	Pers.year	0.5	1	1	1	1	1	0.5	6	12	6.1	12.3	12.5	12.8	13.0	13.2	6.7	76.7
Equipment and furniture (UNDP cofinancing) /n	Lumpsum	-	2	-	-	-	-	-	2	15	-	30.8	-	-	-	-	-	30.8
Subtotal											6.1	43.1	12.5	12.8	13.0	13.2	6.7	107.5
Subtotal											6.1	69.4	39.3	40.0	40.7	41.5	6.7	243.8
D. RPO and MSE business plan financing																		
1. Financing windows (administered by UNDP) /o																		
Window 1: Asset transfers to APGs /p	Grant	-	33	34	34	34	33	-	168	10	-	330.0	340.0	340.0	340.0	330.0	-	1,680.0
Window 2: Matching grants to Coops - first access /q	Grant	-	5	6	6	6	5	-	28	40	-	200.0	240.0	240.0	240.0	200.0	-	1,120.0
Window 2: Matching grants to Coops - second access /r	Grant	-	1	2	2	2	1	-	8	40	-	40.0	80.0	80.0	80.0	40.0	-	320.0
Window 3: Matching grant to MSEs /s	Grant	-	19	19	20	19	19	-	96	10	-	190.0	190.0	200.0	190.0	190.0	-	960.0
Subtotal											-	760.0	850.0	860.0	850.0	760.0	-	4,080.0
2. Establishment and operation of the financing facility																		
Communication/call for proposals	County	-	6	6	6	6	6	-	30	0.4	-	2.5	2.5	2.6	2.6	2.6	-	12.8
Review and selection of business plans /t	Lumpsum	-	1	1	1	1	1	-	5	4	-	4.1	4.2	4.3	4.3	4.4	-	21.3
Subtotal											-	6.6	6.7	6.8	6.9	7.1	-	34.1
Subtotal											-	766.6	856.7	866.8	856.9	767.1	-	4,114.1
Total											502.5	1,332.8	1,402.2	1,423.5	1,423.7	1,344.2	104.4	7,533.2

/a For APGs, Cooperatives and MSEs; support for VSLAs and SACCOs is budgeted under SC 2.1.
/b Including coaching and mentorship for business plan development and market linkages between RPOs and buyers, including with WFP procurement
/c Procurement of equipment and furniture, funded by UNDP
/d Procurement of equipment and furniture, funded by IFAD/GAFSP
/e 1 iHub per county, 2 persons per iHub, 1000\$ per month. Support starts in the second half of the first year and stops after the first half of the last year.
/f Including financial literacy. Trainings will integrate SECAP, gender mainstreaming and nutrition messaging
/g Including value addition, processing and packaging. 50% of supported RPOs/MSEs are targeted
/h 1 consortium per county per year
/i 2 practitioners per county per year
/j 20% of supported RPOs/MSEs are targeted
/k One visit per year for 15 RPO/MSE representatives
/l One visit per county per year for 15 RPO/MSE representatives
/m Including UNDP's digital market place and business portal
/n Through e-commerce Hubs within MoT, linked to iHubs
/o 80% of the target groups are assumed to qualify for BP financing
/p 100% project contribution
/q 90% project contribution, 10% beneficiaries in-kind contribution
/r 50% project contribution, 50% beneficiary contribution
/s 50% project contribution, 50% beneficiary contribution
/t Including scoring against climate, gender, youth and nutrition related selection criteria

Detailed Costs

	Unit	Quantities							Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)							Total		
		2023	2024	2025	2026	2027	2028	2029		Total	2023	2024	2025	2026	2027	2028		2029	
I. Investment Costs																			
A. Formation and/or strengthening of community-based rural financial institutions																			
1. Promotion of VSLAs in the READ target area																			
Formation of new VSLAs /a	VSLA	-	24	24	24	24	24	-	120	1.5	-	37.0	37.6	38.3	39.0	39.7	-	191.7	
Advanced training of existing VSLAs /b	VSLA	-	36	36	36	36	36	-	180	1	-	37.0	37.6	38.3	39.0	39.7	-	191.7	
Training of VSLA leaders /c	Person	-	60	60	60	60	60	-	300	0.1	-	6.2	6.3	6.4	6.5	6.6	-	31.9	
Subtotal												80.1	81.6	83.0	84.5	86.0	-	415.3	
2. Supporting VSLA graduation to SACCOs																			
Mobilization of VSLA leadership and membership base to form a SACCO /d	VSLA	-	12	18	12	12	-	-	54	0.5	-	6.2	9.4	6.4	6.5	-	-	28.5	
Support registration by convening pre-cooperative training, development of by laws and other mandatory requirements	SACCO	-	-	4	6	4	4	-	18	1	-	-	4.2	6.4	4.3	4.4	-	19.3	
Provision of ICT equipment packages to newly formed SACCOs	SACCO	-	-	4	6	4	4	-	18	5	-	-	20.9	31.9	21.7	22.1	-	96.6	
Subtotal												6.2	34.5	44.7	32.5	26.5	-	144.4	
3. Capacity building of SACCOs operating in the READ target area																			
Technical assistance to strengthen SACCO capacities, services and product offer /e	SACCO	-	3	7	6	4	4	-	24	4.5	-	13.9	32.9	28.7	19.5	19.9	-	114.9	
Training/coaching of SACCO leadership and women leadership /f	Person	-	9	21	18	12	12	-	72	0.1	-	0.9	2.2	1.9	1.3	1.3	-	7.7	
Training/coaching of SACCO members /g	Person	-	225	525	450	300	300	-	1,800	0.06	-	13.9	32.9	28.7	19.5	19.9	-	114.9	
Subtotal												28.7	68.1	59.4	40.3	41.0	-	237.5	
4. Exchange visits and peer to peer learning for VSLA/SACCO representatives																			
Organize exchange visits at the regional level /h	Visit	-	1	1	1	1	1	-	5	16	-	16.4	16.7	17.0	17.3	17.7	-	85.2	
Organize peer to peer visits at the national level /i	Visit	-	6	6	6	6	6	-	30	1.6	-	9.9	10.0	10.2	10.4	10.6	-	51.1	
Subtotal												26.3	26.8	27.3	27.7	28.2	-	136.3	
Subtotal												141.2	210.9	214.4	185.1	181.8	-	933.4	
B. Financial literacy training to individual households /j																			
1. Roll-out of financial literacy training through County and Payam committees /k																			
Materials development/adaptation (integrating gender and nutrition messaging)	Study	1	-	-	-	-	-	-	1	20	20.2	-	-	-	-	-	-	20.2	
Training of trainers (including refreshers) /l	Person	-	6	6	6	6	6	-	30	1.77	-	10.9	11.1	11.3	11.5	11.7	-	56.5	
Roll-out of training to rural households	Person	-	1,620	1,620	1,620	1,620	1,620	-	8,100	0.06	-	99.8	101.6	103.5	105.3	107.2	-	517.5	
Technical backstopping	Lumpsum	-	1	1	1	1	1	-	5	5	-	5.1	5.2	5.3	5.4	5.5	-	26.6	
Total Investment Costs												20.2	257.1	328.9	334.5	307.3	306.3	-	1,554.2
II. Recurrent Costs																			
A. Technical support for component 2																			
Technical Officer/FM specialist/Component 2 Coordinator (IPSA 9) /m	Pers.month	6	12	12	6	-	-	-	36	10.417	62.5	125.0	125.0	62.5	-	-	-	375.0	
Technical Officer/FM specialist/Component 2 Coordinator - transition to NPSA (NPSA 10) /n	Pers.month	-	-	-	6	12	12	6	36	5.274	-	-	-	31.6	63.3	63.3	31.6	189.9	
Provision for salary increase /o	Lumpsum	-	-	-	-	-	-	-	-	-	-	5.0	15.4	10.4	2.5	7.8	5.3	46.4	
Total Recurrent Costs												62.5	130.0	140.4	104.5	65.8	71.1	36.9	611.3
Total												82.7	387.1	469.3	439.0	373.2	377.3	36.9	2,165.5

/a Including financial literacy; and the provision of small grants to cover operating costs. Exact content and modules of the trainings, including SECAP and mainstreaming themes, to be detailed in the PDR/PIM

/b Including financial literacy. Content and modules of the trainings, including SECAP and mainstreaming themes, to be detailed in the PDR/PIM

/c One per group, 80% women

/d 3 VSLAs are supported for each new SACCO targeted

/e Supported products to be tailored to the needs of target groups and aligned with mainstreaming themes

/f Three leaders per group, two of which women; content and modules to be detailed in the PDR/PIM

/g Including financial literacy. Content and modules of the trainings, including SECAP and mainstreaming themes, to be detailed in the PDR/PIM

/h One visit per year for 15 SACCO representatives

/i One visit per county per year for 15 VSLA/SACCO representatives

/j To expand supported rural finance institutions' client base and improve financial inclusion in the target area

/k Implementation modality to be defined in the PDR/PIM

/l Tentatively two trainers per county

/m Hiring assumed to begin during the second half of the first year; position to be transitioned to NPSA position after MTR

/n In year 7 the position will be maintained only for the first half

/o Provision for an 8% annual increase on the base salary, to be entirely funded by UNDP as co-financing

Republic of South Sudan
Rural Enterprises for Agricultural Development (READ)
Table 2.2. Support to CBSS expansion in the READ target area
Detailed Costs

	Unit	Quantities							Total	Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)							Total
		2023	2024	2025	2026	2027	2028	2029			2023	2024	2025	2026	2027	2028	2029	
I. Investment Costs																		
A. Support to CBSS expansion and agency banking																		
1. Establishment of a CBSS branch in Western Bahr el Ghazal /a																		
Land acquisition	Number	1	-	-	-	-	-	-	1	50	50.5	-	-	-	-	-	50.5	
Construction of new building	Number	1	-	-	-	-	-	-	1	150	158.9	-	-	-	-	-	158.9	
Furniture and equipment	Number	1	-	-	-	-	-	-	1	70	70.6	-	-	-	-	-	70.6	
Computer equipment	Number	1	-	-	-	-	-	-	1	30	30.3	-	-	-	-	-	30.3	
Bank fixtures	Number	1	-	-	-	-	-	-	1	80	80.7	-	-	-	-	-	80.7	
Office machinery	Number	1	-	-	-	-	-	-	1	20	20.2	-	-	-	-	-	20.2	
Subtotal										411.2	-	-	-	-	-	-	411.2	
2. Capacity building of SACCO/Cooperatives as CBSS agents in the READ target area																		
MIS upgrade for SACCO/Cooperative agents /b	Number	24	-	-	-	-	-	-	24	4	96.9	-	-	-	-	-	96.9	
Provision of POS machines /c	Number	48	-	-	-	-	-	-	48	1.5	72.6	-	-	-	-	-	72.6	
POS license /d	Number/year	48	48	48	48	48	48	48	336	0.735	35.6	36.2	36.9	37.6	38.2	38.9	263.0	
Mobile and internet banking license /e	Lumpsum	1	1	1	1	1	1	1	7	75	75.7	77.0	78.4	79.8	81.3	82.7	559.2	
Training of SACCO/Cooperative agents	Lumpsum	1	1	-	-	-	-	-	2	52.2	52.7	53.6	-	-	-	-	106.3	
Subtotal										333.5	166.9	115.3	117.4	119.5	121.7	123.8	1,098.1	
Subtotal										744.6	166.9	115.3	117.4	119.5	121.7	123.8	1,509.2	
B. CBSS loan portfolio mobilization																		
1. Establishment of a Credit Guarantee Facility (CGF)																		
Development of CGF operational manual	Study	1	-	-	-	-	-	-	1	20	20.2	-	-	-	-	-	20.2	
Credit Guarantee Facility drawings /f	Lumpsum	-	1	1	1	-	-	-	3	500	-	500.0	500.0	500.0	-	-	1,500.0	
Subtotal										20.2	500.0	500.0	500.0	-	-	-	1,520.2	
2. Interest rate subsidy /g	Lumpsum	-	1	2	3	4	5	-	15	61.2	-	61.2	122.4	183.6	244.8	306.0	918.0	
3. Loan admin cost contribution /h	Lumpsum	-	1	2	3	4	5	-	15	40.8	-	40.8	81.6	122.4	163.2	204.0	612.0	
Subtotal										20.2	602.0	704.0	806.0	408.0	510.0	-	3,050.2	
Total										764.8	768.9	819.3	923.4	527.5	631.7	123.8	4,559.4	

\a 100% funded by CBSS; one additional branch may be established based on economic viability appraisal

\b 2 per county, IFAD financing

\c 2 per agent, IFAD financing

\d CBSS financing

\e CBSS financing

\f A drawing a year for three years, starting in year 2; matched by CBSS on a pari-passu basis

\g 6% subsidy to CBSS lending in the project target area, assumed to start at USD 1.02 million in Year 2 and end at USD 5.1 million in Year 6; tentative projection, pending input from CBSS.

\h 4% subsidy to the 5% admin cost charged by CBSS in the target area, based on the same projection used to calculate the IR subsidy

	Unit	Quantities							Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)								
		2023	2024	2025	2026	2027	2028	2029		Total	2023	2024	2025	2026	2027	2028	2029	Total
I. Investment Costs																		
A. Review of national cooperative policy frameworks /a																		
1. Consultancy fees																		
International consultant	Pers.month	2	2	-	-	-	-	-	4	13	26.2	26.7	-	-	-	-	-	52.9
National consultant	Pers.month	2	2	-	-	-	-	-	4	3	6.1	6.2	-	-	-	-	-	12.2
Subtotal											32.3	32.9	-	-	-	-	-	65.2
2. Meetings and workshops																		
Stakeholder consultation workshops	Workshop	2	2	-	-	-	-	-	4	3	6.1	6.2	-	-	-	-	-	12.2
Technical review meetings	Workshop	2	2	-	-	-	-	-	4	1.5	3.0	3.1	-	-	-	-	-	6.1
National validation workshops	Workshop	1	1	-	-	-	-	-	2	3	3.0	3.1	-	-	-	-	-	6.1
Subtotal											12.1	12.3	-	-	-	-	-	24.4
3. Communication																		
Graphic design of documents	Document	1	1	-	-	-	-	-	2	1	1.0	1.0	-	-	-	-	-	2.0
Elaboration of communication material	Product	2	2	-	-	-	-	-	4	2.5	5.0	5.1	-	-	-	-	-	10.2
Translation of documents and products	Language	-	5	-	-	-	-	-	5	2	-	10.3	-	-	-	-	-	10.3
Printing of documents and products	Copy	400	400	-	-	-	-	-	800	0.01	4.0	4.1	-	-	-	-	-	8.1
Subtotal											10.1	20.5	-	-	-	-	-	30.6
Subtotal											54.5	65.7	-	-	-	-	-	120.2
B. Review of rural finance policy frameworks /b																		
1. Consultancy fees																		
International consultant	Pers.month	2	-	-	-	-	-	-	2	13	26.2	-	-	-	-	-	-	26.2
National consultant	Pers.month	2	-	-	-	-	-	-	2	3	6.1	-	-	-	-	-	-	6.1
Subtotal											32.3	-	-	-	-	-	-	32.3
2. Meetings and workshops																		
Stakeholder consultation workshops	Workshop	2	-	-	-	-	-	-	2	3	6.1	-	-	-	-	-	-	6.1
Technical review meetings	Workshop	2	-	-	-	-	-	-	2	1.5	3.0	-	-	-	-	-	-	3.0
National validation workshops	Workshop	1	-	-	-	-	-	-	1	3	3.0	-	-	-	-	-	-	3.0
Subtotal											12.1	-	-	-	-	-	-	12.1
3. Communication																		
Graphic design of documents	Document	1	-	-	-	-	-	-	1	1	1.0	-	-	-	-	-	-	1.0
Elaboration of communication material	Product	2	-	-	-	-	-	-	2	2.5	5.0	-	-	-	-	-	-	5.0
Translation of documents and products	Language	5	-	-	-	-	-	-	5	1	5.0	-	-	-	-	-	-	5.0
Printing of documents and products	Copy	400	-	-	-	-	-	-	400	0.01	4.0	-	-	-	-	-	-	4.0
Subtotal											15.1	-	-	-	-	-	-	15.1
Subtotal											59.5	-	-	-	-	-	-	59.5
C. Review of other policy and programming /c																		
1. Consultancy fees																		
International consultant	Pers.month	2	-	-	-	-	-	-	2	13	26.2	-	-	-	-	-	-	26.2
National consultant	Pers.month	2	-	-	-	-	-	-	2	3	6.1	-	-	-	-	-	-	6.1
Subtotal											32.3	-	-	-	-	-	-	32.3
2. Meetings and workshops																		
Stakeholder consultation workshops	Workshop	2	-	-	-	-	-	-	2	3	6.1	-	-	-	-	-	-	6.1
Technical review meetings	Workshop	2	-	-	-	-	-	-	2	1.5	3.0	-	-	-	-	-	-	3.0
National validation workshops	Workshop	1	-	-	-	-	-	-	1	3	3.0	-	-	-	-	-	-	3.0
Subtotal											12.1	-	-	-	-	-	-	12.1
3. Communication																		
Graphic design of documents	Document	1	-	-	-	-	-	-	1	1	1.0	-	-	-	-	-	-	1.0
Elaboration of communication material	Product	2	-	-	-	-	-	-	2	2.5	5.0	-	-	-	-	-	-	5.0
Translation of documents and products	Language	5	-	-	-	-	-	-	5	1	5.0	-	-	-	-	-	-	5.0
Printing of documents and products	Copy	400	-	-	-	-	-	-	400	0.01	4.0	-	-	-	-	-	-	4.0
Subtotal											15.1	-	-	-	-	-	-	15.1
Subtotal											59.5	-	-	-	-	-	-	59.5
D. Technical backstopping																		
ILO technical backstopping	Pers.month	2	1	-	-	-	-	-	3	15.5	31.3	15.9	-	-	-	-	-	47.2
Total											204.8	81.7	-	-	-	-	-	286.5

/a Two policy frameworks: National Cooperatives Development Policy and National Strategy for Cooperative Development
/b One policy framework
/c To harness the job creation potential for youth and rural women's empowerment through agricultural cooperatives

Unit	Quantities								Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)								
	2023	2024	2025	2026	2027	2028	2029	Total		2023	2024	2025	2026	2027	2028	2029	Total	
I. Investment Costs																		
A. Capacity building of MAFS cooperative development and community development officers																		
1. MAFS cooperative and community development officers capacity needs assessment and capacity building plan																		
Fees of lead consultant/firm	Pers.month	4	-	-	-	-	-	-	4	13	52.5	-	-	-	-	-	52.5	
Workshops/stakeholder consultations /a	Session	6	-	-	-	-	-	-	6	3	18.2	-	-	-	-	-	18.2	
Subtotal											70.6	-	-	-	-	-	70.6	
2. Implementation of the MAFS capacity development plan on cooperative development																		
ToT sessions at the national level (implemented by ILO) /b	Session	1	-	-	-	-	-	-	1	37.6	37.9	-	-	-	-	-	37.9	
Awareness raising of trainers on cross-cutting themes /c	Session	1	-	-	-	-	-	-	1	10	10.1	-	-	-	-	-	10.1	
Training of state and county officers at state level /d	Session	-	6	6	6	6	6	-	30	4.2	-	25.9	26.4	26.8	27.3	27.8	134.2	
Support and monitoring of cooperative and community development officers at state/county level /e	Mission	-	12	12	12	12	12	-	60	1	-	12.3	12.5	12.8	13.0	13.2	63.9	
Exchange visits for cooperative and community development officers at the regional level /f	Visit	-	1	1	1	1	1	-	5	16	-	16.4	16.7	17.0	17.3	17.7	85.2	
MSc scholarships for selected cooperative and community development officers /g	Person	-	1	1	1	1	-	-	4	17	-	17.5	17.8	18.1	18.4	-	71.8	
Subtotal											48.0	72.1	73.4	74.7	76.1	58.7	403.0	
3. Technical backstopping																		
Technical backstopping of ILO for the implementation of the MAFS capacity building plan	Lumpsum	0.5	1	1	1	1	1	0.5	6	15.5	7.8	15.9	16.2	16.5	16.8	17.1	8.7	99.0
4. Contribution to the development and roll-out of the cooperative management information system (MIS)																		
Upgrade/integration of the FAO cooperative MIS	Lumpsum	1	-	-	-	-	-	-	1	10	10.1	-	-	-	-	-	-	10.1
Contribution to the operation and maintenance of the cooperative MIS	Year	1	1	1	1	1	1	-	6	2.5	2.5	2.6	2.6	2.7	2.7	2.8	-	15.8
Training of MAFS staff for management of the cooperative MIS	Session	1	-	-	1	-	-	-	2	10	10.1	-	-	10.6	-	-	-	20.7
Subtotal											22.7	2.6	2.6	13.3	2.7	2.8	-	46.7
Subtotal											149.2	90.6	92.2	104.5	95.6	78.5	8.7	619.4
B. Support to cooperative and community development offices at national, state and county level																		
1. Rehabilitation/construction of MAFS facilities																		
Construction/rehabilitation of MAFS county offices /h	Number	2	2	2	-	-	-	-	6	40	84.8	86.3	87.8	-	-	-	-	258.9
2. Provision for the establishment of a cooperative resource center																		
Civil works /i	Lumpsum	-	1	-	-	-	-	-	1	150	-	161.8	-	-	-	-	-	161.8
Vehicles	Lumpsum	-	1	-	-	-	-	-	1	50	-	51.4	-	-	-	-	-	51.4
Equipment	Lumpsum	-	1	-	-	-	-	-	1	50	-	51.4	-	-	-	-	-	51.4
Subtotal											-	264.5	-	-	-	-	-	264.5
3. MAFS HQ office equipment																		
Desktop computers (1)	Number	1	-	-	-	-	-	-	1	1	1.0	-	-	-	-	-	-	1.0
Laptops (2)	Number	2	-	-	-	-	-	-	2	1.5	3.0	-	-	-	-	-	-	3.0
Printer (1)	Number	1	-	-	-	-	-	-	1	0.4	0.4	-	-	-	-	-	-	0.4
Office furniture (1) /j	Set	1	-	-	-	-	-	-	1	12.1	12.2	-	-	-	-	-	-	12.2
Subtotal											16.6	-	-	-	-	-	-	16.6
4. MAFS county office equipment																		
Desktop computer (1 per office)	Number	6	-	-	-	-	-	-	6	1	6.1	-	-	-	-	-	-	6.1
Laptops (2 per office)	Number	12	-	-	-	-	-	-	12	1.5	18.2	-	-	-	-	-	-	18.2
Tablets (2 per office)	Number	12	-	-	-	-	-	-	12	0.3	3.6	-	-	-	-	-	-	3.6
Printer (1 per office)	Number	6	-	-	-	-	-	-	6	0.4	2.4	-	-	-	-	-	-	2.4
Office furniture (1 per office) /k	Set	6	-	-	-	-	-	-	6	1.2	7.3	-	-	-	-	-	-	7.3
Solar power (1 per office) /l	Number	6	-	-	-	-	-	-	6	4	24.2	-	-	-	-	-	-	24.2
Internet installation and accessories	Number	6	-	-	-	-	-	-	6	1.5	9.1	-	-	-	-	-	-	9.1
Subtotal											70.8	-	-	-	-	-	-	70.8
5. Vehicles																		
Double cabin pick-up (1 per state)	Number	6	-	-	-	-	-	-	6	55	333.0	-	-	-	-	-	-	333.0
Motorbikes (1 per county)	Number	6	-	-	-	-	-	-	6	3	18.2	-	-	-	-	-	-	18.2
Bicycles (4 per county)	Number	24	-	-	-	-	-	-	24	0.2	4.8	-	-	-	-	-	-	4.8
Subtotal											356.0	-	-	-	-	-	-	356.0
Subtotal											528.2	350.8	87.8	-	-	-	-	966.8
C. Establishment of READ PMT at MAFS																		
Renovation of READ PMT office in MAFS	Number	1	-	-	-	-	-	-	1	10	10.6	-	-	-	-	-	-	10.6
Equipment of READ PMT office in MAFS	Lumpsum	1	-	-	-	-	-	-	1	70	70.6	-	-	-	-	-	-	70.6
Subtotal											81.2	-	-	-	-	-	-	81.2
Total Investment Costs											758.6	441.4	180.1	104.5	95.6	78.5	8.7	1,667.4
II. Recurrent Costs																		
A. Contribution to MAFS operating costs																		
Stationery	Office.year	6	6	6	6	6	6	6	42	0.4	2.4	2.5	2.5	2.6	2.6	2.6	2.7	17.9
Vehicle O&M	Number.year	6	6	6	6	6	6	6	42	1.75	10.6	10.8	11.0	11.2	11.4	11.6	11.8	78.3
Motorcycle O&M	Number.year	6	6	6	6	6	6	6	42	0.6	3.6	3.7	3.8	3.8	3.9	4.0	4.0	26.8
Internet subscription - MAFS county offices (cost-shared)	Office.year	6	6	6	6	6	6	6	42	4.5	27.2	27.7	28.2	28.7	29.3	29.8	30.3	201.3
Internet subscription - READ PMT office in MAFS HQ	Office.year	1	1	1	1	1	1	1	7	9	9.1	9.2	9.4	9.6	9.8	9.9	10.1	67.1
Subtotal											53.0	53.9	54.9	55.9	56.9	57.9	59.0	391.4
B. MAFS cooperative and community development officers (GoSS contribution)																		
Salaries of cooperative and community development officers in READ target area (GoSS contribution) /m	Pers.year	12	12	12	12	12	12	12	84	1.5	18.0	18.0	18.0	18.0	18.0	18.0	18.0	126.0
Total Recurrent Costs											71.0	71.9	72.9	73.9	74.9	75.9	77.0	517.4
Total											829.6	513.3	253.0	178.4	170.5	154.5	85.7	2,184.8

/a One per state

/b Costs include Trainer fees (for ToT and refreshers), DSA for participants, training material, venue rental, etc. Subjects may include coop registration, supervision, auditing

/c Gender, social inclusion, nutrition and climate change

/d Continuous coaching of 20 officers per state

/e Transport and DSA for MAFS missions to state and county offices

/f One visit per year for 15 RPO representatives

/g Scholarships for a 1 year MSc in a regional institution, covering tuition fees (8k) and living costs for two years (10k)

/h Actual provision will depend on the conditions of each county office; each office to include two office spaces, one training room

/i Tentatively a building composed of a library, a hall, two lecture rooms and four offices

/j Office furniture and fittings, conference table, chairs, wooden file cabinets

/k Office furniture and fittings, high back chairs, office table, file cabinet

/l Acquisition of solar sets (2 batteries, inverter, charger controllers, 2 panels) + transport and installation

/m 1 cooperative officer and 1 community development officer per county, fully covered by GoSS as contribution to the project

Unit	Quantities						Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)						Total	
	2023	2024	2025	2026	2027	2028		2023	2024	2025	2026	2027	2028		2029
I. Investment Costs															
A. PCU investment costs															
Desktop computer (1)	Number	1	-	-	-	-	1	1.0	-	-	-	-	-	-	1.0
Laptops (4)	Number	4	-	-	-	-	4	1.5	6.1	-	-	-	-	-	6.1
Multifunctional printer (1)	Number	1	-	-	-	-	1	3	3.0	-	-	-	-	-	3.0
Office furniture (a)	Set	1	-	-	-	-	1	1.2	1.2	-	-	-	-	-	1.2
Hardtop vehicle	Number	1	-	-	-	-	1	55	55.5	-	-	-	-	-	55.5
Internet installation and accessories	Number	1	-	-	-	-	1	9	9.1	-	-	-	-	-	9.1
Training of PCU staff (b)	Lumpsum	1	-	-	-	-	1	30	30.3	-	-	-	-	-	30.3
Subtotal								106.1							106.1
B. Monitoring and evaluation															
Baseline survey	Number	1	-	-	-	-	1	40	40.4	-	-	-	-	-	40.4
Mid-line survey	Number	-	-	1	-	-	1	36.5	-	-	38.9	-	-	-	38.9
Final impact evaluation	Number	-	-	-	-	1	1	40	-	-	-	-	44.9	44.9	
Regular monitoring missions	Number	1	1	1	1	1	1	10.3	10.4	10.6	10.8	11.0	11.2	11.4	11.6
Household asset survey (c)	Number	-	-	-	-	-	1	25	-	-	-	-	-	28.1	28.1
Trainings, workshops and conferences (UNDP co-financing)	Workshops	2	-	1	-	-	1	4	5	10.1	-	5.3	-	-	5.6
Subtotal								60.8	10.6	10.8	55.1	11.2	11.4	90.2	250.0
C. Knowledge management and communication															
High level training/sensitization workshop on READ ESCMP (d)	Workshop	1	-	-	-	-	1	10	10.1	-	-	-	-	-	10.1
Training to Environment, Social and Climate focal points (e)	Session	1	-	1	-	-	2	30	30.3	-	31.4	-	-	-	61.6
Compliance monitoring of the implementation of ESCMP (f)	Lumpsum	1	1	1	1	1	1	7	6	6.1	6.2	6.3	6.4	6.5	6.7
Strengthening establishment of GRM system (g)	Lumpsum	3	1	-	-	-	4	5	15.1	5.1	-	-	-	-	20.3
Implementation of mitigation measures (h)	Lumpsum	-	1	1	1	1	1	5	10	-	10.3	10.5	10.6	10.8	11.0
Subtotal								61.5	21.6	48.1	17.0	17.3	17.7	6.7	190.0
D. Social, Environmental and Climate Assessment Procedures (SEI)															
National Steering Committee meetings	Meeting	1	1	1	1	1	1	7	0.8	0.8	0.8	0.8	0.9	0.9	0.9
National Advisory Committee meetings	Meeting	4	3	2	2	2	2	17	0.8	3.2	2.5	1.7	1.7	1.7	1.8
National Technical Committee meetings	Meeting	12	8	4	4	4	4	40	0.6	0.7	0.6	3.3	3.4	3.5	3.6
MAFS support costs for project oversight (i)	Mission	6	6	6	6	6	6	42	0.5	3.0	3.1	3.1	3.2	3.3	3.4
Subtotal								16.7	12.9	9.0	9.2	9.3	9.5	9.7	76.3
F. Audits															
Annual audit fees	Audit	1	1	1	1	1	1	7	10	10.1	10.3	10.5	10.6	10.8	11.0
Total Investment Costs								260.4	60.5	83.5	97.3	54.1	55.0	123.4	734.3
II. Recurrent Costs															
A. UNDP staff salaries															
1. Project Management Team (j)															
Project Manager (PSA 10)	Pers.month	6	12	12	6	-	-	36	12.917	77.5	155.0	155.0	77.5	-	-
M&E Specialist/Safeguards (PSA 8) - 50% cost sharing	Pers.month	6	12	12	6	-	-	36	9.167	55.0	110.0	110.0	55.0	-	-
KM and Communication Officer (PSA 8) - 50% cost sharing	Pers.month	6	12	12	6	-	-	36	9.167	55.0	110.0	110.0	55.0	-	-
Social inclusion, nutrition and climate focal point (NPSA 11)	Pers.month	6	12	12	12	12	6	72	4.121	24.7	49.5	49.5	49.5	49.5	
Logistics and Admin Associate (NPSA 7)	Pers.month	6	12	12	12	12	6	72	2.583	15.5	31.0	31.0	31.0	31.0	
Driver (NPSA 3)	Pers.month	6	12	12	12	12	6	72	1.25	7.5	15.0	15.0	15.0	15.0	
Subtotal								235.2	470.5	470.5	283.0	95.4	95.4	47.7	1,687.7
2. Project Management Team - transition to NPSA at mid-term															
Project Manager (NPSA 11)	Pers.month	-	-	6	12	12	12	42	6.426	-	-	38.6	77.1	77.1	
M&E Specialist/Safeguards (NPSA 11) - full cost	Pers.month	-	-	6	12	12	12	42	4.121	-	-	24.7	49.5	49.5	
KM and Communication Officer (NPSA 11) - full cost	Pers.month	-	-	6	12	12	12	42	4.121	-	-	24.7	49.5	49.5	
Subtotal								-	-	-	88.0	176.0	176.0	176.0	
3. Programme Support and CO Linking (k)															
Chief Programme Advisor	Pers.month	12	12	12	12	12	12	84	3.083	37.0	37.0	37.0	37.0	37.0	
Team leader	Pers.month	12	12	12	12	12	12	84	1.167	14.0	14.0	14.0	14.0	14.0	
Subtotal								51.0	51.0	51.0	51.0	51.0	51.0	51.0	
4. Provision for salary increases (l)															
Subtotal								-	28.8	60.0	59.2	48.5	74.1	73.7	
Total Recurrent Costs								286.2	550.3	581.4	481.2	371.0	396.6	348.5	3,015.1
B. PCU staff salaries (m)															
Project manager - full cost (n)	Pers.month	6	12	12	12	12	6	72	4	24.0	48.0	48.0	48.0	48.0	
M&E officer - shared with SSLRP	Pers.month	6	12	12	12	12	6	72	2	12.0	24.0	24.0	24.0	24.0	
Procurement officer - shared with SSLRP	Pers.month	6	12	12	12	12	6	72	2	12.0	24.0	24.0	24.0	24.0	
Finance management officer - shared with SSLRP	Pers.month	6	12	12	12	12	6	72	2	12.0	24.0	24.0	24.0	24.0	
Accountant - full cost	Pers.month	6	12	12	12	12	6	72	2.5	15.0	30.0	30.0	30.0	30.0	
Subtotal								75.0	150.0	150.0	150.0	150.0	150.0	75.0	
C. Contribution to PCU operating costs															
Vehicle O&M	Number/year	1	1	1	1	1	1	7	1.75	1.8	1.8	1.9	1.9	1.9	
Internet subscription (n)	Month	6	6	6	6	6	6	42	0.75	4.5	4.6	4.7	4.8	4.9	
Electricity and utilities (o)	Month	6	6	6	6	6	6	42	1	6.1	6.2	6.3	6.4	6.5	
Office consumables (p)	Lumpsum	1	1	1	1	1	1	7	2.6	2.6	2.7	2.7	2.8	2.9	
Accounting software license (q)	Number/year	1	1	1	1	1	1	7	1	1.0	1.0	1.1	1.1	1.1	
ICT equipment maintenance and repair (printers and computers)	Lumpsum	1	1	1	1	1	1	7	2.5	2.5	2.6	2.6	2.7	2.8	
Subtotal								18.5	18.8	19.2	19.5	19.9	20.2	20.6	
Total Recurrent Costs								181.964	182.0	182.0	182.0	182.0	182.0	182.0	
Total								561.7	901.1	932.6	832.7	722.8	748.8	626.0	
								822.1	961.6	1,016.1	930.0	776.9	803.8	749.5	

la High back chair, office table, file cabinet, visitor chair
 lb On different aspects of project implementation including PM, M&E, FM, Procurement; as well as gender-responsive budgeting and M&E
 lc To complement the end-line survey's findings on income increase and contribute to a more comprehensive assessment of wealth increase
 ld Around 30 participants from UNDP, MAFS, MoEF, Ministry of Youth and Women, CBSS, Selected RPOs
 le Around 30 experts from UNDP, MAFS, MoEF, Ministry of Youth and Women, CBSS, Selected RPOs
 lf Around 30 experts from UNDP, MAFS, MoEF, Ministry of Youth and Women, CBSS, Selected RPOs
 lg Targeted and needs-based training to MAFS, CBSS and selected RPOs
 lh Based on demand, e.g. provision of personal protective equipment (PPE) for protection against pesticides to selected RPOs
 li DSA, travel for one mission per county per year
 lj PPSA level staff to be transitioned to NPSA at MTR. Project HR, Procurement and FM are covered by the GMS
 lk 10% contribution to UNDP core staff involved in the project
 ll Provision for an 8% annual increase on PMT salaries, fully funded by UNDP as co-financing
 lm All staff but the PM to be cost-shared with SSLRP on a 50% basis. Recruitment will begin in the second half of year 1 and end in the second half of year 7
 ln Cost-shared with SSLRP
 lo Cost-shared with SSLRP
 lp Tea, coffee, water, sugar
 lq The accounting software will be procured under SSLRP, but additional resources for READ licensing may be needed
 lr 8% of IFAD/GAFSP financing, minus activities not flowing through UNDP (SC 3.1, SC 3.2 and PCU support)

South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex 4: Economic and Financial Analysis

Mission Dates: 10-19 May 2022

Document Date: 08/11/2022

Project No. 2000004330

Report No. 6197-SS

East and Southern Africa Division
Programme Management Department

Annex 4: Economic and Financial Analysis

This annex presents the ex-ante economic and financial analysis (EFA) conducted for the READ project. The analysis is premised on the cost-benefit analysis (CBA) approach and its primary aim is to (i) assess the financial viability of project interventions, and (ii) assess the project's incremental net benefits to the national economy. The analysis is based on nine economic and financial models, which describe the cost-benefit flows of the different target groups and specifically of APGs, Cooperatives and their members, as well as MSEs.

The indicators provide strong supporting evidence that the proposed project would be both financially and economically justified. At the financial level, all selected models exhibit strong profitability indicators, with IRR ranging from 24 percent to 75 percent. The project's economic NPV and IRR are respectively estimated at US\$26.5 million and 27 percent, the latter being well above the retained Social Discount Rate (SDR) of 6 percent. The sensitivity analysis shows that estimated results are robust in the face of different levels of risk, such as the increase in project costs and the reduction or delay in project benefits, as well as against changes in key assumptions. This reinforces the argument that, even if current assumptions were to be revised, the project would remain profitable.

The content of this annex is organized in the following sections: 1) Identification of benefits; 2) Methodology; 3) Data and assumptions; 4) Financial results; 5) GHG accounting; 6) Economic results.

Identification of Benefits

The project is expected to generate the following key benefits: i) a moderate increase in yields, as farmers acquire improved farm inputs and equipment through loans and RPO services; ii) a reduction in post-harvest losses, resulting from the acquisition of improved post-harvest facilities and equipment (both at the farmer and RPO level); iii) an increase in the output price fetched by RPOs and MSEs as they move up the value chain; and iv) an increase in the RPO membership base unlocking greater economies of scale for the target groups; v) returns on investment yielded by the loans issued by supported financial institutions.

These benefits stem from the comprehensive institutional, business and financial support provided to RPOs and MSEs. In particular, the Business Plan (BP) financing provided to RPOs and MSEs in component 1, alongside improved access to financial services catered in component 2, will enable target groups to undertake critical investments that will empower them as sustainable value chain players. This, in turn, is expected to trickle down to producers who are members of the supported RPOs, improving their income, food security and overall resilience. Capacity building activities and policy work foreseen under Component 3 are crucial to ensure that the benefits are sustained after the project ends and throughout the project's extended lifetime.

The main costs retained for this analysis include: (i) farm-level costs, including investment and operating inputs as well as labor; (ii) group-level costs, mainly relating to investments in improved infrastructure and equipment; (iii) operation and maintenance of the supported investments; and (iv) project investment costs.

Methodology

This analysis follows the standard methodology for evaluating agriculture and rural development investment operations, as described in Gittinger (1982) and Belli et al. (2001) and in line with the IFAD Internal Guidelines for Economic and Financial Analysis. The financial analysis was conducted to assess the profitability of the proposed project activities, modelled from the perspective of the target groups, and compared with the without-project situation (which reflects the current situation). Beneficiary-level budgets have been prepared for the different types of target groups,

with computed costs and benefits using market prices (full list in the Excel file). The economic analysis followed a similar approach, but using economic prices and aggregating the results at the level of the project and from the viewpoint of the national economy. The economic analysis uses the incremental net benefits of the different beneficiaries targeted by the project, adding the environmental co-benefits arising from GHG emissions and subtracting the total project economic costs to determine the overall economic viability of the project.

Models have been built for the “without project” and “with project” scenarios. The former reflects the present agricultural situation and business models of the target groups, while the latter projects the expected impact of the project intervention. The timeframe of the analysis is dictated by the average life of the longest investments supported by the project, taking a storage facility as reference and assuming it can last 20 years if adequate maintenance is applied. According to data by the Bank of South Sudan, the average interest rate on deposits over the past six years appears to sit around 0.22 percent.⁷ Considering the low associated risk and assuming the existence of higher risk and higher yielding investment options, an opportunity cost of capital of 5 percent has been retained in the financial analysis. Information on the social discount rate⁸ prevailing in South Sudan was not readily available; a rate of 6 percent was therefore retained for the economic analysis in line with other projects implemented in the country, while testing the robustness of the results to higher discount rates in the sensitivity analysis.

Financial models. The financial models on which the analysis is premised were selected with the intention of capturing the graduation pathway of farmer groups and their members. To this effect, the analysis built on three producer-level models and four group-level models that are explicitly linked to each other, so as to show the cumulative benefits to RPO members. Group-level models were selected to represent different types of groups (two APGs and two Cooperatives), different value chains (cereal, groundnut and honey) and different activities (two for bulking and two for processing). Two additional models were developed for MSEs, one for a micro enterprise of two employees and another one for a small enterprise of eight employees. The models and the respective investments modelled are summed up in the table below, alongside the supported investments and corresponding investment amounts retained.

Summary table of models developed

Target group	Value chain	Activity	Supported investment
Individual producers	Cereal	Production	Improved seeds and hermetic storage bags
	Groundnut	Production	Improved seeds and hermetic storage bags
	Honey	Production	Improved beehives and beekeeping equipment
APGs	Cereal	Bulking - post-harvest	Mechanical thresher and hermetic silos
	Honey	Processing	Spinning machine and wax melter
Coops	Cereal	Bulking - storage	Storage facility and equipment
	Groundnut	Processing	Peanut butter processing facility and equipment
MSEs	Fish	Trading	Scales, trading equipment and motorcycle
	Vegetable	Processing	Solar driers, grinding machinery and motorcycle

⁷ <https://boss.gov.ss/wp-content/uploads/2022/06/STATISTICAL-BULLETIN-April-2022.pdf>

⁸ Considered as equivalent to the rate of return on long term government bonds that GoSS could invest in as an alternative to the project

10. Incremental benefits from IRF. Given the relative lack of information on component 2 activities and targets, the analyst chose to estimate the cashflow generated by supported rural finance institutions through the estimation of incremental benefits accrued to borrowers – in line with IFAD guidelines.⁴⁰ The economic models listed above were used to derive the average return on investment (ROI) for each target group, which in turn was used to estimate the incremental net benefits accrued to beneficiaries borrowing from supported SACCOs as well as from CBSS. The ROI was calculated by dividing the value generated by the investment (equal to the net incremental revenues achieved after the investment period) by the cost of the investment. The investment period was assumed to be equal to the loan repayment period and quantified at 1 year for individual producers and 3 years for producer groups and MSEs. The economic models were also used to derive the average incremental income for individual producers accessing loans for the purchase of farm inputs; this parameter was used in the aggregation of benefits accruing to VSLA members instead of the ROI, following the approach suggested in the IFAD EFA guidelines, vol. 3.⁴¹

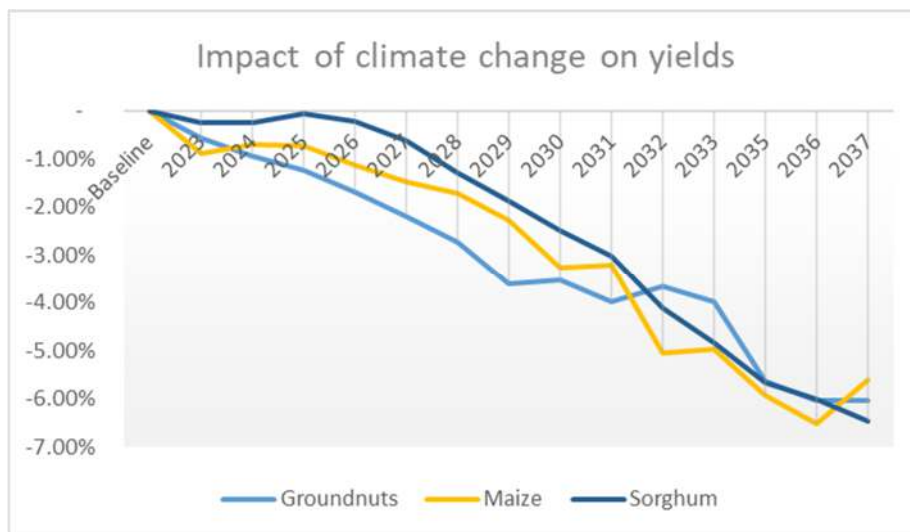
Data and assumptions

Data. The analysis is primarily based on data collected through interviews with stakeholders during the field mission in Juba. Due to the security situation constraining visits outside of Juba, it was not possible to interview stakeholders in the target counties. To address this limitation, collected data was triangulated and complemented using data collected by the SSLRP and other projects, data published by FAOSTAT (particularly for crop yields) as well as a limited number of available secondary sources such as the SSADP-II baseline report⁴² and the CFSAM 2020 report.⁴³

Value chains. Value chain identification and selection is planned during the first year of implementation; a definite list of target value chains was therefore unavailable during the preparation of this analysis. A few potentially relevant value chains were nevertheless selected for the financial and economic modelling, based on their representation in the target states and on their potential for food security, nutrition, marketing and/or processing. These are: cereal (maize and sorghum), groundnut, honey, vegetables (okra and tomato) and fish. According to literature,⁴⁴ cereals (and in particular sorghum and maize) are the dominant crops cultivated by a majority of farmers in the target area, followed by groundnuts;⁴⁵ both play a crucial role for farmers' food security. Honey, vegetables and fish are less geographically widespread, but are a key source of income and nutrition for producers in selected counties (honey is particularly popular in Yambio, for example; while between 14 and 17 percent of South Sudanese households are estimated to engage in fisheries, mainly those living along the Nile).⁴⁶

Agricultural yields. Yields are generally below potential in South Sudan, mainly due to the unavailability of inputs such as improved seed and fertilizers, reliance on rainwater, and the low adoption of good agricultural practices. The FAO-WB report estimates that cereal yields, for example, may only reach one third of the yield levels prevailing in neighbouring countries such as Kenya, Uganda and Ethiopia.⁴⁷ Though the project will not provide targeted production support, it is assumed that it will contribute to address these challenges indirectly by strengthening production services provided by RPOs to their members, as well as improving producers' access to finance for farm inputs. For example, financial inclusion will enable farmers to purchase improved seed, organic fertilizer and other farm inputs, which are often imported and hence unaffordable without access to lending services. A 20 percent yield growth rate was assumed across the different crops; different scenarios are presented in the sensitivity analysis to test the robustness of results in the face of different rates of growth. The impact of climate change on agricultural yields was also taken into account for sorghum, maize and groundnuts, using the IFAD Climate Adaptation in Rural Development – Assessment Tool (CARD)⁴⁸ (see chart below). Since the project is not expected to directly mainstream climate resilient agricultural practices, the same levels of climate change impacts were retained for the WOP and WP scenarios.

Chart: CARD impact on yields



Post-harvest losses and own consumption. Post-harvest losses (PHL) are reportedly high in South Sudan. The FAO-WB report, for example, points out that post-harvest losses range from 15 to 50 percent across different crops.⁴⁹ The introduction of improved post-harvest handling and storage infrastructure, equipment and practices, both at the farm and group level, can be expected to reduce such losses substantially, while also improving product quality and food safety. As all of the crops considered are commonly used in local diets, own consumption was also taken into consideration in the models and assumed to remain fixed both in the WOP and WP project scenarios. The table below presents the WOP and WP levels of yields, PHL and own consumption retained for the analysis; the sensitivity analysis illustrates the influence of changes in these assumptions on profitability indicators.

Table on yields, post-harvest losses and own consumption – WOP and WP

Products	Yields (kg/ha)			Postharvest losses - on and off farm (%)			Own consumption (kg)
	WOP	Increase	WP	WOP	Reduction	WP	Kg per household
Maize	791	20%	950	20%	50%	10%	261
Sorghum	1,001	20%	1,201	20%	50%	10%	330
Groundnuts	602	20%	722	20%	50%	10%	199
Honey	200	20%	240	10%	50%	5%	52

Processing rates. In line with the project’s emphasis on enterprise and value chain development, value addition and agro-processing activities have been featured prominently in the selected models. It is assumed that around half of target RPOs and MSEs will kick-start processing activities through supported investments. Based on interviews and consultations with stakeholders, honey, vegetables and groundnut were identified as the value chains with highest potential for value addition; a model has been designed for each of them. The following products and output rates have been retained for the following end products: 1) tomato and okra powder: respectively 71 percent and 86 percent of fresh tomato and okra weight; 2) liquid honey and beeswax: respectively 88 percent and 12 percent of the honeycomb weight; 3) groundnut paste: 90 percent of the raw produce’s weight.

Output price increase. The intervention is expected to empower RPOs and MSEs as sustainable value chain players. As they move up the value chain and develop improved post-harvest, bulking, processing and marketing capacity, farmer groups are expected to capture a larger share of the

value of the end produce. For example, by acquiring a storage facility a cooperative and its members will be able to sell directly to a wholesaler rather than passing through a middleman. This will translate into a price premium paid to the groups and passed down to their members; the levels of premiums were drawn from data presented in the SSADP-II baseline report and are summarized in the table below.

Table on margins along value chain

Products	Middlemen over farmgate	Wholesaler over middlemen
Maize	47%	18%
Sorghum	47%	18%
G-Nuts	31%	18%
Honey	39%	18%

Membership increase. An increase in the membership base is essential to enable the farmer groups to develop economies of scale and greater levels of return. As the RPOs develop and grow into strong value chain players, it is expected that their increased profitability and revenues will attract new members. In line with the project logical framework, the WOP average membership was set at 30 members for APGs and 60 members for Cooperatives; membership is assumed to grow by a conservative rate of 20 percent over the project period, reaching 36 members for APGs and 72 members for Cooperatives by project end. The models also assume that a growing number of said members will be selling their produce through the groups, either in raw or processed form.

Incremental benefits to borrowers. For the estimation of benefits stemming from supported SACCOs as well as CBSS, a number of assumptions were made around the following parameters: 1) average loan size; 2) incremental number of loans; 3) share of productive loans; 4) return on investment for each loan category, which are calculated based on the financial models; 5) rate of failure. For VSLAs, on the other hand, the analysis relies essentially on: 1) the average annual benefits after financing per member, which were computed based on the financial models for individual producers; and 2) the share of productive loans, which is assumed to increase from 20 percent to 40 percent as a result of the intervention. For VSLAs, the main benefits accrue from an increase in the share of productive loans over the project period; while for SACCOs and CBSS, the main benefits accrue from an increase in the number of loans disbursed.⁵⁰ The parameters retained for each type of financial institution were used in the economic aggregation of the component 2 benefit stream and are reported in the table below.

Table on parameters for RFIs

	Number of organizations	Annual net benefits after financing (US\$)	Productive loans		Return on investment	Rate of failure
			WOP	WP		
VSLAs						
	300					
Loan to individual producers		34	20%	40%		
SACCOs						
	24					
Loan to individual producers		100	600	60%	27%	10%
Loan to small groups and MSEs		5,000	60	100%	47%	10%
CBSS						
Tier 1 loans to producer groups		40,000	336	100%	49%	10%
Tier 2 loans to individual producers		500	16,800	100%	49%	10%
Tier 3 loans to MSEs		10,000	672	100%	70%	10%

Financial and economic prices. Market prices of key inputs and outputs were calculated based on primary information collected through interviews with stakeholders and key references of previous projects in South Sudan. Economic prices were estimated using conversion factors designed to reflect prevailing taxes and subsidies for the main types of agricultural inputs and outputs. The conversion factor for tradeable goods was calculated at 0.91, while the conversion factor for labour was estimated at 0.86, based on an unemployment rate of 14 percent.⁵¹ For all other tradeable and non-tradeable goods, it was assumed that the economic prices are in line with the market price and no conversion factor was applied.

Financial analysis results

Financial analysis. All of the models assessed as part of the analysis appear financially viable, generating significant amounts of additional income and attractive returns on investment (see table below). Overall, all calculated IRR are well above the benchmark of the retained 5 percent opportunity cost of capital; in addition, all models indicate positive NPVs and cost-benefits ratios higher than one. Results are summarized in the table below; it is useful to note that larger groups (agricultural cooperatives) attract larger profits than smaller groups and even than MSEs. This is consistent with the argument that economies of scale and the size of the membership base are a key determinant of the success of supported RPOs.

Table on financial results by model

Target group	Model	Financial analysis indicators		
		NPV (US\$)	IRR	C/B ratio
Individual producers	Cereal production	94	75%	2.31
	Groundnut production	76	47%	1.64
	Honey production	466	29%	3.50
APGs	Cereal post-harvest and bulking	20,222	24%	2.50
	Honey value addition	35,503	40%	1.20
Coops	Cereal storage and bulking	90,388	33%	1.30
	Groundnut processing	178,169	59%	1.34
MSEs	Fish trading	6,554	29%	1.20
	Vegetable processing	35,462	34%	1.12

Return on Investment. The same models were used to calculate the average economic return on investment (ROI) for the different target groups, assuming that loans provided by supported financial institutions would finance similar types of investments. All of the models exhibit a positive ROI, which is highest for MSEs, followed by agricultural cooperatives, agricultural producer groups and individual producers. The ROIs, summarized below, were used in the economic analysis to estimate the incremental net benefits generated through the loans disbursed by supported financial institutions.

Table on ROI by supported borrower

Borrower	ROI	Loan amount (USD)
Individual producer	27%	174
Agricultural producer group	47%	9,816
Agricultural cooperative	51%	33,559
Micro, small enterprises	70%	5,023

Income analysis. An income analysis was performed based on the above-mentioned financial models, under the assumption that benefits to individual farmers would accrue both from increased farm income and from increased revenue shares from their farmer groups. By weighting the total revenue increases and applying a success rate of 80 percent, the average income increase across the target population was estimated at 25 percent. The majority of the income increase (approximately 83 percent) is generated by the revenue accruing from RPO membership, which is consistent with the project's ToC and demonstrates the potential impact of investing in producer organizations, as well as gaging farmer's interest in joining the groups. The two tables below show, respectively, the data drawn from the farm-level models to calculate the income evolution of each type of beneficiary, and the composition of the average income increase obtained after aggregation and weighting of the different models.

Table on Farm-level models and average income increase

Income analysis		WOP annual income (SSP)			WP annual income (SSP)		
Beneficiary	Value chain	Producer income	RPO revenue share	Total revenue	Producer revenue	RPO revenue share	Total revenue
APG member	Cereal	193,152		193,152	203,558	30,619	234,176
APG member	Honey	157,432		157,432	177,596	51,250	228,846
Coop member	Cereal	193,152	26,155	219,306	203,558	88,210	291,767
Coop member	Groundnut	211,488	20,267	231,755	218,293	141,805	360,098

Composition of average income increase, after aggregation and weighting			
	Producer income	RPO revenue share	Total revenue
Value in SSP	8,405	41,172	49,577
Increase over WOP income	17%	83%	100%

Employment. The models developed for the EFA were used to estimate the number of new employment opportunities generated by the project. Two types of employment opportunities were considered: i) full-time employment opportunities at the level of RPOs and MSEs, including both those related to more technical functions such as storage management, processing and transport, and those related to institutional functions at the group level; ii) independent wage workers involved in seasonal farm activities such as harvesting, post-harvest handling and transport. Based on the assumptions presented in the table below, a total number of 1,369 persons are estimated to gain new employment opportunities generated through the project. These results are based on purposefully conservative assumptions, especially considering that the calculation only takes into account RPOs, MSEs and individuals directly targeted by the project in component 1 and 2. It is therefore recommended that the number of new employment opportunities generated by the project is revised based on the findings of the mapping exercise to be conducted at project inception.

Table on Employment creation

Beneficiary type	Number of organizations hiring new employees	Average number of new technical employees	Average number of new institutional employees	Average number of new full-time employees	Total number of new full time employment opportunities
APGs	151	2.0	1	3.0	454
Coops	33	4.0	1	5.0	166
SACCOs	24	0.0	2	2.0	48
Micro enterprise	43	2.0	0	2.0	86
Small enterprise	43	7.0	0	7.0	302
Total					1056
Beneficiary type	Number of farmers hiring new wage labor	Average new wage labor hired (pers.day)	Total new wage labor hired (pers.day)	Average labor days per wage worker	Total number of new wage labor opportunities
Producers	7,828	4	31,311	100	313
Total					313
Total number of new employment opportunities created					1,369

Affordability check. Finally, an affordability check was conducted to assess households and groups' capacity to finance the modelled investments and determine the size and sustainability of loans required. For each model, the affordability check retained all investment, inputs, labour costs as well as a 10 percent interest on loans to calculate total financing needs; in addition to these, estimated drawings for off-farm/family expenses were also accounted for in individual producer models, while for the group-level models institutional expenses such as AGMs and management staff, as well as member revenue shares, were considered as part of the financing needs. With the loan sizes derived from the analysis and reported in the tables above, all modelled investments appear to be affordable with a positive opening balance; the detailed results of the affordability check are presented in the EFA spreadsheets.

Greenhouse gas (GHG) accounting

The demand-driven nature of the interventions supported by the project poses a significant challenge to the estimation of the related carbon balance. Though the nature of the investments cannot be defined at this stage, it is likely that the infrastructures, equipment and inputs funded through project interventions will produce some level of climate externalities. The project will devise a range of measures to avoid or mitigate adverse impacts, including the screening of business plans and the implementation of SECAP measures; notwithstanding, it can be assumed that some of the supported investment may still influence the project's carbon balance. A preliminary green-house gas accounting exercise was therefore conducted, using the EX-ACT tool, to estimate the environmental externalities that could arise as a result of the investments supported under the BP financing facility.⁵² Below are the main observations and calculation carried out through the EX-ACT tool to estimate the project's carbon balance.

Land-use changes. Project beneficiaries are assumed to continue cultivating the crops that they already cultivate, without any change in the related cropped area and land-use. Hence, no significant impact on the project's carbon balance is expected from this component.

Cropland management. Changes in farm-level agricultural practices directly attributable to the project are not foreseen; the impact of this component on the project's carbon balance is therefore assumed to be insignificant.

Other components. No grassland, wetlands and forest management support is foreseen and no changes in carbon emissions can therefore be attributed to the project in these areas.

Input use. For the purpose of the analysis, the main change expected as a result of the project is the use of improved seeds and the adoption of organic fertilizers, both of which are enabled by improved RPO services and access to finance.⁵³ The environmental externalities related to the adoption of improved seeds are expected to be insignificant; on the other hand, the adoption of organic fertilizers like manure can be expected to generate increased amounts of emissions. Based on the ratios described in the table below⁵⁴, a total of 204 tonnes of nitrogen, 123 tonnes of phosphorus and 245 tonnes of potassium are estimated to be applied each year through organic fertilizers. Compared to a without project scenario in which no fertilizer is applied, this would produce an increase in emission of around 37,407 tonnes of CO2 equivalent over the project's lifetime.

Table on Manure Application

Manure application								
Area (ha)	Yearly manure application (t/ha)	Total yearly manure application (tonnes)	Nitrogen (N)		Phosphorus (P2O5)		Potassium (K2O)	
			Ratio	Tonnes	Ratio	Tonnes	Ratio	Tonnes
5,106	4	20,425	1.0%	204	0.6%	123	1.2%	245

Energy consumption. The investments supported by the project will include agricultural machineries and equipment. Investments funded through the MG facility will be screened for climate sustainability; this, alongside the active promotion of solar energy in supported investments, is expected to maintain the level of related emissions low. Some of the investments funded by borrowers of supported financial institutions may however make use of fuel and/or electricity. Based on the calculations described in the tables below, the following have been retained: 1) diesel-powered machinery (exemplified by cereal threshers) for a total yearly fuel consumption of 2,576 liters; 2) electricity-powered machinery (exemplified by groundnut grinders) for a total yearly electricity consumption of 13,885 KWh; 3) vehicles used to transport produce from farm to market (exemplified by a motorcycle) for an yearly fuel consumption of 4,800 liters. Assuming that none of these investments would be carried out without the project, the net emissions generated amount to 301,693 tonnes of CO2 equivalent over the project's lifetime

Diesel-powered machinery (e.g. threshers)						
Number	Average yearly production (kg)	Total yearly production (kg)	Throughput (kg/hour)	Total yearly utilization (hours)	Fuel consumption (liter/hour)	Total yearly fuel consumption (liter)
84	11,924	1,001,630	350	2,862	0.9	2,576
Electricity-powered machinery (e.g. groundnut grinders)						
Number	Average yearly production (kg)	Total yearly production (kg)	Throughput (kg/hour)	Total yearly utilization (hours)	Electricity consumption (Kwh)	Total yearly electricity consumption (Kwh)
61	10,354	631,151	50	12,623	1.1	13,885
Vehicles to transport produce (e.g. motorcycles)						
Number	Average yearly travel (km)	Total yearly travel (km)	Fuel consumption (liter/km)	Total yearly fuel consumption		
96	1,000	96,000	0.05	4,800		

Infrastructure. The project is expected to support RPO investment in different types of storage or bulking facilities. Only higher level cooperatives are expected to carry out these investments; in line with the logframe, 23 market, processing or storage facilities are assumed to be constructed and/or rehabilitated through BP financing. In addition to these facilities, six MAFS county offices are also expected to be constructed and/or rehabilitated with project support. The assumptions used to calculate the carbon emissions related to these investments are presented in the table below; the net emissions generated are estimated in the range of 1,167 tonnes of CO2 equivalent

Table on infrastructure

Buildings	Number	Description	Average area (square meters)	Total area (square meters)
MAFS county offices	6	Housing (concrete)	100	600
Cooperative storage	23	Agricultural buildings (concrete)	60	1,380

Based on the above-mentioned assumptions, the analysis yields a negative and significant carbon balance, with READ's activities leading to total net emissions of 332 thousand tCO2-e over a period of 20 years. Per year, the project may produce around 16.5 thousand tCO2-e more than the without project scenario. This is mainly accounted by the increased energy use resulting from project-supported investments, which is the may carbon emitter that could be identified in the analysis. These results are based on tentative assumptions; however, they clearly point out that the project must devise specific measures to avert and/or mitigate the potential carbon emissions generated by the project – for example, more stringent criteria for the selection and funding of BPs and/or targeted measures to ensure that CSA practices are part of selected BPs.

Assigning an economic value to these emissions is a complex task. This analysis refers to the 2017 WB Guidance Note on Shadow Price of Carbon in Economic Analysis, which recommends that "projects' economic analysis use a low and high estimate of the carbon price starting at US\$40 and US\$80 respectively in 2020 and increasing to US\$50 and US\$100 by 2030". Accordingly, the

economic analysis presents two scenarios in addition to the baseline without environmental co-benefits: one with the low and the other with the high range social cost of carbon.

Economic analysis results

Aggregation. The overall benefits of the project were estimated by aggregating the economic results of the different model, in line with the targets used in the logframe and the phasing adopted in the budget. The table below portrays key logframe indicators used for the aggregation of the different benefit streams, as well as for the calculation of project outreach; in the EFA, a 90% success rate was applied to each relevant target to account for the risk of failure of supported beneficiaries.⁵⁵

Table on linkages between key logframe indicators, EFA benefit streams and project outreach

Linkage between key logframe indicators, EFA benefit streams and project outreach				
Benefit stream / notes	Relevant indicator name	Endline target	Corresponding number of HHs	Project outreach
Component 1: Rural Producers' Organizations Development				
This indicator captures the total number of RPOs and MSEs targeted by the project in component 1; the related endline target is used to calculate component 1 outreach.	<i>Rural enterprises accessing business development services</i>	456	13,872	13,392
	APGs	300	10,800	10,800
	Cooperatives	36	2,592	2,592
	MSEs	120	480	Already counted in employment indicator
Number of RPOs and MSEs benefiting from BP financing, calculated as the 80% of targeted RPOs and MSEs minus the 90 level 1 APGs (which will not receive BP financing); the related endline target is used for the aggregation of component 1 benefit streams.	<i>Number of business plans financed, by type of organization (APGs, Cooperatives, MSEs)</i>	301	9,082	Already counted above
	APGs	168	6,048	"
	Cooperatives	37	2,650	"
	MSEs	96	384	"
Number of employment opportunities generated by the project; the endline target captures the new jobs created at the level of BP financing beneficiaries (RPOs and MSEs) as well as at supported SACCOs, based on the assumptions used in the EFA models.	<i>Persons with new jobs/employment opportunities</i>	1,222	1,222	1,222
Component 2: Inclusive Rural Finance Services				
This indicator captures the total number of VSLAs and SACCOs targeted by the project in component 2; the related endline target is used both to calculate component 2 outreach, after being reduced by 50% to account for overlaps of VSLA/SACCO members with RPO members counted in component 1. The endline target was also used for the aggregation of net benefits streams stemming from supported VSLAs and SACCOs.	<i>Number of community-based financial service providers supported</i>	300	9,300	4,650
	New VSLAs formed	120	3,000	1,500
	Existing VSLAs supported	180	4,500	2,250
	New SACCOs formed (from VSLA graduation)	18	1,350	675
	Existing SACCOs supported	6	450	225
This indicator tracks the total volume of CBSS loans outstanding; the projection on which the endline target is based is used to estimate the aggregated net benefits of loans issued by CBSS with project support. Beneficiaries of these loans are not accounted for in the project outreach, as they are assumed to overlap with beneficiaries of other activities.	<i>Volume of CBSS loans outstanding</i>	6,120,000	3,816	Already counted above
	Individual loans	1,800,000	72	"
	Group loans	2,880,000	3,600	"
	MSE loans	1,440,000	144	"
Number of individuals who are not member of supported RPOs that are trained by the project in financial literacy. The related endline target adds up to the project outreach, as no overlap with other target groups exists by design.	<i>Persons in rural areas trained in financial literacy and/or use of financial products and services</i>	8,100	8,100	8,100
Total project outreach				27,364

For the RPOs and MSEs targeted in component 1, benefits accruing to the beneficiaries of asset transfers and matching grants were converted using economic prices and aggregated through the following assumptions: i) 80 percent of target RPOs qualify for BP financing, in line with the logframe's endline target; ii) 90 percent of BPs financed are successful; iii) for RPOs, 50 percent of BPs financed are assumed to focus on processing/value addition, and the remaining 50 percent to focus on storage/bulking; iv) for MSEs, 50 percent are assumed to focus on small trading activities, and the remaining 50 percent on processing/value addition. The related net incremental benefits generated at the level of individual group members were also included in the aggregation. The table below summarizes the target numbers used for the aggregation of benefits accruing to BP beneficiaries and their members, which are aligned with the logframe's endline targets.

Table on Matching Grant Financing Windows

BP financing beneficiaries	Share	Number of organizations	Number of members
Window 1- APGs		151	5,443
Storage/bulking (cereal)	50%	76	2,722
Processing/Value addition (groundnut)	50%	76	2,722
Window 2 - Cooperatives		33	2,385
Storage/bulking (cereal)	50%	17	1,192
Processing/Value addition (honey)	50%	17	1,192
Window 3 - MSEs		86	n/a
Small-scale trading (fish)	50%	43	n/a
Processing/Value addition (vegetables)	50%	43	n/a

Additional cashflows were computed to capture the benefits accruing to target groups from supported rural financial institutions (VSLAs, SACCOs and CBSS), following the methodology described in the IFAD guidelines for economic and financial analysis and using the parameters reported in the Assumption section.⁵⁶ The aggregation followed closely the targets and phasing used in the logframe and budget, for each type of institution. A dropout rate of 20% was added in the computation of the total incremental benefits of VSLAs and SACCOs from year 8 onwards, to account for the likelihood that some groups will be unable to sustain operations after the project end.

Table on number of RFIs supported and CBSS loans disbursed

Number and phasing of supported community-based financial institutions, by project year								
Institutions	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Total
VSLAs	0	60	60	60	60	60	0	300
SACCOs	0	3	7	6	4	4	0	24
Number and phasing of CBSS loans tiers, by project year								
Tiers	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Total
Tier 1	12	24	36	48	60	72	84	336
Tier 2	600	1200	1800	2400	3000	3600	4200	16800
Tier 3	24	48	72	96	120	144	168	672

Project costs were converted into economic costs and subtracted from the sum of the net benefit flows described above. Conversion of project costs into economic costs was carried out through the Costab software, which automatically removes the value of taxes and other transfer payments. The parameters used for the conversion include the level of taxes retained in the project costing as well as a Standard Conversion Factor (SCF) of 0.98.⁵⁷ The costs of matching grants were also subtracted from project costs, to avoid double counting (as they are already accounted for in the economic and financial models). A social discount rate of 6 percent was applied and the analysis was run over fifteen years with no residual value.

Economic analysis results. Under the assumptions described above, the overall economic analysis yields an Economic Rate of Return (ERR) of 27% and a positive Net Present Value (NPV) just under USD 26.5 million, which justify the investment given the retained social discount rate of 6 percent. The project remains viable if environmental co-benefits are included, but its profitability indicators would significantly drop as a result of the negative and significant levels of climate externalities estimated through EX-ACT. With environmental valuation at low prices, the project would yield a NPV of US\$ 20.2 million and an economic IRR of 22 percent; while with environmental valuation at high prices, the NPV would drop to US\$ 13.9 million and the economic IRR to 18 percent. These three scenarios are summarized in the table below; the results point at the need to devise targeted measures to avert or mitigate the potential emissions generated by project-supported investments, which would cause its profitability to be significantly hampered.

Table on Economic Result Indicators

Economic indicators	IRR	NPV (US\$)
Base scenario	27%	26,482,192
With env. Co-benefits @ low price	22%	20,192,394
With env. Co-benefits @ high price	18%	13,902,596

The sensitivity analysis shows that the results provided under the base scenario are robust to key risks identified in the IPRM. The main risks that have direct implications for the EFA pertain to changes in fragility and security, macroeconomic stability, vulnerability to climatic conditions – all of which have a high risk rating. Changes in the security situation, and in particular the resurgence of conflict, could indeed significantly affect the identified project benefits, either by drastically reducing or delaying them. The impacts of climate change, and in particular the intensification of extreme weather events such as droughts and floods, could also hamper project benefits substantially. Increased macroeconomic instability, mainly related to inflation and exchange rate volatility, could on the other hand inflate the costs retained in the budget and affect the overall efficiency of the project. The robustness of results to the identified risks was tested against a number of parameters, and specifically: (i) reduced project benefits; (ii) increased project costs; (iii) delayed project benefits; (iv) decreased social discount rate. Under all scenarios the project remains viable, with the lowest results being a NPVs and IRR of US\$ 13.9 million and 18 percent respectively when benefits are reduced by 30 percent. The results of this “variable by variable” sensitivity analysis as well as their linkages to the associated IPRM risks are presented in the table below.

Table on Risk Linked Sensitivity Analysis

Economic indicators	IRR	NPV (US\$)	Associated IPRM risks	Risk probability	
				Inherent	Residual
Project level					
Base scenario	27%	26,482,192			
costs +10%	25%	24,947,629	Macroeconomic stability, and in particular inflation and ER volatility, which could cause project costs to soar	High	High
costs +20%	22%	23,413,066			
costs +30%	21%	21,878,503			
benefits -10%	24%	22,299,410			
benefits -20%	22%	18,116,627	Fragility and security, and in particular the resurgence of conflict, as well as vulnerability to environmental conditions such as drought and floods, could hamper project benefits	High	High
benefits -30%	18%	13,933,845			
benefits delayed 1 year	21%	21,411,007	Fragility and security, and in particular the resurgence of conflict, could halt project activities and hence delay benefits	High	High
benefits delayed 2 years	17%	16,616,116			
Discount rate @ 8%	27%	20,660,008			
Discount rate @ 12%	27%	16,038,011			

Results were further tested to account for changes in key assumptions. These additional parameters include: (i) yield growth; (ii) post-harvest loss reduction; (iii) output price premium; (iv) RPO membership increase; (v) rate of non-performing loans. The results shows that the project economic indicators are robust to changes in underlying assumptions, which offer ample margin to consider the results acceptable even in the case of substantial variations (see table below). Project profitability is most sensitive to changes in yield growth rates: if no improvement in yields is assumed, the NPV would touch its lowest point at US\$ 8.5 million and the IRR would drop to 14 percent. This supports the argument that the proposed intervention should be, as much as possible, complemented with agronomic support by linking to existing projects operating in the same area for the project. Considering the relatively conservative assumptions retained across the different models, however, the sensitivity analysis reinforces the argument that the project is robust and worthwhile.

Table on Sensitivity Analysis with Economic Values

Economic indicators	IRR	NPV (US\$)
Beneficiary level		
Base scenario	27%	26,482,192
yields +0%	14%	8,542,445
yields +10%	21%	17,568,780
yields +20%	27%	26,482,192
PHL reduction -0%	26%	24,635,429
PHL reduction -25%	27%	25,595,442
PHL reduction -50%	27%	26,482,192
output price premium -50%	13%	8,722,961
output price premium -25%	16%	11,307,770
output price premium -0%	27%	26,482,192
RPO membership increase +0%	22%	18,694,541
RPO membership increase +20%	27%	26,482,192
RPO membership increase +40%	32%	34,159,049
Non-performing loans @20%	17%	12,579,795
Non-performing loans @15%	22%	19,530,993
Non-performing loans @10%	27%	26,482,192

South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex 5: Social Environment and Climate Assessment (SECAP) Review Note

Mission Dates: 10-19 May 2022

Document Date: 08/11/2022

Project No. 2000004330

Report No. 6197-SS

East and Southern Africa Division
Programme Management Department

The SECAP Review note should build on the preliminary note mentioned above, draw on the results of the screening exercise and be informed by the issues raised during the design mission, the stakeholders interviews, publicly available tools and dataset, and environmental, social or climate-related studies that inform on the characteristics of the project location. The SECAP review note includes the revised ESMP and should be attached to the Project Design Report, integrated in Draft Project Implementation Manual (PIM) and COSTAB and shall be submitted to Design Review Meeting (DRM) or IRC (for NSOs).

1. Introduction

1. This Social Environmental and Climate Assessment Procedure (SECAP) review note contributes to the formulation of the South Sudan Rural Enterprises for Agricultural Development (READ) project. In August 2021, the Government of South Sudan submitted a grant fund request to the Global Agriculture and Food Security Programme (GAFSP) with IFAD as a supervising entity. In December 2021, the GAFSP steering approved the concept note (ranked 4), with a USD 20 million allocation compared to the USD 21.7 million requested.
2. This document aims to provide elements of context and guidance for the READ project. The SECAP Review Note summarises the development context; assesses opportunities and risks related to IFAD's mainstreaming themes (gender, youth, nutrition, climate and environment) and makes specific recommendations on how the project can mitigate risks and better address social and environmental concerns.
3. The SECAP Note is prepared in line with the requirements of the IFAD SECAP edition 2021 and in line with the READ concept note developed from June to August 2021 and builds on the South Sudan Livelihoods Resilience Project. Data has been collected through an extensive literature review, various tools such as the IFAD Adaptation Framework and World Bank Climate Change Knowledge Portal and Think Hazard. Consultations were held with key stakeholders, including farmer cooperatives, Saccos, young entrepreneurs, association of persons with disabilities, Ministry of Agriculture, NGOs (VSF-G, CARE, Cordaid, BRAC), UN agencies (WFP, FAO, UNICEF, UNMISS).
4. READ overall goal is to 'improve food security, income and resilience among the targeted rural households. The Programme Development Objective is to empower Rural Producers' Organisations (RPOs) as sustainable and resilient value chain players.
5. In order to ensure the success and sustainability of READ implementation within the humanitarian-peace-development nexus context, the READ project will be implemented in six counties and focus on a maximum of seven value chains during the first years of implementation. Guided by an evidence-based ranking exercise, six counties (Awiil Centre, Magwi, Maridi, Nzara, Renk and Yambio) over six states have been selected for implementation in phase I (see Figure 1). The validation of the counties will take place in a participatory manner during the project inception phase. The phase II expansion to all twelve counties is contingent on the security situation, availability of additional funding and whether key outputs have been achieved in the first six counties. The READ programme focuses on three interlinked components as follows: Component 1 – Rural Producers' Organizations Development; Component 2 – Inclusive Rural Finance Services and; Component 3 – Policy and regulatory framework development.



2. Situational analysis and potential project impacts

6. South Sudan became the 193rd member state of the United Nations in 2011. South Sudan has a population of 11.2 million (2020), the lowest population density in East Africa (19.1 persons/square kilometre^[1]). Among the counties targeted by the READ project, Bor South is the most populated with approximately 327,600 inhabitants, which is more than five times the population of Torit (see Table 1). South Sudan ranked 185 out of 189 countries in the 2019 Human Development Index, with an index 21 percent lower than the average of countries in Sub-Saharan Africa^[2], indicating poor achievement in terms of population life expectancy, education and income. The Gross Domestic Products (GDP) of South Sudan is much higher than the neighbouring countries (USD 1,120 per capita in 2015 vs. USD 847 for Uganda and USD 640 for Ethiopia^[3]), mostly driven by oil revenue that is not fairly distributed.

Table 1. Population projection in READ counties in 2020 (Phase 1 counties; Phase 2 counties)

State	Eastern Equatoria		Central Equatoria			Western Equatoria				Jonglei	Upper Nile	Northern Bar el Ghazal
County	Magwi	Torit	Kajo-Keji	Terekeka	Yei	Yambio	Tambura	Maridi	Nzara	Bor South	Renk	Aweil Centre
Population	248,107	58,644	221,902	246,483	271,187	158,961	110,431	92,205	81,075	327,583	188,564	79,060

- South Sudan is classified as the fourth most fragile state in the world, resulting from a long-drawn conflict driven by historical, political, social and economic marginalisation. The civil war which erupted in 2013 led to a breakdown of governance structures, law and order, and the disruption of community institutions that supported livelihoods. Despite a Peace agreement signed in September 2018 between the government and the main opposition group, the situation remains unstable with long-standing tensions between communities over land rights, access to water, grazing areas and other resources. Civilians are at risk of human right violations such as unlawful killings, torture, violence(including sexual violence), recruitment of child soldiers^[4]; leading to large population displacements of people and destruction of public assets.
- Armed conflicts, including political, inter-communal and cattle-related violence, have significantly hindered development investments over the last decade. In particular, livestock has been intrinsically linked to the conflicts; as a critical source of income, food and social capital for communities. Cattle are also used for dowry, compensation, and settlement of disputes and – in the absence of an established banking sector – serve as a reliable way to secure assets^[5]. Over the last years, the nature and intensity of livestock-related conflicts have changed, with an increased use of arms, eroded traditional resolution mechanisms and weak rule of law institutions^[6].
- South Sudan is facing the worst food insecurity crisis since its independence, with an estimated 7.74 million people (about 63% of the population) expected to experience severe acute food insecurity in 2022^[7]. Despite its recognised potential to be Africa’s breadbasket^[8], the country is a net importer of food. For instance, the cereal deficit in 2021 was equivalent to 35 percent of the overall requirements for the year.
- Food prices continue to be a major challenge. According to the WFP food prices database, a 10 kg bag of maize increased from USD 7 in 2016 to USD 21 in 2021 (see Figure 2). South Sudan is affected by wheat price increase as it relies on imports from neighbouring countries, of which 90 percent is from Russia and Ukraine. Potential consumption substitution of wheat products will lead to a price increase of other cereals. Moreover, increased prices of fuel and fertilisers, which account for a large proportion of food prices (~30 percent) are also being pushed to the consumers. The Ukraine crisis has also placed significant pressure on humanitarian actors (such as WFP) who had to suspend food aid for 1.7 million beneficiaries, cut on rations and cancel school meal programmes in South Sudan due to the increased cost of their operations^[9].

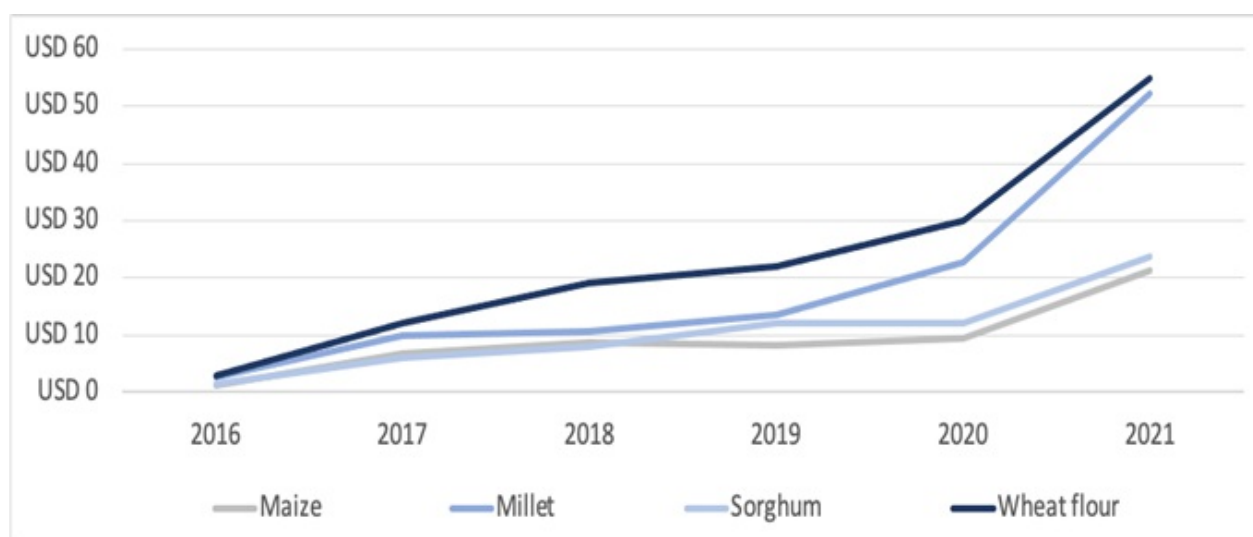


Figure 2. Price trend of staple foods between 2016 and 2022 from 18 markets across South Sudan^[10]

2.1 Socio-economic assessment

a. Overall poverty situation

- According to the most recent estimates, 82 percent of the population in South Sudan is poor^[11] and 80 percent live in rural areas. Rural populations mostly depend on smallholder farming, livestock keeping, fishing and forestry activities (see Table 2).

12. Approximately 73 percent^[12] of South Sudanese adults are experiencing multidimensional poverty, which measures poverty incidence in education, consumption, access to public assets and possession of private assets. As shown in Table 2, Multidimensional Poverty Indices (MPI) in Jonglei, Eastern Equatoria and Northern Bar el Ghazal states are almost 30 per cent higher than the national average. Unstable macroeconomic settings are further affecting the overall poverty situation. Inflation has been very high since the start of the conflict in 2016. The inflation rate peaked to 380% in 2016 and was around 30% in 2020, having a significant effect on households' purchasing power. Poor households generally spend a higher proportion of their already meagre incomes on food especially on cereals and tubers.
13. The Covid-19 pandemic had a severe impact on the economy due to the sharp decline of international oil prices^[13]. Moreover, Covid restrictions did reduce households' access to essential services such as health and education. They also limited producers' access to markets and disrupted agricultural value chains, affecting households' income and food security.

Table 2. Multidimensional Poverty Indices and Livelihood types in READ counties (Phase 1 counties, (Phase 2 counties)¹⁴

State	Eastern Equatoria		Central Equatoria			Western Equatoria				Jonglei	Upper Nile	Northern Bar el Ghazal
County	Magwi	Torit	Kajo-Keji	Terekeka	Yei	Yambio	Tambura	Maridi	Nzara	Bor South	Renk	Aweil Centre

Multidimensional Poverty Indices (incidence) among adults in 2009¹⁹

Index	0.64	0.30	0.27	0.74	0.38	0.63
Incidence	83%	45%	48%	95%	57%	82%

Major livelihood types

Sorghum	■	■	■	■		■		■	■	■	■	■
Cassava	■	■	■		■	■	■	■				
Millet	■	■										
Maize	■		■	■	■	■	■	■				■
Groundnuts	■		■	■			■		■	■		■
Beans/Peas	■			■						■		■
Vegetables		■					■					
Cattle		■	■	■	■			■		■	■	■
Fishing		■	■	■	■			■		■		■
Forestry ²⁰	■	■				■	■	■	■		■	■

Conflict Analysis

14. Since the country's independence in 2011, conflicts in December 2013 and July 2016 have significantly undermined the development gains achieved and worsened the humanitarian situation. As a consequence, South Sudan remains severely impacted by fragility, economic stagnation, and instability a decade after independence. Poverty is ubiquitous and is being reinforced by ongoing intercommunal conflict, displacement, and external shocks. The signing of a revitalized peace agreement in September 2018 and subsequent formation of Government in February 2020 have contributed to recovery and peace-building. Therefore, conflicts decreased significantly in 2019. The country, however, faces the risk of these gains being reversed, with increasing incidents of subnational violence in 2021 and early 2022, flooding and the COVID-19 pandemic exacerbating an already dire situation^[15].
15. The drivers of fragility in South Sudan are multidimensional and mutually reinforcing. They include: (a) interconnected internal and regional conflicts; (b) disagreements among political and military elites and allies that limit consensus on key governance issues; (c) communal conflicts along ethnic and tribal lines that increase social tensions; (d) weak political and governance institutions; (e) lack of effective governance mechanisms, and corruption, and (f) adverse weather and environmental conditions^[16].
16. Strengthening service delivery institutions, governance, and economic and public financial management systems will prove critical as the country seeks to build resilience to future shocks, providing building blocks for a diversified, inclusive, and

sustainable growth path.

b. Gender

17. South Sudan has a Gender Inequality Index (GII) of 0.839 due to the strict gender norms and roles that prevail in the country, which undermine the promotion of equal rights and the ability of women to participate actively in development. Women account for over 60 percent of the population, as a direct result of over 39 years of conflict. The male literacy rate is 40 percent and females' is 28 percent, showing a big gap between the sexes^[17].
18. Women account for 60 percent of the agricultural workforce, and many female-headed households play a major role in agricultural production but with limited access to productive assets. Even though the Land Act enshrines women's land rights, access to land is permitted only by their husbands and male family members. This limits women's participation in extensive agriculture and hinders their access to credit and loan funding. Women have control over crops produced for household consumption, but not those produced for sale. Men hold ownership over large animals, which are inherited through male lineage, while women own small ruminants such as pigs, goats, poultry, chickens and ducks. Extension services are mainly targeted at men at 88.7 percent compared to women at 9.7 percent^[18]. While national data is scarce, SSAPU's data on 80 cooperatives suggests that 52,27 percent are female members and 28.48 are female youth. Against the total number of female members, 16.22 % are engaged in cooperative boards. Notwithstanding the promising outlook, we need to take the data with caution and carefully assess women's membership participation and leadership opportunities as part of the group profiling.
19. Women experience time poverty, working extra hours in a day tending to multiple responsibilities such as domestic chores; care-taking for children, the elderly and the sick; and barely get enough time to take care of themselves or participate in community activities. On average, women and girls walk between three to six km in rural areas to reach the water points. This puts them at high risk of sexual harassment and violence^[19].
20. Prevalence of Gender based violence (GBV), impedes women to gravitate out of the circle of violence^[20]. Although the exact prevalence is unknown, close to 57 percent of women who experience sexual and GBV do not report it or share information with others. Sexual violence such as rape and abduction have been a weapon of war during conflicts. In the midst of the COVID-19 crisis, women and girls faced heightened risks of GBV with constraints in accessing services due to the pandemic's restrictions^[21]. The Government has made considerable efforts to address SGBV with the enactment of the National Gender Policy, the Standard Operating Procedures, the establishment of a non-stop Clinical Management Rape Centers, or the establishment of the GBV Sub cluster.
21. The transitional constitution aims to guarantee equality between the two sexes and promote women's participation in public life and their representation in the legislative and executive organs by at least 25 percent to redress imbalances created by history, customs, and traditions. However, women's voice and leadership in decision-making bodies is still limited. None of the political parties has fully met their obligations in terms of female nominees; only 31 percent of the newly appointed state level ministers are women, while there are no women governors. It is fundamental to build on the success of women's participation in the peace negotiation that led to the signing of the Revitalized Peace Agreement on the Resolution of the conflict in the Republic of South Sudan (R-ARCSS)^[22].

c. Youth

22. In South Sudanese, youth are between 18-35 years and consist of 70 percent of the population (72 percent under the age of 30 years, and 51 % under the age of 18 years). The youth literacy rate is at 27 percent. While the number of girls enrolled in schools has increased over the last few years, enrolment and completion rates remain low compared to boys. This number severely declines for education past primary school level. The net enrolment rate in primary education was 39.9 percent for males and 30.4 percent for females^[23].
23. Access to education is a challenge for both genders, but girls are at higher risk to drop out due to prevailing customary norms and traditions that force them into early and forced marriage and pregnancies. Cattle raids and subsequent abductions of young women further endanger their safety and ability to access education and employment opportunities and discrimination. The male youth on the other hand are responsible to look after livestock, which exposes them to insecurity such as cattle raids and abductions^[24]. Conflicts propagated by youth are due to lack of employment opportunities and the need to gain resources such as cattle for dowry payment.
24. An exceptionally large share of the youth population is in non-wage, low-productivity employment concentrated in the agriculture sector. The youth lack training and education opportunities, marketable skills, and are vulnerable to recruitment by armed militias, further exposing households to violence, displacement, and limited productive labour^[25]. Many youth structures and organisations, are politicised or organised along ethnic lines, limiting their potential to help build peace and youth empowerment initiatives. South Sudan laws do not specify youth representation in programmes/activities. Hence, they are always under-represented and their needs ignored, in decisions taking.

Child labour

25. According to the 2008 census data, 45.6 percent of children, aged 10 – 14 years were working, 60.2 percent worked in agriculture and 38.2 percent in services. Employment in rural areas included work in cattle camps and agricultural-related work, including protecting harvest. According to a survey in 2013, boys are mainly involved in trading in markets or on the street, polishing

shoes, slaughterhouse work, washing cars and casual labour, while girls were working in market centres, street vendors, making tea, cooking food or aiding blind people. Such insecure occupations, especially those living on the streets, put girls at high risk of sexual exploitation. According to the report submitted by the Government of South Sudan to the Committee of the Rights of the Child, children face work-related dangers, including carrying heavy loads, operating dangerous equipment, exposure to dust, fumes, fire, gas, flames, loud noises or extreme heat. Further, children are reported to suffer from constant shouting, beating, physical violence to sexual abuse and rape in the workplaces^[26].

- South Sudan Child Act of 2009 has set the minimum age for the admission of a child to paid employment at 14 years, but set a lower minimum age of 12 years for light work^[27]. Against the background of the high prevalence of child labour, especially in the agricultural sector, it is critical to accelerate efforts in enforcing laws and regulations on child labour, which will pave the way for children to enjoy schooling and a better future, no matter their socio-economic background.

d. Indigenous peoples

- South Sudan is socially diverse and comprises more than 70 different language groups dominated by Juba Arabic, Nilotic, Nilo-Hamitic and Sudanic languages such as Dinka, Azande, Nuer and Shiluk^[28]. However, there is no official demographic data in South Sudan since the 2008 census was rejected and a post-independence census has not yet been undertaken^[29].
- Western Nilotes, including Dinka and Nuer (with their associated subgroup Atuot) are the largest groups in the country. They traditionally live in the North and East areas of South Sudan^[30]. Dinka are a Nilotic people and seasonal migrating agro-pastoralists. Nuer are divided into several independent groups organised in clans, lineages and age groups. For both Dinka and Nuer, cattle are essential to social structures, and can be a source of conflict when herds are competing over limited grazing resources during transhumance. Some Western Nilotes peoples are settled crop farmers such as Shiluk and Anuak. Other groups live in the Southern parts of the country, such as the Azande, Bari, Latuka, Madi, Moru, Taposa and Turkana, who are a mixture of Sudanic and Eastern Nilotes peoples.
- The civil war which erupted in 2013 was mostly driven by ethnic dissents. Fights between Dinka and Nuer militias, among others, have led to widespread human right violations, large population displacements of indigenous peoples and increased tensions on land rights. Additionally, traditional rule of law and resolutions mechanisms that are deeply anchored into the tribe institutions and the areas in which the peoples have long resided, are being disrupted by the recurring displacements, the non-planned livestock migrations and the introduction of weapons.
- The concept of "Indigenous peoples" and its interpretation in the context of South Sudan are extremely sensitive. Identifying some groups as "indigenous" would imply that other groups don't belong to the social and cultural identity of the country and would therefore drive unjustified inequalities and potential injustice. In a country which is 11 years old and still trying to forge a common framework for a unified people, identifying and targeting indigenous peoples is a major challenge.

Table 3. Distribution of ethnic groups across READ counties (Phase 1 counties, Phase 2 counties)

State	Eastern Equatoria		Central Equatoria			Western Equatoria				Jonglei	Upper Nile	Northern Bar el Ghazal
County	Magwi	Torit	Kajo-Keji	Terekeka	Yei	Yambio	Tambura	Maridi	Nzara	Bor South	Renk	Aweil Centre
Ethnic groups	Acholi	Otuho Lakoya	Kuku	Mundari	Kakwa	Zande	Zande	Baka	Zande	Bor Dinka	Dinka Nuer Shiluk Burun Dagu	Rek Dinka Luo
	Madi				Bari Mundu Avok'aya Pajulu		Belanda Bor	Mundu Avukaya Zande				
					Baka			Moro				
								Kodo				
								Wetu				

e. Marginalised groups

- To date, almost 4 million people remain displaced, with nearly 1.6 million people displaced internally and 2.2 million refugees in six neighbouring countries^[31]. In this context, access to social services and basic infrastructure (e.g., safe water, healthcare,

education) in rural areas is extremely challenging and populations have to compete for limited resources and livelihood opportunities^[32].

32. **Returnees** - They include women and men who decided voluntarily to return to their community from outside the country. The Peace Agreement has encouraged the return of the displaced population, especially from abroad. From November 2017 to May 2020, UNHCR estimates that some 289,560 South Sudanese refugees have returned to South Sudan, 168,964 since October 2018 after signing of revitalised peace agreement. Additionally, returnees who have been living in refugee camps for a decade or more have had access to essential services such as food assistance, education, water or sanitation that they might not find when returning to their community. The lack of livelihood opportunities is also a driver of frustration for the returnees who have developed some knowledge and skills with the support of development partners.
33. **Internally Displaced Persons** – In the context of recurring ethnic conflicts and consequences of climate change, a large number of South Sudanese are pushed to move in order to seek better opportunities. In November 2021, there were around 1.6 million^[33] IDPs in the country, 55 percent of whom were women and girls. Among READ counties, Yei counts the most IDPs while Renk has the largest proportion of returnees (see Figure 5).
34. A quarter of IDPs reside in displacement sites while others stay in informal settlements in host communities. IDPs have less access to essential services (because of distance^[34] or because services are sometimes taxed by host communities such as WASH facilities^[35]), housing and limited food stocks. The presence of IDPs in host communities and the additional pressure on resources often leads to tensions. IDPs are exposed to protection risks (the UN Special Rapporteur on the Human Rights reported the attacks IDPs are victims of^[36]) and struggle to access livelihood opportunities.
35. **Persons with disabilities (PWDs)**- The South Sudan Disability and Inclusion Policy commits to promote and protect the rights and dignity of PWDs, although limited capacity and resources hamper its implementation. They face significant social and political exclusion and are among the most marginalised in society. They tend to be more illiterate, unemployed and less productive than their peers without disabilities. According to the South Sudan Annual School Census (ASC) in 2012, 1.37 % of all school enrolled pupils are children with disabilities^[37]. Households headed by an individual with disability are 38 percent more likely to live in poverty than households headed by an individual without disability. The National Disability Assessment indicated that 89.3 percent of respondents with disabilities were unemployed, 4.5 percent had been employed and 6.2 percent were engaged in business^[38]. Persons with disabilities are confronted with poor infrastructure and stigma and prejudice, hindering their ability to fully contribute to the country’s economic growth.
36. Limited capacity within the government structures to respond to medical, educational and mobility needs of PWDs and very few social safety net programs aggravate existing insecurities and vulnerabilities. According to the South Sudan Union for Persons with Disabilities, girls and women with disabilities are particularly at risk as they face challenges in accessing basic needs, including personal hygiene kits, and are more likely exposed to GBV.

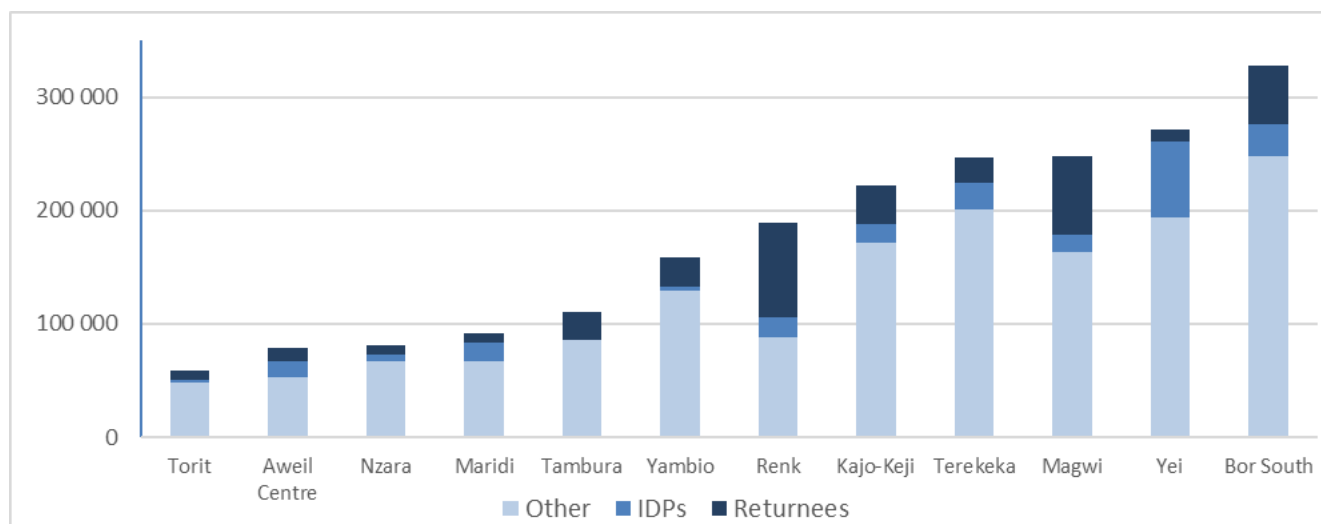


Figure 3. Population per county (2020), including Internally Displaced Persons (IDPs) and Returnees^[39]

f. Nutrition

37. According to the last national representative household survey conducted in South Sudan, 31.1 percent of children under five years old are stunted^[40]. In READ targeted states (except Upper Nile), stunting levels are higher than the national average and classified as high and very high public health significance (see Figure 4). The prevalence of global acute malnutrition (GAM) among children increased from 13 per cent in 2018 to 16 per cent in 2019, exceeding the global emergency threshold of 15 per cent. The under-5 mortality rate is 106 per 1,000 births and maternal mortality rate sits at about 789 deaths per 100,000 live births, noting regional variations of 523-1,150. In 2022, 2 million people, including 1.4 million children under five years old and 676,000 pregnant and lactating women (PLW) are expected to be acutely malnourished^[41].

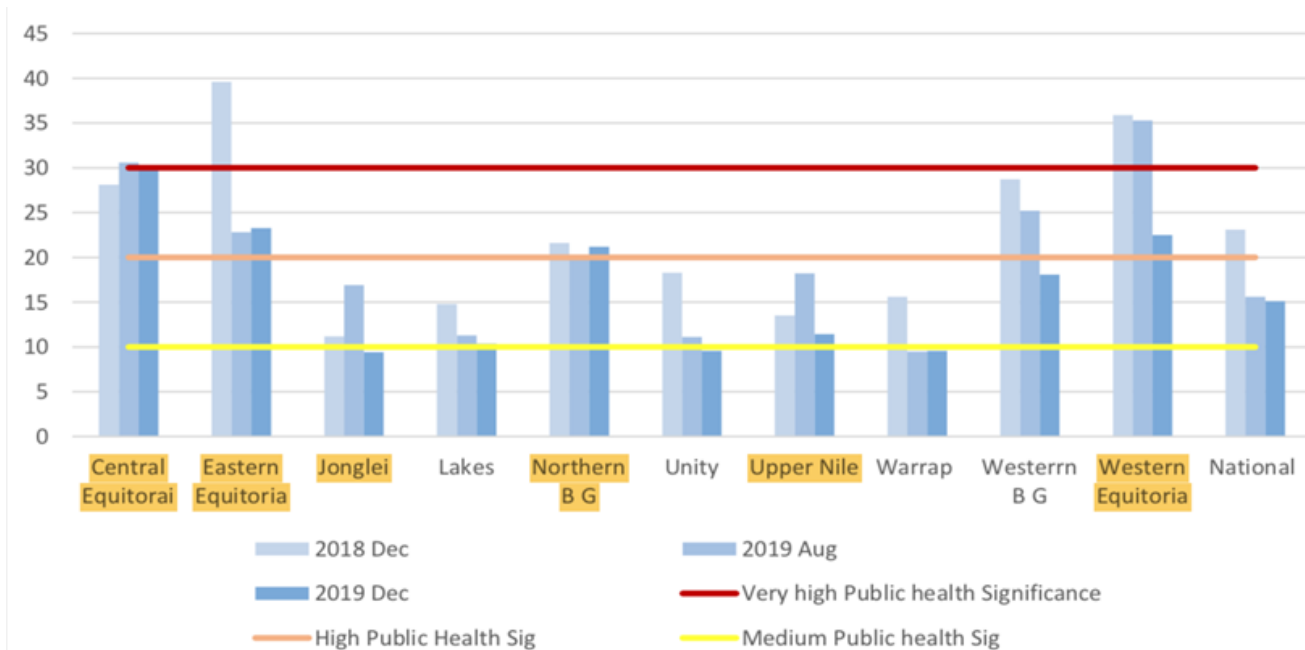


Figure 4. Stunting trends at national and state level in South Sudan - December 2018 to December 2019^[42]

38. Only 68 per cent of infants less than 6 months old are exclusively breastfed and 4 percent of children 6-23 months old receive a minimum acceptable diets^[43]. Intake of the recommended food groups by children (Minimum Dietary Diversity – MDD) is very low in all states at 14 percent. Overall, dietary diversity among women of childbearing age is at 30 percent (37, 31, 22 and 16 percent in Central, Eastern Equatoria, Jonglei and Northern Bar el Ghazar respectively). This is as result of poor access to food and the intra-household dynamics that mean women are the last to eat in times of food stress. Heavy women’s workload and poor childcare practices are factors compounding child malnutrition. Additionally, early age at marriage and age at first birth is significant and contributes to foetal growth restriction, which increases the risk of neonatal death and for survivors, of stunting by 2 years of age.
39. Access to health services is poor and leads to high incidences of diseases. The country’s health system and infrastructure are among the poorest in the world. About 1,300 out of 2,300 health facilities are non-functional due to conflict^[44]. Additionally, health facilities are poorly equipped and staffed. Consequently, around 75 per cent of all child deaths are due to preventable diseases, such as diarrhoea, malaria, and pneumonia. This is further compounded by the chronic nature of waterborne diseases, low use of latrines, poor personal hygiene and living environments, and limited access to hygienic products. An estimated 60 per cent of the total population either rely on unimproved or surface water sources.

2.2 Environment and climate context, trends and implications

40. South Sudan’s landscape includes extensive grassland, swamps and tropical rainforest, which stretch along both banks of the Nile River. The Nile River system is the dominating physical feature of the country. It runs from south to north, joined by its major tributaries, the Bahr el Ghazal, the Bahr al-Arab and the Sobat. The centre of the country is dominated by the Sudd wetland, a large swampy area. It is one of the largest freshwater ecosystems (wetland) in the world, incorporating an area of approximately 57,000 square kilometres. The wetland is rich in biodiversity and around one million agro-pastoralists inhabit the area^[45]. The country’s natural assets include significant agricultural, mineral, timber and energy resources. The climate is mostly hot and dry, with seasonal rains that allow for two or three harvests a year in the country’s green belt. Apart from oil, however, its natural resources are largely unexploited and only 4.5 per cent of its potential arable land is cultivated^[46].
41. The protected areas of South Sudan include wildlife, forests and Ramsar sites^[47]. In total, South Sudan’s protected area occupies approximately 87,030 km², which is about 13 percent of the country’s surface. It is estimated that national parks cover an area of 51,760 km², game reserves cover 34,110 km², and forest reserves cover 1,160 km² ^[48].

a. Environmental assessment

42. **Agriculture:** The country lies entirely within the Nile River basin and around 75 percent of the country’s land area is suitable for agriculture, approximately 330,000 square kilometres. In spite of more than 50 percent of its land mass being prime agricultural land, only 5 percent of this land is currently cultivated continually or periodically. Thirty-four percent of the national cropland is located in the western flood plains. The greenbelt and eastern flood plains are the other two important crop production regions, accounting for 18 percent and 26 percent of national cropland, respectively^[49].
43. In South Sudan about 80 percent of the population live in rural areas where subsistence agriculture is the mainstay of people’s livelihoods. Due to widespread poverty, political instability and other environmental factors, land and other natural resources are

being unwisely used thereby resulting in varied spatio-temporal degrees of land degradation, including deforestation, erosion, soil infertility and productivity decline [50][51][52]. The livestock sector is not commercialised and suffers from high incidence of disease, rustling, and resource-based conflict. Limited use of productivity-enhancing technologies, capacity constraints, high labour costs, and poor infrastructure hinder progress and constraints production, productivity and the competitiveness of the agricultural sector relative to its neighbours. Sorghum is the main cereal crop (70% of the cereal-area) followed by maize [53].

44. Individual households cultivate an average of 0.84-2.4ha of cereals and other crops [54]. Crops are usually grown in mixed and/or sequential plantings (mixed cropping and interplanting). Sorghum and millet, the main cereal crops, are usually grown with sesame, while root crops such as cassava are often inter-planted with groundnuts, maize, pumpkins or other vegetables. This practice conserves biodiversity; mitigates weather, pest and disease risks; provides optimal ground cover and prevents soil erosion; conserves soil nutrients; and saves on labour [55].
45. Fishing in South Sudan is generally a subsistence or artisanal activity; the commercial fishery industry remains relatively small. Artisanal fishers use simple fish harvesting techniques such as gillnets, throw nets and hooks. About 17.3 per cent of the population directly depends on the capture fishery. Although there is no reliable data, it is estimated that there are some 208,000 subsistence fishers and about 12,000 commercial fishers in South Sudan. Fishing takes place in the Sudd wetlands, the River Nile, other rivers, tributaries and floodplains [56].
46. The practice of irrigated agriculture is insignificant in South Sudan. Individual farmers use simple Water-lifting techniques like hand pumps and other low technology methods such as storage ponds and drains in flood plains to irrigate small plots of crops and vegetable gardens [57]. Given the many permanent, large and small rivers, seasonal watercourses, groundwater reservoirs and vast areas of wetlands, there is a huge potential for expanding irrigation and introducing medium and large-scale irrigation projects to boost agricultural products.
47. **Forests:** Forests and woodlands of various types cover a large proportion of South Sudan's vast territory (RSS, 2015). Its natural forests have high levels of biodiversity and wildlife habitat, and generate important ecosystem goods and services. These include provisioning of goods (shelter, timber, fuel, food, medicines etc.) and services (carbon sequestration, hydrological cycling, soil stabilisation) and cultural services. More than 90 per cent of the country's population directly depends on forests for fuelwood and charcoal production, timber for construction, and non-timber forest products for food and nutrition security; however, this resource is fast disappearing with an annual deforestation rate estimated at between 1.5 and 2 per cent [58].
48. The continuous use of wood as fuel for cooking and the seasonal burning of forests by pastoralists to regenerate pastures for their herds has degraded or deforested parts of the country's natural forest areas and woodlands. Other pressures are the conversion of forests and woodlands [59]. Fuelwood and charcoal make up approximately 80 percent of the country's energy supply due to the lack of alternative sources of energy, such as electricity, wind and solar power, and gas. Charcoal is the main fuel used in urban centres and its use in brick making is growing [60].
49. **Biodiversity:** South Sudan is endowed with a natural environment rich in biological resources. These include a large variety of ecosystems, a vast array of globally important species of flora and fauna and an unknown load of genetic diversity. It is home to the Sudd swamp, one of the world's largest tropical wetlands, and to one of the greatest circular migrations of wildlife on the planet. Sudd swamp has been declared a wetland of international importance under the Ramsar Convention on Wetlands. Most of the population live close to the natural environment, directly depending upon forests and woodlands for fuel and food products, local soils in which to grow their crops, pastures for their livestock and nearby water sources for household needs. These ecosystem goods and services constitute the foundation of South Sudan's socioeconomic development [61]. South Sudan has 14 national parks or protected areas and is home to the world's second largest animal migration after the great Serengeti-Maasai Mara wildebeest migration; this epic migration of antelopes offers tremendous opportunity for the development of ecotourism. The country harbours an immense diversity of wildlife species, many of which face threats from human activities, including wildlife poaching and trafficking; deforestation; settlements, cropland and livestock expansion; road construction; mining and oil development; and climate change impacts.
50. **Water resources:** South Sudan's major water resources derive from two main hydrological basins: the Nile Basin and the Rift Valley Basin [62]. South Sudan's water resources are unevenly distributed both spatially across the country, and temporally, since water quantities vary substantially between years depending on periodic major flood and drought events. The Nile River hydrological basin covers most of the country. Water is held in perennial rivers, lakes and wetland areas, in seasonal pools, ponds, rivers, streams and extensive floodplains. Water demand is still low given the country's relatively small population, density and the lack of industrial development, but it is expected to increase rapidly in the future with projected population growth and economic development. In 2007, the Ministry of Water Resources and Irrigation reported that the impact of human activities on the availability and quality of water resources was already evident and a growing concern. There is increased pollution, reduced river flows, declining water tables in urban areas and both surface and ground waters are becoming contaminated [63].
51. **Wetlands:** About 7 per cent of South Sudan is covered by vast expanses of tropical freshwater wetlands that occur at the confluence of the White Nile's main tributaries. They have a significant influence on the Nile's hydrologic regime, storing and releasing water, retaining suspended solids, decreasing dissolved oxygen concentrations, increasing acidity and dissolved carbon dioxide concentrations, reducing sulphate concentrations, increasing total dissolved solids concentrations and losing water to evapotranspiration [64].

Agro-ecological zoning

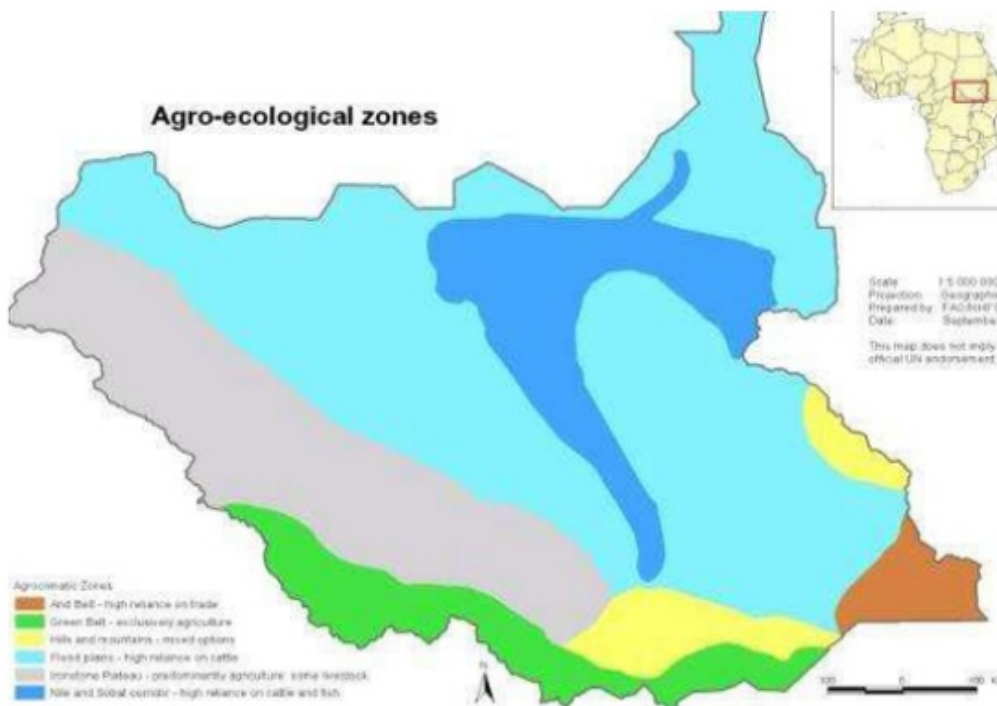


Figure 5. Agro-ecological zones in South Sudan

52. South Sudan is classified into seven agro-ecological zones (NAPA), which have been determined taking into account the following considerations: livelihood patterns (crop production, livestock rearing, off-farm income generation), physical geography, agro-ecology and market access. These are:
1. **Greenbelt (Western Bahr el Ghazal; Western, Central and Eastern Equatoria):** Rely almost exclusively on agriculture. Smallholder rural and urban/peri-urban livestock keeping is focused on poultry and goats – few cattle. Traditional and modern beekeeping and wild gathering of honey are additional sources of income.
 2. **Ironstone Plateau (Northern and Western Bahr el Ghazal; Warrap; Lakes; Western, Central and Eastern Equatoria):** Heavily dependent on crop production. Parts are largely agro-pastoral with livestock production is the predominant source of income. During periods of distress, the sale of livestock is a source of income.
 3. **Hills and Mountains (Central and Eastern Equatoria; Jonglei):** Both agriculture and pastoralism are practiced. Reliance on cattle increases during difficult years.
 4. **Arid/Pastoral (Jonglei; Eastern Equatoria):** Driest zone, with one cropping season. Swamps are used for grazing during the dry season. Characterised by nomadic pastoralism with a strong reliance on livestock. Small-scale crop production supplements livestock production.
 5. **Nile and Sobat Rivers (Jonglei; Unity; Upper Nile):** Abundance of water resources and good vegetation for grazing but flooding hampers access. An important dry season grazing area. Crops are also grown
 6. **Western Flood Plains (Northern Bahr el Ghazal; Lakes; Warrap):** Main source of income is agro pastoralism, which is supplemented by fish and wild foods. Livestock are important for both food and income
 7. **Eastern Flood Plains (Jonglei; Upper Nile):** Inhabited by both pastoralists and agro pastoralists.
53. Low-lying terrain and black cotton soils pre-dispose the area to flooding.

b. Climate trends and impacts

54. South Sudan experiences a tropical climate. Temperature averages are normally above 25°C, with highs exceeding 35°C, particularly during the dry season (January to April). Juba, the capital city, has an average annual high temperature of 34.5°C and an average annual low of 21.6°C. The rainy season differs by location, but it generally occurs between April and November. The lowland areas of Eastern Equatoria, Jonglei, the Upper Nile and Bahr el Ghazal receive annual rainfall between 700 and 1,300 mm. The south-eastern tip of Eastern Equatoria receives about 200 mm. The heaviest rainfall occurs in the southern upland areas and lessens towards the north. Western Equatoria and highland parts of Eastern Equatoria receive between 1,200 and 2,200 mm of rainfall annually^[65].

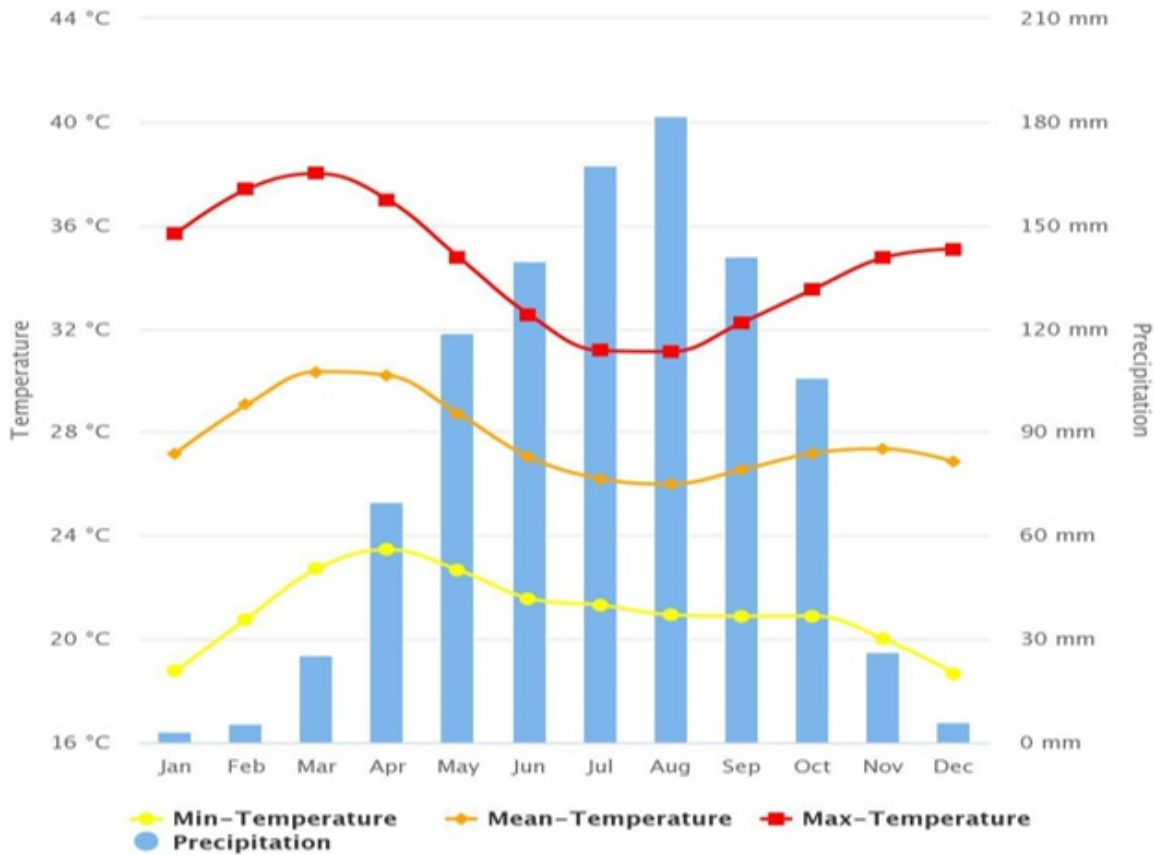


Figure 6. Monthly climatology of Min-Temperature, Mean-Temperature, Max-Temperature and Precipitation. 1991-2020, South Sudan

- 55. **Temperature:** Mean annual temperature has increased by 1.3°C per century for the period 1951-2000^[66] (see Figure 6-7).
- 56. **Precipitation:** Mean annual precipitation has decreased by 41 mm per month per century for the period 1951-2000. In addition to the scientific evidence of climatic change in South Sudan, agro-pastoralists and farmers have noticed the delayed onset of rains, prolonged dry spells at the beginning of the wet season and an increase in the intensity of rainfall events, resulting in more erratic and heavy flooding^[67].
- 57. Climate change has long been affecting the agriculture and water sector in South Sudan. Most of the people, being dependent on rainwater, the delayed onset of the rainy season and prolonged dry spell changes the seasonal calendar of the country, which in turn affects the production system. In 2017, the Verisk Maplecroft Climate Change Vulnerability Index (CCVI) (2017) included South Sudan independently in the assessment and ranked it 5th out of 191 countries with regard to climate change vulnerability. According to the Notre Dame Global Adaptation Index (ND-Gain), Sudan (including South Sudan) was ranked 176th out of 181 countries, inferring it to be extremely vulnerable and the 14th least ready country to combat climate change effects^[68].

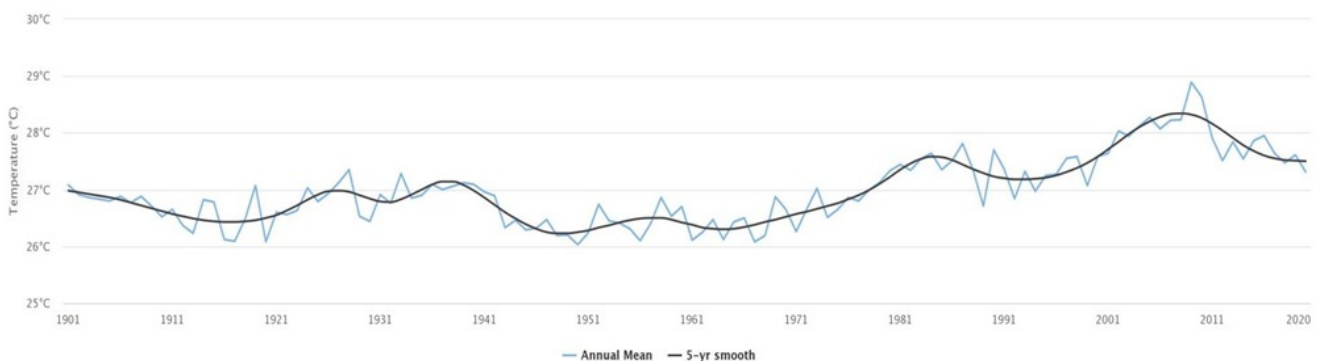


Figure 7. Observed Average Annual Mean-Temperature of South Sudan. 1901-2020

58. Consequences of climate change such as recurring flooding and droughts are also a large driver of vulnerability. In November 2021, 7.5 percent of the population have been affected by flooding in 33 out of the 78 counties; with detrimental impact on livelihoods^[69], access to services and waterborne diseases. During the public consultation with RPOs, Cooperatives and SMEs, climate change induced drought and floods have emerged as the main development and livelihood challenges in South Sudan.

c. Climate change mitigation

59. Climate change has long been affecting agriculture and water sector in South Sudan. Most of the people are dependent on rainwater and the delayed onset of rainy season and prolonged dry spell changes the seasonal calendar of the country, which in turn affects the production system. In South Sudan, a warmer climate and drier weather have food security implications, reducing crop harvests and pasture availability and intensifying the impacts of droughts and floods^[70]. The most important adaptation options that should be integrated into the project design and implementation are access to weather information, climate smart agriculture (CSA), water storage facilities for collecting water for use during rain deficiency, use of drought tolerant crops/farming system, water conserving/efficient technologies such as drip irrigation, watershed and soil and water conservation activities. Adequate integration of adaptation measures will contribute to resilience building of the communities and ecosystem. To this effect, the cooperatives such as CBSS, MSEs etc need to provide loans (line of credit) to finance interventions that diversifies livelihood and enhance resilience of the communities. Based on classification of READ for climate impacts, a targeted adaptation assessment will be undertaken using IFAD's adaptation framework and CARD tool and will be annexed in the PDR. R As far as mitigation is concerned, READ will have negligible or no contribution to emission of greenhouse gases (GHGs) and climate smart agricultural practices will enhance mitigation of GHGs.

2.3 Target group profiles

60. **Background:** The READ programme adopts a group approach to enhance livelihoods and resilience of poor rural households. Economic groups such as agricultural producers' groups, cooperatives or village saving and credit associations (described below) are considered as means to transform the lives of the target beneficiaries. The primary target groups of the programme include five main social groups with diverse vulnerabilities characterised in the above assessment.

Target beneficiaries

61. **Smallholder Producers:**

- **Subsistence farmers** cultivate rain-fed small plots (1.12 ha on average) with hand labour from family members (5.9 people on average)^[71]. Only 23 percent of SHFs have legal titles (deed) and 52 percent have customary rights, which means that they cannot sell the land. Therefore, there is no incentive for farmers to invest in their land (e.g., for irrigation). Main crops cultivated are staples (sorghum, maize, cassava, groundnuts, pearl and finger millets), sesame, beans, peas, sweet potato, vegetables (onions, okra, tomatoes, eggplants, cabbage) and fruits (bananas, mangoes, lemon, pineapples). SHFs usually prepare land using traditional tools, they don't necessarily use good agricultural practices in terms of planting, weeding, pest management and post-harvest handling (including drying, sorting, storage). Therefore, yields remain low^[72]. They also face challenges to sell their produce due to distance to markets, lack of infrastructure, limited market information and agribusiness management skills.
- **Subsistence Pastoralists** raise cattle, sheep, and goats and graze them on rangeland, pastures, and crop residues. Average herd size varies according to the agro-pastoral zones, Dinkas in ironstone plateau holding 400 cattle and 700 sheep/goats versus 120 cattle and 120 sheep/goats for Nuers in NW Nile. They produce milk, meat and eggs but do not leverage the potential of hides and skins for markets. The increase in raiding has forced a number of pastoralists into sedentary lifestyles as they could no longer migrate safely. Additionally, increased extreme weather events have reduced availability of pasture for livestock and lack of animal health services make it even more difficult for pastoralists to safeguard their herds.
- **Agro-pastoralists** have both land on which they cultivate crops and own some livestock. They are highly dependent on farmland, water resources and rangeland. They face similar challenges as subsistence farmers and pastoralists.

62. **Youth (70%, 50% female youth):** In a country where more than 72 % of the population is under the age of 30 years, youths play a critical role in achieving stability and reducing insecurity. The project should target youth between the age of 18 and 35, who are old enough to work and be part of a producer group, yet, face limited work opportunities, which leave them under-or unemployed. Given the gendered-related challenges faced by young women as elaborated earlier, READ will take a focused attention on young women and identify opportunities to equitably benefit from READs activities. Entry points for geared interventions are VSLAs and financial support to APGs, RPOs and MSEs with a majority of young women members and in leadership positions. Troubled with stigma and less economic opportunities, READ will target young people with disabilities. Rural organizations will be encouraged to engage persons with disabilities. Building on the network of the South Sudan Union for Persons with Disabilities, READ can link young people with disabilities, who are economically active, with rural enterprises. Youth-led RPOs and MSEs to take advantage of opportunities arising along the value chain (seed supply, storage, technology, processing, retail), (i) economic empowerment through job creation via youth-only groups (at least 40 percent of newly established APGs), youth-led MSEs (50 percent) and increased participation in formalized RPOs, SACCOs and VSLAs along selected value chains ; (ii) strengthen capacity strengthening in enterprise development through skill-based training; (iii) implementation of market-oriented business plans via matching grants and asset transfer (60 % of grants and assets will go to youth-led and women-led RPOs); (iv) support linkages to markets; (v) financial literacy training; (vi) increased participation and leadership in RPOs and rural-decision making bodies, (vii) enhanced voice and participation in policy engagement activities.

63. **Women (50%) in male-headed households and Female-headed households:** Rural women in South Sudan face constraints that hamper their productive potential. They have fewer opportunities than men to benefit from education, training, and productive agricultural employment due to traditional gender patterns in allocation of household labour, early marriages, and restriction of

their movement. This has seen women constrained in terms of employment opportunities and their involvement in on farm activities is less skilled and less financially rewarding. The project should target women in male-headed and female-headed households. In South Sudan, women-headed households refer to women left by their husbands, women in polygamous households who are no longer supported, widows, single women responsible for dependents, married women whose husbands are incapable of functioning as income earners and married women abandoned by their husbands for any reason. The project should ensure that women benefit and engage in all project activities and become productive and resilient agripreneurs by enhancing economic empowerment, participation and leadership in RPOs and decision-making bodies and access to labour and time-saving technologies.

64. **Returnees:** The main challenges returnees face lies in their social and economic reintegration into the community.. On the other hand, communities who stayed have to share their limited resources and services with the returnees. These dynamics need to be considered in the READ programme targeting strategy in order to maintain social cohesion in the supported communities. Targeting returnees as a vulnerable population should not be at the expense of the general population.
65. **Persons with disabilities:** Faced with manifold structural challenges, such as access to education, employment, health care services, persons with disabilities tend to live below the poverty line. The project should engage PWDs that can be economically active, allowing them to participate in RPO, APG, MSE businesses, and where possible, access rural finance, to actively engage in livelihood activities and participate in communal decision-making processes.

3. Institutional analysis

66. **Overall** - National Development Strategy (2018 NDS), aims to consolidate peace and stabilise the economy, with a framework for implementing the Vision 2040, focusing on Justice, Liberty and Prosperity. The NDS is articulated around six interconnected priorities: (i) Creation of enabling conditions and facilitate the return of displaced citizens; (ii) Developing and enforcing the rule of law; (iii) Ensuring secure access to adequate and nutritious food; (iv) Silencing the guns; (v) Restoring and expanding the provision of basic social services.
67. **Nutrition** - Food and Nutrition security is a key development theme of the Comprehensive Agriculture Master Plan (CAMP) 2015-2040 of the Ministry of Agriculture and Food Security. Moreover, South Sudan has been a member of the Scale-Up Nutrition (SUN) movement since 2016, although the SUN networks are still at an early development stage. The Government is in the process of developing a National Nutrition Policy, which requires a costed strategy and action plan. The Food Security cluster of South Sudan is very active, providing a platform for humanitarian, peace and development actors to share experiences and lead shared initiatives like the Integrated Phase Classification (IPC).
68. **Gender** - The Ministry of Gender, Social Welfare and Religious Affairs, aims to promote gender equality and women's empowerment. A comprehensive draft of a National Gender Policy (2013) provides an overall context for mainstreaming gender in all national development processes and a framework to address existing inequalities and remedy historical imbalances. In the agricultural sector, the Comprehensive Agriculture Master Plan (CAMP) is a gender sensitive policy that recognises the importance and provides ways of mainstreaming gender in agriculture. However, in practice, many gender-oriented policies in South Sudan are yet to be implemented or are still in draft form. Gender Focal Points or departments created by the Ministry of Gender, Child, and Social Welfare in various government institutions are inadequately funded (Edward, 2014). The general political and public attitude and indifference to gender issues, the low prioritization of gender issues, as well as the institutional and organizational weakness of the governance institutions continue to be a challenge (GenderIndex.org South Sudan 2019).
69. **Youth** - Approved and adopted in July 2020, the South Sudan Youth Development Policy of the Ministry of Culture, Youth and Sports intends to empower youth to influence democracy and peacebuilding in the country, their participation in community and civic affairs and inclusion in the peaceful and productive nation-building and development agenda. A Youth Strategy and Operational Plan presents an ambitious vision that is underpinned by nine pillars, including Peace and Security, Human rights, Globalization, Political, Health, Education, Economic, Social and Climate Change. While resources are scarce, the strategy is proposing the establishment of a National Youth Service Program and the Youth Enterprise Fund. The South Sudan Youth Forum (SSYF) is the platform of the national youth councils and non-governmental youth organisations in South Sudan. It strives for youth rights in national institutions. The Forum works in the fields of youth policy and youth work development. The Youth Strategy outlines a very elaborate structure with the engagement of different key stakeholders, such as the National Youth Advisory Council, the State National Youth Council Committee, the County Youth Forums, etc.^[73] READ will follow the establishment of the proposed structure and engage relevant stakeholders as necessary.
70. **Marginalised groups:** The National Social Protection Policy Framework of the Ministry of Gender, Child, and Social Welfare (MGCSW) aims to address multiple vulnerabilities and secure livelihoods as well as access to social services for the most vulnerable. The South Sudan Disability and Inclusion Policy commits to address and respond to the vulnerabilities faced by persons with disabilities, and to promote and protect their rights and dignity. Further, the Ministry of Education, Sciences and Technology in partnership with Light for the World, are in the process of developing a policy on inclusive education, which shall facilitate access to education for persons with disabilities. These are vital steps to ensure persons with disabilities are well integrated in the society, and will pave the way for enhanced participation in social, economic and political decision-making processes.
71. **Environment and Climate Change** - The Ministry of Environment and Forestry and Ministry of Agriculture and Food Security are the two most important government organisations responsible to undertake environment and climate related tasks. The Ministry of Environment and Forestry: Tasked with developing policy and regulatory frameworks on environment and forestry. The Directorate of Climate Change and Meteorology in the Ministry develops and implements programmes to address climate

change issues and coordinates the implementation of South Sudan's obligations under the UNFCCC and the Convention on Biodiversity (CBD). Besides, the Ministry is responsible for SECAP related activities such as categorization of projects, review of ESIA/ESMP as well as compliance monitoring. The Ministry of Agriculture and Food Security is mandated to develop and implement policies, objectives and strategies for South Sudan's agricultural sector to improve food security and contribute to economic growth and environmental sustainability, and to facilitate and encourage the equitable and sustainable development of improved livelihoods. It exercises its role through the Directorate of Research and Training and the Directorate of Agriculture and Extension services. South Sudan has the following policies and legal frameworks on Agriculture, Climate and Environment: (i) Draft Environmental Protection Policy 2013, (ii) Draft Environmental Protection Bill 2013, (iii) The Agriculture Sector Policy Framework for 2012-2017, (iv) Policy on Agriculture and Livestock 2012, (v) Fisheries Policy 2012 – 2016, (vi) Draft Policy on Wildlife Conservation and Protected Areas 2012 and (vii) Forest Policy 2014.

72. The Ministry of Environment and Forest does not have equivalent structures at state and county level. At state level, the Department of Environment is embedded within the Ministry of Health and an environmentalist and/or NRM expert is available at the county level and is accountable to the country governor. The MoEF does not have the required communication in terms of reporting, supervision etc with states and counties. Furthermore, the MoEF does not take part in the preparation of PDR, consultation and most importantly in the provision of No Objection letters to Environmental and Social Management Frameworks (ESMF).
73. **Grievance Redress Mechanism (GRM)** – Planning, design and implementations of policies, programmes and projects may cause grievances. Possible sources of complaints are geographic and beneficiary targeting, job creation, land acquisition/compensation, quality of service delivery, delay in project implementation etc. Hence GRM should be in place to ensure the timely and fair resolutions. The CBSS, which is the implementing agency of Component 2, has a Customer Service Unit that looks at customers' complaints. It has a dedicated customer email, and questionnaires to gather any complaints received. Others, such as cooperatives, SMEs, VSL have an informal system to handle complaints. Therefore, the GRM systems should be strengthened to ensure fair and timely resolution of complaints through: (i) establishment of GRM committee at all levels, including at MAFS, cooperatives and SMEs. The MAFS can use the GRM system of the South Sudan Livelihood Resilience Project (SSLRP). (ii) awareness of GRM committees and clients. Therefore, as much as possible, any grievances should be resolved at the lowest administration level (community, Bomas, Payams etc) and if it is not resolved in the available GRM system, then it can also be directed to the court.

4. Environmental and social category

74. Based on IFAD SECAP 2021, the online screening tool has been run to categorise READ projects for its environmental and social impacts against the nine standards. Some of the anticipated negative environmental and social impacts are: pollution of the environment, environmental degradation, uncontrolled use of agrichemicals and associated occupational health and safety concerns, minor displacement of communities and limited access to resources. The categorization is **Moderate** which triggers the preparation of the Environmental, Social and Climate Management Plan (ESCMP) matrix. The ESCMP will include: (i) potential positive and negative impacts of the project, (ii) mitigation measures, (iii) budget, time and responsible organisations (iv) M and E as well as compliance monitoring plans. The ESCMP will be annexed with the SECAP Review Note in the PDR.
75. Overall, significant and irreversible negative impacts are not anticipated during project implementation and other impacts can be mitigated, if not avoided, through the implementation of mitigation measures.

5. Climate risk category

76. Climate Risk Classification of the READ has been undertaken using the same tool, SECAP 2021. Reliable and up to date information and data have been used from the World bank Climate Change Knowledge Portal (CCKP), Think Hazard Model and INFORM tool. Furthermore, information on adaptive capacity have been collected from the Ministry of Environment and Forest (MoEF). The Climate Risk Classification has considered the available risk classification components/variables such as hazard risk, exposure, sensitivity and adaptive capacity. Accordingly, the climate risk has been classified as **Substantial** based on the information collected during design mission. This classification requires the preparation of targeted adaptation assessment. South Sudan, being susceptible to climate change impacts, project activities can be affected by recurrent drought and flood. Therefore, risk analysis of sub projects/business plans should be undertaken and activities/interventions that will enhance resilience of communities should be included in the selection criteria used by CBSS, MFIs, SACCOs.

6. Recommendations for project design and implementation

77. The READ programme will support rural producers' organisations to enhance their collective actions and to improve the strategic services provided to their members. READ will put particular emphasis on (1) the unique roles, needs and priorities of women, youth and other vulnerable groups; (2) the opportunities to strengthen food value chains and mitigate climate change across the activities.
78. Based on the review of various literatures on the mainstreaming themes as well as anticipated environmental, social and climate

risks, key entry points have been identified for mainstreaming:

79. **Programme design approach:** Gender, Youth, Nutrition, Environment and climate aspects should be adequately integrated in the design objectives, components, log frame, implementation arrangement as well as M&E. Project interventions should include gender-responsive and nutrition-climate-sensitive approaches (especially when it comes to joint decision-making, food safety, post-harvest management or value addition). The selection of the targeted value chains and business model development should contribute to food and nutrition security, the potential for jobs for the youth, empowerment of women and vulnerable groups, as well as potential for climate change adaptation and mitigation.
80. **Targeting and group profiling:** As part of the targeting strategy, gender, youth, nutrition and climate vulnerability should be considered in the selection of beneficiary RPOs, VSLAs and SACCOs. Targeting criteria for most vulnerable groups should include poverty (asset ownership), livelihood type, marital status, gender, age, marginalisation status (PwD, Returnees). Adopting participatory methodologies and facilitating access to the trainings for target groups are crucial to ensure inclusive capacity development initiatives. Additionally, peer-to-peer support, women-groups and mentoring with role models can be leveraged to lead dialogues in the producer organisations and the community regarding gender roles, nutrition and climate adaptation.
81. **To** strengthen CBSS's outreach, tailored financial products and services that meet the needs of women and youth should be given more attention.
82. **Gender transformation:** Being cognizant of the patriarchal structures limiting women's empowerment, READ must apply a holistic approach, which involves men, especially elders, local authorities, and husbands, from the onset. By sensitizing male figures, they will comprehend the value for the entire household and community and facilitate READ's activities. The project should ensure that women occupy decision-making positions in RPOs and that they are supported with leadership training and mentoring; voice and participation in policy engagement activities. The project should also promote strategies equitable division of labour in the household and in the community; READ will promote the provision of labour-and time-saving technologies, create awareness and put in place procedures to address the pervasive SGBV. Establishing women-led RPOs, APGs and MSEs and strengthening their capacity on market oriented business planning and access to financial resources will facilitate their economic empowerment.
83. **Conflict-lens applied to all aspects of the project:** the fragility of the South Sudanese context and the main drivers of this fragility describe above should be considered in all steps of the project cycle. Every activity should be designed and implemented with a conflict-sensitive lens, ensuring to maintain harmony and sustain the impact of the project.
84. **FPIC:** Development of an FPIC implementation plan, which will lay out clear procedures to consult and seek consent or non-consent from affected ethnic groups residing in targeted areas and actions to avert/minimize adverse social, economic and environmental impacts onto livelihood, land and territories owned by ethnic groups.
85. **Nutrition:** In South Sudan, nutrition is associated with treatment of acute malnutrition only and therefore, the tools developed for education and awareness interventions will need to adopt a food-based approach to promote diversified diets for all. Nutrition outcomes can be achieved through: (i) increased food production and income; (ii) reduced post-harvest losses and improved food preservation; and (iii) nutrition education and Social Behaviour Change Communication (SBCC).
86. **Partnerships and linkages:** To enhance gender-youth-nutrition-climate impact of the programme, strategic partnerships should be explored. For example, linkages between RPOs and the World Food Programme local procurement would benefit producers by ensuring a stable market. Additionally, collaboration at grassroot levels between VSLA facilitators, Health and Agriculture Extension Workers and Community leaders would enhance the quality and impact of the capacity development activities.
87. **Do No Harm:** CBSS, the implementer, and other coops should have eligibility criteria and an exclusion list, a list of projects/sub projects that should not be financed through READ. Projects in the exclusion list are: (i) implemented in sensitive areas, (ii) pollute the environment, (iii) cause emission of greenhouse gases, (iv) cause child labour, (v) permanent displacement of communities.
88. Addressing child labor: READ will leverage on ILO's training on 'the role of cooperatives in eliminating child labour', which can be included in the training package for cooperatives under component 1. Thereby, PACT will increase awareness amongst cooperative members and communities on child labor and promote child labor free supply and value chains. Regular assessments of child labor risks will be conducted and response mechanisms will be put in place. READ has been deliberate in setting the age target for youth from 18 years old to avoid the engagement of minors.
89. **SECAP Monitoring and Accountability:**
 - CBSS and other implementing agencies should establish/strengthen a system for the Environmental, Social and Climate Screening of projects, support and compliance monitoring. Periodic monitoring of the ESCMP.
 - Development of business plans, including the identification and prioritisation of interventions and provision of loan/finance should consider the agro-ecological zones in the selection of interventions and project implementation timing.
 - At national level, it is important to bring the Ministry of Environment and Forest onboard to oversight SECAP implementation. Furthermore, at least for the target states and counties, environment specialists can be assigned, trained and then engage in the compliance monitoring, public consultation, GRM etc of READ projects in their respective states and counties.
90. **Enabling policy environment:** The project should review the relevant policy frameworks regulating the cooperative sector and rural finance inclusion with an environment and climate-lens, identify entry points for economic empowerment of PWDs, women and youth and the role of cooperatives and rural finance institutions's in the food system transformation.
91. **Institutions, Programme Coordination and Implementation:** Continuous capacity development is required to make sure that

SECAP requirements, including climate resilience, are adequately integrated in the establishment/strengthening of SMEs. The implementers should be equipped to ensure the adoption and application of SECAP requirements. Additionally, the implementers should consider social inclusion and environmental dimensions in the implementation of project activities, strategies, Monitoring and Evaluation, and knowledge management. Finally, the implementing partners should also benefit from gender parity among staff.

7. Further studies needed

92. Based on the social and environmental category and on the climate risk classification, the following studies are required:

- Environment, Social and Climate Management Plan (ESCMP)

93. In addition to the required studies, the following studies are recommended:

- Peace and Conflict analysis
- Apply a gender, youth, climate, nutrition lens to the value chain analyses in Component 1.1 of the programme;
- Nutrition and gender assessments to inform intervention design (e.g., nutrient gap, feeding practices, food crop suitability mapping)

8. Monitoring and evaluation

94. The project's monitoring and evaluation system will be aligned to the project logframe, it should include specific responsibilities for monitoring performance, beneficiary tracking, especially women, youth and vulnerable groups. To that end, all people-centred indicators to be disaggregated by sex and age, including further disaggregation by socio-economic status and disability, where possible. Outcome Indicators, including the Empowerment Indicator (CI IE 2.1), and Employment Indicator (CI 2.2.1) will be tracked at baseline, midterm, and endline as part of the COI surveys.

95. The Project Management Units and Implementing Partners are responsible to conduct periodic compliance M&E and reporting of the SECAP related reports (ESCIA, ESCMP, RAP etc). Furthermore, the PMU should work hand in hand with the regulatory body, such as the Environmental Protection Authority (EPA), to make sure that project implementation is not violating national laws.

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ESCMP Matrix

Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution In Implementation Phase	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
Uncontrolled use of pesticides leading to environmental pollution and health problem	<p>Ensure use of unbanned and high-quality chemicals (Use of allowable chemicals only)</p> <p>Ensure safe labelling, packaging, handling, storage, application and disposal of pesticide</p> <p>Promote biological control of pests and weeds</p> <p>Build beneficiaries' capacity on Integrated Pest Management System</p> <p>Awareness and training on the application of pesticides</p> <p>Provision of Personal Protective Equipment (PPE)</p> <p><input type="checkbox"/> Integrated Pest Management System</p>	<p>- During design mission consultation was made with stakeholders and the observation was that there is huge demand for agricultural chemicals.</p> <p>- Consultation and awareness campaigns with CBSS, Cooperatives, RLS, RPO etc will be done during implementation phase</p>	<p>- UNDP, fund manager</p> <p>- MAFS and its structure at County level</p> <p>- MoEF (Regulatory body) and its structure at County level</p> <p>- Other implementers such as CBSS, cooperatives, SMEs, RUSACCOs</p>	<p>- Periodic compliance monitoring and reporting</p> <p>- Supervision missions</p>	<p>- Every 6 or 12 months</p>	<p>Most of the mitigation measures will be addressed in two ways:</p> <p>(I) Training and awareness to different implementers, including CBSS, RPO, MSEs etc. USD 130,000 is needed for this purpose.</p> <p>(II) Physical implementation of mitigation measures. In here, most of the measures will be part of the project/sub project implementation and USD 50,000 is needed starting from year 2 of project implementation.</p>

<p>Use of chemical fertilizers that may cause water pollution, emission of greenhouse gases</p>	<p>Ensure safe fertilizer such as the selection, distribution, storage, application and disposal of fertilizers</p> <p>Build beneficiary's capacity on the application of conservation agriculture practices including the use of compost wherever possible</p> <p>Awareness creation</p> <p>Promote plantation to sequester GHGs</p>	<p>-Same as above</p>	<p>- UNDP</p> <p>- MAFS and its structure at County level</p> <p>1. - MoEF (Regulatory body) and its structure at County level</p> <p>2. - Other implementers such as CBSS, cooperatives, SMEs, RUSACCOs</p>	<p>- Periodic compliance monitoring and reporting</p> <p>- Supervision missions</p>	<p>- Every 6 or 12 months</p>	
<p>Solid wastes from agricultural practices</p>	<p>Use of agricultural wastes for composting</p> <p>Appropriate management of non-compostable wastes</p> <p>Awareness Creation to farmers</p>	<p>-Same as above</p>	<p>- UNDP</p> <p>- MAFS and its structure at County level</p> <p>3. - Other implementers such as CBSS, cooperatives, SMEs, RUSACCOs</p>	<p>- Periodic compliance monitoring and reporting</p> <p>- Supervision missions</p>	<p>-Every 6 or 12 months</p>	

<p>Environmental degradation that may include Erosion and loss of top (fertile) soil, deforestation due to fuel wood consumption and agriculture expansion, loss of fragile ecosystem such as wetlands, sloppy areas for farming purpose</p>	<p>Land use planning to identify the best technologies and practices</p> <p>Watershed management activities, including biodiversity conservation</p> <p>Climate smart agriculture including farm level conservation agriculture practices</p> <p>Maintain soil fertility through changing cropping pattern, growing nitrogen-fixing crops and composting crop residues</p> <p>Soil and water conservation at farm level and beyond</p> <p>Awareness creation activities</p> <p>Encourage farmers to use energy saving cookstoves</p> <p>Prohibit cutting of trees with biodiversity importance</p> <p>Avoid drainage of wetland to create arable land</p> <p>Conservation of steep slope areas and riverbanks before ploughing</p>	<p>-consultation should be carried out with beneficiaries on land use planning and identification of appropriate watershed management activities</p>	<p>- UNDP</p> <p>- MAFS and its structure at County level</p> <p>4. - Other implementers such as CBSS, cooperatives, SMEs, RUSACCOs</p> <p>5. - MoEF (Regulatory body) and its structure at County level</p>	<p>- Periodic compliance monitoring and reporting</p> <p>- Supervision missions</p>	<p>-Every 6 or 12 months</p>	
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<p>Deforestation due to fuel wood consumption and agriculture expansion</p>	<p>Awareness to farmers on productivity enhancement on available land use of energy saving cookstoves</p> <p>Encourage farmers to use energy saving cookstoves</p>	<p>-Same as above</p>	<p>- UNDP</p> <p>- MAFS and its structure at County level</p> <p>6. - MoEF (Regulatory body) and its structure at County level</p> <p>7. - Other implementers such as CBSS, cooperatives, SMEs, RUSACCOs</p>	<p>- Periodic compliance monitoring and reporting</p> <p>- Supervision missions</p>		
<p>Malaria infestation due to agricultural practices</p>	<p>Avoid mosquito breeding sites by draining ponds and standing waters;</p> <p>Use impregnated mosquito nets</p> <p>Awareness creation</p>	<p>-Same as above</p>	<p>- UNDP</p> <p>- MAFS and its structure at County level</p> <p>- Ministry of Health and its structure at County level</p> <p>- Other implementers such as CBSS, cooperatives, SMEs, RUSACCOs</p>	<p>- Periodic compliance monitoring and reporting</p> <p>- Supervision missions</p>	<p>-Every 6 or 12 months</p>	

<p>Climate change induced impacts such as drought and flooding</p>	<p>Climate risk analysis for projects/sub projects</p> <p>Ensure access to agricultural extension including weather information</p> <p>Application of water saving technologies and practices</p> <p>Intensification of soil and water conservation activities</p> <p>Use of renewable energy sources, tree planting, agroforestry</p> <p>-Awareness creation to farmers on impacts of climate change and their mitigation measures</p>	<p>-Same as above</p>	<p>- UNDP</p> <p>- MAFS and its structure at County level</p> <p>- MoEF (Regulatory body) and its structure at County level</p> <p>- Other implementers such as CBSS, cooperatives, SMEs, RUSACCOs</p>	<p>- Periodic compliance monitoring and reporting</p> <p>- Supervision missions</p>	<p>-Every 6 or 12 months</p>	
<p>Social Impacts</p>						
<p>Minor temporary/permanent physical and economic resettlement</p>	<p>-Avoid involuntary resettlement</p> <p>- Effect compensation prior to commencement of project/sub project activity</p>	<p>-Consult project affected persons prior to any activity and agree on the compensation/relocation modality</p>	<p>-UNDP</p> <p>-MAFS</p> <p>-State/county administration</p>	<p>- Periodic compliance monitoring and reporting</p> <p>- Supervision missions</p>	<p>-Every 6 months</p>	

<p>Exclusion of women and youth</p>	<ul style="list-style-type: none"> - Targeting, gender and social inclusion strategy is fully applied with concrete measures to target 50 % women and 70 % youth -Quota applied to women and youth in leadership positions and asset transfer and matching grant recipients -Develop asset transfer/grant selection guidelines, including criteria such as potential for saving women's time and labour, potential to increase food safety and nutritional value of produce -Training and capacity building for MAFS and IP on cross-cutting themes, including gender equality and youth empowerment, - Gender sensitization will be included in all training packages to promote awareness for both men and women -leveraging in informal youth and women networks to reach and engage women and youth in project activities 	<ul style="list-style-type: none"> -consecutive consultation with stakeholders such as CBSS, Cooperatives, RPO etc in general and with Women in particular will be undertaken - consultation with local authorities and elders will be organized at inception stage with sensitization on READ, expectation and gender sensitization - from design stage, involvement of different vulnerable groups, including youth, women, PWD) to understand their challenges, needs and aspirations 	<ul style="list-style-type: none"> - UNDP - MAFS and its structure at County level -Ministry of Gender, Child and Social Welfare -Ministry of Culture, Youth and Sports -Local administrations at Bomas and Payams - Other implementers such as CBSS, cooperatives, SMEs, RUSACCOs 	<ul style="list-style-type: none"> -Collect gender- and age disaggregated monitoring and evaluation data to track the extent to which women and youth have been able to participate and benefit from project activities - Periodic compliance monitoring and reporting - Supervision missions 	<p>-Every 6 or 12 months</p>	
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<p>Exclusion of persons with disabilities</p>	<ul style="list-style-type: none"> -Targeting, gender and social inclusion strategy is fully applied with quotas for engagement of persons with disabilities -work closely with the South Sudan Union for Persons with Disabilities for outreach and awareness raising on disability inclusion -integrate messaging on disability inclusion in training packages -sensitization of MAFS and implementing partners on disability inclusion -if feasible, provide reasonable accommodation to enable meaningful engagement in project activities 	<ul style="list-style-type: none"> -consultation with the South Sudan Union for Persons with Disabilities and the associated DPOs (Disabled Persons Organisations) 	<ul style="list-style-type: none"> -UNDP -MAFS -Ministry of Gender, Child and Social Welfare -Ministry of Culture, Youth and Sports -Implementing Partners 	<ul style="list-style-type: none"> -Periodic compliance monitoring and reporting - Supervision missions 	<p>-Every 6 or 12 months</p>	
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<p>Exclusion/marginalisation of returnees and very poor households in project activities and decision-making bodies of RPOs</p>	<p>PMT and IP to adopt an intentional targeting strategy with clearly defined target social groups and actionable targeting mechanisms.</p> <p>For instance, newly formed RPOs and VSLAs will observe quotas among their members, while CBSS will need to roll-out appropriate financial services and products for the very poor households and returnees.</p> <p>A poverty index will be used to assess the impact of the programme on target very-poor beneficiaries.</p> <p>Include in capacity building activities for RPO leadership, as well as PMT and IPs messaging on the importance of social inclusion and equity.</p> <p>Ensure targeted support provided to the very poor households and returnees is agreed with the community elders.</p> <p>Conduct regular consultations with the target beneficiary groups to enquire about their participation in and satisfaction with the project activities.</p>	<p>-continuous consultation with stakeholders such as CBSS and RPOs will be undertaken, especially with the most vulnerable groups</p> <p>- consultation with local authorities and elders will be organized at inception stage to understand the dynamics between returnees and host communities</p> <p>- from design stage, involvement of different vulnerable groups, including youth, women, PWD) to understand their challenges, needs and aspirations</p>	<p>-UNDP</p> <p>-MAFS</p> <p>-Implementing Partners</p> <p>- Relevant Civil Society Organisations</p>	<p>-Periodic compliance monitoring and reporting</p> <p>- Supervision missions</p>	<p>-Every 6 or 12 months</p>	
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<p>Exclusion/marginalization of ethnic groups</p>	<p>Finalization and implementation of FPIC plan;</p> <p>Peace and Conflict Analysis will analyze conflict dynamics, including inter-communal tensions, and provide recommendations to minimize risks;</p> <p>Implementation of targeting strategy with attention to ethnic balance;</p>	<p>Consultation and consent seeking with elders and ethnic groups residing in targeted areas</p>	<p>UNDP</p> <p>MAFS</p> <p>Implementing Partners</p> <p>Relevant Civil Society Organisations</p>	<p>Periodic compliance monitoring and reporting</p> <p>Supervision missions</p>	<p>Every 6 or 12 months</p>	
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<p>Adverse social, environmental and climate impacts on livelihood, land, territories of ethnic groups</p>	<p>Implementation of FPIC plan;</p> <p>Value-chain analysis will assess how selected value chains may impact ethnic groups residing in targeted areas. Value-chains which are being perceived as sources of conflict will be avoided;</p> <p>Recommendations to ensure ethnic groups can equally benefit from project activities without creating any harm onto the communities will be included in all relevant assessments;</p> <p>The selection of business plans for matching grants will undergo a rigorous screening process to exclude proposals, which could create adverse social and environmental impacts onto ethnic groups in targeted areas;</p> <p>READ will consult with local authorities, elders, chiefs and targeted communities and seek consent for approval of market, processing and storage facilities financed via matching grants;</p>	<p>Consultation and consent seeking with elders and ethnic groups residing in targeted areas</p>	<p>UNDP</p> <p>MAFS</p> <p>Implementing Partners</p> <p>Relevant Civil Society Organisations</p>	<p>Periodic compliance monitoring and reporting</p> <p>Supervision missions</p>	<p>Every 6 or 12 months</p>	
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<p>Child labor</p>	<ul style="list-style-type: none"> -Awareness raising to farmers on national and international labor laws and the benefit of accessing education and basic social services for children and adolescents. -Leverage on ILO's training on 'the role of cooperatives in eliminating child labour', which can be included in the tracking package for cooperatives under component 1 -increase awareness amongst cooperative members and communities on child labour and child labour free supply and value chains -Youth targeting from 18 to 35 years to avoid engagement of minors -Regular assessment of child labour risks and response mechanisms 	<ul style="list-style-type: none"> - consultation with stakeholders such as CBSS, Cooperatives, RPO etc -engage in social dialogue with government, workers' and employers' associations, and other stakeholders 	<ul style="list-style-type: none"> - UNDP - MAFS and its structure at County level -Ministry of Gender, Child and Social Welfare -Ministry of Culture, Youth and Sports -Local administrations at Bomas and Payams - Other implementers such as CBSS, cooperatives, SMEs, RUSACCOs 	<ul style="list-style-type: none"> - Periodic compliance monitoring and reporting - Supervision missions 	<p>-Every 6 or 12 months</p>	
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<p>Gender Based Violence: War and conflict as well as social norms may aggravate GBV</p>	<ul style="list-style-type: none"> - Prepare GBV prevention and risk mitigation plan - Create safe spaces/women-only groups to encourage women's meaningful participation in consultations -create female only spaces for women to receive training and services -Integrate gender sensitization in all training packages delivered to RPOs, APGs, MSEs, VSLAs, SACCOS, both women and men -Engagement with local leaders and elders and male household members to promote awareness on gender equality and actions against GBV -with support from IFAD's Ethics Office, sensitize PCU and implementing partners on IFAD's SG/SEA policy, ensuring strict adherence to the code of conduct -Sensitization of project beneficiaries on grievance redress mechanism and leverage on UNDP's ongoing support to police officers trained on GBV response 	<ul style="list-style-type: none"> -public consultation engagement in the preparation and implementation of GBV prevention and risk mitigation plan -early engagement of local authorities and elders to sensitize on GBV prevention 	<ul style="list-style-type: none"> - UNDP - MAFS and its structure at County level -Ministry of Women and Youth -Local administrations at Bomas and Payams - Ministry of Justice and its structure -Other implementers such as CBSS, cooperatives, SMEs, RUSACCOs 	<ul style="list-style-type: none"> - Periodic compliance monitoring and reporting - Supervision missions 	<p>-Every 6 or 12 months</p>	
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<p>Conflict and grievances because of targeting, project delay, poor service delivery ...</p>	<ul style="list-style-type: none"> -Set clear targeting criteria and agreed upon -Ensure quality delivery as per the PDR - Establish/strengthen Grievance Redress Mechanism (GRM) and capacitate the GRM committee and awareness creation to the target RPO/communities - Ensure business plans developed by APGs are conflict-sensitive - Ensure equitable representation and participation in all project activities -Awareness creation - Organise group discussions with different vulnerable groups (PWD, youth, returnees, women) to understand their needs and aspirations, get feedback on the challenges and possible solutions, coping mechanisms 	<p>-Stakeholders consultation and engagement are extremely important during targeting and will help reduce grievances</p>	<ul style="list-style-type: none"> - UNDP - GRM committee at the MAFS and its dawn structure - GRM committees CBSS, cooperatives, SMEs, RUSACCOs - Ministry of Justice and courts 	<ul style="list-style-type: none"> - Periodic compliance monitoring and reporting - Supervision missions 	<p>-Every 6 or 12 months</p>	
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<p>Elite capture regarding support provided to Cooperatives, Saccos and MSEs</p>	<p>PMT and IP to use clear and transparent eligibility criteria for application window to matching grants and asset transfers</p> <p>Ensure the grant and assets are used as per the business plan</p> <p>Train PMT and IP staff on ESCMP</p> <p>Ensure all beneficiaries know how and feel comfortable using the GRM</p>	<p>Consultation and awareness campaigns with beneficiaries at implementation.</p>	<p>UNDP</p> <p>MAFS and its structure at County level</p> <p>Bureau of Standards (Regulatory body)</p> <p>Other implementers such as RPOs</p>	<p>Periodic compliance monitoring and reporting</p> <p>Supervision missions</p>	<p>-Every 6 or 12 months</p>	
<p>Food hazard during processing and packaging as part of capacity development of producer organizations on improved product development</p>	<p>PMT and IP to work closely with the South Sudan Bureau of Standards to ensure food safety standards are disseminated to all RPOs</p> <p>Ensure all business plans related to food commodities include a section on food safety hazard prevention and mitigation</p> <p>Ensure use of appropriate processing and packaging technologies</p> <p>Provide support with lab tests for high-risk commodities (e.g., maize, sorghum, groundnuts vulnerability to aflatoxin).</p>	<p>Consultation and awareness campaigns with Cooperatives and APGs will be done during implementation phase.</p>	<p>UNDP</p> <p>MAFS and its structure at County level</p> <p>Bureau of Standards (Regulatory body)</p> <p>Other implementers such as RPOs</p>	<p>Periodic compliance monitoring and reporting</p> <p>Supervision missions</p>	<p>-Every 6 or 12 months</p>	

<p>High food in security due to food production deficit and poor market infrastructure</p>	<p>PMT and IP to adopt a nutrition strategy with a clear action plan for the project</p> <p>Conduct nutrition-sensitive value chain and market opportunity analyses, focusing on domestic food markets rather than high-value crops for export</p> <p>Conduct a food and nutrition assessment to inform intervention design, in collaboration with the target groups</p> <p>Ensure selected counties have the right infrastructure in place for the selected value chains (e.g., road for market access, adequate storage facilities for aggregation)</p> <p>CBSS to develop adequate financial products for farmers to invest in safe food storage</p> <p>Roll-out awareness creation and behaviour change activities among RPOs and VSLAs</p> <p>Build capacities of cooperative unions on food and nutrition security issues</p>	<p>Consultations with RPOs members should be part of the VC analysis</p> <p>Beneficiaries should be consulted as part of the initial Nutrition assessment</p>	<p>UNDP</p> <p>MAFS and its structure at County level</p> <p>Bureau of Standards (Regulatory body)</p> <p>Other implementers such as RPOs</p>	<p>Periodic compliance monitoring and reporting</p> <p>Supervision missions</p>	<p>-Every 6 or 12 months</p>	
<p>Institutional arrangement related impacts</p>						

Lack of Environmental and Social (ES) system at CBSS (- CBSS does not have the ES system in place)	-Assign one or two experts to oversee the ES related activities	Consultation with RPOs will be carried out during screening as well as identification and implementation of mitigation measures	-UNDP, CBSS and PMU -Ministry of Environment and Forest should supervise overall implementation	Periodic compliance monitoring and reporting Supervision missions	-Frequently during the early phase of implementation -every 6-12 months during implementation phase	Part of the 's institutional arrangement and capacity development
Capacity gap (at PMU and CBSS)	-Train PMU and CBSS on IFAD's SECAP, ES system, compliance monitoring	-consultation to identify gap	-UNDP, PMU (coordinator)	Compliance monitoring and reporting Supervision missions	Yearly	

Footnotes

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Environmental and Social Safeguards Classification: Moderate

Environmental and Social Safeguards				
Biodiversity conservation	Yes/No	Likelihood	Consequence	Risk Rating
1.1 Could the project potentially involve or lead to conversion or degradation of biodiversity, habitats (including modified habitat, natural habitat and critical natural habitat) and/or ecosystems and ecosystem services?	No			Low
1.2 Could the project involve or potentially lead to activities involving habitats that are legally protected, officially proposed for protection, or recognized as protected by traditional local communities and/or authoritative sources (e.g. National Park, Nature Conservancy, Indigenous Community Conserved Area, ICCA, etc.)?	No			Low
1.3 Could the project potentially involve or lead to an increase in the chance of human-wildlife encounters/conflict?	No			Low
1.4 Could the project potentially involve or lead to risks to endangered species (e.g. reduction, encroachment on habitat)?	No			Low
1.5 Could the project potentially involve or lead to impacts/risks to migratory wildlife?	No			Low
1.6 Could the project potentially involve or lead to introduction or utilization of any invasive alien species of flora and fauna, whether accidental or intentional?	No			Low
1.7 Could the project involve or lead to the handling or utilization of genetically modified organisms?	No			Low
1.8 Could the project involve or lead to procurement through primary suppliers of natural resource materials?	Yes	Likely	Minor Project may possibly require procurement of natural resources through primary suppliers, and resource extraction is tightly regulated. Alternatives to procurement of natural resources through primary suppliers exists.	Moderate
Resource Efficiency and Pollution Prevention	Yes/No	Likelihood	Consequence	Risk Rating
2.1 Could the project involve or lead to the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	Yes	Likely	Minor Pollutants may possibly be released, either routinely or by accident, but treatment systems are proven and verified. Receiving environment has absorptive capacity.	Moderate
2.2 Could the project involve or lead to primary not environmentally sustainable production of living natural resources? (Note: this includes the cultivation or rearing of plants or animals, including annual and perennial crop farming, animal husbandry (including livestock), aquaculture, plantation forestry, etc)	No			Low

Environmental and Social Safeguards				
2.3 Could the project involve or lead to engagement in areas of forestry, including the harvesting of natural forests, plantation development, and/or reforestation?	No			Low
2.4 Could the project involve or lead to significant consumption of raw materials, energy, and/or water?	No			Low
2.5 Could the project involve or lead to significant extraction, diversion or containment of surface or ground water (e.g. construction of dams, reservoirs, river basin developments, groundwater extraction)?	No			Low
2.6 Could the project involve inputs of fertilizers and other modifying agents?	Yes	Possible	Moderate The project requires use of fertilizers, but options are available to replace polluting fertilizers with alternatives.	Moderate
2.7 Could the project involve or lead to procurement, supply and/or result in the use of pesticides on crops, livestock, aquaculture or forestry?	Yes	Unlikely	Minor The project only requires minimal amounts of pesticide.	Low
2.8 Could the project be located in an area which is being, or has been, polluted by an external source (e.g. a mine, smelter, industry)?	No			Low
2.9 Could the project involve livestock – extensive and intensive systems and animal products (dairy, skins, meat, etc.)?	No			Low
Cultural Heritage	Yes/No	Likelihood	Consequence	Risk Rating
3.1 Could the project be located in areas that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage?	No			Low
3.2 Could the project directly or indirectly affect indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (tangible and intangible)?	No			Low
3.3 Could the project involve or lead to significant excavations, demolitions, movement of earth, flooding or other environmental changes?	No			Low
3.4 Could the project involve or lead to adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No			Low
3.5 Could the project involve or lead to alterations to landscapes and natural features with cultural significance?	No			Low
3.6 Could the project involve or lead to utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	No			Low
indigenous peoples	Yes/No	Likelihood	Consequence	Risk Rating

Environmental and Social Safeguards				
4.1 Could the project be sited in areas where indigenous peoples are present (including the project area of influence)?	Yes	Unlikely	Minor The project is not sited in an area where indigenous people are present, but associated facilities may impact on indigenous people.	Low
4.2 Could the project result in activities located on lands and territories claimed by indigenous peoples?	No			Low
4.3 Could the project result in impacts on the rights of indigenous peoples or to the lands, territories and resources claimed by them?	No			Low
4.4 Could the project result in the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No			Low
4.5 Could the project lead to impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No			Low
Labour and Working Conditions	Yes/No	Likelihood	Consequence	Risk Rating
5.1 Could the project operate in sectors or value chains that are characterized by working conditions that do not meet national labour laws or international commitments? (Note: this may include discriminatory practices, high gender inequality and the lack of equal opportunities, denial of freedom of association and collective bargaining, labour migrants)	Yes	Possible	Moderate The project operates in sectors or value chains that have, in the past, not met national labour laws, or international commitments, but is now adequately nationally regulated. However, international value chains are not regularly audited for environmental or social performance.	Moderate
5.2 Could the project use or operate in a value chain where there have been reports of forced labour? (Note: Risks of forced labour may be increased for projects located in remote places or where the status of migrant workers is uncertain)	Yes	Possible	Minor The project does not operate in sectors or value chains where forced labour has ever been reported	Moderate
5.3 Could the project involve children (a) below the nationally-defined minimum employment age (usually 15 years old) or (b) above the nationally-defined minimum employment age but below the age of 18 in supported activities or in value chains?	No			Low

Environmental and Social Safeguards				
5.4 Could the project: (a) operate in a sector, area or value chain where producers and other agricultural workers are typically exposed to significant occupational and safety risks, and/or (b) promote or use technologies or practices that pose occupational safety and health (OSH) risks for farmers, other rural workers or rural populations in general? (Note: OSH risks in agriculture might include: dangerous machinery and tools; hazardous chemicals; toxic or allergenic agents; carcinogenic substances or agents; parasitic diseases; transmissible animal diseases; confined spaces; ergonomic hazards; extreme temperatures; and contact with dangerous and poisonous animals, reptiles and insects. Psychosocial hazards might include violence and harassment.)	Yes	Possible	Moderate The project operates in a sector, area, or value chain where workers are occasionally exposed to significant OSH risks, and where regulation is known to be weak or non-existent.	Moderate
Community Health, Safety and Security	Yes/No	Likelihood	Consequence	Risk Rating
6.1 Could the project be at risk from water-borne or other vector-borne diseases (e.g. temporary breeding habitats), and/or communicable and non-communicable diseases?	Yes	Possible	Moderate The project is situated in an area where there is past evidence of negative impacts from water-borne or other vector-borne diseases, or communicable/non-communicable diseases, but where regulation or containment of these impacts has been shown to be effective.	Moderate
6.2 Could the project lead to unintended negative impacts on nutrition?	No			Low
6.3 Is there a possibility of harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	No			Low
6.4 Could the project involve or lead to the construction or rehabilitation of dams?	No			Low
6.5 Could the project involve or lead to transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No			Low
6.6 Could the project lead to adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	No			Low
6.7 Could the project lead to the potential for gender-based violence, including sexual harassment, exploitation and abuse, as a result of labour influx, land redistribution, or other actions that alter community dynamics?	Yes	Possible	Moderate Moderate changes to community dynamics may result in increased potential for gender-based violence or sexual exploitation. Gender-based violence interventions are integrated into project design.	Moderate
6.8 Could the project lead to increases in traffic or alteration in traffic flow?	No			Low

Environmental and Social Safeguards				
6.9 Could the project lead to an influx of project workers?	No			Low
6.10 Could the project involve or lead to the engagement of security personnel to protect facilities and property or to support project activities?	No			Low
Physical and economic resettlement	Yes/No	Likelihood	Consequence	Risk Rating
7.1 Could the project result in temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	No			Low
7.2 Could the project result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No			Low
7.3 Could the project present a risk of forced evictions?	No			Low
7.4 Could the project result in impacts on or changes to land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	No			Low
Financial intermediaries and direct investments	Yes/No	Likelihood	Consequence	Risk Rating
8.1 Could the investment be granted to an institution that does not have an environmental and social policies and an associated environmental and social management system (ESMS) in place (transparent, publicly available)?	Yes	Possible	Minor The institution has an ESMS in place. Reports are not publicly available.	Moderate
8.2 Could the investment be granted to an institution with insufficient capacities (i.e. unqualified personnel e.g. ES Officer) to implement the ESMS?	Yes	Possible	Minor The institution employs an ES Officer, and employs field staff to implement the ESMS.	Moderate
8.3 Could the investment be granted to an institution that does not have an Exclusion List?	Yes	Possible	Minor The institution has an Exclusion List, but cannot verify the	Moderate
8.4 According to the institution's portfolio classification: Could the institution have potential high-risk projects in their portfolio?	No			Low
8.5 Is there evidence that the institution does not comply with the local legal framework?	No			Low
8.6 Does the institution provide a stable communication channel with stakeholders and local communities (e.g. a Grievance Redress Mechanism)?	Yes	Likely	Minor Communities and stakeholders can contact the institution and a process is in place for institutionalizing the communication channels (e.g. complaint-management system) and training staff accordingly.	Moderate

Environmental and Social Safeguards

8.7 Does the organization provide auxiliary or capacity building support services.	No			Low
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Climate Risk Classification: Substantial

Step 1: Hazard identification	
What are the expected hazards in the project intervention area?	No, Yes, TBD
River flood	Yes
Costal Flood	Yes
Urban Flood	Yes
Landslide	Yes
Cyclone	No
Water Scarcity (agricultural droughts and/or dry spells)	Yes
Extreme Heat	Yes
Wildfires	Yes
Future climate scenarios foreseen (period 2040-2059) - Change in frequency and intensity	No, Yes, TBD
Change in temperature (increase or decrease)	Yes
Change in rainfall (increase or decrease)	Yes
Climate variability (larger or smaller)	Yes
Intensity and frequency of extreme events (larger or smaller)	Yes
Is the project expected to have an impact on climate?	No, Yes, TBD
Is the project expected to be a significant emitter of greenhouse gases?	No
Step 2: Exposure Assessment	
Is the project located in exposed areas to weather-related natural hazards?	No, Yes, TBD
Low-lying areas (valleys, coastal zones, and small islands)	No
Very warm areas (subtropical)	No
Tropical areas (rainforests)	No
Arid and semi-arid areas (deserts)	No
Mountains zones and permafrost areas (tundra)	No
River banks	Yes
Does the project target agricultural systems, ecosystems or livelihoods exposed to weather-related hazards?	No, Yes, TBD
Is crop production frequently affected by rainfall variability, prolonged droughts, changes in temperature or pests and diseases?	Yes
Is livestock productivity frequently affected by rainfall variability, prolonged droughts, changes in temperature or diseases?	Yes
Are fisheries frequently affected by ocean acidification, water salinity and changes in sea surface temperature due to ocean-atmospheric oscillations or climate change?	No
Is forest productivity frequently affected by wildfires, diseases, rainfall variability, prolonged droughts, or changes in temperature?	Yes
Is the biodiversity in the project area likely to be affected by changes in climate variables?	Yes
Is any stage of the agricultural value chain (production, storage, processing and marketing) exposed to climate related hazards?	Yes
Is any rural infrastructure likely to be affected by flooding, landslides, changes in temperatures, and extreme winds.	Yes
Step 3: Sensitivity Assessment	
What are key sensitivities for the populations in the project's areas of intervention?	No, Yes, TBD
Is conflict exacerbating the population's sensitivity to weather related hazards?	No
Is population displacement being exacerbated by climate change impacts?	Yes

Are diseases (e.g. COVID-19, malaria, cholera) increasing the population's vulnerability and affecting their capacity to address potential weather-related hazards?	Yes
Is the income of the target population predominately coming from agriculture?	No
Are social inequalities (e.g. based on gender, youth, indigenous persons and other marginalized groups) being exacerbated by climate change?	No
Is the Human Development Index (HDI) equal to or below 0.6?	Yes
Is the Multidimensional Poverty Index (MPI) equal to or above 0.1?	Yes
Step 4: Adaptive capacity and climate resilience	
What are key adaptive capacities in the areas of project intervention?	No, Yes, TBD
Is the country well ranked in the Disaster risk reduction progress score?	No
Are climate and weather information services (real-time weather data, seasonal forecasts etc.) effectively being delivered (through radio, TV, SMS, extension services etc.) to farmers, rural dwellers, and end users?	Yes
Does the project country have an early action plan (preparedness and emergency response) to mitigate the impacts of weather-related hazards once the shock occurs?	Yes
Does the government or other institutions support the target population/communities with the necessary social and economic resources to prepare for or respond to climate-related events?	Yes
Is the target community carrying out (using their own means) agricultural adaptation?	No
Does the target population have the economic means or support to adjust or adapt their activities in response to weather related shocks?	No
Do policies/mechanisms exist that make financial credit, loans, and agricultural insurance available?	Yes
Are rural infrastructures effectively delivering services to farmers and rural dwellers?	No

South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex 6: First Annual Work Plan and Budget (AWPB)

Mission Dates: 10-19 May 2022

Document Date: 08/11/2022

Project No. 2000004330

Report No. 6197-SS

East and Southern Africa Division
Programme Management Department

Annex 6: First Annual Work Plan and Budget (AWPB)

Map of the Project Area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
Map compiled by IFAD | 03-08-2021

Currency Equivalents

Currency unit = South Sudanese Pounds (ERN)

USD 1.0 = ERN 484.00

Weights and Measures

1 metric tonne = 1,000 kilograms

1 kilogram = 1,000 grams

1 kg = 2.204 Ib.

1 kilometre (km) = 0.62 mile

1 metre = 1.09 yards

1 square metre = 10.76 square feet

1 acre = 0.405 hectare

1 hectare = 2.47 acres

1 Feddan = 1 acre

Fiscal Year

1 January – 31 December

Introduction

This annex details the (*draft*) annual work plan and budget (AWPB) activities for the first year of the READ project. It mentions the activities related to the implementation of the technical components and the related coordination and project management activities. The AWPB is an important part of the project's readiness, to become effective and ready to implement. This version will serve as a draft until such time that the project team at both the G-PCU at MAFS and the PMT at UNDP are fully staffed, in place and able to validate assumptions and ensure ownership of the AWPB.

The Planning Process

Ideally, the planning process for an AWPB is a participatory process, involving all the relevant stakeholders through consultative meetings/workshops at various levels throughout the lifetime of the project, and follow a objective-oriented, logical framework approach. Under such a situation, there are three major sources of information, and these include:

- Project Design Report
- Findings of the needs assessment in the project area
- The findings of the annual strategic reviews, performance evaluations and progress reports.

The latter is an integral part of the planning process, but since this is the first AWPB, it relies heavily on the PDR.

Description of the AWPB and Key activities

The READ project will last a total of six-years and intends to reach a total of approximately 27,511 rural households or 162,315 household members through 780 (456) RPOs and (324) RFIs. Since this is the first AWPB however the focus is on putting processes and procedures in place and, therefore, only a small percentage of target beneficiaries are likely to be reached in the first year. The key activities of the project are hereby as follows:

Component 1 – Rural Producer's Organisations Development

Sub-Component 1:1: Selection of Climate Resilient Food Value Chains, Group Profiling and Sensitization of the Selected Entities

- County profiling and selection of Payams/Bomas
 - Develop participatory criteria for selection of the selection of target Payams and Bomas (1 workshop).
 - Study/mission to profile and select target counties/payams/bomas (6 studies).
 - Workshop for the validation of selected counties/payams/bomas (1 workshop).
- Gender, youth, nutrition and climate sensitive value chain analysis.
 - Ongoing value chain analysis in 5 states (UNDP co-financing of 5 studies).
 - New value chain analysis in 1 state (implemented by ILO).
 - Market opportunities analysis within the selected value chains.
 - Gender and nutrition assessment to inform intervention design (2 studies).
- Participatory mapping and profiling of target groups
 - Mapping and profiling study of target groups to assess their baseline status
 - Sensitization workshops with target groups on project interventions and expectations.
 - Leverage informal youth and women networks to raise awareness on READ and mobilise youths in bomas and payams.
 - Workshop with key government players and administration to define, validate the selection criteria of target groups.

- Peace and conflict analysis
- Development/adaptation of capacity building modules, including ILO training tools and methodologies
 - Adaptation and standardization of ILO's training tools and methodologies
 - Identify relevant support organisations/service providers for the delivery of capacity building modules

Expected outputs:

- Recruitment of technical officer for Component 1 and 3.
- Sign agreements with Implementation Agencies (including UNDP, ILO, CBSS)
- Scoping and mapping of service providers and contract signing.
- County and beneficiary profiling
- Selection of payams and bomas
- Value chain analysis in six states
- Peace and conflict analysis with development partners
- Market opportunities analysis
- Gender and nutrition assessment
- 60 sensitization workshops of target groups
- Adaptation and standardization of ILO's training tools and methodologies using crosscutting lens – with translation – and publication of training material.

Sub-component 1.2 Institutional and governance capacity development of RPOs

- Coaching/training on institutional capacity
 - International consultant / Master trainer
 - International travel for master trainer
 - National consultant to support master trainer
 - ToT workshops
 - Awareness raising of trainers on cross-cutting themes to ensure mainstreaming in project activities
 - ILO technical backstopping
- Gender mainstreaming among project target groups
 - Development/adaptation by National expert of GALS or equivalent gender mainstreaming methodology for the provision of ToT
 - Operationalization of GALS or equivalent methodology (using training, exchange visits, mobilization of GALS champions) among target groups.

Expected Outputs:

- Training of trainers (ToT) in cooperative development and rural finance at national level
- Training of trainers in cooperative development and rural finance in 6 states (20 officers per state)
- Heightened awareness of trainers on crosscutting issues (using gender, youth and climate lens)
- Operationalization of GALS or equivalent methodology with adapted training material (approximately 1,800 trainees per year - over 6 years).

Sub-component 1.3: Supporting Business Capacity Development and Financing

- Coaching, training and mentoring of RPOs and MSEs on business and financial literacy
- Support iHubs to deliver continuing Business Development Services
 - Construction of iHubs (UNDP co-financing)
 - Equipment of 4 existing iHubs in the READ target area (UNDP co-financing)
 - Equipment of 2 new iHubs in Upper Nile and Bar-el Ghazal
 - Contribution to the staffing of 6 iHubs
 - Operational costs of iHubs (UNDP co-financing)
- Facilitating access to local, national, and regional markets through digital platforms
 - Support staff based in iHubs to sensitize/train RPOs on platform registration and use

Expected outputs:

- Completion of 4 iHubs (by UNDP)
- Six equipped iHubs
- Contribution to staffing of 6 iHubs
- Commence training by iHubs staff to RPOs on digital platform registration

Component 2 – Inclusive Rural Financial Services

Sub-component 2.1: Community-based financial services

- Financial literacy training to individual households
 - Materials development/adaptation (integrating gender and nutrition messaging)
- Technical backstopping (by service provider)

Expected outputs:

- Recruitment of technical officer/FM Specialist/Component 2 Coordinator.
- Training material development and adaptation with crosscutting and technical backstopping.

Sub-component 2.2: Support to CBSS expansion in the READ target area

- Support to CBSS expansion and agency banking
 - Establishment of CBSS branches in 2 READ target states
- Equipment of SACCOs and Cooperatives as CBSS agents in the READ target area
- Acquisition of fintech equipment for CBSS SACCO/Cooperative Agents
- Establishment of a Credit Guarantee Facility (CGF)
 - Development of CGF operational manual

Expected outputs:

- Establishment of CBSS branch in Western Bahr el Ghazel
- Establishment of agency banking model -
 - Upgrade of MIS for SACCO/cooperative agents
 - Provision of 48 POS machines with licenses
 - Training of SACCO/cooperative agents
- Development of Credit guarantee Fund operational manual

Component 3 - Policy and Regulatory Framework Development

SC 3.1. Support the development of a conducive policy and legal framework for cooperative development and inclusive rural finance

- Review of national cooperative policy frameworks
 - Consultancy fees
 - Meetings and workshops
 - Communication
- Review of rural finance policy frameworks
 - Consultancy fees
 - Meetings and workshops
 - Communication
- ILO technical backstopping

Expected outputs:

- Technical review of cooperative, rural finance and other READ related policy frameworks, stakeholder and validation workshops
- Approximately 1,200 copies of communication material (printed), using graphic design and translation in 5 languages

SC 3.2. Strengthen the capacity of MAFS staff and offices at the national, state and county level

- Capacity building of MAFS cooperative development and community development officers
 - MAFS cooperative and community development officers' capacity needs assessment and capacity building plan
 - Implementation of the MAFS capacity development plan on cooperative development
 - Technical backstopping of ILO for the implementation of the MAFS capacity building plan
 - Contribution to the development and roll-out of the cooperative management information system (MIS)
- Support to cooperative and community development offices at county level
 - Rehabilitation/construction of MAFS facilities
 - Contribution to the establishment of cooperative resource center within existing MAFS premises
 - MAFS HQ office equipment
 - MAFS county office equipment
 - Vehicles for mobility
 - Contribution to MAFS operating costs

Expected outputs:

- Capacitated offices of G-PCU and county level, as well as PMT.
- ILO backstopping plan
- Capacity needs assessment and plan

SC 3.3. Support MAFS staff coordinate and implement policy and projects

- UNDP investment costs
 - Office renovation
 - Procurement of equipment
- PCU investment costs
 - Desktop computer (1)
 - Laptops (4)
 - Multifunctional printer (1)
 - Office furniture
 - Hardtop vehicle
 - Training of PCU staff
- Monitoring and evaluation
 - Baseline survey
 - Regular monitoring missions
 - Trainings, workshops and conferences (UNDP co-financing)
- Knowledge management and communication
- Social, Environmental and Climate Assessment Procedures (SECAP)
 - High level training/sensitization workshop on READ ESCMP
 - Training to Environment, Social and Climate focal points
 - Compliance monitoring of the implementation of ESCMP
 - Strengthening/establishment of GRM system
- MAFS project oversight
 - National Steering Committee meetings
 - National Advisory Committee meetings
 - National Technical Committee meetings
 - MAFS support costs for project oversight
- Audits
 - Annual Audit

Environment

- Appoint/recruit Environment and Climate expert/focal point at UNDP, MAFS and cooperatives (mainly CBSS)
 - Establish/strengthen Grievance Redress Mechanism (GRM) at UNDP, MAFS, CBSS and other cooperatives. This includes the establishment of GRM committee, awareness.
 - Establish/strengthen Environment, Social and Climate system at MAFS, CBSS
 - High level training/sensitization workshop on SECAP/ESCOMP
 - Mainstreaming Gender, youth, nutrition and climate in the ILO training tools.

Expected:

- G-PCU, county offices and PMT fully staffed

Detailed Work Plan Budget Activity by Quarter for first AWPB

Table 1.1. Project inception activities
Detailed Costs

	Unit	Quantities				Total	Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)				
		2023	Q1	Q2	Q3			Q4	Q1	Q2	Q3	Q4
I. Investment Costs												
A. County profiling and selection of Payams/Bomas												
Develop participatory criteria for selection of the selection of target Payams and Bomas /a												
Workshop		1	-	-	-	1	1.5	1.5	-	-	-	1.5
Study/mission to profile and select target counties/payams/bomas /b												
Study		-	6	-	-	6	10	-	60.5	-	-	60.5
Workshop for the validation of selected counties/payams/bomas												
Workshop		-	-	1	-	1	1.5	-	-	1.5	-	1.5
Subtotal								1.5	60.5	1.5	-	63.6
B. Gender, youth, nutrition and climate sensitive value chain analysis												
1. Ongoing value chain analysis in 5 states (UNDP co-financing)												
Contracting of service provider												
Study		-	5	-	-	5	30	-	151.4	-	-	151.4
Consultations and workshops												
Workshop		-	-	5	-	5	3	-	-	15.1	-	15.1
Printing and dissemination												
Lumpsum		-	-	5	-	5	1.5	-	-	7.6	-	7.6
Subtotal								151.4	22.7	-	-	174.1
2. New value chain analysis in 1 state (implemented by ILO)												
Contracting of service provider												
Study		-	1	-	-	1	30	-	30.3	-	-	30.3
Consultations and workshops (UNDP co-financing)												
Workshop		-	-	1	-	1	3	-	-	3.0	-	3.0
Printing and dissemination												
Lumpsum		-	-	1	-	1	1.5	-	-	1.5	-	1.5
Subtotal								-	30.3	4.5	-	34.8
3. Market opportunities analysis within the selected value chains /c												
Contracting of service provider												
Study		-	-	1	-	1	30	-	-	30.3	-	30.3
4. Gender and nutrition assessment to inform intervention design												
Contracting of service provider												
Study		-	-	2	-	2	2.5	-	-	5.0	-	5.0
Subtotal								-	181.6	62.6	-	244.2
C. Participatory mapping and profiling of target groups /d												
Mapping and profiling study of target groups to assess their baseline status												
Study		-	-	1	-	1	30	-	-	30.3	-	30.3
Sensitization workshops with target groups on project interventions and expectations /e												
Workshop		-	-	30	30	60	0.5	-	-	15.1	15.1	30.3
Leverage informal youth and women networks to raise awareness on READ and mobilise youths in bomas and pa												
Network		-	-	6	6	12	0.2	-	-	2.4	-	2.4
Workshop with key government players and administration to define, validate the selection criteria of target groups												
Workshop		-	-	1	-	1	1.5	-	-	1.5	-	1.5
Subtotal								-	49.3	15.1	-	64.5
D. Peace and conflict analysis												
Contracting of service provider (competitive selection)												
Study		-	-	1	-	1	35	-	-	35.3	-	35.3
Workshops for the presentation, validation of the analysis (UNDP co-financing)												
Workshop		-	-	2	-	2	3	-	-	6.1	-	6.1
Printing and dissemination of material												
Lumpsum		-	-	1	-	1	1.5	-	-	1.5	-	1.5
Subtotal								-	-	42.9	-	42.9
E. Development/adaptation of capacity building modules, including ILO training tools and methodologies												
1. Adaptation and standardization of ILO's training tools and methodologies /g												
National consultant												
Pers.day		-	-	50	50	100	0.3	-	-	15.1	15.1	30.3
Validation workshop												
Workshop		-	-	1	-	1	3	-	-	3.0	-	3.0
Publication and printing of the finalized tools												
Lumpsum		-	-	1	-	1	50	-	-	50.5	-	50.5
ILO technical backstopping												
Pers.month		-	-	1	-	1	15.5	-	-	15.6	-	15.6
Subtotal								-	-	84.3	15.1	99.4
2. Identify relevant support organisations/service providers for the delivery of capacity building mod												
Scoping study/mapping of service providers /h												
Study		1	-	-	-	1	12	12.1	-	-	-	12.1
Subtotal								12.1	-	84.3	15.1	111.5
Total Investment Costs								13.6	242.2	240.5	30.3	526.6
II. Recurrent Costs												
A. Technical support for component 1 and 3												
Technical Officer/Component 1 and 3 Coordinator (IFSA 9) /i												
Pers.month		-	-	3	3	6	10.417	-	31.3	31.3	-	62.5
Total Recurrent Costs								-	31.3	31.3	-	62.5
Total								13.6	242.2	271.8	61.5	589.1

Rural Enterprises for Agricultural Development (READ)
Table 1.2. Strengthening RPO institutional capacity /a

Detailed Costs	Unit	Quantities					Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)				
		2023						2023				
		Q1	Q2	Q3	Q4	Total		Q1	Q2	Q3	Q4	Total
I. Investment Costs												
A. Coaching/training on institutional capacity												
1. Capacity building of relevant support organisations/service providers to deliver training program:												
International consultant / Master trainer /c	Pers.day			11	11	22	0.5			5.5	5.5	11.1
International travel for master trainer	Mission			1	1	1	5			5.0		5.0
National consultant to support master trainer /d	Pers.day			11	11	22	0.3			3.3	3.3	6.7
ToT workshops	Workshop			1	1	1	15			15.1		15.1
Awareness raising of trainers on cross-cutting themes to ensure mainstreaming in project activities	Workshop			1	1	1	5			5.0		5.0
ILO technical backstopping	Pers.month			1	1	1	15.5			15.6		15.6
Subtotal										49.7	8.9	58.6
D. Gender mainstreaming among project target groups												
National expert on GALS or equivalent gender mainstreaming methodology /k	Lumpsum				1	1	7.5				7.6	7.6
Operationalization of GALS or equivalent methodology among target groups /l	Lumpsum				1	1	17				17.2	17.2
Subtotal											24.7	24.7
Total										49.7	33.6	83.3

Rural Enterprises for Agricultural Development (READ)
Table 1.3. Business capacity development and financing /a

Detailed Costs	Unit	Quantities					Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)					
		2023						2023					
		Q1	Q2	Q3	Q4	Total		Q1	Q2	Q3	Q4	Total	
I. Investment Costs													
A. Coaching, training and mentoring of RPOs and MSEs on business and financial literacy													
1. Support iHubs to deliver continuing Business Development Services /b													
Construction of iHubs (UNDP co-financing)	iHub	1	1	1	1	4	75	79.5	79.5	79.5	79.5	317.8	
Equipment of 4 existing iHubs in the READ target area (UNDP co-financing) /c	iHub	1	1	1	1	4	15	15.1	15.1	15.1	15.1	60.5	
Equipment of 2 new iHubs in Upper Nile and Bar-el Ghazal /d	iHub			1	1	2	15			15.1		30.3	
Contribution to the staffing of 6 iHubs /e	Person		2	2	2	6	12		24.2	24.2	24.2	72.6	
Operational costs of iHubs (UNDP co-financing)	iHub		1	1	1	3	5		15.1			15.1	
Subtotal									109.7	133.9	133.9	118.8	496.4
2. Facilitating access to local, national, and regional markets through digital platforms /m													
Support staff based in iHubs to sensitize/train RPOs on platform registration and use	Pers.year			0.25	0.25	0.5	12			3.0	3.0	6.1	
Subtotal											3.0	6.1	
Total									109.7	133.9	137.0	121.8	502.5

Rural Enterprises for Agricultural Development (READ)
Table 2.1. Community-based rural financial services

Detailed Costs	Unit	Quantities					Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)				
		2023						2023				
		Q1	Q2	Q3	Q4	Total		Q1	Q2	Q3	Q4	Total
I. Investment Costs												
B. Financial literacy training to individual households /j												
1. Roll-out of financial literacy training through County and Payam committees /k												
Materials development/adaptation (integrating gender and nutrition messaging)	Study		1			1	20		20.2	-	-	20.2
Total Investment Costs									20.2			20.2
II. Recurrent Costs												
A. Technical support for component 2												
Technical Officer/FM specialist/Component 2 Coordinator (IPSA 9) /m	Pers.month			3	3	6	10.417			31.3	31.3	62.5
Total Recurrent Costs										31.3	31.3	62.5
Total									20.2	31.3	31.3	82.7

Rural Enterprises for Agricultural Development (READ)
Table 2.2. Support to CBSS expansion in the READ target area

Detailed Costs	Unit	Quantities					Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)					
		2023						2023					
		Q1	Q2	Q3	Q4	Total		Q1	Q2	Q3	Q4	Total	
I. Investment Costs													
A. Support to CBSS expansion and agency banking													
1. Establishment of a CBSS branch in Western Bahr el Ghazal /a													
Land acquisition	Number	-	-	-	1	1	50	-	-	-	50.5	50.5	
Construction of new building	Number	-	-	-	1	1	150	-	-	-	158.9	158.9	
Furniture and equipment	Number	-	-	-	1	1	70	-	-	-	70.6	70.6	
Computer equipment	Number	-	-	-	1	1	30	-	-	-	30.3	30.3	
Bank fixtures	Number	-	-	-	1	1	80	-	-	-	80.7	80.7	
Office machinery	Number	-	-	-	1	1	20	-	-	-	20.2	20.2	
Subtotal											411.2	411.2	
2. Capacity building of SACCOs/Cooperatives as CBSS agents in the READ target area													
MS upgrade for SACCO/Cooperative agents /b	Number	-	-	-	24	24	4	-	-	-	96.9	96.9	
Provision of POS machines /c	Number	-	-	-	48	48	1.5	-	-	-	72.6	72.6	
POS license /d	Number/year	-	-	-	48	48	0.735	-	-	-	35.6	35.6	
Mobile and internet banking license /e	Lumpsum	-	-	-	1	1	75	-	-	-	75.7	75.7	
Training of SACCO/Cooperative agents	Lumpsum	-	-	-	1	1	52.2	-	-	-	52.7	52.7	
Subtotal											333.5	333.5	
Subtotal									0.0	0.0	0.0	744.6	744.6
B. CBSS loan portfolio mobilization													
1. Establishment of a Credit Guarantee Facility (CGF)													
Development of CGF operational manual	Study		1				20		20.2			20.2	
Subtotal										20.2		20.2	
Total									0.0	20.2	0.0	744.6	764.8

Rural Enterprises for Agricultural Development (READ)
 Table 3.1. Conducive policy and legal environment
 Detailed Costs

Unit	Quantities					Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)					
	2023						Q1	Q2	Q3	Q4	Total	
	Q1	Q2	Q3	Q4	Total							
I. Investment Costs												
A. Review of national cooperative policy frameworks /a												
1. Consultancy fees												
International consultant	Pers.month	-		1	1	2	13		13.1	13.1	26.2	
National consultant	Pers.month	-		1	1	2	3		3.0	3.0	6.1	
Subtotal								-	-	16.1	16.1	32.3
2. Meetings and workshops												
Stakeholder consultation w orkshops	Workshop			1	1	2	3		3.0	3.0	6.1	
Technical review meetings	Workshop			1	1	2	1.5		1.5	1.5	3.0	
National validation w orkshops	Workshop			-	1	1	3		1.5	1.5	3.0	
Subtotal								-	-	6.1	6.1	12.1
3. Communication												
Graphic design of documents	Document			1		1	1		1.0	-	1.0	
Elaboration of communication material	Product				2	2	2.5		5.0	-	5.0	
Translation of documents and products	Language	-				5	2		-	-	-	
Printing of documents and products	Copy			400	400	800	0.01		2.0	2.0	4.0	
Subtotal								-	-	8.1	2.0	10.1
Subtotal								-	-	30.3	24.2	54.5
B. Review of rural finance policy frameworks /b												
1. Consultancy fees												
International consultant	Pers.month			1	1	2	13		-	26.2	-	26.2
National consultant	Pers.month			1	1	2	3		-	6.1	-	6.1
Subtotal								-	-	32.3	-	32.3
2. Meetings and workshops												
Stakeholder consultation w orkshops	Workshop			1	1	2	3		-	6.1	-	6.1
Technical review meetings	Workshop			1	1	2	1.5		-	3.0	-	3.0
National validation w orkshops	Workshop				1	1	3		-	3.0	-	3.0
Subtotal								-	-	12.1	-	12.1
3. Communication												
Graphic design of documents	Document			1		1	1		-	1.0	-	1.0
Elaboration of communication material	Product			1	1	2	2.5		-	5.0	-	5.0
Translation of documents and products	Language				5	5	1		-	5.0	-	5.0
Printing of documents and products	Copy				400	400	0.01		-	4.0	-	4.0
Subtotal								-	-	15.1	-	15.1
Subtotal								-	-	59.5	-	59.5
C. Review of other policy and programming /c												
1. Consultancy fees												
International consultant	Pers.month			1	1	2	13		-	13.1	13.1	26.2
National consultant	Pers.month			1	1	2	3		-	3.0	3.0	6.1
Subtotal								-	-	16.1	16.1	32.3
2. Meetings and workshops												
Stakeholder consultation w orkshops	Workshop			1	1	2	3		-	3.0	3.0	6.1
Technical review meetings	Workshop			1	1	2	1.5		-	1.5	1.5	3.0
National validation w orkshops	Workshop				1	1	3		-	1.5	1.5	3.0
Subtotal								-	-	6.1	6.1	12.1
3. Communication												
Graphic design of documents	Document			1		1	1		-	1.0	-	1.0
Elaboration of communication material	Product			1	1	2	2.5		-	2.5	2.5	5.0
Translation of documents and products	Language				5	5	1		-	5.0	5.0	5.0
Printing of documents and products	Copy				400	400	0.01		-	4.0	4.0	4.0
Subtotal								-	-	3.5	11.6	15.1
Subtotal								-	-	25.7	33.8	59.5
D. Technical backstopping												
ILO technical backstopping	Pers.month			1	1	2	15.5			15.6	15.6	31.3
Total										131.2	73.7	204.8

Rural Enterprises for Agricultural Development (READ)
Table 3.2. MAFS capacity building on cooperative development
Detailed Costs

Detailed Costs	Unit	Quantities					Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)				
		2023						Q1	Q2	Q3	Q4	Total
		Q1	Q2	Q3	Q4	Total						
I. Investment Costs												
A. Capacity building of MAFS cooperative development and comm												
1. MAFS cooperative and community development officers capa												
Fees of lead consultant/firm	Pers.month				4	4	13	-	-	-	52.5	52.5
Workshops/stakeholder consultations /a	Session				6	6	3	-	-	-	18.2	18.2
Subtotal								-	-	-	70.6	70.6
2. Implementation of the MAFS capacity development plan on co												
ToT sessions at the national level (implemented by ILO) /b	Session				1	1	37.6	-	-	-	37.9	37.9
Aw areness raising of trainers on cross-cutting themes /c	Session				1	1	10	-	-	-	10.1	10.1
Subtotal								-	-	-	48.0	48.0
3. Technical backstopping												
Technical backstopping of ILO for the implementation of the MAFS cap:	Lumpsum			0.5		0.5	15.5			7.8		7.8
4. Contribution to the development and roll-out of the cooperati												
Upgrade/integration of the FAO cooperative MIS	Lumpsum				1	1	10				10.1	10.1
Contribution to the operation and maintenance of the cooperative MIS	Year				1	1	2.5				2.5	2.5
Training of MAFS staff for management of the cooperative MIS	Session				1	2	10				10.1	10.1
Subtotal								-	-	-	22.7	22.7
Subtotal								-	-	7.8	141.4	149.2
B. Support to cooperative and community development offices at												
1. Rehabilitation/construction of MAFS facilities												
Construction/rehabilitation of MAFS county offices /h	Number	1	1			2	40	42.4	42.4			84.8
3. MAFS HQ office equipment												
Desktop computers (1)	Number	1				1	1	1.0				1.0
Laptops (2)	Number	2				2	1.5	3.0	-	-	-	3.0
Printer (1)	Number	1				1	0.4	0.4	-	-	-	0.4
Office furniture (1) /j	Set	1				1	12.1	12.2	-	-	-	12.2
Subtotal								16.6	-	-	-	16.6
4. MAFS county office equipment												
Desktop computer (1 per office)	Number	6				6	1	6.1	-	-	-	6.1
Laptops (2 per office)	Number	12				12	1.5	18.2	-	-	-	18.2
Tablets (2 per office)	Number	12				12	0.3	3.6	-	-	-	3.6
Printer (1 per office)	Number	6				6	0.4	2.4	-	-	-	2.4
Office furniture (1 per office) /k	Set	6				6	1.2	7.3	-	-	-	7.3
Solar power (1 per office) /l	Number	6				6	4	24.2	-	-	-	24.2
Internet installation and accessories	Number	6				6	1.5	9.1	-	-	-	9.1
Subtotal								70.8	-	-	-	70.8
5. Vehicles												
Double cabin pick-up (1 per state)	Number	6				6	55	333.0	-	-	-	333.0
Motorbikes (1 per county)	Number	6				6	3	18.2	-	-	-	18.2
Bicycles (4 per county)	Number	24				24	0.2	4.8	-	-	-	4.8
Subtotal								356.0	-	-	-	356.0
Subtotal								485.8	-	-	-	528.2
C. Establishment of READ PMT at MAFS												
Renovation of READ PMT office in MAFS	Number	1				1	10	10.6				10.6
Equipment of READ PMT office in MAFS	Lumpsum	1				1	70	70.6				70.6
Subtotal								81.2				81.2
Total Investment Costs								567.1	-	7.8	141.4	758.6
II. Recurrent Costs												
A. Contribution to MAFS operating costs												
Stationery	Office.year	6				6	0.4	2.4				2.4
Vehicle O&M	Number.year	6				6	1.75	10.6				10.6
Motorcycle O&M	Number.year	6				6	0.6	3.6				3.6
Internet subscription - MAFS county offices (cost-shared)	Office.year	6				6	4.5	27.2				27.2
Internet subscription - READ PMT office in MAFS HQ	Office.year	1				1	9	9.1				9.1
Subtotal								53.0				53.0
B. MAFS cooperative and community development officers (GoSS)												
Salaries of cooperative and community development officers in READ tar	Pers.year	3	3	3	3	12	1.5	4.5	4.5	4.5	4.5	18.0
Total Recurrent Costs								57.5	4.5	4.5	4.5	71.0
Total								624.5	4.5	12.3	145.9	829.6

Table 3.3. Project coordination and oversight
Detailed Costs

	Unit	Quantities					Unit Cost (US\$ '000)	Totals Including Contingencies (US\$ '000)					
		2023	Q1	Q2	Q3	Q4		Total	Q1	Q2	Q3	Q4	Total
I. Investment Costs													
A. PCU investment costs													
Desktop computer (1)	Number	1	-	-	-	1	1	1.0	-	-	-	1.0	
Laptops (4)	Number	4	-	-	-	4	1.5	6.1	-	-	-	6.1	
Multifunctional printer (1)	Number	1	-	-	-	1	3	3.0	-	-	-	3.0	
Office furniture /a	Set	1	-	-	-	1	1.2	1.2	-	-	-	1.2	
Hardtop vehicle	Number	1	-	-	-	1	55	55.5	-	-	-	55.5	
Internet installation and accessories	Number	1	-	-	-	1	9	9.1	-	-	-	9.1	
Training of PCU staff /b	Lumpsum	1	-	-	-	1	30	30.3	-	-	-	30.3	
Subtotal								106.1	-	-	-	106.1	
B. Monitoring and evaluation													
Baseline survey	Number	1	-	-	-	1	40	40.4	-	-	-	40.4	
Regular monitoring missions	Number	1	-	-	-	1	10.3	10.4	-	-	-	10.4	
Trainings, w workshops and conferences (UNDP co-financing)	Workshops	2	-	-	-	2	5	10.1	-	-	-	10.1	
Subtotal								60.8	-	-	-	60.8	
C. Knowledge management and communication													
Lumpsum		1	-	-	-	1	5	5.0	-	-	-	5.0	
D. Social, Environmental and Climate Assessment Procedures (SECAP)													
High level training/sensitization w orkshop on READ ESCMP /d	Workshop	1	-	-	-	1	10	10.1	-	-	-	10.1	
Training to Environment, Social and Climate focal points /e	Session	1	-	-	-	1	30	30.3	-	-	-	30.3	
Compliance monitoring of the implementation of ESCMP /f	Lumpsum	1	-	-	-	1	6	6.1	-	-	-	6.1	
Strengthening/establishment of GRM system/g	Lumpsum	3	-	-	-	3	5	15.1	-	-	-	15.1	
Implementation of mitigation measures /h	Lumpsum	-	-	-	-	-	10	-	-	-	-	-	
Subtotal								61.5	-	-	-	61.5	
E. MAFS project oversight													
National Steering Committee meetings	Meeting	1	-	-	-	1	0.8	0.8	-	-	-	0.8	
National Advisory Committee meetings	Meeting	4	-	-	-	4	0.8	3.2	-	-	-	3.2	
National Technical Committee meetings	Meeting	12	-	-	-	12	0.8	9.7	-	-	-	9.7	
MAFS support costs for project oversight /i	Mission	6	-	-	-	6	0.5	3.0	-	-	-	3.0	
Subtotal								16.7	-	-	-	16.7	
F. Audits													
Annual audit fees	Audit	-	-	-	-	1	1	10	-	-	-	10.1	
Total Investment Costs								250.3	-	-	-	10.1	260.4
II. Recurrent Costs													
A. UNDP staff salaries													
1. Project Management Team /j													
Project Manager (IPSA 10)	Pers.month	-	-	3	3	6	12,917	-	-	38.8	38.8	77.5	
M&E Specialist/Safeguards (IPSA 8) - 50% cost sharing	Pers.month	-	-	3	3	6	9,167	-	-	27.5	27.5	55.0	
KM and Communication Officer (IPSA 8) - 50% cost sharing	Pers.month	-	-	3	3	6	9,167	-	-	27.5	27.5	55.0	
Social inclusion, nutrition and climate focal point (NPSA 11)	Pers.month	-	-	3	3	6	4,121	-	-	12.4	12.4	24.7	
Logistics and Admin Associate (NPSA 7)	Pers.month	-	-	3	3	6	2,583	-	-	7.7	7.7	15.5	
Driver (NPSA 3)	Pers.month	-	-	3	3	6	1,25	-	-	3.8	3.8	7.5	
Subtotal								-	-	117.6	117.6	235.25	
3. Programme Support and CO Linkaging /k													
Chief Programme Advisor	Pers.month	3	3	3	3	12	3,083	9.2	9.2	9.2	9.2	37.0	
Team leader	Pers.month	3	3	3	3	12	1,167	3.5	3.5	3.5	3.5	14.0	
Subtotal								12.8	12.8	12.8	12.8	51.0	
Subtotal								12.8	12.8	130.4	130.4	286.3	
B. PCU staff salaries /m													
Project manager - full cost	Pers.month	-	-	3	3	6	4	-	-	12.0	12.0	24.0	
M&E officer - shared w ith SSLRP	Pers.month	-	-	3	3	6	2	-	-	6.0	6.0	12.0	
Procurement officer - shared with SSLRP	Pers.month	-	-	3	3	6	2	-	-	6.0	6.0	12.0	
Financial manager - shared w ith SSLRP	Pers.month	-	-	3	3	6	2	-	-	6.0	6.0	12.0	
Accountant - full cost	Pers.month	-	-	3	3	6	2.5	-	-	7.5	7.5	15.0	
Subtotal								-	-	37.5	37.5	75.0	
C. Contribution to PCU operating costs													
Vehicle O&M	Number.year	-	-	1	-	1	1.75	-	-	1.8	-	1.8	
Internet subscription /n	Month	-	-	3	3	6	0.75	-	-	2.3	2.3	4.5	
Electricity and utilities /o	Month	-	-	3	3	6	1	-	-	3.0	3.0	6.1	
Office consumables /p	Lumpsum	-	-	1	-	1	2.6	-	-	2.6	-	2.6	
Accounting software license /q	Number.year	-	-	1	-	1	1	-	-	1.0	-	1.0	
ICT equipment maintenance and repair (printers and computers)	Lumpsum	-	-	1	-	1	2.5	-	-	2.5	-	2.5	
Subtotal								-	-	13.2	5.3	18.5	
D. UNDP General Management Support (GMS) /r	Lumpsum	0.25	0.25	0.25	0.25	1	181,964	45.5	45.5	45.5	45.5	181,964	
Total Recurrent Costs								58.2	58.2	226.6	218.7	561.7	
Total								308.6	58.2	226.6	228.8	822.1	

South Sudan

Rural Enterprises for Agriculture Development Project Design Report

Annex 7: Procurement Plan for first 18 months

Mission Dates: 10-19 May 2022

Document Date: 08/11/2022

Project No. 2000004330

Report No. 6197-SS

East and Southern Africa Division
Programme Management Department

Procurement Plan SUMMARY

Country:	South Sudan			
Project Name:	Rural Enterprises for Agricultural Development Project (READ)			
Project ID:				
Version	1.0			
Version Date	28/6/2021			
Prepared by:	Robert Waiganjo			
Approved by:	Bernadette Mukonyora			
Procurement Category	Plan		Actual	
	USD	LCU	USD	LCU
Goods	410 500.00	-	-	-
Works	90 000.00	-	-	-
Consulting Services	96 000.00	-	-	-
Non-Consulting Services	-	-	-	-
Grants	-	-	-	-
TOTAL	596 500.00	-	-	-

The threshold tables below are based on the new LTB Template 2020.
Please fill in the fields that are applicable based on the provisions in the LTB for the project.

Prior Review Thresholds					
Category	Goods and goods-related Non-Consulting Services	Works and works-related Non-Consulting Services	Consulting Services and related Non-Consulting Services and/or MoU/Agreements	Individual Consultants	Decisions concerning Abnormally Low Bids shall be subject to the No Objection of IFAD:
Threshold	>= US\$ 20000.00	>= US\$ 100000.00	>= US\$ 10000.00	>= US\$ 10000.00	Only for procurement activities subject to prior review

All Direct Contracting and Single-Source Procurements are **Prior Review** (in alignment with IFAD Procurement Handbook), or based on the thresholds stipulated in the LTB

The exchange rate at time of submission will be used for reviews.

Procurement Method Thresholds						
	CQS	QBS/LCS/FBS	QCBS	Shortlisting	SSS - Firms	SSS - Individuals
Consulting Services and related Non-Consulting Services	<= US\$ 10000.00	< US\$ 10000.00	>= US\$ 50000.00	>= US\$ 0.00	<= US\$ 0.00 (subject to prior review. Justification required if above threshold)	<= US\$ 0.00 (or with a contract duration of 3 months or less; subject to prior review)
	Direct Contracting	Shopping	NCB	ICB	Other Procurement Methods or Arrangements	
Goods and goods-related Non-Consulting Services	>= US\$ 0.00 (subject to prior review. Justification required if above threshold)	<= US\$ 20000.00	< US\$ 20000.00	>= US\$ 200000.00	Force Account	Up to a maximum aggregate amount of: US\$ 0.00 (subject to prior review)
Works and works-related Non-Consulting Services	>= US\$ 0.00 (subject to prior review. Justification required if above threshold)	<= US\$ 50000.00	< US\$ 50000.00	>= US\$ 700000.00	Community Participation	Allowed

Procurement Plan - Goods
 South Sudan
 Rural Enterprises for Agricultural Development Project (READ)

Project ID:
 Prepared by: Robert Waiganjo
 Approved by: Bernadette Mukonyora

	USD	LCU	
Total Amount	410 500.00	0.00	Plan
	0.00	0.00	Actual
Non-Consulting:	0.00	0.00	Plan
	0.00	0.00	Actual

Version	1.0 28/6/2021		Basic Data											Pre-Qualification						Bidding Process				
AWPB/Component Ref	No	Description	Non Consulting	Funding	LDT No/Description	Project Area or Procuring	Plan vs. Actual	Pre-or Post Qualification	Prior or Post Review	Procurement Method	Envelopes	Amount (USD)	Amount (LCU)	Plan vs. Actual	Submission of PreQual Docs	No Objection Date	PreQual Invitation Date	PreQual Closing Date	Submission of PreQual Report	No Objection Date	Submission of BD	No-objection Date	Bid Invitation Date	Bid Closing-Opening
Cost tabs DT 3_2	1	Supply of 7No 4x4 Double Cabin Pick-ups		IFAD/GA FSP	1	PCU-MAFS	Plan Actual	Post-Qual	Prior Review	ICB	1	317 000.00 -	-	Plan Actual	N/A	N/A	N/A	N/A	N/A	N/A	15-Oct-22	22-Oct-22	24-Oct-22	8-Dec-22
Cost tabs DT 3_2	2	Supply of office furniture and fittings for HQ and County Offices		IFAD/GA FSP	1	PCU-MAFS	Plan Actual	Post-Qual	Post Review	NS	1	8 500.00 -	-	Plan Actual	N/A	N/A	N/A	N/A	N/A	N/A	20-Oct-22	N/A	21-Oct-22	4-Nov-22
Cost tabs DT 3_2	3	Supply of Office Automation equipment for HQ and 6 County Offices (10No. Desktop Computers, 19No		IFAD/GA FSP	4	PCU-MAFS	Plan Actual	Post-Qual	Prior Review	NCB	1	49 000.00 -	-	Plan Actual	N/A	N/A	N/A	N/A	N/A	N/A	20-Oct-22	27-Oct-22	29-Oct-22	28-Nov-22
Cost tabs DT 3_2	4	Supply and Installation of Solar Power at 6No County Offices		IFAD/GA FSP	1	PCU-MAFS	Plan Actual	Post-Qual	Post Review	NS	1	18 000.00 -	-	Plan Actual	N/A	N/A	N/A	N/A	N/A	N/A	20-Oct-22	N/A	21-Oct-22	4-Nov-22
Cost tabs DT 3_2	5	Supply of 12No Motorbikes		IFAD/GA FSP	1	PCU-MAFS	Plan Actual	Post-Qual	Post Review	NS	1	18 000.00 -	-	Plan Actual	N/A	N/A	N/A	N/A	N/A	N/A	20-Oct-22	N/A	21-Oct-22	4-Nov-22

Procurement Plan - Goods
 South Sudan
 Rural Enterprises for Agricultural Development
 Project ID:
 Prepared by: Robert Waiganjo
 Approved by: Bernadette Mukonyora

Procurement Methods
 NS: National Shopping
 IS: International Shopping
 NCB:
 National

Version		Bid Evaluation				Contract Award & Signature											Remarks	
AWPB/Component Ref	No	Description	Submission Tech Eval Rpt	No-objection Date	Submission Combined Eval Rpt*	No-objection Date	Plan vs. Actual	Issue of NOITA&Stand still	Date Contract Award	Submission of Draft Contract	No-Objection Date	Date Contract Signature	Contract No.	Vendor Name/ID	Amount (USD)	Amount (LCU)		Date Contract Completion
Cost tabs DT 3_2	1	Supply of 7No 4x4 Double Cabin Pick-ups	N/A	N/A	29-Dec-22	5-Jan-23	Plan	8-Jan-23	23-Jan-23	28-Jan-23	4-Feb-23	8-Feb-23			317 000.00	-	21-Mar-23	
							Actual											
Cost tabs DT 3_2	2	Supply of office furniture and fittings for HQ and County Offices	N/A	N/A	11-Nov-22	N/A	Plan	N/A	17-Nov-22	22-Nov-22	N/A	26-Nov-22			8 500.00	-	31-Dec-22	
							Actual											
Cost tabs DT 3_2	3	Supply of Office Automation equipment for HQ and 6 County Offices (10No. Desktop Computers, 19No	N/A	N/A	12-Dec-22	19-Dec-22	Plan	22-Dec-22	6-Jan-23	11-Jan-23	18-Jan-23	22-Jan-23			49 000.00	-	31-Dec-22	
							Actual											
Cost tabs DT 3_2	4	Supply and Installation of Solar Power at 6No County Offices	N/A	N/A	11-Nov-22	N/A	Plan	N/A	17-Nov-22	22-Nov-22	N/A	26-Nov-22			18 000.00	-	31-Dec-22	
							Actual											
Cost tabs DT 3_2	5	Supply of 12No Motorbikes	N/A	N/A	11-Nov-22	N/A	Plan	N/A	17-Nov-22	22-Nov-22	N/A	26-Nov-22			18 000.00	-	31-Dec-22	
							Actual											

Procurement Plan - WORKS

South Sudan

Rural Enterprises for Agricultural Development Project (READ)

Project ID:

Prepared by: Robert Waiganjo

Approved by: Bernadette Mukonyora

	USD	LCU	
Total Amount	90 000.00	0.00	Plan
	0.00	0.00	Actual
<i>Non-Consulting:</i>	<i>0.00</i>	<i>0.00</i>	Plan
	<i>0.00</i>	<i>0.00</i>	Actual

Version 1.0 28/6/2021			Basic Data											Pre-Qualification				
AWPB/Component Ref	No	Description	Non Consulting	Funding	Lot No/Description	Project Area or Procuring Entity	Plan vs. Actual	Pre-or Post Qualification	Prior or Post Review	Procurement Method	Envelopes	Amount (USD)	Amount (LCU)	Plan vs. Actual	Submission of PreQual Docs	No Objection Date	PreQual Invitation Date	PreQual Closing Date
Cost Tabs DT 3_2		Construction/rehabilitation of MAFS county offices (BATCH 1)		IFAD/GAF SP	1	MAFS	Plan	Post-Qual	Post Review	NS	1	30 000.00		Plan	N/A	N/A	N/A	N/A
							Actual					-	-	Actual				
Cost Tabs DT 3_2		Rehabilitation of existing facilities within MAFS premises		IFAD/GAF SP	1	MAFS	Plan	Post-Qual	Post Review	NCB		60 000.00		Plan	N/A	N/A	N/A	N/A
							Actual					-	-	Actual				

Procurement Plan - WORKS

South Sudan

Rural Enterprises for Agricultural Development Projec

Project ID:

Prepared by: Robert Waiganjo

Approved by: Bernadette Mukonyora

Version		1.0	28/6/2021	Bidding Process					Bid Evaluation								
AWPB/Component Ref	No	Description	Submission of PreQual Report	No Objection Date	Submission of BD	No-objection Date	Bid Invitation Date	Bid Closing-Opening	Submission Tech Eval Rpt	No-objection Date	Submission Combined Eval Rpt*	No-objection Date	Plan vs. Actual	Issue of NOITA&Standsti II	Date Contract Award	Submission of Draft Contract	No-objection Date
Cost Tabs DT 3_2		Construction/rehabilitation of MAFS county offices (BATCH 1)	N/A	N/A	1-Nov-22	N/A	2-Nov-22	16-Nov-22	N/A	N/A	23-Nov-22	N/A	Plan	N/A	29-Nov-22	4-Dec-22	N/A
													Actual				
Cost Tabs DT 3_2		Rehabilitation of existing facilities within MAFS premises	N/A	N/A									Plan				
													Actual				

Procurement Plan - WORKS

South Sudan

Rural Enterprises for Agricultural Development Project

Project ID:

Prepared by: Robert Waiganjo

Approved by: Bernadette Mukonyora

Methods

NS: National

Shopping

IS:

International

Shopping

NCB: National

Competitive

Bidding

ICB:

Version			Contract Award & Signature						Remarks
AWPB/Component Ref	No	Description	Date Contract Signature	Contract No.	Vendor Name/ID	Amount (USD)	Amount (LCU)	Date Contract Completion	
Cost Tabs DT 3_2		Construction/rehabilitation of MAFS county offices (BATCH 1)	8-Dec-22			30 000.00	-	31-Dec-22	
Cost Tabs DT 3_2		Rehabilitation of existing facilities within MAFS premises				60 000.00	-		

Procurement Plan - Consulting

South Sudan

Rural Enterprises for Agricultural Development Project (READ)

Project ID:

Prepared by: Robert Waiganjo

Approved by: Bernadette Mukonyora

	USD	LCU	
Total Amount	96 000.00	0.00	Plan
	0.00	0.00	Actual
<i>Non-Consulting:</i>	<i>0.00</i>	<i>0.00</i>	<i>Plan</i>
	<i>0.00</i>	<i>0.00</i>	<i>Actual</i>
<i>Grants:</i>	<i>0.00</i>	<i>0.00</i>	<i>Plan</i>
	<i>0.00</i>	<i>0.00</i>	<i>Actual</i>

Version 1.0 28/6/2021			Basic Data										EOI Shortlist			
AWPB/Component Ref	No	Description*	Grant	Non Consulting	Funding	Project Area or Procuring	Plan vs. Actual	Shortlist (Yes No)	Prior or Post Review	Procurement Method	Amount (USD)	Amount (LCU)	Plan vs. Actual	Submission of REOI	No Objection Date	REOI Launch Date
Cost tabs DT 3_3	1	Project Manager (24 months renewable)			IFAD	IFAD/GAFSP	Plan	Yes	Prior Review	ICS	96 000.00		Plan	1-Sep-22	8-Sep-22	10-Sep-22
							Actual				-	-	Actual			

Procurement Plan - Consulting

South Sudan

Rural Enterprises for Agricultural Development

Project ID:

Prepared by: Robert Waiganjo

Approved by: Bernadette Mukonyora

Selection Method
 QCBS: Quality and Cost Based Selection
 QBS: Quality Based Selection
 CQS: Selection on the Basis of Quality
 for this method
 LCS: Least Cost Selection
 FBS: Fixed Bid Selection
 ICS: Individual Selection
 method)
 SSS: Sole Source Selection

Version 1.0 28/6/2021			Procurement Procedure			Proposal Process				Evaluation				Award			
AWPB/Component Ref	No	Description*	EOI Submission Deadline	Submission of Shortlist Report	No Objection Date	Submission of RFP/RCQ	No-objection Date	RFP/RCQ Launch Date	Proposal submission deadline	Submission of TER	No-objection Date	Submission of CER	No-objection Date	Plan vs. Actual	Issue of NOITA&Standstill	Date Contract Award	Negotiations completed
Cost tabs DT 3_3	1	Project Manager (24 months renewable)	1-Oct-22	15-Oct-22	22-Oct-22	26-Oct-22	2-Nov-22	4-Nov-22	25-Nov-22	N/A	N/A	9-Dec-22	16-Dec-22	Plan	N/A	22-Dec-22	5-Jan-23
														Actual			

Procurement Plan - Consulting Methods
 South Sudan: Quality and Cost-Based Selection
 Rural Enterprises for Agricultural Development (RD): Cost-Based Selection
 Project ID: Budget Selection
 Prepared by: Robert Waiganjo: Qual Consultants Selection (shortlist is required for this)
 Approved by: Bernadette Mukonyora: Source Selection

Version 1.0 28/6/2021			Contract Award & Signature								
AWPB/ Component Ref	No	Description*	Submission of Draft Contract	No-objection Date	Date Contract Signature	Contract No.	Vendor Name/ID	Amount (USD)	Amount (LCU)	Date Contract Completion	Remarks
Cost tabs DT 3_3	1	Project Manager (24 months renewable)	10-Jan-23	17-Jan-23	21-Jan-23			96 000.00	-	31-Jan-25	

South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex 8: Project Implementation Manual (PIM)

Mission Dates: 10-19 May 2022

Document Date: 08/11/2022

Project No. 2000004330

Report No. 6197-SS

East and Southern Africa Division
Programme Management Department



Investing in rural people

The Republic of South Sudan

Rural Enterprises for Agricultural Development Project (READ)

PROJECT IMPLEMENTATION MANUAL (PIM)

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ACRONYMS

APG	Agricultural Producers Group
MFS	Ministry of Agriculture and Food Security
MSEs	Micro and Small Enterprises
IP	Implementing Partner
PMT	Project Management Team
IFAD	International Fund for Agricultural Development
VSLA	Village Saving and Credit Cooperative
READ	Rural Enterprises for Agricultural Development
RPOs	Rural Producer Organisations
SACCOs	Savings and Credit Co-Ooperative Society
UNDP	United Nations Development Programme
MAFS	Ministry of Agriculture and Food Security
NAC	National Advisory Committee
NTC	National Technical Committee
ILO	International Labour Organization
CBSS	Cooperative Bank South Sudan
PCG	Partners Coordination Group
GOSS	Government of South Sudan
AWPB	Annual Work Plan and Budget
HACT	Harmonized Approach to Cash Transfer
YEDCB	Youth Enterprise Development and Capacity Building Project
PCA	Peace and Conflict Analysis
BDS	Business Development Service
CE	Central Equatoria
EE	Easter Equatoria
WE	Western Equatoria
RIMA	Result Impact Management System
MIS	Management Information System

PART I: FRAMEWORK AND RESPONSIBILITIES

A: CONTEXT AND BACKGROUND

Fragile state. Almost a decade after gaining independence on 9th July 2011, South Sudan remains one of the world's most fragile, conflict-affected, and under-developed Countries. South Sudan has a population of 9.6 million¹ majority of whom are young and rural with 72 percent below the age of 30 and 83 percent living in rural areas. The conflicts disrupted the country's development, its governance structures, law and order, and restricted the population's ability to engage in socioeconomic activities as valuable resources and basic services have been difficult to access. Furthermore, the aggregate effects of years of conflict have displaced approximately 4.2 million people from their homes – nearly 2 million displaced internally and 2.2 million outside of the country – and resulted in extreme levels of acute food insecurity with seven million people (more than half of the population) requiring humanitarian assistance in 2019 (UNOCHA, 2019). In fact, South Sudan remains among the poorest countries in the world with more than 80 percent of South Sudanese living under the absolute poverty line (World Bank, 2020). The situation in the country is currently Africa's worst refugee crisis, and the world's third worst (behind the crises in Syria and Afghanistan).

Beyond the high vulnerability to conflict (inter-communal violence) which has resulted in a dire humanitarian crisis, South Sudan is also affected by a wide range of concurrent climate-induced shocks and disasters like floods, drought, and locust infestations. Floods have worsened over the past years and have been affecting between 750,000 and more than one million people, forcing half of them to leave their homeland to higher grounds².

The country's fragility has resulted in the lack of infrastructures; roads, ITC, electricity, water and Irrigation infrastructure. Currently only 9 percent of the country has access to electricity³ and 80 percent of the population has no access to a stable or steady water supply.

COVID-19 Pandemic Impact. The global economic backlash from the COVID-19 pandemic has the World Bank projecting a bleak outlook for the country. Already, 50 percent of businesses have closed and there has been a 28-65 percent reduction in the work force of which 68 percent of women were affected. Small business owners in South Sudan bore the brunt of COVID-19 as livelihoods shrunk especially in the informal sector where women constitute majority of the workforce. Furthermore, 40-94 percent of businesses (depending on the sector) faced a decrease in production/sales that impacted on trade and economic recovery.

Micro, Small Enterprises (MSE). The main problem in South Sudan's business environment is the weak institution and state structures. The state has arguably failed to create stable institutions and support a viable private sector. It prioritizes security spending, of which its proportion of GDP has grown incrementally since independence. Furthermore, South Sudan has been plagued by extremely high and unpredictable inflation. MSEs as has been revealed in other African Countries like Kenya are a key engine for job creation and are therefore essential for South Sudan's growth and development. Over 99 percent of firms in South Sudan fall under the MSME category and 70 percent of MSMEs are classified in the microenterprise category (firms whose size ranges between one to four employees)⁴. One of the major obstacles for MSME growth in the country is access to finance. South Sudan currently has 26 commercial banks operating, all lending less than 50 percent of their deposits as loans. Only about 10 percent of the total loans provided by the South Sudan banking sector go to MSEs

¹ FAO/WFP Crop and Food Security Assessment Mission to South Sudan 8 February 2012. p. 7

² <https://www.unicef.org/southsudan/what-we-do/climate-change-and-flooding>

³ Rapid situation Assessment and Gap Analysis Report, July 2013.

⁴ The financial sector and inclusive development in Africa: Essays on access to finance for small and medium-sized enterprises in South Sudan and Kenya. James Garang, 2014.

and lack of collateral is cited as one of the main reasons that banks do not extend credit to the MSEs.

Financial Inclusion. Preoccupation with civil wars meant that economic development and access to finance for MSEs were never central issues in the political economy of South Sudan. According to Findex 2017, only 8.6 percent of South Sudanese adults (age 15+) had a financial account, compared with the sub-Saharan average of 42.6 percent. Also, the Enterprise Survey in 2014, stipulates that only 6.9 percent of all South Sudanese firms had access to a loan or line of credit from a bank, compared to the sub-Saharan average of 21.7 percent. Furthermore, only 4.7 percent of adult women have access to formal financial services, while 24.5 percent of adults have access to finance through informal channels (compared to only 3.4 percent for those with access to formal credit offers). Microfinance and mobile money services are still in their infancy having been introduced in 2019 and are therefore poorly developed, although there is potential for growth.

Agricultural Potential. South Sudan has a remarkable potential for sustainable growth through agriculture. The agricultural sector plays a major role in South Sudan's economy, accounting for 36 percent of its non-oil gross domestic production with 80 percent of households depending on cultivation as their primary source of livelihood (FAO, 2015). Of the country's 64.7 million hectares of land, around 75 percent is suitable for agriculture and 50 percent for cultivation. Only 4 percent of the land is currently cultivated by smallholder subsistence farmers (FAO, 2015).

Although the country has huge agricultural potential, it continues to be food insecure, import-dependent, and low in productivity. South Sudan's agricultural sector has mostly been subsistence-based and over 95 percent of the agricultural production is rainfed. Fisheries and aquaculture resources are abundant and underutilized with fisheries production potential estimated at between 100,000 to 300,000 metric tons per year. The country is also rich in livestock, with 85 percent of South Sudanese households estimated to own one or more animals. South Sudan has a livestock population of 12 million cattle, 14 million goats, and 13 million sheep.

At least 85 percent of the country's population live in rural areas and derive their livelihoods from agriculture, fisheries and livestock sectors. It should also be noted that close to 80 percent of farm labor in the country is provided by women who combine this activity with their other domestic chores. The agriculture sector employs 78 percent of the population, with 70 percent of the cooperatives in South Sudan currently engaged in the sector (cropping activities, fishery, non-timber forestry products, dairy, and agro-processing). However, there is a huge need for value addition for primary products from the agriculture sector to avoid wastage, meet the in-country demand and reduce the number of imports coming into the country.

To add on, South Sudan is one of the richest areas of biodiversity concentration in Africa given its diverse natural forests and woodlands. Natural forests and woodlands cover a total area of about 207,422 km² or about 33 percent of the total land area revealing the untapped potential of the country.

B: PROJECT FRAMEWORK AND STRATEGIES

1. The overall goal of the Rural Enterprises for Agricultural Development (READ) project is to 'improve food security, diets, income and resilience among the targeted rural households.' This will be accomplished by strengthening their collective capacity to work as a group, their resilience to change and ability to adopt new practices.
2. The Project Development Objective is to 'empower Rural Producers' Organization (RPOs)', including Agricultural Producer Groups and Cooperatives, as well as Village Saving and

Loans Associations (VSLAs), Savings and Credit Cooperatives (SACCOs), and MSEs, as sustainable and resilient food value chain players by strengthening their institutional and organisational structures, improving their business skills for enterprise development, facilitating access to finance, and providing them with policy and regulatory support.

B.1: PROJECT STRATEGIES

Targeting Strategy

3. Targeting seeks to deliver benefits to a selected group of participants, in particular the poor and vulnerable. Targeting mechanisms attempt to link a projects specific purposes with its intended group of beneficiaries. READ will specifically apply a combination of **self-targeting** and **direct targeting** approaches in order to reach the project's target groups. With the self-targeting mechanism, a program is designed in such a way that only those who really need assistance will choose to participate. While the program can have eligibility, the design places incentives that seek to discourage non-poor from selecting. READ's self-targeting approach will focus on selecting value-chains suitable for the vulnerable target groups specifically; women, youth, returnees and ethnic groups and persons with disabilities. Direct targeting will be undertaken through the mapping and profiling of APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs.
4. **Project Area.** An evidence-based validation approach will be used to select the coverage area for project implementation. The validation will be carried out by the Government of South Sudan through MAFS, with technical support from IFAD and UNDP. At project inception stage, pre-selected states and counties will be validated and evidence-based expansion triggers for subsequent phases will be determined by the need for flexible programming and also the prevailing security situation. Guided by a participatory, transparent and evidence-based approach, the selection of Payams and Bomas will be conducted in tandem with the State administration. A cluster approach will be used in the selection of Payams and Bomas to leverage synergetic interventions across the value chains in a given geographical area, with the view to bulk marketable surpluses for linking with markets.
5. **Targeting Criteria.** To ensure that the project sustainably serves its intended target, the evidence-based approach for geographical selection will use the following criteria; (a) synergy with other projects or potential for scaling up what other projects have done/are doing, (b) agricultural productivity, (c) low risk of future conflicts, (d) availability of APGs, RPOs, cooperatives, SACCOs, VSLAs, and MSEs, (e) connectivity, (f) accessibility and habitability, (g) climate change risk level and (h) acute food insecurity. The scoring for each county will rely on the availability of recent evidence to ensure impartiality and transparency of the process.

Criterium	Description	Score	
Synergy with other projects or scaling up of other partners	Presence of programs supporting complementary activities such as community-based organizations strengthening, cooperative development, rural finance, nutrition-sensitive agriculture, women empowerment or infrastructure development.	Low	1
		Medium	2
		High	3
Agricultural development potential for marketable produce	Presence of production clusters and total production of marketable products	Not at all	1
		Low	2
		Medium	3
	High	4	
	% HH in the county involved in predominate value chain	VC name:	

	% of area covered by predominate value chain	%	
Security situation	No armed conflict for more than 1 year.	Low	4
		Unlikely	3
		Most likely	2
		High	1
Higher organizational level of farmer and community organizations	Consider number of total registered RPOs (Coops & APGs) and unregistered APGs % of RPOs active	Low	1
		Medium	2
		High	3
(Road) accessibility during rainy season	Available road infrastructure, internet penetration, water transport...	Bad	1
		Medium	2
		Good	3
		Very good	4
Vulnerability to climate change impacts such as drought and flooding	Occurrence of flooding in 2020-2021 or Occurrence of drought in 2020-2021	Frequent or High	3
		Occasional or Moderate	2
		Rare or low	1
Avoid areas with regular food assistance	Food assistance could disrupt market-oriented interventions promoted by the program. Avoid counties in Phase 4 and 5 from the Integrated Phase Classification (IPC) Food Insecurity Analysis across the year.	IPC 1	3
		IPC 2	2
		IPC 3	1

6. **Project Phasing.** To maximise the use of available funds, the project will begin implementation in 6 states and 6 counties – for regional balance. Should the project mobilize additional resources, then news states and counties will be added using the agreed selection criteria.
7. That said, the foundational activities of the project should be completed by the third year of implementation. When key outputs are achieved, and depending on the availability of additional funding, the project will expand to the remaining six counties, building on the lessons learned and best practices from the first three years of implementation. The table below describes the structure of READs phasing strategy, including geographic areas, value chains and key outputs.

Phase	Year	Geographic areas	Value chains	Outputs
1	PY1-PY	Counties ranked #1-6	≤2 value chains per county 6-7 targeted food value chains at national level	<ul style="list-style-type: none"> ✓ Value chain and market opportunities analyses conducted ✓ RPO mapping, sensitisation of key stakeholders completed ✓ Capacity development tools for RPO and VSLAs developed ✓ Digital cooperative platform designed ✓ 90 percent of RPO business plans developed ✓ Tailored financial products for target groups designed

				<ul style="list-style-type: none"> ✓ MAFS and IP staff trained on key project management and mainstreaming skills ✓ Implementation arrangements are clearly defined and effective ✓ Mid-term impact and process evaluation conducted with identified best practices for Phase 2
Conditional to the availability of additional funding				
2	PY4-PY6	Counties ranked #7-12	4 + New value chains based on market opportunities	<ul style="list-style-type: none"> ✓ Additional value chains confirmed ✓ Additional RPOs mobilised ✓ Good practices scaled up

8. **Target groups.** The READ project will reach a total of 25,917 households (152,910 beneficiaries) from RPOs (Cooperatives, APGs, VSLAs, SACCOs) and MSEs. Preferential treatment in the targeting, as well as, provision of affirmative action will be given to women, youth, returnees and persons with disabilities, because they are highly marginalised and considered among the most vulnerable groups in South Sudan. Therefore, amongst the target beneficiaries; 50 percent will be women, 70 percent youth, and 10 percent returnees, 5 percent persons with disabilities (special attention will be given to ethnic groups residing in targeted areas).
9. Using the RPO and MSEs (about 240 APGs and 29 cooperatives) as entry points of various – tailor-made interventions will be delivered to RPO and MSE leadership, management staff and their members.
10. Self-targeting mechanisms as well as direct targeting measures will be applied to ensure equal participation and benefit for all social categories with a view of outreach as well as increasing the numbers of RPOs. Indirect beneficiaries will include wider rural communities, who will benefit from improved service delivery.
11. RPO Unions will be formed and strengthened to offer common user self regulations services and facilities such as book keeping and audit services to increase the RPOs operational efficiencies; trained and certified trainers on governance and business-related matters during the project implementation; contract services of technical assistance/consultancy/ILO who will play an important role in supporting the target counties in implementing the project activities envisaged under component 1 and support overall implementation for other components as well as develop linkages with other programmes and potential partners that support RPOs, such as FAO in South Sudan who are dealing with seed distribution and CORDAID among others. READ will build on the lessons learnt and achievements and explore synergies with ongoing interventions of development partners.
12. **To measure the progress of target beneficiaries, a categorization model presented below** will be used, along with the tracking of graduation of the RPOs and VSLAs. A simple poverty index will be defined, leveraging the indicators of the programme results framework. Based on the achievement against a set of criteria, beneficiary households will be categorized in different poverty strata (see more details in the targeting strategy in annex). By the end of the project, the proportion of very poor beneficiaries should be lower than at baseline.

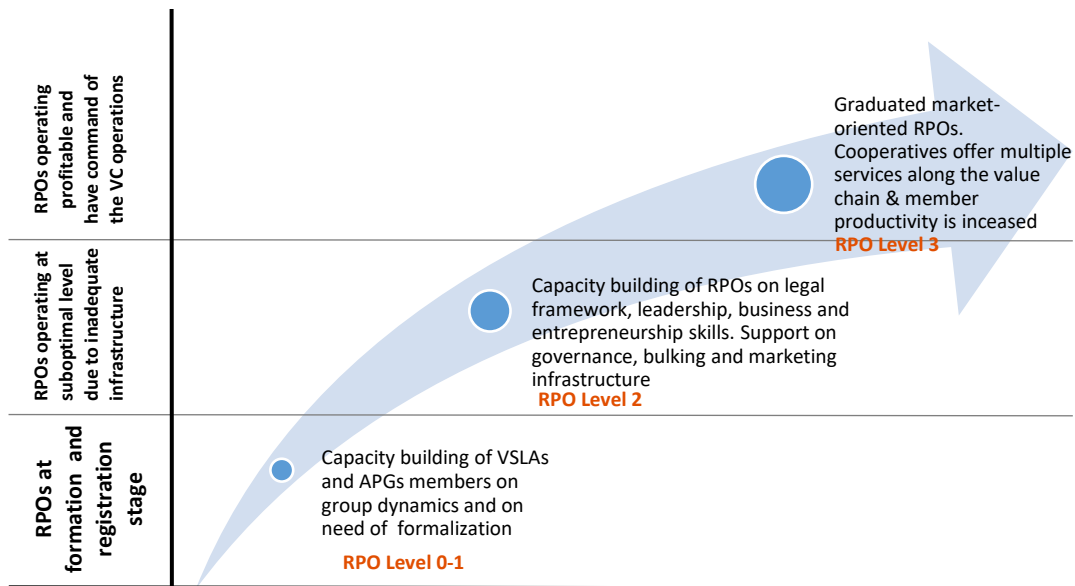


Figure 1. Individual vulnerability strata

13. **Indirect beneficiaries.** Suppliers of inputs and services will benefit from the project by growing their businesses through the engagement of Coops, APGs, RPGs, VSLAs, SACCOs, and MSEs. Increased demand for products and services could boost productivity and lead to job creation. Through the services and products to be provided; youth-led MSEs, and start-ups will address the needs of the local population and their customers. The project will also indirectly benefit users of public services in South Sudan through the improvement of agriculture and private sector service delivery.
14. **Gender and Youth Mainstreaming.** All project activities will be implemented by providing equitable opportunities for women and youth in general and vulnerable segments of the population (as described above) in the project areas, including equitable opportunities to access capacity building activities and financial literacy training, to fully integrate women and youth part of decision-making at APG, RPO, VSLA, and SACCO levels. The project will scale up best practices from UNDP's tried and tested targeting formula in South Sudan of mobilizing and partnering with organizations focused on women empowerment, mainstreaming gender considerations in training modules and implementation of project activities; identification of (young) female champions to motivate female participation; provision of targeted business development services, guidance, and counseling in order to ensure the wide participation of women (and youth). The youth targeted will be between 18-35 years old as stipulated in South Sudan's 2011 draft National Youth policy.
15. **Climate Change Adaptation.** The READ Project will ensure that at least 30 percent of businesses and agricultural value chain activities supported will enhance climate change adaptation measures. Businesses to be financed could include, but is not limited to, the use of climate smart agriculture, regenerative agriculture, promotion of sustainable forest management and natural resource management, land restoration/assisted natural reforestation, etc. Climate change will also be integrated in the delivery of capacity building modules as a key topic

C. DEFINITION AND APPROACHES

16. **Rural Producer Organizations (RPOs):** The term RPO in the context of READ will refer to both the APGs, primary Cooperative, Unions and other players in the value chain directly supporting production and marketing of the selected value chain in a bid of improving the social and economic welfare of the rural small-scale farmer in post conflict setting.
17. RPOs are clustered into: LEVEL "0": unregistered APGs no operations being undertaken, Level "1": are registered APGs and inactive cooperatives and operations are minimal, Level "2" are RPOs operating at breakeven point and level "3" are cooperatives run professional and making surplus in the business.
18. **Agricultural Producers Groups (APGs):** APGs in the context of SS are members-based formal and informal organizations, that can be either be a farmer and non farmers based) association or a group consisting of about 20 to 30 members who are primary producers of a product (an agricultural produce or a manufactured product). Their major objective is to improve farm income through improved production, marketing and local processing activities. Some of the APGs are registered by the Rural Development officers at either the National or State level while others have no registration certificate but are recognized by the local Payam and Boma administrators. It is important to note that this registration framework for APGs is suitable for social activities but not conducive for wealth creation.
19. **Cooperatives (Coop):** a cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Cooperatives are based on values of **self-help, self-responsibility, democracy, equality, equity, and solidarity** and operate under seven international recognized principles of: i) Open and Voluntary membership, ii) Democratic member control, iii) Members' economic participation, iv) Autonomy and independence, v) Education, training, and information, vi) Cooperation among Cooperatives and vii) Concern for community. In the context of SS registered agricultural/marketing cooperatives are registered under cooperative legal framework by designated officer at either the national or state level. These registered entities can legally sue or be sued, enter into contract with other organizations and accumulate wealth.
20. **Cooperative Unions:** a cooperative union is registered under the Cooperative Act and is an affiliation of two or more primary cooperative societies domiciled in a state. Its main role is offer advocacy and lobby services for its members as well as ensure that efficient services are offered by its affiliates.
21. **Members of the APGs and cooperatives :** the members of the selected value chains will constitute the membership of APGs or Cooperatives. The crop-based members are small scale farmers cultivating 1.4 ha and produces mainly for home consumption as they depend on traditional inputs and farm practices due to inaccessibility and affordability of quality farm inputs, ploughing, extension and credit services. The low volumes of marketable surplus coupled with high post-harvest losses are worsened by lack of market accessibility and information.

For the livestock based-members (Fisheries, honey) accessibility and affordability of quality farm inputs including associated technology and equipment (eg fishing nets boats), agro-processing and value addition, storage and marketing quality certified product.
22. **Agricultural/ Marketing Cooperatives Society Limited :** Cooperatives are based on values of **self-help, self-responsibility, democracy, equality, equity, and solidarity** and operate under seven international recognized principles of: i) Open and Voluntary membership, ii) Democratic member control, iii) Members' economic participation, iv)

Autonomy and independence, v) Education, training, and information, vi) Cooperation among Cooperatives and vii) Concern for community.

23. In the context of South Sudan registered agricultural/marketing cooperatives are registered under a cooperative legal framework by designated officer at either national or state level. These registered entities can legally sue or be sued, enter into contract with another organization and accumulate wealth.
24. **Other value chain support group/players/MSEs:** States/counties have registered/informally recognized groups that offer value chain related support services to the APGs, cooperative and their members such as extension services, transporters, agro-dealers, processing and marketing. In the context of the READ Project, they will be referred to as RPOs as they are providing production –support service to _increase marketability of the members produce.
25. **Micro and Small Enterprises (MSEs):** There is no legal definition of MSEs in South Sudan, however, a number of studies⁵ done in the country have defined them as firms whose size ranges between one and four employees. This is the definition that will be used for the MSEs targeted under the project.
26. **Rural Financial Institutions (RFIs)** are either VSLAs or SACCOs that are either led by members and/or managed by professionals with the idea of providing its members and clients with financial services and products on a sustainable basis.
27. **Savings and Credit Cooperatives (SACCOs)** are user-owned financial institutions that offer both savings and credit services to their members. They are registered under the SS cooperative Act so these are legally recognized entities. SACCOs are member owned organizations with the sole objective of improving access and affordable credit to its members. The principles of cooperative ensure that the member democratic control and participation define what interest rates will be charged and how the surplus will be utilized. Cooperatives greatest strength is membership to ensure economies of scale are achieved. These organizations are formed by people having a common bond and they are one of the primary target groups for the READ project
28. **Village Saving and Loan Associations (VSLA):** VSLAs are registered by the Rural development officer and they are member-based institutions but due to registration framework are meant for welfare and social activities. The VSLA Model adopted by UNDP will be used for the READ. UNDP `s model uses a community-based group savings and credit approach founded on the context-specific constraints faced by women in South Sudan and is centered on the provision of sustained technical, entrepreneurial skills, and business development support services to beneficiaries.
29. The VSLA Model adopted by UNDP is community-based group savings and credit with an enhanced framework composed of (see illustration in table below):
 - **Technical and Soft Skills Support.** Informed by market scoping and where applicable, labour market and agriculture value chain studies, the target groups are provided with technical skills training.
 - **Organization Skills Support.** Training and facilitating trained individuals to come together voluntarily, come up with their by-laws, support organization of the groups, their formalization, and registration into VSLA's.

⁵The financial sector and inclusive development in Africa: Essays on Access to Finance for Small and Medium-Sized Enterprises in South Sudan and Kenya. James Garang; University of Massachusetts Amherst, 2014.

- **Capital Support.** The target groups are then provided with capital- either asset capital, seed funding or both.
- **Business and Fund Management Support.** Business and enterprise development and management training as well as fund management training is also provided continually to ensure sustainability of the VSLA's.

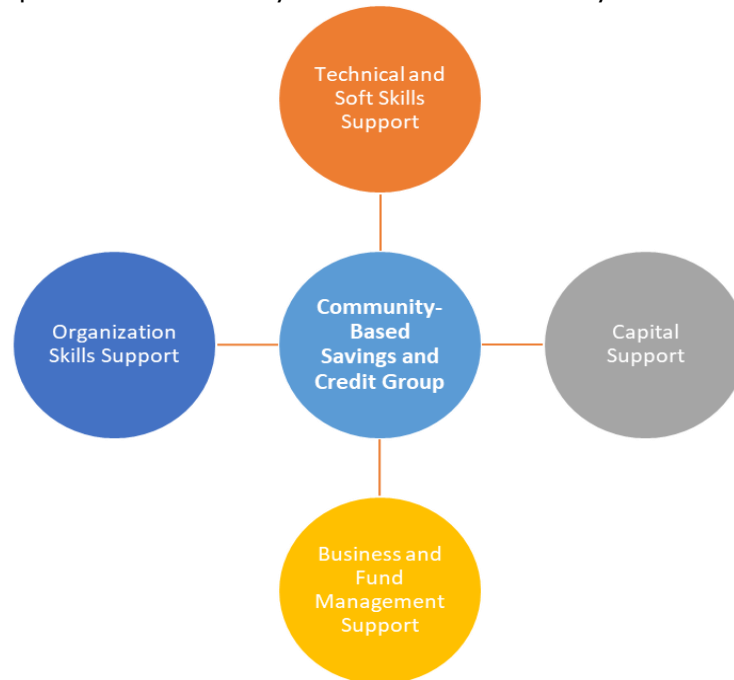


Figure 2 UNDPs VSLA Model

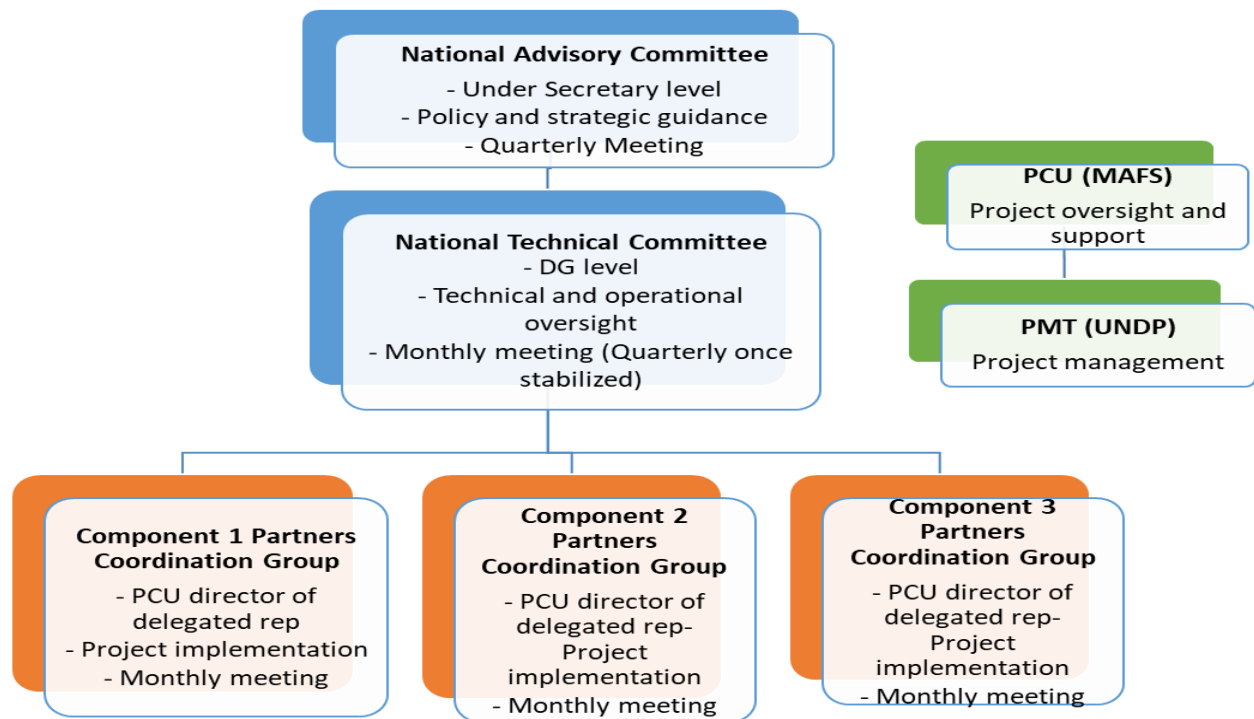
D. INSTITUTIONAL ARRANGEMENTS AND RESPONSIBILITIES

D.1: PROJECT GOVERNANCE STRUCTURES

30. Ministry of Agriculture and Food Security (MAFS) is the executing agency and has overall oversight responsibility of the project through the G-PCU. A National Advisory Committee (NAC) comprised of Under Secretaries from participating ministries will be established to provide policy and strategic guidance to the project. The NAC will be chaired by the MAFS and co-chaired by the Ministry of Finance and Planning (MoFP) to review and endorse project progress and annual project work and financial plans. The NAC will meet quarterly with special meetings to be called, if necessary. In addition to MAFS and MoFP, represented in the NAC are Ministry of Trade and Industry (MoTI), Ministry of Youth and Sports (MoYS), Ministry of Gender, Child, and Social Welafre (MoGCSW), IFAD, International Labour Organization (ILO), Cooperative Bank South Sudan (CBSS) and UNDP. The UNDP Project Manager will act as Secretary to the NAC.
31. A National Technical Committee (NTC) will be established under the NAC to a) provide technical and operational guidance to the project; b) update the NAC on technical and operational issues related to the project; c) facilitate technical and operational

partnerships with stakeholders within the government to advance operational/coordination issues related to the project; d) coordinate with technical counterparts of other government agents; e) review quarterly and annual progress reports and work plans; and f) participate in periodic monitoring of the project. The NTC will be comprised of Director-Generals from MAFS and participating ministries and will meet on a monthly during the initiation phase of the project, eventually transitioning to a quarterly meeting once the project stabilizes. Representation to the NTC will mirror the composition of the NAC.

32. A Partners Coordination Group (PCG) will be established and comprised of implementing partners under each of the project components. The PCG will meet monthly to a) assess progress and immediately resolve issues on project implementation, b) monitor compliance with project work plans and budgets, and c) ensure complementarity between components and activities while leveraging resources. UNDP will Chair the PCG, who will also act as Secretary to the group. Representation to the PCG will include national ministries, UN agencies (ILO, UNDP), private sector (CBSS), and implementing partner organizations (I/NNGOs, firms, etc.).



D.2: LEAD AGENCY AND PROJECT MANAGEMENT TEAM

33. The Ministry of Agriculture and Food Security (MAFS) is the Executing Agency for the READ Project. It will exercise overall responsibility and oversight of the project, through

the Projects Coordination Unit (PCU), ensuring that indicated development outcomes and objectives are met and intended project outputs delivered effectively and efficiently within agreed workplans and budget. At the same time, MAFS will be the main Implementing Partner for Component 3 which focuses on strengthening the national policy framework for agriculture and rural development, as well as, supporting the development of national capacity on cooperative development.

Project Coordination Unit

34. READ will contribute towards the functioning of the national Project Coordination Unit (PCU). This is an initiative of MAFS and its long-term objective is to create a PCU that would work across all development partners implementing projects through MAFS. Support will be given to strengthen the capacities and systems of the PCU to be able to implement development projects in the future. READ will draw on existing capacities and systems in the PCU and provide additional support to ensure the full functioning of the PCU. The PCU will:

- Oversee project coordination, monitoring, contracting and supervision of the Fund Manager;
- Overall engagement with IFAD and submission of documents for No Objection once endorsed by the project oversight bodies;
- Coordinate the engagement of GoSS technical experts in project implementation, as needed;
- Liaise with the IA and capture the generated knowledge and facilitate its dissemination nationally and regionally;
- Ensure linkages with other relevant projects/programmes being implemented in the project area and the country that seek to address similar or related constraints;
- Identify and build technical and operational partnerships with stakeholders within the government to advance operational/coordination issues related to the project;
- Backstop the State and County Focal Persons;
- Participate in periodic monitoring of the project in the field;
- Communication with states and local governments;

Lead responsibility for implementation of Component 3.

35. Fund Manager UNDP will be the Fund Manager for the READ project. The selection of UNDP was done by the GOSS in close consultation with IFAD, and on the basis that it brings to the project proven, substantial experience managing funds (UNDP managed more than US\$ 100 million annually from the Global Fund and CHF Funds), and leverages institutional comparative advantage in implementing related projects including presence/office/staffing in Juba and targeted states under the project. UNDP is also implementing complementary programmes on the enhancement of employable vocational skills, MSE development, climate change, nutrition, social and environment safeguard, financial inclusion, and access to finance funded by AfDB, Netherlands, and UNDP that enhances the delivery or READ project activities and provides UNDP with the necessary in-house technical expertise needed by and will be leveraged by the READ project.
36. As Fund Manager, UNDP will be responsible for (i) project implementation of Components 1 and 2 while providing monitoring and accountability support for Component 3; (ii) selection, management and delivery of results from Implementing Partners (IPs); (iii) procurement, financial management, M&E and meeting all the reporting requirements to

GoSS and IFAD; (iv) preparation of annual workplans and budgets, implementation progress reports and financial accountability for submission to the NTC and NAC; and (v) implementation of project monitoring and evaluation plans.

Project Management Team

37. The Project will have a Project Management Team (PMT) embedded within the MAFS and which will be responsible for the day-to-day implementation of project activities. The PMT will be comprised of the a) Project Manager; b) 2 Technical Officers; c) Monitoring and Evaluation and Safeguards Officer; d) Communication and Knowledge Management Officer; e) Social Inclusion, Nutrition and Climate Focal Point; f) Financial Management Officer; (g)_an Accountant, to ensure segregation of accounting duties; (h) Logistics and Admin Associate, and i) Driver. The M&E and Safeguards Officer, and Communication and Knowledge Management Officer, will be cost-shared through UNDP core resources and other projects within the STARR unit. At mid-term, international positions will transition to national positions in order to ensure knowledge, skills and lessons learned gained from implementation are embedded within the PCU to the benefit of future projects implemented by the PCU.
- a. Project Manager. A Project Manager will be hired to lead the coordination of project activities and IPs, manage the PMT, and ensure proper and timely reporting of substantive achievement and financial accountability. The Project Manager will be a full-time, international position based mainly in the project office in MAFS.
 - b. Technical Officers. Two officers will be engaged full-time to lead the implementation and provide technical support to the different components under the READ Project. One technical officer, with technical knowledge and skills on cooperative and private sector development, will take lead in implementing Component 1 while providing support to Component 3. The other technical officer should be a financial management specialist to handle the implementation of Component 2 while also performing the role of finance and budget officer of the project. Both positions are full time, international positions based in the project office in MAFS.
 - c. M&E and Safeguards Officer. This position will be cost-shared by UNDP to reduce on the project management cost while facilitating the integration of the project indicators and information within the wider STARR and UNDP M&E and reporting system. This is an international position based in UNDP with 50 percent of the task to be undertaken with the READ Project.
 - d. Social Inclusion, nutrition and climate focal point. This person will be responsible for providing oversight of IFAD related mainstreaming activities with respect to the gender, youth, nutrition and climate. This is a national position that will cover the whole duration of the project.
 - e. Communication and Knowledge Management Officer. This is an international position that is 50 percent cost-shared by UNDP. It will be based in UNDP to leverage CO resources, systems, and channels in ensure that project achievements are not only effectively communicated but are also packaged as part of the wider UNDP and UN effort. This position will also lead in the generation of studies and other knowledge products as per the outputs indicated in the project AWPB.
 - f. Logistics and Admin Associate. This is a national position that will be the primary liaison to UNDP's procurement unit, common services, and other administrative units. The position is essentially responsible for facilitating the procurement of goods and services while ensuring that appropriate administrative support services are

provided to the PMT and project stakeholders. The Logistics and Admin Associate will be sitting in UNDP 50% of the time with the remaining period spent in MAFS.

- g. Driver. This national post is based with the project team in MAFS and is primarily responsible for providing transport support and facilitating movement of project personnel.

D.3: IMPLEMENTING AGENCIES (IAS)

38. Building on the lessons learnt and existing best practices/arrangements in the country, READ will be implemented through tailored implementation arrangements between the Fund Manager and involvement of third party Implementing Partners (IPs). Implementing partners familiar with the context and possessing strong international capacity, experience and expertise in mainstreaming key READ themes (gender transformative approaches, nutrition behaviour change communication, prevention and mitigation of GBV, proven grievance redress mechanisms) will be selected. Utilizing established UNDP procurement and operational processes, UNDP will sign a UN to UN Agreement with ILO on the provision of its technical support to the project. UNDP will employ a competitive procurement process in the identification and contracting of IPs for Component 1 which will be technically supported by ILO. For Component 2, UNDP will sign a Letter of Agreement (LOA) with Cooperative Bank of South Sudan (CBSS) on the basis of the submission of an agreement to a viable proposal for implementation of the said component. Component 3 will be direct engagement and transfer between IFAD and MoAFS with UNDP only providing substantive and financial monitoring support.
39. For Component 1, ILO will be the technical partner providing support to the READ Project through the provision of technical advice and guidance to IPs, by customizing/contextualizing training manuals and tools, and rendering assistance in the conduct of capacity-building activities. ILO was selected given its explicit mandate covering the development of cooperatives, bringing on board a centenary of sound and state-of-the-art technical, policy, and legal support to the cooperative movement. The Fund Manager will exercise oversight and overall coordination of Component 1 and will identify and contract IPs to implement identified component activities through a competitive process (refer Section ___ on procurement process). All IPs will undergo a HACT assessment prior to contracting to ascertain the level of risk and gaps/weaknesses to be addressed prior to implementation.
40. For Component 2, the Cooperative Bank of South Sudan (CBSS) will be the IP, with oversight and technical support to be provided by the Fund Manager. The CBSS was identified due to its experience, thrust, and offerings/services to the cooperative sector, as well as, its regional niche capacity of providing wholesale services to its client SACCOs, which in turn service the rural clients. UNDP will conduct due diligence on CBSS, as well as, a HACT assessment to ensure compliance with rules guiding the engagement of private sector organizations and to determine the risk level and gaps in institutional and financial processes prior to the signing of the LOA.
41. For Component 3, MAFS will be the IP since it stands to directly benefit from the related component activities. IFAD will enter into agreement with MAFS and will facilitate the conduct of trainings and capacity development activities, to include the review and development of relevant policy framework documents. The Fund Manager will include Component 3 in the overall monitoring and reporting of project progress. It will also provide support to MAFS on financial monitoring and reporting.

D.4: PARTNERSHIPS

42. UNDP will collaborate and partner with the following institutions and organizations on the implementation of the READ project:
 - Ministry of Agriculture and Food Security: On the overall coordination and implementation of the project and its integration with the wider national effort on agricultural development, food security, and cooperative development.
 - Ministry of Trade and Industry: On the integration of MSEs established and supported under the project into the national effort on regional integration and trade and allowing South Sudanese MSEs to access East African Community and continental (Africa) markets, and in the development and linkage of youth and women led MSEs with sources of finance and technological platforms for sustainable livelihood and economic growth.
 - State Ministries (Ministry of Agriculture; Ministry of Commerce, Industry, and Investment; Ministry of Youth) and the State Government of Central Equatoria, Eastern Equatoria, Western Equatoria, Jonglei, Upper Nile, and Northern Bahr-El-Ghazal): On the implementation of the project at local level and furthering an enabling environment for women empowerment, MSE development, economic recovery, etc.
 - Civil Society Organizations/NGOs: On the implementation of project activities and support in the mobilization of target beneficiaries.
 - Cooperative Bank of South Sudan: On the establishment of a financing facility that will enhance access to finance for Cooperatives, SACCOs, VSLAs, and MSEs.
 - UN Agencies: On the coordination of the project with the wider UN programming on agricultural and food security, private sector development, financial inclusion and synchronization of project interventions with the UN Cooperation Framework.
43. UNDP will partner with AfDB in ensuring the complementarity of activities and resources from the YEDCB Project – which is part of the cofinancing to the READ Project. In particular, the READ Project will complement the YEDCB Project in enhancing private sector development in the country by establishing new and supporting the growth of existing MSEs/Coops/VSLAs.
44. The READ Project will also benefit from and tap on the network of partners and achievements under the Youth Employment and Empowerment Project (YEPP) by capitalizing on the more than 15,000 youth trained on a range of vocational skills and provided with career advice and counselling and business development services, and channeling them towards MSE development.

PART II: DETAILED IMPLEMENTATION MODALITIES

COMPONENT 1: RURAL PRODUCER ORGANIZATIONS' DEVELOPMENT

45. This component will be implemented by UNDP focusing especially on women (minimum 50 percent of beneficiaries) and youth (minimum 70 percent of beneficiaries). The component will target APGs, RPOs, VSLAs, SACCOs, Cooperatives, and MSEs and provide support to less structured agriculture producer groups and VSLA groups. The aim is to improve their governance structures, and accountability mechanisms and strengthen business models and sustainable business plans for economic service delivery.
46. ILO is the technical partner for this component, and they will adapt their training tools, capacity building approaches, and modules for capacity building activities of the target groups across the component. Furthermore, ILO will provide overall technical support and backup to the selected implementing partners as it regards capacity building.

47. A UN-to-UN agreement will be signed between UNDP and ILO on the implementation of identified activities in Component 1 and Component 3 as defined by a Project Document that incorporates an agreed work and financial plan. Both UNDP and ILO will work together to ensure the adapted tools and modules are approved and institutionalized as standardized training materials for South Sudan.
48. UNDP will competitively source partners for the implementation of activities under Component 1 and ensure the quality of delivery and value for money. A contract will be signed between UNDP and the selected IPs for the delivery of said services/activities, and the achievement of set targets/outputs/outcomes. Selection of IPs will be based on (a) implementing partners' presence and track record of delivering relevant services in the target area/s, (b) capacity to deliver business development support, financial literacy, etc. as per indicated activities, (c) viability of approach and sustainability of initiatives, (d) experience and sensitivity to gender equality, social inclusion, climate change adaptation and nutrition issues; and (e) competitiveness of pricing/financial proposal.

SUB COMPONENT 1.1: VALUE CHAIN ASSESSMENTS AND GROUP PROFILING

Value Chain Assessments and Group Profiling

49. The Project interventions will be based on identified Agri-value chain sectors informed by a Gender, Youth, Climate and Nutrition-Sensitive Value Chain Analysis. The READ project will benefit from the Agricultural Value Chain Studies conducted by UNDP in Central Equatoria, Eastern Equatoria, Western Equatoria, Lakes, and Jonglei States and another study to be undertaken in Upper Nile State. The READ project will only conduct a Gender, Youth, Climate and Nutrition-Sensitive Value Chain Analysis in target states where a study has not been undertaken by UNDP. The study/ies will ensure to establish complementarity with the methodology used by UNDP in its Value Chain Analysis.

Value Chain selection process

50. The value chain selection process will include:
 - Contracting services of a firm to undertake the value chain analysis report. The deliverable will include selecting 2-3 value chains per state to a maximum of 6 nationally that meet certain thresholds. To achieve this, the selected value chains in each targeted county must have good growth potential, nutritious, contribute to food security and are gender biased towards youth and women. The analysis will also assess how selected value chains may impact on livelihoods of ethnic groups residing in targeted areas. Value-chains which are perceived as a source of conflict will be avoided. In addition, the selected value chain should be among those integrated in the short and medium-term plan of the Country/Country Government policies. The Service provider will carry out this analysis in areas where a similar study within a period of five years does not exist.
 - The contracted firm must embrace a highly participatory and inclusive approach through the utilization of a consultative process and participatory rural appraisal techniques in the conduct of the value chain study. The participants in each state will include local authorities (Cooperative and Agriculture), key RPOs, SACCOs, VSLA leaders and other relevant stakeholders (including development partners such as Cordaid, WFP and FAO) among others to ensure local ownership of future interventions and coordination of similar ongoing or planned initiatives.
 - Analysis and pre-selection of the value chain led by the firm and G-PDT. The findings and results of the study, to include the prioritized list of selected value chains will be subjected for validation through a local/state level stakeholders workshop.

- List of preselected value chain forwarded to the County and state technical committees for validation and the final report submitted to UNDP.
 - UNDP reviews and transmits the validated report to the National Advisory Council (NAC) through the NTC and PCG.
 - NAC forwards the list of value chains to UNDP and National Technical Committee for implementation
 - A market opportunity analysis will be undertaken for high value crops/livestock that are in demand within the country and which has export potential. The study/analysis will look into exploiting the opportunities under the African Continental Free Trade Agreement, as well as, in the East African Community Common Market, and national and state levels. The project will support RPOs to facilitate their farmers to access the required inputs and extension services as well linking the RPOs to state, national, regional, and continental markets.
1. UNDP will contract a firm with experience in the conduct of similar assignment through a competitive process. The study at the minimum will:
 - Review key relevant provisions of the AfCFTA, EAC Common Market, and national plans in relation to agricultural value chain and trade.
 - Identify viable agricultural value chain and high value commodities that are in demand at national, regional (EAC), and continental (AfCFTA) levels and with the potential to increase production and productivity, as well as, create jobs.
 - Outline the high value crops/livestock and zone suitable areas for production and which has substantial market opportunity at state, national, regional (EAC), and continental levels;
 - Develop input packages required, extension service provider in the state and possible markets;
 - Identify the scope for export expansion of the selected agricultural value chains, analyse potential challenges and recommend measures needed to fully realize its potential in exploiting market opportunities at national level, and in the EAC and in the context of AfCFTA;
 - Identify the pathways of which the high value commodities will be developed and able to tap into the national, regional, and continental markets.
 3. The study/analysis will be conducted in a highly participatory and inclusive manner and the findings validated through stakeholder consultation;
 4. The validated study/analysis will be submitted to UNDP by the contracted firm and forwarded to the NTC and the NAC for clearance. Once cleared, the study/analysis will form part of the knowledge within MAFS and disseminated to relevant government agencies, private sector organizations, and other stakeholders;

Mapping and Profiling of RPOs, VSLAs SACCOs

51. The mapping and profiling of APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops will be conducted to assess their maturity, readiness, and identification of capacity gaps. UNDP will employ a competitive selection process of a firm to undertake the said mapping and profiling exercise in the target states/counties/bomas. The data from the mapping and profiling exercise will be included in the Business Portal developed by UNDP, lodged with

the Ministry of Trade's E-Commerce Hub, in order to facilitate access to business networking and linkages, as well as inform future knowledge management products.

52. Terms of Reference (TOR): UNDP will contract a Service Provider (SP) to map out all existing and registered Cooperatives, APGs, SACCOs, VSLAs and the informal APGs and VSLAs recognized by the county administration. The SP will develop criteria, subject to review and approval by the PCG, to ensure that selected groups meet the required threshold of inclusivity and participation of youth and women at the membership and RPOs decision level (70 percent Youth and 40 percent female while SACCOs and VSLA 20 percent should be women). Further, the group profiling will provide baseline data on members and their differentiated challenges, needs and priorities. Given that a minimum number of 36 cooperatives and 300 AGPs are being targeted at the start of the project in all the participating counties, the SP will give a proposal of what needs to be done to those unqualifying RPOs as well as address segments that lack actors along the value chain.

The following steps will be used to identify the beneficiaries:

- Develop a set of gender-sensitive criteria for selecting cooperative/AGP and SACCO/VSLA to be under the project.
- Hold a validation workshop with key actors (e.g., MAFS, leaders of RPOs, SACCOs and VSLAs, MSEs).
- Map out all the Cooperatives, APG/FA, SACCOs and VSLA in the identified county using the validated criteria to collect data.
- Analyze the data collected and in consultation with State and County officers.
- Propose strategies that ensures the unqualifying RPOs/VSLA/SACCO in level two and three will participate when identified conditions are fulfilled.
- Propose value chain segments that do not have RPOS in place.
- Select the beneficiaries in level 1 for project implementation.
- The state and county committee validates the report findings and recommendations.
- SP finalizes the report and submits to UNDP which forwards the mapping report to the NTC and the NAC.
- National Advisory Committee approves the list of identified beneficiaries.
- State and County Technical Committee notify all the project beneficiaries.
- UNDP in collaboration with MAFS organize sensitization trainings for the beneficiaries and
- then UNDP and the benefiting will sign an MOU witnessed by the MAFs annex

Peace and Conflict Analysis

53. The conduct of a peace and conflict analysis (PCA) will be led by UNDP with the support of a research institution (Think Tank). The PCA will be a document that will not only inform the project strategies and activities but aid the development of policies and programming on appropriate governance structures, accountability mechanisms and business models for economic service delivery while ensuring consistency to the principles of "do no harm" and peace responsive approaches. Further, the analysis will assess how interventions could interact with the context and conflict dynamics, including inter-communal tensions. To this end, the analysis will look into actors, drivers, dynamics, dividers and connectors to minimize negative impacts, avoid triggering inter-communal tensions while also maximizing positive impacts.

Capacity Building Modules

54. This activity forms part of the UN-to-UN Agreement with UNDP. ILO will take lead in the development of capacity building modules and tools and will adapt relevant training tools and methodologies to the context of South Sudan and needs of READ. Such capacity

building modules will include topics on cooperative law, governance, book keeping, climate change, nutrition, and gender.

55. ILO will ensure to adopt a highly participatory and inclusive process by consulting local stakeholders in relevant phases of module/tool development. The adapted training tools and methodologies will be subjected through a wide stakeholder consultation before it is adopted and applied.
56. ILO will also ensure to institutionalize the adapted capacity development modules as part of the standard offerings and training programme of the country.

SUB COMPONENT 1.2 SUPPORT FOR COOPERATIVE BUSINESS MODELS DEVELOPMENT

57. READ will apply targeted support for the delivery of institutional cooperative development activities to institutional and management functions of target organizations. UNDP will employ a competitive process in the selection of IPs (one in each target state) that will deliver the comprehensive package of capacity development activities. UNDP will also competitively engage an IP that will review business plans and recommend viable businesses for matching fund. This component will complement initiatives under UNDP's Youth Enterprise Development and Capacity Building (YEDCB) Project in 5 states (Central Equatoria, Eastern Equatoria, Jonglei, Lakes, and Upper Nile).

Institutional Capacity Development

58. Modules, tools, and methodologies developed and adapted by ILO will be used for the institutional capacity development of the target groups with a focus on cooperative operations. ILO will work with UNDP and the IPs in adapting the modules, tools, and methodologies and lead in standardizing and institutionalizing it in the country's capacity-building program. Special attention will be given to women and youth-led groups, so language and case studies are tailored to the needs and interests of these groups. Additionally, the ILO tools and modules will include a special package targeted to women in enterprise to foster women economic empowerment. At this stage, the service provider will oversee developing Gender Action Learning System (GALS) training materials, job aids and operationalization plan. They will leverage experiences and materials from other IFAD-funded programmes.
59. Institutional development training, coaching, and mentorship will be conducted by IPs contracted by UNDP for the target groups; APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs, using the adapted modules, tools, and methodologies. To ensure sustainability, a Training of Trainers (TOT) approach will be employed which will target a core team of officers drawn from the Directorate of Cooperatives and the Chamber of Commerce to develop capacity. Trainers from MoAFS, MoTI and the Chamber of Commerce will work together with personnel from the identified/selected IP through a "twinning approach" in the delivery of the capacity development activities.
60. Delivery of institutional capacity support include the establishment and/or upgrading of the management information system of APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs, and strengthening of agriculture finance capacities and service products. Standard MIS will be utilized, where applicable, to standardize the systems in the APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs and enhance its roll-out and adoption in South Sudan.
61. IPs will ensure the compliance of RPOS with quotas for vulnerable groups in their governance institutions.

Strengthening and graduating APGs to cooperatives

62. The intervention will target to strengthen the existing 36 cooperatives, formalize the 300 APGs/ non performing cooperatives in level 0 and 1⁶ to viable entities by the end of the project period. This will involve merging, formalizing and graduating about 70 percent of level 0 and 1 to about 24 cooperatives, and assimilating some of their current and new members into the cooperatives. This aims to increase membership and achieve economies of scale in RPOs.
63. Process: graduation of APGs/VSLA to cooperatives, will be voluntary once the threshold of the Cooperative Act is met whereas amalgamation/merging of cooperatives and formation of 10 Cooperative Unions will be on need basis to enhance operational efficiencies;
- Support viable (300) APGs/inactive cooperatives and VSLA that intend to transform to (24) cooperative/SACCO by customizing their bylaws and preparation of other required documentation including pre-cooperative training before an entity can start the registration process.
 - Support unviable (20) cooperative that want to amalgamate into (10) cooperatives by initiating the process in line with the cooperative law. This will include each of the 20 cooperatives holding at least two Annual General Meetings to pass amalgamation resolutions, liquidating the existing one and ensuring each of the newly merged Cooperative (10), holds an AGM to elect new management committee.
Support at least two viable primary cooperative in a given related value chains (fish or cereal: maize and sorghum) to form at least one Union per state.
64. Conduct targeted trainings for the 10 Cooperative Union to enhance their capacity to self-regulate the primary cooperatives, offer book keeping, auditing, lobby and advocacy on behalf of their members to increase efficiency at primary level. These common user services (book keeping auditing, self-regulation) can be extended to all primary cooperatives at a small fee for the Unions sustainability).
65. Process of setting up of new agricultural marketing cooperative of SACCOs;-
- Sensitize members of either the AGP and VSLA who want address a common need (marketing or accessibility and affordability to financial services)
 - Get a minimum number of promoters required by law to register a cooperative;
 - Approach the state or national cooperative officers for a pre-cooperative training session;
 - These members/promoters convene a meeting to ratify the decision of starting a cooperative
 - Request for name search, develop bylaws, viability study indicating growth projections and raising required registration fees;
 - Present the required documents to Director General for registration and issuance of a registration certificate
 - Convene 1st AGM and induct Board and sub committees and trained on Cooperatives matter and business.
 - Develop required policies and operational manual and governance structure

1. ⁶ RPOs in level "0": are unregistered APGs no operations being undertaken, Level "1": are registered APGs and inactive cooperatives and operations are minimal

66. Membership data base of all RPOs. A database and management information system for each RPO must be established. A members register should include, but is not limited to details shown in the table below;

M. No.	Name of Member	Date of birth	Identity Card No.	Gender	Postal/ Physical Address	Mobile Contact	Date of admission	Entrance Fee paid	Initial share capital paid	Subsequent shares purchased	Date of cessation of membership

VALIDATION TRAININGS AND TRAINING OF TOTS BY ILO

67. The activities of this sub-component will include the validation and institutionalization of ILO's training tools and methodologies and Capacity Building Modules (CBM) through:

- o Piloting CBM (cooperative Act, leadership, Governance, marketing, financial management BP, market linkages, including coaching, mentoring, peer to peer programmes) with a core group of cooperative and rural development officers as Training of Trainers (TOTs)..
- o Participatory adaptation of Capacity Building Modules (CBM) involving the customization and inclusion of local case studies and modules, as well as, key social inclusion issues like women empowerment and balanced diets.
- o Enhancement and validation of the CBM processes, approaches and materials.
- o Institutionalization of CBM as a South Sudan national standard
- o CBM translated in the local language

68. Identification and training of 60 Training of Trainers" (TOTs) as national and state-level will be undertaken through a progressive, two phase approach;

- o Under the first phase, potential trainers will be selected from the MoAFS, MoTI, and the Chamber of Commerce. The trainers will be selected, among other criteria, based on their ability to facilitate effective and inclusive dialogues, raise interest in a topic and guide group critical thinking, especially on sensitive issues such as gender equity or balanced diets.
- o Conduct Training of Trainer (TOT) utilizing adapted tools and methodologies
- o The second phase of TOT will include representatives from the Coops who will be trained together with government and chamber of commerce personnel/representatives in delivering quality CBM amongst the Coops in the states.
- o Certification of Trainers

69. Coaching/mentoring/peer to peer learning of RPOs on institutional development; Areas of coaching and mentoring would include;

- o Organizing and conducting meetings, facilitating dialogue, minutes writing, Strategic/workplan implementation and documentation and bookkeeping for the RPO
- o Identify champions from performing RPOs/ VSLA/SACCO
- o Orientation of champion for effective knowledge transfer
- o Linking the champions with targeted RPOs and monitoring performance

Rolling Out of Trainings

70. State based Trainers will conduct the trainings to the RPOs leadership at least once a year for a period of 10 days, over the project life. The project will liaise with FAO to explore linkages with Farmers Field Schools where rolled-out in order to register farmers who have been through the FFS package into READ capacity building activities. Additionally, during the tool development stage, ILO and the service provider will integrate best practices from the FFS experience in South Sudan. The FFS approach will automatically incorporate nutrition and climate smart cropping technologies, which is in line with READ objectives.
71. Education and training is a key cooperative principle and mandate of all cooperative societies whose abide by the rules, rights and obligations to their institution in line with the Cooperative Act. Given that most of the project's cooperatives are in their nascent stage, the project will support member training forum events for the general membership during AGMs. The Trainers will sensitize/train members on their roles and responsibilities and in particular their right in getting information (audited accounts) on the business and their voting rights. This can be undertaken once every two years during the project (lasting 3 hours). The modules developed under the leadership of ILO will be used during these trainings and other support initiatives such as;
- Flyer or pamphlet developed outlining members responsibilities and obligation in local language
 - Exchange visits to learn from within and outside the state
 - To support management committee in the running of cooperatives National consultants will also be contracted to support RPOs to develop mandatory governance tools such as strategic plans, policies, internal controls and operational manuals.
 - To ensure economies of scale are achieved the project will support graduation of APGs/VSLA to cooperatives and support unviable cooperatives to amalgamate/merge on a needs-basis. Primary cooperatives will also be supported by the project to form about 10 Cooperative Unions along various value chain for purposes of lobby and advocacy, provision of other value added services among others;
 - The implementation arrangement of this will be using ILO comparative advantage of the training modules and methodologies. ILO will be contracted by UNDP to ensure the capacity and certification of TOTs are comprehensively done. The TOTs will get facilitation fee when rolling out trainings to the RPO leadership and membership.
72. The IP will be responsible for operationalizing the Gender Action Learning System (GALS) at group level. Within RPOs, GALS champions will be identified and trained how how to facilitate dialogue on gender issues, using GALS tools (such as the visioning tool). Step-by-step guidance is provided in IFAD How to do Note and other guidelines⁷.
73. Special support will be provided to VSLAs to improve dietary diversity of households: the group will receive a home garden kit. The kit will include climate resilient seeds (e.g., pumpkins, leafy greens), small tools (e.g., water can) and a leaflet. The group trainer will be responsible to train the VSLA members and start a collective home garden in a collectively selected place in the community. The multiplied seeds and the tools will then be shared among the VSLA members to start their own homestead gardens. In this regard, priority will be given to the most vulnerable households with children under two years old.

⁷ IFAD (2022) How to integrate the Gender Action Learning System (GALS) in IFAD operations. Accessible here: <https://www.ifad.org/en/web/knowledge/-/how-to-do-note-integrating-the-gender-action-learning-system-in-ifad-operations>

The development of the kit and leaflets will be based on FAO identified best practices in the country.

Subcomponent 1.3 Business Capacity Development and Financing

74. The delivery of this comprehensive package of services will be based on training modules and approaches from adapted tools and methodologies from ILO and business development service (BDS) experience, such as Empretec. Financial literacy will be included in the package of capacity development services (under Subcomponent 2.1). This activity will be delivered by IPs contracted by UNDP through a competitive process;
75. The delivery of BDS will be through the Integrated Business, Employment and Innovation Hubs (iHUBS) established by UNDP in order to capitalize on existing assets (VSAT, computers, office furniture, etc.), resources (youth databases, etc.), and networks established through the iHubs, (linkages with businesses, training institutions, etc.) The iHubs will host the IPs through a partnership arrangement that will be signed between the IP/s and the host institutions of the iHubs. UNDP will facilitate the establishment of said partnership arrangement between the IP and the iHub host institutions.
76. UNDP will support the growth and sustainability of APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives by facilitating access to markets at national and regional levels. These organizations will be supported in entering a digital marketplace platform that UNDP has rolled out for national implementation. Furthermore, the RPOs will be supported to enable them participate in business-to-business linkages that will be organized as part of MSE development.
77. A key deliverable of the IPs is the graduation to the next level of development and growth (APGs to RPOs, RPOs to Coops, VSLAs to SACCOs, Coops to high level of growth, MSEs to SMEs) by a set proportion of APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives.

Matching grant mechanism for Business Plan Financing

78. UNDP will utilize the experience and methodology from its IGNITE Food System Challenge which matches the financing to the needs and business plans of the MSEs but with a strong capacity building, innovation, and competitive approach.
79. A separate IP (not link with any of the IPs delivering institutional capacity and business development services) will be contracted through a competitive process and with the primary responsibility of establishing and applying a comprehensive set of criteria for the review of the viability of business plans and proposals, establishment of the level of matching fund needed to facilitate growth, and to recommend to UNDP the amount and tranches needed for fund release.
80. UNDP will be entering into a programmatic contract with the APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops recommended for funding by the IP in order to facilitate the release of funds based on agreed upon milestones.
81. Process: on annual or bi-annual basis, UNDP will contract a service provider to develop and carry out a Diagnostic Capacity Needs Assessment for all beneficiaries with a view of;
 - o Developing a Capacity Building Implementation Plan that identifies gaps in terms of staffing, governance, value addition infrastructure among other for focused intervention;
 - o Grading RPOs according to their market orientation preparedness level as well as
 - o Gauging effectiveness of previous project interventions.
82. Contract a service provider/ILO/University to provide demand-driven training sessions on VC related to business development that covers: value addition/ processing; business and

digital skills; market access and linkages (phytosanitary standards, branding; business law, "economic" rights; off-farm income generating activities;

- Needs based training of trainers /target group Based on ILO tools and methodologies

83. Support Coaching/mentoring of RPOs on business development e.g. peer-learning, hands-on training.

PROCESS OF ACCESSING ASSET TRANSFER AND MATCHING GRANT WINDOW

84. Make calls for proposals to all participating RPOs under the two windows (asset transfer and cooperative) outlining eligibility criteria, threshold for each level, requirement to be fulfilled by the RPO including whether RPOs matching grant will be in cash or kind, deadline of the application.

- For level one beneficiaries develop a standard template for their use
- Level 2 and 3 will be required to develop business plans
- Each of the RPOs levels will notify their members during the general meetings and get a resolution of the money that the RPO will use to co-finance (matching grant).

85. Requirement; Asset transfer Window: will focus on level 1 RPOs. These have at least 40 members, have a good business case and evidence indicates all governance structures are in place, members are being linked directly to markets due to a lack of bulking infrastructure or processing equipment and are unable to employ staff. To enhance social inclusion, avoid elite capture and create employment opportunities for youth, the IP will design and apply a categorization model based on a wealth ranking to prioritize the most vulnerable beneficiaries. Overall, 60 percent of the asset transfer and matching grant window will be targeted to youth and women-led RPOs. At least 30% of RPOs to be supported under this window are engaged in agricultural value chain initiatives that enhances climate change adaptation measures such as, climate smart agriculture, regenerative agriculture, sustainable forest management, natural resource management, etc.

86. Support will focus on implementing strategies for membership recruitment and a bookkeeper on needs basis. The bookkeeper will be paid by the project on a degressive scale over one and half years; full pay for the first six months, reduced to half over the next six months and reduced to a third and terminated after the next six months. The level one entities will that prove beyond doubt their business performance is limited by of mandatory infrastructure such as storage space and simple equipment will be supported by the project through the asset transfer window. This entail, the project through a competitive process procure or build identified item that will unlock the entities potential to engage in business. The interventions include;

- Construction of a collection shed and supporting infrastructure (eg weighing machine),
- Small-scale value addition machines (e.g. sorting machine), ICT system for data capture and,
- Other operational support of RPOs that will be a key focus .

The maximum amount in terms of value will not exceed USD 8,000.

87. **Cooperative Window:** this will focus on both level 2 and 3. Level 2 will have a minimum membership of over 60, have good governance structures and policies in place, are complying with the legal framework and bulking, value adding and marketing and operating almost at breakeven point. Servicing all members produce is however limited by the existing infrastructure capacity or lack of qualified staff. These RPOs using results

of Capacity Implementation Business Plan (CIBP) will present proposals or business plans for entry into a competitive matching grant. The matching grant for level 2 will be financed on a ratio of 80:20 - with the project covering the majority, and should be directly related to enhancing operations of the value chain, such as the development of a mechanism to support coordination of farm inputs, extension services and credit. The maximum fund ceiling of an RPO will be **USD 50,000**.

88. Level 3 RPOs will have all the above stipulated requirements but in addition the RPO operation must demonstrate market linkages and a surplus in their books. The support of this level will be based on the CIBP rating that demonstrates that the established infrastructure/technology requires an upgrade to access specialized processing equipment. The sub-component will offer a matching grant on a 20:80 basis (Project: RPO) or offer technical capacity to support the RPO develop a fundable business plan for presentation to the banks. A Technical Assistant who will also be offered to support level 3 RPOs in product development, quality assurance and branding. The maximum threshold an RPO will get from the project **USD 30,000**.
89. **MSE Window:** will focus on targeted MSEs that provide value chain related services to support RPO interventions. Support will focus on upscaling the current capacity of the MSE that offers or can services to RPOs with a view of increasing the value of the produce. Some of these services could be milling of maize or sorghum for a market outlet identified by the cooperative, drying or storage facilities service offered by the MSE among others. The targetted MSE will apply for the matching grant under a competitive process based on a call for proposal by UNDP. Some of the eligible criteria for an MSE to qualify will include:
- Registration certificate,
 - A physical operating premises,
 - Audited accounts or a bank transaction record of 6 months and has the mandatory legal requirement such as operating license, tax compliance food and safety certification.

The maximum ceiling an MSE will receive is **USD 8,000**

DISBURSEMENT OF MONEY AFTER APPROVAL OF MONEY

90. The RPO will open a READ project account where the matching grant of the RPO and by the project will be deposited. The signatories to the account will be from the both sides.
91. Community participation during development of specification of the investment to be procured will be done in collaboration with UNDP and RPOs.
92. The RPO will notify their members about the project being financed during their general meetings.
93. UNDP procurement process will be followed. The installation of the investment and commissioning of the project will be undertaken by UNDP with the leadership of the RPOs.

COMPONENT 2: INCLUSIVE RURAL FINANCE INITIATIVES

SAVINGS AND CREDIT COOPERATIVES

94. The delivery of capacity development activities to VSLAs and SACCOs will be integrated in the services to be provided by contracted IPs in Component 1 who will deliver under Component 2 to reduce the amount of contracting/procurement activity. As indicated, one IP for each state will be contracted by UNDP through a competitive process to deliver a comprehensive package of institutional capacity and business development services

to APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops. Each IP may form a consortium to ensure that each aspect of the required support is fulfilled to the best ability of each consortium member.

95. Key focus and deliverable for the IPs is the graduation of VSLAs and SACCOs to the next level of development and growth.
96. UNDP's VSLA model which uses a group approach that UNDP is currently applying in 5 states (CE, WE, EE, Rumbek, and Jonglei) through the YEDCB Project will be applied. The APGs and VSLA formalization and registration will be supported, and they will be entered into UNDP's digital marketplace to allow them access to reach national and regional markets. The APGs and VSLAs will also be supported in participating in business-to-business linkages that will be organized as part of MSE development in order to expand their market base.
97. To ensure that there is no duplication in the targeting of APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops to benefit from the support under the YEDCB and the READ Projects, UNDP will ensure to maintain a database of both project beneficiaries applying for and benefiting from financial assistance. A complementary database for both YEDCB and READ projects indicating the type, number, and location of climate change adaptation related projects will also be established and maintained. Both databases will be maintained by the UNDP STARR unit which is responsible for both projects within the UNDP Country Office.

Inclusive Rural Finance Services

98. The Cooperative Bank South Sudan (CBSS) will be the main IP in the delivery of this service which will provide a range of financial products made accessible to targeted APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops.
99. UNDP will conduct due diligence and HACT assessments of CBSS as a prerequisite to the signing of a Letter of Agreement (LOA). The LOA will also be based on a proposal to be submitted by CBSS to UNDP consistent to the provisions of the READ Project Document. The proposal shall be negotiated and jointly agreed into by UNDP and CBSS to ensure value for money and the maintain the value of the fund. READ will deliver two sub-components: (i) community-based financial services, and (ii) CBSS expansion, development of agency banking network and CBSS loan portfolio mobilization.
100. UNDP will ensure to channel the experience and lessons on the operation of its revolving fund and the targeting of climate change adaptation projects from the YEDCB Project into the READ Project.
101. **Sub-component 2.1. Community-based financial services.** This sub-component will enhance the capacity of community-based financial service providers to deliver affordable and climate sensitive financial services and products. It will entail: (i) the formation and/or strengthening of rural financial institutions (RFI) – VSLAs and SACCOs, (ii) support the graduation and transformation of VSLAs into SACCOs (iii) the provision of specific targeted training to RFIs, and (iv) financial services tailored to the needs of RPOs and their members, and more specifically to rural women and youth. At the same time, it will enhance the financial literacy skills of the target group members, their potential members, and clients to increase savings, uptake of financial services and products and formation of strong group lending mechanisms. Preferential treatment will be given to VSLAs and SACCOs whose members are engaged in businesses that enhance climate change adaptation. At least 30% of VSLAs and SACCOs engaged in climate change adaptation measures are targeted for support.

102. To promote the mobilization and formation of new VSLAs, support will include start-up costs for VSLAs to facilitate their registration and cover for start-up and operating costs. The start-up package will also cover supervision and monitoring costs for a 12-18-month period. Initial training will cover general topics related to the functions of financial institutions (Bank, SACCO, VSLA). Training to existing VSLAs will include resource mobilization, advanced financial literacy, loan appraisal mechanisms and the development of appropriate loan products for members and clients. In addition, new and existing VSLAs will be supported to grow and graduate to viable SACCOs through training on key organizational and business skills.
103. Collaboration between a well performing SACCO and RPO will be created to allow RPO members access affordable credit from the SACCO for investments in agriculture. The project will therefore support the development of a tripartite agreement between the member, agricultural marketing cooperative and the SACCOs to enforce marketing and loan recovery. The project will also support development of a transparent ICT system between the RPO and SACCO for operation and reporting purposes with feedback to the farmer.
104. **Sub-component 2.2. CBSS expansion and development of agency banking network.** The sub-component will include a commitment to open 1-2 branches by CBSS in the project area as part of co-financing for READ. CBSS will develop tailor-made financial products to ensure RPOs and their members, especially women and youth, access financial services at affordable costs at attainable terms and conditions. Through its agency banking model, it will support SACCOs that meet a minimum criteria to participate in its agency network and support them to establish, operate and deliver banking services in their counties. The support includes a Management Information System, facilitated by Point of Sale (POS) machines to 24 agents in at least 12 counties. Training will also be provided by the project to its SACCO agents and loan officers to build capacities and to strengthen the agency banking operating model.
105. In a bid to meet the objective of increasing financial inclusion of rural farmers, CBSS will also develop tailor-made financial products to ensure RPOs and their members' access financial services at affordable costs and attainable terms and conditions. Deliberate development of tailored financial products for women and youth will be encouraged. Through its agency banking model, CBSS will empower and use the cooperatives and SACCO to serves as its banking agents in rural areas to increase the number of its clients. The clients will be supported to access formal banking services by opening and operating bank accounts. The CBSS will identify the marketing cooperatives and SACCOs that meet a minimum criteria to participate in its agency banking network, and support them to establish, operate and deliver the envisaged banking services in their counties. The support includes Management Information System (MIS) - by providing a Point of Sale (POS) machine, to 24 agents in at least 12 counties (2 agents per county) that will help facilitate withdrawals, transfers and payment of bills.
106. In addition to the agency network CBSS will further its outreach by: (i) extending the provision of wholesale services through on-lending to cooperatives (including SACCOs and agricultural/marketing cooperatives) and (ii) extending direct loans to APGs, VSLAs, Cooperatives and MSEs, in the target areas. Some of the loan products will include farm input loans, pre-harvest loans, post-harvest loans, farm implements and machinery financing, working capital and invoice/purchase or discounting.
107. CBSS loans to RPOs will complement the asset transfers and the matching grants scheme under component 1, as follow-up financing, to ensure long-term impacts from their investments. CBSS will set loan limits and a repayment period for each category of loan, as well as ensure adherence to the group lending concept - to avoid the risk of

elite capture. The loans will be provided on a subsidized interest rate basis by CBSS, tied with a subsidy from READ, while an administration fee will be applied for arrangement of the loan and covered partly by the project to the benefit of CBSS. Agricultural insurance will be integrated on the loan against weather and supply chain shocks. CBSS will also establish an environmental and social safeguard system, whereby business plans are screened against their environment, social and climate impacts.

108. **CBSS loan portfolio mobilization.** To facilitate the uptake in loans and to provide a reasonable level of risk to the lender, and an affordable level of service to the borrower, the project will contribute to de-risking the agricultural sector. The project will set up a credit guarantee fund (CGF), which will be used to collateralize loans and cover default loans among the target groups of READ sector, on proof of concept basis. The risk (and potential loan losses) will be split (50/50) between CBSS and the READ project, with only a portion of the loan amount collateralized, to help leverage CBSS loan funds at least two-fold. The project will cover some of the commercial interest rate earnings that CBSS will forego to stimulate demand for financial services from the RFIs, RPOs and its members.
109. At the time of inception, UNDP will engage a firm to develop a detailed operational manual for the CGF. The manual will provide clear details on charges, collateral and liability levels, fund leveraging, risk sharing and exit strategy, including risk associated with SACCO lending to their members.

COMPONENT 3: POLICY AND REGULATORY FRAMEWORK DEVELOPMENT

110. This component will be implemented directly by MAFS with the support of ILO. The development of the National Cooperatives Development Policy Framework, Strategy, cooperative regulations and acts and the National Policy Framework for inclusive rural finance will be undertaken with the support of ILO and shall comprise part of the UN to UN Agreement that will be signed between UNDP and ILO on the implementation of relevant project activities.
111. UNDP will support the conduct of substantive and financial monitoring of this component, incorporating such into the wider monitoring and reporting mechanism of the READ project. However, UNDP will not have responsibility in terms of ensuring the delivery of intended outputs and outcomes under this component.
112. The objective of this component is to strengthen the national policy framework for agriculture and rural development and to support the capacity development of MAFS staff working on cooperative development at county level. Specifically, READ will provide support: i) for the development of a conducive policy and legal framework for cooperative development and inclusive rural finance, which is favorable to women and youth; ii) strengthen the capacity of MAFS staff and offices at the national, state and county level to formalize and register cooperatives; and iii) Project coordination and oversight and other support of MAFS staff to coordinate and implement policy and projects - related to the national policy framework for agriculture and rural development and inclusive rural finance, with support to the Government-Project Coordination Unit (G-PCU) and the decentralized government entities. READ will examine and address women and youth-specific constraints in the revision of agriculture and rural development policy frameworks and ensure newly developed frameworks on cooperative development and inclusive rural finance are women- and youth-friendly. The expected outcome from this component is 'Cooperative and IRF policy and regulatory frameworks are strengthened and operationalized'.
113. **Subcomponent 3.1. Conducive Policy and Legal Framework.** Strengthening of the policy and regulatory frameworks will involve a participatory policy review process that

includes consultation and validation at the national and local levels, including the involvement of farmers (women, youth and vulnerable groups), strategic plan development and implementation of legislation with M&E support for follow-up. ILO will provide technical support to the review process, ensuring that it benefits from existing draft legislation and policies, which remain pending for approval or area(s) streamlined to ensure they are approved and implemented, as presented below:

Table: Existing and pending policy and legislation

By-laws of marketing cooperative society	To be reviewed and validated by senior management of MAFS before presentation to the Council of Ministers.
Strategy for Cooperative Development 2012 - 2015	To be reviewed and validated by the senior management of MAFS before presentation to the Council of Ministers.
Model by-laws for housing cooperative	Draft to be reviewed and validated by the senior management of MAFS before presentation to the Council of Ministers.
Community Development Policy	To be reviewed and validated by the senior management of MAFS before presentation to the Council of Ministers.
The Cooperative Society Act 2011	Passed by the Council of Ministers and the National Assembly as a legal document (to be reviewed and validated according to the Laws of South Sudan Cooperative societies).
South Sudan Cooperative Societies Regulations	To be reviewed and validated by the senior management of MAFS before presentation to the council of ministers.
National Cooperative Development Policy 2012-2017	To be reviewed and validated by the senior management before presentation to the council of ministers.
Private Sector Development Project	To be completed after presentations to ministries, state governors and international partners.
Rural finance policy	Draft presented by external consultant, to be reviewed and validated by senior management of MAFS.

Source: Transforming Agriculture in South Sudan – from Humanitarian Aid to a Development Oriented Growth Path.

- 114. Subcomponent 3.2. MAFS Capacity Building on Cooperative Development.** The support to the enabling environment around cooperative and rural development will be mirrored in the field by involving and capacitating MAFS staff working at the State and County level. Capacity building will be preceded by a capacity and needs assessment of MAFS Cooperative Officers and Community Development Officers at the County level. The County level officers will support RPOs with specific knowledge and awareness of the cooperative movement, their formalization and registration process, with follow-up supervision and auditing, while acting as trainers that provide technical backstopping at training events. They will embed specific knowledge and awareness of the cooperative movement within the RPOs, their constituents and communities where they reside, acting as custodians of information and local interlocutors for sharing information and knowledge on the process of cooperative development and inclusive rural finance.
- 115.** The project will finance the construction of a National Cooperative Resources Centre (NCRC) at the MAFS headquarters in Juba, which will house a library of information on

cooperative development - nationally. The NCRC will be furnished with furniture, ICT equipment and communication connectivity. The project will seek additional financing for funding of the centre with other partners. The project will rehabilitate existing offices in the selected counties and possibly construct new ones where none exist, in addition to the provision of equipment, mobility for outreach activities and supervision.

116. In liaison with other partners (FAO, AfDB, World Bank), READ will support the formalization and registration process of RPOs and RFIs by MAFS staff, starting at the County level and utilize or complement any existing electronic platforms or systems introduced in this area by other development partners and, if necessary and where needed, introduce new systems. The project will also plan exchange visits of MAFS staff at national and state level throughout the duration of the project and support post-graduate studies of staff in relevant areas as a long-term investment in the capacity and future of MAFS.
117. **Subcomponent 3.3. Project Coordination and Oversight.** This subcomponent will cover costs related to the operation of: (i) the Government-Project Coordination Unit (G-PCU); (ii) the Project Management Team (PMT) of UNDP; (iii) provisions for oversight committees; (iv) SECAP related safeguard activities; and (v) monitoring & evaluation and knowledge management related costs. The G-PCU will provide project oversight with support from PMT. The PMT will initially be staffed with international staff which at the latter half of the project will transition to national staffing to ensure cross learning, and capacity building of the G-PCU and MAFS staff and its decentralized entities to implement policies related to the national policy framework for agriculture and rural development and inclusive rural finance as well as implement and coordinate and future projects.
118. To facilitate adequate application of a social inclusion lens and mainstreaming across project activities, including evaluation and monitoring, READ will build MAFS and IPs capacities on cross-cutting themes, including FPIC, and gender-responsive budgeting and monitoring and evaluation to track social and economic impacts. A social safeguards expert will cover the mainstreaming themes on behalf of the project within the PMT.

PART III: PROJECT PROCEDURES

A: AWPB PROCESS

119. The AWPB represents the key planning document for the READ project. It serves as the instrument for identifying and integrating management priorities for implementation, and forecasting procurement requirements, while facilitating the mobilization of staff and resources when needed. It is primarily a management tool to control costs and assess achievements looking into aspects of cost-effectiveness. On an annual basis, UNDP, through the PMU and using an agreed format recommended by IFAD, will draft the AWPB and subject it for review and enhancement by the Partners Coordination Group and approval by the NTC and the NAC.
120. While preparing the AWPB, the project will keep in mind the planning process outlined in the M&E framework of the project and refer to the following documents: (a) overall project cost tables; (b) logical framework; (c) financing agreement; (d) letter to the borrower; and (e) the financial management and procurement sections of the PIM. The outline of the AWPB tables is generally derived from the format of the detailed project cost tables for components and sub-components as detailed in the Project Design Document.

121. To facilitate adequate application of a social inclusion lens and mainstreaming across project activities, including evaluation and monitoring, READ will build MAFS and IPs capacities on cross-cutting themes, including FPIC, and gender-responsive budgeting and monitoring and evaluation to track social and economic impacts. A social safeguards expert will cover the mainstreaming themes on behalf of the project within the PMT.

Content of the AWPB

122. The AWPB will consist of two parts: (a) Part A is a narrative section, briefly discussing previous implementation experiences, providing the justification of the proposed AWPB, and highlighting objectives and required resources. It also indicates how the Project activities reflect government, IFAD, and grant priorities; (b) Part B consists of a set of tables that will present the detailed budget for the forthcoming fiscal year, as well as, indicators for the previous period and cumulative achievements.
123. The information contained in Part A and Part B are considered a mandatory minimum, reflecting all basic information needed for the proper management of the project and providing the required information to decision-makers and supervisors in UNDP, Government, and IFAD. It is emphasized that the document should remain concise while at the same time providing all essential information (Please see annex 5, for the sample of the AWPB outline).
124. A final version of the AWPB once consolidated with inputs from all concerned parties will be presented to the PCG before the beginning of the relevant project year for review and endorsement. Once cleared by the PCG, the AWPB will be presented during the meeting of the NTC and the NAC for final approval. The endorsed AWPB will be submitted to IFAD by UNDP on behalf of the MAFS for no-objection before the beginning of the relevant project year.

B: PROCUREMENT PROCESS

B.1: PROCUREMENT OVERVIEW AND PRINCIPLES

125. Procurements for the READ project shall be undertaken in line with UNDP procedures and policies as available on <https://popp.undp.org/SitePages/POPPRoot.aspx> for funds that flow through UNDP. Any sub-recipient of funds should follow good commercial practices consistent with IFAD guidelines with support and oversight from the FM, which is reflected in the sub-recipient agreements. For funds that flow through the GoSS, IFAD procurement guidelines will prevail and be adhered to by the GoSS.
126. In UNDP, procurement is the process of acquiring goods, works and services. The procurement process encompasses planning, requisitions, sourcing of suppliers, solicitation and evaluation of offers, contract review, contract award, and the management of contracts and assets. The following general principles shall be applied to all phases and types of procurement

Best Value for Money

127. The core governing principle is to obtain the best value for money. This means the selection of the offer that presents the optimum combination of lifecycle costs and benefits and meets business needs.

Fairness, Integrity and Transparency

128. As competition is the basis for efficient, impartial and transparent procurement, the READ project team shall be responsible for protecting the integrity of the procurement process and maintaining fairness in the treatment of all offers. Sound procurement involves openness, probity, complete and accurate records, accountability and

confidentiality. It establishes and maintains rules and procedures that are attainable and unambiguous.

Effective Competition

129. Competitive processes should provide all eligible offerors with timely and adequate notification of the READ project's requirements, and an equal opportunity to tender bids for goods, works and services. UNDP does not accept the restriction of awards to exclusive contractors or countries, unless explicitly mentioned in a donor agreement approved by the Chief Procurement Officer.

Sustainable Procurement Considerations

130. In line with UNDP Policy the READ Projects shall consider several factors to influence sustainable procurement as follows:
- Costs of products and services over their entire life cycle—acquisition, maintenance, operations and end-of-life management costs, including waste disposal, in line with good financial management.
 - Sustainable social and labor factors which encompass recognizing equality and diversity, observing core labor standards, ensuring fair working conditions, increasing employment and skills, and developing local communities and their physical infrastructure.
 - Sustainable environmental factors that comprise natural resource use and water scarcity, emissions, climate change and biodiversity over the whole product life cycle.
 - Identification of adverse social and environmental impacts of products and services is an important task.
 - Agreements with CBSS will include the establishment of ESMS, development of an environmental and social action plan (ESAP), conduct of periodic monitoring and reporting on ESC risks and impacts, assignment of ES expert and relevant capacity development.

Specific SECAP Requirements in Procurement by GoSS

131. Procurement by GOSS under the READ project will be undertaken in such manner as to reduce the reduce SECAP risks throughout the procurement cycle while applying IFAD's project procurement guidelines. These will cover specific actions in procurement process benchmarks that include, but not limited to the following:
- Technical specifications – use of ethically sourced materials and avoid use of large quantities of natural materials such as wood for construction; use of only allowable chemicals; List/ make reference to all approved chemicals in specifications; WHO-FAO approved pesticide and that WHO-FAO codes for safe labelling, packaging, handling, storage, application and disposals of pesticide are respected; include Pest Management Plan; promote safe fertilizer use by ensuring that the correct investments and capacity-building activities for the selection, distribution, storage, application and disposal of fertilizers are included.
 - Bid Evaluation criteria – Suppliers of fertilizer and pesticides will be required to operate in accordance with SECAP standard 2 (reference to the exclusion list); To include evaluation of proposed Pest Management Plans by the bidders as necessary.
 - Contract clauses – Provisions on Pest Management Plan; adhere to the relevant labour laws, ensure compliance to national and international laws on Labour; compliance to International Labour Law for prohibition of child labour by referring to the directives of the ILO on the minimum working age and available National Labour Law; Establishment of work place specific Grievance Mechanism; Compliance to occupational safety and health (OSH) requirements including Safety and health

training on the proper use and maintenance of personal protective equipment; comply to IFAD Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, including the assessment of risks of project-related gender-based violence, risks of sexual harassment, sexual exploitation, human trafficking and abuse to project-affected people and communities.

Procurement planning

132. Development of READ Project Procurement Plan and sourcing strategy (supplier sourcing, market research, supplier appraisals) is required to fast track implementation. Procurement planning will take place at the project level including even at the activity level, depending on the complexity of the activity and the number of interrelated procurement actions. A Requisition Plan shall be developed at the project definition stage. It must be shared with the Procurement Unit through PROMPT (UNDP Planning Tool).

Procurement of Goods

133. Specifications, or the description of physical or functional characteristics of tangible goods or civil works, must provide all relevant terms and criteria required. They should be relatively generic to encourage the broadest possible competition. The use of brand or trade names, or similar references must be avoided. If it is necessary to cite a brand name, the words 'or equal' shall be included (for example, Dell® Desktop Computer or equal). The term 'or equal' means that the desired product is of comparable quality and/or capable of performing the intended function.

Procurement of Services

134. The terms of reference to procure services should define the work required and respective responsibilities of a contractor either to design equipment to be procured or to provide services. Adequate and clear terms of reference are imperative for understanding the assignment. This minimizes any risk of ambiguities during the preparation of solicitation documents, negotiations and execution of services.

B.2. OVERVIEW OF STANDARD PROCUREMENT METHODS

135. The different procurement methods are summarized as follows:

Procurement method	Contract value	Type of requirement	Method of solicitation	Type of competition
Micro-purchasing	Below US \$5,000 (\$10,000 if approved by the Bureau)	Goods, services or simple works	Canvassing (by phone, Internet, shopping, etc.)	Limited international or national
Request for quotation	US \$5,000 (\$10,000 if approved by the Bureau) to \$199,999	Goods, services or simple works	Written request for quotation	Limited international or national
Invitation to bid	US \$200,000 and above	Goods or works	Advertisement in international media	Open international
Request for proposal	US \$200,000 and above	Services	Advertisement in international media	Open international

Direct contracting	Any amount within permissible circumstances as Per UNDP Financial Rule No. 121.05	Services, goods or works	Direct invitation or negotiation	None
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Types of Competition

136. READ project procurement requirements shall be opened up to various types of competition depending on the UNDP financial thresholds stated in the table above.

Open International Competition

137. This is when procurement requirements are opened to the international market to provide equal opportunity to all eligible vendors. It entails a public advertisement in globally accessible media. Mandatory to advertise for at least 2 weeks on UNGM (www.ungm.org) and UNDP Procurement Notices Website.

Limited International Competition

138. Limited international competition is conducted by narrowing the competitive field to a short list of prospective offerors. This is pre-determined through a non-discriminatory evaluation of qualifications. Such a process may involve various sourcing methods (rosters, prequalification etc). Appropriate when the contract value is relatively low (less than US \$200,000).

National Competition

139. While international competition is the preferred mode of procurement in UNDP, national competition may be allowed when the value of the requirement is less than US \$200,000.

B.3. DETERMINING THE BEST OFFER

Invitation to bid/Request for Quotation

140. Competitive bidders are:

- a. Eligible, in other words, not on the UN's Ineligibility list, the UN/PD list, or the 1267/1989 lists)
- b. Responsive in complying with specifications, delivery terms, and UNDP terms and conditions
- c. Qualified in fully meeting basic selection criteria

141. To ensure economy and efficiency, a minimum of three bids should be evaluated. Once a shortlist has been determined, the bidder with the lowest price shall be awarded the contract.

Request for Proposal

142. Competitive proposals should be:

- a. Eligible, in other words, not on the UN's Ineligibility list, the UN/PD list, or the 1267/1989 lists)
- b. Responsive in complying with the requirements of the terms of reference and so on
- c. Qualified in fully meeting basic selection criteria

143. To ensure economy and efficiency, a minimum of three technical proposals should be evaluated. Upon the technical evaluation, the financial proposals of technically qualified proposers shall be evaluated. Depending on the nature of the requirements, the contract award shall be determined through any of the following methods:
- a. Lowest price offer
 - b. Highest rated proposal using the combined scoring method, which assigns a weight distribution between technical and financial proposals set out in the request for proposals
144. Whenever the second method is used, the distribution of weight between the technical and financial proposals shall be 70 percent and 30 percent, respectively. Proposals whose rating, upon completion of the evaluation of the technical proposal, does not reach the minimum passing threshold of 70 percent shall be declared not responsive and are no longer qualified.

B.4. PROCUREMENT OVERSIGHT AND PROCUREMENT REVIEW COMMITTEES

OVERVIEW

To ensure procurement activities are conducted in line with accepted professional purchasing practices and appropriate rules and regulations, UNDP requires an independent review of the procurement process prior to a contract award. The review confirms that offers received are the result of a fully compliant process, sufficient funding exists, and risks have been assessed and mitigated.

UNDP Procurement Review Committees have been established at three levels:

Level	Procurement Review Committee	Location	Procurement authority
Level 1	Contracts, Assets and Procurement Committee (CAP)	Within the Business Unit	Head of the business unit
Level 2	Regional Advisory Committee on Procurement (RACP)	At the UNDP Regional hubs	Regional Chief Procurement Officer
Level 3	Advisory Committee on Procurement (ACP)	At UNDP headquarters	Chief Procurement Officer

145. Procurement Review Committees render independent written advice and recommendations on a procurement action and the proposed commitment of funds to the person approving the procurement action. The committees confirm that the proposed procurement action is in accordance with UNDP Financial Regulations and Rules, procurement procedures and instructions (vendor eligibility, fairness, transparency, competition, best value for money, legal/financial implications, risks and funds availability).

Guidance to SPO on Integration of SECAP risks into Procurement

This section provides indication to the SPO on the SECAP risks to be incorporated into procurement plans. While the general integration of SECAP requirements into procurement documents is described into ANNEX 4, Volume 1 of the SECAP, the project specific risks are as identified by the SECAP online tool. The ES specialist has identified, through the SECAP environmental and social screening checklist, the issues in the table below that need to be mitigated through procurement. In case the SPO has ambiguity as to the guidance provided by the ES specialist in the rightmost column of the below Results Table, then the SPO will need to collaborate with the ES specialist and relevant members of the PDT in order to reach an agreement as to how these ES issues can be dealt with best through procurement mitigation measures that the Borrower must be required to put in place with respect to procurement parameters like:

1. Technical Specifications
2. Bidder Qualification
3. Bid Evaluation Criteria
4. Contract Clauses

For Example, if use of harmful types of pesticide is an issue in the project area, then it can be dealt with through the specifications of the pesticide and both the ES specialist and the SPO will agree that the project will use a "WHO-FAO approved pesticide and that WHO-FAO codes for safe labelling, packaging, handling, storage, application and disposals of pesticide are respected". If the project involves work in a sensitive cultural heritage area or an area where biodiversity is to be protected, then the successful past experience of the contractor in working in such zones is critical and the ES specialist will select "Bidder qualification" and "Bid Evaluation Criteria". If labour conditions or indigenous peoples' rights are often compromised in the project's area, then the ES specialist may select "Contract Clauses" and give whatever further guidance is possible for SPO. If deforestation or extensive use of natural resources in the project area is an issue identified by the ES specialist, then the ES specialist will chose "specifications" and "Bid Evaluation Criteria" and agree with the SPO to specify legally-harvested timber (or timber certified with the relevant label) and agree as to the evaluation criteria to be used to promote resource efficiency (e.g. evaluation criteria to favour energy efficient pumps, efficient transformer substations, fuel saving equipment etc.).

The ES specialist, relevant members of the PDT and the SPO will need to consult together and pool their collective expertise in the various disciplines in order to arrive at the right mitigation measures to be reflected in the PRM. In this manner downstream work by the SPO in prescribing the project requirements for the Procurement Plan (PP) and PDR are facilitated and can be readily reflected in the PIM and the choice of bidding documents and contract provisions.

Environmental and Social Safeguards			
Biodiversity conservation	Risk Rating	Consequence	Guidances for SPOs
1.8 Could the project involve or lead to procurement through primary suppliers of natural resource materials?	Moderate	Minor Project may possibly require procurement of natural resources through primary suppliers, and resource extraction is tightly regulated. Alternatives to procurement of natural resources through primary suppliers exists.	Value addition activities may lead to construction and works will require wood products and materials such as sand and gravel. Application of IFAD and national procurement guidelines for the supply of natural materials for the construction of production buildings/equipment Technical specifications to be included in tender documents for the purchase of natural resource

			<p>materials, which may include ethically sourced materials.</p> <p>Avoid use of large volumes of natural materials such as wood for construction</p>
Resource Efficiency and Pollution Prevention	Risk Rating	Consequence	Guidances for SPOs
2.1 Could the project involve or lead to the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	Moderate	Minor Pollutants may possibly be released, either routinely or by accident, but treatment systems are proven and verified. Receiving environment has absorptive capacity.	<p>Agricultural productivity activities of the communities could result in increased use of agrochemicals</p> <p>Contractors should only use or submit list of allowable chemicals</p> <p>Suppliers of fertilizer and pesticides will be required to operate in accordance with SECAP standard 2 (reference to the exclusion list)</p>
2.6 Could the project involve inputs of fertilizers and other modifying agents?	Moderate	Moderate The project requires use of fertilizers, but options are available to replace polluting fertilizers with alternatives.	<p>Agricultural productivity activities of the communities could result in increased use of agrochemicals</p> <p>List/ make reference to all approved chemicals in tender documents</p> <p>Contract documents to promote safe fertilizer use by ensuring that the correct investments and capacity-building activities for the selection, distribution, storage, application and disposal of fertilizers are included</p>
2.7 Could the project involve or lead to procurement, supply and/or result in the use of pesticides on crops, livestock, aquaculture or forestry?	Low	Minor The project only requires minimal amounts of pesticide.	<p>Agricultural productivity activities of the communities could result in increased use of agrochemicals</p> <p>Refer to the list of approved pesticides in the tender documents Technical specifications: "WHO-FAO approved pesticide and that WHO-FAO codes for safe labelling, packaging, handling, storage, application and disposals of pesticide are respected"</p> <p>Implementation of Pest Management Plan.</p>
Labour and Working Conditions	Risk Rating	Consequence	Guidances for SPOs
5.1 Could the project operate in sectors or value chains that are characterized by working conditions that do not meet national labour laws or international commitments?	Moderate	Moderate The project operates in sectors or value chains that have, in the past, not met national labour laws,	<p>The project will include works as part of the value addition activities that need to adhere to the relevant labour laws</p> <p>Contract Clauses: to ensure</p>

(Note: this may include discriminatory practices, high gender inequality and the lack of equal opportunities, denial of freedom of association and collective bargaining, labour migrants)		or international commitments, but is now adequately nationally regulated. However, international value chains are not regularly audited for environmental or social performance.	compliance to national and international laws on Labour
5.2 Could the project use or operate in a value chain where there have been reports of forced labour? (Note: Risks of forced labour may be increased for projects located in remote places or where the status of migrant workers is uncertain)	Moderate	Minor The project does not operate in sectors or value chains where forced labour has ever been reported	The project will include works as part of the value addition activities that need to adhere to the relevant labour laws Contract Clauses: compliance to International Labour Law for prohibition of child labour by referring to the directives of the ILO on the minimum working age and available National Labour Law
5.4 Could the project: (a) operate in a sector, area or value chain where producers and other agricultural workers are typically exposed to significant occupational and safety risks, and/or (b) promote or use technologies or practices that pose occupational safety and health (OSH) risks for farmers, other rural workers or rural populations in general? (Note: OSH risks in agriculture might include: dangerous machinery and tools; hazardous chemicals; toxic or allergenic agents; carcinogenic substances or agents; parasitic diseases; transmissible animal diseases; confined spaces; ergonomic hazards; extreme temperatures; and contact with dangerous and poisonous animals, reptiles and insects. Psychosocial hazards might include violence and harassment.)	Moderate	Moderate The project operates in a sector, area, or value chain where workers are occasionally exposed to significant OSH risks, and where regulation is known to be weak or non-existent.	The project will include works as part of the value addition activities that need to adhere to the relevant labour laws Contract Clauses: Establishment of work place specific Grievance Mechanism Compliance to occupational safety and health (OSH) requirements including Safety and health training on the proper use and maintenance of personal protective equipment
Community Health, Safety and Security	Risk Rating	Consequence	Guidances for SPOs
6.7 Could the project lead to the potential for gender-based violence, including sexual harassment, exploitation and abuse, as a result of labour influx, land redistribution, or other actions that alter community dynamics?	Moderate	Moderate Moderate changes to community dynamics may result in increased potential for gender-based violence or sexual exploitation. Gender-based violence interventions are	The works to be undertaken as part of the value addition activities may result in influx of labour Contract clauses to comply to IFAD Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, including the assessment of risks of project-related gender-based violence, risks

		integrated into project design.	of sexual harassment, sexual exploitation, human trafficking and abuse to project-affected people and communities.
Financial intermediaries and direct investments	Risk Rating	Consequence	Guidances for SPOs
8.1 Could the investment be granted to an institution that does not have an environmental and social policies and an associated environmental and social management system (ESMS) in place (transparent, publicly available)?	Moderate	Minor The institution has an ESMS in place. Reports are not publicly available.	The Financial institutions that will participate in the project may not have adequate ESMS Agreements with participating financial institutions to include the need to establish of ESMS and periodic monitoring and reporting
8.2 Could the investment be granted to an institution with insufficient capacities (i.e. unqualified personnel e.g. ES Officer) to implement the ESMS?	Moderate	Minor The institution employs an ES Officer, and employs field staff to implement the ESMS.	The Financial institutions that will participate in the project may not have adequate capacity to effectively implement ESMS Agreements with participating financial institutions to include <ul style="list-style-type: none"> • Assignment of ES expert • Relevant capacity development

C: FINANCIAL MANAGEMENT MANUAL

146. **Introduction.** The Financial Management Manual outlines the financial procedures to be followed by the Programme Coordination Unit (PCU) during implementation of the project. The manual is a living document to be reviewed and updated as need arises during project implementation. This manual makes references to the following key documents: (i) Financing Agreement, (ii) IFAD General Conditions, (iii) Financial Management and Financial Control Handbook (FMFC Handbook), (iv) IFAD Handbook for Financial Reporting and Auditing of IFAD-Financed Projects, and (v) READ design report. It is therefore fundamental that the project staff (both PCU and UNDP) understand these documents in the early stages of programme implementation. Below are links for the generic documents listed above:

- [Financial Management and Financial Control Handbook](#)
- [General Conditions for Agricultural Development Financing](#)
- [Conceptual Framework on Financial Reporting and External Audit of IFAD- Financed Projects](#)
- [IFAD Handbook for Financial Reporting and Auditing of IFAD-financed Projects](#)

147. These guidelines are intended for use by all implementing partners of the programme. Whereas it is acknowledged that UNDP and other implementing partners may have their own financial procedures, IFAD's guidelines will be applicable to this programme and where UNDP and IFAD financial procedures diverge, IFAD financial procedures shall take precedent. UNDP's financial procedures are provided in Annex 12.

148. **Fiduciary responsibility.** MAFS, the Lead Agency, will ensure the overall oversight for the implementation of Project at National level through an existing PCU which will also be responsible for implementation of Subcomponent 3.1 and 3.2 as described in the Project Design Report (PDR).

149. MAFS has fiduciary responsibility to ensure that project funds are used exclusively for intended purposes. Poor financial management in the implementation of the project could result in failure to achieve its intended impacts. IFAD will undertake supervision missions that will include a review of fiduciary aspects of all implementers, will undertake review of audit reports, and may commission own audits/ reviews.

150. **Transparency, governance, anti-corruption.** All implementers will be responsible for compliance with IFAD's *Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations*⁸, with the aim to mitigate the risk of corruption and promote effective utilisation of programme resources.

IFAD zero tolerance policy for corruption and fraud urges persons identifying concerns of irregular practices in IFAD funded projects to report to the IFAD Office of Audit and Oversight through any of the following means:

By telephone: +39 0654592888

By confidential email: anticorruption@ifad.org

Roles and responsibilities of IFAD and the recipient are included in Section D of the *Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations*.

⁸ https://www.ifad.org/en/-/document/policy-on-preventing-fraud-and-corruption-in-its-activities-and-operations?p_1_back_url=%2Fen%2Fcorporate-documents%3Fmode%3Dsearch%26keywords%3Dcorruption

151. Whereas a fund manager (UNDP) has been appointed for the project (except for subcomponent 3.1 and 3.2), MAFS will remain responsible for financial management. This will involve consolidation of programme AWPBs, justification of expenditure, preparation of withdrawal applications and reporting on all programme activities.
152. **Budgeting and Budgetary Control.** Budgeting will be jointly done between the MAFS and UNDP, together with other key stakeholders identified for project implementation. UNDP will consolidate inputs from ILO (for component 1) and CBSS (for component 2); MAFS will prepare budget inputs for sub-components 3.1 and 3.2. MAFS will be responsible for overall consolidation of the AWPB and presentation to NAC for approval/endorsement. Upon endorsement, the consolidated AWPB for the programme will be submitted to IFAD for No-Objection (approval).
153. The approved AWPB will form the basis on which expenditure will be incurred. Any expenditure incurred outside the approved AWPB will be deemed ineligible for financing from the grant funds. The detailed cost tables in the PDR are indicative of the costs to be incurred over the project period and can be altered during the process of the AWPB.
154. AWPB shall indicate the financing sources (IFAD grant, Co-financiers, private sector – CBSS, GoSS and beneficiaries) for each activity, every item should be linked to a proper cost category and component/subcomponent. Schedule 2 of the financing agreement will specify the disbursement categories of the project and can be amended with reasonable justification submitted to IFAD by the GoSS requesting reallocation of funds between different categories.
155. Expenditure managed by UNDP will be exempted of taxes, and the value of these exemptions will be calculated as part of READ reporting on in-kind contributions, in collaboration between UNDP and G-PCU. The GAFSP financing will cover taxes on expenditure made by MAFS under component 3.1 and 3.2.
156. In the planning and budgeting stage, the project finance personnel at MAFS PCU and UNDP are expected to perform the functions below:
 - a) Avail budget holders/responsibility centres with status of available funds by disbursement category and component/subcomponent;
 - b) Provide practical guidelines that inform realistic budgeting such as timing of cashflows as per cashflow forecasts, linkage between procurement and expenditure, exchange rates, and disbursement methods;
 - c) Provide support in financial data presentation and consolidation in acceptable formats;
 - d) Develop a treasury plan as disbursements will be based on quarterly forecasts; and
 - e) Ensure that the AWPB has been submitted to IFAD for review and No Objection, 60 days before the beginning of the financial year.
157. Prior to the start of the AWPB preparation exercise, PCU will obtain from the accounting software and from IFAD a status of funds balances available by category/sub-category and component/sub-component. The status of funds available should be adjusted by deducting commitments, Withdrawal Applications (WAs) in the pipeline and projected expenditure for the remaining part of the current year. The adjusted information about the status of funds would be provided to the budget responsibility centres so that they are aware of budget ceilings.
158. The AWPB shall be cleared in the context of available balances by category, otherwise over-expenditure on categories will not be approved when incurred. The net available balance should also be broken down according to components, subcomponents and major activity headings, so that planners are able to determine the relative weights for each component/subcomponent in the AWPB.

159. **READ accounting and financial reporting.** Whereas both PCU and UNDP will be responsible for financial accounting and reporting for the respective components, PCU will be responsible for consolidation of financial reports, including interim financial reports (IFRs), and submission to IFAD. MAFS PCU will generate withdrawal applications, for submission to MAFS for checking and MoFP for certification.
160. **Accounting software** – The accounting software to be procured by the PCU should have the capacity to handle multiple projects at the same time. UNDP has its own accounting system, which will be used to maintain financial records for funds allocated to UNDP for READ project. Coding of READ expenditure by UNDP will be mapped to READ financing structure, by component and expenditure category.
161. **Chart of Accounts** – There will be a need to adopt a uniform coding structure (chart of accounts) that accommodates IFAD project financial reporting requirements, by financier, component/subcomponent, disbursement categories, and key activities. The coding shall be used consistently across all financial documents/records such as AWPB presentation, fund requisitioning, payment vouchers, and posting to the accounting system.
162. **Justification of expenditure** – Payments must be supported with the minimum set of supporting documentation that should be attached to a payment/journal voucher. To ensure that both the PCU and UNDP collect all the supporting documents, checklists are provided hereunder. These indicative checklists should be ticked-off carefully and attached to each cheque payment voucher to ensure completeness of supporting documents. These documents shall be filed for review by the auditors (internal and external) and IFAD Supervision/Implementation Support Missions; they must be archived over a period of 10 years following the financing closing date.

READ Document Checklist

Standard Goods	(Tick)	In-Country Workshops	(Tick)
1. Complete payment voucher, duly approved		1. Attendance sheets	
2. Confirmation by Procurement Officer that the Procurement was properly done in accordance with GOSS and IFAD procedures		2. Attendance sheets should be reconciled to DSA paid	
3. Attach copies of relevant No Objections from IFAD, where applicable		3. Availability of supporting documentation	
4. Attach Contract Monitoring Form where applicable		a) Training report	
5. Availability of supporting documentation:		b) Hotel Receipts/ bills for meals and accommodation(should be reconciled to attendance sheets)	
a) Contract		4. Procurement record on how the venue was selected	
b) Invoice		5. Justification for any fuel refunds and related support	
c) Evidence of payment		6. Fund availability in	
d) Bank guarantee, where applicable			
e) Delivery notes/reports (Make Cross Reference where bulky)			

6. Fund availability in	
a) Budget – ensure accounting software is been updated at all times to reflect the outstanding balances	
b) Category(ies)	
7. Accuracy of Computations/footings	
8. Reviewed optimality of the disbursement method	
9. Banking instructions	
10. Correspondence bank	
11. Percentage of financing	

Workshops – Abroad	(Tick)
1. Invitations and related IFAD’s No Objection	
2. Availability of supporting documentation	
a) Boarding passes reconciled DSA days taken	
b) Back to Office Reports	
3. Fund availability in	
a) Budget – ensure accounting software is been updated at all times to reflect the outstanding balances	
b) Category(ies)	
4. Accuracy of computations	

a) Budget-Ensure Vote Book has been updated	
b) Category(ies)	
7. Accuracy of computations	

Consultancies	(Tick)
1. Time sheets in comparison with the work done	
2. Attach Copies of relevant No Objections from IFAD, where applicable	
3. An acceptable report	
4. Availability of supporting documentation	
a) Invoice	
b) Contract	
c) Evidence of payment	
d) Bank guarantee for advances	
5. Fund availability in budget: ensure accounting software is been updated at all times to reflect the outstanding balances	
6. Ensure banking instructions are appropriate.	

163. **Taxes.** Expenditure managed by UNDP will be exempted of taxes, and the value of these exemptions will be calculated as part of READ reporting on in-kind contributions, in collaboration between UNDP and G-PCU. The GAFSP financing will cover taxes on expenditure made by MAFS under component 3.1 and 3.2. A description of in-kind contribution measurement criteria, and recording procedures is included in the project implementation manual.

164. **Financial Reporting** – There will be three major types of financial reports to be generated by the impementers: (1) monthly financial reports covering income and expenditure for the month, and outstanding aged advances outstanding at the end of the month. The reports will also include cash balance and commitments outstanding at the end of the month; (2) Interim Financial Reports (IFRs) to be submitted to IFAD within 45 days following end of the quarter – Annex 11 provides the draft IFR template; and (3) annual audited financial statements to be submitted to IFAD within six months of the financial year end. Whereas PCU and UNDP will prepare their financial reports for

their respective components, PCU will be responsible for the overall consolidation of the financial reports and submission to IFAD.

165. Internal controls. The key controls under READ will include the following:

- a) Implementation of a well coded accounting software with budget module for budget control, monthly reconciliations of bank accounts, compliance with approval and authorization requirements, proper filing and adhering to financing agreement and Financial Management and Financial Control Letter (FMFCL) and other implementation guidelines.
- b) Segregation of duties, that is, arrangements to have the following functional responsibilities performed by different units or persons:
 - i. authorization of a transaction;
 - ii. execution of a transaction;
 - iii. recording of the transaction; and
 - iv. Custody of assets involved in the transaction.
- c) Clarity and adequacy of decision processes and sequence of events for control functions in project implementation.
- d) Adherence to relevant guidelines and manuals such as IFAD FMFC Handbook and IFAD Handbook for Financial Reporting and Auditing of IFAD-financed Projects in addition to UNDP Programme and Operations Policies and Procedures and Financial Regulations and Rules.
- e) Adequacy of contract management (use of contracts register and monitoring form) and having these regularly updated.
- f) Effectiveness and efficiency of internal controls over expenditures (full cycle from commitment, payment, receipt of goods and services, approval of payments, classification, etc.).
- g) Documentary evidence to confirm delivery and acceptance of contracted goods, works or services.
- h) Physical controls over cash, documents and records. Adequacy of filing systems. Missions will review the petty cash subject to monthly reconciliation as well as surprise checks; custody of cash box and control of keys.
- i) Adequacy of physical management of cash and advances:
 - i. Requiring significant payments to be made by cheque or direct transfer and to minimise the amount of cash physically held at the office.
 - ii. Advances are not to expensed; they are to be monitored in Project Accounting Software in a control account for advance takers.
 - iii. Advances are aged on a monthly basis and the aging report is provided to the PD on a monthly basis.
 - iv. Advances are retired after expenditure justifications have been submitted, accepted and after the journal voucher has been formally approved.
- j) Timely payment to suppliers and consultants against specified deliverables.
- k) Eligibility of expenditures with respect to Financing Agreements.
- l) Legality/eligibility of advances from project funds and timely justification for use thereof.
- m) Compliance with financial management covenants in the Financing Agreement and the FMFCL.
- n) Adequacy of controls concerning project assets including:
 - i. Maintain a consolidated fixed Assets Register (FAR) which is a record of fixed assets for the project including assets held by PCU and UNDP; the

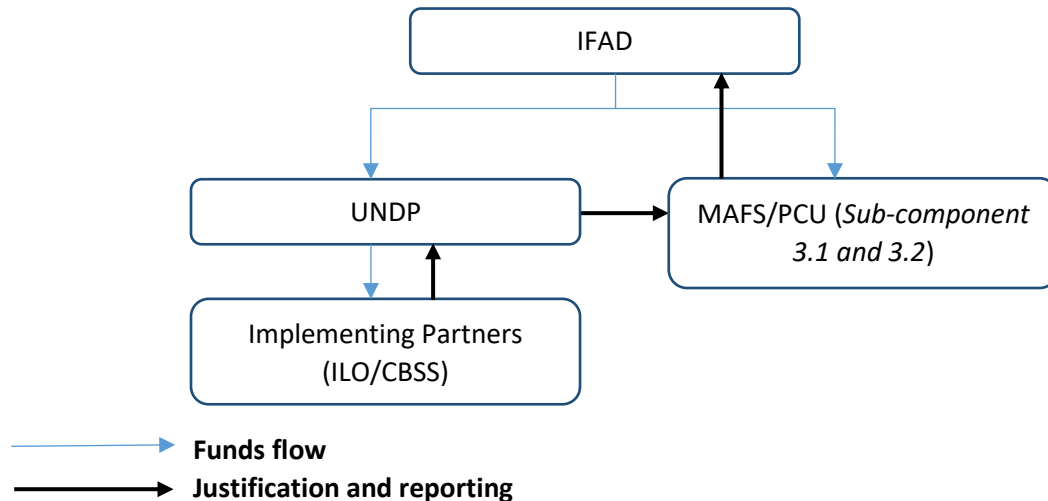
- register format should include details of assets-make, model, specification, quality, rate, value, supplier, receipts, issues, balance, location, etc. It also has the date of receipt of the asset & the payment voucher reference. Any alteration in the FAR must be duly authorized.
- ii. Vehicle and other assets management (assets should be property tagged and a physical inventory count done on a regular basis, atleast annually)
- iii. Fuel management (drivers should maintain a vehicle log book)
- iv. Travel authorisations (including Daily Subsistence Allowance (DSA) paid to staff)
- v. Adequacy of vehicles and assets insurance.
- o) Training and workshops:
 - i. Availability of training terms of reference/curriculum signed list of participants
 - ii. DSA paid to bonafide participants with evidence of receipt of funds (e.g. through signed participant payment sheet)
 - iii. Receipts for training/workshop expenditure
 - iv. Back to office reports
 - v. Evidence of competitive procurement process
- p) Adequacy of controls and authorisation process for use of funds (payments, transfers, Cash/Bank balance management) / and other operational accounts.
- q) Banking arrangement and controls (monthly reconciliation of bank statements with financial accounts). Bank reconciliations to be prepared by the 15th of the subsequent month by the accountant and reviewed by the finance manager.
- r) Personnel costs:
 - i. Payrolls to be prepared by the Accountant, checked by Project Finance Manager and approved by Project Manager.
 - ii. In preparing the payroll care is taken to recover any outstanding advances
 - iii. The Project Coordinator should ensure salaries included in payroll are as per the employment contracts.
 - iv. Salary adjustments necessarily require IFAD's No Objection prior to being effective
 - v. Payroll taxes are a responsibility of employees; these taxes are deducted from employee salaries and remitted to the Tax Authority by READ only acting on agency basis.

166. Internal audit of READ is the responsibility of the Internal Audit Unit in MAFS. The MoFP will post personnel to the Unit to facilitate audit of the project. GoSS may agree with the fund manager to make use of internal audit reports of the fund manager. The internal audit unit will review the financial transactions of the project and submit reports which will include the: UNDP will use its Office of Audit and Investigations (OAI) for all assurance/audit exercises and where required UNDP will collaborate with Office of the Auditor General or its equivalent office to do an independent project audit.

- Timeliness and accuracy of the update of the project accounting records;
- Timeliness and accuracy of the reconciliation of the bank accounts;
- Accuracy of project expenditure and timeliness of the preparation and submission of the WA's for the replenishment of the designated accounts;
- Eligibility of grant expenditure; and

- Adherence to the approval and authorisation process, internal controls and internal checks, including adherence to the Financing Agreement, FMFCL and PIM.

167. **Disbursement and funds flow.** This is depicted in the figure below:



READ Funds Flow Chart and Reporting Lines

- Funds will flow directly from IFAD to the Fund Manager (UNDP), apart from funds for Subcomponent 3.1 and 3.2 which will flow to MAFS to support the PCU that will oversee the Subcomponent's implementation. The funds will be disbursed from IFAD on the Revolving Account Mechanism for both the UNDP and MAFS. MAFS will maintain a designated account in USD to receive funds from IFAD and operating account in South Sudanese pounds (SSP) for project activities. UNDP will receive funds through its bank account whose detail shall be shared with MAFS and IFAD.
 - Other implementing entities that act as service providers will operate separate local currency accounts to receive project funds.
 - Funds held in the SSP denominated bank accounts will be reviewed from time to time, minimizing the amounts as much as possible with a view of mitigating against value erosion arising out of a volatile exchange rate.
168. **Withdrawal Applications.** Report-based disbursement will be the mechanism used for withdrawing funds from IFAD financing by UNDP and MAFS. Interim Financial Reports (IFRs) package will be used as a basis of submission of withdrawal applications to IFAD. The IFRs package (draft provided in Annex 11) will be included in the Financial Management and Financial Control Letter (FMFCL). Project will be using the Revolving Fund modality under the report-based disbursements during the implementation period. The first advance should be equal to or less than the forecast amount of IFAD financed expenditures approved in the Annual Work Plan and Budget (AWPB) for the period of twelve months. Further advances to the Designated Account will be made for the next reporting period based on the AWPB or expenditures forecast provided that at least 75% of the immediately preceding advance and 100% of all prior advances have been fully justified.
169. MAFS will be responsible for submission of withdrawal applications to IFAD. The report-based disbursement described above will require submission of a consolidated IFR to IFAD. The consolidated IFR will include a section justifying MAFS's expenditure and

another for UNDP. Both will then be consolidated into one for onward submission to IFAD.

170. In order to effectively manage the treasury function:
 - a) Use the accounting software to manage the entire accounting data (production of WA, AWPB control, variance analysis, etc);
 - b) Regular updating of the cashbook in order to have clarity on available cash balance at any one time;
 - c) Monthly bank reconciliation for all currencies/accounts;
 - d) Regular update of the status of disbursements and commitment against the approved fund allocation by category and component for the project;
 - e) Monthly Financial Report for management decision making;
 - f) Regular reconciliation of WA presented to IFAD by READ for reimbursement as against the payment made by IFAD to the designated account; and
 - g) Quarterly cash forecast (through the IFRs).
171. The Project shall submit withdrawal application for replenishment of the Designated Account. UNDP shall submit quarterly expenditure to MAFS for onward submission to IFAD.
172. **Implementation of IFAD Client Portal (ICP).** MAFS will identify designated officers to be granted access to IFAD Client Portal (ICP) for electronic grant information management including online submission, authorization and approval of withdrawal applications, access of project documentation, among others. GoSS will ensure that approvals are done on a timely basis in order not to affect the overall timeliness of disbursement of funds. The levels of approval will be determined by the Ministry of Finance and Planning in consultation with the MAFS. Implementation of ICP will be a requirement in the first year of implementation.
173. **Project completion and financing Closing.** The financing closing (closing of the grant) will be due six months after the Project completion date. Both the completion and the closing dates of the grant have financial implications on the project, such as development and submission of a recovery plan, ensuring eligibility of expenditures and ensuring only feasible activities are included in the AWPB and withdrawals are limited to financing required during the period to mitigate risks of refunds of unused funds to IFAD.
174. **Recovery plan.** To ensure that the designated account is completely and timely justified; the PCU will develop and submit to IFAD a recovery plan outlining the percentages per withdrawal application that will be recovered and paid respectively. The recovery plan will be submitted to IFAD six months before the completion date or when the outstanding balance (amount still undisbursed by IFAD) is less than double the authorized allocation. As disbursements will be on the revolving fund basis, this will apply to running balances that will have not been justified in the last semester of implementation.
175. **Statutory external audits and IFAD supervision.** In accordance with UN Financial Regulations and Rules, and in line with the IFAD General Conditions and the IFAD Handbook for auditing and financial management for projects, READ must have its financial statements audited. The audited financial statements shall be sent to IFAD no later than 6 months after the end of the fiscal year. In addition to the audit report, the auditor shall prepare a management letter. This will include comment and recommendations on the adequacy of the financial management system, and on the system of internal control. The management letter shall also include a follow up section on the status of implementation of previous years' recommendations.

176. The Audit Chamber (Auditor General) is empowered by the laws of the GoSS, to audit all Government Funds. However, because of human resource constraints, a private practice auditor shall be appointed. Consideration of Audit Chamber as an auditor of the project be done only after an assessment of the audit chamber of their capacity to audit the project is completed over time.
177. The detailed instruction regarding project audits, including the standard TORs for audit engagements, are spelt out in the IFAD Handbook for auditing and financial management for projects⁹. The prepared TORs are subject to IFAD clearance.
178. Draft financial statements (consolidated for PCU and UNDP) for audit to be shared with IFAD for clearance together with TOR no later than four months following the end of the financial year. In line with the requirement to have the financial statements audited, all implementing partners will be required to avail supporting documents for expenditure incurred, remaining cash balances, outstanding advances, fixed assets procured using grant funds. Project Funds disbursed to UNDP will be audited in accordance with UN Financial Regulations and Rules.
179. IFAD will conduct supervision and implementation support missions for the programme. As part of the missions, IFAD will review the financial and technical performance of the programme at MAFS. Accordingly, all implementers will be expected to provide access to financial records and documents to support expenditure incurred and outstanding cash balances in line other clauses in this PIM Document.
180. **In-kind contributions.** In-kind contributions are the expenditures incurred mainly by government and beneficiaries for the implementation of programme operations. They include (i) tax exemptions on project expenditure; (ii) goods, (iii) works, (iv) use of services and facilities (e.g. office space), (v) professional services or expertise in the form of staff time, (vi) provision of or access to equipment and special materials; and (vii) office running costs, which otherwise would need to be paid for by the project in order to carry out activities.
181. In-kind contributions are only considered eligible if:
- i. they are dully included in the approved AWPB;
 - ii. the amount of expenditure is duly justified by supporting documents having equivalent probative value to invoices, without prejudice to provisions set out in specific national regulations;
 - iii. their value can be independently assessed and/or audited; and
 - iv. the co-financing from the contributor does not significantly exceed the total eligible expenditure planned for the project excluding the value of such contributions.
182. In-kind contribution is seen as a viable mechanism to ensure sustainability of programme interventions and promote mindset changes in order to attract additional investments for similar interventions. Additionally, in-kind domestic contribution could minimize the amount of external resources needed for programme implementation.
183. **Accounting for in-kind contribution.** All in-kind contributions must be duly valued and accounted for in the project financial statements. Such contributions shall be subject to external audit.
- a. **Recognition.** The contribution by an individual, unit or organisation of a service or product to the project free of charge shall be classified as in-kind contribution. All in-kind costs must be eligible, actual, evidenced and essential to the delivery of the

⁹ <https://www.ifad.org/en/-/document/ifad-guidelines-on-project-audits-effective-december-2011>

project. Beneficiary contribution may be in the form of cash deposited by participating communities to match grant funds or the share of project costs such as labour, construction materials, agricultural products, plots of land etc. GOSS contribution will mainly be in the form of tax exemptions on supplies made to the programme, salaries of staff seconded to READ (if any), and office space.

- b. **Measurement.** In-kind contributions should be recognised at fair market value. "Fair market value" is defined as the agreed-upon price in an open and unrestricted market between knowledgeable and willing parties who are dealing at arm's length and who are fully informed.
 - c. **Disclosure.** It is the ultimate responsibility of the finance manager to ensure that the reported fair-market value for all items involving an in-kind contribution is reasonable and correctly and fully disclosed in its financial statements.
184. To facilitate efficient production of data on in-kind contribution, READ will develop data collection instruments to be used at different levels of the programme. These shall be captured through the READ M&E system. Technical staff and other stakeholders shall be trained on application of these instruments. These instruments shall be developed by the READ M&E staff and distributed to all technicians and stakeholders involved in programme interventions with potential in-kind contribution.
185. To ensure that they are auditable, in-kind contributions shall be inserted in payment request form and duly authorized by relevant expense authorization authorities. Beneficiary contribution shall be treated as a normal revenue and shall be recorded in accounting system.

D: FINANCIAL MANAGEMENT PROCESS

186. **Funds Flow arrangements:** Funds will flow directly from IFAD to the Fund Manager (UNDP), apart from funds for Subcomponent 3.1 and 3.2 which will flow to MAFS to support the PCU that will oversee the Subcomponent's implementation. The funds will be disbursed from IFAD on the Revolving Account Mechanism for both the UNDP and MAFS. MAFS will maintain a designated account in USD to receive funds from IFAD and operating account in South Sudanese pounds (SSP). Funds held in the SSP denominated bank accounts will be reviewed from time to time, minimizing the amounts as much as possible with a view of mitigating against value erosion arising out of a volatile exchange rate. UNDP will keep the READ project cash balance in its bank account in accordance with UNDP policies and procedures.
187. Implementation of the IFAD Client Portal (ICP), an IFAD web-based site for electronic loan/grant information management including online submission, authorization and approval of withdrawal applications, access of project documentation, among others, will be a requirement for READ from the first year of implementation. ICP will be used to process withdrawal applications both from UNDP and MAFS PCU.
188. Report-based disbursement will be the mechanism used for withdrawing funds from IFAD financing by UNDP and MAFS. Interim Financial Reports (IFRs) package will be used as a basis of submission of withdrawal applications to IFAD. The IFRs package will be included in the Financial Management and Financial Control Letter (FMFCL) and the PIM. Project will be using the Revolving Fund modality under the report-based disbursements during the implementation period. The first advance should be equal to or less than the forecast amount of IFAD financed expenditures approved in the Annual Work Plan and Budget (AWPB) for the period of 12 months. Further advances to the communicated bank account will be made for the next reporting period based on the

AWPB or expenditures forecast provided that at least 75% of the immediately preceding advance and 100% of all prior advances have been fully justified.

189. The Financial Management for components under UNDP shall be in conformity with UNDP Financial Regulations and Rules and in line with UNDP Programme and Operations Policies and Procedures available on: <https://popp.undp.org/SitePages/POPPBSUnit.aspx?TermID=682d4c54-a288-412d-bfec-ce5587bbd25c&Menu=BusinessUnit>.
190. The purpose is to ensure that the key players of the READ Project fulfill their Fiduciary Responsibility to ensure that contribution from IFAD and other sources are used exclusively for intended purposes.

D.1: ENTERPRISE RESOURCE PLANNING -

191. UNDP shall use its ERP in use to managed the READ Project - an Enterprise Resource Planning system that is designed to achieve desired results. The central features of the ERP include a planning, budgeting and reporting system, and a management information system that integrates project information, finance reports, and human resource information. Additionally, the ERP includes a real-time tracking and reconciliation system. Business processes related to Results Management, Contract, Asset and Procurement Management, Human Resources Management, and Financial Resources Management are closely monitored by Atlas. The ERP will be used to generate reports to IFAD accordingly.
192. UNDP is in the process of changing its software from Atlas to Quantum. Quantum is the #NextGenERP which will also have all the functionalities mentioned above. Once Quantum comes into implementation stage, it shall be adopted for the READ Project.
193. **Chart of Accounts (COAs):** Atlas or Quantum shall use prescribed system accounting coding structure (chart of accounts) to record all financial transactions. These COAs shall be used all the way from AWPB, system budgeting, requisitioning/purchase orders, payment vouchers, posting the accounting system etc. Donor Reporting will however be in the UNDG Categorised approach.

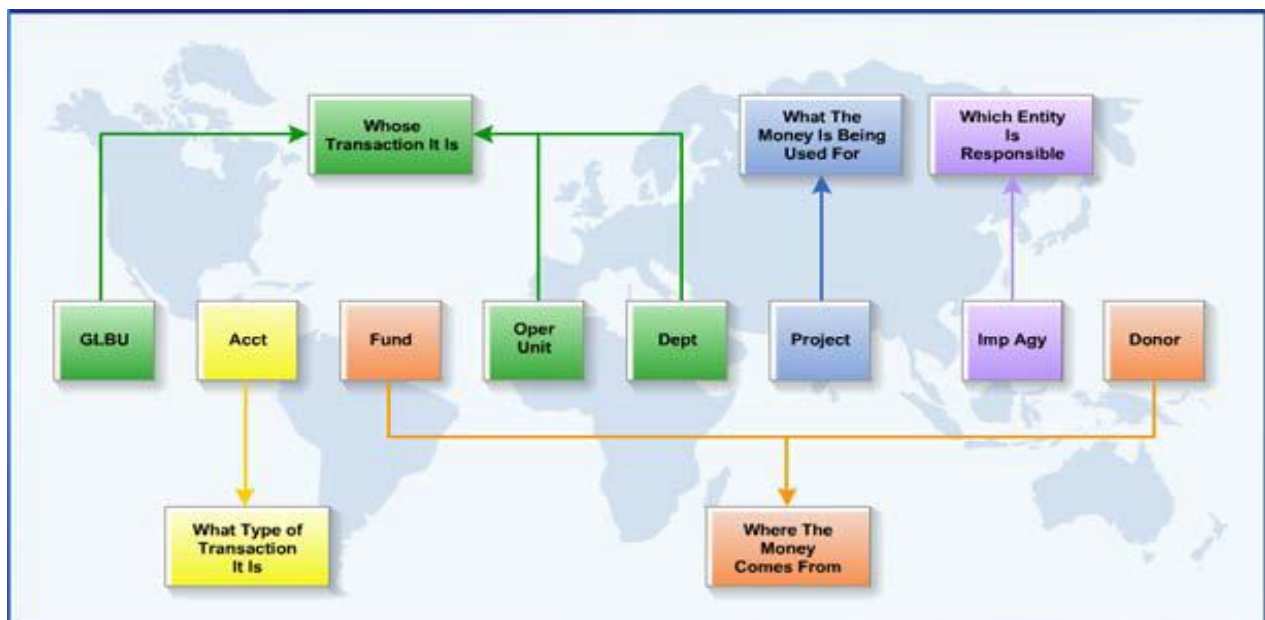


Table 1: Standard COA Requirements and Purpose

D.2: BUDGET AND CASH FORECAST

194. The AWPB is the main document for budgeting and budgetary control. To manage the funds of the READ Project, cash planning methods will be used to manage the projects liquidity requirement. READ shall pay staff and external vendors and by knowing how much at certain required periods, the financial obligations of the project can be discharged in a timely fashion. From the AWPB, a monthly cash forecast shall be prepared for the READ Project. UNDP shall generate a quarterly financial delivery report to measure progress of expenditure for the READ Project in conjunction with other projects within the country office.
195. READ will also prepare Interim Financial Reports (IFR), on a quarterly basis, inclusive of cash forecast for the next two quarters which will have to be submitted to IFAD 30 days after end of period. The format of the IFR will be specified in the Letter to the Borrower.

D.3: DISBURSEMENT AND FUNDS FLOW

196. **Project costs and financing.** The cost structure of READ is reflective of the Project's components and expenditure categories as per the AWPB. READ shall be financed primarily by IFAD with co-financing from UNDP.
197. **Disbursement** of Funds for the project shall follow the schedule stipulated in the signed agreement.
198. **Contributions** received from IFAD will attract 8 percent GMS. The 8 percent GMS is charged on expenditures monthly (pay as you go).
199. **Co-mingling of funds.** IFAD contribution to READ will not be co-mingled with any other funding. IFAD donor code will be used for all funds received and disbursed.
200. **Monitoring** of funds received from IFAD will be strictly against expenditures incurred and against approved budgets.
201. **Payment Documentation.** all payments must be supported; and with MoAFS, the government financial management rules and guidelines shall apply.
202. For the **direct engagement** and transfer between IFAD and MoAFS, **UNDP shall only provide substantive and financial monitoring support.**

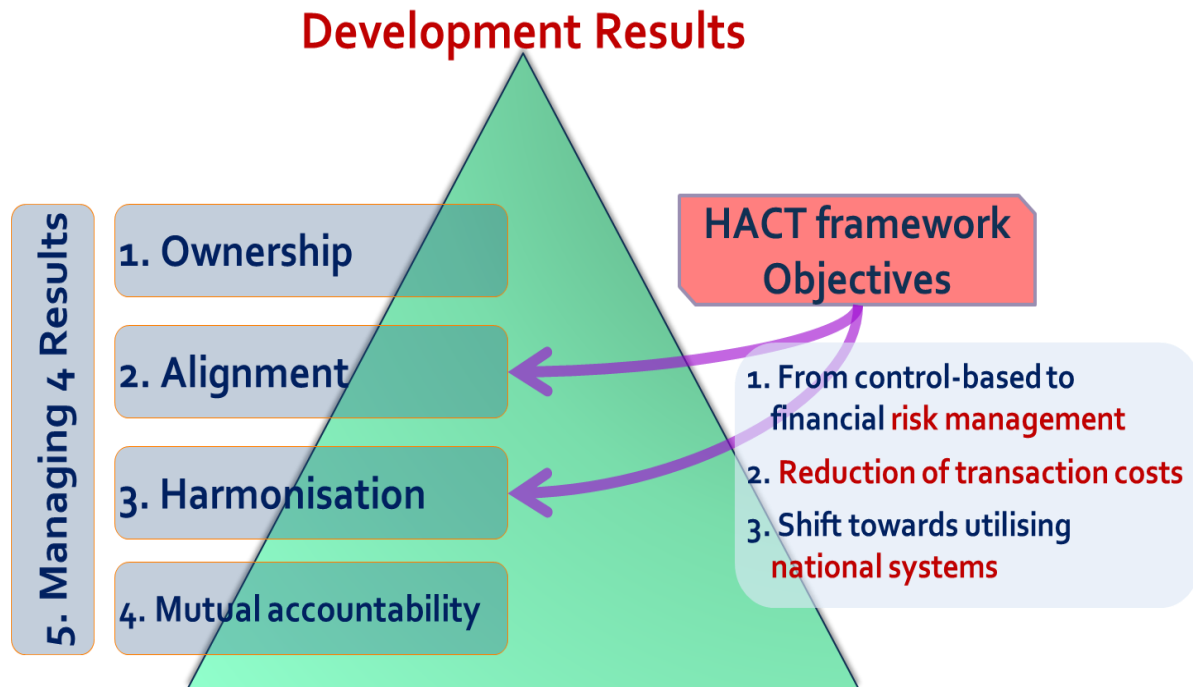
D.4: HARMONIZED APPROACH TO CASH TRANSFER

203. UNDP's engagement with Partners responsible for the implementation of the READ Project shall be subject to UNDP's Harmonized Approach to Cash Transfer (HACT) Framework.
[https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/FRM_Financial_percent20Management_percent20and_percent20Implementation_percent20Modalities_Harmonized_percent20Approach_percent20to_percent20Cash_percent20Transfers_percent20\(HACT\).docx&action=default](https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/FRM_Financial_percent20Management_percent20and_percent20Implementation_percent20Modalities_Harmonized_percent20Approach_percent20to_percent20Cash_percent20Transfers_percent20(HACT).docx&action=default)
204. HACT is a set of principles and guidelines governing the disbursement and reporting of funds for a UN-funded project transferred by UN funding agency to Implementing Partner (IP) or other parties. It standardizes the way UN Agencies work with partners while allowing UNDP specific thresholds and guidance, based on respective risk,

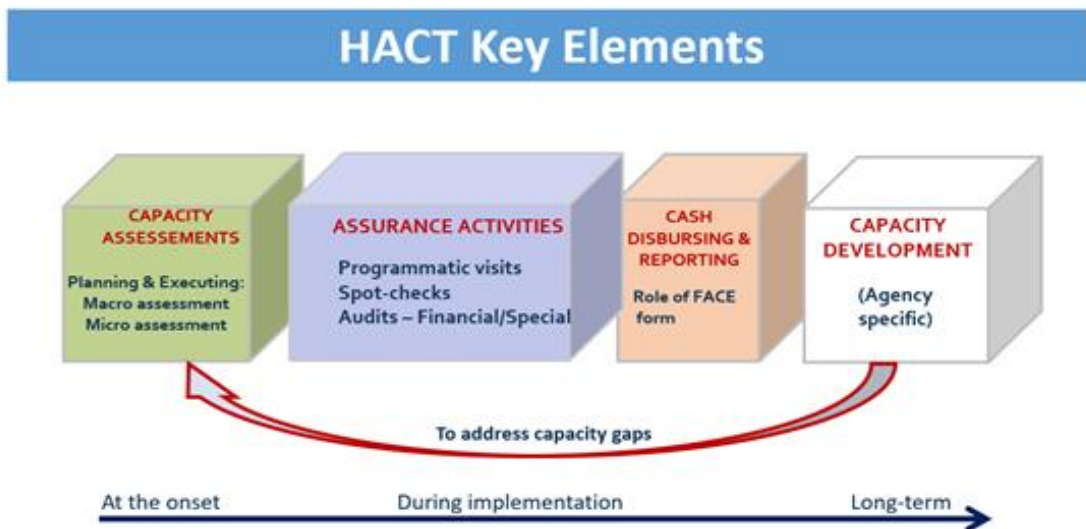
complexity and business model. HACT applies when cash transfers are made to partners implementing UNDP development projects or development activities. The partners may be implementing partner or responsible parties. HACT does not apply to cash transfers issues to UN Agencies.

205. HACT Framework provides an outline of the principle and implementing processes for transferring cash to partners.

Simplified Explanation to HACT



206. Every Implementing Partner for the READ Project shall go through the HACT Capacity Assessment (if they have not already been assessed) before implementation of the Framework. The diagram below depicts the key elements which are explained in detail in the Framework.

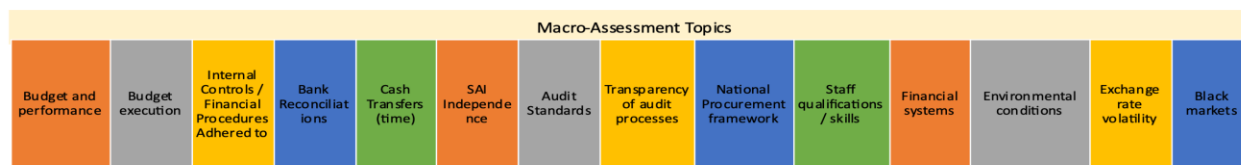


207. The implementation and compliance that shall be attributed to the READ Project per the Framework is summarized below:

- Complete Macro Assessments (new programme cycle)
- Complete Micro Assessments (as new partners work with UNDP)
- Select Cash Transfer and Implementation Modality based on IP Risk Rating
- Carry out Assurance Activities (ongoing) & update plan annually
- Revised modality based on Assurance Activity findings
- Maintain up-to-date information in HACT Monitoring tool

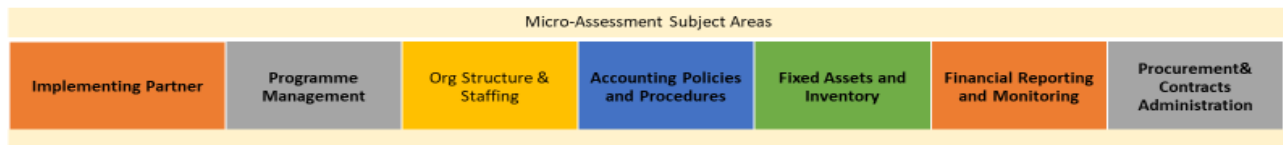
HACT Capacity Assessment: Macro-assessment

Definition (What?)	<ul style="list-style-type: none"> • Review of existing assessments of the Public Financial Management (PFM) system & country economic context
Responsibility (Who?)	<ul style="list-style-type: none"> • Desk review (independent third party service provider) • Resident Coordinator coordinates work and signs-off on macro assessment report
Timing (When?)	<ul style="list-style-type: none"> • Once per programme cycle, preferably during the Country Programme preparation phase
Use (What for?)	<ul style="list-style-type: none"> • Input for the Country Programme Document(CPD) or the UNDAF Action Plan • Decision on the use of the SAI (Supreme Audit Institution) for audits of government partners



HACT Capacity Assessment: Micro-assessment

Definition (What?)	<ul style="list-style-type: none"> Review of individual implementing partners (IP)'s financial management capacity (i.e., accounting, procurement, reporting, internal control, etc.) Financial threshold of IP selection: \$150,000 per financial year
Responsibility (Who?)	<ul style="list-style-type: none"> Perform by Independent third-party service provider The final micro assessment must be signed off by the Country Director or Resident Coordinator
Timing (When?)	<ul style="list-style-type: none"> Once per programme cycle, preferably during the Country Programme preparation phase
Use (What for?)	<ul style="list-style-type: none"> Partner risk rating (low, moderate, significant, high) Consideration for cash transfer modality, assurance activities & opportunities for capacity development



208. Determining the cash transfer modalities:

- Direct cash transfers** – Funds are transferred by the agency to the IP before the IP incurs obligations and expenditures to support activities agreed in the work plan;
- Direct payments** – Funds are paid by the agency directly to vendors (i.e. IP carries out the procurement actions and requests UNDP to make the disbursements) and other third parties for obligations and expenditures incurred by the IP to support activities agreed in the work plan; and
- Reimbursements** – Funds are provided by the agency to the IP for obligations made and expenditures incurred in support of activities agreed in work plan

Adjusted risk rating	Cash Transfer Modality (CTM) for IP
Low	Choice of CTM is determined to fit programme needs i.e. direct cash transfers, reimbursements or direct payments, or a combination of the three, are acceptable
Moderate	Choice of CTM depends on the specific findings that led to the Adjusted Risk Assessment, hence: <ul style="list-style-type: none"> • Direct cash transfers may be applied for specific areas assessed and found to be strong, while direct payments or reimbursements would apply in weaker areas. • Direct payments may be used only in selected specifically assessed areas where the IP internal control framework is assessed as adequate.
Significant	Because of the level of risk, direct cash transfers/reimbursements should be not made. <ul style="list-style-type: none"> • Direct payments may be used only in selected specifically assessed areas where the IP internal control framework is assessed as adequate. • All other activities must be either through full Country Office support to NIM; or the programme could be considered for UNDP Direct Implementation.
High	Because of the high risk, direct cash transfers and reimbursements should not be made, the weak internal control system control framework makes direct payments too risky. All activities must therefore be either through full Country Office support to NIM or UNDP Direct Implementation.

209. The main tool used for the HACT Implementation is the Funding Authorization and Certification of Expenditure [FACE] form. It is a standardized **requesting** and **reporting** form which replaces previous financial reports used by different offices, UN Agencies and partners for requesting cash transfers. The FACE Form is used for:
- Requesting and Authorizing funding
 - Reporting of and Certification of Expenditure
 - Acceptance, Amendments, Approvals or Rejections of Expenditures
 - Making entries into UNDP ERP
 - Tracking cash transfers made to partners.

Structure of The FACE form

The image shows a screenshot of the 'Funding Authorization and Certificate of Expenditures' form. The form is divided into several sections:

- Header Area (IP use):** Contains fields for Country, Program Code & Title, Project Code & Title, Responsible Agency, Manager Code & Title, and Reporting Period Name & Code. It also includes a 'Type of Request' section with checkboxes for Direct Cash Transfer (DCT), Reimbursement, and Disbursement.
- Activity Description Area:** A large blue-shaded area for 'Activity Description from AWP with Duration'.
- Coding Column:** A green-shaded column for 'Coding for UNDP, UNFPA and other'.
- Reporting Area:** A purple-shaded table with columns for 'Authorized Amount', 'Actual Project Expenditure', 'Expenditures Accepted by Agency', and 'Balance'. It also includes a 'REPORTING' section with sub-columns for 'Authorized Amount', 'Actual Project Expenditure', and 'Expenditures Accepted by Agency'.
- Request/Authorization Area:** A yellow-shaded table with columns for 'New Request Period & Amount', 'Authorized Amount', and 'Outstanding Authorized Amount'. It also includes a 'REQUESTS / AUTHORIZATIONS' section with sub-columns for 'New Request Period & Amount', 'Authorized Amount', and 'Outstanding Authorized Amount'.
- Certification Area (IP use):** A section for 'CERTIFICATION' with checkboxes for 'The funding request shown above represents authorized expenditures as per AWP and limited constraints observed' and 'The actual expenditures for the period stated herein have been made'. It also includes a 'Date Submitted' field.
- Approvals Box (UNDP use):** A blue-shaded section for 'APPROVALS' with fields for 'Approved by' and 'Date'.

210. Unlike other types of cash transfer modalities, for the Direct Cash Transfer, the Partner is mandated to request for cash and make retirements or liquidations quarterly. Upon 80 percent liquidation, the Partner is allowed to make request for the next tranche of cash. In any other next request following the 80 percent liquidation, the first 20 percent must be liquidated first before the next 80 percent to qualify the Partner for further disbursement of cash by UNDP.
211. UNDP shall provide HACT training to all new READ Project Implementing Partners on the use and filing of the FACE Form accompanied by the Itemised Cost Estimate details. All aspects of the HACT Framework not covered or explained shall be constituted in the training and capacity building of the partners.

D.5: FINANCIAL REPORTING

212. UNDP's Financial Regulations and rules governing staff, procedures and process shall apply to the implementation and reporting of the READ Project.
213. The Financial Reporting Standard under UNDP applies the International Public Sector Accounting Standards (IPSAS) which is the Accrual Basis of Accounting.

214. UNDP shall provide annually (or upon request of IFAD) signed interim financial statements (Interim Donor Report) to IFAD in accordance with IPSAS. The financial statements shall be presented in United States dollars.
215. The Interim Donor Report shall reflect the operational status, budget, income, expenditure and balance, of the contributions provided by IFAD.
216. The information reflected in the interim report is extracted from the UNDP financial statements and the General Ledger, Project and Commitment Control modules of the ERP - Atlas.
217. UNDP HQ is responsible for providing IFAD directly with the Annual Certified Donor Report.

D.6: Accountability

218. Financial accountability shall be the responsibility of anyone handling READ resources, or any other position of trust, to report on and be held responsible for the intended and actual use of the resources or of the designated office. This includes ensuring transparency in the process and procedures to achieve the obligations of the READ Project.

D.7: Internal Controls

219. UNDP shall maintain an internal financial control mechanism which shall provide for an effective current examination and review of financial, management and operational activities for the READ Project, in order to ensure:
 - The regularity of the receipt, custody and disposal of all financial resources managed by UNDP;
 - The conformity of commitments and disbursements with the allocations;
 - The effective, efficient and economic use of IFAD resources managed by UNDP.

Internal Control Framework for UNDP Offices

220. UNDP Internal Control Framework (ICF) for the READ Project covers key control factors such as planning, monitoring, communication, policies, procedures, segregation of duties, individual authorities and accountabilities that combined, inter alia:
 - Safeguard assets from inappropriate use and loss from fraud and error;
 - Help ensure the quality of internal and external reporting, through the maintenance of
 - proper records and information flows;
 - Facilitate compliance with applicable laws, regulations and internal policies.
221. The Internal Control Framework Policy (ICF Policy) defines the purpose and objectives of internal control and outlines how UNDP utilizes industry best practices to design, apply and continuously enhance internal controls to achieve its organizational objectives. The ICF policy also specifies the roles and responsibilities of staff and non-staff at all levels of the organization in the achievement of internal control objectives, and the ways in which UNDP monitors and assesses internal control effectiveness.
222. The Objectives of the ICF are:

Operations objectives – these pertain to the effectiveness and efficiency of UNDP’s management of programmes/projects and operations in pursuit of its Strategic Plan objectives, including programmatic and operational performance goals and safeguarding

assets against loss.

Reporting objectives – these pertain to internal and external financial and non-financial reporting and encompass reliability, timeliness, transparency, or other terms set forth by regulators, recognized standard setters (such as IPSAS), UNDP’s financial regulations and rules, UN Staff Regulations & Rules, and decisions and directives issued by the UNDP Executive Board.

Compliance objectives – these pertain to adherence to laws and regulations to which UNDP is subject, including the UN Charter, UNDP Financial Regulations & Rules, UN Staff Regulations & Rules, and UNDP Executive Board decisions and directives.

223. Other issues of key roles definitions; Segregation of duties; Authorities, responsibilities and accountabilities of each role; Transactions requested by others; and Overview of internal control factors for procurement, human resources/payroll and project budget formulation are all enshrined in the ICF for the effective and efficient implementation of the READ Project.

D.8: Risk Management, Mitigation and Audit

Overview

224. In the context of South Sudan considered in this PIM as a fragile, conflict-affected, and under-developed country, UNDP has instituted a "Three Lines of Defense" Model to rigorously manage risk for project implementation. This risk management model applies to the READ Project, and is a critical safeguard in managing risks when engaging with Implementing Partners and other projects.



225. The day-to-day management of contracts and partners by the Project shall constitute the first line of defense, applying defined and mainstreamed contract-based management controls and additional partner-based control measures, in keeping with UNDP POPP and Financial Manual.
226. The READ Project management is complemented by the UNDP country office's internal

oversight of transactions and activities, including quality assurance from a legal, financial, monitoring, risk management and communications perspective. This oversight is performed by relevant UNDP country office units (finance unit, programme management support unit, M&E unit, etc.) under the authority of a UNDP country office senior manager and with oversight from the UNDP Regional Bureau.

227. The corporate oversight function performed by UNDP's Office for Audit and Investigations constitutes the third line of defense. This entails regular risk-based country office management audits ensuring and reviewing country office management systems, oversight and independent quality assurance of risk-based annual NGO audits of the READ managed portfolio under HACT, as well as a permanent stand-by capacity for investigations.
228. Together, these three lines of defense provide a robust risk management and mitigation structure with high levels of assurance for the READ Project.
229. **Key components of Risk Management:** In the PIM, risk has been mentioned severally connoting the importance of its management. Risk management and mitigation is fully integrated into all aspects of UNDP's engagements and processes. The core components of UNDP's risk management are:
- Partner Risk Level Determination
 - Assurance Plan and Activities - HACT
 - Partner Risk Monitoring and Performance Monitoring
 - Fraud Monitoring and Mitigation

Partner Risk Level Determination:

Risk Level Determination

230. In those country offices which are HACT compliant, the standard approach for the determination of the initial partner risk level is the micro assessment. The purpose of the micro assessment is to assess the partner's financial management capacity in the areas of accounting, procurement, reporting, and internal controls to determine the overall risk rating. It guides the appropriate types and frequency of assurance activities to be carried out, as well as the categorization of the partner according to the Operational Modalities detailed in UNDP's Operational Manual (POPP).
231. The POPP defines the criteria for which a partner micro-assessment is required. Implementing Partners that have not been identified as requiring a micro assessment are designated as 'non-assessed'. For such 'non-assessed', the READ Project may use the following types of information to determine the partner risk level: (1) previous agency reviews, audits and historical experience; (2) agency-specific capacity assessments; and (3) capacity assessments performed by other agencies. In all cases, the capacity assessment method used must meet the requirements of the Fund Manager as outlined in the Operational Manual.

Partner Risk Ratings

- **Low risk** - Indicates a well-developed financial management system and functioning control framework with a low likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **Medium risk**- Indicates a developed financial management system and control framework with a moderate likelihood of negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **Significant risk** - Indicates an underdeveloped financial management system or control framework with a significant likelihood of negative impact on the IP's ability

- to execute the programme in accordance with the work plan.
- **High risk** - Indicates an underdeveloped financial management system and control framework with a significant likelihood of negative impact on the IP's ability to execute the programme in accordance with the work plan.

Assurance Plan and Activities and Monitoring:

232. UNDP performs assurance activities of partners and projects to ensure that funds are used in accordance with the AWPB, and coordinates closely with the Funds Manager and clusters to confirm that program activities implemented are consistent with the financial reports. Under HACT, the READ Project shall conduct these same assurance activities; however, the frequency of such activities is determined by the partner risk level, and are conducted according to an established Assurance Plan. UNDP Country Office prepares an assurance plan at the beginning of the programme cycle approved by the UNDP Head of Office, to be updated annually. The Read Project and other contextual risk are considered in the development of the assurance plan.

The assurance activities of READ Shall consist of:

- a. Programme monitoring - READ Project officials remains accountable for the programmatic monitoring in terms of planning, systems and modalities, and facilitation of the process.
- b. Field-based financial monitoring- (spot checks) of financial records of partners.
- c. Audits - audit of financial records and financial management systems of internal controls. In compliance with IFAD's General Conditions, READ financial statements will be audited on an annual basis and the audit report together with the related management letter submitted to IFAD no later than six months after the end of each fiscal year. External audit of the project will be contracted out to private audit firms. Appointment of a private audit firm will follow IFAD procurement guidelines and the ToR for the engagement of the audit firm will be subject to No Objection by IFAD.

Fraud Monitoring and Mitigation

233. The [UNDP Policy on Fraud and Other Corrupt Practices](#) (the UNDP Anti-fraud Policy) is an important part of UNDP's corporate governance, establishing the framework for preventing, identifying, reporting and effectively dealing with fraud and other forms of corruption.

234. It is in line with the UNDP Accountability System, adopted by the Executive Board to support ethical values and standards, increase transparency and proper stewardship of resources, as well as to clarify and harmonize all relevant activities. **This policy applies to all activities and operations of UNDP, including any project funded by UNDP, any project implemented by UNDP, and any implementing partner.** UNDP's Anti-fraud Policy requires any incident of fraud to be reported. While the standard approach to mitigating fraud should be in the spirit of partnership and with a strong emphasis on effective internal controls, a Partner may be sanctioned if fraud is discovered. The main criteria for sanctioning includes consideration of:

- Reasons fraud occurred;
- At what level the fraud occurred;
- Whether fraud was immediately reported to UNDP;
- History of fraud within the Partner.

235. Any instance of fraud occurring and not reported to UNDP will result in immediate sanctioning of the Partner, and ineligibility to receive further funding.

E: M&E, KNOWLEDGE MANAGEMENT, AND COMMUNICATION

E.1: MONITORING AND EVALUATION

236. The READ Project will follow UNDP's Monitoring and Evaluation systems, knowledge management, and communication modalities, integrating minimum expectations and standards of IFAD.
237. **M and E processes and responsibilities.** The NTC will provide overall project implementation oversight while the PMT will lead on the coordination and implementation of activities. Overall responsibility for performance of the M&E function and data collection and analysis will rest with READ M&E Officer who will be supported by IPs and State and County focal points. The M&E Officer will review all related outputs and contribute to the preparation of Annual Work Plans and Budgets (AWPB). The M&E officer will align the project's M&E requirements with IFAD and UNDP standards, provide orientations and capacity building to MAFS and project stakeholders that generate the data.
238. The READ Project M&E Officer (50% co-financed) forms part of UNDP's STARR unit and will therefore be able to rely on UNDP's network of field offices, technical personnel, and implementing partner organizations in the country in gathering the necessary data and information under the project should the situation not allow for field missions to be conducted due to insecurity.
239. **Framework and Implementation Plans:** The M&E system will be set up and managed by the PMT and efforts would be made to institutionalize the information systems withing government systems and processes, including the integrated monitoring, reporting, and verification system (iMRV) on climate change. These systems should capture both monitoring inputs and outputs utilizing reporting templates based on the READ results framework.
240. **Indicators:** Output and outcome indicators identified in the READ Project Logical Framework will be monitored constantly. These indicators will be coherent and SMART (specific, measurable, achievable, relevant, time-bound), as well as gender- and age-disaggregated. The indicators will include relevant Result Impact Management System (RIMS) indicators which is required by IFAD. The UNDP gender specialist will be consulted to ensure that the indicators and M&E system adequately monitors inclusion, poverty, gender, and other aspects.
241. **Baseline, Midline and Endline Surveys:** A baseline study measuring the status of the main indicators before the start of the project will be carried out with support of stakeholders in line with IFAD Core Outcome Indicators Measurement guidelines. An end-line survey – which is the repetition of the baseline survey – will be carried out at the end of the program in order to measure the final outcomes and impacts and will support the preparation of the Programme Completion Report (PCR).
242. **Programme Planning:** The M&E/KM cycle will start with the preparation of the AWPB, which is a key instrument for implementation and operational control. It will cover detailed annual planning of activities and implementation responsibilities, physical results targeted, outputs expected budget, and procurement plan. The preparation of the AWPB will build on a self-assessment of business partnerships 'achievements and farmers' groups implementation of the annual plans. The collation, revision, and finalization of the AWPB will be the responsibility of the Project Manager, the 2 Technical Officers, and the M&E and Safeguards Officer under the supervision of UNDP. UNDP will need to clear the draft before it is submitted for technical review by the PCG and approval by the NTC and the NAC.

243. **Data Collection:** Data will be collected using adequately designed forms (to be proposed by the PMT) and organized along two levels:
- **States and counties level:** information will relate to farmers and their organizations, household nutrition, and production/income evolution, and it will be provided by farmers and women groups and channeled to the M&E system by the state teams – to avoid multiple counting of beneficiaries, activities will be recorded by household, building on the system set up by the project.
 - **Value chain level:** Information will be provided on the achievements of business partnerships, financial instruments, value chain development, and policy research. It will be managed by the M&E Officer with support of IPs.
 - **Project level:** information will encompass overall project performance and such will be the responsibility of the M&E Officer. All stakeholders will have an active and important role in identifying and reporting data, either formally or informally. The M&E Officer will make sure that gender is adequately represented, and that women are allowed to voice specific concerns.
244. **Analysis:** Data from different sources will be consolidated and analyzed so as to provide information on the performance of the various components, identify problems, explore possible solutions and track good practices to share through the knowledge management system. Information will also be shared with and discussed by project stakeholders to assess the overall progress in implementation and institute measures to improve performance.
245. **Management Information System (MIS):** An excel-based MIS system will be set up to facilitate the entry and flow of data. The MIS will track program data on outputs and outcomes, lessons learned, good practices, and other important sector information to analyze performance of the programme, including information regarding price and export statistics. The MIS will process information and present it in visual formats such as dashboards and charts. The MIS will be set up by a service provider, which will also provide training to relevant staff and link with the MAFS MIS. Regular updates will incorporate new information requirements arising during programme implementation. The READ Project will also feed information to the climate change IMRV system in order to capture sequestration of GHG emissions as a result of project interventions.
246. **Reporting:** Reports will be prepared in close collaboration with ILO, IPs, and state project focal points. Consisting mainly of the record of activities, outputs, and financial transactions, the preparation of reports will be coordinated and consolidated by the PMT before it is sent to the PCG, and then the NTC and NAC. Consolidated biannual and annual reports will be more comprehensive, covering both technical and financial information, and include an analysis as above. Annual reports will cover outcomes (based on annual outcome surveys below), lessons learned, innovations and good practices, and knowledge gaps identified.
247. **Webpage on UNDP and IFAD South Sudan:** The M&E system will provide information on outputs, outcomes, impacts, lessons learned, good practices, and other key sector information to analyze performance of the project. This information will be available to UNDP and IFAD, which will make available to the public key information about the project, its achievements, good practices, policy studies, and other key documents.

E.2: REVIEWS AND SURVEYS

248. **Mid-Term Review (MTR):** A independent mid-term review will be carried out to evaluate the progress of the project towards the achievement of its outputs, outcomes, and objectives within the project's half term lifetime. The MTR will cover both technical and fiduciary aspects and will provide stakeholders with an opportunity to give valuable

feedback for practical refinement of the project in terms of strategic approach and engagement in order to improve project performance and the likelihood of achieving target objectives. A joint mid-term review will be organized by the government and IFAD at the end of the third year of the project, in close collaboration with the above-mentioned agencies and stakeholders. A TOR for the mission will be mutually discussed and agreed between IFAD, MAFS, and UNDP.

249. **Special studies:** The project will undertake an in-depth analysis of selected project activities to document observed trends, patterns, policy, and institutional implications as well as impacts. These will explain underlying factors to the observed results as well as operational challenges as they unfold in the course of project implementation. The types of case studies will be identified by the PMT together with the PCG and the NTC, and in collaboration with target states.
250. **Final Evaluation:** An independent final impact evaluation will be conducted to determine the project's relevance and fulfillment of objectives, development efficiency, effectiveness, impact, sustainability, and lessons. The project M&E systems will provide valuable material to enable the final evaluation of the project to be carried out. The methodology will align with IFAD and GAFSP Core Indicators and M&E Guidelines.
251. **Internal Review Missions:** There will be internal review missions held by the executing agency in consultation with UNDP. These internal review missions will be undertaken on an annual basis and will be comprised of the PMT, UNDP, and MAFS. The mission will be focused on resolving bottlenecks in project implementation, establishing and/or expanding partnerships and assessing overall progress of project implementation. The review mission will also assess achievements and lessons, review innovations, and reflect on improvement measures. These review missions are an integral part of the KM cycle, with mission members playing a supportive role. A report will be published on the findings of this mission and will be disseminated to all stakeholders and shared with the IFAD supervision missions.
252. **Supervision Missions:** An annual supervision mission will be conducted by IFAD to assess implementation progress, channel accomplishments, best practices, and lessons learned in global KM initiative and corporate reporting, and address constraints the project is facing. The supervision mission will be led by IFAD and will involve UNDP, MAFS, IPs and stakeholders at national and state levels.

E.3: KNOWLEDGE MANAGEMENT SYSTEM

253. In the first year of the project, the Communication and Knowledge Management (KM) Officer will prepare a project-level KM strategy in line with the UNDP and IFAD policy on knowledge management. The KM strategy will set out a plan to build a robust KM system for the project. This system will enable the project to generate, capture, share and disseminate relevant information and knowledge to various stakeholders in a timely manner. The project webpage will be designed, linked to the UNDP South Sudan and IFAD websites/portals, and used as a knowledge-sharing tool.
254. The Communication and KM Officer will document and share knowledge generated in the project. The quarterly review meetings will be used as knowledge-sharing venues for capturing lessons learned and best practices leading to the development of related knowledge products. Key information from M&E studies, reviews and exposure visits, lessons, and best practices will be disseminated through knowledge products such as newsletters, project briefs, technical manuals, working papers, and case studies.
 - The project will nurture a culture of learning and sharing across partner agencies and local groups.

- Reporting lines and channels of communication need to be established for each level of staff.
 - The TORs of all professional staff will have KM as a cross-cutting deliverable.
255. **Focus Knowledge Management Strategy:** The KM and Communication Officer will develop a KM strategy based on the UNDP and IFAD KM strategy¹⁰ in consultation with IPs and subject matter experts. The strategy will also include a needs assessment of the main stakeholders of the project namely the different project functionaries (boma, county and state levels, etc.), the people in the community (FIGs, other community organizations, and institutions in the project), government stakeholders, IFAD and other donors, NGOs, etc.
256. **Quarterly Review/KM Meetings:** The quarterly reviews held at national level through the NTC meetings shall be one of the sources for knowledge management products. These reviews will function as knowledge-sharing events within the project and will be documented and disseminated across all the states and archived for further use. The quarterly reviews will not only assess physical and financial progress but also cross-cutting issues like gender, M&E, and KM.
257. **Linking KM to the M&E system:** Relevant information should be extracted from the M&E system and validated and synthesized. Actual results should be then compared with previously defined objectives, lessons should be drawn from successes and failures, and best practices and innovations processed into success stories, case studies, and policy briefs.

E.4 GENDER, CLIMATE, YOUTH AND SOCIAL INCLUSION IN MONITORING AND EVALUATION

258. Integrating gender, climate, youth and social inclusion dimension in M&E and reporting through the capturing of carbon emissions and sex-age-disaggregated data and analysis is imperative in the READ project. Gender, climate, youth and social inclusion will be mainstreamed into the project's M&E system to measure the extent of which the project has been able to contribute towards the sequestration of GHG emission, addressed the different needs of women and men and has made an impact on their lives and overall social and economic well-being. It also facilitates improving project performance during implementation, allows for mid-term course correction, and makes it possible to derive lessons for future projects.
259. Information on emissions (or sequestration) as a result of project interventions will be gathered and inputted into South Sudan's Climate Change Integrated Monitoring, Reporting, and Verification (IMRV) System which was established through UNDP support and intervention. This will result to the measurement of project's contribution towards the sequestration in GHG emissions. The M&E Officer will ensure that climate information forms part of regular reporting under the project and that it is inputted into the IMRV system.
260. Project reports will identify the extent to which the project has reached women and men and the degree to which they have benefited from project activities and outputs. This involves gender disaggregation of data on project activities and outputs to ascertain if women have fully participated in group membership and leadership, training, livelihoods activities, access to credit/finance, and enterprise support. Further, gender disaggregation is needed to see if women have benefited in terms of outcomes - such as increasing production - or impacts - increased income and assets. As some indicators

10 <https://www.ifad.org/en/-/document/knowledge-management-strategy>

are better measured on a household basis, these need to be disaggregated by the gender of the household head.

IMPLEMENTATION RESPONSIBILITIES

261. **M&E Staff:** The project will recruit an M&E and Safeguards Officer to be part of the PMT. In the first year of the project, the M&E and Safeguards Officer staff will focus on establishing a functional M&E and safeguards system for the project. This would include reviewing the results framework and indicators with the project management and IFAD to ensure that they are relevant, refining the M&E plan and M&E matrix, assessing staff training needs on M&E, organizing M&E training at all levels (State and counties), coordinating and conducting the baseline survey, designing the various reporting formats, developing databases, setting up the MIS, and training of the staff on some elements of data to be monitored, etc. From the second year, the M&E and Safeguards Officer will focus on the timely conduct of annual reports, indicators reviews etc. For more details on duties and responsibilities refer to Annex 7 for more details.

REPORTING AND COMMUNICATING PROJECT RESULTS

262. The project requires reporting on a number of areas including, work or activity plans, financial and procurement, implementation progress, and progress toward outputs and outcomes, as well as, reports on special but non-routine activities that are significant. All data would be gender-disaggregated and the analytical reports are to be used for taking timely corrective actions and to learn from implementation experiences to further improve project management effectiveness and efficiency. The PMT will develop common reporting formats to be used by project entities.
263. **Quarterly Progress Report:** This report will be prepared on a quarterly basis by the PMT and subjected for review by the PCG and endorsement by MAFS. The quarterly progress report will cover implementation of project activities, realization of project outputs, risks and challenges and of mitigation measures undertaken focusing on the implementation of the AWPB.
264. **Mid-Year Progress Report:** This report will be prepared by the PMT after the end of each the first 2 quarters of the year. It will be an aggregation of the accomplishments of the first 2 quarters/6 months of the year focusing on progress towards the achievement of annual project targets and implementation of activities reflected in the AWPB. The information will be sourced from the project MIS and will contain summarized information and data from states and counties and findings from regular monitoring activities. The Mid-year Progress Report will be presented during the bi-annual meetings of the NTC for review and approval.
265. **Annual Progress Report:** The Annual Progress Report will be the totality of project accomplishments for the year in reference. The Annual Progress Report will be prepared by the PMT and presented to the NTC and the NAC in its meetings. The report could contain summarized information and data from states and counties, findings from M&E reports, and surveys, showing progress towards the achievement of development objectives and outcome. It will contain the summary of outputs realized, the risk and challenges (and of mitigation action taken), addressing gender issues, and knowledge management.
266. **Mid-Term review report:** IFAD in cooperation with the MAFS, CBSS, and UNDP would undertake a mid-term review by the third year of the project lifecycle (or as would be specified in a financing agreement) to review project achievements and implementation constraints including issues relating to loan administration and financial management.

Any corrective measure would be addressed at MTR. A mutually agreed action plan will be prepared based on the MTR findings.

267. **Project Completion Report:** As the project reaches the completion point, the PMT would prepare a draft Project Completion Report based on IFAD's Guidelines for Project Completion. IFAD and UNDP will then carry out a Project Completion review and validation based on the information in the Project Completion Report and other data. This review is usually done during the intervening period of the project completion date and loan closing date.

SUPERVISION

268. UNDP as the Fund Manager will be responsible for overall day-to-day management and implementation of the READ project. ILO will act as a technical partner for component one and CBSS as implementing partner in component two. Component three will be implemented by MAFS/G-PMT. UNDP will be responsible for the successful implementation of the project, including observance of all fiduciary aspects, safeguards, monitoring, and reporting on project progress. UNDP will establish a PMT unit and will use its existing financial management, procurement, and administrative staff to implement the project.
269. **Fiduciary and Management Aspects:** UNDP will be guided by the assessment of overall project performance - referencing project objectives - and will include a review of financial and physical progress and compliance with the provisions of the Project Agreement. The assessment will cover:
- a. Project management and coordination performance including the operations of the project steering committees; structure, staffing, and performance of the Project Management Unit, State Management Units, selection of service providers, and project monitoring and impact assessment and reporting system.
 - b. Financial management aspects include the structure/performance of financial management and accounting systems, review of the flow of funds arrangements, review of the status of the Special Accounts and Project Accounts, examination of project expenditure and sources of financing (IFAD, beneficiaries); and the arrangements made for audit processes.
 - c. Procurement and contracting with respect to compliance with procurement guidelines and ceilings, progress made in procuring goods and services, and procurement documentation.

F. PROJECT SAFEGUARDS

F.1: ENVIRONMENTAL SAFEGUARDS

270. Preparation and implementation of project activities to be funded under READ project will be undertaken through an integrated, participatory approach. The project will cover a wide range of activities aimed at increasing and sustaining agricultural production and productivity. Thus, to make the project sustainable, environmental and social management shall be given due consideration in order to avoid adverse impacts on people and their environment. Project planning and implementation will employ environmental safeguard policies and guidelines at all levels of implementation to assess possible environmental and social risks and the impacts (positive or negative) to propose measures to effectively manage risks and enhance positive impacts.
271. The project beneficiaries and implementing partners will be required to observe environmental safeguard guidelines. Efforts will be made in the design and screening stages of the project to institute measures that will avoid negative impacts on people,

land, and property, including people's access to natural and other economic resources. The process of applying safeguards measures will engage stakeholders (enhancing empowerment and ownership). In order to address environmental safeguards, the project will build the capacity of state and county stakeholders and participating agricultural stakeholders/communities in environmental and social management techniques during project planning/designing and implementation. Knowledge to integrate and address environmental problems, monitoring and evaluation as part of regular project management, and application of an environmental and social audit will be provided. The training will be provided by facilitators and will cover the definition of important terminologies, environmental problems and mitigation measures, environmental assessment, environmental and social management plan, and environmental monitoring plan. Further, a checklist (guideline) to assess/screen projects on environmental issues is attached in **Annex 8: Social, Environmental and Climate Assessment Procedures 2021**.

F.2 ENVIRONMENTAL, SOCIAL AND CLIMATE MANAGEMENT PLANS (ESCMP)

272. The project will have, Environmental and Social Management Plans (ESMP) with specifications on measures to be taken to address the negative environmental impacts, the actions, resources, and responsibilities needed to implement agreed actions, and details on key social and environmental management and monitoring of performance indicators. The preparation of ESMP will be based on identified impacts and mitigation measures. ESMP will ensure that the costs of implementing the Environmental Assessment (EA) report recommendations are budgeted into the total project's costs. The ESMP will cover the following:

Summary of impacts: Identification and summary of major anticipated adverse impacts.

- **Description of mitigation measures:** The ESMP will be specific in its description of the individual mitigation and monitoring measures. It must be integrated into the subproject's overall planning, design budgets, and implementation arrangements
- **Description of monitoring plan:** Performance monitoring procedures designed to ensure early detection of conditions necessitating corrective actions.
- **Institutional arrangements:** Who will be responsible for what?
- **Capacity development and training:** Capacity building for district/ward staff is essential for raising their awareness about environmental issues in relation to agricultural projects.
- **Implementation schedule for mitigation measures:** The ESMP should provide the timing frequency and duration of mitigation measures, specified in the overall project implementation schedule showing links with the overall subproject implementation plan.
- **Reporting procedures:** provide information on progress and results of mitigation and institutional strengthening measures.
- **Supervision:** If the subproject is approved the supervision becomes part and parcel of the normal subprojects cycle management including monitoring, evaluation, and reporting.
- **Cost estimates:** Provision of the cost of implementing the environmental and social management plan in the subproject budget is necessary.

F.3 ENVIRONMENTAL AND SOCIAL IMPACT MONITORING

273. Project implementation will develop an effective environmental monitoring plan which will indicate the monitoring objectives, description of the performance indicators which provide linkages to impact, and mitigation measures identified in environmental

assessment, description of parameters to be measured, methods employed, locations, frequency measurements, and limits. However, the project is not expected to generate significant adverse environmental impacts as per IFADs new SECAP. Activities under **category A (or 1) - high risk** of significant environmental and social impact will not be funded under the project. Activities under **category B (or 2) with substantial environment and social impact will also not be funded under the project. Activities under category C (or 3) with a medium or limited risk;** would require an EIA and would undergo the formal approval process. Activities under **category D (or 4) - with no risk** will not need an EIA.

F.4 IMPLEMENTATION RESPONSIBILITIES

274. The PMT in coordination with UNDP has the overall responsibility of ensuring that the execution of the project does not result in significant negative impact on the livelihoods of households and the environment in targeted areas. A major responsibility during implementation relates to conflict resolution. Since conflicts in relation to land use involve decisions within the community, existing community structures should be used to address these issues. Parties to the conflict will have access to the project grievance procedure, and where satisfactory agreements cannot be reached within the community, they may be referred to the country or state implementation committees for redress. It is therefore necessary for the project to include conflict resolution and management in the compendium of capacity building modules to be developed and delivered under the project. This will prepare members and project beneficiaries in general for internal resolution of conflicts should they occur within their ranks. Appropriate safeguard measures during implementation should include the following:
- Use initial studies (e.g., baseline survey) to analyze the social and environmental impacts of the project.
 - Use project meetings and fieldwork as opportunities for constant sensitization of stakeholders about the rights of all projects affected persons and of grievance procedures.
 - Provision of specific tailor-made safeguards training for implementing agencies, partners, and group leaders.
 - Ensure that any access restriction issues are identified and properly addressed.
 - Ensure that people who are adversely affected by the project have recourse to a functional grievance mechanism.
275. Monitor project implementation closely in order to identify potential conflict situations and adverse occurrences in good time for timely resolution. There will be instituted a multi-layered grievance redress mechanism under the project that is well institutionalized within the project structure. At the lowest level, the project will build on the customary leadership system and will engage local chiefs and elders in hearing the grievance/s and in resolving disputes that may arise. Matters that could not be resolved in the customary leadership system will be channeled through the READ institutional structure for resolution. Commencing with the relevant Component Partners Coordination Group, grievances will be elevated to the level of the NTC and the NAC, accordingly, for operational and policy guidance and action should the said grievance persist. Parties exercise the right to raise their grievance/s with IFAD should such not be resolved at the local level.
276. IFAD and UNDP will provide training to the PMT, government partners, and CBSS on the SECAP and ESCMP to ensure that an integrated project SECAP which combine UNDP's Social and Environmental Safeguard (SES) and IFAD's standard on rural finance is integrated into READ project plans, activities, and M&E framework.

F.5 Gender Planning and Implementation Systems

277. The PMT will integrate gender in the AWPB and implementation mechanisms of the project. By striving for gender equality and supporting gender-equitable processes, such as empowering women in its activities, the project increases the adaptive capacity of human systems. It does so by supporting women as positive change agents by actively addressing the disproportionately higher vulnerability of women to climate change impacts and natural disasters due to persisting gender inequalities. It, therefore, considers the role of gender to be important in the development of interventions to enhance adaptive capacity and facilitate adaptation at the community level. The IFAD's gender policy builds on existing gender policies and gender action plans of other climate funds.
278. The READ project in South Sudan and its implementing partners shall strive to uphold women's rights as universal human rights and work towards attaining of the goal on gender equality and equal treatment of women and men, including equal opportunities and access to project resources, training, and services. Implementation efforts will provide women and men with an equal opportunity to build resilience, address their differentiated vulnerabilities, and increase their capacity to adapt to climate change impacts; recognizing the need for targeted efforts in order to ensure women's participation. Women and men affected by project implementation would be consulted, taking into account their experiences, capabilities, and knowledge throughout project implementation processes. During implementation, a conscious effort will be made to address the knowledge and data gaps based on gender. As such, all sub-project beneficiaries, and training participants as well as survey results shall be disaggregated based on gender. This would also reflect in all reports that are submitted by implementing partners.

G: RISKS AND SUSTAINABILITY

G.1 RISK MITIGATION

279. To reduce the risk of delays in implementation and budget overruns, close collaboration among key implementing partners is recommended. The PMT will prompt implementation partners based on the activity work plan in order for timelines to be met. Effective and timely communication among project implementing partners would lead to smooth implementation. Project expenditures should be matched against the budget periodically to identify and prevent possible overruns in good time.
280. UNDP as the Fund Manager will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS). It will undertake all reasonable efforts to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). This provision must be included in all sub-contracts or sub-agreements entered into under this project.
281. The READ project will fully subscribe to measures on the prevention of the spread of COVID-19 infection. Trainers and personnel supporting project implementation, and trainees, will be sensitized and required to observe COVID-19 protocols on handwashing/sanitizing, physical distancing, reporting of symptoms, and accessing of common areas.

G.2 EXIT STRATEGY AND SUSTAINABILITY

282. *Sustainability* is a guiding principle of the project strategy. It ensures functions and components supported by the joint programme and the resulting benefits and

deliverables are maintained and continue to operate as the project phases down and ends. In this project, sustainability will be ensured through multiple actions, which include (i) improving capacities and supporting the growth of APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs; (ii) lodging initiatives with government institutions and local communities; (iii) building/strengthening partnerships, and; (iv) ensuring complementarity with other initiatives on the ground. Moreover, the project will maintain flexibility in facilitating quick adaptation to changing circumstances, as well as, responding to new opportunities. Enabling factors such as effective linkages between components, the level of flexibility and innovation which facilitates quick adaptation to changing circumstances, and response to new opportunities and enhancing risk management capacity are essential to long-term sustainability.

283. *Exit strategy* which are explicitly linked to sustainability, are specific plans describing how the project will withdraw from direct support while ensuring that achievements are not jeopardized. It is unequivocally linked to sustainability in that it also considers the means of ensuring further progress towards these outcomes after the end of the project's technical and financial support. The goal of an exit strategy is to ensure the sustainability of project impacts and activities through a 'phase-down' strategy that involves the gradual reduction of inputs or resources to allow for the full transfer of responsibility for interventions to state actors and institutions.
284. It is envisaged that the partnership strategy, the engagement of the private sector and the enhanced local capacity to lead and coordinate will increase the interest in resilience building, increased use of financial products/services, growth of APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs and the mobilization of new resources that would ensure financial sustainability of the initiative. The provision of assistance to the development of institutional capacities, including the establishment of systems and processes, in addition to individual capacity building efforts will allow the sustainability of project interventions.
285. **Institutionalization of women and youth financing platform as provided for in the R-ARCSS.** The modality and financing platform to be established under the READ Project will be institutionalized as part of the financing mechanisms indicated in Chapter 4 of the Revitalized Agreement on the Resolution of the Conflict in the South Sudan (R-ARCSS), a critical document in the resolution of conflict and in the finding of enduring peace in the country. In institutionalizing the financing platforms, investments from government and development partners will be channelled into the said facility/ies and the governance mechanism as piloted in the YEDCB Project evolved to eventually manage the administration of the said financing platforms. The experience in the establishment of the READ financing platform will be complemented by similar experiences by UNDP in the implementation of a revolving fund mechanism being established under the YEDCB Project.
286. **Government leadership and capacity in rural finance and management of enterprise development fund.** While the financing platform (and various windows under it) will be established through formal banking institutions, the administration and sustained financing will be delivered through government institutional mechanisms. The governance mechanism to review, select, and approve APGs, RPOs, Coops, VSLAs, SACCOs, and MSEs that will avail of financing and which will be established and operationalized under the READ and YEDCB Projects will be enhanced and institutionalized under government leadership and with the full engagement of the private sector, development partners, and the United Nations. Moreover, through the READ Project, the capacity of relevant government institutions engaged in rural finance are raised to facilitate more effective service delivery and accountability through the setting-up of systems and training of relevant personnel.

- 287. Development of the private sector and increased investment on rural finance.**
Through the development and growth of more APGs, RPOs, Coops, VSLAs, SACCOs, and MSMEs it is expected that such will contribute significantly towards the development of the private sector in South Sudan. With the demonstrated viability of agricultural value chain-based businesses, growth of existing of private enterprises, emergence of new enterprises, and the availability of systems for loan and fund disbursement (through the financing platforms) as established under the READ Project, there will be expected investment for rural finance due to expected increased demand from the private sector.
288. The knowledge products (studies, reviews, etc.) and capacity development modules and activities that will be institutionalized forms part of the national standard that will be replicated and used by government and other partners in all development initiatives on cooperative development and rural finance. Similarly, the policies that will be produced through READ Project support will provide scaling up of the initiatives and experience under the project since the said policy frameworks would be the guiding instruments towards the development of the sector.

ANNEX 1: RPOs/RFI RANKING OF THE VALUE CHAIN

Some of the key parameters to be considered are as listed in the table below :-

Name of entity (Coop/APG/SACCO/VSLA) -----

State

County

Parameter	Variables	Range	Score		Ranking
Contribution of value chain to food security	Minor		1		
	Moderate		2		
	Critical		3		
Area the value chain covers in the state is?	Small area		1		
	Medium		2		
	Highest		3		
Area the value chain covers in the County is?	Small area		1		
	Medium		2		
	Highest		3		
Member outreach	Total membership	<500	1		
		>500 to 1,000	2		
		>1,000	3		
Inclusivity	percent women	Less than 25 percent	1		
		>25 to 40 percent	2		
		>40 percent	4		
	percent youth	Less than 25 percent	1		
>25 to 40 percent		2			
>40 percent		4			
	percent persons with disabilities	Less than 1 percent	1		
		> 1 to 5 percent	2		
		> 5 percent	3		
Number and type of cooperatives formed along the stated value chains	No of cooperative	<3	1		
		>3 to 5	2		
		>5	3		
Number of farmer associations involved in agricultural or savings VSLA of the current existing VCs	No of AGPs	<3	1		
		>3 to 5	2		
		>5	3		

Demand of loans for this Value Chain is evident in SACCOs/VSLA/Banks	Request for loan products	none	0		
		Yes	1		
NGOs/development partners	Have interventions related to these value chains	None	0		
			1		
No of SACCOs in the area		No	0		
		Yes	1		
No of VSLA		No	0		
		Yes	1		
Local state market demand is higher		Moderate	1		
		Medium	2		
		High	4		
Export demand		Moderate	1		
		Medium	2		
		High	3		
Value chain can improve the nutritional status					
Strengthening resilience and adaptation to climate change.					
Potential to provide employment					
Value chain is currently being imported					
Potential for value addition	Complex technology	1			
	Medium	2			
	Simple technology	3			

ANNEX 2 : CRITERIA FOR SELECTING RPOs

Name of the Cooperative-----

State-----

County-----

Payams-----

Value chain-----

email address-----

GPS-----

s.no	Variables		2020	2021
1	Active membership	Female		
		Male		
		percent Youth		
		percent Persons with disabilities		
	Volumes of produce bulked			
	Other Value additions initiatives			
	Service offered	Inputs		
		Extension		
		Credit		
	Infrastructure in place	Stores		
		Transport		
		Cooling facilities		
	Governance structures and policies			
	Market outlets	None		
		Brokers buy produce		
		Produce taken to specific markets		
		Supply to contracted markets		
	Volumes of Value addition products sold			
	Amount marketed			
	Gross payment received			
	percent of gross received paid to farmers			
	Saccos in close proximity			
	Development partners in close proximity			

ANNEX 5: Model outline of AWPB

Part A: Narrative Template

COUNTRY: South Sudan

NAME OF PROJECT: READ

ANNUAL WORK PLAN AND BUDGET: **PART-A**

PERIOD from: JAN YYYY to DECEMBER YYYY

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VII. STRATEGIC FRAMEWORK

VIII. PROJECT MANAGEMENT

IX. ANNEXURES: AWP&B TABLES

I. CONCEPTS (Maximum 2 paragraphs)

Previous period: In this Section, some of the basic planning parameters should be defined and explained. Preparation of AWPB begins, usually between To put the proposed AWPB in perspective, results obtained in the previous year should be highlighted.

Currency: The AWPB should use USD as the unit for costs and values. The current exchange rate at the time of writing the AWPB should be indicated and compared with the rate(s) tables. Its evolution since the previous AWPB has to be analyzed and the effect of devaluations or appreciations on required external financing should be stated.

Prices: The current 12-months inflation or deflation rate for goods and services similar to project inputs should be stated and compared to the rate used in Costab tables for local inflation and the impact on project cost and financing analyzed.

II. CONTEXT (Maximum 2 paragraphs)

This section provides briefly the most important developments in the previous period in the project implementation environment and the expected evolution for the planning period. The following elements may be discussed.

- **Government policies:** Indicate any change or new policies and their effect on project implementation.
- **Institutional framework:** Discuss any constraints, changes in the organization and/or staffing in the Implementing Agencies and the project management units. Evaluate the impact on implementation capacities.
- Any other major determining factor of the implementation environment

III. ACHIEVEMENTS (Maximum 2 pages)

The Section presents the main achievements, issues, and constraints of the previous period, including the main recommendations of supervision missions, as well as an appreciation of the impact of the project on the poverty and gender situation. Discussions should include:

Physical results Highlight the implementation strategy and describe the main physical results obtained so far, indicate positive results as well as implementation problems and the reasons for them, and the latter's impact on next year's plan and implementation.

Financial results Analyze the level of expenditures of the year to date for the main components, compare with the previous budget and indicate any reasons for higher or lower expenditures than expected. Indicate whether these issues will have an impact on the plan for the next year; refer to the detailed and summary AWPB tables.

Supervision issues: Highlight the main recommendations of the previous supervision mission and the manner they are being implemented, discuss any other supervision issue.

Poverty situation Provide a qualitative appreciation of the implementation to date on the poverty situation in the project villages and households. Use some information from the Baseline survey and any other available indicators to underline the statements. Also review any new Government and/or donor initiatives.

Gender Discuss the role of women in project planning and implementation and the project impact on their situation, results and constraints. Analyze both the economic and the social aspects (income generation, agriculture, credit, literacy, education, health, etc.)

IV. SUMMARY PRESENTATION AWPB (maximum one page)

In this Section, present the main characteristics of the Annual Work Plan and Budget, in terms of programming and implementation strategy, physical and financial objectives and expected outputs and impact. Indicate if there are any major changes compared to last year's AWP&B.

V. DETAILED PRESENTATION OF AWPB (maximum 4 pages)

In this Section, a detailed discussion of the programming and implementation strategy of each component as well as a discussion of the expected results and how the

implementation modalities eventually differ from the previous year(s)' practices. For each component, present the following:

- **Objectives and targets.** Indicate the component objective and physical targets for the AWPB period and compare with the whole project duration, discuss any trends.
- **Implementation strategy:** Indicate how the activities of the component will be programmed and implemented, discuss participatory approaches and any institutional problems and their required solutions.
- **Results:** Indicate the expected results in terms of quantitative indicators and in terms of qualitative aspects. Indicate the expected number of beneficiaries (women, men) and households. Compare with the overall target of the project and with last year's results.
- **Changes:** Discuss and justify any changes compared to the initial design and previous experiences, in targets, implementation strategy or expected results. Indicate reasons.

VI. COSTS AND FINANCING (maximum one page)

In this Section discuss issues relating to costs and financing of AWPB.

- **Unit Costs:** Any major changes in unit costs due to inflation/deflation and to changes in design compared to previous years and to the Appraisal Report should be discussed and the manner how these changes will be tackled and by whom should be indicated.
- **Financing:** Issues relating to the flow of funds, the timeliness of funds availability, of approval and disbursement procedures for all financiers will be highlighted, and ways to improve or overcome constraints indicated.

VII. STRATEGIC FRAMEWORK (maximum 2 or 3 paragraphs)

This Section deals with how the AWPB objectives and expected results and impact correspond to Government and IFAD objectives. It will be based on concrete experiences and examples and avoid non-committal broad statements. Issues to be included are:

- **Government objectives:** State which project activities contribute to Government's rural development and/or poverty alleviation objectives and indicate the project's incidence in the project area.
- **IFAD Strategic framework:** Discuss if and how AWPB results, and impact contribute to:
 - empowerment and strengthening of beneficiary organizations, including gender and participation aspects.
 - access to productive natural resources and technology.
 - Access to financial services and markets.
- **Co-financier:** If the project is co-financed, indicate the expected impact of the AWPB on the Co-financier's objectives and strategy.

VIII. PROJECT MANAGEMENT (maximum 3 or 4 paragraphs)

This Section deals with the PCU status, staff positions, staff vacancies, key issues in staff deployment and ways to handle them. Highlight staff training and orientation and exposure visits. Provide a list of current staff as against original plan.

(AWPB TABLES)

The outline of AWPB Tables consists of two parts: a) the annual budget and b) indicators for achievements so far and cumulative achievements. The latter are required to put the annual budget in perspective and to help justify it. The outline of the AWP&B tables has been derived from the format of the Costab detailed tables. In principle, annual programming and budgeting concepts used should be identical to those in the Costab tables.

With a view to assisting the PCU, a standalone Excel template has been designed for READ. It is very simple to use.

The template tables are explained below:

Column Heading	Explanation
Account code	Each activity has a unique 5-digit account code, and this number is easy to track expenditures. First two digits denotes sub-component
Activity	Type of activity proposed under the project and as per costab but new and additional activities can be inserted and with new Account Code for tracking expenditures.
Unit	This is expressed in physical units such as numbers, persons, months etc.
Total Units	Total physical unit as proposed under Appraisal Report
Total Amount	Total amount in 000 SSP/USD
Unit cost	Unit cost in SSP/USD as obtained at the time of Appraisal. These unit costs are indicative and should be revised if need arises.
AWP&B unit	Number of physical units proposed under AWP&B. This column is yellow shaded. By simply inputting values to this column, AWPB will be ready.
Amount AWPB	Amount in 000 SSP/USD for the particular activity. No need to calculate if unit costs and number of units are input. If no activity is planned, input should be –0
Quarterly planned expenditure	Total AWPB expenditure is distributed to four quarters. No need to input any value.
Costab accounts	Expenditure accounts, Disbursement accounts and Procurement Accounts respectively as provided for in costab. No need to change these columns. If required these columns can be hidden at the time of printing.
Financing plan columns	These are automatically produced based on the costab financing rules. Changes if required may be made after Loan Negotiation
Achievement columns	Both physical and financial amount should be manually input based on the results of the previous year.

The summary table is generated automatically and there is no need to input any values to any excel cells. But date of preparation or submission should be indicated and also the period

and duration of the AWP&B. Each project component has separate a table and unique number corresponding to table numbers used in Cost Tables. [For example, Table 1.1, 1.2, 1.3 etc.]

All currency input values are in USD Unit costs are in USD and summary costs in 000 USD.

Summary table: The summary table aggregates all financial values by component from the individual AWPB tables. The outline has been so designed that the individual rows in the summary table is linked to the different "Total" bottom lines of in each individual AWBP table. In this manner, corrections, and adjustments in the data in the individual tables are automatically re-calculated in the summary table.

ANNEX 6: Responsibility of Monitoring, Evaluation and Knowledge Management Specialist

A Monitoring Evaluation and Knowledge Management (ME&KM) Specialist will be hired at the PCU level along with component coordinators and other staff members. This staff will together form part of the M&E Unit for READ.

Responsibility: The overall responsibility for the M&E activities will lie with the Monitoring, Evaluation and Knowledge Management (MEK) Specialist of the Project Management Unit. The MEK specialist will be responsible for producing all monthly, quarterly, and annual progress reports. He/She will ensure the inclusion of all monitoring and evaluation activities in the AWPB. The MEK will also ensure that all project activities to be contracted out such as baseline survey, gender survey, mid-term and evaluation surveys are undertaken in a timely manner. He/She will be assisted by the staff at State and counties level and will ensure collection and analysis of all data regarding all project activities from all State and counties and implementing partners/service providers on the basis of agreed reporting formats and timing.

The MEK Specialist will be responsible for ensuring consistency, accuracy and timeliness of all reporting undertaken under the Project.

- At its core, the M&E system will have two primary functions, namely progress monitoring and impact monitoring and evaluation.
- Progress Monitoring will concentrate on the financial and physical performance of the project. The information gathered in progress monitoring will feed into the annual and semi-annual progress reports.
- Impact Monitoring focuses on the outcome and impact levels of the Project activities and will measure change in the livelihoods and economic efficiency of the beneficiaries that relate to the implemented project activities. Impact monitoring will also attempt to reveal the relevance and sustainability of project activities.
- The M&E system for the project will be designed to comprise among its M&E indicators the relevant RIMS first and second level indicators and this will facilitate their computation and reporting at the end of the year.
- In line with the IFAD Guide for Project M&E, performance indicators will be developed in close consultation with the stakeholders, during the start-up workshop, using the performance indicators and their means of verification proposed in the Project log frame.

PROJECT MANAGER

Terms of Reference (TOR)

International Personnel Service Agreement

1. Position Information

Office/Unit/Project	Stabilization, Recovery, and Resilience (StaRR) Unit - Rural Enterprises for Agricultural Development Project (READ)
Functional Title	Project Manager (1 position)
Classified Level	IPSA 10
Duty station	Juba , South Sudan
Type	Regular
Office- or Home-based	Office based
Expected starting date	2022
Expected Duration	12 months with possibility of extension

2. Office/Unit/Project Description

South Sudan gained its independence in 2011 following a long and protracted civil war. Since then, two significant conflicts broke out (December 2013 and July 2016) plunging the country in a deep economic, social and political crisis which have undermined the development gains achieved since independence and exacerbated the continuing humanitarian crisis. The country is endowed with vast natural resources and economic potential that has not translated into improved standards of living for the citizens. The agricultural sector plays a major role in South Sudan's economy, accounting for 36 percent of its non-oil gross domestic production with 80 percent of households depending on cultivation as their primary source of livelihood (FAO, 2015). However, although South Sudan has huge agriculture potential, it continues to be food insecure, import-dependent, and low in productivity.

One of the biggest challenges the Country faces, is its weak institutions and state infrastructures. The state has arguably failed to create stable institutions and support a viable private sector. Preoccupation with civil wars meant that economic development and access to finance especially for MSEs were never central issues in the political economy of South Sudan. MSEs as has been revealed in other African Countries like Kenya are a key engine for job creation and are essential for South Sudan's growth and development. However, plagued by extremely high and unpredictable inflation, the Countries private sector development is crippled by lack of access to finance for the growth and expansion of the sector. Furthermore, the global economic backlash from the COVID-19 pandemic has the World Bank projecting a bleak outlook for the country.

The agriculture sector and the natural resources of South Sudan are the foundation for economic and social development to satisfy important economic, social, cultural and political needs of its peoples. To avoid food shortages and high commodity prices from spiraling into another conflict driver, it is imperative to boost local production, primarily to augment

current supplies and in the long term substitute the imports. Options for boosting local production include stimulating agriculture-linked value chains and local enterprises to create livelihood and income generating opportunities especially for the Country's predominantly vulnerable populations; women and youth.

Producer's groups, farming associations and cooperatives, as well as micro and small enterprises are vehicles for getting rural populations working together, buying inputs, jointly selling outputs and accessing goods and services that would allow them to improve practices, reduce post-harvest losses, add value to produce and ultimately increase incomes. Such farmers or producer-led groups have the potential to play a central role in value chain development and in poverty alleviation in rural environments in South Sudan.

The South Sudan Transitional Constitution prioritizes private sector development as a pathway towards recovery, resilience and peace. It also stresses that equitable economic development should be based on the agricultural and agro-industrial sectors, and the promotion of the private sector within framework of transparent and accountable governance¹¹.

It is against this background that UNDP, in partnership with the National Ministry of Agriculture and Food Security, with support from IFAD, is implementing the Rural enterprises for Agriculture Development (READ) project to improve food security, income and resilience among targeted rural households. The primary objective of the project is to empower Rural Producer Organisations (RPOs), Cooperatives (Coops), Village Saving and Loans Associations (VSLAs), and MSEs, as sustainable and resilient value chain players by strengthening their institutional and organisational structures, improving their business skills for enterprise development, facilitating access to finance, and providing them with policy and regulatory support.

3. Scope of Work

The Project Manager (PM) will be responsible for the day-to-day operational management for the successful execution and implementation of the project. This includes the daily responsibility to manage, coordinate, and supervise the implementation of the project and the delivery of results in accordance with the project document and agreed work plans, of the technical officers and State level coordinators to align them to the project implementation plan and results framework.

- I. Ensure ***strategic planning, coordination and implementation of the project*** focusing on achievement of the following results:
 - ❑ Lead the coordination of project activities in close collaboration with technical officers, IPs, and state focal points;
 - ❑ Lead the preparation of annual workplans, establish priorities, timelines, targets and standards for monitoring results;
 - ❑ Coordinate various components of the project providing overall guidance and innovative solutions, constantly seeking to improve project service lifecycle;
 - ❑ Work in close collaboration with other teams in the office, as well as, other UN agencies, Government officials, multilateral and bi-lateral donors and civil society in ensuring successful project implementation;
 - ❑ Enhance capacity of staff by providing technical leadership.

¹¹ Transitional Constitution of South Sudan

- II. Support timely and effective **project delivery and reporting** focusing on the achievement of the following results:
- i. Provide advice relating to the strategic direction of project implementation and design of project activities;
 - ii. Manage and monitor the utilization of resources, in consultation with the StaRR Team Leader and the Chief Programme Advisor, for achieving results in line with project outputs;
 - iii. Prepare timely and regular progress reports including monthly and project implementation review report PIR as appropriate for clearance and submission to CO management, Ministry of Agriculture and Food Security, donors, and external stakeholders. Regularly report on progress, best practices, lessons learned, success stories, beneficiaries' stories and field observations; and Support and/or conduct studies and research;
 - iv. Assist with implementation of audit requirements;
- III. Provide **technical and policy advise** focusing on the following achievements:
- ❑ Provide intellectual and substantive technical advice on the advancement of the projects target groups (RPOs, Cooperatives, VSLAs and SMEs), value-addition development, poverty alleviation in selected rural areas covered under the project.
 - ❑ Provide quality policy advice services to the Government and facilitate knowledge building and management;
 - ❑ Analyze the socio-economic and political situation, trends, and impacts on private sector development, value addition development, climate change, resilience building, and agricultural management and environmental protection;
- IV. Foster **partnership building and resource mobilization** focusing on achievement of the following results:
- ❑ Contribute to the development of the CO Partnership and Resource Mobilization (PRM) strategy, including planning tools to implement the strategy.
 - ❑ Provide substantial support and leadership in programme and project formulation to support the development and implementation of the private sector, value addition, climate change, resilience, agriculture management and environmental protection, including identification of strategic programme areas of cooperation;
 - ❑ Ensures identification and promotion of joint programming and planning opportunities;
 - ❑ Identify and develop new programme and project opportunities and documents (project documents, concept notes, project proposal's);
 - ❑ Identify and maintain strong and credible working relations with Governments and donor partners;
 - ❑ Perform any other responsibilities that could be delegated to him/her by the supervisor

4. Institutional Arrangement

The Project Manager will be based mainly in the project office in Ministry of Agriculture and Food Security, providing support to the Ministry, target project states, and partners and communities. He/She will be reporting to the UNDP Chief Programme Advisor of the Stabilization, Recovery, and Resilience (STARR) Unit and will work closely with MAFS, CBSS, and project technical officers.

5. Competencies

People Management

Core	
Achieve Results:	LEVEL 2: Scale up solutions and simplifies processes, balances speed and accuracy in doing work
Think Innovatively:	LEVEL 3: Proactively mitigate potential risks, develop new ideas to solve complex problems
Learn Continuously:	LEVEL 2: Go outside comfort zone, learn from others and support their learning
Adapt with Agility:	LEVEL 3: Proactively initiate and champion change, manage multiple competing demands
Act with Determination:	LEVEL 2: Able to persevere and deal with multiple sources of pressure simultaneously
Engage and Partner:	LEVEL 2: Is facilitator/integrator, bring people together, build/maintain coalitions/partnerships
Enable Diversity and Inclusion:	LEVEL 2: Facilitate conversations to bridge differences, considers in decision making
Motivate and Direct	Create and communicate a compelling vision and purpose; Align people and resources with organizational vision, strategy, objectives; Understand and proactively builds the team/organization culture
Build an Enabling Workplace	Create a working environment where people are engaged and want to do their best; empower and enables team members to perform and have a positive workplace experience
Build Capability	Identify and develop talent in individuals, providing positive support to enable them to achieve their potential; Foster learning or development of others by giving feedback, guidance, and support; support career development of others; Have willingness and ability to delegate to help people learn, including from failure

Cross-Functional & Technical competencies

Thematic Area	Name	Definition
Business Management	Project Management	Ability to plan, organize, prioritize and control resources, procedures and protocols to achieve specific goals
Business Management	Partnership Management	Ability to build and maintain partnerships with wide networks of stakeholders, Governments, civil society and private sector partners, experts and others in line with UNDP strategy and policies
Business Management	Monitoring	Ability to provide managers and key stakeholders with regular feedback on the consistency or discrepancy between planned and actual activities and programme performance and results
Planet	Nature, Climate and Energy	Climate Change Adaptation: agriculture/food security
Planet	Nature, Climate and Energy	Climate Change Adaptation: early warning

6. Minimum Qualifications of the Successful IPSA

Min. Education requirements	Advanced/Masters degree in Rural Development, Natural Resources Management, Agriculture, Project Management, Economics, Business Administration, Entrepreneurship or related fields from a recognised institution.
Min. years of relevant work experience	At least 5 years of managerial / project management experience
Required skills	<ul style="list-style-type: none"> • Proven supervisory experience, experience working in teams and engaging and coordinating multiple stakeholders and relevant institutions especially in South Sudan • Experience and proficiency in Microsoft Office (Word, Excel, PowerPoint) • Strong communication skills (ability to moderate meetings, give presentations and knowledge of at least one local languages) • Good background and understanding of the local environment and social issues surrounding natural resource management in South Sudan, particularly major policies and strategies. • Professional experience in the areas of project development, management and livelihoods development. • Experience in recovery and stabilization of conflict/disaster-affected populations and areas is highly desirable.
Desired skills in addition to the competencies covered in the	<ul style="list-style-type: none"> • Experience in working with UN agencies and national government

Competencies section	
Required Language(s)	<ul style="list-style-type: none"> • Excellent writing and oral communication skills in English. • Working knowledge of Arabic.
Professional Certificates	N/A

TECHNICAL OFFICERS

Terms of Reference (TOR)

International Personnel Service Agreement

1. Position Information

Office/Unit/Project	Stabilization, Recovery, and Resilience (StaRR) Unit - Rural Enterprises for Agricultural Development Project (READ)
Functional Title	Technical Officer (1 position)
Classified Level	IPSA 9
Duty station	Juba , South Sudan
Type	Regular
Office- or Home-based	Office based
Expected starting date	2022
Expected Duration	12 months with possibility of extension

2. Office/Unit/Project Description

South Sudan gained its independence in 2011 following a long and protracted civil war. Since then, two significant conflicts broke out (December 2013 and July 2016) plunging the country in a deep economic, social and political crisis which have undermined the development gains achieved since independence and exacerbated the continuing humanitarian crisis. The country is endowed with vast natural resources and economic potential that has not translated into improved standards of living for the citizens. The agricultural sector plays a major role in South Sudan's economy, accounting for 36 percent of its non-oil gross domestic production with 80 percent of households depending on cultivation as their primary source of livelihood (FAO, 2015). However, although South Sudan has huge agriculture potential, it continues to be food insecure, import-dependent, and low in productivity.

One of the biggest challenges the Country faces, is its weak institutions and state infrastructures. The state has arguably failed to create stable institutions and support a viable private sector. Preoccupation with civil wars meant that economic development and access to finance especially for MSEs were never central issues in the political economy of South Sudan. MSEs as has been revealed in other African Countries like Kenya are a key engine for job creation and are essential for South Sudan's growth and development. However, plagued by extremely high and unpredictable inflation, the Countries private sector development is crippled by lack of access to finance for the growth and expansion of the sector. Furthermore, the global economic backlash from the COVID-19 pandemic has the World Bank projecting a bleak outlook for the country.

The agriculture sector and the natural resources of South Sudan are the foundation for economic and social development to satisfy important economic, social, cultural and political needs of its peoples. To avoid food shortages and high commodity prices from spiraling into another conflict driver, it is imperative to boost local production, primarily to augment current supplies and in the long term substitute the imports. Options for boosting local production include stimulating agriculture-linked value chains and local enterprises to create livelihood and income generating opportunities especially for the Country's predominantly vulnerable populations; women and youth.

Producer's groups, farming associations and cooperatives, as well as micro and small enterprises are vehicles for getting rural populations working together, buying inputs, jointly selling outputs and accessing goods and services that would allow them to improve practices, reduce post-harvest losses, add value to produce and ultimately increase incomes. Such farmers or producer-led groups have the potential to play a central role in value chain development and in poverty alleviation in rural environments in South Sudan.

The South Sudan Transitional Constitution prioritizes private sector development as a pathway towards recovery, resilience and peace. It also stresses that equitable economic development should be based on the agricultural and agro-industrial sectors, and the promotion of the private sector within framework of transparent and accountable governance¹².

It is against this background that UNDP, in partnership with the National Ministry of Agriculture and Food Security, with support from IFAD, is implementing the Rural enterprises for Agriculture Development (READ) project to improve food security, income and resilience among targeted rural households. The primary objective of the project is to empower Rural Producer Organisations (RPOs), Cooperatives (Coops), Village Saving and Loans Associations (VSLAs), and MSEs, as sustainable and resilient value chain players by strengthening their institutional and organisational structures, improving their business skills for enterprise development, facilitating access to finance, and providing them with policy and regulatory support.

3. Scope of Work

The Technical Officer (PM) with technical knowledge and skills on cooperative and private sector development will be responsible for the day-to-day management and implementation of component one of the READ project, which focuses on the organization and development of Rural Producers, Cooperatives, VSLAs and MSEs. Secondly, the technical officer will also provide support for the day-to-day implementation of component three of the project which focuses on policy and regulatory framework development. Furthermore, the role will include the daily responsibility to manage, coordinate, and supervise the implementation of the project and the delivery of results in accordance with the project document and agreed work plan.

- i. Ensure ***strategic planning, coordination and implementation of component 1 and 3 of the project***, focusing on achievement of the following results:
 - ❑ Lead the coordination of project activities in close collaboration with Project Manager, IPs, and local stakeholders;
 - ❑ Ensure implementation of project activities is in line with the projects annual workplans, priorities, timelines, targets and standards for monitoring results;

¹² Transitional Constitution of South Sudan

- ❑ Coordinate components 1 and 3 of the project providing overall guidance and innovative solutions, constantly seeking to improve project service lifecycle;
 - ❑ Work in close collaboration with other teams in the office, as well as, other UN agencies, Government officials, multilateral and bi-lateral donors and civil society in ensuring successful project implementation;
 - ❑ Enhance capacity of state-level partners and implementing partners by providing technical leadership.
- ii. Support timely and effective **project delivery and reporting** focusing on the achievement of the following results:
- i. Provide advice relating to the strategic direction of component 1 and 3 of project implementation and design of project activities;
 - ii. Manage and monitor the utilization of resources, in consultation with the Project manager and StaRR Team Leader, for achieving results in line with project outputs;
 - iii. Assist in the preparation of timely and regular progress reports including monthly and project implementation review report PIR as appropriate for clearance and submission to CO management, Ministry of Agriculture and Food Security, donors, and external stakeholders. Regularly report on progress, best practices, lessons learned, success stories, beneficiaries' stories and field observations; and Support and/or conduct studies and research;
- iii. Provide **technical and policy advise** focusing on the following achievements:
- ❑ Provide intellectual and substantive technical advice on the advancement of the projects target groups (RPOs, Cooperatives, VSLAs and SMEs), value-addition development, poverty alleviation in selected rural areas covered under the project.
 - ❑ Provide quality policy advice services to the Government and facilitate knowledge building and management;
 - ❑ Analyze the socio-economic and political situation, trends, and impacts on private sector development, value addition development, climate change, resilience building, and agricultural management and environmental protection;
- iv. Foster **partnership building and resource mobilization** focusing on achievement of the following results:
- ❑ Contribute to the development of the CO Partnership and Resource Mobilization (PRM) strategy, including planning tools to implement the strategy.
 - ❑ Provide substantial support and leadership in programme and project formulation to support the development and implementation of the private sector, value addition, climate change, resilience, agriculture management and environmental protection, including identification of strategic programme areas of cooperation;
 - ❑ Ensure identification and promotion of joint programming and planning opportunities;
 - ❑ Identify and develop new programme and project opportunities and documents (project documents, concept notes, project proposal's);
 - ❑ Identify and maintain strong and credible working relations with Governments and donor partners;
 - ❑ Perform any other responsibilities that could be delegated to him/her by the supervisor

4. Institutional Arrangement

The Technical Officer will be based mainly in the project office in Ministry of Agriculture and food security, providing support to the Project Manager, the Ministry, IPs, project target states, partners and communities. He/She will have a matrix reporting to the READ Project

Manager and the UNDP Chief Programme Advisor and will work closely with MAFS and state focal points.

5. Competencies

Cross-Functional & Technical competencies

Core		
Achieve Results:	LEVEL 2: Scale up solutions and simplifies processes, balances speed and accuracy in doing work	
Think Innovatively:	LEVEL 3: Proactively mitigate potential risks, develop new ideas to solve complex problems	
Learn Continuously:	LEVEL 2: Go outside comfort zone, learn from others and support their learning	
Adapt with Agility:	LEVEL 3: Proactively initiate and champion change, manage multiple competing demands	
Act with Determination:	LEVEL 2: Able to persevere and deal with multiple sources of pressure simultaneously	
Engage and Partner:	LEVEL 2: Is facilitator/integrator, bring people together, build/maintain coalitions/partnerships	
Enable Diversity and Inclusion:	LEVEL 2: Facilitate conversations to bridge differences, considers in decision making	
Thematic Area	Name	Definition
Business Management	Project Management	Ability to plan, organize, prioritize and control resources, procedures and protocols to achieve specific goals
Business Management	Partnership Management	Ability to build and maintain partnerships with wide networks of stakeholders, Governments, civil society and private sector partners, experts and others in line with UNDP strategy and policies
Business Management	Monitoring	Ability to provide managers and key stakeholders with regular feedback on the consistency or discrepancy between planned and actual activities and programme performance and results
Planet	Nature, Climate and Energy	Climate Change Adaptation: agriculture/food security

Minimum Qualifications of the Successful IPSA

Min. Education requirements	Advanced/Masters degree in Rural Development, Sustainable Development, Natural Resources Management, Agriculture, Project Management, Economics, Business Administration, Entrepreneurship or related fields from a recognised institution.
Min. years of relevant work experience	At least 5 years of project management experience

Required skills	<ul style="list-style-type: none"> • Proven supervisory experience, experience working in teams and engaging and coordinating multiple stakeholders and relevant institutions especially in South Sudan • Experience and proficiency in Microsoft Office (Word, Excel, PowerPoint) • Strong communication skills (ability to moderate meetings, give presentations and knowledge of at least one local languages) • Good background and understanding of the local environment and social issues surrounding natural resource management in South Sudan, particularly major policies and strategies. • Professional experience in the areas of project development, management and livelihoods development. • Experience in recovery and stabilization of conflict/disaster-affected populations and areas is highly desirable.
Desired skills in addition to the competencies covered in the Competencies section	<ul style="list-style-type: none"> • Experience in working with UN agencies and national government • Experience working in South Sudan, an advantage
Required Language(s)	<ul style="list-style-type: none"> • Excellent writing and oral communication skills in English.
Professional Certificates	N/A

TECHNICAL OFFICER

Terms of Reference (TOR)

International Personnel Service Agreement

1. Position Information

Office/Unit/Project	Stabilization, Recovery, and Resilience (StaRR) Unit - Rural Enterprises for Agricultural Development Project (READ)
Functional Title	Technical Officer (1 position)
Classified Level	IPSA 9
Duty station	Juba , South Sudan
Type	Regular
Office- or Home-based	Office based
Expected starting date	2022
Expected Duration	12 months with possibility of extension

2. Office/Unit/Project Description

South Sudan gained its independence in 2011 following a long and protracted civil war. Since then, two significant conflicts broke out (December 2013 and July 2016) plunging the country in a deep economic, social and political crisis which have undermined the development gains achieved since independence and exacerbated the continuing humanitarian crisis. The country is endowed with vast natural resources and economic potential that has not translated into improved standards of living for the citizens. The agricultural sector plays a major role in South Sudan's economy, accounting for 36 percent of its non-oil gross domestic production with 80 percent of households depending on cultivation as their primary source of livelihood (FAO, 2015). However, although South Sudan has huge agriculture potential, it continues to be food insecure, import-dependent, and low in productivity.

One of the biggest challenges the Country faces, is its weak institutions and state infrastructures. The state has arguably failed to create stable institutions and support a viable private sector. Preoccupation with civil wars meant that economic development and access to finance especially for MSEs were never central issues in the political economy of South Sudan. MSEs as has been revealed in other African Countries like Kenya are a key engine for job creation and are essential for South Sudan's growth and development. However, plagued by extremely high and unpredictable inflation, the Countries private sector development is crippled by lack of access to finance for the growth and expansion of the sector. Furthermore, the global economic backlash from the COVID-19 pandemic has the World Bank projecting a bleak outlook for the country.

The agriculture sector and the natural resources of South Sudan are the foundation for economic and social development to satisfy important economic, social, cultural and political needs of its peoples. To avoid food shortages and high commodity prices from spiraling into another conflict driver, it is imperative to boost local production, primarily to augment current supplies and in the long term substitute the imports. Options for boosting local production include stimulating agriculture-linked value chains and local enterprises to create livelihood and income generating opportunities especially for the Country's predominantly

vulnerable populations; women and youth.

Producer's groups, farming associations and cooperatives, as well as micro and small enterprises are vehicles for getting rural populations working together, buying inputs, jointly selling outputs and accessing goods and services that would allow them to improve practices, reduce post-harvest losses, add value to produce and ultimately increase incomes. Such farmers or producer-led groups have the potential to play a central role in value chain development and in poverty alleviation in rural environments in South Sudan.

The South Sudan Transitional Constitution prioritizes private sector development as a pathway towards recovery, resilience and peace. It also stresses that equitable economic development should be based on the agricultural and agro-industrial sectors, and the promotion of the private sector within framework of transparent and accountable governance¹³.

It is against this background that UNDP, in partnership with the National Ministry of Agriculture and Food Security, with support from IFAD, is implementing the Rural enterprises for Agriculture Development (READ) project to improve food security, income and resilience among targeted rural households. The primary objective of the project is to empower Rural Producer Organisations (RPOs), Cooperatives (Coops), Village Saving and Loans Associations (VSLAs), and MSEs, as sustainable and resilient value chain players by strengthening their institutional and organisational structures, improving their business skills for enterprise development, facilitating access to finance, and providing them with policy and regulatory support.

3. Scope of Work

The Technical Officer with financial management expertise will be responsible for the day-to-day management and implementation of component two of the READ project, which focuses on the provision of inclusive rural financial services. The technical officer will also concurrently perform the role of Finance and Budget Management Officer of the READ project.

- i. Ensure ***strategic planning, coordination, financial resource management and implementation of component 2 of the project***, focusing on achievement of the following results:
 - ❑ Lead the coordination of project activities in close collaboration with Project Manager and Field Coordinators;
 - ❑ Ensure implementation of project activities is in line with the projects annual workplans, priorities, timelines, targets and standards for monitoring results;
 - ❑ Coordinate component 2 of the project providing overall guidance and innovative solutions, constantly seeking to improve project service lifecycle;
 - ❑ Proper planning, expenditure tracking of financial resources in accordance with the agreed UNDP, Government and donor rules and regulations;
 - ❑ Financial analysis and oversight of project resources;
 - ❑ Ensure an effective information flow between finance and non-finance actors (UNDP Programme unit, MAFS, IFAD)
 - ❑ Follow-up on audits reports to ensure that gaps in audit reports are closed;
 - ❑ Monitor the financial performance of supply management systems/procurement;
 - ❑ Undertake cost estimates for different activities according to the needs of program management;

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- ❑ Work in close collaboration with other teams in the office, as well as, other UN agencies, Government officials, multilateral and bi-lateral donors and civil society in ensuring successful project implementation;
 - ❑ Develop, track and report to management financial key performance indicators;
 - ❑ Enhance capacity of field coordinators and implementing partners by providing technical leadership.
- ii. Support timely and effective **project delivery and reporting** focusing on the achievement of the following results:
 - iv. Provide advice relating to the strategic direction of component 2 of project implementation and design of project activities;
 - v. Manage and monitor the utilization of resources, in consultation with the Project manager and StaRR Team Leader, for achieving results in line with project outputs;
 - vi. Ensuring the preparation of timely and regular progress reports including monthly, project implementation review report and monthly cash flow and annual cash flow forecasts and statements of sources and uses of funds in compliance as appropriate for clearance and submission to CO management, Ministry of Agriculture and Food Security, donors, and external stakeholders. Regularly report on progress, best practices, lessons learned, success stories, beneficiaries' stories and field observations; and Support and/or conduct studies and research;
 - vii. Routinely monitor financial exception reports for unusual activities, transactions, and investigate anomalies or unusual transactions. Informs supervisors of the results of the investigation when satisfactory answers are not obtained;
- iii. Provide **technical and policy advise** focusing on the following achievements:
 - ❑ Provide intellectual and substantive technical advice on the advancement of the projects target groups (RPOs, Cooperatives, VSLAs and SMEs), value-addition development, poverty alleviation in selected rural areas covered under the project.
 - ❑ Provide quality policy advice services to the Government and facilitate knowledge building and management;
 - ❑ Analyze the socio-economic and political situation, trends, and impacts on private sector development, value addition development, climate change, resilience building, and agricultural management and environmental protection;
- iv. Manage the **project budget and organize an optimal cost-recovery system**, focusing on achievement of the following results:
 - ❑ Management of all financial resources through planning, guiding, monitoring and controlling of the resources in accordance with UNDP, Donor and MFS rules and regulations;
 - ❑ Preparation and monitoring of projects' budgets in Atlas/Quantum;
 - ❑ Elaboration of proper mechanisms to eliminate deficiencies in budget management;
 - ❑ Ensuring that advance payments and direct payments for SR's and SSR's vendors are properly reviewed and made on a timely basis, as well as ensuring that payment information is properly recorded into the Atlas system/Quantum on a timely basis;
 - ❑ Ensuring that contributions from the donors are properly transferred to UNDP on a timely basis;
 - ❑ Submission of financial reports to donors on a timely and quality basis;
- v. Ensure close monitoring of the sub-recipients and other implementing partners focusing on the achievement of the following results:
 - ❑ Assess financial management capacities of sub recipients and develop an action plan to ensure sufficient funds on hand for disbursements;

- ❑ Timely preparation of monthly cash flow forecast for use by the Operations Manager in liaison with other partners;
 - ❑ Assess financial management capacities of sub recipients and develop an action plan to close identified gaps;
 - ❑ Harmonize reporting and accounting practices of sub-recipients including budgeting and financial key performance indicators;
 - ❑ Monitor sub-recipients as to the accuracy of financial information and safeguards to eliminate fraud; ensure annual audits of sub-recipients;
 - ❑ Ensure continuous support for the financial managers of sub-recipient organizations.
- vi. Foster **partnership building and resource mobilization** focusing on achievement of the following results:
- ❑ Contribute to the development of the CO Partnership and Resource Mobilization (PRM) strategy, including planning tools to implement the strategy.
 - ❑ Provide substantial support and leadership in programme and project formulation to support the development and implementation of the private sector, value addition, climate change, resilience, agriculture management and environmental protection, including identification of strategic programme areas of cooperation;
 - ❑ Ensure identification and promotion of joint programming and planning opportunities;
 - ❑ Identify and develop new programme and project opportunities and documents (project documents, concept notes, project proposal's);
 - ❑ Identify and maintain strong and credible working relations with Governments and donor partners;
 - ❑ Perform any other responsibilities that could be delegated to him/her by the supervisor

4. Institutional Arrangement

The Technical Officer will be based mainly in the project office in Ministry of Agriculture and food security, providing support to the Project Manager, the Ministry, IPs, project target states, partners and communities. He/She will have a matrix reporting to the READ Project Manager and the UNDP Chief Programme Advisor and will work closely with the MAFS, CBSS, and state focal points.

A. Competencies

Cross-Functional & Technical competencies

Core	
Achieve Results:	LEVEL 2: Scale up solutions and simplifies processes, balances speed and accuracy in doing work
Think Innovatively:	LEVEL 3: Proactively mitigate potential risks, develop new ideas to solve complex problems
Learn Continuously:	LEVEL 2: Go outside comfort zone, learn from others and support their learning
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Enable Diversity and Inclusion:	LEVEL 2: Facilitate conversations to bridge differences, considers in decision making

Thematic Area	Name	Definition
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Business Management	Monitoring	Ability to provide managers and key stakeholders with regular feedback on the consistency or discrepancy between planned and actual activities and programme performance and results
Planet	Nature, Climate and Energy	Climate Change Adaptation: agriculture/food security

Minimum Qualifications of the Successful IPSA

Min. Education requirements	Advanced/Master's degree in Finance, Business Administration, Public Administration, Economics or related fields from a recognised institution.
Min. years of relevant work experience	At least 5 years of relevant experience at the national or interanion level in project management, providing financial management advisory services and/or managing staff and operational systems.
Required skills	<ul style="list-style-type: none"> • Proven supervisory experience, experience working in teams and engaging and coordinating multiple stakeholders and relevant institutions especially in South Sudan • Experience and proficiency in Software packages (Word, Excel, PowerPoint)

	<ul style="list-style-type: none"> • Advance knowledge of spreadsheets and database packages • Strong communication skills (ability to moderate meetings, give presentations and knowledge of at least one local languages) • Good background and understanding of the local environment and social issues surrounding natural resource management in South Sudan, particularly major policies and strategies. • Experience in recovery and stabilization of conflict/disaster-affected populations and areas is highly desirable.
Desired skills in addition to the competencies covered in the Competencies section	<ul style="list-style-type: none"> • Experience in working with UN agencies and national government • Experience working in South Sudan, an advantage
Required Language(s)	<ul style="list-style-type: none"> • Excellent writing and oral communication skills in English.
Professional Certificates	N/A

COMMUNICATION AND KNOWLEDGE MANAGEMENT OFFICER

Terms of Reference (TOR)

International Personnel Service Agreement

1. Position Information

Office/Unit/Project	Stabilization, Recovery, and Resilience (StaRR) Unit - Rural Enterprises for Agricultural Development Project (READ)
Functional Title	Communication and Knowledge Management Officer
Classified Level	IPSA 8
Duty station	Juba , South Sudan
Type	Regular
Office- or Home-based	Office based
Expected starting date	2022
Expected Duration	12 months with possibility of extension

2. Office/Unit/Project Description

South Sudan gained its independence in 2011 following a long and protracted civil war. Since then, two significant conflicts broke out (December 2013 and July 2016) plunging the country in a deep economic, social and political crisis which have undermined the development gains achieved since independence and exacerbated the continuing humanitarian crisis. The country is endowed with vast natural resources and economic potential that has not translated into improved standards of living for the citizens. The agricultural sector plays a major role in South Sudan's economy, accounting for 36 percent of its non-oil gross domestic production with 80 percent of households depending on cultivation as their primary source of livelihood (FAO, 2015). However, although South Sudan has huge agriculture potential, it continues to be food insecure, import-dependent, and low in productivity.

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livelihood and income generating opportunities especially for the Country's predominantly vulnerable populations; women and youth.

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It is against this background that UNDP, in partnership with the National Ministry of Agriculture and Food Security, with support from IFAD, is implementing the Rural enterprises for Agriculture Development (READ) project to improve food security, income and resilience among targeted rural households. The primary objective of the project is to empower Rural Producer Organisations (RPOs), Cooperatives (Coops), Village Saving and Loans Associations (VSLAs), and MSEs, as sustainable and resilient value chain players by strengthening their institutional and organisational structures, improving their business skills for enterprise development, facilitating access to finance, and providing them with policy and regulatory support.

3. Scope of Work

The Communication and Knowledge Management Officer will be cost-shared and will be based in UNDP to leverage CO resources systems and channels in ensuring that project achievements are not only effectively communicated but are also packaged as part of the wider UNDP and UN efforts. The communications and knowledge management officer will be responsible for the day-to day- communications needs of the READ project, dissemination and promotion of programme activities, refinement of advocacy and communications materials, including generating of studies and other knowledge products as per the outputs of the projects AWPB.

- i. Ensure ***strategic planning, coordination and development of communication materials***, focusing on achievement of the following results:
 - ❑ Develop and lead in the implementation of the Projects communication strategy and work plan;
 - ❑ Gather content and coverage of efforts to identify effective programme activities and results;
 - ❑ Develop complementary, country specific and local community materials and activities.
 - ❑ Support the production of communication materials (e.g., briefing notes, images, video. Web pages etc.) that meets, UNDP, MFS, IFAD and global standards.
 - ❑ Draft and edit articles, press releases, human interest stories and other advocacy/information materials for both web-based and traditional media, as appropriate.

¹⁴ Transitional Constitution of South Sudan

- ❑ Follow up on the production of advocacy and communication materials (e.g., videos, audio-visuals, etc.), and oversee the qualitative aspects of production, (e.g., quality control, translations, reviews of layout and graphic design etc.) to meet standards as set out in the UNDP Communication and Branding guidelines.
- ❑ Maintain an up-to-date documentation centre for communication materials including publications, press releases and clippings, photographs, audio-visual materials, web resources etc.
- ❑ Recommend appropriate information and communication materials for use in media, and other advocacy and communication activities.
- ❑ Recommend established contacts, networks, resources, and processes to support communication activities.

ii. Media relations, focusing on the following achievements:

- ❑ Maintain and update media relations contact list/database. Ensure rapid and accurate information dissemination to the media.
- ❑ Assist in developing and maintaining close collaboration with mass media, as well as with groups and organizations whose support is essential to the achievement of advocacy and communication objectives.
- ❑ Assist in drafting and editing articles, press releases, human interest stories and other advocacy/information materials in all media formats, as appropriate. Prepare background communication and promotional materials for briefing and visits of media and other special interest groups. Assist in the planning, logistic and administrative arrangements for them.
- ❑ Assist in collaborating with the media through activities such as organizing project site visits, facilitating photo coverage and TV footage and utilizing both web-based and traditional media as appropriate.
- ❑ Monitor and evaluate the use and effectiveness of media materials. Maintain a library of coverage (clippings, coverage etc.).

iii. Monitoring and evaluation, focusing on the following achievements :

- ❑ Assist in coordinating appropriate audience research and compiling and analyzing relevant data.
- ❑ Monitor and evaluate the appropriate and timely dissemination of advocacy and communication materials to target audiences and participate in the evaluation of their impact. Monitor and evaluate the use and effectiveness of media materials. Maintain a library of coverage (clippings, coverage etc.)
- ❑ Monitor the public perception of the READ project in the country and recommend appropriate action to maintain a positive image for the project.
- ❑ Ensure good quality data collection, analysis and evaluation and reporting to ensure effective communication strategies, planning, and effective and efficient advocacy.
- ❑ Undertake lessons learned review of successful and unsuccessful communication experiences as directed by supervisor.

iv. Partners, and special events, focusing on the following achievements

- ❑ Organize and conduct special events and activities to promote the projects goals and objectives.
- ❑ Assist in developing and maintaining close collaboration with mass media, as well as with groups and organizations whose support is essential to the achievement of advocacy and communication objectives.
- ❑ Maintain and update partner contact lists/database for the unit.

- v. Foster **partnership building and resource mobilization** focusing on achievement of the following results:
- ❑ Contribute to the development of the CO Partnership and Resource Mobilization (PRM) strategy, including planning tools to implement the strategy.
 - ❑ Ensure identification and promotion of joint programming and planning opportunities;
 - ❑ Identify and develop new programme and project opportunities and documents (project documents, concept notes, project proposal's);
 - ❑ Identify and maintain strong and credible working relations with Governments and donor partners;
 - ❑ Perform any other responsibilities that could be delegated to him/her by the supervisor

4. Institutional Arrangement

The Communications and Management officer will be based in UNDP and provide support to the Project Manager, MAFS, IPs, target project states, and communities. He/She will have a matrix reporting to the READ Project Manager and the UNDP Chief Programme Advisor and will work closely with MAFS, IPs, and state level partners.

5. Competencies

Cross-Functional & Technical competencies

Core		
Innovation: ability to make new and useful ideas work	Level 3: Apply & Adapt (Recognized contributor with demonstrated ability)	
Leadership : ability to persuade others to follow	Level 3: Apply & Adapt (Recognized contributor with demonstrated ability)	
People Management : ability to improve performance and satisfaction	Level 3: Apply & Adapt (Recognized contributor with demonstrated ability)	
Communication: ability to listen, adapt, persuade and transform	Level 3: Apply & Adapt (Recognized contributor with demonstrated ability)	
Delivery: ability to get things done	Level 3: Apply & Adapt (Recognized contributor with demonstrated ability)	
Thematic Area	Name	Definition
Business Management	Project Management	Ability to plan, organize, prioritize and control resources, procedures and protocols to achieve specific goals
Business Management	Partnership Management	Ability to build and maintain partnerships with wide networks of stakeholders, Governments, civil society

		and private sector partners, experts and others in line with UNDP strategy and policies
Business Management	Monitoring	Ability to provide managers and key stakeholders with regular feedback on the consistency or discrepancy between planned and actual activities and programme performance and results
Planet	Nature, Climate and Energy	Climate Change Adaptation: agriculture/food security

Minimum Qualifications of the Successful IPSA

Min. Education requirements	Bachelors degree in communications, international/public relations, journalism or related fields from a recognised institution. Advanced/Masters degree would be an advantage.
Min. years of relevant work experience	At least 5 years of relevant experience at the national or international level in public relations/communications.
Required skills	<ul style="list-style-type: none"> • Proven supervisory experience, experience working in teams and engaging and coordinating multiple stakeholders and relevant institutions especially in South Sudan • Experience and proficiency in Microsoft Office (Word, Excel, PowerPoint) • Strong communication skills (ability to moderate meetings, give presentations and knowledge of at least one local languages) • Good background and understanding of the local environment and social issues surrounding natural resource management in South Sudan, particularly major policies and strategies. • Substantive experience in drafting high quality communications products. • Experience in developing content that clearly communicates development ideas for media, web, print productions and audio-visual productions. • Experience in recovery and stabilization of conflict/disaster-affected populations and areas is highly desirable.
Desired skills in addition to the competencies covered in the Competencies section	<ul style="list-style-type: none"> • Experience in working with UN agencies and national government
Required Language(s)	<ul style="list-style-type: none"> • Excellent writing and oral communication skills in English. • Working knowledge of Arabic.
Professional Certificates	N/A

M&E AND SAFEGUARDS OFFICER

Terms of Reference (TOR)

International Personnel Service Agreement

1. Position Information

Office/Unit/Project	Stabilization, Recovery, and Resilience (StaRR) Unit - Rural Enterprises for Agricultural Development Project (READ)
Functional Title	M and E and Safeguards Officer
Classified Level	IPSA 8
Duty station	Juba , South Sudan
Type	Regular
Office- or Home-based	Office based
Expected starting date	2022
Expected Duration	12 months with possibility of extension

2. Office/Unit/Project Description

South Sudan gained its independence in 2011 following a long and protracted civil war. Since then, two significant conflicts broke out (December 2013 and July 2016) plunging the country in a deep economic, social and political crisis which have undermined the development gains achieved since independence and exacerbated the continuing humanitarian crisis. The country is endowed with vast natural resources and economic potential that has not translated into improved standards of living for the citizens. The agricultural sector plays a major role in South Sudan's economy, accounting for 36 percent of its non-oil gross domestic production with 80 percent of households depending on cultivation as their primary source of livelihood (FAO, 2015). However, although South Sudan has huge agriculture potential, it continues to be food insecure, import-dependent, and low in productivity.

One of the biggest challenges the Country faces, is its weak institutions and state infrastructures. The state has arguably failed to create stable institutions and support a viable private sector. Preoccupation with civil wars meant that economic development and access to finance especially for MSEs were never central issues in the political economy of South Sudan. MSEs as has been revealed in other African Countries like Kenya are a key engine for job creation and are essential for South Sudan's growth and development. However, plagued by extremely high and unpredictable inflation, the Countries private sector development is crippled by lack of access to finance for the growth and expansion of the sector. Furthermore, the global economic backlash from the COVID-19 pandemic has the World Bank projecting a bleak outlook for the country.

The agriculture sector and the natural resources of South Sudan are the foundation for economic and social development to satisfy important economic, social, cultural and political needs of its peoples. To avoid food shortages and high commodity prices from spiraling into another conflict driver, it is imperative to boost local production, primarily to augment current supplies and in the long term substitute the imports. Options for boosting local production include stimulating agriculture-linked value chains and local enterprises to create

livelihood and income generating opportunities especially for the Country's predominantly vulnerable populations; women and youth.

Producer's groups, farming associations and cooperatives, as well as micro and small enterprises are vehicles for getting rural populations working together, buying inputs, jointly selling outputs and accessing goods and services that would allow them to improve practices, reduce post-harvest losses, add value to produce and ultimately increase incomes. Such farmers or producer-led groups have the potential to play a central role in value chain development and in poverty alleviation in rural environments in South Sudan.

The South Sudan Transitional Constitution prioritizes private sector development as a pathway towards recovery, resilience and peace. It also stresses that equitable economic development should be based on the agricultural and agro-industrial sectors, and the promotion of the private sector within framework of transparent and accountable governance¹⁵.

It is against this background that UNDP, in partnership with the National Ministry of Agriculture and Food Security, with support from IFAD, is implementing the Rural enterprises for Agriculture Development (READ) project to improve food security, income and resilience among targeted rural households. The primary objective of the project is to empower Rural Producer Organisations (RPOs), Cooperatives (Coops), Village Saving and Loans Associations (VSLAs), and MSEs, as sustainable and resilient value chain players by strengthening their institutional and organisational structures, improving their business skills for enterprise development, facilitating access to finance, and providing them with policy and regulatory support.

3. Scope of Work

The Monitoring, Evaluation and Safeguards Officer will be based in UNDP to facilitate the integration of the project indicators within the wider UNDP CO M & E and reporting system. The M&E and safeguard officer will be in charge of implementing the M&E framework of the project, which include but will not be limited to:

Monitoring

- ❑ In coordination with the Project Manager, maintain and update the monitoring process as part of the general monitoring, evaluation and reporting system;
- ❑ Monitor the progress of the programme activities and report on the level of achieving outputs and outcomes as indicated in projects' log frames.
- ❑ Further develop and enhance monitoring tools and guidelines.
- ❑ Follow up on a daily basis with the project team in order to monitor and evaluate all project's planned activities and progress towards achieving the project's targets and indicators, outputs, outcomes, and components and follow up work plans execution with regard to technical execution of activities and progress of expenditures related to M& reporting including conducting office and field visits in the selected project states; and ensuring that accurate data is collected in a timely, systematic, and efficient manner;
- ❑ Monitor implementation of the project Environment and Social Management Plan (ESMP), which includes monitoring indicators and responsibilities for identified potential risks, impacts and mitigation measures.
- ❑ Monitor Community Level Participatory of Gender and Youth responsiveness and impact of the project.

¹⁵ Transitional Constitution of South Sudan

- ❑ Plan and conduct visits to field sites in the selected project states to follow-up work of partners, field coordinators, consultants, contractors, suppliers to ensure timely and quality delivery per Targets and Indicators of the project.

Evaluation

- ❑ Review signed Agreement of Cooperation (AoCs) with Executing Entities (EEs) to identify evaluation requirements.
- ❑ Liaise with the Project manager, technical officers, field coordinators and MFS to develop an Evaluation Strategy and Plan for the project.
- ❑ Review UNDP's Evaluation Guidelines to identify evaluation prerequisites, processes, and means.
- ❑ Help preparing ToR and coordinating the work of external consultants in charge of developing Mid-Term as well as Project Final Evaluation Reports. Follow up and report on evaluations conducted by external evaluators to ensure timely submission and quality of evaluation reports.
- ❑ Identify and formulate evaluations' findings, lessons learned and recommendations.

Reporting

- ❑ Enhance and maintain the existing reporting framework of the project, ensuring complete oversight of requirements, while coordinating with project management unit.
- ❑ Prepare periodic status/annual project progress reports (PPR) up to terminal project performance report using the READ PPRs template. This will include monitoring of project's Milestones; the financial information related to the PPRs; Procurement data; Risks assessment; ESP Compliance; GP Compliance; Project indicators; Lessons learned; Project Results.
- ❑ Manage the M&E information-related process for preparing the annual results and performance reports, in addition to preparing data for other briefings, summaries, papers, presentations, etc; and maintaining all M&E tracking forms and tools related to the Project's data collection systems and ensuring that data is up to date.

Safeguard Measures Compliance

- ❑ Ensure compliance of project activities with the AF ESP and warrant that the project fully align with the Adaptation Fund's Environmental and Social Policy (ESP) and its 15 safeguard areas and Gender Policy (GP) as well as UNDP policies and reporting M&E requirements, incl. safeguarding system to ensure quality control from UNDO side.

Other Tasks

- ❑ Attend related meetings as requested by project management unit.
- ❑ Participate in the National Project Steering Committee meetings, technical meetings as well as regional and national workshops.
- ❑ Support on other related tasks that may be requested by the management.
- ❑ Provide, as needed, relevant support and assistance to the Project Mager in the overall project management duties

4. Institutional Arrangement

The M&E and Safeguards officer will be based in UNDP and provide support to the Project Manager, MAFS, IPs, target project states, and communities. He/She will have a matrix reporting to the READ Project Manager and the UNDP Chief Programme Advisor and will work closely with MAFS, IPs, and state level partners.

5. Competencies

Cross-Functional & Technical competencies

Core		
Achieve Results:	LEVEL 2: Scale up solutions and simplifies processes, balances speed and accuracy in doing work	
Think Innovatively:	LEVEL 3: Proactively mitigate potential risks, develop new ideas to solve complex problems	
Learn Continuously:	LEVEL 2: Go outside comfort zone, learn from others and support their learning	
Adapt with Agility:	LEVEL 3: Proactively initiate and champion change, manage multiple competing demands	
Act with Determination:	LEVEL 2: Able to persevere and deal with multiple sources of pressure simultaneously	
Engage and Partner:	LEVEL 2: Is facilitator/integrator, bring people together, build/maintain coalitions/partnerships	
Enable Diversity and Inclusion:	LEVEL 2: Facilitate conversations to bridge differences, considers in decision making	
Thematic Area	Name	Definition
Climate Change Adaptation	Nature, Climate	Fair Knowledge of climate change adaptation concepts and the ability to conduct M&E in this scope
Environmental and Social Assessment and Management Plans	Environment	Fair Knowledge of Environmental and Social Assessment and Management Plans and the ability to conduct M&E in this scope
Sustainable Development	Sustainability	Knowledge of sustainable development concepts, principles and issues and the ability to apply to strategic and/or practical situations, covering the economic, social and environmental dimensions
Support to Project Management	Project Management	Ability to help plan, organize, and control resources, procedures and protocols to achieve specific goals
Social Cohesion	Cohesion	Knowledge of methods and experience of supporting communities to achieve greater inclusiveness, more civic participation and creating opportunities for upward mobility.
Partnerships	Partnership	Ability to engage with other agencies, donors, and other development stakeholders and forge productive working relationships.

- **Minimum Qualifications of the Successful IPSA**

Min. Education requirements	<ul style="list-style-type: none"> • Bachelor's Degree in water & environment/ wastewater and sanitation or environmental science and management or agricultural engineering/irrigation, urban development, or related development field or any relevant field is required. • Certificates and Training in M&E and or EIA is desirable
Min. years of relevant work experience	<ul style="list-style-type: none"> • 5-6 years with a bachelor's degree or two (2) years with a master's degree of related practical experience in M&E capacity with international development programs/projects sponsored by international agencies is required, as well as experience with local public, private, or NGO entities or international organization active in South Sudan or the region is desirable, with emphasis on skills of development and follow-up of an M&E plan, KPIs, logical framework and surveys. • Excellent experience in drafting, writing and reviewing in English and report preparation and project implementation follow-up at office and in the field is required. • Experience implementing and/or managing data collection processes and procedures is required;
Required skills	<ul style="list-style-type: none"> • Technical reports writing skills and a high-level of computer literacy. Proficient in Microsoft Office (Word, Excel, PowerPoint) is required. • Good personal organization, interpersonal and communication skills is desirable. • Ability to work under pressure and demonstration of self-motivated persistent follow-up with diverse executing entities including office visits and field follow-up.
Desired skills in addition to the competencies covered in the Competencies section	<ul style="list-style-type: none"> • Experience in working with UN agencies and national government
Required Language(s)	<ul style="list-style-type: none"> • Excellent writing and oral communication skills in English. • Working knowledge of Arabic.
Professional Certificates	N/A

SOCIAL INCLUSION (SI) OFFICER

Terms of Reference (TOR)

International Personnel Service Agreement

1. Position Information

Office/Unit/Project	Stabilization, Recovery, and Resilience (StaRR) Unit - Rural Enterprises for Agricultural Development Project (READ)
Functional Title	Social Inclusion Specialist
Classified Level	TBD
Duty station	Juba, South Sudan
Type	Regular
Office- or Home-based	Office based
Expected starting date	2023
Expected Duration	12 months with possibility of extension

2. Scope of work

The Social Inclusion (SI) Officer works to provide technical support in the planning and implementation of a gender, socially inclusive READ programming. They/She/he will also oversee the implementation of the nutrition sensitive interventions across the various components. The SI officer will be guided by IFAD Gender and Targeting guidelines, nutrition strategy, Rural Youth Action Plan and GOSS community engagement methodology and work closely with UNDP and component leads with overall responsibility for ensuring planning, monitoring, and reporting of the project.

Key Responsibilities

- **Targeting and social inclusion strategy**

Under the guidance of the Project Coordinator, the SI officer will tailor the project targeting and social inclusion strategy to ensure target groups engage and benefit from the project activities, including the poor, women, youth and marginalized communities. The SI officer will support the implementation of the strategy for mainstreaming gender, youth and social inclusion in programme activities and develop an action-plan for implementing the strategy. This strategy will inform the identification and engagement of beneficiaries in the project (from Payam to Boma level) and will be aligned with IFAD targeting guidelines.

Under the guidance of the Project Coordinator, the SI officer will tailor the project targeting strategy **to** ensure target groups engage and benefit from the project activities, including the poor, women, youth and marginalized communities. The SI officer will support the implementation of the strategy **for mainstreaming gender, youth and social inclusion in programme activities** and develop an action-plan for implementing the strategy. This strategy will inform the identification and engagement of beneficiaries in the project (from Payam to Boma level) and will be **aligned** with IFAD targeting guidelines.

- **Nutrition Strategy**

The SI specialist will oversee the implementation of the nutrition strategy, working closely with ILO and services providers to ensure nutrition sensitivity of the RPOs capacity building activities.

- **Beneficiary selection and Participation**

The SI officer will ensure that PCU and IP staff understand the rationale **of** the targeting strategy and the different mechanisms to reach and benefit the poor, women, youth and marginalized communities in the project. She/he will ensure that PCU and IP staff have a good understanding of their specific role and responsibility in implementing the strategy. She/he will guide the identification of project beneficiaries, ensure quotas for target groups are met and be responsible for completing the relevant assessments at the project inception phase to better understand the challenges and the needs of the target groups.

- **Technical Support and backstopping**

The SI officer will closely collaborate with component leads and ensure the working documents of every component have SI elements integrated and a strong women and youth participation. Furthermore, they will orient and train project staff on gender integration, youth inclusion and nutrition sensitivity and approaches for READ. She/he will provide regular technical assistance to ensure gender responsive planning and budgeting. Additionally, She/he will provide the necessary orientation and advise all service providers on gender and social inclusion issues and policies.

- **Gender Action and Learning System**

The SI officer will oversee and monitor the implementation of GALS including contracting consultants or service providers for technical assistance, reviewing the TOR and coordination.

- FPIC implementation plan

The SI officer will support the finalization of the FPIC implementation plan and oversee and monitor its successful implementation.

- **Monitoring , Evaluation and Learning**

The SI officer will coordinate with and support the Monitoring and Evaluation (M&E) team to establish and implement social-inclusion sensitive monitoring, evaluation, and reporting systems, including working with the M&E team to ensure data is sex, age, socio-economic group, and disability disaggregated and analysed regularly. She/he will also conduct SI audits, contribute to the development of annual work plans, performance monitoring systems and tools, and progress update reports. This will include collecting, documenting, and reporting good practices and lessons learned in SI for in-country and global dissemination.

- **Partnerships**

The SI officer will maintain awareness of and relationships with civil society organizations and development partners also working in areas of gender, social inclusion and nutrition. She/he will network and liaise with members of civil society organizations (especially organizations of persons with disabilities, women/youth/returnees groups), international and national NGOs.

- **Grievance Redress Mechanism**

Oversee the set up and implementation of the project's grievance redress mechanism including beneficiary feedback system that is accessible to all segments of the population.

3. Institutional Arrangement

The SI officer will be based in UNDP and provide support to the Project Manager, MAFS, IPs, target project states, and communities. He/She will have a matrix reporting to the READ Project Manager and the UNDP Chief Programme Advisor and will work closely with MAFS, IPs, and state level partners.

4. Minimum Qualifications and Experience

- A minimum of five years of progressive experience, with at least eight in gender and in implementation of social inclusion program in rural development project.
- Knowledge of the Household Methodologies, especially GALS (will be valued- but not essential) and nutrition-sensitive agriculture
- Demonstrated knowledge of South Sudanese context
- Demonstrated experience and proficiency in managing programs that mainstream gender and social inclusion.
- Demonstrated experience in addressing issues related to safeguarding.
- Oversee the set up and implementation of the project's grievance redress mechanism.

LOGISTICS AND ADMINISTRATIVE ASSOCIATE

Terms of Reference (TOR) National Personnel Service Agreement

1. Position Information

Office/Unit/Project	Stabilization, Recovery, and Resilience (StaRR) Unit - Rural Enterprises for Agricultural Development Project (READ)
Functional Title	Logistics and Administrative Associate
Classified Level	NPSA 7
Duty station	Juba , South Sudan
Type	Regular
Office- or Home-based	Office based
Expected starting date	2022
Expected Duration	12 months with possibility of extension

2. Office/Unit/Project Description

South Sudan gained its independence in 2011 following a long and protracted civil war. Since then, two significant conflicts broke out (December 2013 and July 2016) plunging the country in a deep economic, social and political crisis which have undermined the development gains achieved since independence and exacerbated the continuing humanitarian crisis. The country is endowed with vast natural resources and economic potential that has not translated into improved standards of living for the citizens. The agricultural sector plays a major role in South Sudan's economy, accounting for 36 percent of its non-oil gross domestic production with 80 percent of households depending on cultivation as their primary source of livelihood (FAO, 2015). However, although South Sudan has huge agriculture potential, it continues to be food insecure, import-dependent, and low in productivity.

One of the biggest challenges the Country faces, is its weak institutions and state infrastructures. The state has arguably failed to create stable institutions and support a viable private sector. Preoccupation with civil wars meant that economic development and access to finance especially for MSEs were never central issues in the political economy of South Sudan. MSEs as has been revealed in other African Countries like Kenya are a key engine for job creation and are essential for South Sudan's growth and development. However, plagued by extremely high and unpredictable inflation, the Countries private sector development is crippled by lack of access to finance for the growth and expansion of the sector. Furthermore, the global economic backlash from the COVID-19 pandemic has the World Bank projecting a bleak outlook for the country.

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livelihood and income generating opportunities especially for the Country's predominantly vulnerable populations; women and youth.

Producer's groups, farming associations and cooperatives, as well as micro and small enterprises are vehicles for getting rural populations working together, buying inputs, jointly selling outputs and accessing goods and services that would allow them to improve practices, reduce post-harvest losses, add value to produce and ultimately increase incomes. Such farmers or producer-led groups have the potential to play a central role in value chain development and in poverty alleviation in rural environments in South Sudan.

The South Sudan Transitional Constitution prioritizes private sector development as a pathway towards recovery, resilience and peace. It also stresses that equitable economic development should be based on the agricultural and agro-industrial sectors, and the promotion of the private sector within framework of transparent and accountable governance¹⁶.

It is against this background that UNDP, in partnership with the National Ministry of Agriculture and Food Security, with support from IFAD, is implementing the Rural enterprises for Agriculture Development (READ) project to improve food security, income and resilience among targeted rural households. The primary objective of the project is to empower Rural Producer Organisations (RPOs), Cooperatives (Coops), Village Saving and Loans Associations (VSLAs), and MSEs, as sustainable and resilient value chain players by strengthening their institutional and organisational structures, improving their business skills for enterprise development, facilitating access to finance, and providing them with policy and regulatory support.

3. Scope of Work

The Logistics and administrative officer will be the primary liaison to UNDP's procurement unit, common services, and other administrative units. He/She will essentially be responsible for the procurement of goods and services while ensuring that appropriate administrative support services are provided to the Project management team and project stakeholders. Furthermore, the logistics and administrative officer will directly support all the technical, strategic and leadership functions of the strategic planning, budget planning, management and administration of the project by providing programme support, managing data and facilitating its implementation. He/She will promote a client-oriented approach consistent with UNDP rules and regulations and works in close collaboration with the operations, programme and project teams in the UNDP CO for resolving complex programme-related issues and information delivery.

- a)** Ensures administration and implementation of programme strategies, adapts processes and procedures focusing on achievement of the following results:
 - Presentation of thoroughly researched information for effective application of RBM tools and establishment of management targets.
 - Establishment of the mechanisms to track use of RBM tools and maintenance of RBM database;
 - Presentation of information/ reports for identification of areas for support and interventions.

¹⁶ Transitional Constitution of South Sudan

b) Provides effective support to Programme and projects formulation and implementation

- ❑ Support preparation of background information for programme/project formulation, support project documentation preparation, work plans, budgets, proposals on implementation arrangements in line with the UNDP Results Management User guide (RMG) requirements and READ practices and guidelines.
- ❑ Assistance in preparation/reviews of project-related documents and quarterly/annual project reviews and ongoing monitoring, drafts standard correspondence and presentations on the projects/programmes.
- ❑ Maintain and keep (original) donor and partner-related documentation of the project (e.g. correspondence, donor reports).
- ❑ Assist in coordination of project activities with consultants, drafts terms of reference for the consultants.
- ❑ Provide both internal and external clients (including Country Offices) with timely and adequate support/ information on programme and project activities
- ❑ Review of READ project submissions to ensure correct format, edits, procedures, calculations etc
- ❑ Responsibility for ensuring READ submissions are made and tracking of submissions at HQ and GEFSEC. Maintaining data on submission and response times
- ❑ Handles the issuance of Delegations of Authorities (DOAs), review of Annual Work Plans (AWPs) and issuance of Annual Spending Limits (ASLs)
- ❑ Support to CO in preparing project budget revisions, review of budget revisions and forwarding of advice/recommendations
- ❑ Monitors project delivery, provides monthly Atlas project progress reports to STARR, ensures submission of progress reports
- ❑ Ensures all project Atlas information is up to date and fully maintained by COs, including Risk Management Module and issues log
- ❑ Supports COs with project delivery, identifying issues, providing early warning of delivery blockages, and working with COs to ensure smooth delivery
- ❑ Maintaining portfolio and project information calendar: upcoming evaluations, supervision missions
- ❑ Support to operational and financial closure of projects, including appropriate reporting to UNDP, Project management team and IFAD as necessary.

c) Provides project financial support focusing on achievement of the following results:

- ❑ Proper control of the supporting documents for payments, review of projects Financial Reports.
- ❑ Management of project Budget, providing monthly status reports to Project Manager and the STARR unit, preparing budget revisions, reporting and liaising with STARR unit on project budget matters.
- ❑ Based on the Project Manager instructions and discussions creation of a project in Atlas, creation of project award, determination of unutilized funds and donor balances, operational and financial close of a project.
- ❑ Annual review of project transactions and follow up on Atlas generated Combined Delivery Reports (CDRs) that should be signed by the project manager/CO and uploaded to Atlas
- ❑ Recommends and makes the budget revisions ensuring that appropriate formats are used and uploaded to Atlas
- ❑ Sets up and monitors the budgets, updates financial information on delivery and status of implementation of the projects
- ❑ Drafts the financial reports for donors, monitors use of cost sharing funds and other resources

- ❑ Tracks and reports on mobilized resources. Review of contributions agreement, managing contributions in Atlas, follow up on General Management Services fee (GMS).
 - ❑ Liaison with project implementation agencies to make sure that Project Delivery Reports (PDRs) are appropriately uploaded to Atlas
 - ❑ Assists with financial closure of the projects in line with standard operating procedures.
- d)** Provides administrative and operational support to the project focusing on achievement of the following results:
- ❑ Maintenance of the internal expenditures control system which ensures that vouchers processed are matched and completed, transactions are correctly recorded and posted in Atlas.
 - ❑ Timely corrective actions on unposted vouchers, including the vouchers with budget check errors, match exceptions, unapproved vouchers.
 - ❑ Prepares both Non-PO and purchase orders (PO) based vouchers in Atlas
 - ❑ Creation and with introduction of e-procurement module approval of requisitions in Atlas for projects.
 - ❑ Making budget check for requisitions and vouchers
 - ❑ Supports monthly, quarterly and annual closure of accounts as per instructions issued by the appropriate unit
 - ❑ Assists in Procurement process for the projects as requested
 - ❑ Prepare documents for Contracts, Assets and Procurement Panel (CAP) meetings
 - ❑ Facilitates project inventories and inventory records keeping
 - ❑ Assists in meetings, drafts minutes and correspondence as requested
 - ❑ Assists in ad-hoc Practice administrative and operational issues as requested
- e)** Ensures facilitation of knowledge building and knowledge sharing in the project focusing on achievement of the following results:
- ❑ Organization of trainings for the operations/ projects staff on programme.
 - ❑ Synthesis of lessons learnt and best practices in programme.
 - ❑ PIMS management, ensuring all pages of projects in Project Information Management System are fully up to date and maintained
 - ❑ Contribute to the project and STARR knowledge management and lessons learned
 - ❑ Preparing information on project pipeline and portfolio as requested by Chief Programme Advisor and the Project Manager
 - ❑ Contributions to knowledge networks and communities of practice.

4. Institutional Arrangement

The Logistics and Admin officer will have a matrix reporting to the Project Manager and the Team Leader, STARR. He/She will work closely with the Technical Officers, IPs and the Admin and Finance Associate/s in the STARR unit in the delivery of project activities.

5. Competencies

Cross-Functional & Technical competencies

Core		
Achieve Results:	LEVEL 1: Plans and monitors own work, pays attention to details, delivers quality work by deadline	
Think Innovatively:	LEVEL 1: Open to creative ideas/known risks, is pragmatic problem solver, makes improvements	
Learn Continuously:	LEVEL 1: Open minded and curious, shares knowledge, learns from mistakes, asks for feedback	
Adapt with Agility:	LEVEL 1: Adapts to change, constructively handles ambiguity/uncertainty, is flexible	
Act with Determination:	LEVEL 1: Shows drive and motivation, able to deliver calmly in face of adversity, confident	
Engage and Partner:	LEVEL 1: Demonstrates compassion/understanding towards others, forms positive relationships	
Enable Diversity and Inclusion:	LEVEL 1: Appreciate/respect differences, aware of unconscious bias, confront discrimination	
Thematic Area	Name	Definition
Business Management	Operations Management	Ability to effectively plan, organize, and oversee the Organization's business processes in order to convert its assets into the best results in the most efficient manner. Knowledge of relevant concepts and mechanisms
Business Management	Working with Evidence and Data	Ability to inspect, cleanse, transform and model data with the goal of discovering useful information, informing conclusions and supporting decision-making
Business Management	Results-Based Management	Ability to manage programmes and projects with a focus at improved performance and demonstrable results
Finance	Financial Planning and Budgeting	Ability to create and manage processes to achieve UNDP's long and short-term financial goals, including through planning, budgeting, forecasting, analysing and reporting
Procurement	Procurement Management	The ability to acquire goods, services or works from an outside external source

6. Minimum Qualifications of the Successful NPSA

Min. Education requirements	Diploma or higher in Accounting, Finance, Management and related fields. University Degree is an advantage.
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Min. years of relevant work experience	At least 3 years of progressively responsible administrative or programme experience is required. Experience working in a donor-funded project will be an asset.
Required skills	<ul style="list-style-type: none"> • Experience in the usage of computers and office software packages (MS Word, Excel, etc) and advance knowledge of spreadsheet and database packages, experience in handling of web based management systems. • Good communication skills
Desired skills in addition to the competencies covered in the Competencies section	<ul style="list-style-type: none"> • Experience in working with UN agencies and national government
Required Language(s)	<ul style="list-style-type: none"> • Excellent writing and oral communication skills in English. • Working knowledge of Arabic.
Professional Certificates	<i>N/A</i>

DRIVER

Terms of Reference (TOR) National Personnel Service Agreement

1. Position Information

Office/Unit/Project	Stabilization, Recovery, and Resilience (StaRR) Unit - Rural Enterprises for Agricultural Development Project (READ)
Functional Title	Driver
Classified Level	NPSA 3
Duty station	Juba , South Sudan
Type	Regular
Office- or Home-based	Office based
Expected starting date	2022
Expected Duration	12 months with possibility of extension

2. Office/Unit/Project Description

South Sudan gained its independence in 2011 following a long and protracted civil war. Since then, two significant conflicts broke out (December 2013 and July 2016) plunging the country in a deep economic, social and political crisis which have undermined the development gains achieved since independence and exacerbated the continuing humanitarian crisis. The country is endowed with vast natural resources and economic potential that has not translated into improved standards of living for the citizens. The agricultural sector plays a major role in South Sudan's economy, accounting for 36 percent of its non-oil gross domestic production with 80 percent of households depending on cultivation as their primary source of livelihood (FAO, 2015). However, although South Sudan has huge agriculture potential, it continues to be food insecure, import-dependent, and low in productivity.

One of the biggest challenges the Country faces, is its weak institutions and state infrastructures. The state has arguably failed to create stable institutions and support a viable private sector. Preoccupation with civil wars meant that economic development and access to finance especially for MSEs were never central issues in the political economy of South Sudan. MSEs as has been revealed in other African Countries like Kenya are a key engine for job creation and are essential for South Sudan's growth and development. However, plagued by extremely high and unpredictable inflation, the Countries private sector development is crippled by lack of access to finance for the growth and expansion of the sector. Furthermore, the global economic backlash from the COVID-19 pandemic has the World Bank projecting a bleak outlook for the country.

The agriculture sector and the natural resources of South Sudan are the foundation for economic and social development to satisfy important economic, social, cultural and political needs of its peoples. To avoid food shortages and high commodity prices from spiraling into another conflict driver, it is imperative to boost local production, primarily to augment current supplies and in the long term substitute the imports. Options for boosting local production include stimulating agriculture-linked value chains and local enterprises to create livelihood and income generating opportunities especially for the Country's predominantly vulnerable populations; women and youth.

Producer's groups, farming associations and cooperatives, as well as micro and small enterprises are vehicles for getting rural populations working together, buying inputs, jointly selling outputs and accessing goods and services that would allow them to improve practices, reduce post-harvest losses, add value to produce and ultimately increase incomes. Such farmers or producer-led groups have the potential to play a central role in value chain development and in poverty alleviation in rural environments in South Sudan.

The South Sudan Transitional Constitution prioritizes private sector development as a pathway towards recovery, resilience and peace. It also stresses that equitable economic development should be based on the agricultural and agro-industrial sectors, and the promotion of the private sector within framework of transparent and accountable governance¹⁷.

It is against this background that UNDP, in partnership with the National Ministry of Agriculture and Food Security, with support from IFAD, is implementing the Rural enterprises for Agriculture Development (READ) project to improve food security, income and resilience among targeted rural households. The primary objective of the project is to empower Rural Producer Organisations (RPOs), Cooperatives (Coops), Village Saving and Loans Associations (VSLAs), and MSEs, as sustainable and resilient value chain players by strengthening their institutional and organisational structures, improving their business skills for enterprise development, facilitating access to finance, and providing them with policy and regulatory support.

3. Scope of Work

The Driver will be based in the project team in Ministry of Agriculture and Food Security and will be primarily responsible for providing transport support and facilitating movement of project personnel. The driver will promote a client-oriented approach, tact and ability to work with people of different national and cultural background. He/She works in close collaboration with the operations, programme and project teams in the UNDP CO for programme-related issues, logistics and information delivery.

a) Driver (70 percent of the time):

- Driving services for office staff, official visitors, and project partners.
- Collection and delivery of mail and other materials as required from and to the post office, government agencies and other institutions.
- Sorting, delivery and pick up of mail from various offices on the premises at regular intervals.
- Collection of invoices from vendors, contacting vendors for any information and documentation to be provided or received.
- Vehicle maintenance and periodic vehicle check. Alert supervisor and management in any issue/problem requires action.
- Support in local shopping / purchases including pickup of office supply and stationery.
- Delivery of recycling items and contents of recycle bins.
- Other duties as required.

b) Logistics Support (20 percent of the time)

- Support in office events and ceremonies.
 - Transportation of items required (e.g. equipment, small furniture, etc.) among the office(s) and project site(s).
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- ❑ Handling minor technical problems of office related items and reporting service providers for regular maintenance and repair.
- ❑ Support in physical check and arrangement of office inventory / assets.
- ❑ Packaging/packing of material received for dispatch; labeling, inserting material in envelopes and franking outgoing mail.
- ❑ Other duties as required.

c) Other deliverables (10 percent of the time)

- ❑ Monitoring of all visitors to the office; assistance to visitors by providing directions and accurate information related to UN/UNDP.
- ❑ Operates photocopying and duplicating machines, binding, and filing.
- ❑ Other duties as required.

4. Institutional Arrangement

The Driver will be based in the project team in MAFS and will be primarily responsible for providing transport support and facilitating movement of project personnel. The driver will work closely with the Logistics and Administration Associate in the project office and the Admin and Finance Associate in the STARR unit in the delivery of project activities.

5. Competencies

Cross-Functional & Technical competencies

Core		
Achieve Results:	LEVEL 1: Plans and monitors own work, pays attention to details, delivers quality work by deadline	
Think Innovatively:	LEVEL 1: Open to creative ideas/known risks, is pragmatic problem solver, makes improvements	
Learn Continuously:	LEVEL 1: Open minded and curious, shares knowledge, learns from mistakes, asks for feedback	
Adapt with Agility:	LEVEL 1: Adapts to change, constructively handles ambiguity/uncertainty, is flexible	
Act with Determination:	LEVEL 1: Shows drive and motivation, able to deliver calmly in face of adversity, confident	
Engage and Partner:	LEVEL 1: Demonstrates compassion/understanding towards others, forms positive relationships	
Enable Diversity and Inclusion:	LEVEL 1: Appreciate/respect differences, aware of unconscious bias, confront discrimination	
Thematic Area	Name	Definition

Business Management	Operations Management	Ability to effectively plan, organize, and oversee the Organization's business processes in order to convert its assets into the best results in the most efficient manner.
Business Management	Client Management	Ability to respond timely and appropriately with a sense of urgency, provide consistent solutions, and deliver timely and quality results and/or solutions to fulfil and understand the real customers' needs. Provide inputs to the development of customer service strategy. Look for ways to add value beyond clients' immediate requests. Ability to anticipate client's upcoming needs and concerns

6. Minimum Qualifications of the Successful NPSA

Min. Education requirements	<ul style="list-style-type: none"> • Secondary school or higher level of education. Special course on auto-mechanic is an advantage.
Min. years of relevant work experience	<ul style="list-style-type: none"> • At least 3 years of work experience is required.
Required skills	<ul style="list-style-type: none"> • Valid driving license and clean driving record • Good communication skills
Desired skills in addition to the competencies covered in the Competencies section	
Required Language(s)	<ul style="list-style-type: none"> • Excellent writing and oral communication skills in English. • Working knowledge of Arabic.
Professional Certificates	N/A

ANNEX 8: Social, Environmental and Climate Assessment Checklist

SECAP STANDARD 1: BIODIVERSITY CONSERVATION

	Requirements
Identification of potential risks and impacts	<p>The project team has reviewed the extent of the biodiversity and habitats in the proposed project area, including:</p> <ul style="list-style-type: none"> Vulnerability Irreplaceability Protected status Significance to local communities <p>Potential direct and indirect and cumulative impacts on biodiversity, ecosystems and ecosystem services, including risks related to habitat and species loss, land degradation and fragmentation, overexploitation, invasive alien species, hydrological changes, nutrient loading, pollution, incidental take of species, potential climate change impacts, and differing values attached to potentially affected biodiversity and ecosystem services by any communities and other stakeholders concerned.</p>
Mitigation, management and monitoring of identified risks and impacts	<p>For moderate-, substantial- and high-risk projects, the precautionary principle has been applied and it follows the mitigation hierarchy</p> <p>Biodiversity offsets were only undertaken after all prior steps in the mitigation hierarchy were fully assessed and implemented, but significant residual impacts still remain. The biodiversity offset met the following criteria:</p> <ul style="list-style-type: none"> — It is designed and implemented to achieve measurable conservation outcomes expected to result in no net loss and preferably a net gain of biodiversity, adhering to the “like-for-like or better” principle and carried out by experienced external experts — For critical habitats, biodiversity offsets are considered only in exceptional circumstances, and in such circumstances a net gain is required <p>The Environmental, Social and Climate Management Plan (ESCMP) reflects relevant requirements of Standard 1 and has been developed</p> <p>A plan to monitor all mitigation measures and biodiversity actions has been developed, including specific, measurable, achievable, relevant and time-bound (SMART) indicators</p> <p>Mitigation and management measures meet (and ideally exceed) national regulations and obligations as well as international law</p> <p>In cases of unavoidable damage to biodiversity, the project is planning/has planned how to compensate for its negative effects on biodiversity by supporting mitigation or restoration of similar biodiversity-rich habitats elsewhere</p>

<p>Habitats</p>	<p>The habitat(s) that the project might affect has/have been classified (modified, natural, critical)</p> <p>The project is not implemented in a highly valuable habitat</p> <p>Where natural habitats are affected, the project only proceeded after appropriate mitigation measures were put in place to achieve no net loss, and preferably a net longterm gain of the associated biodiversity values</p> <p>If the project activities were proposed to take place in a critical habitat, qualified and experienced external experts were retained to assist in conducting the assessment</p> <p>If the project affects habitats, it has been reviewed to establish whether any threatened species are present in the project’s area of influence (check the International Union for Conservation of Nature list here)</p> <p>If the project activities are located within a legally protected area or an internationally recognized area it was ensured that:</p> <ul style="list-style-type: none"> — Actions were taken in a manner consistent with any existing protected area management plans — Protected area sponsors and managers, local communities and other key stakeholders in the proposed activities were consulted <p>Additional activities, as appropriate, were implemented to promote and enhance the conservation aims and effective management of the area</p>
<p>Further considerations</p>	<p>If the project involves the utilization of genetic resources, there are measures to ensure that the collection of such resources is conducted sustainably and that benefits derived from their utilization are shared in a fair and equitable manner (Guideline from the Convention on Biological Diversity [CBD])</p> <p>Measures are in place to avoid introduction or utilization of invasive alien species, whether accidental or intentional, and support activities to mitigate and control their further spread</p> <p>Whenever small-scale producers or landowners have agreed to take certain actions to manage their land or watersheds to provide an ecological service, payments for environmental services have been considered</p> <p>If the project involves purchasing of natural resource commodities, procurement is/has been/will be limited to suppliers who can demonstrate that they are not contributing to significant conversion or degradation of natural or critical habitats</p>
<p>Procurement</p>	<p>The Environment, Climate, Gender and Social Inclusion Division (ECG) specialist has touched base with the senior procurement officers (SPOs) to ensure that all environmental and social (E&S) risks that bear on procurement are adequately addressed in line with the revised procurement guidelines</p>

SECAP STANDARD 2: RESOURCE EFFICIENCY AND POLLUTION PREVENTION

	Requirements
Identification and assessment of potential risks and impacts	<p>For moderate-, substantial- and high-risk projects, direct, indirect and cumulative adverse impacts relating to resource use and pollution/emissions have been assessed</p> <p>Relevant expertise has been employed and resource use and pollution-related impacts have been assessed at appropriate geographic scale</p> <p>The level of stakeholder engagement at a scale appropriate to potential risks/impacts has been ensured</p>
Mitigation, Management and monitoring of identified risks and impacts	<p>The <u>precautionary principle</u> has been applied and follows the mitigation hierarchy Where use of a significant volume of pesticides is foreseen, a pest management plan has been developed and applied See the Codex Alimentarius guidelines of the Food and Agriculture Organization of the United Nations (FAO) and the <u>World Bank's guidance note</u> for reference</p> <p>Where specific details and sites of proposed projects were not yet fully defined, an Environmental, Social and Climate Management Framework (ESCMF) has been developed</p> <p>The project considers how to monitor all mitigation measures</p>
Resource efficiency	<p>The borrowers/recipients/partners will implement/have implemented technically and financially feasible measures for improving efficient consumption of energy, water and raw materials, as well as other resources, and have included these requirements in their procurement strategy</p> <p>Alternatives that can technically be implemented and are financially feasible have been developed to reduce project-related greenhouse gas (GHG) emissions</p> <p>An integrated preventive environmental strategy to products, processes and services has been applied/is being considered</p> <p>If available, good international industry practice has been/will be used to evaluate project performance on resource efficiency or pollution intensity requirements</p>

<p>Pollution prevention</p>	<p>The assessment process has identified the technically and financially feasible pollution prevention and control techniques that are best-suited to avoid or minimize adverse consequences on human health and the environment: these solutions have been included in the project's procurement planning and strategy</p> <p>The project's activities favour the prevention or avoidance of risks and impacts over minimization and reduction, in accordance with the mitigation hierarchy</p> <p>Measures have been developed/are being developed to avoid or minimize emissions of pollutants into sensitive or already degraded water, air or soil environments</p> <p>Proximity to communities/residential areas has been considered and the impacts of pollutants on local communities will be addressed in the project's ESIA</p> <p>It is planned to use the waste management hierarchy (reuse, recycle, use waste for energy generation and where no other alternative is technically and economically feasible, dispose of adequately) to dispose of the materials utilized in the project</p> <p>If the use of plastics is involved extensively in the project:</p> <ul style="list-style-type: none"> — A waste prevention/management strategy has been developed and the appropriate requirements have been integrated into the project's bidding documents — A recycling plan has been implemented and considers the following elements: <ul style="list-style-type: none"> — Evaluation of the waste production process and identification of potentially recyclable materials — Investigation of external markets for recycling by other industrial processing operations located in the intervention zone — Providing training and incentives to employees in order to meet the objectives <p>There is a duty of care in place, imposing accountability on grant borrowers/recipients/ partners to ensure that third parties who transport and dispose of waste do so in ways that are safe, secure and legal, and that these conditions have been integrated into grant and contract templates</p> <p>If the project produces any medical waste, its disposal and storage will follow national and international regulations and best practices</p>
<p>Air pollution</p>	<p>Borrowers/recipients/partners have considered alternatives and implemented actions to avoid or minimize project-related air emissions during the design, construction and implementation of the project/programme</p> <p>Borrowers/recipients/partners have systems in place to manage and monitor the air emissions associated with their operations</p> <p>The air emissions planned for the project do not result in pollutant concentrations that exceed emission limits or ambient air quality standards set by national authorities</p>

<p>Historical pollution</p>	<p>If project/programme activities are planned to generate significant emissions in previously polluted/degraded areas, borrowers/recipients/partners are adopting/ planning to adopt measures that avoid or minimize potential negative effects</p> <p>If historical pollution could pose a significant risk to human health or the environment, the borrowers/recipients/partners have undertaken, or are planning to undertake, a health and safety risk assessment of any existing pollution affecting communities, workers, or the environment</p>
<p>Hazardous material</p>	<p>The project design accounts for hazardous materials to be adequately stored to avoid any release that could affect workers, communities, biodiversity or ecosystem services Requirements for safe storage have been included in all relevant bidding documents and contracts</p> <p>The ESCMP/ESCMF covers the handling of hazardous materials and the adequate handling of pesticides</p> <p>Where the public might be exposed to hazardous materials, special care has been taken to avoid or minimize such risks by modifying, substituting or eliminating the materials or conditions concerned</p> <p>The project does not support the manufacture, trade or use of chemicals or hazardous substances subject to international bans, restrictions or phase-outs</p>
<p>Sustainable management of living natural resources</p>	<p>Appropriate industry-specific management practices and available technologies have been/will be applied</p> <p>Borrowers/recipients/partners will adopt/are adopting appropriate measures, where relevant, to promote animal welfare, control of potential invasiveness or escape of production species, as well as minimization of antimicrobial resistance</p> <p>Slash-and-burn/fire-fallow cultivation has been avoided</p> <p>If certifications of compliance are being used/will be used, they are/will be independent, cost-effective, based on objective and measurable performance standards, and developed through consultation with relevant stakeholders such as local residents and communities, indigenous peoples, and civil society organizations representing consumer, producer and conservation interests</p>
<p>Water usage (for projects affecting water resources)</p>	<p>An integrated water resources management approach has been applied</p> <p>Assessments of water availability in the project area, including seasonal and multi-year variations in water tables and precipitation, as well as water resource demand, have been conducted</p> <p>Cumulative impacts of water use have been assessed and appropriate mitigation measures have been/will be implemented</p> <p>Where project activities may restrict or alter riverine systems (eg dams, significant water diversion or withdrawals), the project ensures that it does not contribute to further degradation of the freshwater ecosystem</p>

	<p>If the project risks negatively affect the quality or quantity of water in an international waterway, IFAD or its partners have notified all riparian states and/or the international body that coordinates management of the waterway in writing</p> <p>The project applies good international practice for water conservation and management, including for irrigation activities and wastewater usage</p>
<p>Fisheries resources (for IFAD projects supporting smallscale capture fishing)</p>	<p>Potential risks of overfishing and destruction of coastal habitats have been identified</p> <p>Support given to communities includes adopting adequate equipment and respecting closure periods and zones to avoid the capture of juveniles and reduce by-catch and discards</p> <p>Where relevant, the unintended catch of threatened species, such as sea turtles, has been/will be avoided by using excluder devices</p> <p>Coastal ecosystems with specific importance for the reproduction of fisheries resources have been protected</p> <p>Avoidance and <u>mitigation measures</u> to resolve or alleviate the negative impacts of fisheries and aquaculture have been considered</p>
<p>Soil management</p>	<p>Adverse impacts on soils, their biodiversity, organic content, productivity, structure, and water-retention capacity have been avoided or, if impossible, minimized</p> <p>Practices that cause land degradation, soil erosion, degradation of soil organic matter and soil nutrient mining have been/will be avoided</p> <p>Where relevant, <u>sustainable soil and land management techniques and approaches</u> have been applied</p> <p>Where relevant, support on how to manage soil salinity has been given/will be given to farmers</p> <p>Integrated soil fertility management has been/will be promoted</p>
<p>Forest resources</p>	<p>The project has avoided clearing forests for agricultural or other purposes and other actions that may inadvertently result in forest conversion or degradation</p> <p>The construction of roads and other infrastructure in natural forests and other sensitive habitats has been avoided</p> <p>Measures for mitigating the negative impacts of deforestation have been considered in terms of vegetation, soils, biodiversity, water, and reforestation and afforestation activities</p> <p>For projects involving industrial-scale commercial forest harvesting, borrowers/ recipients/partners have ensured/will ensure that such operations are certified via an independent <u>forest certification system</u> or adhere to a time-bound phased action plan acceptable to IFAD for achieving such certification</p>

	<p>For projects involving forest harvesting by small-scale producers or local communities under community forest management, borrowers/recipients/partners will ensure that they:</p> <ul style="list-style-type: none"> — Have achieved a suitable standard of sustainable forest management developed with the meaningful participation of project-affected parties, including indigenous peoples — Adhere to a time-bound action plan to be developed with the meaningful participation of project-affected parties and meeting the requirements of IFAD/SECAP
<p>Pesticide use and management</p>	<p>Where recourse to pesticides is deemed necessary, IFAD has ensured/will ensure <u>safe, effective and environmentally sound pest management</u></p> <p>If pesticides are to be applied, training and awareness-raising on health and environmental aspects for personnel handling and using pesticides have been planned/ implemented</p> <p>The project includes suitable investments and capacity-building activities for the selection, distribution, storage, application and disposal of pesticides and fertilizers</p> <p>The project does not supply or use pesticides that contain active ingredients banned or restricted under applicable international treaties and agreements, or meeting the criteria of carcinogenicity, mutagenicity or reproductive toxicity, as set forth by such international agencies as the World Health Organization, United Nations GHS,¹ <u>Stockholm Convention and Rotterdam Convention, Montreal Protocol, and FAO</u></p> <p>Integrated pest management and vector management approaches are used and entail the coordinated use of pest and environmental information along with available pest/ vector control methods, including cultural practices, biological, genetic and, as a last resort, chemical means to prevent unacceptable levels of pest damage</p> <p>If applicable, pest and vector management, and its linkages to post-harvest losses, were assessed and screened for potential risks</p> <p>If the project promotes post-harvest use of pesticides for storage of grains by households, training has been/will be provided</p>
<p>Forest resources</p>	<p>The project has avoided clearing forests for agricultural or other purposes and other actions that may inadvertently result in forest conversion or degradation</p> <p>The construction of roads and other infrastructure in natural forests and other sensitive habitats has been avoided</p> <p>Measures for mitigating the negative impacts of deforestation have been considered in terms of vegetation, soils, biodiversity, water, and reforestation and afforestation activities</p> <p>For projects involving industrial-scale commercial forest harvesting, borrowers/ recipients/partners have ensured/will ensure that such operations are certified via an independent <u>forest certification system</u> or adhere to a time-bound phased action plan acceptable to IFAD for achieving such certification</p>

	<p>For projects involving forest harvesting by small-scale producers or local communities under community forest management, borrowers/recipients/partners will ensure that they:</p> <ul style="list-style-type: none">— Have achieved a suitable standard of sustainable forest management developed with the meaningful participation of project-affected parties, including indigenous peoples— Adhere to a time-bound action plan to be developed with the meaningful participation of project-affected parties and meeting the requirements of IFAD/SECAP
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SECAP STANDARD 3: CULTURAL HERITAGE

<p>Identification and assessment of potential risks and impacts</p>	<p>Potential impacts and risks that project activities pose to both tangible and intangible cultural have been screened and assessed</p> <p>Project activities or features that are likely to impact tangible and intangible cultural heritage have been identified</p> <p>Indirect and cumulative impacts that may occur during implementation or after the completion of a project have been assessed</p>
<p>Mitigation, management and monitoring of identified risks and impacts</p>	<p>Appropriate measures to avoid, minimize or mitigate impact have been identified by borrowers/recipients/partners if the project is likely to affect cultural heritage adversely Where the project might impact cultural heritage, an appropriate management plan has been developed to ensure compliance with the country’s overall policy framework, national legislation and international standards for protecting cultural heritage All mitigation measures have been monitored</p>
<p>Chance finds</p>	<p>Chance finds procedures have been included in all plans and contracts regarding project-related construction, including excavation, demolition, earth-moving, flooding, or other changes Chance finds procedures comprise the following:</p> <ul style="list-style-type: none"> — Definition of cultural heritage, including a description of the types of cultural heritage that might be covered by interventions — Ownership: report the identity of the owner of any cultural heritage found — Recognition: include a technical expert where the risk to cultural heritage is high — Outline procedures upon discovery, if possible, based on national procedures These include: suspension of work, demarcation of the discovered area, chance finds report, actions of the cultural authority and further suspension of work, procedure for non-disturbance of chance finds until assessment by experts
<p>Community participation, consultation and use of qualified personnel</p>	<p>Full and effective participation of local people and qualified personnel has been ensured when screening project areas</p> <p>Communities have been informed of their rights and potential consequences when cultural heritage is used for commercial purposes</p> <p>Fair and equitable sharing of cultural heritage has been ensured</p> <p>Meaningful consultations have been conducted, leading to free, prior and informed consent (FPIC) of the project-affected groups, key users, custodians, local communities, relevant government authorities and interested NGOs</p>

<p>Continued access</p>	<p>Restriction of access has been avoided to cultural heritage sites and places of memory necessary for expression of intangible cultural heritage</p> <p>Where restrictions cannot be avoided, continued access has been ensured subject to overriding safety and security considerations</p> <p>Early stakeholder engagement has been ensured to make certain that potential impacts of access to cultural heritage are identified and assessed as early as possible</p>
<p>Confidentiality and restricted access by communities</p>	<p>Together with the stakeholders, it has been established whether disclosure of information regarding cultural heritage risks would compromise its safety and endanger sources of information. If that is so, sensitive information is withheld from public disclosure</p> <p>Confidentiality has been maintained and customary laws and practices limiting access to specific aspects of customary heritage have been respected</p>
<p>Commercial use of cultural heritage</p>	<p>The rights of project-affected communities and individuals to use, manage and access their cultural heritage have been taken into account</p> <p>The requirements of FPIC have been applied to all rural communities</p> <p>Whenever a project involves the commercial use of indigenous peoples' cultural heritage, the requirements of Standard 4 on indigenous peoples are applied</p> <p>Meaningful consultations and stakeholder engagement leading to FPIC have been carried out</p> <p>Fair and equitable sharing of benefits from commercial use of cultural heritage has been arranged</p>
<p>Meaningful consultation leading to consent</p>	<p>Project-affected groups, relevant government authorities and interested NGOs have been included in public consultations</p> <p>The above-mentioned groups have assisted the borrowers/recipients/partners and IFAD's project delivery team in documenting the presence and significance of cultural heritage</p> <p>Potential impacts have been assessed and avoidance and mitigation options have been explored through a consultation process leading to consent</p>
<p>Procurement</p>	<p>The ECG specialist has touched base with the SPOs to ensure that all E&S risks with implications for procurement are adequately addressed in line with the revised procurement guidelines</p>

SECAP STANDARD 4: INDIGENOUS PEOPLES

	Requirements
Identification of indigenous peoples	Indigenous peoples have been identified according to IFAD's working definition of the term
Identification and assessment of potential risks and impacts	<p>Potential partners from indigenous peoples have been identified</p> <p>A stakeholder engagement plan has been developed at a scale appropriate to identify potential risks/impacts</p> <p>Early consultations on the proposed project have begun</p> <p>Potential impacts of the project on the social, cultural and economic status of indigenous peoples have been identified</p> <p>Initial mapping of the potentially affected indigenous peoples has been undertaken</p>
Mitigation, management and monitoring of identified risks and impacts	<p>An indigenous peoples' plan and FPIC implementation plan with appropriate mitigation and management measures has been developed</p> <p>Measures put in place to monitor the impact of the project on the indigenous peoples' communities This is done in a participatory way, not as a top-down approach, and agreed on in the FPIC implementation plan</p>
Meaningful consultations and FPIC IFAD how to do note: FPIC	<p>FPIC was solicited either before project approval (design phase) or during the implementation phase and has been documented</p> <p>The FPIC process, timeline and decision-making structure have been determined by all stakeholders Meetings and decisions have taken place at locations and times, and in languages and formats, determined by the stakeholder's Collective decisions are reached by the affected peoples (e.g. consensus, majority, etc.) in accordance with their own governance, customs and traditions Information has been provided at the start of every activity and throughout the different phases of project implementation</p> <p>Information given is culturally appropriate, objective, clear and delivered in an appropriate language</p> <p>No activity has been implemented without consent from areas home to indigenous peoples</p>

<p>Indigenous peoples' plan (IPP)</p>	<p>The IPP is prepared as a stand-alone document (annex to ESCMP/ESCMF) or integrated in the project design report or project implementation manual</p> <p>The IPP is integrated into the design and implementation of the project</p> <p>The IPP identifies risks and impacts, and outlines risk avoidance and mitigation measure. The IPP includes:</p> <ul style="list-style-type: none"> – Baseline information – Key findings and analyses of impacts, risks and opportunities – Measures to avoid, minimize and mitigate negative impacts and enhance positive impacts and opportunities – Community-based management – Results of consultations (during the socio-environmental risk assessment), the FPIC and future engagement plans – Benefit-sharing plans (if any) – Tenure arrangements – Grievance redress mechanism – FPIC implementation plan – Costs, budget, timeline, organizational responsibilities <p>– Monitoring, evaluation and reporting of culturally appropriate benefits</p>
<p>Culturally appropriate benefits <u>Nagoya Protocol</u> <u>CBD-Agricultural Sector</u></p>	<p>Information is given about deriving benefits from programming activities in a culturally appropriate and inclusive manner</p> <p>Any benefits derived from commercial development of indigenous peoples' land, territories or resources, or from the valuing of their cultural heritage are shared equally</p>
<p>Land tenure <u>IFAD's how to do note</u></p>	<p>Issues that have been considered include:</p> <ul style="list-style-type: none"> – Customary laws related to tenure of lands and territories and resource use and management; – Indigenous peoples' ownership, use and management of their land, territories and resources in accordance with their customary laws, practices, values and traditions; – Existence of any formal legal ownership, occupation, management and/or use recognition resting with the concerned indigenous peoples and regarding all or some of the ancestral area; – Identification of relevant recognition, protection and mechanisms for ensuring indigenous peoples' land and territories security under national law and international obligations; – Extent of titling/concessions/usage and management given to non-indigenous peoples within the lands and territories in question and any competing claims, as well as any squatting or intrusions exist in the same area; – Existence of land and territories claims initiated by indigenous peoples before tribunals, government offices and administrative proceedings (including their duration);

	<ul style="list-style-type: none"> – The interest in, and potential for, indigenous peoples’ contributions and/or management of project activities impacting their lands, resources and territories; and – The potential for increased conflicts over land, territories and resources between indigenous peoples and neighboring communities <p>Based on this analysis:</p> <p>Provisions are made in project design and implementation to support the establishment of legal recognition of customary or traditional land and territories tenure, and of management systems and collective rights used by project-affected indigenous peoples</p>
<p>Resettlement (voluntary and involuntary)</p>	<p>The project does not pose a risk to indigenous peoples of involuntary resettlement from their lands and/or territories. If physical relocation of indigenous peoples took/will take place on a voluntary basis, the following has been/will be complied with:</p> <ul style="list-style-type: none"> – FPIC has been granted by the affected indigenous peoples’ communities – Impacts have been assessed so as to minimize and mitigate risks – The scope and the extent of impacts has been identified – A survey of potentially affected indigenous peoples has been conducted, together with a socio-economic analysis of the indigenous peoples’ communities in order to determine eligibility for entitlements and gather baseline information for measuring restoration of incomes and living standards – A resettlement action plan has been developed <p>If the project involves the development of a dam, indigenous peoples were not involuntarily resettled as a result</p>
<p>Voluntary isolation</p>	<p>It has been assessed that the project does not cause adverse impacts (including undesired or initial contact) on indigenous peoples living in voluntary isolation. Where projects may directly or indirectly impact them, the IPP includes measures to:</p> <ul style="list-style-type: none"> – Safeguard the collective and individual physical, territorial, and cultural integrity of these peoples – Recognize, respect and protect their lands and territories, environment, health and culture. <p>Prohibit and therefore avoid contact with voluntary isolated indigenous peoples as a direct or indirect consequence of the project.</p>
<p>Cultural heritage</p>	<p>The project makes it a priority to avoid affecting the cultural heritage, both tangible and intangible, as well as the identity and/or cultural, ceremonial or spiritual aspects of indigenous peoples</p> <p>If the project is likely to significantly affect cultural heritage, FPIC has been granted by the affected communities</p> <p>If the project is likely to significantly affect cultural heritage, further requirements for</p>

	Standard 3: Cultural Heritage have been considered
Information disclosure	Documentation of the consultation process, the FPIC implementation plan and the IPP/IPPF framework have been disclosed in a timely manner and are accessible to indigenous stakeholders, as well as in a form and language understandable to them
Grievance redress mechanism	An accessible, effective project-level grievance redress mechanism has been put in place, which: <ul style="list-style-type: none"> – has taken into account indigenous peoples’ customary laws and dispute resolution processes Traditional dispute mechanisms for affected indigenous peoples have been used to the greatest extent possible – is the result of a full, effective and meaningful consultation and participation process – takes into account the capacity of indigenous peoples under national laws to denounce violations of their rights and secure remedies in domestic courts or administrative redress
Procurement	The ECG specialist has touched base with the SPOs to ensure that all E&S risks with implications for procurement are adequately addressed in line with the revised procurement guidelines

SECAP STANDARD 5: LABOUR AND WORKING CONDITIONS

	Requirements
Identification and assessment of potential risks and impacts	<p>Review of relevant national employment and labour laws has been conducted and areas that require further attention have been identified</p> <p>A stakeholder engagement plan has been developed and early consultations have started to identify options to avoid potential adverse risks and impacts regarding labour and working conditions</p> <p>An appropriately scaled E&S assessment has been undertaken for moderate-, substantial- and high-risk projects to assess risks and impacts on labour and working conditions</p>

<p>Mitigation, management and monitoring of identified risks and impacts</p>	<p>Qualified and experienced social experts with direct knowledge of local conditions and national labour and employment regulations have been employed where significant labour risks are present. The precautionary principle and mitigation hierarchy has been applied.</p> <p>Appropriately scaled labour management procedures have been developed and implemented to ensure that labour management practices meeting Standard 5 requirements are followed.</p> <p>All management and mitigation measures are included in the ESCMP/ESCMF and monitored.</p>
<p>Terms and conditions of employment</p>	<p>Applicable written labour management procedures have been put in place by the borrowers/recipients/partners who set out the conditions in which workers are to be employed, in accordance with IFAD standards and national law.</p> <p>Workers have been provided with clear and understandable documentation of employment terms and conditions, including their rights under national law related to hours of work, wages, overtime, compensation and benefits.</p> <p>Workers engaged by the project have been provided regular and timely wages, and adequate periods of rest, holidays, sick, maternity, paternity and family leave, and written notice of termination and severance payments, as required under national laws and the labour management procedures.</p>
<p>Non-discrimination and equal opportunity</p>	<p>Decisions relating to any aspect of the employment relationship, including recruitment, hiring and treatment of workers, have been made based on the principles of nondiscrimination, equal opportunity and fair treatment rather than on the basis of personal considerations unrelated to job requirements.</p> <p>Appropriate measures have been put in place by borrowers/recipients/partners to prevent harassment, intimidation and exploitation, and to protect disadvantaged and vulnerable workers, including but not limited to, women, children of working age, migrants and persons with disabilities.</p> <p>Borrowers/recipients/partners have, to the extent technically and financially feasible, put in place reasonable measures to adapt the workplace to workers with disabilities (eg wheelchair ramps and alternative means of communication).</p> <p>Clear provisions regarding non-discrimination and prevention of sexual harassment, exploitation and abuse have been included in all contracts with project employers, contractors and suppliers.</p>

<p>Forced labour</p>	<p>No forced labour is used and immediate steps have been taken to correct and remedy cases of forced labour, where identified Any cases of forced labour have been referred to relevant government authorities and support services, to be addressed in accordance with national law Where national law fails to effectively prohibit forced labour, appropriate labour management procedures have been put in place No trafficked persons have been employed in connection with project activities</p>
<p>Child labour</p>	<p>The following steps have been taken to avoid the use of child labour:</p> <ul style="list-style-type: none"> — Compliance with minimum age requirements set out in International Labour Organization conventions or national legislation and kept records of the dates of birth of all employees, verified by official documentation — Regular supervision of activities carried out by young workers, ensuring that those under 18 years are not employed in hazardous work — Assessment of the safety risks arising from work by children under 18 years and regular monitoring of their health, working conditions and hours — The provision that any workers aged 13–15 years may only perform light work outside school hours, in accordance with national legislation, or are working in a government approved training programme — Contractors to have adequate systems in place to identify workers under the age of 18 and ensure that they are not engaged in hazardous work; and guarantee that their duties are subject to appropriate risk assessment and health monitoring — Assessment of the risk of child labour occurring in the core supply chain and, where identified, steps to be taken to remedy or mitigate the problem <p>Immediate steps have been taken to correct and remedy cases of child labour where identified, including the rehabilitation and social integration of the children concerned where necessary and appropriate</p>
<p>Occupational safety and health</p>	<p>The following safety and health measures have been applied to protect workers from chemical, physical, biological and psychosocial hazards:</p> <ul style="list-style-type: none"> — Identification of potential hazards to workers, particularly potentially life-threatening ones — Provision of preventive and protective measures, implemented in the following order of priority: (a) elimination/substitution; (b) engineering and organizational controls; (c) administrative controls; and where residual risks remain: (d) provision of personal protective equipment

	<p>at no cost to the worker; and (e) provision of adequate first-aid facilities to workers</p> <ul style="list-style-type: none"> – Safety and healthy training – Documentation and reporting of occupational accidents, diseases and incidents – Implementation of emergency prevention, preparedness and response procedures – Appropriate response to adverse impacts such as occupational injuries, deaths, disability and disease <p>Services have been provided to assist project workers in a non-discriminatory manner and in compliance with national law</p> <p>Appropriate, clean and safe accommodation meeting the basic requirements of workers has been provided</p> <p>Remedies or reparation have been provided for adversities such as occupational injuries, disability, ill health or disease and death</p>
<p>Workplace grievance redress mechanism</p>	<p>Effective, accessible and inclusive workplace grievance mechanisms and processes have been put in place so that project workers can report unsafe situations without fear of retaliation</p> <p>Workers have been informed of applicable grievance and conflict resolution mechanisms provided in the workplace</p> <p>Grievance and conflict resolution systems have been designed to address workers’ concerns promptly, using an easily comprehensible, transparent process providing timely feedback to those concerned in a language they understand</p> <p>Grievance and conflict resolution systems do not impede access to other judicial or administrative remedies available under national law</p>
<p>Contractor/third party worker</p>	<p>Due diligence has been conducted to ensure that third parties hiring workers are legitimate and reliable entities</p> <p>Applicable procedures and requirements, including SECAP, have been ensured and are incorporated into contractual agreements with third parties, together with appropriate non-compliance remedies</p> <p>Procedures for managing and monitoring the performance of third parties have been established</p> <p>Contracted and subcontracted workers have been granted effective access to a grievance mechanism</p> <p>An effective workplace grievance mechanism has been set up for cases where the third party employing the workers is unable to provide one</p>

<p>Primary supplier</p>	<p>Potential risks of violations of primary supplier workers’ fundamental rights, safety and health have been identified and roles and responsibilities have been established for monitoring primary suppliers</p> <p>A primary supplier is required to take appropriate steps to remedy identified instances of child labour, forced labour, unsafe working conditions or other breaches of fundamental rights. In instances where workers are exposed to serious hazards (injury, ill-health, death), primary suppliers have procedures in place to prevent and mitigate such issues.</p> <p>Where there is imminent danger to workers of serious injury, ill health or death, borrowers/recipients/partners have stopped the operation concerned until the hazard is controlled.</p>
<p>Procurement</p>	<p>The ECG specialist has touched base with the SPO to ensure that all E&S risks that have implications for procurement are adequately addressed according to the revised procurement guidelines</p>

SECAP STANDARD 6: COMMUNITY HEALTH AND SAFETY

	Requirements
Identification and assessment of potential risks and impacts	Risk and impact assessments have been undertaken on how project activities affect the health and safety of the communities concerned during the project life cycle
Mitigation, management and monitoring of identified risks and impacts	Mitigation measures have been included in the ESCMP/ESCMF and implemented for each impact and risk identified in the E&S assessment Such measures are aimed at avoiding adverse impacts, following the mitigation hierarchy
Community exposure	<p>Project activities potentially exposing a community to health and safety risks (eg pollution, contaminated areas/resources) and diseases have been avoided or minimized</p> <p>Consideration has been given to how different marginalized groups, including communities living in voluntary isolation, may be exposed and/or react to exposure</p>
Nutrition	Potential, unintended negative impacts on nutrition have been systematically identified and assessed during the planning phase, and a mitigation plan has been developed
Infrastructure design and safety	<p>Structural elements and services have been designed, constructed, operated and decommissioned in accordance with national legal requirements and the World Bank Group’s Environmental, Health and Safety Guidelines, taking into consideration safety risks to third parties and affected communities</p> <p>Structural project elements have been designed and constructed by competent professionals, and certified or approved by competent authorities</p> <p>GPS coordinates of infrastructure sites have been collected by the borrowers/recipients/ partners following a systematic and standardized methodology, and geospatial data have been submitted to IFAD</p> <p>Structural design has taken climate change considerations into account as appropriate The incremental risks of the public’s potential exposure to operational accidents or natural hazards have been considered by borrowers/recipients/partners in situations where the project includes new buildings and structures accessible to the public</p> <p>One or more independent experts have been engaged by borrowers/recipients/partners to conduct a review as early as possible in project development and throughout the stages of design, construction, operation, and decommissioning, whenever structural</p>

	<p>elements are situated in high-risk locations, including sites exposed to extreme weather or slow-onset events, and when their failure or malfunction may threaten the safety of communities</p>
<p>Dams</p>	<p>The financing agreement negotiated contains a covenant to ensure that dams and reservoirs are designed, constructed, operated, maintained and eventually decommissioned to the highest possible standard of safety</p> <p>Generic dam safety measures for small dams have been applied, such as ensuring adequate spillway capacity, freeboard² and protection of downstream areas among others. A suitably qualified and experienced independent consulting officer has been incorporated for a medium-sized dam in order to provide recommendations directly to the implementing agency on all aspects of the infrastructure. For financing or cofinancing of a large dam, the following have been undertaken:</p> <ul style="list-style-type: none"> — Review of the investigation, design and construction by an independent panel of experts — Preparation and implementation of detailed plans for construction, supervision and quality assurance — Instrumentation, operation and maintenance, and emergency preparedness plans — Submission of geographical coordinates of planned and completed dam locations — Periodic safety inspections after completion <p>Emergency preparedness plans have been prepared for all dams with significant or high hazard potential</p>

<p>Hazardous materials</p>	<p>Measures to avoid or minimize community exposure to any hazardous materials used during project activities have been taken. Special care has been taken to avoid exposure to health- and life-threatening hazards by modifying or eliminating their causes.</p> <p>Appropriate due diligence has been undertaken to control the safety of delivery, transport and disposal of hazardous materials and wastes.</p> <p>Training programmes have been conducted for employees and the community, and protective equipment and proper cautionary signs have been provided.</p> <p>Local emergency responders have been informed of the risks and borrowers/recipients/ partners have collaborated with them in emergency response and planning.</p> <p>A monitoring plan, an emergency plan (including spill prevention) and a long-term plan for containing and disposing of materials have been developed and carried out. Additionally, all incidents involving exposure or release of chemicals have been tracked over time.</p>
<p>Emergency preparedness</p>	<p>Communities have been informed of risks or negative impacts in a socially and culturally appropriate manner, when some hazardous elements still exist despite all attempts to avoid or minimize them.</p> <p>Sound, socially and culturally appropriate emergency preparedness and response plans have been established to respond to accidental and emergency situations that may pose a risk to local communities.</p>
<p>Impacts on ecosystem services</p>	<p>Measures have been taken to avoid adverse impacts on ecosystem services that may arise from project activities.</p> <p>Special attention has been paid to avoid causing or exacerbating potential adverse impacts on marginalized and disadvantaged groups.</p> <p>Where appropriate, potential risks and negative impacts on ecosystem services that may be exacerbated by climate change have been identified in the screening and assessment phase.</p>
<p>Gender-based violence including sexual harassment, exploitation and abuse</p>	<p>Risks of project-related gender-based violence, risks of sexual harassment, exploitation and abuse, and human trafficking have been assessed.</p> <p>Specific measures have been adopted where appropriate to address and prevent the above risks, including through confidential channels created to report incidents and provide support.</p> <p>Reporting and response protocols have been established to deal with instances of gender-based violence and abuse in line with the IFAD Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse.</p> <p>Procedures have been established to provide services and redress to survivors/affected persons.</p>

<p>Traffic and road safety</p>	<p>A road safety assessment has been undertaken where necessary (for each phase of the project) and incidents and accidents have been monitored Regular reports based on such monitoring will be issued</p> <p>Appropriate, technically and financially feasible safety measures have been incorporated into the design, included in the ESCMP/ESCMF and implemented to prevent accidents potentially involving members of the public, given the presence of construction and other equipment on public roads</p> <p>Responsibilities for the identification, monitoring and evaluation (M&E) of potential traffic and road safety risks to affected local communities and other road users have been specified</p> <p>Geographical information system data have been submitted to IFAD showing planned and completed transects of new/rehabilitated roads</p>
<p>Influx of project workers</p>	<p>Appropriate mitigation and management measures have been taken to address risks and potential impacts on the health and safety of communities arising from the influx of project workers</p>
<p>Security-related personnel</p>	<p>Security personnel engaged in the project do not violate international human rights standards Risks posed by such security arrangements to a potentially affected community have been assessed to ensure that those providing security are appropriately vetted, trained and supervised</p> <p>Any allegations of unlawful or abusive acts have been reviewed, with action taken to prevent any recurrence against individuals or communities</p>

SECAP STANDARD 7: PHYSICAL AND ECONOMIC RESETTLEMENT

	Requirements
Identification and assessment of potential risks and impacts	<p>Potential risks of physical and economic displacement of individuals as a result of the project have been identified (using the SECAP screening questions)</p> <p>Displaced persons directly and indirectly impacted by the project have been identified Risks to food security have been evaluated</p>
Mitigation, management and monitoring of identified risks and impacts	<p>For moderate-, substantial and high-risk projects, an (abbreviated) Resettlement Action Plan/Framework (RAP/RAF) that stipulates entitlements, compensation, and assistance to displaced persons has been developed It is designed to improve, or at least restore, livelihoods</p>
Forced evictions	<p>Project has not led to forced evictions and measures have been incorporated to avoid forced evictions</p> <p>Allowed evictions are carried out lawfully, and only in exceptional circumstances to promote the general welfare and with full justification</p>
Prior displacement	<p>Where displacement has occurred in anticipation of the project, an audit has been conducted to identify:</p> <ul style="list-style-type: none"> – Gaps of past activities against Standard 7 – Corrective actions that may be required to ensure compliance with Standard 7
Avoidance and minimization of displacement	<p>Involuntary resettlement has been avoided or, when unavoidable, has been minimized by exploring feasible alternative project designs and sites</p> <p>All feasible project alternatives have been considered and measures to avoid displacement, including the “no action” option, have been considered</p> <p>Services of experienced professionals have been relied on in order to establish baseline information and to design displacement activities Public disclosure has been carried out, together with dissemination of information and justification for activities resulting in displacement</p> <p>Affected individuals and communities have been informed of their rights under national law and have been provided with access to legal counselling</p> <p>Effective remedies have been provided for affected individuals and communities</p> <p>The RAP was publicly disclosed at least 120 days prior to displacement activities</p>

<p>Consideration of vulnerable groups</p>	<p>Access has been identified and impacts on disadvantaged and vulnerable groups have been addressed in accordance with the screening and assessment phase of the project cycle and specifically:</p> <ul style="list-style-type: none"> – Carried out through socio-economic surveys and analyses to determine pertinent vulnerability factors in the project areas, in cooperation with relevant stakeholders including affected communities – Identified vulnerable and disadvantaged individuals and groups based on the results of this vulnerability analysis – Conducted consultations with vulnerable groups <p>The RAP includes specific assistance measures tailored to the different needs of vulnerable groups and funding as part of the overall acquisition, and the resettlement budget has been provided</p>
<p>Develop plans to enhance and restore livelihoods of affected persons</p>	<p>Action plans have been designed to enhance and restore the standards of living and livelihoods of affected persons Such plans will address, at a minimum, the following elements:</p> <ul style="list-style-type: none"> – Established eligibility criteria, cut-off dates, compensation, and entitlements for all categories of affected persons – Measures to provide (a) fair and just compensation; (b) transition support (both financial and in-kind); and (c) assistance such as land development, credit facilities, direct benefits, training, and provision of expertise, as appropriate <p>Displaced individuals and communities have been provided secure access to necessary services, shelter, food, water, energy as applicable</p>
<p>Physical displacement</p>	<p>Action plans have been developed addressing the following elements if programming activities involved physical displacement:</p> <ul style="list-style-type: none"> – Specification of the resettlement options chosen by displaced persons, respecting preferences to relocate in pre-existing communities wherever possible, with all transactions documented – Choice of replacement property, with secure tenure of higher-value and better housing whenever possible for affected people with formal land rights or recognizable claims – Identification of resettlement sites for adequate housing with improved living conditions, essential civic infrastructure, and services <p>Compensation for loss of assets other than land for affected people without formal land rights or recognizable claims</p>
<p>Economic displacement</p>	<p>Compensation is adequate to cover all commercial losses and other assets such as crops, irrigation infrastructure or other improvements in affected areas</p> <p>Replacement property of improved value has been provided where legitimate tenure rights are restricted</p> <p>Economically displaced people who are without legally recognizable claims to land have been compensated for lost assets other than land, at full replacement cost (eg crops, irrigation infrastructure and other improvements to the land)</p>

	<p>Replacement land has been offered and access to alternative resources with a combination of productive potential, locational advantage and other factors has been made available with improved earning potential and accessibility, whenever feasible. A collaborative process has been established with affected people and communities to negotiate and determine appropriate restrictions and mitigation measures to improve affected livelihoods while maintaining the sustainability of the park or protected area.</p>
Procurement	<p>The ECG specialist has touched base with the SPOs to ensure that all E&S risks that have implications for procurement are adequately addressed according to the revised procurement guidelines.</p>

SECAP STANDARD 8: FINANCIAL INTERMEDIARIES AND DIRECT INVESTMENTS

Financial intermediaries	Requirements
Identification and assessment of potential risks and impacts	<p>The E&S capacities of the proposed financial intermediary (FI) have been screened and categorized using the screening procedure in SECAP</p> <p>The proposed FI clearly undertakes to abstain from activities on the IFAD exclusion list (Volume 1, Annex 5)</p> <p>The risk of the FI's portfolio has been categorized using SECAP risk assessment tools. There is a clear link between the FI's E&S category and the E&S risk categories of its subprojects and portfolio exposure</p>
E&S management system (ESMS) of the FI	<p>The FI has a fully operating ESMS in place, which includes the following:</p> <ul style="list-style-type: none"> – An environmental and social policy that includes a requirement for subprojects to meet an acceptable level of compliance with IFAD's SECAP standards and requirements as well as local E&S regulation – A process to identify environmental, social and climate risks – Management programmes to avoid, minimize or compensate for identified risks and impacts – Internal organizational capacity and competency to implement the ESMS – Monitoring and reporting systems – A mechanism for responding to accidents, emergencies and a grievance redress apparatus
Stakeholder engagement planning	<p>It has been assessed whether the FI has established:</p> <ul style="list-style-type: none"> – An appropriate stakeholder engagement process – An external communication mechanism that allows the FI to inform affected communities and: (a) explain the project to them; (b) incorporate their feedback and any agreed changes; (c) inform local authorities, other stakeholders and IFAD on project progress and on any unexpected and unintended events affecting those communities. It has been assessed whether the FI has provided: <ul style="list-style-type: none"> – Guidance on the establishment of grievance mechanisms (for FI subprojects) – An appropriate monitoring and reporting programme
Monitoring and reporting	<p>The FI has the capacity and is committed to:</p> <ul style="list-style-type: none"> – Establishing monitoring procedures to review progress with E&S assessment procedures and compliance of operations with any legal and/or contractual obligations and regulatory requirements – Reporting on the portfolio to IFAD with the annual environmental performance report <ul style="list-style-type: none"> – Requesting a compliance statement in its investment agreements with clients/ investees
Disclosure	<p>FI has procedures in place to communicate the E&S policy externally through public disclosure, presenting it in corporate statements and reports and publishing it on the</p>

	FI's website
E&S covenants in legal agreements	E&S covenants are clearly defined in loan/subscription agreements
Procurement	The ECG specialist has touched base with the SPOs to ensure that all E&S risks with implications for procurement are adequately addressed in line with the revised procurement guidelines
Direct investments	Requirements
Identification and assessment of potential risks and impacts	<p>The E&S capacities of the proposed direct investee (DI) have been screened using SECAP's screening procedure. The proposed operations of the DI have been screened and categorized using the SECAP risk assessment tool.</p> <p>The proposed DI clearly undertakes to abstain from activities on the IFAD exclusion list (Volume 1, Annex V)</p>
ESMS of the DI	<p>The DI has a fully operating ESMS in place and it includes the following:</p> <ul style="list-style-type: none"> – An environmental and social policy that calls on subprojects to meet the DI's Environmental and Social Standards requirements as well as local E&S regulations – A process to identify environmental, social and climate risks – Management programmes to avoid, minimize or compensate for identified risks and impacts – Internal organizational capacity and competence to implement the ESMS – Monitoring and reporting systems – A system for responding to accidents and emergencies
E&S due diligence (ESDD) for direct investment projects	<p>For substantial- and high-risk projects:</p> <ul style="list-style-type: none"> – An ESDD was conducted in accordance with IFAD's SECAP requirements, including a full or abbreviated ESIA (for substantial-risk projects) and a compliance summary table with IFAD's Social, Environmental and Climate Standards – A draft consultation and participation plan, grievance redress mechanism and an ESCMP have been prepared – The ESCMP includes relevant indicators (outcome and milestone) for monitoring climate, environmental, health, safety and social issues – The relevant provisions of ESCMPs, including costs of implementation, are fully included in bid and contract documents <p>For moderate-risk projects:</p> <ul style="list-style-type: none"> – ESCMP has been developed

<p>Stakeholder engagement planning and M&E</p>	<p>It has been assessed whether the DI has established:</p> <ul style="list-style-type: none"> – An appropriate stakeholder engagement process – An external communication mechanism that allows the DI to inform affected communities and explain the project to them; incorporating feedback from and changes agreed with them; informing project-affected local authorities, other stakeholders and IFAD on project progress and on any unexpected and unintended events affecting those communities <p>It has been assessed whether the DI has provided:</p> <ul style="list-style-type: none"> – Guidance on the establishment of grievance mechanisms (for direct-investment activities) <p>It has been assessed whether the DI has provided an appropriate monitoring and reporting programme</p>
<p>E&S covenants</p>	<p>E&S covenants are clearly defined in loan/subscription agreements</p>
<p>Procurement</p>	<p>The ECG specialist has touched base with the SPOs to ensure that all E&S risks with implications for procurement are adequately addressed in line with the revised procurement guidelines</p>

CHECKLIST SECAP STANDARD 9: CLIMATE CHANGE

	Requirements
General objectives	<p>The project is aligned with targets and priorities of countries' nationally determined contributions and the goals of the Paris Agreement and other international frameworks</p> <p>The project strengthens/will strengthen the climate resilience of communities and their adaptive capacity to address climate change risks and impacts, and climate-related disasters</p>
Identification and assessment of potential risks and impacts	<p>Proposed activities are screened and assessed for climate change and disaster risks and impacts – including impacts both on, and from, projects</p> <p>Potential adverse climate change impacts on the project and impacts from the project on GHG emissions have been identified</p> <p>Where there is a risk of significant GHG emissions, potential sources have been defined and amounts estimated to form a baseline for reducing emissions (if an estimate is technically and financially feasible) The borrowers/recipients/partners have adopted GHG accounting methodologies for project activities according to international best practices and should protect, conserve and (where appropriate) incorporate carbon sinks into project activities</p> <p>For substantial and high-risk projects, direct and indirect adverse climate-related impacts have been assessed</p> <p>For potentially high-risk projects, a vulnerability, impact and adaptation assessment has been produced</p> <p>For substantial-risk projects, a targeted adaptation assessment has been produced For moderate-risk projects, a literature review of climate assessments and proposed adaptive/mitigation measures in the ESCMP has been undertaken</p> <p>Impacts have been assessed utilizing relevant expertise and at appropriate geographic scale</p> <p>The level of stakeholder engagement is appropriate to potential risks/impacts</p>
Mitigation, management and monitoring of identified risks and impacts	<p>If the specific details and sites of proposed projects have not been fully defined, a management framework has been developed</p>

<p>Hazard identification Think hazard Tool World Bank Climate Change Knowledge Portal</p>	<p>The key natural hazards, in light of their expected effects, from what is known from past and current climate observations and trends as well as future projections for a given location, have been identified</p> <p>The identified natural hazards have been considered/will be considered in project design and implementation to promote disaster and climate resilience</p> <p>Where the project area is affected by river, urban or coastal floods (and classified as high risk), appropriate and context-specific flood control measures have been considered</p> <p>If the risk of landslides is classified as high, planning decisions such as project siting, project design and construction methods have taken this into account</p> <p>If the risk of cyclones is classified as high, their impact (wind, rain, subsequent flooding and coastal floods) has been considered in all phases of the project, in particular during design and construction</p> <p>If the risk of water scarcity is classified as high, the impact of drought has been considered in all phases of the project, in particular the effect on personnel and stakeholders, and during the design of infrastructure</p> <p>If extreme heat hazard is classified as high, project planning decisions and project design have taken this into account</p> <p>If the wildfire hazard is classified as high, its impacts (not only direct flame and radiation exposure but also ember storm, low-level surface fire, strong winds and windborne debris that can weaken infrastructure) have been taken into account in all phases of the project, in particular during design and implementation</p> <p>Alternatives and implementation of technically and financially feasible options to reduce GHG emissions have been considered</p>
<p>Exposure</p>	<p>The exposure of the project area to the previously noted hazards has been identified. The likelihood of the project increasing the target population's vulnerability to climate hazards (eg maladaptation) has been analyzed</p> <p>Borrowers/recipients/partners have analysed/will analyse physical, social, economic and environmental factors and processes that increase communities' susceptibility and vulnerability to potential climate change impacts and hazards – with a focus on marginalized and disadvantaged people</p>
<p>Sensitivity</p>	<p>The degree to which the system is susceptible to, and unable to cope with, adverse effects of climate change, including climate variability and extremes, has been analysed</p> <p>In the above, current social, economic and political factors in the project area have been considered</p>
<p>Adaptive capacity</p>	<p>An assessment has been made of the degree to which the system or the community is able to adapt to the impacts of climate change, including climate variability and extremes. The project increases/will increase the ability of communities to adapt to the impacts of climate change, and foster climate resilience and low GHG-emitting projects that do not threaten food production</p>

Procurement	An ECG specialist has touched base with the SPOs to ensure that all E&S risks which have implication for procurement are adequately addressed according to the revised procurement guidelines
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ANNEX 9 – Targeting, Gender, Social inclusion and Nutrition strategy

Target, Gender, Social inclusion and Nutrition Strategy

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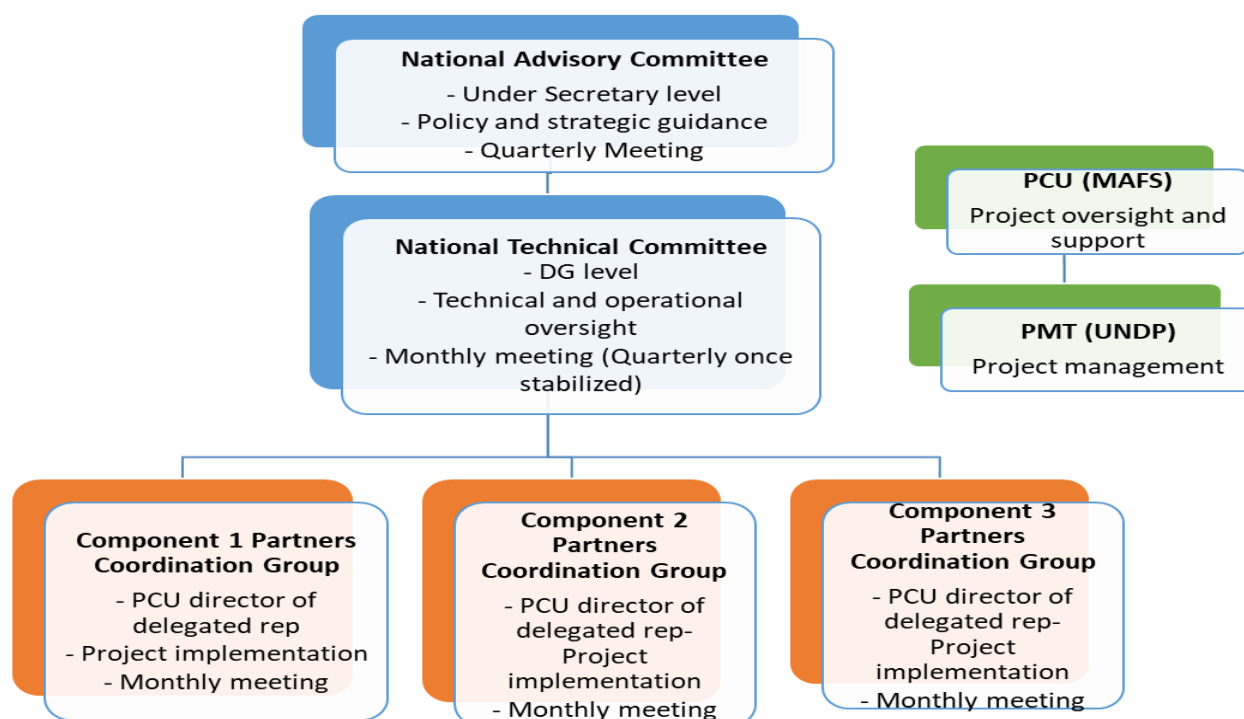
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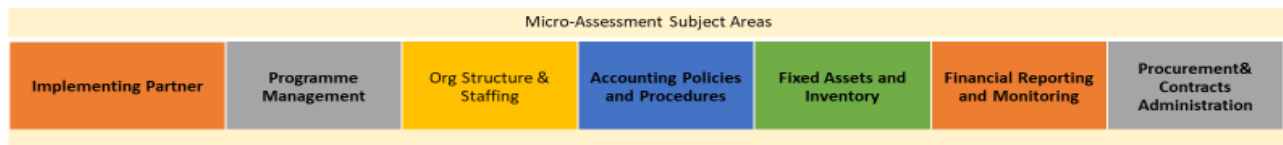
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HACT Capacity Assessment: Micro-assessment

Definition (What?)	<ul style="list-style-type: none"> Review of individual implementing partners (IP)'s financial management capacity (i.e., accounting, procurement, reporting, internal control, etc.) Financial threshold of IP selection: \$150,000 per financial year
Responsibility (Who?)	<ul style="list-style-type: none"> Perform by Independent third-party service provider The final micro assessment must be signed off by the Country Director or Resident Coordinator
Timing (When?)	<ul style="list-style-type: none"> Once per programme cycle, preferably during the Country Programme preparation phase
Use (What for?)	<ul style="list-style-type: none"> Partner risk rating (low, moderate, significant, high) Consideration for cash transfer modality, assurance activities & opportunities for capacity development



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210. Determining the cash transfer modalities:..... 56

211. The main tool used for the HACT Implementation is the Funding Authorization and Certification of Expenditure [FACE] form. It is a standardized **requesting** and **reporting** form which replaces previous financial reports used by different offices, UN Agencies and partners for requesting cash transfers. The FACE Form is used for: 57

- *Requesting and Authorizing funding*..... 57
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- *Acceptance, Amendments, Approvals or Rejections of Expenditures*..... 57
- *Making entries into UNDP ERP* 57
- *Tracking cash transfers made to partners.* 57

Structure of The FACE form

The image shows a screenshot of the 'Funding Authorization and Certificate of Expenditures' form. The form is divided into several sections:

- Header Area (IP use):** Located at the top, containing fields for Country, Programme Code & Title, Reporting Period, and UN Agency/UNDP. It also includes a 'Table of Request' section with checkboxes for Direct Cash Transfer (DCT), Repayment, and Disbursement.
- Activity Description Area:** A large blue-shaded area for describing the activity.
- Coding Column:** A green-shaded column for coding the activity according to UNDP, UNFPA, and other agencies.
- Reporting Area:** A purple-shaded table with columns for Authorized Amount, Actual Project Expenditure, Expenditures Accepted by Agency, and Balance.
- Request/Authorization Area:** A red-shaded table with columns for New Request Period Amount, Authorized Amount, and Outstanding Authorized Amount.
- Certification Area (IP use):** An orange-shaded section containing checkboxes for certifying the funding request and the actual expenditures.
- Approvals Box (UNDP use):** A blue-shaded section at the bottom left for agency approvals, including fields for Name, Title, and Date.

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212. Unlike other types of cash transfer modalities, for the Direct Cash Transfer, the Partner is mandated to request for cash and make retirements or liquidations quarterly. Upon 80 percent liquidation, the Partner is allowed to make request for the next tranche of cash. In any other next request following the 80 percent liquidation, the first 20 percent must be liquidated first before the next 80 percent to qualify the Partner for further disbursement of cash by UNDP. 57

213. UNDP shall provide HACT training to all new READ Project Implementing Partners on the use and filing of the FACE Form accompanied by the Itemised Cost Estimate details. All aspects of the HACT Framework not covered or explained shall be constituted in the training and capacity building of the partners. 57

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215. The Financial Reporting Standard under UNDP applies the International Public Sector Accounting Standards (IPSAS) which is the Accrual Basis of Accounting. 57

216. UNDP shall provide annually (or upon request of IFAD) signed interim financial statements (Interim Donor Report) to IFAD in accordance with IPSAS. The financial statements shall be presented in United States dollars. 58

217. The Interim Donor Report shall reflect the operational status, budget, income, expenditure and balance, of the contributions provided by IFAD. 58

218. The information reflected in the interim report is extracted from the UNDP financial statements and the General Ledger, Project and Commitment Control modules of the ERP - Atlas.	58
219. UNDP HQ is responsible for providing IFAD directly with the Annual Certified Donor Report.	58
220. Financial accountability shall be the responsibility of anyone handling READ resources, or any other position of trust, to report on and be held responsible for the intended and actual use of the resources or of the designated office. This includes ensuring transparency in the process and procedures to achieve the obligations of the READ Project.	58
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Adequate financial and human resources should be allocated to deliver targeting, gender and social inclusion activities across project’s sub-components. To this end, a Gender and Social Inclusion Officer should be recruited and/or assigned at the PMU (MAFS) and UNDP. If feasible, Implementing Partners are encouraged to appoint a Gender and Social Inclusion Expert, who will be responsible to ensure social inclusion dimensions are considered and addressed. Staff Terms of Reference (ToR) with targeting, GEWE, and social inclusion related responsibilities will be annexed to the PIM..... 177

The project is advised to earmark funds for targeting, gender and social inclusion interventions. Adequate financial allocation shall be duly integrated in the AWPB. If feasible, a bottom-up approach is advised by engaging relevant line departments, implementing partners and target beneficiaries for a transparent and participatory approach..... 177

Further, the project encourages the recruitment of a gender-balanced PMU and will provide capacity building on cross-cutting themes and gender-responsive budgeting and monitoring and evaluation. With enhanced awareness and capacities, PMU will drive social inclusion in project management, oversight, monitoring and evaluation and knowledge management. 177

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Aim	To increase READ's impact on gender equality and strengthen women's empowerment		
Outreach	At least 50 percent of the beneficiaries will be women		
Objectives	Economic empowerment	Decision-making and representation	Equitable workload balance and well-being
Activities	<ul style="list-style-type: none"> - Investment in value chains promising to women - Facilitating women's access to demand-driven business development services - Facilitating and support capacity-building for women-led RPOs, APGs, including 30 percent women-only groups, MSEs, including 40 percent women-led, and entrepreneurs - Provision of comprehensive support to women-led RPOs, APGs, MSEs to grow and graduate; - Increasing women's access to rural finance - Build financial literacy - Facilitating access to climate-smart agriculture technologies - Creating new spaces/opportunities/markets and support for women's 	<ul style="list-style-type: none"> - 40 percent of RPOs to be selected should have women in decision-making positions - Representation of women in RPOs and APGs - SACCOs under C2 should have at least 20 percent women membership - Leadership training to women, women-lead groups, VSLAs, MSEs - Strengthen RPOs and APGs capacities to address gender equality and women's empowerment - Ensure women's voices are heard in policy engagement activities 	<ul style="list-style-type: none"> - Promotion of labour- and time-saving technologies - Training modules for cooperatives will include sessions on gender equality and promote equitable division of labour in the household and in the community - Gender sensitization will be integrated in all training packages to promote awareness to both men and women - Partnership with UN agencies and media to carry out public education campaigns on preventing and addressing gender-based violence
M&E	Sex-disaggregated indicators CI IE. 2.1 Empowerment Indicator		

298. 184

299. **9.2 Pathways for Youth inclusion**
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Aim	To increase READ's impact on the social and economic empowerment of youth	
Outreach	At least 70 percent of the beneficiaries will be young people	
Objectives	Economic empowerment	Decision-making and representation
Activities	<ul style="list-style-type: none"> - Investment in value chains promising to youth and where youth are already involved - 60 percent of grants and assets will go to youth-led and women-led RPOs - 40 percent of the newly established APGs will be youth-only groups - Capacity-building for youth-led producer groups, MSEs, and entrepreneurs - At least 70 percent of capacity building activities will be youth - Financial literacy training - Supporting youth-groups and youth-led groups to graduate to cooperatives - Targeted support for youth-led MSEs (50 percent) - Implementing market-oriented business plans via matching grants and asset transfer - Support linkages to markets - At least 50 percent of the trainers engaged in capacity building are youth - Access to demand-driven business development services - Enhance access to rural finance and services 	<ul style="list-style-type: none"> - Strengthen youth leadership in RPOs and APGs - Ensure voices of youth are heard in policy engagement activities - Representation of youth in RPOs, APGs, and community decision-making bodies - Ensure involvement of youth in value-chain development - Leadership training
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This Memorandum of Understanding (“MOU”) is entered into by the United Nations Development Programme (“UNDP”), a subsidiary organ of the United Nations, an intergovernmental organization established by its Member States with its headquarters in New York, NY (USA), and the [Name of Government] (the “Government”). UNDP and the Government are hereinafter referred to individually as a “Party” and jointly as the “Parties”;

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WHEREAS, UNDP serves in many respects as the operational arm of the United Nations at the country level and works with partners in numerous countries to promote among other things sustainable development, eradication of poverty, advancement of women, good governance and the rule of law;

WHEREAS, UNDP represented by [Country Office or Bureau Name] is interested in enhancing its development activities in [insert specific interests, such as strengthen countries electoral systems and improve access to justice and public administration; promote public dialogue, etc.];

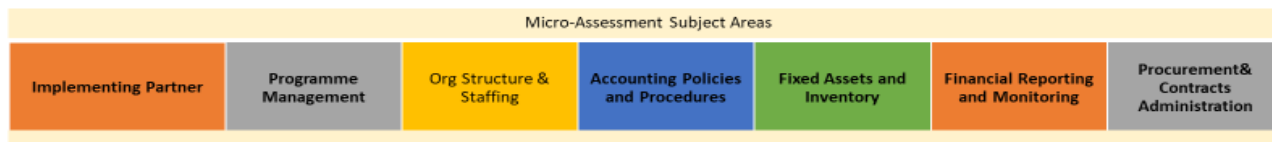
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310. Determining the cash transfer modalities:	238
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- Activity Description Area:** A large blue-shaded area for describing the activity, with a 'Coding for UNDP, UNPFA and UNP' column next to it.
- Reporting Area:** A purple-shaded table with columns for Authorized Amount, Allow Project Expenditure, Expenditures Accepted by Agency, and Balance. It includes sub-columns for 'A', 'B', 'C', and 'D.A.B.C.'.
- Request/Authorization Area:** A red-shaded table with columns for New Request Period Amount, Authorized Amount, and Outstanding Authorized Amount. It includes sub-columns for 'A', 'B', and 'C.D.F.'.
- Certification Area (IP use):** A section below the tables containing checkboxes for certifying the funding request and the total expenditures for the period.
- Approvals Box (UNDP use):** A blue-shaded section at the bottom left for approvals, with fields for Name, Title, and Date.
- Summary Tables:** At the bottom right, there are three small tables for 'FOR AGENCY USE ONLY', 'FOR UNDP USE ONLY', and 'FOR UNPFA USE ONLY', detailing various financial metrics like Cash Transfer Reference, DCT Reference, and Disbursement Information.

239

312. Unlike other types of cash transfer modalities, for the Direct Cash Transfer, the Partner is mandated to request for cash and make retirements or liquidations quarterly. Upon 80 percent liquidation, the Partner is allowed to make request for the next tranche of cash. In any other next request following the 80 percent liquidation, the first 20 percent must be liquidated first before the next 80 percent to qualify the Partner for further disbursement of cash by UNDP. 239

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1. Context

1.1 Social Inclusion and Nutrition Situation in South Sudan

Gender. South Sudan has a Gender Development Index (GII) of 0.839 due to the strict gender norms and roles that prevail in the country, which undermine the promotion of equal rights and the ability of women to participate actively in development. Women account for over 60 percent of the population in South Sudan, as a direct result of over 39 years of conflict. The male literacy rate is 40 percent and females’ is 28 percent, showing a big gap between the sexes (UNESCO, 2018).

Women account for 60 percent of the agricultural workforce, and many female-headed households play a major role in agricultural production but with limited access to productive assets. Even though the Land Act enshrines women’s land rights, access to land is permitted only by their husbands and male family members. This limits women’s participation in extensive agriculture and hinders their access to credit and loan funding. Women have control over crops produced for household consumption, but not those produced for sale. Men hold ownership over large animals, which are inherited through male lineage, while women own small ruminants such as pigs, goats, poultry, chickens and ducks. Extension services are mainly targeted at men at 88.7 percent compared to women at 9.7 percent¹⁸.

Women experience time poverty, working extra hours in a day tending to multiple responsibilities such as domestic chores; care-taking for children, the elderly and the sick; and barely get enough time to take care of themselves or participate in community activities. On average, women and girls walk between three to six km in rural areas to reach the water points. This is not only an ordeal in terms of time commitment, but women are put at high risk of sexual harassment and violence as they embark on the long journey for clean water¹⁹. Prevalence of Gender based violence (GBV), impedes women to gravitate out of the circle of violence²⁰. Although the exact prevalence is unknown, close to 57 percent of women who experience sexual and GBV do not report it or share information with others. Sexual violence such as rape and abduction have been a weapon of war during conflicts. In the midst of the COVID-19 crisis, women and girls faced heightened risks of GBV with constraints in accessing

¹⁸ JICA (2017), Country Gender Profile Republic of South Sudan. Accessible here:https://www.jica.go.jp/english/our_work/thematic_issues/gender/background/c8h0vm0000anjqj6-att/south_sudan_2017.pdf

¹⁹ Ibid.

²⁰ South Sudan (2020), CRC/C/SSD/1

services due to the pandemic's restrictions²¹. The Government has made considerable efforts to address SGBV with the enactment of the National Gender Policy, the Standard Operating Procedures to address various forms of GBV, the establishment of a non-stop Clinical Management of Rape Center, or the establishment of the GBV Sub cluster.

The transitional constitution aims to guarantee equality between the two sexes and promote women's participation in public life and their representation in the legislative and executive organs by at least 25 percent to redress imbalances created by history, customs, and traditions. However, women's voice and leadership in decision-making bodies is still limited. None of the political parties has fully met their obligations in terms of female nominees; only 31 percent of the newly appointed state level ministers are women, while there are no women governors. Customary traditions do not allow women to address a group of men. It is fundamental to build on the success of women's participation in the peace negotiation that led to the signing of the Revitalized Peace Agreement on the Resolution of the conflict in the Republic of South Sudan (R-ARCSS)²².

Youth

In South Sudanese, youth are between 18-35 years and consist of 70 percent of the population (72 percent under the age of 30 years, and 51 percent under the age of 18 years). The youth literacy rate is at 27 percent. While the number of girls enrolled in schools has increased over the last few years, enrolment and completion rates remain low compared to boys. This number severely declines for education past primary school level. The gross intake ratio into the last grade of primary school was 35 percent for males and 19 percent for females (UNESCO 2011). Access to education is a challenge for both genders, but girls are at higher risk to drop out due to prevailing customary norms and traditions that force them into early and forced marriage and pregnancies. Cattle raids and subsequent abductions of young women further endanger their safety and ability to access education and employment opportunities, free from violence and discrimination. The male youth on the other hand are responsible to look after livestock, which exposes them to insecurity such as cattle raids and abductions (UNICEF 2015). Conflicts propagated by youth are due to lack of employment opportunities and the need to gain resources such as cattle for dowry payment.

An exceptionally large share of the youth population is in non-wage, low-productivity employment concentrated in the agriculture sector. The youth lack of training and education opportunities, marketable skills, and are vulnerable to recruitment by armed militias, further exposing households to violence, displacement, and limited productive labour (Institute of Security Studies, 2019). Many youth structures and organisations, are politicised or organised along ethnic lines, limiting their potential to help build peace and youth empowerment initiatives. South Sudan laws do not specify youth representation in programmes/activities. Hence, they are always under-represented and their needs ignored, in decisions taking.

To date, almost 4 million people remain displaced, with nearly 1.6 million people displaced internally and 2.2 million refugees in six neighbouring countries²³. In this context, access to social services and basic infrastructure (e.g., safe water, healthcare, education) in rural areas is extremely challenging and populations have to compete for limited resources and livelihood opportunities²⁴.

²¹ UNICEF (2020), Gender Based Violence in Emergencies in South Sudan. Accessible here: <https://www.unicef.org/southsudan/media/5126/file/GBV-Briefing-Note-June-2020.pdf>

²² South Sudan (2020), CEDAW/C/SSD/1

²³ The World Bank in South Sudan. Overview. October 2021. Accessible here: <https://www.worldbank.org/en/country/southsudan/overview#1>

²⁴ World Bank. 2022. South Sudan Economic Monitor: Towards a Jobs Agenda. Fifth Edition, February 2022

Returnees - They include women and men who decided voluntarily to return to their community from outside the country. The Peace Agreement has encouraged the return of the displaced population, especially from abroad. From November 2017 to May 2020, UNHCR estimates that some 289,560 South Sudanese refugees have returned to South Sudan, with 168,964 since October 2018 after signing of revitalised peace agreement. Inter- and Intra-community conflicts arose, driven by competition for natural resources and livelihood opportunities supported by humanitarian and development actors. Additionally, returnees who have been living in refugee camps for a decade or more have had access to essential services such as food assistance, education, water or sanitation that they might not find when returning to their community. The lack of livelihood opportunities is also a driver of frustration for the returnees who have developed some knowledge and skills with the support of development partners.

Internally Displaced Persons - In the context of recurring ethnic conflicts and consequences of climate change, a large number of South Sudanese are pushed to move in order to seek better opportunities. In November 2021, there were around 1.6 million²⁵ IDPs in the country, 55 percent of whom were women and girls. Among READ counties, Yei counts the most IDPs while Renk has the largest proportion of returnees (see Figure X). A quarter of IDPs reside in displacement sites while others stay in informal settlements in host communities. IDPs have less access to essential services (because of distance²⁶ or because services are sometimes taxed by host communities such as WASH facilities²⁷), housing and limited food stocks. The presence of IDPs in host communities and the additional pressure on resources often leads to tensions. IDPs are exposed to protection risks (the UN Special Rapporteur on the Human Rights reported the attacks IDPs are victims of²⁸) and struggle to access livelihood opportunities.

Persons with disabilities - Guided by the five key principles of non-discrimination and human rights based approach, affirmative action, diversity and inclusiveness, disability mainstreaming and participation, the South Sudan Disability and Inclusion Policy commits to promote and protect the rights and dignity of Persons with Disabilities. However, limited capacity and resources hamper implementation and leave persons with disabilities at a disadvantage. They continue to face significant social and political exclusion and are among the most marginalised in society. They tend to be more illiterate, unemployed and less productive than their peers without disabilities. According to the South Sudan Annual School Census (ASC) in 2012, only 1.37 percent of all enrolled pupils are children with disabilities²⁹. Households headed by an individual with disability are 38 percent more likely to live in poverty than households headed by an individual without disability. The National Disability Assessment indicated that 89.3 percent of respondents with disabilities were

²⁵ The World Bank in South Sudan. Overview. October 2021. Accessible here: <https://www.worldbank.org/en/country/southsudan/overview#1>

²⁶ A quarter of internally displaced and returnees reside in settlements further than 5km from a functional health facility. United Nations Office for Coordination of Humanitarian Affairs. (2022). Humanitarian Needs Overview. Humanitarian Programme Cycle 2022

²⁷ OCHA (2022). Humanitarian Needs Overview South Sudan. Issued February 2022. Accessible [here](#)

²⁸ UNHR (2016) Press release, South Sudan: UN expert appalled by attacks on IDPs and civilians and urges for cessation of hostilities. Accessible [here](#)

²⁹ Report Education for All 2015. National Review of South Sudan. UNESCO, Available at https://unesdoc.unesco.org/ark:/48223/pf0000231645_eng

unemployed, 4.5 percent had been employed and 6.2 percent were engaged in business³⁰. That said, persons with disabilities are confronted with poor infrastructure and stigma and prejudice, hindering their ability to fully contribute to the country's economic growth. Limited capacity within the government structures to respond to medical, educational and mobility needs of persons with disabilities and very few social safety net programs in place aggravate existing insecurities and vulnerabilities. According to the South Sudan Union for Persons with Disabilities, girls and women with disabilities are particularly at risk as they face challenges in accessing basic needs, including personal hygiene kits, and are more likely exposed to GBV.

Indigenous peoples/ethnic groups

South Sudan is socially diverse and comprises more than 70 different language groups dominated by Juba Arabic, Nilotic, Nilo-Hamitic and Sudanic languages such as Dinka, Azande, Nuer and Shiluk^[1]. However, there is no official demographic data in South Sudan since the 2008 census was rejected and a post-independence census has not yet been undertaken^[2].

Western Nilotes, including Dinka and Nuer (with their associated subgroup Atuot) are the largest groups in the country. They traditionally live in the North and East areas of South Sudan^[3]. Dinka are a Nilotic people and seasonal migrating agro-pastoralists. Nuer are divided into several independent groups organised in clans, lineages and age groups. For both Dinka and Nuer, cattle are essential to social structures, and can be a source of conflict when herds are competing over limited grazing resources during transhumance. Some Western Nilotes peoples are settled crop farmers such as Shiluk and Anuak. Other groups live in the Southern parts of the country, such as the Azande, Bari, Latuka, Madi, Moru, Taposa and Turkana, who are a mixture of Sudanic and Eastern Nilotes peoples.

The civil war which erupted in 2013 was mostly driven by ethnic dissents. Fights between Dinka and Nuer militias, among others, have led to widespread human right violations, large population displacements of indigenous peoples and increased tensions on land rights. Additionally, traditional rule of law and resolutions mechanisms that are deeply anchored into the tribe institutions and the areas in which the peoples have long resided, are being disrupted by the recurring displacements, the non-planned livestock migrations and the introduction of weapons.

The concept of "Indigenous peoples" and its interpretation in the context of South Sudan are extremely sensitive. Identifying some groups as "indigenous" would imply that other groups don't belong to the social and cultural identity of the country and would therefore drive unjustified inequalities and potential injustice. In a country which is 11 years old and still trying to forge a common framework for a unified people, identifying and targeting indigenous peoples is a major challenge.

Nutrition

According to the last round of the Food Security and Nutrition Monitoring System (FSNMS), 15.1 percent of children under five years old are stunted³¹. In READ targeted states, stunting levels are higher than the national average and classified as high and very high public health significance. The prevalence of global acute malnutrition (GAM) among children increased

³⁰ Ministry of Gender, Child, Social Welfare (2013). South Sudan National Disability and Inclusion Policy (2013)

³¹ WHO/FAO/UNICEF (2019). Food Security and Nutrition Monitoring System (FSNMS Round 24). WFP, FAO, UNICEF, Government of South Sudan and NGO partners from the Food Security and Livelihood cluster in South Sudan. Data collected August 2019.

from 13 per cent in 2018 to 16 per cent in 2019, exceeding the global emergency threshold of 15 per cent. The under-5 mortality rate is 106 per 1,000 births and maternal mortality rate sits at about 789 deaths per 100,000 live births, noting regional variations of 523-1,150. In 2022, 2 million people, including 1.4 million children under five years old and 676,000 pregnant and lactating women (PLW) are expected to be acutely malnourished³².

Only 68 per cent of infants less than 6 months old are exclusively breastfed and 4 percent of children 6-23 months old receive a minimum acceptable diet³⁸. Intake of the recommended food groups by children (Minimum Dietary Diversity – MDD) is very low in all states at 14 percent. Overall, dietary diversity among women of childbearing age is at 30 percent (37, 31, 22 and 16 percent in Central, Eastern Equatoria, Jonglei and Northern Bar el Ghazar respectively). This is as result of poor access to food and the intra-household dynamics that mean women are the last to eat in times of food stress. Heavy women’s workload and poor childcare practices are factors compounding child malnutrition. Additionally, early age at marriage and age at first birth is significant and contributes to foetal growth restriction, which increases the risk of neonatal death and for survivors, of stunting by 2 years of age.

Access to health services is poor and leads to high incidences of diseases. The country’s health system and infrastructure are among the poorest in the world. About 1,300 out of 2,300 health facilities are non-functional due to the conflict³⁹. Additionally, health facilities are poorly equipped and staffed. Consequently, around 75 per cent of all child deaths are due to preventable diseases, such as diarrhoea, malaria, and pneumonia. This is further compounded by the chronic nature of waterborne diseases, low use of latrines, poor personal hygiene and living environments, and limited access to hygienic products. An estimated 60 per cent of the total population either rely on unimproved or surface water sources.

1.2. Policy environment and coordination mechanism

Overall - National Development Strategy (2018 NDS), aims to consolidate peace and stabilise the economy, with a framework for implementing the Vision 2040, focusing on Justice, Liberty and Prosperity. The NDS is articulated around six interconnected priorities: (i) Creation of enabling conditions and facilitate the return of displaced citizens; (ii) Developing and enforcing the rule of law; (iii) Ensuring secure access to adequate and nutritious food; (iv) Silencing the guns; (v) Restoring and expanding the provision of basic social services.

Nutrition - Food and Nutrition security is a key development theme of the Comprehensive Agriculture Master Plan (CAMP) 2015-2040 of the Ministry of Agriculture and Food Security. Moreover, South Sudan has been a member of the Scale-Up Nutrition (SUN) movement since 2016, although the SUN networks are still at an early development stage. The Government is in the process of developing a National Nutrition Policy, which requires a costed strategy and action plan. The Food Security cluster of South Sudan is very active, providing a platform for humanitarian, peace and development actors to share experiences and lead shared initiatives like the Integrated Phase Classification (IPC).

Gender - The Ministry of Gender, Social Welfare and Religious Affairs, aims to promote gender equality and women’s empowerment. A comprehensive draft of a National Gender Policy (2013) provides an overall context for mainstreaming gender in all national development processes and a framework to address existing inequalities and remedy historical imbalances. In the agricultural sector, the Comprehensive Agriculture Master Plan (CAMP) is a gender sensitive policy that recognises the importance and provides ways of mainstreaming gender

³² United Nations Office for Coordination of Humanitarian Affairs. (2022). Humanitarian Needs Overview. Humanitarian Programme Cycle 2022.

in agriculture. However, in practice, many gender-oriented policies in South Sudan are yet to be implemented or are still in draft form. Gender Focal Points or departments created by the Ministry of Gender, Child, and Social Welfare in various government institutions are inadequately funded (Edward, 2014). The general political and public attitude and indifference to gender issues, the low prioritization of gender issues, as well as the institutional and organizational weakness of the governance institutions continue to be a challenge (GenderIndex.org South Sudan 2019).

Youth - Approved and adopted in July 2020, the South Sudan Youth Development Policy of the Ministry of Culture, Youth and Sports intends to empower youth to influence democracy and peacebuilding in the country, their participation in community and civic affairs and inclusion in the peaceful and productive nation-building and development agenda. A Youth Strategy and Operational Plan presents an ambitious vision that is underpinned by nine pillars, including Peace and Security, Human rights, Globalization, Political, Health, Education, Economic, Social and Climate Change. While resources are scarce, the strategy is proposing the establishment of a National Youth Service Program and the Youth Enterprise Fund. The South Sudan Youth Forum (SSYF) is the platform of the national youth councils and non-governmental youth organisations in South Sudan. It strives for youth rights in national institutions. The Forum works in the fields of youth policy and youth work development. The Youth Strategy outlines a very elaborate structure with the engagement of different key stakeholders, such as the National Youth Advisory Council, the State National Youth Council Committee, the County Youth Forums, etc.³³ READ will follow the establishment of the proposed structure and engage relevant stakeholders as necessary.

Marginalised groups: The National Social Protection Policy Framework of the Ministry of Gender, Child, and Social Welfare (MGCSW) aims to address multiple vulnerabilities and secure livelihoods as well as access to social services for the most vulnerable. The South Sudan Disability and Inclusion Policy commits to address and respond to the vulnerabilities faced by persons with disabilities, and to promote and protect their rights and dignity. Further, the Ministry of Education, Sciences and Technology in partnership with Light for the World, are in the process of developing a policy on inclusive education, which shall facilitate access to education for persons with disabilities. These are vital steps to ensure persons with disabilities are well integrated in the society, and will pave the way for enhanced participation in social, economic and political decision-making processes.

2. READ overview

The Rural Entreprises for Agricultural Development programme is a 7-year investment led by the South Sudan Ministry of Agriculture and Food Security, and supported by IFAD and GAFSP. READ overall goal is to 'improve food security, income and resilience among the targeted rural households. The Programme Development Objective is to empower Rural Producers' Organisations (RPOs) as sustainable and resilient value chain players.

The strategy for achieving this is built on the ability to transition from humanitarian to sustainable development, working within a market economy. The RPO is central to restoring individual and collective capital and assets, and towards attaining greater social cohesion and peace consolidation.

In fact, the READ project adopts a group approach to enhance livelihoods and resilience of poor rural households. Economic groups such as agricultural producers' groups, cooperatives or village saving and credit associations are considered as means to transform the lives of the

³³ Ministry of Youth and Sports (2022), South Sudan Youth Development Strategy and Operational Plan

target beneficiaries. The READ project will reach a total of 33,750 households (equivalent to 165,375 beneficiaries). The main target group consists of poor smallholder producers whose livelihood can significantly improve if they engage in efficient agricultural value chains and who don't rely on food assistance. Specifically, READ will provide support to the following groups: (i) poor female and male subsistence crop farmers and agro-pastoralists; (ii) rural young women and men engaged in farming or willing to develop a business along the targeted value chains; (iii) underemployed or unemployed returnees; (iv) persons with disabilities that can be economically active.

The READ project focuses on three interlinked components as follows:

- Component 1 – Rural Producers' Organizations Development;
- Component 2 – Inclusive Rural Finance Services;
- Component 3 – Policy and regulatory framework development.

The project will be led by the MAFS, with Programme Management Unit (PMU) members from the cooperative directorate in particular. Implementing partners and service providers will be identified per component to ensure the appropriate and timely implementation of the interventions (e.g., CBSS for rural finance services, ILO for cooperative training materials development). To this regard, the project will give special attention to the expertise and experience of the service providers on social inclusion and nutrition issues.

3. Purpose of the strategy

Given the South Sudanese context, the READ programme will apply a social inclusion lens to its interventions. To do so, a clear and intentional strategy has to be defined, which will guide the implementing partners in ensuring READ target groups are involved and benefit from the programme activities. The purpose of this document is to define READ target groups, identify outreach targets and describe the range of targeting mechanisms that will be leveraged to achieve the desired outreach and provide meaningful services to the most vulnerable.

The Targeting, Gender and Social Inclusion strategy will serve as a living reference document for programme staff and implementing partners to address socio-economic and cultural barriers hampering READ's target groups to equally benefit and meaningfully engage in all project activities.

The objectives of the targeting, gender, social inclusion and nutrition strategy are as follows:

- (i) Ensure targeting, gender, social inclusion and nutrition dimensions are adequately reflected in all project components;
- (ii) Define targeting mechanisms to reach READ's intended target groups to avoid elite capturing;
- (iii) Identify entry points for awareness raising and capacity building on targeting, gender, social inclusion and nutrition;
- (iv) Identify entry points to make targeted value chains more nutrition-sensitive;
- (v) Promote youth and women's economic empowerment, including enhanced access to employment opportunities via RPOs, APGs and MSEs and increased access and control over financial resources via SACCOs and VSLAs;
- (vi) Enhance youth and women's role in decision-making and leadership at household level and leadership in RPOs, MSEs, SACCOs and VSLAs;
- (vii) Promote balanced and reduced workloads for women towards equitable sharing of workload burden within the household;

- (viii) Promote a favourable institutional and policy environment for poverty targeting and mainstreaming gender equality, social inclusion and nutrition.

Targeting Strategy

4. Target groups definition

4.1. Target beneficiary groups

Target groups and characteristics	Outreach target
Members of the APGs and cooperatives	
The members of the selected value chains will constitute the membership of APGs or Cooperatives. The crop-based members are small scale farmers cultivating 1.4 ha and produces mainly for home consumption as they depend on traditional inputs and farm practices due to inaccessibility and affordability of quality farm inputs, ploughing, extension and credit services. The low volumes of marketable surplus coupled with high post-harvest losses are worsened by lack of market accessibility and information. For the livestock based-members (Fisheries, honey) accessibility and affordability of quality farm inputs including associated technology and equipment (e.g. fishing nets boats), agro-processing and value addition, storage and marketing quality certified products are among the key constraints faced by individuals.	
Subsistence Smallholder farmer	
Smallholder farmers cultivate rain-fed small plots (1.12 ha on average) with hand labour from family members (5.9 people on average). Only 23 percent of SHFs have legal titles (deed) and 52 percent have customary rights, which means that they cannot sell the land. Therefore, there is no incentive for farmers to invest in their land (e.g., for irrigation). Main crops cultivated are staples (sorghum, maize, cassava, groundnuts, pearl and finger millets), sesame, beans, peas, sweet potato, vegetables (onions, okra, tomatoes, eggplants, cabbage) and fruits (bananas, mangoes, lemon, pineapples). SHFs usually prepare land using traditional tools, they don't necessarily use good agricultural practices in terms of planting, weeding, pest management and post-harvest handling (including drying, sorting, storage). Therefore, yields remain low. They also face challenges to sell their produce due to distance to markets, lack of infrastructure, limited market information and agribusiness management skills.	
Subsistence Pastoralists	
Subsistence pastoralists raise cattle, sheep, and goats and graze them on rangeland, pastures, and crop residues. Average herd size varies according to the agro-pastoral zones, Dinkas in ironstone plateau holding 400 cattle and 700 sheep/goats versus 120 cattle and 120 sheep/goats for Nuers in NW Nile. They produce milk, meat and eggs but don't leverage the potential of hides and skins for markets. The increase in raiding has forced a number of pastoralists into sedentary lifestyles as they could no longer migrate safely. Additionally, increased extreme weather events have reduced availability of pasture for livestock and lack of animal health services make it even more difficult for pastoralists to safeguard their herds.	
Agropastoralists	
Agropastoralists have both land on which they cultivate crops and own some livestock. They are highly dependent on farmland, water resources and rangeland. They face similar challenges as subsistence farmers and pastoralists.	
Women (50 percent) and women-headed households (20 percent)	50 percent

Gender equality and empowerment of women is vital as evidence demonstrates that in economies where gender equality is greater there is economic growth and better quality of life. Rural women in South Sudan face constraints that hamper their productive potential. They have fewer opportunities than men to benefit from education, training, and productive agricultural employment due to traditional gender patterns in allocation of household labour, early marriages, and restriction of their movement. This has seen women constrained in terms of employment opportunities and their involvement in on farm activities is less skilled and less financially rewarding. Although they contribute a substantial proportion of agricultural labour, they get lower wages. Furthermore, women and girls are less healthy, poorer, more food insecure and less educated; and suffer the highest maternal mortality rate in the world and one of the highest rates of child marriage. The project will target women in male-headed and female-headed households. Women-headed households refer to women left by their husbands, women in polygamous households who are no longer supported, widows, single women responsible for dependents, married women whose husbands are incapable of functioning as income earners and married women abandoned by their husbands for any reason. READ will ensure women will benefit and engage in all project activities and become productive and resilient agripreneurs. As such, the project will enhance economic empowerment, improve participation and leadership in RPOs and decision-making bodies, and enhance access to labour and time-saving technologies.

Youth	70 percent
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In a country where more than 72 percent of the population is under the age of 30 years, youths play a critical role in achieving stability and reducing insecurity. Instead of being at the forefront of driving the peace- and state building process, youth struggle with under- and unemployment, limited marketable skills, employment opportunities, access to finance, agricultural inputs, extension services and labor-saving technologies to innovate. In the face of so many economic and social stressors, the role of youth must be seen as part of the solution rather than the problem. As such, the project will target rural youth between the age of 15 and 35. The project will facilitate youth and youth-led RPOs and MSEs to take advantage of opportunities arising along the traditional value chain (seed supply, storage, technology etc) , (i) strengthen their capacity in enterprise development through skills-based training, (ii) implement market-oriented business plans via matching grants and asset transfer, (iii) support linkages to markets, (iv) enhance access to rural finance and services, and (v) improve participation and leadership in RPOs and rural decision-making bodies

Returnees	10 percent
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Former refugees, "returnees" are women and men who return to their own countries or regions of origin after time in exile. They return spontaneously or in an organized fashion, with the intention of remaining there permanently³⁴, from a different county in South Sudan or often from neighbouring countries such as Uganda. The main challenges returnees face lies in their social and economic reintegration into the community who stayed. Usually, returnees who live a long time in refugee camps and had access to essential services (e.g., food, education, WASH) find it difficult to return to their community where they might not access similar opportunities. At the same time, communities who stayed have to share their limited resources and services with the returnees. These dynamics need to be considered in the READ programme targeting strategy in order to maintain social cohesion in the supported communities. Targeting returnees as a vulnerable population will not be at the expense of the general population

³⁴ United Nations High Commissioner for Refugees (UNHCR) online glossary. Accessible here: [HYPERLINK "https://www.unhcr.org/glossary/#r"](https://www.unhcr.org/glossary/#r)

Persons with Disabilities	Quotas will be applied for certain interventions
<p>Adopted from the UNCRPD, the South Sudan Disability and Inclusion Policy defines persons with disabilities as those who have long-term physical, mental, intellectual or sensory impairment which in interaction with various barriers may hinder their full and equal participation in society on an equal basis with others³⁵. Faced with manifold structural challenges, such as access to education, employment, health care services, persons with disabilities tend to live below the poverty line. As part of READ, the project will engage persons with disabilities that can be economically active, allowing them to participate in RPO, APG, MSE businesses, and where possible, access rural finance, to actively engage in livelihood activities and participate in communal decision-making processes. The project will encourage the involvement of persons with disabilities to the extent possible. However, given the fragile context, the project will not have a specific outreach target for persons with disabilities.</p>	

4.2. Target economic groups

Group	Characteristics	Target
Rural Producer Organizations	The term RPO in the context of SS will refer to both the APGs, Cooperative, Unions and other player in the value that are supporting the social and economic welfare of the rural small-scale farmer participating in the selected value chain.	
Cooperatives	Cooperatives operate under seven international recognized principles: i) Open and Voluntary membership, ii) Democratic member control, iii) Members' economic participation, iv) Autonomy and independence, v) Education, training, and information, vi) Cooperation among Cooperatives and vii) Concern for community. The primary objective of an agricultural/marketing cooperatives is to improve the social and economic welfare of its members through aggregation and bulking, value adding/processing and marketing members produce jointly in an effort of obtaining economies of scale. The minimum number of members to qualify for registration is 40 but 500 are necessary to achieve significant economies of scale. The largest cooperatives offer additional services to their members including extension, inputs and storage facilities on credit. According to the data collected by the South Sudan Agricultural Producer's Union (SSAPU) in 2020, cooperatives count on average 33 members, including 52 percent women and 58 percent youth.	
Agricultural Producer Organizations	APGs in the context of SS are members-based organizations, that can be either be a farmer association or a group consisting of about 20 to 30 members that have come together to address challenges faced in agricultural	

³⁵ Ministry of Gender, Child, Social Welfare (2013). South Sudan National Disability and Inclusion Policy (2013)

	<p>production at individual levels. About 60 percent of the APGs are registered by the Rural Development officers at either the National or State level. The rest 40 percent have no registration certificate but are recognized by the local Payam and Boma administrators.</p> <p>These APGs have a leadership structure headed by an executive committee (Chairperson, Secretary, Treasurer and two other members). Some of the key objective of the APGs include linking farmers to suppliers who sell quality farm inputs, service providers that offer plowing services, pooled transport services and market linkages.</p>	
MSEs	<p>There is no legal definition of MSEs in South Sudan, however, a number of studies³⁶ done in the country have defined them as firms whose size ranges between one and four employees. This is the definition that will be used for the MSEs targeted under the project. Additionally, the programme will focus on MSEs that are led by young entrepreneurs along agricultural value chains.</p>	
SACCOs	<p>SACCOs are user-owned financial institutions that offer both savings and credit services to their members. These organizations are formed by people having a common bond.</p>	
VSLAs	<p>Small groups of 10-25 members (78 percent female on average) who meet regularly to save together and take small loans from these savings. Majority of the loans obtained through VSLAs go to meeting basic needs and mitigating crises, they can also serve as seed capital for a small income-generating activity. VSLA can also offer insurance services if members create a social fund to save for emergencies only. Overall, VSLA groups have strong social bonds so they represent good entry points for social inclusion interventions such as nutrition dialogue and counselling.</p>	

5. READ Targeting

5.1 Background on the primary list of counties selected for the READ project

<i>State</i>	Eastern	Central	Western	Jongl	Upper	Northe
	Equatoria	Equatoria	Equatoria	ei	Nile	rn

³⁶ The financial sector and inclusive development in Africa: Essays on Access to Finance for Small and Medium-Sized Enterprises in South Sudan and Kenya. James Garang; University of Massachusetts Amherst, 2014.

County	Torit		Yei			Maridi			Bor South		Renk		Bar el Ghazal
	Magwi	Torit	Kajo-Keji	Terekeka	Yei	Yambio	Tambura	Maridi	Nzara	Bor South	Renk	Aweil Centre	

Multidimensional Poverty Indices (incidence) among adults in 2009³⁷

Index	0.64	0.30	0.27	0.74	0.38	0.63
Incidence	83 percent	45 percent	48 percent	95 percent	57 percent	82 percent

Major livelihood types

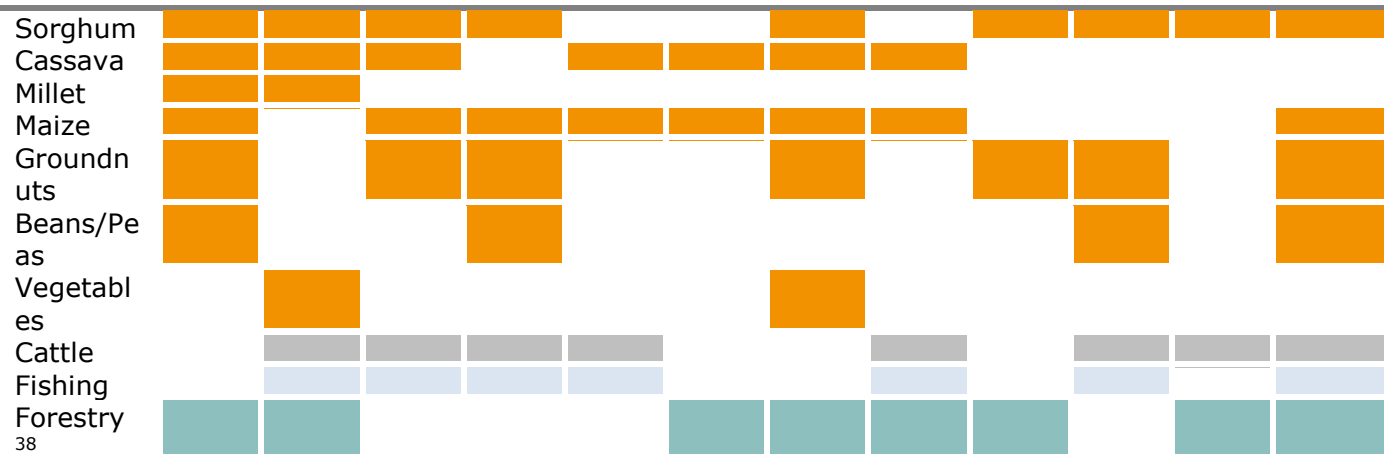


Figure 3. Multidimensional Poverty Indices and Livelihood types in READ counties

5.2 Targeting mechanisms

The Project will use the following targeting approaches:

Geographic targeting

The selection of the counties, for both Phase 1 and 2, will be guided by a ranking of all counties based on objective criteria. Each criterium has a clear definition and data source (see description in the PIM) that will guarantee the transparency and legitimacy of the selection process in a conflict-sensitive context. The prioritization criteria include (i) synergy with other projects, (ii) agricultural development potential, (iii) security situation, (iv) number of farmers organisations, (v) accessibility, (vi) vulnerability to climate change and (vii) food insecurity. Additionally, special attention will be given to regional balance and involvement of local authorities to facilitate a participatory selection process. At Payams and Bomas level, the selection will take place during the project start-up phase. Participatory criteria will be developed together with the Payam and Boma committees to select three Payams and five bomas per county.

³⁷ Adults aged 15+. Ballon, P. and Duclos, J.-Y. (2015) "Multidimensional Poverty in Sudan and South Sudan." *OPHI Working Papers* 93, University of Oxford. Analysis was conducted using data from the National Baseline Household Surveys (NBHS) of 2009.

³⁸ Including timber wood, charcoal, beekeeping and gum arabic.

Direct targeting: Direct measures will be applied to channel services and resources to ensure specific members and groups are targeted and benefit from project activities:

- Mapping and profiling cooperatives, APGs, agribusiness initiatives and VSLAs
- Use of quotas for women (50 percent), youth (70), returnees (10 percent), persons with disabilities (5 percent) for outreach and inclusion in project activities
- Ensure selected cooperatives, APGs and agribusiness initiatives are inclusive to returnees;
- Pay attention to ethnic balance;
- Implement FPIC plan to consult and seek consent by affected ethnic groups residing in targeted areas
- Supporting women and youth groups to graduate to cooperatives, SACCOs and MSEs
- Targeted support to households with pregnant and lactating women and children under two years old with home garden kits and trainings

Self-targeting: Without any specific interventions needed, services offered respond to the needs and priorities of target groups and thus facilitate self-identification

- Gender-, nutrition-, youth-sensitive value-chain analysis
- Selection of value-chain suitable for women and youth, persons with disabilities, ensuring returnees and ethnic groups have equitable access to targeted value-chains
- Call for interest from MSEs, RPOs, APGs, noting a simplified format to avoid elite capturing
- Leverage VSLAs, which are usually composed of women, to ensure self-selection and inclusion of women; Nutrition
- Leverage informal youth networks to raise awareness on project activities
- Development and roll-out of tailored financial products for women groups and youth entrepreneurs

Empowerment and capacity-building: Provide focused capacity – and confidence-building opportunities to target beneficiaries with less voice and power, enabling them to gain trust, confidence and skills to actively engage and participate in project activities

- Mobilisation of women and youth to participate through informal channels (key opinion leaders)
- Mobilize returnees to engage in RPOs, APGs, SACCOs and VSLAs to respond to livelihood constraints faced upon return
- Build capacity of ethnic groups facing marginalization and isolation from decision-making levels
- Awareness-raising and consultation of communities
- Provide leadership training
- Provide capacity-building opportunities, business and entrepreneurial skills, value-chain development
- Build financial literacy

Enabling measures: Promote a conducive policy and institutional environment among stakeholders that enable the empowerment of target groups

- Policy strengthening
- Use of participatory processes
- Capacity building of project staff and implementing partners on gender equality, nutrition-sensitivity, youth empowerment
- Promotion of time-saving and labor-saving technologies
- Gender balanced staffing at PMU-level and implementing partners
- Affirmative action for marginalized groups in staffing decisions
- Adequate budget for social inclusion interventions
- Activities

6. The Financial and human resources needs to deliver activities for poverty targeting

Adequate financial and human resources should be allocated to deliver targeting, gender and social inclusion activities across project's sub-components. To this end, a Gender and Social Inclusion Officer should be recruited and/or assigned at the PMU (MAFS) and UNDP. If feasible, Implementing Partners are encouraged to appoint a Gender and Social Inclusion Expert, who will be responsible to ensure social inclusion dimensions are considered and addressed. Staff Terms of Reference (ToR) with targeting, GEWE, and social inclusion related responsibilities will be annexed to the PIM.

The project is advised to earmark funds for targeting, gender and social inclusion interventions. Adequate financial allocation shall be duly integrated in the AWPB. If feasible, a bottom-up approach is advised by engaging relevant line departments, implementing partners and target beneficiaries for a transparent and participatory approach.

Further, the project encourages the recruitment of a gender-balanced PMU and will provide capacity building on cross-cutting themes and gender-responsive budgeting and monitoring and evaluation. With enhanced awareness and capacities, PMU will drive social inclusion in project management, oversight, monitoring and evaluation and knowledge management.

7. Monitoring and assessing targeting performance

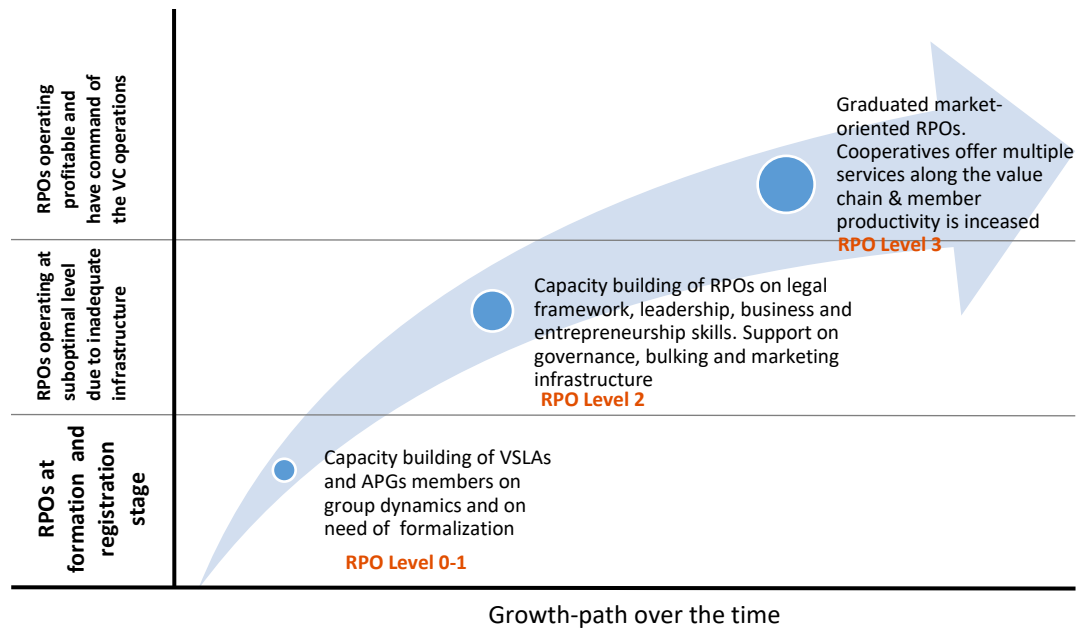
(targeting-related indicators are included in the M&E framework, logframe and learning systems; Mechanisms for participatory monitoring are in place)

- **Logframe monitoring** – At baseline, mid-line and endline, the project will conduct large surveys to measure key indicators of the impact and effectiveness of the programmes. Additionally, a monitoring system will be in place to assess the implementation of activities. Within this framework, two aspects should be considered:
 - All data should be disaggregated by gender, age, vulnerable groups, socio-economic groups;
 - Key indicators should be included in the logframe to measure target groups' empowerment (e.g., IFAD IE 2.1 Individuals demonstrating an improvement in empowerment track social empowerment)

- **Graduation model measurement**

Rationale. An individual graduation model will be used along the organisational graduation model applied to APGs and VSLAs within READ. In order to measure the success of graduation, a simple poverty index will be defined, leveraging the indicators of the programme results framework. Based on the achievement against a set of criteria, beneficiary households will be categorized in different poverty strata.

Individual graduation strata



Methodology. Develop a methodology **based on a** standard methodology from another partner (check what criteria and questions they use, whether it matches our result framework)

#	Strata	Description	Score	Outreach baseline	Outreach target
1	Very Poor/vulnerable Subsistence producers	Very poor subsistence producers' households who experience severe and moderate food insecurity. They belong to mostly informal organisations such as APGs and VSLAs which provide them with limited services. Thanks to the READ programme, their organisation's governance will be strengthened and as members, they will receive support to improve production, sell their surplus to increase their income and increase their knowledge and skills in key social areas such as gender equity and nutrition.	0-30	75	50
2	Poor producers with marketable surplus	As members of RPOs of Level 2, producers receive additional services (including leadership and entrepreneurship skill building, financial services) to improve the profitability of their farm and their resilience to shocks.	30-60	25	40
3	Transitional poor market-oriented producers	As members of RPOs of Level 3, graduated producers have oriented their production from subsistence only to markets. Their farm business is supported by strong cooperatives from which they receive instrumental services from inputs, marketing, processing, significant loans to invest in their business. Transitional poor market-oriented producers' households report being food secure.	60-90	0	10

Poverty index scorecard

	Criteria	Category	Score
1	Food insecurity Experience scale FIES	Severe food insecurity Moderate food insecurity Food secure	Low Medium High
	MDD-W as diet quality proxy?		
3	Access to financial services	Yes No	High Low
4	Agricultural income	0-100 >100-500 >500+	Low Medium High
5	Participation in RPO leadership	Yes No	High Low
6	Level of associated RPO	Level 3 RPO Level 2 RPO Level 0-1 RPO	High Medium Low

Social Inclusion and Nutrition Strategy

8. Entry points for social inclusion and nutrition interventions across READ components

Component	Social Inclusion Strategic intervention
Component 1 Rural Producers' Organizations Development	
Sub-component 1.1 Value Chain Assessment and Group Profiling and Payam/Boma selection	<ul style="list-style-type: none"> • Conduct nutrition-, gender, and youth-sensitive value chain analysis to ensure mainstreaming constraints and opportunities are being considered; • Focus on domestic food value chains; • Conduct a Peace and Conflict Analysis, which takes women and youth dimensions into account by analyzing the differentiated impacts of the conflict on women and youth; including from different ethnicities. Further, unique impacts on returnees and needed interventions for smooth re-integration will be considered, the analysis will serve as an important guidance for FPIC implementation; • Conduct participatory mapping, profiling and sensitization of target groups with high attention on groups led by women and youth, and other marginalized groups, including returnees and ethnic groups. READ will leverage on the network created by the South Sudan Union of Persons with Disabilities to identify RPOs and APGs either led by a person with disability or who have members with disabilities; • Conduct market opportunity analysis study, taking gender, youth and nutrition-considerations into account; • Conduct a gender, youth, nutrition assessment to inform interventions design; this will capture challenges and needs of returnees and affected ethnic groups; • Sensitization of local authorities, especially elders on GEWE and social cohesion to ensure returnees are welcomed and well re-integrated
Component 1.2 Strengthening RPO Institutional and Service Delivery Capacity	<ul style="list-style-type: none"> • Customization of ILO training material will adapt to the local context <ul style="list-style-type: none"> ○ Considering the gender and youth dynamics in the South Sudan context; ○ Including essential food and nutrition-related topics (importance of nutrition, balanced and safe diets) • Identify service providers who have experience in delivering gender equity and nutrition awareness creation; • Leverage APG with leaders for awareness creation and behaviour change on healthy diets and gender equity (access to knowledge, visioning, dialogue counselling, food demonstrations, health emergency fund); • Provide every VSLAs with a home garden kit (seeds, tools, training) to start collective home gardens and share tools and seeds among the members;

	<ul style="list-style-type: none"> • Provide ToT training, ensuring 50 percent of the trainers are youth and embedding sensitization on gender equality, nutrition-sensitivity and climate resilience onto the training package; • Training package will include a module on gender norms and joint household-decision making and reflect upon the underlying causes of gender inequality to create a mindset shift; • Build gender-sensitive cooperative and enterprise support services through ILO’s Women’s Entrepreneurship Self Check (We-Check); • Deliver leadership training for RPOs, especially support women and youth-led RPOs for increased voice and participation in leadership positions; • Support the formation of new RPOS, especially women and youth-led RPOs, , and facilitate increased membership of returnees and members from different ethnic groups • Build capacities of Unions on cross-cutting themes to sustain initiatives; • Member mobilization will target women and youth, including returnees, using County and Payam committees to form new APGs, VSLAs, SACCOs, or Cooperatives; • Leveraging on informal youth and women networks to raise awareness about READ; • Working with young agripreneurs as key-opinion leaders to reach youth in bomas and payams
<p>Component 1.3 Supporting Business capacity development</p>	<ul style="list-style-type: none"> • Coaching women- and youth-led RPOs and MESEs, or with high member numbers of women and youth, on business efficiency; • Build business and entrepreneurial capacity with support on developing market-oriented business plans; • Provide capacity building of producer organizations on improved product development and standards; • Provide training on quality assurance and food safety practices (including value addition, processing and packaging) and include messaging on balanced diets; • Design and implement asset transfer and matching grant mechanism for productive investments <ul style="list-style-type: none"> ○ 60 percent of the asset and grants assets will go to youth-led and women-led RPOs; ○ Include in the selection criteria the potential for saving women's time and labour and the potential to increase food safety and nutritional value of commodities. ○ Ensure RPOs are selected that have returnees as members • Explore overlaps with WFP local procurement initiatives for staple foods (sorghum, beans).
<p>Component 2 Inclusive Rural Finances Services</p>	
<p>Component 2.1 Promotion of Village Saving and Loan Associations</p>	<ul style="list-style-type: none"> • Formation of new VSLAs and strengthening existing VSLAs; (ensure membership of women with disabilities and female returnees); • Provide financial literacy and enhance business skills;

	<ul style="list-style-type: none"> • Enhance women’s voice and participation in SACCO boards
Component 2.2 CBSS expansion and development of agent network	<ul style="list-style-type: none"> • Support CBSS in tailoring financial services and products to the needs of rural women and youth, and other marginalized groups; • Increase outreach and financial inclusion in rural areas, including communities with low internet penetration, via agent services;
Component 3 MAFS capacity Building	
Component 3.1 Conducive policy and legal environment for cooperative development and inclusive rural finance	<ul style="list-style-type: none"> • Ensure participatory and inclusive policy making processes with the involvement of women, youth (returnees, farmers, entrepreneurs, ...) and marginalized groups like persons with disabilities (attention to ethnic balance); • Ensure policy environment is conducive for young women and men to engage in rural agricultural business in South Sudan • Ensure policy environment considers nutrition- and climate-related issues (e.g., food safety standards, adaptation and mitigation)
Component 3.2 Capacity of relevant staff of Ministry of Agriculture and Food Security strengthened	<ul style="list-style-type: none"> • Ensure gender balance for ToT for cooperative officers; • Capacity building opportunities at national and decentralized level need to be gender-balanced
Component 3.3 Project Management, oversight and knowledge management	<ul style="list-style-type: none"> • Sensitize MAFS staff and implementing partners on gender equality, youth empowerment and nutrition-sensitivity; • Recruitment of a gender-balanced PMU; • Recruitment of human resources to be accountable for mainstreaming themes • Training on gender-responsive budgeting and monitoring and evaluation (including IFAD Core Indicators, Food Insecurity Experience Scale (FIES))

Addressing and preventing Gender-based violence (GBV): The high GBV prevalence puts women and girls at high risks as they engage in economic and social activities. READ will apply the following measures to raise awareness and create safe spaces for women and girls to engage in READ, free from violence:

- (i) With support from IFAD’s Ethics Office, PCU and implementing partners will be sensitized on IFAD’s SH/SEA policy, ensuring strict adherence to the code of conduct;
- (ii) Inclusion of GBV prevention messaging in training modules offered to RPOs, APGs, VSLAs, SACCOs and MSEs;
- (iii) Early engagement of local authorities, elders and male households members to sensitize on GBV prevention;
- (iv) Create female only spaces for women to share and receive training and services;
- (v) Sensitization of project beneficiaries on reporting procedures in the Grievances Redress Mechanism and leverage on UNDP’s ongoing support to police officers trained on GBV response;

9. Outcomes and Theory of change

9.1 Pathways for Gender equality and Women empowerment

Aim	To increase READ's impact on gender equality and strengthen women's empowerment		
Outreach	At least 50 percent of the beneficiaries will be women		
Objectives	Economic empowerment	Decision-making and representation	Equitable workload balance and well-being
Activities	<ul style="list-style-type: none"> - Investment in value chains promising to women - Facilitating women's access to demand-driven business development services - Facilitating and support capacity-building for women-led RPOs, APGs, including 30 percent women-only groups, MSEs, including 40 percent women-led, and entrepreneurs - Provision of comprehensive support to women-led RPOs, APGs, MSEs to grow and graduate; - Increasing women's access to rural finance - Build financial literacy - Facilitating access to climate-smart agriculture technologies - Creating new spaces/opportunities/markets and support for women's 	<ul style="list-style-type: none"> - 40 percent of RPOs to be selected should have women in decision-making positions - Representation of women in RPOs and APGs - SACCOs under C2 should have at least 20 percent women membership - Leadership training to women, women-lead groups, VSLAs, MSEs - Strengthen RPOs and APGs capacities to address gender equality and women's empowerment - Ensure women's voices are heard in policy engagement activities 	<ul style="list-style-type: none"> - Promotion of labour- and time-saving technologies - Training modules for cooperatives will include sessions on gender equality and promote equitable division of labour in the household and in the community - Gender sensitization will be integrated in all training packages to promote awareness to both men and women - Partnership with UN agencies and media to carry out public education campaigns on preventing and addressing gender-based violence
M&E	Sex-disaggregated indicators CI IE. 2.1 Empowerment Indicator		

9.2 Pathways for Youth inclusion

Aim	To increase READ's impact on the social and economic empowerment of youth	
Outreach	At least 70 percent of the beneficiaries will be young people	
Objectives	Economic empowerment	Decision-making and representation
Activities	<ul style="list-style-type: none"> - Investment in value chains promising to youth and where youth are already involved - 60 percent of grants and assets will go to youth-led and women-led RPOs - 40 percent of the newly established APGs will be youth-only groups - Capacity-building for youth-led producer groups, MSEs, and entrepreneurs - At least 70 percent of capacity building activities will be youth - Financial literacy training - Supporting youth-groups and youth-led groups to graduate to cooperatives - Targeted support for youth-led MSEs (50 percent) - Implementing market-oriented business plans via matching grants and asset transfer - Support linkages to markets - At least 50 percent of the trainers engaged in capacity building are youth - Access to demand-driven business development services - Enhance access to rural finance and services 	<ul style="list-style-type: none"> - Strengthen youth leadership in RPOs and APGs - Ensure voices of youth are heard in policy engagement activities - Representation of youth in RPOs, APGs, and community decision-making bodies - Ensure involvement of youth in value-chain development - Leadership training
M&E	Age-disaggregated indicators (maybe) CI 2.2.1	

Youth employment: With 70 percent of the beneficiaries being youth, including 50 percent young women, READ is deliberate in contributing to job creation and skill-enhancement for increased employability. Concretely via (i) newly established APGs (40 percent youth-only groups), (ii) 50 percent of MSEs will be youth-led and (iii) increased membership in formalized RPOs, SACCOs, VSLAs along selected value chains. By doing so, READ will focus on two types of employment opportunities: (a) full-time employment opportunities at the level of RPOs and MSEs, including technical functions (storage management, processing, transport) and those related to institutional functions at the group-level; and (b) independent wage workers involved in seasonal farm activities, such as harvesting, post-harvest handling and transport^[1]. The below table illustrates READ's logical flow to job creation. Out of the 1369 newly created jobs, at least 958 will go to youth.

Beneficiary type	Number of organizations hiring new employees	Average number of new technical employees	Average number of new institutional employees	Average number of new full-time employees	Total number of new full time employment opportunities
APGs	151	2.0	1	3.0	454
Coops	33	4.0	1	5.0	166
SACCOs	24	0.0	2	2.0	48
Micro enterprise	43	2.0	0	2.0	86
Small enterprise	43	7.0	0	7.0	302
Total					1056
Beneficiary type	Number of farmers hiring new wage labor	Average new wage labor hired (pers.day)	Total new wage labor hired (pers.day)	Average labor days per wage worker	Total number of new wage labor opportunities
Producers	7,828	4	31,311	100	313
Total					313
Total number of new employment opportunities created					1,369

Supporting job creation opportunities, READ will (1) strengthen capacities for enterprise development (finance, management, leadership and governance training, business skills and development of business plans, to name a few), (2) provide access to asset transfer and matching grants (60 % of grants and assets will go to youth- and women-led RPOs), and support linkages to the market.

9.3 Pathways for Disability inclusion

Aim	To increase READ's impact on the social and economic empowerment of persons with disabilities		
Outreach	At least five percent of the beneficiaries will be persons with disabilities		
Twin-track approach			
Tracks	Targeted support		Mainstreamed
Objectives	Economic empowerment	Decision-making and representation	Equitable access to services promoted or supported by READ
Activities	<ul style="list-style-type: none"> - Targeting persons with disabilities for C1 and C2 - With support from SSUPWD, ensure persons with disabilities are members of RPOs, APGs, MSEs, VSLAs and SACCOs - Facilitate access of persons with disabilities to capacity development opportunities - Support existing RPOs and APGs with persons with disabilities as members and ensure graduation - Enhance access to rural finance - Facilitating access to agricultural tools and climate-smart technologies adapted to the needs of persons with disabilities - Supporting persons with disabilities as 	<ul style="list-style-type: none"> - Representation of persons with disabilities in RPOs, APGs, VSLAs, SACCOs and MSEs - Leadership training for persons with disabilities - Strengthen RPOs, APGs, VSLAs, SACCOs capacities to become more disability inclusive - Ensure the voices persons with disabilities are heard in policy engagement activities - Close partnership with the South Sudan Union of Persons with Disabilities and other organisations of 	<ul style="list-style-type: none"> - Community awareness campaigns on disability inclusion - Ensuring accessibility of built environment, ICT, services and transportation
M&E	Ability-disaggregated indicators		

9.4 Pathways for Nutrition

In order to improve the quality of diets of project's beneficiary households, READ will increase availability and accessibility to diversified and nutritious food by following different pathways in addition to the income one: (i) Increased knowledge and awareness on dietary diversification via the groups; (ii) Increased availability of diversified and safe foods by promoting collective home gardens via APGs and supporting RPOs to produce more foods; and (iii) Enhanced livelihoods by increasing households' access to profitable opportunities and financial services.

Problem assumption	High food production deficit due to conflicts and extreme weather events, high post-harvest losses, high dependence to food assistance and relief handouts, lack of awareness on the importance of balanced and safe diets leading to poor child feeding practices. Weak institutions with limited food and nutrition strategy in the agricultural sector.		
Aim	To improve diets of targeted rural households by increasing availability and affordability of diverse, safe and nutritious foods and improving child feeding practices		
Outreach	Beneficiaries of nutrition sensitive interventions: 13,332 HHs, members of APGs interested in participating in training activities (including nutrition) Including;		
Outcomes	Increased availability of diversified and safe foods	Enhanced livelihood of HHs	Increased knowledge and awareness on dietary diversification
Activities	<ul style="list-style-type: none"> • Post-harvest handling support, including training on food safety • Food production strengthening (food and nutrition criteria in the value chain assessment, market opportunities for nutrient-rich produce (including WFP local procurement), asset transfer and matching grants) 	<ul style="list-style-type: none"> • Access to profitable value chains to increase income • Increase access to financial services including community-based insurance for health emergencies 	<ul style="list-style-type: none"> • Behaviour Change Communication on healthy diets and gender equity in VSLAs • APGs: Include Nutrition & Gender modules in ILO training package and ToT • Build capacities of unions to support gender and nutrition mainstreaming
	Build capacities among MoA staff and Implementing partners to be champions of nutrition-sensitive agriculture.		
M&E	<ul style="list-style-type: none"> • No outcome nor output indicators on nutrition included in the results framework because the project was not considered as nutrition-sensitive and the results framework has too many indicators already. • Recommendation: include Nutrition Knowledge, Attitude, Practices in the project-specific studies. 		

Key interventions: implementation arrangements

9.5 Pathways for Climate Change Adaptation

Aim	To raise READ's impact on climate change adaptation	
Outreach	At least 30 percent of beneficiary groups are engaged in enhancing climate change adaptation measures	
Objectives	Climate Change Adaptation	Decision-making and representation
Activities	<p>Investment in value chains supporting climate change adaptation activities</p> <p>30 percent of grants and assets will support agricultural value chain activities linked to climate change adaptation</p> <p>Capacity-building for producer groups, MSEs, and entrepreneurs on climate change adaptation</p> <p>Implementing market-oriented business plans via matching grants and asset transfer and with a strong climate change adaptation orientation</p> <p>Access to demand-driven business development services oriented to climate change adaptation</p> <p>Enhance access to rural finance and services on climate change related agricultural value chain businesses</p>	<p>Strengthen awareness and engagement of leadership in RPOs and APGs on climate change adaptation</p> <p>Ensure climate change concerns are tabled and considered in policy engagement activities</p> <p>Representation of youth and women and consideration of climate change issues in RPOs, APGs, and community decision-making bodies</p>
M&E	Number of agricultural value chain businesses linked to climate change adaptation included in targeting, selection and reporting	

ANNEX 10: MOUs AND TERMS OF REFERENCES FOR ORGANISATIONS

Annex 10.1: MoU between UNDP and Government

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME
AND
[NAME OF GOVERNMENT]

[Please complete all missing information and remove all the footnotes and guidance in italics, prior to sharing the draft MOU with the Party]

THIS MEMORANDUM OF UNDERSTANDING ("MOU") IS ENTERED INTO BY THE UNITED NATIONS DEVELOPMENT PROGRAMME ("UNDP"), A SUBSIDIARY ORGAN OF THE UNITED NATIONS, AN INTERGOVERNMENTAL ORGANIZATION ESTABLISHED BY ITS MEMBER STATES WITH ITS HEADQUARTERS IN NEW YORK, NY (USA), AND THE **[NAME OF GOVERNMENT]** (THE "GOVERNMENT"). UNDP AND THE GOVERNMENT ARE HEREINAFTER REFERRED TO INDIVIDUALLY AS A "PARTY" AND JOINTLY AS THE "PARTIES";

WHEREAS, UNDP SERVES IN MANY RESPECTS AS THE OPERATIONAL ARM OF THE UNITED NATIONS AT THE COUNTRY LEVEL AND WORKS WITH PARTNERS IN NUMEROUS COUNTRIES TO PROMOTE AMONG OTHER THINGS SUSTAINABLE DEVELOPMENT, ERADICATION OF POVERTY, ADVANCEMENT OF WOMEN, GOOD GOVERNANCE AND THE RULE OF LAW;

WHEREAS, UNDP REPRESENTED BY **[COUNTRY OFFICE OR BUREAU NAME]** IS INTERESTED IN ENHANCING ITS DEVELOPMENT ACTIVITIES IN **[INSERT SPECIFIC INTERESTS, SUCH AS STRENGTHEN COUNTRIES ELECTORAL SYSTEMS AND IMPROVE ACCESS TO JUSTICE AND PUBLIC ADMINISTRATION; PROMOTE PUBLIC DIALOGUE, ETC.]**;

WHEREAS, the Parties wish to cooperate in areas of mutual concern to enhance the effectiveness of their development efforts;

[DRAFTING NOTE: These "Whereas Provisions" are descriptive provisions meant to provide a brief background of the relationship between the Parties, they should address the questions: What is the origin of the relationship? What are the common areas of interest? What is the context within each organization where the relationship fits in?]

In addition, if this MOU replaces a previous MOU between the Parties, add the following: "WHEREAS, the Parties entered into a Memorandum of Understanding on [date] regarding [xxxxxxx] (the "[year] MOU")"

NOW, THEREFORE, the Parties wish to express their intention to cooperate as follows:

ARTICLE I

Purpose and Scope

The purpose of this MOU is to provide a framework for the non-exclusive cooperation and facilitate and strengthen collaboration between the Parties in the areas of common interest identified in Article II below.

[DRAFTING NOTE: This section should describe the purpose, objective and expected outcomes of the MOU. It should answer the questions: What are the overall purposes of the MOU and the objectives of the collaboration?]

ARTICLE II AREAS OF COOPERATION

The Parties have identified the following activities in which cooperation may be pursued, with each Party operating subject to its respective mandates, regulations, rules, policies and procedures:

- i) *[description of coordinated activities, such as share analysis and information for identifying complementary programs to cure HIV/AIDS];*
- ii) *[description of coordinated activities, such as harmonizing policy approaches in the areas of governance, conflict prevention and post-conflict reconstruction];*
and
- iii) *[description of coordinated activities, if there are more to add].*

[DRAFTING NOTE: this Article should list any specific activities outlined within the overall scope of the MOU that will serve to accomplish the objectives stated under Article I. No commitments or obligations may be made, financial or otherwise. Areas of cooperation

should be expressed as aspirations.]

Article III

Consultations and Exchange of Information

3.1 The Parties will, on a regular basis, keep each other informed of and consult on matters of common interest, which in their opinion are likely to lead to mutual collaboration.

3.2 Consultation and exchange of information and documents under this MOU will be without prejudice to arrangements, which may be required to safeguard the confidential and restricted character of certain information and documents. Such arrangements will survive the termination of this MOU and of any agreements signed by the Parties within the scope of this collaboration.

3.3 The Parties will, at such intervals as deemed appropriate, convene meetings to review the progress of activities being carried out under the present MOU and to plan future activities.

3.4 The Parties may invite each other to send observers to meetings or conferences convened by them or under their auspices in which, in the opinion of either Party, the other may have an interest. Invitations will be subject to the procedures applicable to such meetings or conferences.

Article IV

Visibility

The Parties recognize the importance of providing visibility to their cooperation under this MOU and therefore agree to acknowledge the role and contribution of each Party in all public information documentation relating to activities covered by this MOU. The Parties agree to use each Party's name and emblem in accordance with the regulations and policies of each Party and subject to prior written approval of each Party.

Article V

Term, Termination, Renewal, Amendment

[5.1 This MOU supersedes and replaces in its entirety the [year] MOU.³⁹]

5.#. The proposed cooperation under this MOU is non-exclusive and will have an initial term of [two] years from the Effective Date, as defined in Article X ("Effectiveness") [or commencing on _____ and ending on _____], unless terminated earlier by either Party upon two (2) months' notice in writing to the other Party. The Parties may agree to extend this MOU in writing for subsequent periods of [] years under the same terms and conditions.

5.# Termination of this MOU will not affect any other agreements relating to the subject matter of this MOU, which will, unless terminated or expired, continue to regulate the relationship between the Parties in accordance with the terms thereof.

5.# This MOU may be amended only by mutual written agreement of the Parties, signed by their duly appointed representatives.

Article VI

Notices

³⁹ Remove if not relevant.

Any notice or request required or permitted to be given or made under this MOU shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall have been delivered by hand, certified mail, overnight courier, telex, or cable to the party to which it is required to be given or made at the address specified below or such other address as shall be hereafter notified.

For UNDP: [Name]

[Address]

[Address]

[Address]

[Address]

For the Government: [Name]

[Address]

[Address]

[Address]

[Address]

Article VII

Legal Provisions Relating to Implementation

7.1 Notwithstanding anything in this MOU to the contrary, (a) this MOU is an expression of intent and does not constitute a legally binding document; (b) nothing herein shall be construed as creating a legally binding commitment, financial or otherwise; (c) nothing herein shall be construed as creating a joint venture and neither Party shall be an agent, representative or joint partner of the other Party; (d) all of UNDP's activities envisaged hereunder are subject to the availability of funding; (e) any funds received by UNDP shall be used, and all UNDP activities further to this MOU will be carried out, in accordance with the project documents agreed between UNDP and the concerned programme government(s) where the activities will be implemented, and in accordance with the applicable UNDP regulations, rules, policies and procedures; and (f) each Party shall be responsible for its acts and omissions and those of its employees, contractors and subcontractors in connection with this MOU and its implementation.

7.2 To the extent that the Parties wish to create legal or financial obligations with respect to or resulting from any activity contemplated in this MOU, a separate agreement related thereto will be concluded between the Parties prior to such activity being undertaken.

7.3. The Parties will consult each other, as appropriate and if circumstances so require, on issues relating to intellectual property and rights thereto, including the necessity of entering into separate agreement(s) to regulate such issues and rights.

7.4. **[Name of relevant Ministry]** represents that it has all the necessary powers, authority, and legal capacity to enter into this MOU and perform its obligations hereunder.

7.5 In the event of inconsistency between any provision of this Article VII and a provision of another section of the MOU, this Article VII shall prevail.

Article VIII

Settlement of Disputes

Any dispute between UNDP and the Government relating to this MOU will be settled amicably by the Parties through direct negotiation.

Article IX

Privileges and Immunities

Nothing in or relating to this MOU shall be deemed a waiver, express, or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

Article X

Effectiveness

This MOU will become effective on the date in which it is duly signed by both Parties ("Effective Date").

IN WITNESS WHEREOF, the duly authorized representatives of the Parties affix their signatures below.

FOR UNDP:

FOR [Name of Government]:

Name

Name

Title

Title

Date

Date

Annex 10.2: The International Labour Organisation (ILO) – Terms of Reference

Terms of Reference

Request for Proposal	To deliver capacity building training modules, tools, and methodologies for institutional capacity development, business capacity development and financing of Rural Producer Organizations (APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives) in South Sudan.
Programme Unit	Stabilization Recovery and Resilience
Duration	
Starting Date	
Expected Ending Date	
Coverage	Central Equatoria, Eastern Equatoria, Jonglei, Upper Nile, Western Equatoria, Northern Bahr el Ghazal,
Project Title	Rural Enterprises for Agricultural Development

1. BACKGROUND AND RATIONALE

UNDP in partnership with the Ministry of Agriculture and Food Security and the International Fund for Agriculture Development (IFAD), with support from the *Global Agriculture and Food Security Program (GAFSP)*, are implementing the Rural Enterprises for Agricultural Development (READ) Project which aims to improve food security, income, and resilience among targeted rural households. The primary objective of the project is to empower Rural Producer Organisations (RPOs), Cooperatives (Coops), Village Saving and Loans Associations (VSLAs), and MSEs, as sustainable and resilient value chain players by strengthening their institutional and organisational structures, improving their business skills for enterprise development, facilitating access to finance, and providing them with policy and regulatory support. The READ project seeks to ensure that Producer's groups, farming associations and cooperatives, as well as micro and small enterprises have the potential to play a central role in value chain development and in poverty alleviation in rural environments in South Sudan. Specifically, the project addresses: (i) the weaknesses in the entrepreneurship skills; (ii) the lack of access to finance; (iii) the lack of access to markets and information; and iv) capacity challenges of the Ministry of Agriculture and Food security for enhanced public service delivery, especially to support the development of rural producer organisations. The project has the following components: 1) Rural producers organisations development; 2) Inclusive rural financial services; and 3) Policy and regulatory framework development.

The project will be implemented in six states (6) states, namely, Central Equatoria, Eastern Equatoria, Jonglei, Upper Nile, Western Equatoria and Northern Bahr el Ghazal. To ensure that the project sustainably serves its intended target, an evidence-based approach for geographical selection was used to select the project locations, informed by the following criteria: (a) synergy with other projects or potential for scaling up what other projects have done/are doing, (b) agricultural productivity, (c) low risk of future conflicts, (d) availability of APGs, RPOs, cooperatives, SACCOs, VSLAs, and MSEs, (e) connectivity, (f) accessibility and habitability, (g) climate change risk level and (h) acute food insecurity. The primary target group are rural poor smallholder farmers who are reached through membership-based

organizations such as agricultural producer groups, agricultural cooperatives, Village Savings and Loans Associations and Savings and Credit Cooperative Organizations. These organizations are the primary channel for reaching the end beneficiaries. The project will target approximately 27,511 rural households or 162,315 household members through 456 RPOs, MSEs and 324 RFIs with specific focus on women, youth, and people of vulnerable groups; 70% youth, 50% women, 10% returnees and 5% people with disabilities.

The project is designed to respond to key challenges affecting growth and development of Rural producer organizations in South Sudan. The country is endowed with vast natural resources and economic potential that has not translated into improved standards of living for the citizens. The agricultural sector plays a major role in South Sudan's economy, accounting for 36 percent of its non-oil gross domestic production with 80 percent of households depending on cultivation as their primary source of livelihood (FAO, 2015). Although South Sudan has huge agriculture potential, it continues to be food insecure, import-dependent, and low in productivity.

One of the biggest challenges the Country faces, is its weak institutions and state infrastructures. Past conflict and insecurity meant that economic development and access to finance especially for MSEs were disregarded in the political economy of South Sudan. MSEs as has been revealed in other African Countries like Kenya are a key engine for job creation and are essential for South Sudan's growth and development. However, private sector development in South Sudan is crippled by lack of access to finance for the growth and expansion of the sector.

The agriculture sector and the natural resources of South Sudan are the foundation for economic and social development to satisfy important economic, social, cultural, and political needs of its peoples. To avoid food shortages and high commodity prices from spiraling into another conflict driver, it is imperative to boost local production, primarily to augment current supplies and in the long term substitute the imports. Options for boosting local production include stimulating agriculture-linked value chains and local enterprises to create livelihood and income generating opportunities especially for the Country's predominantly vulnerable populations, women, and youth.

Producer's groups, farming associations and cooperatives, as well as micro and small enterprises are vehicles for getting rural populations working together, buying inputs, jointly selling outputs, and accessing goods and services that would allow them to improve practices, reduce post-harvest losses, add value to produce and ultimately increase incomes. Such farmers or producer-led groups have the potential to play a central role in value chain development and in poverty alleviation in rural environments in South Sudan.

The South Sudan Transitional Constitution prioritizes private sector development as a pathway towards recovery, resilience, and peace. It also stresses that equitable economic development should be based on the agricultural and agro-industrial sectors, and the promotion of the private sector within framework of transparent and accountable governance⁴⁰.

⁴⁰ Transitional Constitution of South Sudan

It is against this background that UNDP, in partnership with the National Ministry of Agriculture and Food Security and IFAD, with support from GAFSP are engaging the International Labour Organization to provide technical advice and guidance to READ Project Implementing Partners, by customizing/contextualizing training manuals and tools, and rendering assistance in the conduct of capacity-building activities.

2. Scope of Work

2.1 Overall objective of the TOR

Under this TOR, ILO will (i) develop, standardize, and institutionalize training tools, capacity building approaches and modules on cooperative development and (ii) provide support to MAFS on the development of policy and legal frameworks.

Component one: Rural Producer Organizations development

This component will focus especially on women (minimum 50 percent of beneficiaries) and youth (minimum 70 percent of beneficiaries). The component will target APGs, RPOs, VSLAs, SACCOs, Cooperatives, and MSEs and provide support to less structured agriculture producer groups and VSLA groups. The aim is to improve their governance structures, and accountability mechanisms and strengthen business models and sustainable business plans for economic service delivery.

2.2 Tasks

ILO is be expected to perform the following tasks under this engagement:

- Develop context related training tools, capacity building approaches, and modules for capacity building activities of the projects target groups (APGs, RPOs, VSLAs, SACCOs, Cooperatives, and MSEs) across the project components. The modules will be delivered by UNDP's six implementing partners responsible for the provision of institutional capacity and business development services to rural producer organizations (APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives) in the six project locations.
- Work with the UNDP and the six project implementing partners in project locations to adapt the developed modules, tools, and methodologies and lead in standardizing and institutionalizing it in the country's capacity-building program.
- Modules, tools, and methodologies developed and adapted will be used for the institutional capacity development of the project target groups with a focus on cooperative operations and development. Special attention should be given to women and youth-led groups, so language and case studies will need to be tailored to the needs and interests of these groups.
- Provide technical support and backup to UNDPs six selected implementing partners as it regards to capacity building of the projects target groups.
- To ensure sustainability, a Training of Trainers (TOT) approach will be employed by the project. The selected service provider will need to develop, validate, and standardize training tools, manuals, and methodologies for the delivery of the training of trainer's program at national and state-level. ILO will need to ensure the capacity and certification of the TOTs are comprehensively done.

Component three: Policy and Regulatory framework development

The objective of this component is to strengthen the national policy framework for agriculture and rural development and to support the capacity development of MAFS staff working on cooperative development at county level. Specifically, READ will provide support: i) for the development of a conducive policy and legal framework for cooperative development and inclusive rural finance, which is favorable to women and youth; ii) strengthen the capacity of MAFS staff and offices at the national, state and county level to formalize and register cooperatives; and iii) Project coordination and oversight and other support of MAFS staff to coordinate and implement policy and projects.

This component will be implemented directly by the MAFS with ILO providing the necessary technical capacity and expertise to the MAFs to implement the component activities.

2.3 Tasks

ILO is expected to perform the following tasks under component three:

- **Conducive Policy and Legal Framework.** Strengthening of the policy and regulatory frameworks will involve a participatory policy review process that includes consultation and validation at the national and local levels, including the involvement of farmers (women, youth, and vulnerable groups), strategic plan development and implementation of legislation with M&E support for follow-up. ILO will provide technical support to the review process, ensuring that it benefits from existing draft legislation and policies, which remain pending for approval or area(s) streamlined to ensure they are approved and implemented.

2.4 Cross-cutting issues

Gender: The enhancement of women's access to livelihood and entrepreneurship opportunities is ensured as the project requires that **at least half (50%) of beneficiaries are women are targeted.**

Environmental impact: Training modules, tools, and methodologies to include environmental conservation awareness to ensure that target groups businesses have minimum to no negative impact on the environment. Through the modules developed, beneficiaries should be encouraged to carry out their activities in an environmentally sustainable and friendly manner. The support for the development of RPOs, Cooperatives, APGs, VSLAs, SACCOs and MSEs that focus on community climate change adaptation and the development of climate resilience ecosystems shall also enhance the positive environmental impact of the project.

COVID-19: The service provider will need to adhere to all Covid-19 protocols measures as stipulated by the states and national governments throughout the implementation period. The service provider should ensure that their personnel directly involved or supporting project implementation and the beneficiaries, are sensitized, and required to observe COVID-19 protocols on handwashing/sanitizing, physical distancing, reporting of symptoms, and accessing of common areas. Where there are public sessions, ventilation, physical distancing, temperature checks, face masks, and other mitigation measures must be undertaken.

3 Expected Outputs

- Develop context related training tools, capacity building approaches, and modules for capacity building activities of the projects target groups (APGs, RPOs, VSLAs, SACCOs, Cooperatives, and MSEs).
- Work with UNDP, MAFS and the six project implementing partners to adapt the developed modules, tools, and methodologies and lead in standardizing and institutionalizing it in the country's capacity-building program
- Ensure that the modules, tools, and methodologies developed and adapted are used for the institutional capacity development of the project target groups.
- Provide technical support and backup to UNDPs six selected implementing partners as it regards to capacity building of the projects target groups
- Develop, validate, and standardize training tools, manuals, and methodologies for the delivery of the training of trainer's program at national and state-level. Further ensuring that the capacity and certification of the TOTs are comprehensively done.
- Develop training modules and approaches for the delivery of comprehensive business capacity development and financing to the projects target groups by UNDP selected Ips.
- Deliver policy and legal framework support to the MAFs by providing technical support to the review process, ensuring that it benefits from existing draft legislation and policies, which remain pending for approval or area(s) streamlined to ensure they are approved and implemented.

4 Institutional Arrangement

ILO will work under the direct guidance of UNDP and MAFs, in close partnerships with national and state governments and private sector partners. MFAs and UNDP M&E Officers will regularly monitor and ensure that key project indicators tracked and monitored to ensure progress against targets. ILO will be required to provide regular updates on the status of implementation and submit milestone reports using a template provided by. The milestone reports will be verified by the Project Manager for quality assurance. Overall guidance will be provided by the UNDP Chief Programme Advisor and the Team Leader.

ILO is expected to develop and implement a communication and visibility strategy including the use of print media, social media, radio, press releases, and newsletters/bulletins to ensure maximum visibility and awareness of the financing facility and in highlighting the partnership with and support of UNDP, MFAS, and IFAD. UNDP may involve its own media reporting channels to complement the service providers' communication and visibility campaigns.

5 Duration of the Work

ILO is expected to sign a UN to UN Agreement with UNDP for the provision of (i) capacity building training modules, tools, and methodologies for the institutional capacity development, business capacity development and financing of APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives in South Sudan, and (ii) policy and legal framework support to the MAFs. Activities will have to be completed by 31 December 2028.

6. Qualification of the Successful Contractor

Team leader

- PhD Degree in the fields of economics, public policy, business administration and/or related fields.
- At least 10 years of experience in conducting Gender sensitive institutional capacity assessment, developing institutional capacity building plans and providing technical assistance for government institutions;
- Rich knowledge in (i) both theory and practice on institutional capacity development and (ii) knowledge of international experience in these areas is an asset;
- Demonstrated ability to collect data at national and local levels; and
- Strong research experience and skills, sound research report writing skills in English as evidenced by the candidate's authored or lead-edited research reports/papers/publications on relevant topics.

Team members

- Master's Degree in the fields of economics, public policy, business administration, and/or related fields;
- Good understanding and strong knowledge and skills in carrying out institutional gender analysis
- At least 5 years of experience in conducting institutional capacity assessment, developing institutional capacity building plans, and providing technical assistance for government institutions;
- Good knowledge in (i) both theory and practice on institutional capacity development and (ii) South Sudan's legal/regulatory/policy frameworks; and
- Good research experience and skills, good interview skills, sound research report writing skills in English as evidenced by the candidate's authored or co-authored research reports/papers/publications on relevant topics.

7. Scope of Bid Price and Schedule of Payments

Milestones	Deliverables	Payment Structure
1	Inception report	20%
2	Context related training tools, capacity building approaches, and modules for capacity building activities of the projects target groups developed.	30%
	Standardized training tools, manuals, and methodologies for the delivery of the training of trainer's program at national and state-level developed.	
3	Delivered policy and legal framework support to the MAFs	40%
	standardization and institutionalization of developed modules, tools, and methodologies to South Sudan's capacity-building program	
4	Final report capturing the impact of the interventions with an exit strategy.	10%

This TOR is approved by:

Signature _____

Name and Designation Jose Manzano, Chief Programme Advisor, STARR Unit

Date of Signing _____

Annex 10.3: COOPERATIVE BANK OF SOUTH SUDAN (CBSS) – TERMS OF REFERENCE

Request for Proposals	Financial Institution to provide a matching grant mechanism for business plan financing and inclusive rural finance services to APGs, RPOs, cooperatives, SACCOs, VSLAs, and MSEs in South Sudan.
Programme Unit	Stabilization Recovery and Resilience
Duration	
Starting Date	
Expected Ending Date	
Coverage	Central Equatoria, Eastern Equatoria, Jonglei, Upper Nile, Western Equatoria, Northern Bahr el Ghazal,
Project Title	Rural Enterprises for Agricultural Development

3. BACKGROUND AND RATIONALE

UNDP in partnership with the Ministry of Agriculture and Food Security and the International Fund for Agriculture Development (IFAD), with support from the *Global Agriculture and Food Security Program (GAFSP)* are implementing the Rural Enterprises for Agricultural Development (READ) Project which aims to improve food security, income, and resilience among targeted rural households. The primary objective of the project is to empower Rural Producer Organisations (RPOs), Cooperatives (Coops), Village Saving and Loans Associations (VSLAs), and MSEs, as sustainable and resilient value chain players by strengthening their institutional and organisational structures, improving their business skills for enterprise development, facilitating access to finance, and providing them with policy and regulatory support. The READ project seeks to ensure that producer’s groups, farming associations and cooperatives, as well as, micro and small enterprises have the potential to play a central role in value chain development and in poverty alleviation in rural environments in South Sudan. Specifically, the project addresses: (i) the weaknesses in the entrepreneurship skills; (ii) the lack of access to finance; (iii) the lack of access to markets and information; and iv) capacity challenges of the Ministry of Agriculture and Food security for enhanced public service delivery, especially to support the development of rural producer organisations. The project has the following components: 1) Rural producers organisations development; 2) Inclusive rural financial services; and 3) Policy and regulatory framework development.

The project will be implemented in six states (6) states, namely, Central Equatoria, Eastern Equatoria, Jonglei, Upper Nile, Western Equatoria and Northern Bahr el Ghazal. To ensure that the project sustainably serves its intended target, an evidence-based approach for geographical selection was used to select the project locations, informed by the following criteria: (a) synergy with other projects or potential for scaling up what other projects have done/are doing, (b) agricultural productivity, (c) low risk of future conflicts, (d) availability of APGs, RPOs, cooperatives, SACCOs, VSLAs, and MSEs, (e) connectivity, (f) accessibility and habitability, (g) climate change risk level and (h) acute food insecurity. The primary target group are rural poor smallholder farmers who are reached through membership-based organizations such as agricultural producer groups, agricultural cooperatives, Village Savings and Loans Associations and Savings and Credit Cooperative Organizations. These organizations are the primary channel for reaching the end beneficiaries. The project will target approximately 27,511 rural households or 162,315 household members through 456 RPOs, MSEs and 324 RFIs with specific focus on women, youth, and people of vulnerable groups; 70% youth, 50% women, 10% returnees and 5% people with disabilities.

The project is designed to respond to key challenges affecting growth and development of rural producer organizations in South Sudan. The country is endowed with vast natural

resources and economic potential that has not translated into improved standards of living for the citizens. The agricultural sector plays a major role in South Sudan's economy, accounting for 36 percent of its non-oil gross domestic production with 80 percent of households depending on cultivation as their primary source of livelihood (FAO, 2015). Although South Sudan has huge agriculture potential, it continues to be food insecure, import-dependent, and low in productivity.

One of the biggest challenges the country faces, is its weak institutions and state infrastructures. Past conflict and insecurity meant that economic development and access to finance especially for MSEs were disregarded as central issues in the political economy of South Sudan. MSEs as has been revealed in other African countries like Kenya are a key engine for job creation and are essential for South Sudan's growth and development. However, private sector development in South Sudan is crippled by lack of access to finance for the growth and expansion of the sector.

The agriculture sector and natural resources of South Sudan are the foundation for economic and social development to satisfy important economic, social, cultural, and political needs of its peoples. To avoid food shortages and high commodity prices from spiraling into another conflict driver, it is imperative to boost local production, primarily to augment current supplies and in the long term substitute the imports. Options for boosting local production include stimulating agriculture-linked value chains and local enterprises to create livelihood and income generating opportunities especially for the Country's predominantly vulnerable populations, women, and youth.

Producer's groups, farming associations and cooperatives, as well as micro and small enterprises are vehicles for getting rural populations working together, buying inputs, jointly selling outputs, and accessing goods and services that would allow them to improve practices, reduce post-harvest losses, add value to produce and ultimately increase incomes. Such farmers or producer-led groups have the potential to play a central role in value chain development and in poverty alleviation in rural environments in South Sudan.

The South Sudan Transitional Constitution prioritizes private sector development as a pathway towards recovery, resilience, and peace. It also stresses that equitable economic development should be based on the agricultural and agro-industrial sectors, and the promotion of the private sector within framework of transparent and accountable governance⁴¹. It is against this background that UNDP, in partnership with the National Ministry of Agriculture and Food Security and IFAD, and with support from GAFSP, are calling for proposals from interested, financial institutions to partner in establishing a financial facility that will provide a matching grant mechanism for business plan financing and inclusive rural finance services to the projects target groups in the six project locations.

4. Scope of Work

5.1 Overall objective of the call

Under this call, UNDP calls for proposals from interested financial institutions wishing to partner with the agency to establish a financial facility that will provide (i) *a matching grant mechanism for business plan financing* and (ii) *inclusive rural finance services* to the projects target groups in the six project locations- Central Equatoria, Eastern Equatoria, Jonglei, Upper Nile, Western Equatoria, Northern Bahr el Ghazal. There will be one (1) financial institution to be selected and contracted under this call.

5.2 Description of the financing facility

⁴¹ Transitional Constitution of South Sudan

The projects beneficiaries are rural poor smallholder farmers who are reached through membership-based organizations such as agricultural producer groups, agricultural cooperatives, Village Savings and Loans Associations and Savings and Credit Cooperative Organizations. These organizations are the primary channel for reaching the end beneficiaries; 27,511 rural households or 162,315 people with specific focus on women, youth, and people of vulnerable groups.

5.3 Tasks

The successful financial institution (1) is expected to perform the following tasks:

- Receive, account, and regularly review funds remitted by UNDP for the provision of (i) *a matching grant mechanism for business plan financing* and (ii) *inclusive rural finance services* to APGs, RPOs, cooperatives, SACCOs, VSLAs, and MSEs.
- Establish and manage a matching grant mechanism in all the six project locations for business plan financing with three windows: asset transfer window, cooperative window and MSE window.
- Establish and manage inclusive rural finance services in all the six project locations with three components: *community-based financial services, expansion and development of agency banking networks and loan portfolio mobilization*
- Develop a systematic approach for reaching out to potential beneficiaries and work with the implementing agencies.
- Review business proposals, conduct due diligence, and recommend for approval by the project Steering Committee the list of APGs, RPOs, cooperatives, SACCOs, VSLAs, and MSEs that have satisfied the minimum requirements to avail of credit and the tranches of which funds will be disbursed.
- Disburse funds to approved APGs, RPOs, cooperatives, SACCOs, VSLAs, and MSEs in accordance with the approved amount and tranches.
- Collect payment from recipient APGs, RPOs, cooperatives, SACCOs, VSLAs, and MSEs ensuring that the full amount disbursed is recovered in full; and
- Provide financial services including financial management to women and youth targeted under this project. Such financial services may utilize mobile and digital technologies to the extent possible but should integrate physical meetings.

5.4 Selection criteria of beneficiaries

The beneficiaries will include RPOs, Cooperatives, APGs, VSLAs, SACCOs and MSEs. Preferential treatment in the targeting, as well as provision of affirmative action will be given to women, youth, returnees, and persons with disabilities, because they are highly marginalised and considered among the most vulnerable groups in South Sudan. Therefore, amongst the target beneficiaries; 50 percent will be women, 70 percent youth, and 10 percent returnees, 5 percent persons with disabilities (special attention will be given to ethnic groups residing in targeted areas).

5.5 Cross-cutting issues

Gender: The enhancement of women's access to livelihood and entrepreneurship opportunities is ensured as the project requires that **at least half (50%) of beneficiaries are women are targeted.**

Environmental impact: Businesses must ensure that there is no environmental impact or should be kept at a minimum if any. Beneficiaries will be encouraged to carry out their activities in an environmentally sustainable and friendly manner. The support for the development of RPOs, Cooperatives, APGs, VSLAs, SACCOs and MSEs that focus on

community climate change adaptation and the development of climate resilience ecosystems shall also enhance the positive environmental impact of the project.

COVID-19: The financial institution should strictly adhere to all Covid-19 protocols measures as stipulated by the states and national governments throughout the implementation period. The financial institution should ensure that their personnel directly involved or supporting project implementation and the beneficiaries, are sensitized, and required to observe COVID-19 protocols on handwashing/sanitizing, physical distancing, reporting of symptoms, and accessing of common areas. Where there are public sessions, ventilation, physical distancing, temperature checks, face masks, and other mitigation measures must be undertaken.

6 Expected Outputs

Matching Grant Mechanism for Business Plan Financing

The matching grant mechanism for business plan financing will involve;

- Establishing and applying a comprehensive set of criteria for the review of the viability of business plans and proposals of the selected APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops and establishing and applying a comprehensive set of criteria for the review of the viability of business plans and proposals.
- Establishment of the level of matching fund needed to facilitate growth, and to recommend to UNDP the amount and tranches needed for fund release.
- Making calls for proposals to all participating APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops under two windows (a) asset transfer window and (b) cooperative window - outlining eligibility criteria, threshold for each level, requirement to be fulfilled by the RPO including whether RPOs matching grant will be in cash or kind and deadline of the application.

The Matching grant funding windows that will need to be provided by the IP should include;

- **Asset transfer Window:** will focus on **level 1 RPOs** with at least 40 members, possessing a good business case and evidence indicating all governance structures are in place, members are being linked directly to markets due to a lack of bulking infrastructure or processing equipment and are unable to employ staff. Support will focus on implementing strategies for membership recruitment and a bookkeeper on needs basis, construction of a collection shed and supporting infrastructure (eg weighing machine), Small-scale value addition machines (e.g. sorting machine), ICT system for data capture and, other operational support of RPOs that will be a key focus. The maximum amount in terms of value will not exceed **USD 8,000**.
- **Cooperative window (Level 2):** will focus on **both level 2 and 3 RPOs**. Level 2 will focus on RPOs with a minimum membership of over 60, with good governance structures and policies in place, complying with the legal framework and bulking, value adding and marketing and operating almost at breakeven point. The matching grant for level 2 will finance 80 percent of the cost and should be directly related to enhancing operations of the value chain, such as the development of a mechanism to support coordination of farm inputs, extension services and credit. The maximum fund ceiling of an RPO will be **USD 50,000**.
- **Cooperative window (Level 3):** Level 3 RPOs will have all the above stipulated requirements in level 2, but in addition the RPO operation must demonstrate market linkages and a surplus in their books. The matching grant for level 3 will finance 20 percent of the cost or offer technical capacity to support the RPO develop a fundable business plan for presentation to the banks. Technical assistance will also be offered

to support level 3 RPOs in product development, quality assurance and branding. The maximum threshold an RPO will get from the project **USD 30,000**.

- **MSE Window:** will focus on targeted MSEs that provide value chain related services to support RPO interventions. Support will focus on upscaling the current capacity of the MSEs that offer or can offer service to RPOs with a view of increasing the value of the produce. The maximum ceiling an MSE will receive is **USD 8,000**

INCLUSIVE RURAL FINANCE SERVICES

The provision for inclusive financial services will involve the provision of a range of financial products made accessible to targeted APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops. The financial products will need to be offered by the IP under two components;

Component one: Community-based financial services aimed enhancing the capacity of community-based financial service providers to deliver affordable and climate sensitive financial services and products. It will entail: (i) the formation and/or strengthening of rural financial institutions (RFI) – VSLAs and SACCOs, (ii) support the graduation and transformation of VSLAs into SACCOs (iii) the provision of specific targeted training to RFIs, and (iv) financial services tailored to the need of rural women and youth.

Component two: Expansion and development of agency banking networks. This component will involve the commitment by the financial institution to open 1-2 branches in the project areas as part of co-financing for the READ project. Under this component the IP will also need to develop tailor-made financial products to ensure RPOs and their members, especially women and youth, access financial services at affordable costs at attainable terms and conditions. Through its agency banking model, the IP will ensure to support SACCOs that meet a minimum criterion to participate in its agency network and support them to establish, operate and deliver banking services in their counties. The support includes a Management Information System, facilitated by Point of Sale (POS) machines to 24 agents in at least 12 counties. Training will also be provided by the project to its SACCO agents and loan officers to build capacities and to strengthen the agency banking operating model.

Component three: Loan portfolio mobilization. This component will involve the uptake in loans and to provide a reasonable level of risk to the lender, and an affordable level of service to the borrower, the project will contribute to de-risking the agricultural sector. The project will set up a credit guarantee fund (CGF), which will be used to collateralize loans and cover default loans among the target groups of READ sector, on proof-of-concept basis. The risk (and potential loan losses) will be split (50/50) between the Implementing Partner and the READ project, with only a portion of the loan amount collateralized, to help leverage the Ips loan funds at least two-fold. The project will cover some of the commercial interest rate earnings that the IP will forgo to stimulate demand for financial services from the RFIs, RPOs and its members.

7 Institutional Arrangement

The selected financial institution will work under the direct guidance of UNDP, MAFs and in close partnerships with national and state governments and private sector partners. The UNDP Component 2 Technical Officer and the M&E Officer will regularly monitor and ensure that key project indicators tracked and monitored to ensure progress against targets. The financial institution will be required to provide regular updates on the status of implementation and submit milestone reports using a template provided by UNDP. The milestone reports will be verified and cleared by UNDP. Overall guidance will be provided by the UNDP Chief Programme Advisor and the Team Leader.

The financial institution is expected to develop and implement a communication and visibility strategy including the use of print media, social media, radio, press releases, and newsletters/bulletins to ensure maximum visibility and awareness of the financing facility and in highlighting the partnership with and support of UNDP, MAFS, and IFAD. UNDP may involve its own media reporting channels to complement the service providers' communication and visibility campaigns.

8 Duration of the Work

The selected service provider (1) is expected to sign a contract with UNDP for the provision of (i) *a matching grant mechanism for business plan financing* and (ii) *inclusive rural finance services* and will commence implementation upon signing of contract. Activities will have to be completed by 31 December 2028.

9 Duty Station

The selected service provider (1) is expected to have its main office in Juba with reach and presence (either through branch offices or agents/networks) in the targeted states.

10 Qualification of the Successful Service Provider (1 financial institution)

Experience of the firm (40%)

- At least five years of presence and experience in providing financial services (banking and credit services), business development services, entrepreneurship support, etc.
- Must have banking presence and network in South Sudan, especially in the target states.
- Demonstrated experience in the delivery of financial services to MSEs.
- An extensive understanding of the forward and backward linkages and demonstrated experience in group lending, banking, packaging, marketing, and business linkages.
- A local presence in the targeted state with an extensive network and excellent appreciation of local dynamics and characteristics;
- Certificate of incorporation and other registration and license documents of the applicant;
- MFI must be in compliance with all applicable lending prudential regulations and guidelines, including but not limited to those for: (a) a minimum paid up capital; (b) minimum liquidity (20% minimum requirement of total deposit liabilities of which 10% shall be cash reserves); (c) overall nonperforming loan ratio for SME loans.
- Audited financial statements for at least 3 years from the applicant;
- Latest available unaudited financial statements and/or management accounts;
- Financial forecasts and a business plan supporting the forecasts;
- Document certifying that the applicant has fulfilled all obligations relating to the payment of social security contributions or obligations relating to the payment of taxes per the legal provisions in South Sudan;
- Corporate information including of the directors of the Bank,, statement of mission, vision and mandate, governance structure, organization structure etc.
- Having a dedicated unit or department to service small groups

Approach and methodology (35%)

- Excellent understanding of the terms of reference and the local context

- Logical structuring of activities and work plan, particularly on the disbursement of credit/loans, repayment modalities, provision of banking services, and adoption of digital/mobile technologies
- Clear reference to entrepreneurship and MSE development approaches to be adopted
- Creative intervention to boost the development of youth-led MSEs and provide access to markets and finance

Team composition (25%)

- Team Leader/Facility Manager (10%)
 - At least Master's degree in banking and finance, business management, economics, or related field
 - At least 10 years of experience in banking and finance, microfinance, credit, etc.
 - Strong analytical and writing skills
 - At least 5 years of experience in South Sudan
 - Fluency in English. Proficiency in Arabic/local language an advantage
- Credit/Loan Officer (10%)
 - At least Master's degree in banking and finance, business management, economics, or related field
 - At least 5 years of experience in banking and finance, microfinance, credit, etc.
 - Experience working in the banking and finance
 - Fluency in English. Proficiency in Arabic/local language an advantage
- Business Development and Innovation Officer (5%)
 - At least Master's degree in business management, technology, or related field
 - At least 3 years of experience in business development, technology, etc.
 - Fluency in English. Proficiency in Arabic/local language an advantage

11 Scope of Bid Price and Schedule of Payments

The bid price to be submitted by interested financial institutions should include the following:

- Projected amount of loans/credit to be provided to APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops.
- Operational cost for the administration/running of the financial facility

Milestones	Deliverables	Payment Structure
1	Signing of Agreement and Submission of Inception Report	20%
2	Provision of credit/loans to 20% of target APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops.	30%
	Opening of bank accounts and provision of banking services to 30% of target APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops	
3	Provision of credit/loans to 30% of target APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops.	40%
	Opening of bank accounts and provision of banking services to 30% of target APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops	
4	Provision of credit/loans to 50% of target APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops.	10%
	Opening of bank accounts and provision of banking services to 50% of target APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops.	
	Final report capturing the impact of the interventions with an exit strategy	

This TOR is approved by:

Signature _____

Name and Designation

Jose Manzano, Chief Programme Advisor, STARR Unit

Date of Signing

Annex 10.4: MEMORANDUM OF UNDERSTANDING FOR PARTICIPATING RPOS

MEMORANDUM OF UNDERSTANDING

by and between:

The State of Government / UNDP

and

XXXXX Cooperative Society Ltd/MSE.

On Implementation of

RURAL ENTERPRISE AGRICULTURAL DEVELOPMENT (READ)

Dated _____ Day of _____ 2022

This Memorandum of Understanding (hereinafter called the "MOU") is made between **the State Government of**, (hereinafter called the "Ministry of Agriculture and Rural Development") and **the** Cooperative Society (hereinafter referred to as Cooperative) and collectively referred to as "the Parties".

WHEREAS,

The South Sudan (Recipient) has negotiated and signed a Financing Agreement with the International Fund for Agriculture Development (IFAD) for the RURAL ENTERPRISE AGRICULTURAL DEVELOPMENT (READ) (hereinafter called the **Project**);

- A. The Recipient has agreed with the IFAD that the United Nation Development Programme (UNDP) will be the lead implementing agency for the Project upon entering into UN to UN Agreements, and Ministry of Agriculture and Rural Development (hereinafter called **MoA&RD**) will offer strategic direction
- B. That the project will be implemented in 7 eligible states by the respective State department of Agriculture
- C. The Government of South Sudan has signed a Participation Agreement with UNDP for the implementation of READ activities in participating states, part of which will involve capacity strengthening of eligible Rural Producer Organizations (Cooperatives and Agricultural Producer Organizations (APO)) formed by participating smallholder farmers to integrate them into input, extension service, and output markets aimed at increasing their farm productivity and profitability;
- D. The _____ Cooperative Society has been identified by the State Government of _____ as an eligible RPO for reaching out to participating smallholder farmers in respective states, counties and BOMA

NOW THEREFORE,

In consideration of the commitments and agreements contained herein, the Parties hereto agree as follows:

1. PROJECT IMPLEMENTATION MANUAL; DEFINITIONS

1. The Project Implementation Manual ("PIM") (as defined in the Financing Agreement) constitutes an integral part of this MOU.
2. Unless the context requires otherwise, the capitalized terms used in this MOU have the meanings ascribed to them in the Financing Agreement.

2. OBLIGATIONS OF THE UNDP

UNDP shall facilitate/provide training and technical assistance to the RPO and its sub-committees to build their capacity in coordination and management of activities of the RPO to be funded by READ.

UNDP shall make resources available for implementation of agreed sub-projects related to (i) expansion of membership to reach smallholder farmer, (youth and women) targeted under the Project; (ii) organization and capacity building of RPO; (iii) improved delivery of inputs and services to members; (iv) expansion of market opportunities for farmers' produce; and (v) any other activities, all aimed at improved productivity and profitability of targeted farmers in accordance with agreed eligibility criteria and procedures as detailed out in the PIM.

UNDP shall carry out periodic supervision and inspection, implementation support, and monitoring and evaluation of RPO and SME activities funded under the READ project, including inspection of any relevant records and documents;

1. UNDP may suspend or terminate the right of the RPO to use or benefit from the use of the proceeds of the Project resources upon failure by the RPO and SMEs to perform its obligations under this MOU.

3. OBLIGATIONS OF THE RURAL PRODUCER ORGANIZATION AND SMEs

In the first six months of implementation, the selected PO will become eligible for allocation of READ resources upon compliance with the following minimum conditions:
Signing of MOU with UNDP;

1. Opening a separate bank account dedicated to the Project with a commercial bank acceptable to the IFAD, with the Chairperson and Treasurer of the RPO as mandatory signatories;
2. Undergoing training organized under the Project on policies and procedures governing the management of READ-funded activities.
3. Maintain the required documentation
4. From the seventh month, to be eligible to continue receiving READ resources, the RPO and MSEs will be required to meet the following minimum set of conditions:
 1. Demonstrate that the RPO and SMEs are making good progress in expansion of its membership to eligible farmers targeted under the Project within the areas of the RPO's jurisdiction
 2. Meet its key objective as per the bylaws/constitution (marketing of farmers produce, value addition or inputs provision)
 3. Demonstrate its ability to contribute towards the matching grant obligation as outlined in the Project Grants Manual; and
 4. Timely submission of quarterly project technical and financial reports for the previous six months/period.

The RPO/MSE is expected to:

1. Appraise, carry out and verify its activities under the Project with due diligence and efficiency and in accordance with the Safeguards Instruments and the Anticorruption Guidelines as detailed in the PIM;
2. Maintain policies and procedures adequate to enable the Government, and UNDP to monitor the progress of its activities under the Project and the achievement of Project objectives;
3. Enable the State/County Government, Recipient, and the IFAD to inspect Sub-project activities undertaken by the RPO's/MSEs operations, and any relevant records and documents;
4. Prepare and furnish to the UNDP such information as reasonably requested relating to the performance of the Project; and
5. Exercise its rights and perform its obligations in implementing the Project in the area of operation in such a manner as to protect the interests of the Government, and UNDP to accomplish the Project's purposes.

1. The RPO/MSE shall carry out activities in accordance with agreements set out in this MOU and use funds within eligible expenditure areas and adhere to Environmental and Social Safeguards as outlined in the PIM.
2. The RPO shall ensure that all reporting, including financial and technical reports, are compiled and submitted as per guidelines in the PIM and ensure a proper compilation of complaints on environmental and social safeguards, procurement, fraud, and corruption.

4. VALIDITY

1. This MOU shall be valid from the last signature by the Parties below to the end of the Project period as stated in the Financing Agreement or such later date as may be modified by the UNDP and IFAD;
2. This MOU will become invalid in the event of cancellation of the Financing Agreement by IFAD before the end of the project period;
3. This MOU may be terminated by either party through a three-month written notice.

5. DISPUTE RESOLUTION

1. This MOU shall be governed and construed in accordance with the laws of the South Sudan.

IN WITNESS WHEREOF

The Parties hereto, acting through their duly authorized representatives, have caused the MOU to be signed in their respective names as of the day and year first below written.

For and on behalf of:

For and on behalf of:

THE GOVERNMENT OF

..... PO

.....

Sign Date.....

Sign Date.....

NAME OF AUTHORIZED OFFICER
(Under Secretary, Cooperative):

.....

(State Government stamp)

NAME OF CHAIRPERSON:

.....

....

(Cooperative/MSE stamp)

Annex 10.5: Institutional Capacity and Business Development Services – Terms of Reference of Service Provider

Terms of Reference

Request for Proposals	Service provider (National NGOs/CSOs/Firm) to deliver institutional capacity and business development services to Rural Producer Organizations (APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives) in South Sudan.
Programme Unit	Stabilization Recovery and Resilience Unit (STARR)
Duration	
Starting Date	
Expected Ending Date	
Project Locations	Central Equatoria, Eastern Equatoria, Jonglei, Upper Nile, Western Equatoria, Northern Bahr el Ghazal,
Project Title	Rural Enterprises for Agricultural Development

1. Project Description

South Sudan gained its independence in 2011 following a long and protracted civil war. Since then, two significant conflicts broke out (December 2013 and July 2016) plunging the country in a deep economic, social, and political crisis which have undermined the development gains achieved since independence and exacerbated the continuing humanitarian crisis. The country is endowed with vast natural resources and economic potential that has not translated into improved standards of living for the citizens. The agricultural sector plays a major role in South Sudan's economy, accounting for 36 percent of its non-oil gross domestic production with 80 percent of households depending on cultivation as their primary source of livelihood (FAO, 2015). Despite South Sudan having huge agriculture potential, it continues to be food insecure, import-dependent, and low in productivity.

One of the biggest challenges the country faces, is its weak institutions and state infrastructure. Past conflict and insecurity meant that economic development and access to finance especially for MSEs were disregarded as central issues in the political economy of South Sudan. MSEs as has been revealed in other African Countries like Kenya are a key engine for job creation and are essential for South Sudan's growth and development. However, private sector development in South Sudan is crippled by lack of access to finance for the growth and expansion of the sector.

The agriculture sector and natural resources of South Sudan are the foundation for economic and social development to satisfy important economic, social, cultural, and political needs of its peoples. To avoid food shortages and high commodity prices from spiraling into another conflict driver, it is imperative to boost local production, primarily to augment current supplies and in the long term substitute the imports. Options for boosting local production include stimulating agriculture-linked value chains and local enterprises to create livelihood and income generating opportunities especially for the Country's predominantly vulnerable populations, women, and youth.

Producer's groups, farming associations and cooperatives, as well as micro and small

enterprises are vehicles for getting rural populations working together, buying inputs, jointly selling outputs, and accessing goods and services that would allow them to improve practices, reduce post-harvest losses, add value to produce and ultimately increase incomes. Such farmers or producer-led groups have the potential to play a central role in value chain development and in poverty alleviation in rural environments in South Sudan.

The South Sudan Transitional Constitution prioritizes private sector development as a pathway towards recovery, resilience, and peace. It also stresses that equitable economic development should be based on the agricultural and agro-industrial sectors, and the promotion of the private sector within framework of transparent and accountable governance⁴².

It is against this background that UNDP, in partnership with the National Ministry of Agriculture and Food Security and IFAD, with support from GAFSP is implementing the Rural Enterprises for Agriculture Development (READ) project to improve food security, income and resilience among targeted rural households. The primary objective of the project is to empower Rural Producer Organisations (RPOs), Cooperatives (Coops), Village Saving and Loans Associations (VSLAs), and MSEs, as sustainable and resilient value chain players by (i) strengthening their institutional and organisational structures, (ii) improving their business skills for enterprise development, (iii) facilitating access to finance, and (iv) providing them with policy and regulatory support.

In this regard, UNDP South Sudan is calling for proposals from six (6) interested service providers (National NGOs/CSOs/Firm) in Central Equatoria, Eastern Equatoria, Jonglei, Upper Nile, Western Equatoria, Northern Bahr el Ghazal (one IP for each target state) with local/state presence and demonstrated capacity to deliver business development services, financial literacy, experience and sensitivity to gender equality, social inclusion, climate change adaptation and nutrition issues, agriculture value chain-based skills training and expertise in strengthening the institutional and organization structures of APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives.

The delivery of business development services will be through the Integrated Business, Employment, and Innovation Hubs (iHubs) established by UNDP as well as existing training institutions and centers, in partnership with the private sector, and financial institutions. The project will support existing formalized organizations such as cooperatives, and the less structured Agriculture Producers' Groups (APGs), including women and youth groups through a graduation approach. The focus is to equip them with assets and capacities needed to promote equitable and sustainable market linkages for rural producers. The project interventions will be based on identified Agri-value chain sectors informed by a Gender, Youth, Climate and Nutrition-Sensitive Value Chain Analysis. The READ project will benefit from the Agricultural Value Chain Studies conducted by UNDP in Central Equatoria, Eastern Equatoria, Western Equatoria, Lakes, and Jonglei States and another study to be undertaken in Upper Nile State. The READ project will only conduct a Gender, Youth, Climate and Nutrition-

⁴² Transitional Constitution of South Sudan

Sensitive Value Chain Analysis in target states where a study has not been undertaken by UNDP.

The selected IP is expected to develop, prepare, and support the projects target beneficiaries of APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives to access matching grants and inclusive rural finance services through an independent financial institution selected by UNDP.

2. Scope of Work

2.1. Targets

Geographic targets: primary target group are rural poor smallholder farmers who are reached through membership-based organizations such as agricultural producer groups, agricultural cooperatives, Village Savings and Loans Associations and Savings and Credit Cooperative Organizations. These organizations are the primary channels for reaching the end beneficiaries.

Project beneficiaries: The project will target approximately 27,511 rural households (equivalent to 162,315 beneficiaries) through 29 cooperatives, 240 APGs, 300 VSLAs and 24 SACCOs. Special focus will be given to women (50 percent), youth (70 percent) and vulnerable groups (10% returnees and 5% people with disabilities). (Special attention will be given to ethnic groups residing in the targeted areas).

The distribution of the target project beneficiaries per state is summarized in the table below.

	CES	EES	Northern Bahr el Ghazal	Jonglei	WEE	Upper Nile	Total
Number of APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops mapped and profiled.							
Number of APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops that receive institution capacity development training, coaching and mentorship.							
Number of APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops whose business plans are reviewed and recommended as viable businesses for the matching fund mechanism/rural finance services							
Number of APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops that receive BDS							
Number of trainers identified and trained under the TOT (training of trainers).							

Number of APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives that graduate to the next level of development and growth.							
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2.2. Selection criteria of beneficiaries

The beneficiaries will include rural poor small holder farmers households who will be reached through membership-based organizations such as agricultural producer groups, agricultural cooperatives, Village Savings and Loans Associations and Savings and Credit Cooperative Organizations. Special focus will be given to women (50 percent), youth (70 percent) and vulnerable groups (10% returnees and 5% people with disabilities). During project implementation, it will be explored how best to also include some forcibly displaced youth (refugees and IDPs) and youth in hosting communities to further foster social cohesion and leave no one behind. To ensure equitable distribution between areas and segments of youth, agreed criteria will be proposed by UNDP, endorsed by the Project Steering Committee, and finalized in consultation with the state governments to guide the selection process. The final determination of RPOs, Cooperatives, APGs, VSLAs, SACCOs and MSEs that will benefit from the matching grant mechanism for business plan financing and inclusive rural finance services, business development services, and financing will depend on their willingness to improve their governance structures, accountability mechanism and ability to develop sustainable business plans for economic service delivery demonstrated by completion of training and organization of their businesses.

2.3. Main activities

The main activities to be provided by the selected service providers are listed below.

- 2.3.1. Prepare an inception report indicating the approach and methodology to be employed, the action plan and timeline to produce the intended deliverables, the considerations, and criteria to be taken in the conduct of activities and delivery of services, and understanding that provides guarantee of adherence to, and interpretation of the TOR.
- 2.3.2. Based on set targets in each state, select women (50 percent), youth (70 percent) and vulnerable groups (10% returnees and 5% people with disabilities) as targets for intervention.
- 2.3.3. Develop a set of gender-sensitive criteria for selecting cooperatives, APGs, RPGs, SACCOs, and VSLAs under the project in consultation with UNDP and the Project Steering Committee at national and state levels.
- 2.3.4. Map out and profile existing and registered Cooperatives, APGs, RPGs, SACCOs, VSLAs and the informal APGs and MSEs recognized by the county administration in the state/counties/bomas using a validated criteria to collect data. The data from the mapping and profiling exercise will be included in the Business Portal developed by UNDP, lodged with the Ministry of Trade’s E-Commerce Hub, to facilitate access to business networking and linkages, as well as inform future knowledge management products. Given that a minimum number of cooperatives and AGPs are being targeted at the start of the project in all the participating states, the IP will need to give a proposal of what needs to be done to those unqualifying RPOs, as well as, address segments that lack actors along the value chain.
- 2.3.5. Conduct an analysis and select sectors in the value chain with high potential, identify medium and large enterprises as off-takers, and develop a strategy to establish business linkages.
- 2.3.6. Propose value chain segments that do not have RPOs in place.

- 2.3.7. From the mapping and profiling conducted, the IP will be required to select in consultation with the project steering committee the APGs, RPGs, SACCOs, VSLAs and MSEs that will benefit from the projects matching grant mechanism for business plan financing and inclusive rural finance services, using a validated criteria developed in collaboration with the project steering committee and the finance institution that will be responsible for administering the loans. The IP must ensure that the group of beneficiaries selected meet the minimum criteria for the funding windows that will be offered by the finance institution.
- 2.3.8. Deliver tailored institutional development training, coaching, and mentorship for the target groups; APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs, using UNDP prescribed modules, tools, and methodologies. Special attention will be given to women and youth-led groups, so language and case studies will need to be tailored to the needs and interests of these groups. To ensure sustainability, a Training of Trainers (TOT) approach will be employed which will also target the Directorate of Cooperatives and the Chamber of Commerce to develop capacity and ensure sustainability of the initiatives.
- 2.3.9. The IPs will work with UNDP and MAFS in adapting the modules, tools, and methodologies and lead in standardizing and institutionalizing it in the country's capacity-building program.
- 2.3.10. Deliver institutional capacity support including the establishment and/or upgrading of the management information system of APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs, and strengthening of their agriculture finance capacities and service products.
- 2.3.11. Delivery of tailored business development services and entrepreneurship training through the UNDP iHubs where applicable and offer financial literacy and technical skills training related to the selected value chains, product development, packaging, and marketing support to the selected APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs in each state. These will be short-term trainings that will last about 3-4 weeks.
- 2.3.12. Provide marketing support and conduct business linkages between the selected APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs in each state and markets at the national and regional levels through medium and large enterprises as off-takers.
- 2.3.13. Strengthen and graduate the projects target groups to the next level of development and growth (APGs to RPOs, RPOs to Coops, VSLAs to SACCOs, Coops to high level of growth, MSEs to next level of growth) by a set proportion of APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives. The aim is to increase membership and achieve economies of scale.
- 2.3.14. Coordinate with the financial institution selected by the project to provide the matching grant mechanism for business plan financing and inclusive rural finance services.
- 2.3.15. Prepare a final report capturing the impact of the interventions with an exit strategy.

2.4. Cross-cutting issues

Gender: The enhancement of women's access to livelihood and employment opportunities is ensured as the project requires that **half (50%) of beneficiaries are women.**

Environmental impact: Service providers must ensure that there is no environmental impact or should be kept at a minimum if any. Beneficiaries will be encouraged to carry out their activities in an environmentally sustainable and friendly manner. The support for the development of APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives that focus on

community climate change adaptation and the development of climate resilience ecosystems shall also enhance the positive environmental impact of the project.

COVID-19: The service provider should strictly adhere to all Covid-19 protocols measures as stipulated by the states and national governments throughout the implementation period. The service providers should ensure that their personnel directly involved or supporting project implementation and the beneficiaries, are sensitized, and required to observe COVID-19 protocols on handwashing/sanitizing, physical distancing, reporting of symptoms, and accessing of common areas. Where there are public sessions, ventilation, physical distancing, temperature checks, face masks, and other mitigation measures must be undertaken.

3. Expected Outputs

- 3.1.1. An inception report approved by UNDP
- 3.1.2. A mapping, profiling, and analysis report of the existing and registered Cooperatives, APGs, SACCOs, VSLAs and the informal APGs and MSEs recognized by the county administration in the state/counties/bomas using a validated criteria to collect data.
- 3.1.3. Database of selected/targeted APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs (50% women, 70% youth, 10% returnees and 5% people with disabilities and according to state targets) that will benefit from the projects matching grant mechanism for business plan financing and inclusive rural finance service.
- 3.1.4. A report including the analysis of sub-sectors of value chains with high potential, identified off-takers, and a strategy to establish business linkages with proposed value chain segments that do not have RPOs in place.
- 3.1.5. Delivery of tailored institutional development training, coaching, and mentorship for the target groups; APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs, using UNDP prescribed modules, tools, and methodologies.
- 3.1.6. Adapted modules, tools, and methodologies and its standardization and institutionalization in the country's capacity-building program.
- 3.1.7. Delivery of institutional capacity support including the establishment and/or upgrading of the management information system of APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs, and strengthening of their agriculture finance capacities and service products.
- 3.1.8. Delivery of tailored business development services and entrepreneurship training through the UNDP iHubs where applicable and offer financial literacy and technical skills training related to the selected value chains, product development, packaging, and marketing support to the selected APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs in each state.
- 3.1.9. Provision of marketing support and conduct of business linkages between the selected APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs in each state and markets at the national and regional levels through medium and large enterprises as off-takers.
- 3.1.10. Strengthening and graduating of project target groups to the next level of development and growth (APGs to RPOs, RPOs to Coops, VSLAs to SACCOs, Coops to high level of growth, MSEs to MSEs) by a set proportion of APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives.
- 3.1.11. 2 business linkages (broken down by state) established between APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs and markets at the national and regional levels through medium and large enterprises as off-takers.
- 1.1.1. Coordination with selected financial institution to provide the matching grant mechanism for business plan financing and inclusive rural finance services.

- 1.1.2. Provision of mentoring and coaching to the APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs to increase revenue by 50%. Submission of impact report.
- 1.1.3. Final report capturing the impact of the interventions with an exit strategy

2. Institutional Arrangement

The selected service providers will work under the direct guidance of UNDP on a day-to-day basis and in close partnerships with state government and private sector partners. The monitoring and evaluation (M&E) officer of the service providers will work closely with UNDP's M&E officer and MAFs to ensure that key project indicators are tracked and monitored to ensure progress against targets. The service providers will be required to provide regular updates on the status of project implementation and submit milestone reports using a template provided by UNDP. The milestone reports will be verified by the READ Field Coordinators and cleared by the READ Project Manager for quality assurance. Overall guidance will be provided by the UNDP Chief Programme Advisor, the Team Leader, and the Project Steering Committee.

The service providers are expected to develop and implement a communication and visibility strategy including the use of print media, social media, radio, press releases, and newsletters/bulletins to ensure maximum visibility for UNDP and IFAD. UNDP may involve its own media reporting channels to complement the service providers' communication and visibility campaigns.

3. Duration of the Work

The selected service providers are expected to complete the activities in 24 months upon signing a contract with UNDP.

4. Duty Station

The selected service providers are expected to have an office set up in the project locations they are selected (central Equatoria, Eastern Equatoria, Jonglei, Upper Nile, Western Equatoria and Northern Bahr el Ghazal) with full-time staff.

5. Qualification of the Successful Service Provider

Experience of the firm (40%)

- At least five years of experience in the provision of business development services, entrepreneurship training, and agriculture value chain-based skills training to VSLAs/Cooperatives in South Sudan.
- Demonstrated experience in the development and formalization of Cooperatives including registration.
- An extensive understanding of the forward and backward linkages and demonstrated experience in product development, packaging, marketing, and business linkages.
- A local presence in the targeted state with an extensive network and excellent appreciation of local dynamics and characteristics; and
- Experience with UNDP South Sudan's skills development project is a plus.

Approach and methodology (25%)

- Excellent understanding of the terms of reference and the local context
- Logical structuring of activities and work plan
- Clear reference to entrepreneurship and MSE development modules to be adopted, for example, the business accelerator model, UNCTAD's EMPRETEC, ILO's SYIP

Programme among others, and justification of why such module is the best fit to the local context

- Creative intervention to boost the development of APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs and provide access to markets and finance

Team composition (35%)

- Team leader (15%)
 - Bachelor's degree in business, economics, international relations, or related field
 - At least 10 years of experience in project management
 - Strong analytical and writing skills
 - At least 5 years of experience in South Sudan
 - Fluency in English and Arabic/local language

- Business development service expert (10%)
 - Bachelor's degree in business, economics, international relations, or related field
 - At least 5 years of experience in providing business development services, entrepreneurship training, and agriculture value chain linked skills training
 - Experience working in the private sector
 - Fluency in English and Arabic/local language

- Monitoring and Evaluation (M&E) officer (10%)
 - Diploma in M&E, project management, or related field
 - At least 3 years of experience in monitoring and evaluation
 - Fluency in English and Arabic/local language

6. Scope of Bid Price and Schedule of Payments

Milestones	Deliverables	Payment Structure
1	Inception report	10%
2	Mapping and analysis report of existing and registered Cooperatives, APGs, SACCOs, VSLAs and the informal APGs and MSEs.	20%
	Database of selected, APGs, SACCOs, VSLAs RPOs and MSEs <ul style="list-style-type: none"> - 50% women, 70% youth, 10% returnees and 5% people with disabilities 	
3	A report analysis of sub-sectors of value chains with high potential, identified off-takers, and a strategy to establish business linkages with proposed value chain segments that do not have RPOs in place.	30%
	Tailored institutional development training, coaching, and mentorship for the target groups delivered.	
	Delivered institutional capacity support including the establishment and/or upgrading of the management information system of APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs, and strengthening of their agriculture finance capacities and service products.	

	Delivery of tailored business development services and entrepreneurship training through the UNDP Ihubs	
4	Marketing support Provided and business linkages conducted between the selected APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs in each state and markets at the national and regional levels through medium and large enterprises as off-takers.	30%
	Strengthen and graduate the projects target groups to the next level of development and growth	
5	Provision of mentoring and coaching to the APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs	10%
	Final report capturing the impact of the interventions with an exit strategy	

This TOR is approved by:

Signature: _____

Name and Designation: Jose Manzano, Chief Programme Advisor, STARR Unit

Date of Signing:

ANNEX 11: GUIDANCE ON INTERIM FINANCIAL REPORTING

Principles of IFRs

The guiding principles can be summarized as follows:

- (a) *The first objective is to provide regular, timely financial information*, offering fiduciary assurance to IFAD that the funds are being used for the purposes intended and in the most efficient way. IFRs should also provide comparative figures with respect to the approved AWP/B.
- (b) *A second objective of IFRs is to support disbursements / justifications* of eligible expenditures incurred at projects.
- (c) At the minimum, IFRs should include only sources and uses of funds from IFAD Financing and other Project financing sources administered by IFAD. Any additional financing sources (such as counterpart financing or beneficiary contribution) may be included as supplementary information, if considered necessary by the Finance Officer to monitor financial progress. Annual financial statements, on the other hand, include all project financial sources and uses.
- (d) *IFRs should be read together with related documents* such as the AWP/B, the Project Design Report, WAs, annual project financial statements and audit reports – as well as implementation, supervision aide memoires, mid-term reviews and completion reports – to get a complete picture of the financial progress of a project. As far as possible, the B/R should not be required to provide IFAD with information already available to the Fund.
- (e) *The format of IFRs should provide the minimum information indicated in the reporting template provided*. However, some customisation may be necessary based on specific project features. During the design phase, the FO/FMS consultants should consider other-donor reporting requirements to harmonize reporting formats and reduce project workload. Common reporting and monitoring arrangements should be agreed with other donors where feasible.
- (f) *Projects should prepare IFRs using the same accounting basis/standard* and currency that they use for annual financial statements. Otherwise, the financial data of the IFR will not reconcile with the data of the audited annual financial statements.
- (g) *The reporting currency of IFRs* can be either the functional currency (the currency in which transactions are recorded in the accounting system – usually the local currency) or the currency of the DA (e.g., US\$). Selection of a presentation currency other than the functional currency should be agreed with IFAD/FMD during preparation and should be consistently followed throughout the project period.
- (h) *The DA Activity Statement (Report III in the template) will always be in the currency of the Designated Account*. When the report on *Sources and Uses of Funds (Report II)* is prepared in the functional currency, the equivalent amounts for the DA Activity statement (Report III) should be calculated using the forex rates on a FIFO basis. The FIFO method will also apply to determine the amounts to be justified. Projects may need some guidance on the exchange rates to be used for conversion of transactions and balances in the PIM/FM manual.
- (i) *Cash forecasts (Report I) should be backed up by working papers that link expenditure forecasts to procurement plans and progress reports, updated every quarter*. Forecast figures should be converted to DA currency based on *period-ending forex rates*. Forex rates used for conversion should be disclosed in the IFR.
- (j) The financial information presented in IFRs should ideally be generated using an accounting software. Excel spreadsheet should only be used to edit and combine data derived from accounting software to fit the agreed format.

- (k) We should not request B/R to repeat information that is already available at IFAD in other reports or systems. Although IFRs focus mainly on financial data, some additional management information reports (fixed asset register, signed contract listing) and physical progress indicators may also be requested as an option.
- (l) To support fiduciary assurance, Finance Officers may obtain certification on reliability of IFRs from project auditors (or internal auditors where these are available), after considering project financial management risks. This could be specified in auditor TORs.

Content of the IFR and report template

- (a) The aim of IFRs is to answer the following questions regarding a reporting period: what expenditures were incurred, paid for by which financing source, at what time and purpose. The financing sources will normally include IFAD Financing / instrument and other sources that are administered by IFAD.
- (b) These reports should be accompanied with a set of brief explanatory notes on the financial variances and some supplementary information to facilitate monitoring.
- (c) Mandatory reports:
 - (i) Cash flow forecast (this should cover next 2 quarters on a rolling basis);
 - (ii) Sources and uses of funds (IFAD financing and financing administered by IFAD)
 - (iii) Summary of expenditures by loan/grant categories and by component
 - (iv) DA activity statement.
- (d) Supplementary reports are to be customized to fit a project's activity and risk profiles, and may include the following:
 - (i) Procurement progress report
 - (ii) Rural finance/credit line report
 - (iii) Project management cost report
 - (iv) Fixed asset register
 - (v) Progress report on resolving audit findings / recommendations
 - (vi) List of Withdrawal Applications (WAs) submitted to IFAD to date, to help reconcile with IFAD's Loan Account.
- (e) The need and capacity for such reports should be based on FM risk ratings and capacity assessments and should be jointly discussed by FOs and CDs during the project design process.
- (f) Some documents will normally not be required for disbursement purposes, but may be requested prior to or during supervision missions, especially for High / Substantial Risk projects. These include:
 - i. Transaction lists/Statements of Expenditures (SOEs) for specific expenditure categories
 - ii. Copies of bank statements (of DA and project bank statements) or a summary of closing balances in each bank account

Submission & Recording IFRs in FMDB

- (a) IFRs should be submitted on a quarterly basis no later than 45 days of the quarter-end. When Report based disbursements are introduced, IFRs should be submitted along with the WAs. Only in exceptional circumstances will WAs for disbursements be accepted without an IFR being attached.
- (b) Submission of IFRs is due by projects even though no cash disbursement to the DA is being sought from IFAD, so four are mandatory each year, except of Year 1 or the final year, where the reporting period can be shorter than one full year. In cases when project becomes effective in the middle of the calendar quarter, the first quarterly submission should be for a period less than a quarter.
- (c) Non-submission or irregular submission of IFRs should be seen as a red flag and should be followed up by the FMS/FO to understand reasons and provide required support.
- (d) The FO will need to upload IFRs for insertion into FMDB however the future systems plan is that these will be uploaded directly into FMDB from ICP. In view of the above a date insertion and inclusion of authorized signatories on IFRs form would be needed, however this may change later when these are uploaded into ICP by relevant approver in project.

IFR Templates

Always obtain most updated version of Interim Financial Reporting template from your IFAD Finance Officer

Report I: Summary of Sources and Uses of Funds

Country	
Name of the Project	
IFAD loan number	
IFAD additional financing	
Currency	

Reporting period - start date	
Reporting period - end date	

	Reporting Period (quarterly)	Cumulative annual	Cumulative project life
Opening balance			
Opening balance end of previous period			
Sources of Funds (income)			
IFAD Loan		-	
IFAD Grant		-	
ASAP Grant		-	
Counterpart funds		-	
Total Sources of Funds	-	-	-
Use of Funds (expenditures) by Project Category			
1- Goods, Works and Inputs		-	
2- Grants & Subsidies	-	-	-
3- Consultancies		-	
4-Operating Costs		-	
5-Salaries & Allowances		-	
Unallocated	-	-	-
Total expenditures	-	-	-
Use of Funds (expenditures) by Project Components			
1- SmallHolder Aquaculture Development		-	
2- Aquaculture Value Chain Development		-	
3- Programme Management, monitoring, evaluation		-	
Total expenditures	-	-	-
Receipts minus expenditure	-	-	-

€0.00

0,00

0,00

Balance end of the current period	-
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Represented by:

DA 1 Balance at end of the quarter, per bank statement

DA 2 Balance at end of the quarter, per bank statement

Less: outstanding cheques

DA Balance per Books

Receivable

Advance to

Advance Petty cash fund

VAT recoverable

Payable

	-
	-
	-
	-
	-
	-
	-

a) Sources of funds from the IFAD loan and grant for the reporting period should match with the totals of the WA-SOE schedule (report no. 5)

b) The total uses of funds (expenditures) for the reporting period and cumulatively (from the start of the project until the end of the reporting period) should equal total the expenditures in report 2 and 3. and the report to the Government

c) The total expenditures for the "cumulative" and "reporting period" should equal the corresponding figures reported to the national government.

Explanatory Notes:

1) The projects should prepare the Interim financial progress reports (IFPR) using the same accounting basis/standard that they use when they prepare the annual financial statements

2) The currency of the IFPR, should be the same currency as the project annual financial statements.

3) The financial information presented in the IFPR should always be generated by a proper accounting software. Excel is not an acceptable accounting software and it should only be used to edit and combine data to fit the agreed format

4) "Reporting period" refers to transactions occurred in the quarterly/semiannual reporting period as agreed with IFAD, "cumulative annual" refers to the occurred transactions from the beginning of the fiscal year until the end of the reporting period and "cumulatively" refers to the occurred transactions from the beginning of the project life until the end of the reporting period

5) The sources of funds for each individual financier should include all income and all disbursement methods (replenishments, direct payments, special commitments and reimbursements)

6) Note that an exchange gain / loss is not an eligible expenditure by itself, and should not be reported as a separate expenditure item. Instead, if there are realized gains / losses these should be booked to specific approved expenditures/expenditure categories

7) Only cash Beneficiary contribution should be reported. Not in-kind

Interim Financial Report - Cash forecast

Country	
Name of the Project	
IFAD loan number	
IFAD additional financing	
Currency	

Cash forecast			
Quarter	Start Date:		End Date:
Buffer period	Start Date:		End Date:

Expenditures breakdown	AWPB variance				Cash forecast			
	Ref.	AWPB Allocations	Annual Actual expenditure (as of)	AWPB Balance	Cash Forecast Next Quarter	Cash Forecast Buffer Period	Total Cash Forecast	Reason for variance
		Jan - Dec 2022	31-Dec-2022	C = A-B	Q1 2022	Q2 2022	F = D + E	
	A	B		D	E	G = C - F		
Category:								
1				-				
2				-				
3				-				
4				-				
5				-				
Total	I	-	-	-	-	-	-	

Component:							
1 Component 1							-
2 Component 2							-
3 Component 3							-
4 Component 4							-
Total	II	-	-	-	-	-	-

Total Cash Forecast Expenditure	III				-	-	-
Planned Direct Payments/Reimbursements (less)	IV						
Net forecast expenditure from DA	V=III-IV				-	-	-
Closing balance funds reconciliation	VI						
Advance Recovery (less)	VII						
Projected closing balance	VIII=VI-V+VII						-

Report III: Designated Account Activity Statement

Country	
Name of the Project	
IFAD loan number	
IFAD additional financing	
Currency	0

Reporting period - start date	
Reporting period - end date	

A: ADVANCES AND JUSTIFICATIONS

Cumulative Advances by IFAD to the end of current Reporting period	_____	
Cumulative Expenditure justified by IFAD to the end of the period, excluding direct payments	_____	
Outstanding Advances to be accounted for (Line 1 minus Line 2)	_____	-
Cash Balance at the end of period covered by this IFR_PA	_____	
Cash Balance at the end of period covered by this IFR_DA	_____	
Total advance accounted for	_____	-
Reconciliation adjustments	_____	-
Amount withdrawn from DA/PA and not yet claimed	_____	
Disbursements to IPs not yet claimed	_____	
Unreconciled amount	_____	

B: CASH RECONCILIATION FOR PERIOD COVERED BY IFR

Cash Balance: Beginning of period covered by IFR (line 10 from previous IFR)		
1. Cash Balance in DA	_____	
2. Cash Balance in PA	_____	-
<hr/>		
Add:		
3. Cash received from IFAD during the period covered by this IFR:	_____	
4. Interest received on bank account	_____	
5. Revenue from income-generating activities (if applicable)	-	
6. Other income, if applicable (e.g. income from disposal of fixed assets, tax refunds)	_____	-
<hr/>		
Less:		
7. Total cash outflow during period covered by this IFR (same as II. Variance Analysis)	_____	-
<hr/>		
8. End of the period balance		-
Cash Balance: End of period covered by IFR		
9. Cash Balance at the end of period covered by this IFR_DA	_____	
10. Cash Balance at the end of period covered by this IFR_PA	_____	-
<hr/>		
Reconciliation adjustments	_____	-
Amount withdrawn from DA/PA and not yet justified	_____	
Disbursements to IPs not yet claimed	_____	-
Unreconciled amount	_____	

Date

ANNEX 12: UNDP FINANCIAL MANAGEMENT PROCEDURES

302. The Financial Management for the READ project shall be in conformity with UNDP Financial Regulation and Rules in line with UNDP Programme and Operations Policies and Procedures available on: <https://popp.undp.org/SitePages/POPPBSUnit.aspx?TermID=682d4c54-a288-412d-bfec-ce5587bbd25c&Menu=BusinessUnit>.
303. The purpose is to ensure that the key players of the READ Project fulfill their Fiduciary Responsibility to ensure that contribution from IFAD and other sources are used exclusively for intended purposes.

C.1: ENTERPRISE RESOURCE PLANNING - ATLAS

304. UNDP shall use Atlas to managed the READ Project - an Enterprise Resource Planning system that is designed to achieve desired results. The central features of Atlas include a planning, budgeting and reporting system, and a management information system that integrates project information, finance reports, and human resource information. Additionally, Atlas includes a real-time tracking and reconciliation system. Business processes related to Results Management, Contract, Asset and Procurement Management, Human Resources Management, and Financial Resources Management are closely monitored by Atlas. Atlas will be used to report to IFAD.
305. UNDP is in the process of changing its software from Atlas to Quantum. Quantum is the #NextGenERP which will also have all the functionalities mentioned above. Once Quantum comes into implementation stage, it shall be adopted for the READ Project.
306. **Chart of Accounts (COAs):** Atlas or Quantum shall use prescribed system accounting coding structure (chart of accounts) to record all financial transactions. These COAs shall be used all the way from AWPB, system budgeting, requisitioning/purchase orders, payment vouchers, posting the accounting system etc. Donor Reporting will however be in the UNDG Categorized approach.



Table 2: Standard COA Requirements and Purpose

C.2: BUDGET AND CASH FORECAST

307. The AWPB is the main document for budgeting and budgetary control. To manage the funds of the READ Project, cash planning methods will be used to manage the projects liquidity requirement. READ shall pay staff and external vendors and by knowing how much at certain required periods, the financial obligations of the project can be discharged in a timely fashion. From the AWPB, a monthly cash forecast shall be prepared for the READ Project. UNDP shall generate a weekly financial delivery report to measure progress of expenditure for the READ Project in conjunction with other projects within the country office.
308. READ will also prepare Interim Financial Reports (IFR), on a quarterly basis, inclusive of cash forecast for the next two quarters which will have to be submitted to IFAD 30 days after end of period. The format of the IFR will be specified in the Letter to the Borrower.

C.3: DISBURSEMENT AND FUNDS FLOW

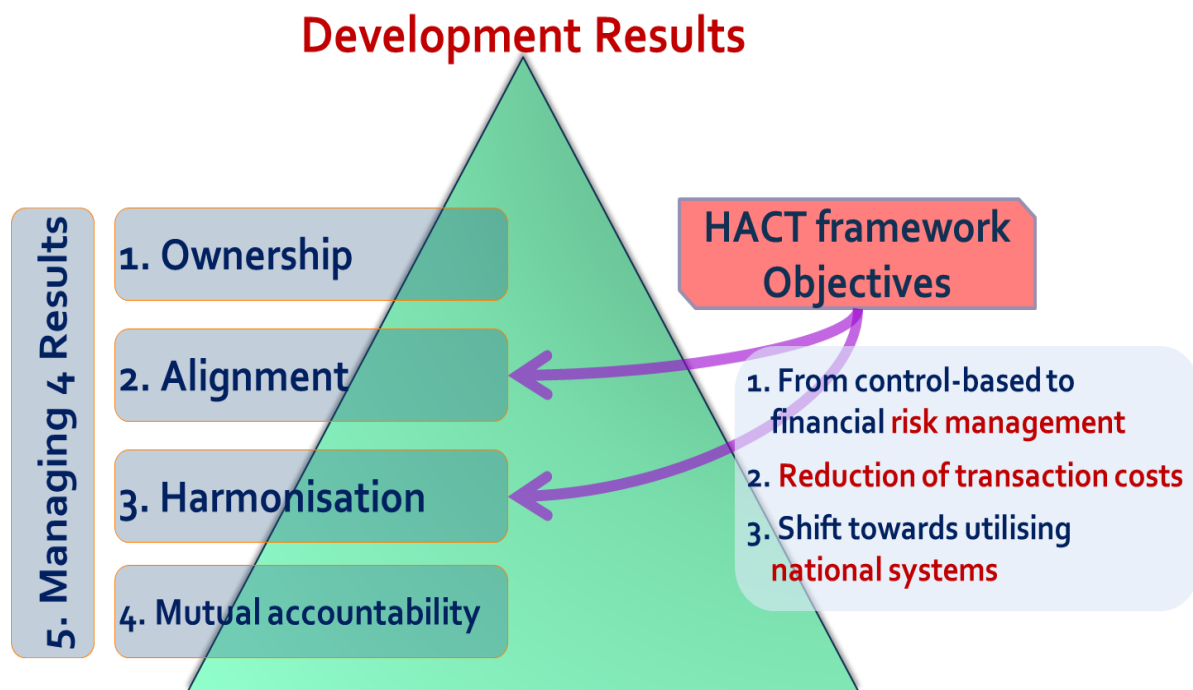
309. **Project costs and financing.** The cost structure of READ is reflective of the Project's components and expenditure categories as per the AWPB. READ shall be financed primarily by IFAD with co-financing from UNDP.
310. **Disbursement** of Funds for the project shall follow the schedule stipulated in the signed agreement.
311. **Contributions** received from IFAD will attract 8 percent GMS. The 8 percent GMS is charged on expenditures monthly (pay as you go).
312. **Co-mingling of funds.** IFAD contribution to READ will not be co-mingled with any other funding. IFAD donor code will be used for all funds received and disbursed.
313. **Monitoring** of funds received from IFAD will be strictly against expenditures incurred and against approved budgets.
314. **Payment Documentation.** all payments must be supported; and with MoAFS, the government financial management rules and guidelines shall apply.
315. For the **direct engagement** and transfer between IFAD and MoAFS, **UNDP shall only provide substantive and financial monitoring support.**

C.4: HARMONIZED APPROACH TO CASH TRANSFER

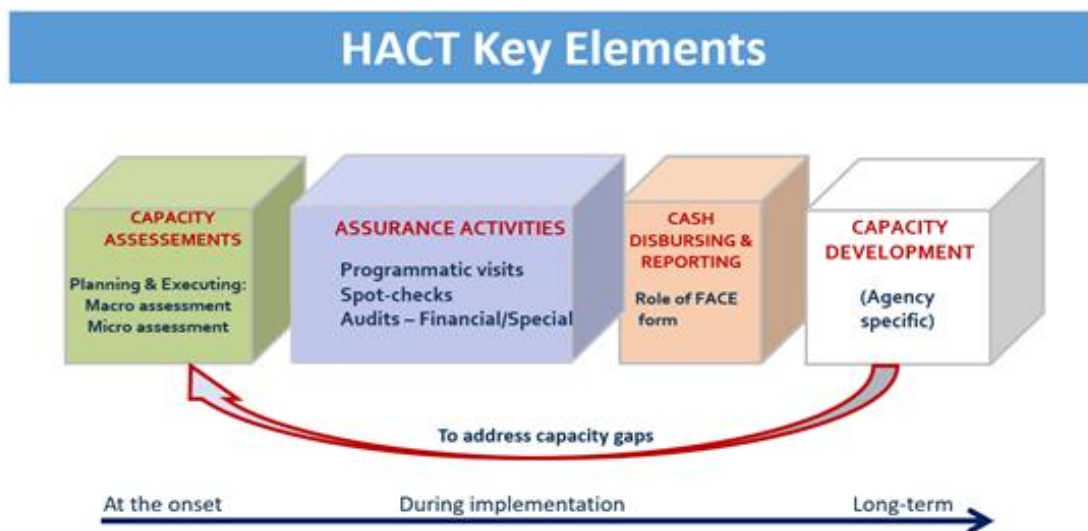
316. UNDP's engagement with Partners responsible for the implementation of the READ Project shall be subject to UNDP's Harmonized Approach to Cash Transfer (HACT) Framework. [https://popp.undp.org/layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/FRM_Financial_percent20Management_percent20and_percent20Implementation_percent20Modalities_Harmonized_percent20Approach_percent20to_percent20Cash_percent20Transfers_percent20\(HACT\).docx&action=default](https://popp.undp.org/layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/FRM_Financial_percent20Management_percent20and_percent20Implementation_percent20Modalities_Harmonized_percent20Approach_percent20to_percent20Cash_percent20Transfers_percent20(HACT).docx&action=default).

317. HACT is a set of principles and guidelines governing the disbursement and reporting of funds for a UN-funded project transferred by UN funding agency to Implementing Partner (IP) or other parties. It standardizes the way UN Agencies work with partners while allowing UNDP specific thresholds and guidance, based on respective risk, complexity and business model. HACT applies when cash transfers are made to partners implementing UNDP development projects or development activities. The partners may be implementing partner or responsible parties. HACT does not apply to cash transfers issues to UN Agencies.
318. HACT Framework provides an outline of the principle and implementing processes for transferring cash to partners.

Simplified Explanation to HACT



319. Every Implementing Partner for the READ Project shall go through the HACT Capacity Assessment (if they have not already been assessed) before implementation of the Framework. The diagram below depicts the key elements which are explained in detail in the Framework.

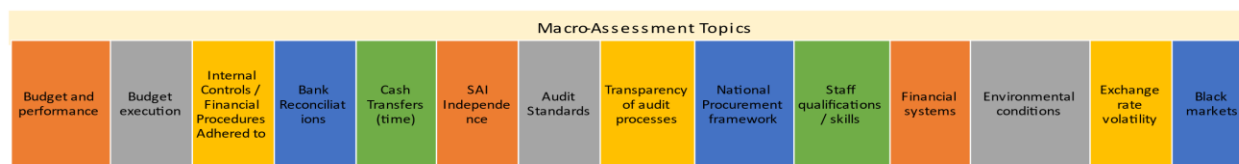


320. The implementation and compliance that shall be attributed to the READ Project per the Framework is summarized below:

- Complete Macro Assessments (new programme cycle)
- Complete Micro Assessments (as new partners work with UNDP)
- Select Cash Transfer and Implementation Modality based on IP Risk Rating
- Carry out Assurance Activities (ongoing) & update plan annually
- Revised modality based on Assurance Activity findings
- Maintain up-to-date information in HACT Monitoring tool

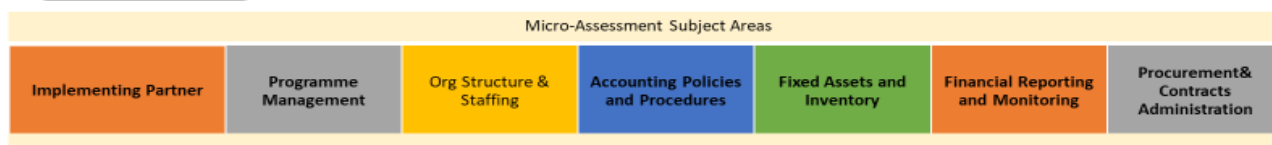
HACT Capacity Assessment: Macro-assessment

Definition (What?)	<ul style="list-style-type: none"> • Review of existing assessments of the Public Financial Management (PFM) system & country economic context
Responsibility (Who?)	<ul style="list-style-type: none"> • Desk review (independent third party service provider) • Resident Coordinator coordinates work and signoff on macro assessment report
Timing (When?)	<ul style="list-style-type: none"> • Once per programme cycle, preferably during the Country Programme preparation phase
Use (What for?)	<ul style="list-style-type: none"> • Input for the Country Programme Document (CPD) or the UNDAF Action Plan • Decision on the use of the SAI (Supreme Audit Institution) for audits of government partners



HACT Capacity Assessment: Micro-assessment

Definition (What?)	<ul style="list-style-type: none"> Review of individual implementing partners (IP)'s financial management capacity (i.e., accounting, procurement, reporting, internal control, etc.) Financial threshold of IP selection: \$150,000 per financial year
Responsibility (Who?)	<ul style="list-style-type: none"> Perform by Independent third-party service provider The final micro assessment must be signed off by the Country Director or Resident Coordinator
Timing (When?)	<ul style="list-style-type: none"> Once per programme cycle, preferably during the Country Programme preparation phase
Use (What for?)	<ul style="list-style-type: none"> Partner risk rating (low, moderate, significant, high) Consideration for cash transfer modality, assurance activities & opportunities for capacity development



321. Determining the cash transfer modalities:

- Direct cash transfers** – Funds are transferred by the agency to the IP before the IP incurs obligations and expenditures to support activities agreed in the work plan;
- Direct payments** – Funds are paid by the agency directly to vendors (i.e. IP carries out the procurement actions and requests UNDP to make the disbursements) and other third parties for obligations and expenditures incurred by the IP to support activities agreed in the work plan; and
- Reimbursements** – Funds are provided by the agency to the IP for obligations made and expenditures incurred in support of activities agreed in work plan

Adjusted risk rating	Cash Transfer Modality (CTM) for IP
Low	Choice of CTM is determined to fit programme needs i.e. direct cash transfers, reimbursements or direct payments, or a combination of the three, are acceptable
Moderate	Choice of CTM depends on the specific findings that led to the Adjusted Risk Assessment, hence: <ul style="list-style-type: none"> • Direct cash transfers may be applied for specific areas assessed and found to be strong, while direct payments or reimbursements would apply in weaker areas. • Direct payments may be used only in selected specifically assessed areas where the IP internal control framework is assessed as adequate.
Significant	Because of the level of risk, direct cash transfers/reimbursements should be not made. <ul style="list-style-type: none"> • Direct payments may be used only in selected specifically assessed areas where the IP internal control framework is assessed as adequate. • All other activities must be either through full Country Office support to NIM; or the programme could be considered for UNDP Direct Implementation.
High	Because of the high risk, direct cash transfers and reimbursements should not be made, the weak internal control system control framework makes direct payments too risky. All activities must therefore be either through full Country Office support to NIM or UNDP Direct Implementation.

322. The main tool used for the HACT Implementation is the Funding Authorization and Certification of Expenditure [FACE] form. It is a standardized **requesting** and **reporting** form which replaces previous financial reports used by different offices, UN Agencies and partners for requesting cash transfers. The FACE Form is used for:

- *Requesting and Authorizing funding*
- *Reporting of and Certification of Expenditure*
- *Acceptance, Amendments, Approvals or Rejections of Expenditures*
- *Making entries into UNDP ERP*
- *Tracking cash transfers made to partners.*

Structure of The FACE form

The screenshot shows the FACE form with several key areas highlighted in color and labeled:

- Header Area (IP use):** The top section containing fields for Country, Programme Code & Title, Project Code & Title, Responsible Officer, Manager Code & Title, Implementing Partner Name & Code, Currency, UN Agency, UNCP, Date, and Type of Request (Direct Cash Transfer (DCT), Reimbursement, Disbursement).
- Activity Description Area:** A large blue box covering the 'Activity Description from AWP with Duration' field.
- Coding Column:** A green box covering the 'Coding for UNDP, UNCP and AWP' field.
- Reporting Area:** A purple box covering the 'REPORTING' table with columns: Authorized Amount, Actual Project Expenditure, Expenditures accepted by Agency, Balance, and a sub-column for B.I.A. (B, I, A, C).
- Request/Authorization Area:** A yellow box covering the 'REQUESTS / AUTHORIZATIONS' table with columns: New Request Period & Amount, Authorized Amount, Outstanding Authorized Amount, and a sub-column for B.I.F.
- Certification Area (IP use):** An orange box covering the 'CERTIFICATION' section, including checkboxes for funding request and actual expenditures, and the 'Date Submitted' field.
- Approvals Box (UNDP use):** A light blue box covering the 'FOR AGENCY USE ONLY' section, including 'Approved by' and 'Date' fields.

323. Unlike other types of cash transfer modalities, for the Direct Cash Transfer, the Partner is mandated to request for cash and make retirements or liquidations quarterly. Upon 80 percent liquidation, the Partner is allowed to make request for the next tranche of cash. In any other next request following the 80 percent liquidation, the first 20 percent must be liquidated first before the next 80 percent to qualify the Partner for further disbursement of cash by UNDP.

324. UNDP shall provide HACT training to all new READ Project Implementing Partners on the use and filing of the FACE Form accompanied by the Itemised Cost Estimate details. All aspects of the HACT Framework not covered or explained shall be constituted in the training and capacity building of the partners.

C.5: FINANCIAL REPORTING

325. UNDP's Financial Regulations and rules governing staff, procedures and process shall apply to the implementation and reporting of the READ Project.
326. The Financial Reporting Standard under UNDP applies the International Public Sector Accounting Standards (IPSAS) which is the Accrual Basis of Accounting.
327. UNDP shall provide annually (or upon request of IFAD) signed interim financial statements (Interim Donor Report) to IFAD in accordance with IPSAS. The financial statements shall be presented in United States dollars.
328. The Interim Donor Report shall reflect the operational status, budget, income, expenditure and balance, of the contributions provided by IFAD.
329. The information reflected in the interim report is extracted from the UNDP financial statements and the General Ledger, Project and Commitment Control modules of the ERP - Atlas.
330. UNDP HQ is responsible for providing IFAD directly with the Annual Certified Donor Report.

C.6: Accountability

331. Financial accountability shall be the responsibility of anyone handling READ resources, or any other position of trust, to report on and be held responsible for the intended and actual use of the resources or of the designated office. This includes ensuring transparency in the process and procedures to achieve the obligations of the READ Project.

C.7: Internal Controls

332. UNDP shall maintain an internal financial control mechanism which shall provide for an effective current examination and review of financial, management and operational activities for the READ Project, in order to ensure:
- The regularity of the receipt, custody and disposal of all financial resources managed by UNDP;
 - The conformity of commitments and disbursements with the allocations;
 - The effective, efficient and economic use of IFAD resources managed by UNDP.

Internal Control Framework for UNDP Offices

333. UNDP Internal Control Framework (ICF) for the READ Project covers key control factors such as planning, monitoring, communication, policies, procedures, segregation of duties, individual authorities and accountabilities that combined, inter alia:
- Safeguard assets from inappropriate use and loss from fraud and error;
 - Help ensure the quality of internal and external reporting, through the maintenance of
 - proper records and information flows;
 - Facilitate compliance with applicable laws, regulations and internal policies.
334. The Internal Control Framework Policy (ICF Policy) defines the purpose and objectives of internal control and outlines how UNDP utilizes industry best practices to design, apply and continuously

enhance internal controls to achieve its organizational objectives. The ICF policy also specifies the roles and responsibilities of staff and non-staff at all levels of the organization in the achievement of internal control objectives, and the ways in which UNDP monitors and assesses internal control effectiveness.

335. The Objectives of the ICF are:

Operations objectives – these pertain to the effectiveness and efficiency of UNDP’s management of programmes/projects and operations in pursuit of its Strategic Plan objectives, including programmatic and operational performance goals and safeguarding assets against loss.

Reporting objectives – these pertain to internal and external financial and non-financial reporting and encompass reliability, timeliness, transparency, or other terms set forth by regulators, recognized standard setters (such as IPSAS), UNDP’s financial regulations and rules, UN Staff Regulations & Rules, and decisions and directives issued by the UNDP Executive Board.

Compliance objectives – these pertain to adherence to laws and regulations to which UNDP is subject, including the UN Charter, UNDP Financial Regulations & Rules, UN Staff Regulations & Rules, and UNDP Executive Board decisions and directives.

336. Other issues of key roles definitions; Segregation of duties; Authorities, responsibilities and accountabilities of each role; Transactions requested by others; and Overview of internal control factors for procurement, human resources/payroll and project budget formulation are all enshrined in the ICF for the effective and efficient implementation of the READ Project.

C.8: Risk Management, Mitigation and Audit

Overview

337. In the context of South Sudan considered in this PIM as a fragile, conflict-affected, and under-developed country, UNDP has instituted a "Three Lines of Defense" Model to rigorously manage risk for project implementation. This risk management model applies to the READ Project, and is a critical safeguard in managing risks when engaging with Implementing Partners and other projects.

The Three Lines of Defense Model



338. The day-to-day management of contracts and partners by the Project shall constitute the first line of defense, applying defined and mainstreamed contract-based management controls and additional partner-based control measures, in keeping with UNDP POPP and Financial Manual.
339. The READ Project management is complemented by the UNDP country office's internal oversight of transactions and activities, including quality assurance from a legal, financial, monitoring, risk management and communications perspective. This oversight is performed by relevant UNDP country office units (finance unit, programme management support unit, M&E unit, etc.) under the authority of a UNDP country office senior manager and with oversight from the UNDP Regional Bureau.
340. The corporate oversight function performed by UNDP's Office for Audit and Investigations constitutes the third line of defense. This entails regular risk-based country office management audits ensuring and reviewing country office management systems, oversight and independent quality assurance of risk-based annual NGO audits of the READ managed portfolio under HACT, as well as a permanent stand-by capacity for investigations.
341. Together, these three lines of defense provide a robust risk management and mitigation structure with high levels of assurance for the READ Project.
342. **Key components of Risk Management:** In the PIM, risk has been mentioned severally connoting the importance of its management. Risk management and mitigation is fully integrated into all aspects of UNDP's engagements and processes. The core components of UNDP's risk management are:
- Partner Risk Level Determination
 - Assurance Plan and Activities - HACT
 - Partner Risk Monitoring and Performance Monitoring
 - Fraud Monitoring and Mitigation

Partner Risk Level Determination:

Risk Level Determination

343. In those country offices which are HACT compliant, the standard approach for the determination of the initial partner risk level is the micro assessment. The purpose of the micro assessment is to assess the partner's financial management capacity in the areas of accounting, procurement, reporting, and internal controls to determine the overall risk rating. It guides the appropriate types and frequency of assurance activities to be carried out, as well as the categorization of the partner according to the Operational Modalities detailed in UNDP's Operational Manual (POPP).
344. The POPP defines the criteria for which a partner micro-assessment is required. Implementing Partners that have not been identified as requiring a micro assessment are designated as 'non-assessed'. For such 'non-assessed', the READ Project may use the following types of information to determine the partner risk level: (1) previous agency reviews, audits and historical experience; (2) agency-specific capacity assessments; and (3) capacity assessments performed by other agencies. In all cases, the capacity assessment method used must meet the requirements of the Fund Manager as outlined in the Operational Manual.

Partner Risk Ratings

- **Low risk** - Indicates a well-developed financial management system and functioning control framework with a low likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **Medium risk**- Indicates a developed financial management system and control framework with a moderate likelihood of negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **Significant risk** - Indicates an underdeveloped financial management system or control framework with a significant likelihood of negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **High risk** - Indicates an underdeveloped financial management system and control framework with a significant likelihood of negative impact on the IP's ability to execute the programme in accordance with the work plan.

Assurance Plan and Activities and Monitoring:

345. UNDP performs assurance activities of partners and projects to ensure that funds are used in accordance with the AWPB, and coordinates closely with the Funds Manager and clusters to confirm that program activities implemented are consistent with the financial reports. Under HACT, the READ Project shall conduct these same assurance activities; however, the frequency of such activities is determined by the partner risk level, and are conducted according to an established Assurance Plan. UNDP Country Office prepares an assurance plan at the beginning of the programme cycle approved by the UNDP Head of Office, to be updated annually. The Read Project and other contextual risk are considered in the development of the assurance plan.

The assurance activities of READ Shall consist of:

- a. Programme monitoring - READ Project officials remains accountable for the programmatic monitoring in terms of planning, systems and modalities, and facilitation of the process.
- b. Field-based financial monitoring- (spot checks) of financial records of partners.
- c. Audits - audit of financial records and financial management systems of internal controls.

Fraud Monitoring and Mitigation

346. The [UNDP Policy on Fraud and Other Corrupt Practices](#) (the UNDP Anti-fraud Policy) is an important part of UNDP's corporate governance, establishing the framework for preventing, identifying, reporting and effectively dealing with fraud and other forms of corruption.

347. It is in line with the UNDP Accountability System, adopted by the Executive Board to support ethical values and standards, increase transparency and proper stewardship of resources, as well as to clarify and harmonize all relevant activities. **This policy applies to all activities and operations of UNDP, including any project funded by UNDP, any project implemented by UNDP, and any implementing partner.** UNDP's Anti-fraud Policy requires any incident of fraud to be reported. While the standard approach to mitigating fraud should be in the spirit of partnership and with a strong emphasis on effective internal controls, a Partner may be sanctioned if fraud is discovered. The main criteria for sanctioning includes consideration of:

- Reasons fraud occurred;
- At what level the fraud occurred;
- Whether fraud was immediately reported to UNDP;
- History of fraud within the Partner.

Any instance of fraud occurring and not reported to UNDP will result in immediate sanctioning of the Partner, and ineligibility to receive further funding

South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex 9: Integrated Project Risk Matrix (IPRM)

Mission Dates: 10-19 May 2022

Document Date: 08/11/2022

Project No. 2000004330

Report No. 6197-SS

East and Southern Africa Division
Programme Management Department

Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	High	High
<i>Political Commitment</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Governance</i>	<i>High</i>	<i>High</i>
<i>Macroeconomic</i>	<i>High</i>	<i>High</i>
<i>Fragility and Security</i>	<i>High</i>	<i>High</i>
Sector Strategies and Policies	High	Substantial
<i>Policy alignment</i>	<i>High</i>	<i>High</i>
<i>Policy Development and Implementation</i>	<i>High</i>	<i>Moderate</i>
Environment and Climate Context	High	Substantial
<i>Project vulnerability to environmental conditions</i>	<i>High</i>	<i>Substantial</i>
<i>Project vulnerability to climate change impacts</i>	<i>High</i>	<i>Moderate</i>
Project Scope	Moderate	Low
<i>Project Relevance</i>	<i>Moderate</i>	<i>Low</i>
<i>Technical Soundness</i>	<i>Moderate</i>	<i>Low</i>
Institutional Capacity for Implementation and Sustainability	Moderate	Moderate
<i>Implementation Arrangements</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Monitoring and Evaluation Arrangements</i>	<i>Low</i>	<i>Low</i>
Project Financial Management	Substantial	Substantial
<i>Overall</i>		
Project Procurement	High	Substantial
<i>Legal and Regulatory Framework</i>	<i>High</i>	<i>Moderate</i>
<i>Accountability and Transparency</i>	<i>High</i>	<i>High</i>
<i>Capability in Public Procurement</i>	<i>High</i>	<i>Moderate</i>
<i>Public Procurement Processes</i>	<i>High</i>	<i>Moderate</i>
Environment, Social and Climate Impact	Low	Low
<i>Biodiversity Conservation</i>	<i>Moderate</i>	<i>Low</i>
<i>Resource Efficiency and Pollution Prevention</i>	<i>Moderate</i>	<i>Low</i>
<i>Cultural Heritage</i>	<i>Low</i>	<i>Low</i>
<i>Indigenous People</i>	<i>Low</i>	<i>Low</i>
<i>Labour and Working Conditions</i>	<i>Moderate</i>	<i>Low</i>
<i>Community Health and Safety</i>	<i>Moderate</i>	<i>Low</i>
<i>Physical and Economic Resettlement</i>	<i>Low</i>	<i>Low</i>
<i>Greenhouse Gas Emissions</i>	<i>Low</i>	<i>Low</i>
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>Low</i>	<i>Low</i>
Stakeholders	Moderate	Low
<i>Stakeholder Engagement/Coordination</i>	<i>Moderate</i>	<i>Low</i>
<i>Stakeholder Grievances</i>	<i>Moderate</i>	<i>Low</i>
Overall	Substantial	Moderate

Country Context	High	High
Political Commitment	Moderate	Moderate
<p>Risk:</p> <p>The Transitional Government has a three-year validity, with elections due in 2022-2023. Any potential conflict may impact on the Peace Agreement, and the ongoing State Building and sustainable development efforts. The Country's ability and commitment to invest in agriculture may be significantly affected as a result</p>	Moderate	Moderate
<p>Mitigations:</p> <p>At design, the project introduced a phased approach to implementation, by limiting the number of counties to six from 12. This would allow for a deeper focus on the areas as well as limit dilution of investment. The project will then undertake an 'early mid-term review after 2.5 years to understand whether a critical re-orientation is needed and whether changes in terms of implementation arrangements are required that may include additional or cascade financing to cover all counties</p>		
Governance	High	High
<p>Risk:</p> <p>The MAFS has limited capacity and systems in place to implement projects effectively and to adhere to the Financing Agreement and relevant IFAD legal and policy frameworks such as mainstreaming commitments. Furthermore, M&E capacity, processes and systems remain weak, resulting in a limited ability to monitor, validate, analyze and communicate results, capture lessons, and adjust implementation to seize opportunities and take corrective actions in a timely manner.</p>	High	High
<p>Mitigations:</p> <p>To circumvent the risks around implementation capacity, UNDP – known for its strong track record of delivery in South Sudan, as a third-party 'Fund Manager', will jointly implement with Implementing Agencies.</p> <p>The FM will be responsible for all contracting, procurement, M&E and reporting for the relevant technical components and overall project management. In turn, MAFS will receive support for building up its own capacity for project implementation – to the Government-PCU, which will also oversee the FM and Implementing Agencies, undertake field verification mission, review M&E reports and approve reports for submission to the two oversight bodies of READ (NAB and NTC) – in preparation for eventual project implementation and oversight by the G-PCU on future projects. Additionally, strong service providers with proven track record (delivering results, measuring impact, transforming communities) will be selected for the implementation of the project components. However, the residual rating remains high due to the potential uncertainty and early stages and limited experience in integrating a G-PCU to oversee the FM.</p>		
Macroeconomic	High	High
<p>Risk:</p> <p>South Sudan is facing continuous threats to macroeconomic and financial stability, due to currency, climate (including pestilence and disease) and commodity shocks (Ukraine war). Price volatility and inflation is resulting in a discrepancy between the official exchange rate and shadow exchange rate, which may distort the profitability analysis of the project's EFA.</p>	High	High

<p>Mitigations:</p> <p>Some level of currency stabilization is expected following the USD 52 million IMF emergency loan under the Rapid Credit Facility. Notwithstanding, most project expenditures for supply contracts will be done in USD by the FM to mitigate the adverse impact of inflation.</p> <p>The design has run the profitability analysis in USD, to mitigate the volatility of the exchange rate and to ensure realistic price/expenditure scenarios for internationally sourced goods. IFAD supervision mission will continuously review value for money to address any potential expenditure increases</p>		
<p>Fragility and Security</p>	<p>High</p>	<p>High</p>
<p>Risk:</p> <p>On-going intercommunity conflict and competition over resources pose a significant security threat that may impede project implementation. Beneficiaries, especially women and children, may face significant threats, including violent looting, cattle raiding, and being caught between warring parties. Insecurity can also constrain movements of the Implementing Agencies and stall sub-project implementation and pose a security threat to staff. The potential failure of the peace agreement and the subsequent resumption of conflict could further complicate these challenges.</p>	<p>High</p>	<p>High</p>
<p>Mitigations:</p> <p>To address the security threat, the project will adopt flexible programming, to adjust for any changes in the security situation. It will also draw on the good practices of the UN agencies and NGOs working in the country. This includes, for example, close collaboration with the county, payam and boma authorities, as well as participatory consultations with local elders and participating communities, for the early identification of threats and the adoption of adequate mitigation measures. Applying a conflict sensitive lens across the project targeting, components and implementation arrangements will be key to “do no harm” and prevent tensions. Additionally, interventions aiming to empower women and provide youth with economic opportunities will contribute to the community peace and prosperity. In line with this, the project will at inception, conduct a peace and conflict analysis to better understand the nature of fragility and security to guide evidence-based targeting of project interventions.</p>		
<p>Sector Strategies and Policies</p>	<p>High</p>	<p>Substantial</p>
<p>Policy alignment</p>	<p>High</p>	<p>High</p>
<p>Risk:</p> <p>The Act that covers cooperative development exists but its implementation to ensure compliance does not. The support mechanisms and capacity of staff at the county and national level are weak and near absent. Failure to address these gaps will lead to weak institutions and pose grave danger to members investment and lack of confidence in the cooperative business model.</p>	<p>High</p>	<p>High</p>
<p>Mitigations:</p> <p>READ, with the support of ILO, will work with the GoSS and relevant development partners (FAO/WB), to ensure the capacity of the MAFs staff, their organizational architecture and support mechanism are in place to help with the development of the agricultural and inclusive rural finance cooperatives. In addition APGs and VSLAs will be formalized through their registration at decentralized level with improved centralized registration database and records to ensure effective planning and monitoring of cooperative performance</p>		
<p>Policy Development and Implementation</p>	<p>High</p>	<p>Moderate</p>

<p>Risk:</p> <p>A number of policy documents already exist which are pending approval by the national assembly. Absence of these documents can create implementation disharmony at the national and county level due to lack of a clear policy direction. In addition, the cooperative department does not have a strategic plan to guide its regulatory mandate for cooperatives</p>	High	Moderate
<p>Mitigations:</p> <p>READ, with the help of a service providers and technical support from ILO, will review existing policies, propose new policy and, where applicable and support the development of a cooperative strategic plan that will cascade to the county level. The project will ensure participatory and inclusive policy making processes with the involvement of all stakeholders at different levels, including the vulnerable and under-represented groups such as women, youth, poor farmers and persons with disabilities. The project will then support the cooperative movement enhance their institutional development for evidence-based advocacy and lobbying to influence positive policy changes in the cooperatives sub-sector.</p>		
Environment and Climate Context	High	Substantial
<i>Project vulnerability to environmental conditions</i>	<i>High</i>	<i>Substantial</i>
<p>Risk:</p> <p>Exposure to the impact of climate change is high in South Sudan. The perennial risk of climate shocks is high with pestilence, drought and heavy rains</p>	High	Substantial
<p>Mitigations:</p> <p>A high level of awareness of the effects and impact of climate change will be assured by the project's implementation at three key levels - policy, training and financing – and will be mainstreamed throughout all relevant project activities, by: (i) the integration of climate change adaptation into policy documents reviewed and drafted by the project will be assured; (ii) training activities with modules on climate resilience and adaptation among government officers and relevant target groups (e.g. RPOs, MSE, VSLA/SACCOs) and (iii) financing of asset transfers and matching grants that will be contingent upon building resilience and adaptation to the effects of climate change and the associated risks faced by the beneficiaries. (iv) implementation of the targeted adaptation assessment prepared for the READ projects. Climate Risk and Vulnerability Analysis of business plans/subprojects Promotion of income diversification and access to finance services (such as insurance/social fund) to increase households' capacity to mitigate shocks.</p>		
<i>Project vulnerability to climate change impacts</i>	<i>High</i>	<i>Moderate</i>
<p>Risk:</p> <p>The risk that existing or possible future climate impacts such as drought and flood may have significant impact on agricultural productivity, value chains, rural infrastructures, ecosystems, incidence and prevalence of pests and diseases.</p>	High	Moderate
<p>Mitigations:</p> <ul style="list-style-type: none"> - Screening of projects and preparation of climate risk analysis, including the identification of climate risks and prioritized adaptation/mitigation actions - Selection of value chains using climate lens - Integration of adaptation interventions, such as climate smart agricultures, into business plans - Capacity development for CBSS, RuSACCOs, cooperatives, etc. 		
Project Scope	Moderate	Low
<i>Project Relevance</i>	<i>Moderate</i>	<i>Low</i>

<p>Risk:</p> <p>Design, start-up and implementation activities will operate in a challenging conflict-sensitive context that is still recovering from natural shocks and disruption from extreme weather events and pestilence that limit mobility of project teams. Similarly, the social dynamics in the country might hamper the participation and empowerment of target groups, especially women and persons with disabilities.</p>	Moderate	Low
<p>Mitigations:</p> <p>At start-up phase, the project will conduct sensitization and mobilization activities to share information and consult with stakeholders such as local government authorities, development committees and village elders. Given the conflict-sensitivity of the project, these activities will be extremely important to ensure transparency, validation and buy-in of activities by the project's target groups. Additionally, the project will leverage groups and networks to mobilize beneficiaries, such as the South Sudan Union for persons with disabilities. Self-targeting mechanisms will be employed to make sure the project interventions match women and youth's needs. The target outreach for persons with disabilities will be up to 5%, recognizing the challenges of including reasonable accommodation in an already challenging implementation context.</p>		
<p>Technical Soundness</p>	Moderate	Low
<p>Risk:</p> <p>As South Sudan tries to transition from a humanitarian context to a development trajectory, the dependency on hand-outs is still prevalent in IPC 4 and above. This will make the introduction of business-oriented approaches more difficult in such areas. The low literacy rate may further complicate the adoption of the proposed capacity building interventions. In addition, due to security challenges the design team was not able to visit the counties to validate some of relevant technical parameters.</p>	Moderate	Low
<p>Mitigations:</p> <p>Reinvigorating failed markets requires a careful balance between relief aid and sustainable development. The project will therefore not select IPC 4 and above areas, only IPC 1-3 areas, to make sure that no free inputs are distributed in the project area and so that free market operators are not crowded out by donor aid. The design has benefited from insights and experiences from implementing agencies while in-country. The beneficiary targeting will be based on objective criteria to avoid elite capture. Further understanding of the context and the actual target groups of the project is an ongoing process. The mapping and profiling of RPOs will be pursued at inception to develop a better understanding of their socio-economic status, challenges and opportunities for their development. Training modules will be translated into local languages and adapted communication materials developed to ensure that they can be understood even with low literacy.</p>		
<p>Institutional Capacity for Implementation and Sustainability</p>	Moderate	Moderate
<p>Implementation Arrangements</p>	Substantial	Moderate
<p>Risk:</p> <p>MAFS is the lead executing agency for the project and will provide oversight and support to READ through the G-PCU and the relevant support committees. UNDP is the designated Fund Manager and main IA by the Government, and will ensure compliance with IFAD Guidelines. The set-up of UNDP as FM, to run the day-to-day implementation of the READ project, may put the project sustainability at risk due to limited ownership and engagement in actual implementation of the project by G-PCU.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>The project will ensure gradual integration of G-PCU staff in project operational processes, to ensure transfer of knowledge, skills and lessons learned from UNDP staff to G-PCU staff.</p>		

Monitoring and Evaluation Arrangements	Low	Low
<p>Risk:</p> <p>The project has over 22 indicators in the LF that risks overburdening the M&E with too many indicators to track for such a small project budget.</p>	Low	Low
<p>Mitigations:</p> <p>The design remains mindful of the need to capture benefits for all relevant aspects of the project, especially mainstreaming, and uses corporate indicators of GAFSP and IFAD where possible to ensure key corporate and project specific areas that drive benefits are captured.</p>		
Project Financial Management	Substantial	Substantial
Overall		
Project Procurement	High	Substantial
Legal and Regulatory Framework	High	Moderate
<p>Risk:</p> <p>South Sudan lacks a functional Public Procurement framework. The Public Procurement law was enacted in 2018 but due to the crisis in the country, the Regulations and Standard procurement documents were not developed. Further still the Public Procurement and Assets Disposal Authority provided in the procurement law is yet to be established. The country still relies on the interim Public Procurement regulation issued in 2006 which has no legal basis and since been outdated.</p> <p>Ministry of Finance and Economic Planning (MoFEP) does not enforce the provisions under the Interim Procurement and Property Disposal Regulations, in particular the provision that competitive procurement methods are the preferred option above specified thresholds. Single-source procurement has been the preferred method. This creates a significant risk that public services have been provided at higher cost than necessary. In part, though, this is because the unpredictability of the budget hinders planning for procurement.</p> <p>The government lacks a system to generate substantial and reliable coverage of key procurement information, or does not systematically make key procurement information available to the public. Only one of the four requirements are met, namely the publicizing of tendering opportunities. Public procurement plans, contract awards, and decisions on complaints are not publicized.</p>	High	Moderate
<p>Mitigations:</p> <p>Use of IFAD's Public Procurement Guideline, Handbook and Standard Procurement Documents for all procurements undertaken by Government. The Project should advertise all activities that meet prescribed thresholds on a dedicated site. The use of IFAD's Contract Monitoring Tool shall ensure publication on IFAD's Project Procurement site.</p>		
Accountability and Transparency	High	High

<p>Risk:</p> <p>Risk(s): Articles 56 and 57 of the Interim Public Procurement and Disposal Regulations (IPPDR) provide for a mechanism for submitting complaints. According to the regulations, suppliers may seek review of the procurement process when he/she suffers loss or injury due to a breach of a duty imposed on the procuring entity. A complaint should, in the first instance, be submitted to the head of the procuring entity. The head of the procuring entity should issue a written decision within 30 days. If the complainant is not satisfied with the decision of the head, he/she is entitled to submit the complaint to the PPU, which has to be reviewed within 30 days. The decision of the PPU is final. The PPU may recommend the appropriate course of action. In the case of a dispute arising between the parties to a procurement contract, the Law of Southern Sudan is applied. Score of 11 for year 2021. South Sudan is ranked 2nd most corrupt country in the world on transparency corruption perception index. The PPU is the last port of call for submitting complaints, according to IPPDR. It is not independent, however, as it is involved in the process of procurement. Complaints are submitted only verbally, and appear not to be addressed.</p>	High	High
<p>Mitigations:</p> <p>There is the South Sudan Anti-Corruption Commission established under section 147 of the interim constitution.</p>		
<p>Capability in Public Procurement</p>	High	Moderate
<p>Risk:</p> <p>The Ministry of Agriculture and Food Security (MAFS) Procurement and Disposal Unit is headed by a DG of Procurement and Logistics who is supported by a Deputy Director Procurement and Logistics and three other staff, most of whom have formal training in procurement. The Government has a unit responsible for all donor funded projects but has yet to onboard a dedicated resource for IFAD operations. This will be sourced competitively through a prior review process of IFAD. MAFS mainstream procurement staff have no experience in donor-funded procurements as they are not directly involved in project implementation which is facilitated by the MAFS's Project Implementation Units (PIUs). MAFS procurement has been dormant over the 5-year conflict period and no documents have been produced. Legal and regulatory framework in South Sudan is outdated and at-times uncertain. Project procurement relies on the PIM.</p>	High	Moderate
<p>Mitigations:</p> <p>Components 1 and 2 are implemented by UNDP as Fund Manager and UNDP procurement procedures will apply for respective procurement activities. For procurement activities under READ funding and directly implemented by GOSS, IFAD's project procurement guidelines will apply. Implementation will be through the PCU housed in the IFAD funded SSLRP project in MAFS under prevailing IFAD procurement guidelines as revised from time-to-time. MAFS will ensure that the Ministerial Procurement Committee (MPC) authorizations are granted in a timely manner to mitigate delays in obtaining approvals. MAFS will use IFAD's SPDs that contain pertinent IFAD provisions and the quality of which will be subjected to periodic mission reviews. MAFS procurement staff will be required to attend the IFAD certification programmes in project procurement - BUILD PROC. Arrangements should be put in place and attempts made by MAFS to ensure that Procurement staff attend the BUILD PROC certification in the initial stages of the project.</p>		
<p>Public Procurement Processes</p>	High	Moderate

<p>Risk:</p> <p>MAFS SSLRP has a PIM that has spelt out procedures that are consistent with IFAD procedures but there are no SPDs. There is one email address to request for solicitation documents and clarifications at the project level. It is checked regularly and documents are availed on request.</p> <p>There is no evidence of procurement planning within the Government procurement. Unpredictability of the budget hinders planning for procurement.</p> <p>The country's situation remains volatile. Weak political and economic governance has led to a lack of well-functioning public and private sector institutions. Sustained conflicts have led to weak revenue mobilization and diversification, which have impacted negatively on development of physical and social infrastructure leading to high cost of service delivery. Diminished business competitiveness with the exit of many private sector businesses as well as non-profit organizations has become a common challenge. Lastly, shortage of official foreign exchange reserves has led to rationing as the central bank tries to handle the demand for foreign currency and ultimately has a roll-on effect onboarding suppliers resulting in lack/limited participation of service providers /suppliers in tendering process especially for low value contracts and NCB.</p> <p>The recent conflicts and insecurities have disrupted the country's existing business operations, forcing firms to either temporarily suspend operations, permanently close business, or in some cases, relocate their operations to outside the country. Business operations have become more difficult for lack of official foreign exchange and rising inflationary trends that severely increase trading costs.</p>	High	Moderate
<p>Mitigations:</p> <p>Component 1 and 2 will apply UNDP procurement procedures and processes. Supervision of Government implemented procurement will be done to gauge compliance on continuous basis.</p> <p>UNDP, as the Fund Manager (FM), is responsible for Procurement Planning. Supplementary to the UNDP procurement procedures, the FM will ensure all selections of grant sub-recipients shall be included in the Procurement Plan (PP). However, the resulting procurement activities to be implemented by the sub-recipients shall not be part of the PP. Procurement will be undertaken by sub-recipients themselves following good commercial practices that are consistent with IFAD guidelines with support and oversight from the FM. These arrangements will be reflected in the PIM and ensuing sub-recipient agreements as necessary.</p> <p>UNDP, as the Fund Manager (FM), is responsible for overall project implementation that encompass procurement management, and preparing and following up on implementation contracts/sub-agreements with Implementing Partners (IPs) involved in the implementation of component activities. Procurement undertaken by MAFS will be through use of IFAD public procurement guidelines.</p>		
<p>Environment, Social and Climate Impact</p>	Low	Low
<p><i>Biodiversity Conservation</i></p>	<i>Moderate</i>	<i>Low</i>
<p>Risk:</p> <p>The risk that the project may cause significant threats to or the loss of biodiversity, availability of diversified nutritious food, ecosystems and ecosystem services, territories of the indigenous peoples, or the unsustainable use/production of living natural resources.</p>	Moderate	Low
<p>Mitigations:</p> <p>Application of integrated pest management to control the adverse impact of agrichemicals and avoid indigenous tree cutting. Ensure compliance to SECAP</p>		
<p><i>Resource Efficiency and Pollution Prevention</i></p>	<i>Moderate</i>	<i>Low</i>
<p>Risk:</p> <p>The risk that the project may cause significant pollution to air, water, and land, and inefficient use of finite resources that may threaten people, ecosystem services and the environment at the local, regional, and global levels</p>	Moderate	Low

<p>Mitigations:</p> <p>Encourage use of organic fertilizer to avoid environmental pollution from chemical fertilizers, apply integrated pest management and adherence to SECAP</p>		
<p>Cultural Heritage</p>	Low	Low
<p>Risk:</p> <p>The risk that the project may cause significant cultural or physical resource degradation, including threats to or the loss of resources of historical, religious or cultural significance</p>	Low	Low
<p>Mitigations:</p> <p>Screening of project and implementation of mitigation measures. Avoid investment that may affect cultural heritage</p>		
<p>Indigenous People</p>	Low	Low
<p>Risk:</p> <p>The risk that the project may cause significant adverse physical, social, or economic impacts on indigenous peoples, or in threats to or the loss of resources of historical or cultural significance to them.</p>	Low	Low
<p>Mitigations:</p> <p>The concept of 'Indigenous Peoples' and its interpretation in the context of South Sudan are extremely sensitive. Identifying some groups as 'indigenous' would imply that other groups don't belong to the social and cultural identity of the country and would therefore drive unjustified inequalities and potential injustice. In a country, which is 11 years old and still trying to forge a common framework for its population, identifying and targeting indigenous peoples is not feasible. However, the following mitigation measures can be applied to reduce any adverse risks: Peace and Conflict Analysis will determine drivers of fragility and assess livelihood and customs of ethnic groups residing in targeted areas. READ will develop an FPIC plan in close collaboration with the Government and the Fund Manager. Further, READ will apply a conflict-sensitive lens onto its activities and closely engage local authorities, elders and community members from the onset to mitigate potential tensions within the communities in a timely manner.</p>		
<p>Labour and Working Conditions</p>	Moderate	Low
<p>Risk:</p> <p>The risk that the project may cause exploitative labour practices (e.g. forced or child labour), gender based violence, discriminatory and unsafe/unhealthy working conditions for people employed to work specifically in relation to the project, including third parties and primary suppliers.</p>	Moderate	Low
<p>Mitigations:</p> <p>Awareness creation and capacity development to ensure project activities are conducted in a safe working environment. Sensitization will be done in collaboration with relevant authorities to prevent GBV among IFAD, PMU, UNDP and implementing partner's staff. The implementing partners will be selected based on their experience working on gender issues, in particular prevention and mitigation of GBV. Tailored messages will be included in training modules offered to RPOs, female-only training spaces will be offered to women and a GRM will be established/strengthened so that affected people have access to a safe service to address and resolve their challenges.</p>		
<p>Community Health and Safety</p>	Moderate	Low

<p>Risk:</p> <p>The risk that the project may cause significant adverse impacts on the physical, mental, nutritional or social health/safety status of an individual, group, or population, including as a result of gender-based violence</p>	Moderate	Low
<p>Mitigations:</p> <p>Apply integrated pest management system, provision of PPEs, awareness creation and training, avoid temporary habitat of mosquitoes</p>		
Physical and Economic Resettlement	Low	Low
<p>Risk:</p> <p>The risk that the project may cause significant adverse physical, social, cultural or economic impacts, especially for marginalized groups, from land acquisition, and involuntary loss of land, assets, access to assets, income sources, or means of livelihoods</p>	Low	Low
<p>Mitigations:</p> <p>Avoid involuntary resettlement, effect timely compensation</p>		
Greenhouse Gas Emissions	Low	Low
<p>Risk:</p> <p>The risk that the project may significantly increase greenhouse gas emissions and thereby contribute to anthropogenic climate change</p>	Low	Low
<p>Mitigations:</p> <p>Reduce use of chemical fertilizer and encourage the use and application of compost, intensify plantation of trees to sequester GHGs</p>		
Vulnerability of target populations and ecosystems to climate variability and hazards	Low	Low
<p>Risk:</p> <p>The risk that the project may significantly increase the exposure or vulnerability of target populations' livelihoods, ecosystems, economic assets or infrastructure to climate variability and hazards</p>	Low	Low
<p>Mitigations:</p> <p>READ will provide loans to vulnerable communities to engage in agriculture activities which in turn will enhance their resilience to climate change</p>		
Stakeholders	Moderate	Low
Stakeholder Engagement/Coordination	Moderate	Low
<p>Risk:</p> <p>Stakeholders may not be adequately engaged in the design and implementation</p>	Moderate	Low
<p>Mitigations:</p> <p>undertake stakeholder analysis and prepare stakeholder engagement plan</p>		
Stakeholder Grievances	Moderate	Low

<p>Risk:</p> <p>Targeting, project implementation, quality of service may be potential sources of grievances</p>	<p>Moderate</p>	<p>Low</p>
<p>Mitigations:</p> <p>establishment/strengthening of GRM system, awareness creation to complainants, capacity development/training to GRM committee.</p>		

South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex 10: Exit Strategy

Mission Dates: 10-19 May 2022

Document Date: 08/11/2022

Project No. 2000004330

Report No. 6197-SS

East and Southern Africa Division
Programme Management Department

Annex 10: Exit Strategy

The Training of Trainers (ToT): Project activities will embed specific knowledge and awareness of the cooperative movement within the RPOs, their constituents and communities where they reside, acting as custodians of information and local interlocutors for sharing information and knowledge on the process of cooperative development and inclusive rural finance. Their presence will continue beyond the lifetime of the project, as they remain within their communities and close to the constituents of RPOs - acting as resource persons for future reference and support.

Strengthening and profitability of RPOs and business links & networks: Component one will develop strong RPOs that are capable of leadership within their communities, manage expectations and diffuse tensions among its members, and who are able to prioritise, design and monitor the implementation of sub-projects and business plans that will improve the livelihoods of their constituents. These skills and planning processes will remain with the RPO at the end of the project. In addition, during READ implementation these RPOs will be evaluated to assess their progress towards graduation into cooperatives with viable business plans, backed-up by blended financing in the form of grants and loans that transform the viable into profitable enterprises. They will form a part of business links and networks that will sustain into the future which provide backward and forward linkages to markets, service providers, input suppliers and value chain operators. The presence of more formal business networks will also allow RPOs to leverage off such networks to expand their operations – going forward.

Community-based Financial Services: Project target groups from VSLAs and SACCOs will benefit from the project's implementation, as will CBSS as implementing partner. The continued delivery of services beyond the lifetime of the project through sustainable business models will be a key aspect of the project's exit strategy.

De-risking and strengthening of the CBSS banking model and the CGF: The agency model will play an important part of the outreach and expansion strategy of CBSS, with on-lending to SACCOs and Cooperatives through VSLAs and their members. To de-risk CBSS, as it extends its lending, the CGF will be leveraged by at least **two-fold** by sharing the default loans with CBSS. CBSS will also remain the custodian of the CGF until an appropriate host institute can be identified, which can provide a service to the broader banking community.

Capacity building of MAFS officers and offices at the national, state and county levels: the READ exit strategy is strengthened by the fact that government structures at the National, State and County levels are involved at the outset of project implementation. The integration of government officers will also serve as part of the exit strategy at project completion, while engagement of national and state level representatives will ensure government structures continue to serve the target groups beyond the lifetime of the project.

Capacity building of G-PCU: Implementation of READ will involve oversight by the G-PCU, which will also build its own capacity for delivery as implementation progresses. After the completion of the READ project, the G-PCU will continue to serve other projects on a cost-sharing basis, which will benefit from the qualified and experienced project staff instilled into government office, and continue to serve government-led projects in the future.

National policy development: As part of the exit strategy, READ will partner with SSLRP to support the development of national policies covering cooperative development and inclusive rural finance. National policy frameworks and strategies will be reviewed in partnership with ILO, to review the National Cooperatives Development Policy, the National Strategy for Cooperative Development and the National Rural Financial Policy. At the end of the project, these policies will remain with the directorate of cooperatives and rural development and ready the country for guidance on cooperative development and strengthening of the rural finance sector, with the help of different development partners, relevant ministries and sectors.

Gender-transformative activities: READ will apply a holistic approach to the promotion of gender equity. The project will foster economic opportunities for women through the improved services provided by their RPOs, women-specific capacity building activities and tailored financial services. READ will also promote women leadership within RPOs by strengthening women's representation and skills-The use of GALS will sustainably address the root causes of gender inequalities at group and household levels. Given the patriarchal context in South Sudan, it is pivotal to involve men, elders and local authorities from the onset as agents of change to set the stepping stones for a more equitable future, grounded in respect and trust so that women can fully flourish and equally benefit from economic and social gains. Established and supported strong, market-oriented and profitable RPOs along with increased rural finance will demonstrate a lucrative, alternative livelihood for youth, including young men, to turn their backs on violence and cattle raiding to earn an income. Equipped with marketable, entrepreneurship and leadership skills, youth will gain trust and start to invest in agriculture as a business. Complemented by GALS, harmful social norms and behaviors will be addressed and safe spaces will allow households and groups within RPOs to alter the status quo with long-lasting implications beyond the scope of READ.

South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex 11: Mainstreaming themes – Eligibility criteria checklist

Mission Dates: 10-19 May 2022

Document Date: 08/11/2022

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Report No. 6197-SS

East and Southern Africa Division
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Mainstreaming themes – Eligibility criteria checklist						
	<input checked="" type="checkbox"/> Gender Transformative	<input checked="" type="checkbox"/> Youth Sensitive	<input type="checkbox"/> Nutrition Sensitive	<input type="checkbox"/> Persons with Disabilities	<input type="checkbox"/> Indigenous Peoples	<input type="checkbox"/> Climate Finance <input type="checkbox"/> Adaptive Capacity
Situation analysis	<input checked="" type="checkbox"/> National gender policies, strategies and actors <input checked="" type="checkbox"/> Gender roles and exclusion/discrimination <input checked="" type="checkbox"/> Key livelihood problems and opportunities, by gender	<input checked="" type="checkbox"/> National youth policies, strategies and actors <input checked="" type="checkbox"/> Main youth groups <input checked="" type="checkbox"/> Challenges and opportunities by youth group	<input type="checkbox"/> National nutrition policies, strategies and actors <input type="checkbox"/> Key nutrition problems and underlying causes, by group <input type="checkbox"/> Nutritionally vulnerable beneficiaries, by group	<input type="checkbox"/> National policies, strategies and actors <input type="checkbox"/> Main groupings among PwDs <input type="checkbox"/> Context-based barriers and opportunities for PwDs	<input type="checkbox"/> International standards, national policies, strategies and key IPs' organizations <input type="checkbox"/> Main IPs communities, demographic, social, cultural and political characteristics <input type="checkbox"/> Important livelihoods constraints and opportunities for IPs and their cultural heritage	
Theory of change	<input checked="" type="checkbox"/> Gender policy objectives (empowerment, voice, workload) <input checked="" type="checkbox"/> Gender transformative pathways <input checked="" type="checkbox"/> Policy engagement on GEWE	<input checked="" type="checkbox"/> Pathways to youth socioeconomic empowerment <input checked="" type="checkbox"/> Youth employment included in project objectives/activities	<input type="checkbox"/> Nutrition pathways <input type="checkbox"/> Causal linkage between problems, outcomes and impacts	<input type="checkbox"/> Pathways to PwDs' socioeconomic empowerment using a twin-track approach	<input type="checkbox"/> Pathways to IPs' socioeconomic empowerment	
Logframe indicators	<input checked="" type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input checked="" type="checkbox"/> Women are > 40% of outreach beneficiaries <input checked="" type="checkbox"/> IFAD empowerment index (IE.2.1)	<input checked="" type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input checked="" type="checkbox"/> Persons with new jobs/employment opportunities (CI 2.2.1)	<input type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input type="checkbox"/> Targeted support to improve nutrition (CI 1.1.8) Outcome level CIs <input type="checkbox"/> CI 1.2.8 MDDW <input type="checkbox"/> CI 1.2.9 KAP	<input type="checkbox"/> Outreach disaggregated by sex, youth, disability and IPs (if appropriate)	<input type="checkbox"/> Outreach indicator disaggregated by sex, youth and IPs <input type="checkbox"/> IPs are > 30% of target beneficiaries	
Human and financial resources	<input checked="" type="checkbox"/> Staff with gender TORs <input checked="" type="checkbox"/> Funds for gender activities <input checked="" type="checkbox"/> Funds for IFAD empowerment index in M&E budget	<input checked="" type="checkbox"/> Staff with youth TORs <input checked="" type="checkbox"/> Funds for youth activities	<input type="checkbox"/> Staff or partner with nutrition TORs <input type="checkbox"/> Funds for nutrition activities	<input type="checkbox"/> Staff with disability inclusion-specific TORs <input type="checkbox"/> Funds for disability inclusion-related activities (including accessibility)	<input type="checkbox"/> Staff with IPs-specific TORs <input type="checkbox"/> Funds for IPs related activities, including FPIC	IFAD Adaptation Finance \$0 IFAD Mitigation Finance \$0 Total IFAD Climate-focused Finance \$0

<p>ECG Remarks</p>	<p>Gender</p> <p>Gender focus - (50 percent, 20 % women-headed households). Being cognizant of the patriarchal structures limiting women's empowerment, READ must apply a holistic approach, which involves men, especially elders, local authorities, and husbands, from the onset. By sensitizing male figures, they will comprehend the added value brought to the household and facilitate READ's activities. Already creating a space for reflection and enabling women to be economically active and take leadership positions will move the needle and contribute to gender transformation within the South Sudanese context. In short, gender-transformative results will be achieved via three pathways to tackle the following challenges: limited access to productive assets, land, finance, limited voice and participation in decision-making bodies, unbalanced workload, GBV</p> <p>Nutrition</p> <p>Youth focus - (70 percent, gender parity with 50 % young women). Youth empowerment pathways will address the following obstacles faced by youth: under-and unemployment, limited employability skills, violence, limited access to finance, under-represented in decision-making bodies. The economic crisis, endemic violence and trauma induced by the conflict have led to an increase of criminality, gang violence and rural cattle raiding. To offer young people an alternative livelihood away from conflict is key to break the cycle of violence. READ will be intentional in the selection of youth for job opportunities, for instance youth from ethnic groups will be prioritized if the job opportunity emerges on their land or territories.</p> <p>Youth</p> <p>Persons with Disabilities</p> <p>Indigenous Peoples</p> <p><input type="checkbox"/> No social inclusion themes</p>
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South Sudan

Rural Enterprises for Agriculture Development Project Design Report

Annex: Ssd Read Annex Agriculture Context

Mission Dates: 10-19 May 2022

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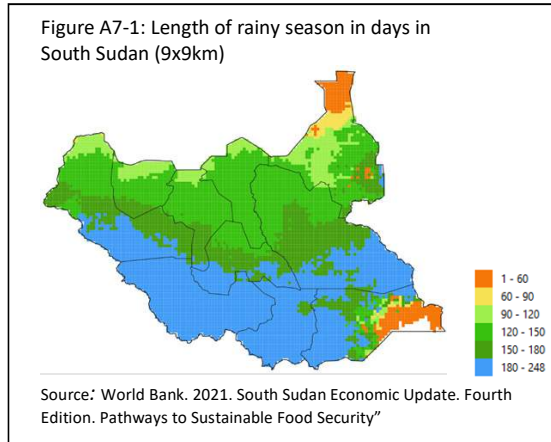
East and Southern Africa Division
Programme Management Department

Annex: Agriculture context

Agricultural potential

South Sudan has high agricultural potential to feed itself and to export food to neighboring countries too. The country has 62 million hectares of land in the Nile river basin, of which approximately 75 percent is suitable for agriculture and 50 percent is highly suitable for crop cultivation. With approximately 30 million hectares of arable land across six agro-ecological zones, South Sudan has about 5 times the area of agricultural land per capita than Kenya, Uganda, or Ethiopia and could feed itself and several other countries⁸⁴.

The diverse climatic zones, fertile soils and reasonable rainy season offer good conditions for a diversity of food products. The diverse ecology of the country provides a raining season ranging from 280 to 300 days per annum in southwestern cropping areas, known as the Greenbelt. Going further north, the raining season gradually reduces to 90 days and even less than 60 days in the Upper Nile state, see figure A7-1. Bi-modal rainfall areas cover most of the Greater Equatoria Region (Western, Central and parts of Eastern Equatoria), while the rest of the country has a unimodal rainfall regime. There is little temperature variation over the country or within season. Mean annual temperatures vary between 26oC and 32oC (NAPA, 2016). Agricultural performance varies markedly depending on latitude and longitude, with the possibility of two or three harvests per annum from the same plots in the Greater Equatoria Region and a single harvest in the unimodal rainfall areas further north.



Agriculture is almost entirely dependent on rainfall and hence the variability of precipitation in terms of amount and distribution is usually the major factor in determining crop production. Generally, rainfall increases in a northeast (< 600 mm/year) to southwest direction (>1600 mm/year). However, there are usually considerable variations in rainfall from year to year and from location to location within the same year. In low-lying areas, flooding and waterlogging are a common occurrence, while prolonged dry periods are frequent in southeastern areas and along the border with the Sudan⁸⁵.

Diverse ecology / livelihood zones of the country makes it possible to produce a wide range of crops. South Sudan produces a large variety of agricultural commodities for local consumption. Sorghum,

maize, rice, sunflower, cotton, sesame, cassava, beans, and peanuts are the major crops grown in the country. Coffee, tea, sugar and tobacco are also produced but on a small scale. Fruits and vegetables—such as, bananas, mangoes, lemons, pineapples, onions, okra, tomatoes, eggplants, potatoes, and cabbages—also have great production potential.

The livestock sub-sector also represents important opportunities but is sensitive. Despite a lack of recent field data, FAO estimates the livestock population at 36.2 million animals (three times the number of human inhabitants). Cattle-based pastoralism is the customary livelihood of many groups in the targeted areas. Cattle are central to the

** South Sudan Linking the Agriculture and Food Sector to the Job Creation Agenda, World Bank June 2019

country's economy and to the sociocultural life of many communities. Pastoralism, based on seasonal migration in pursuit of pasture and water, is usually combined with small-scale, rain-fed cultivation of staple crops including sorghum.

The fisheries sub-sector could also offer good potential. South Sudan has abundant fishery resources with an estimated total area of 80,000 km² of fishing ground that is centred along the White Nile River system, which encompasses the largest permanent wetland in Africa. It is one of the few countries in SSA without evidence of overfishing. The current consumption per capita offers potential for growth given its nutrition value.⁸⁶ Figure A7-2 presents a summary of the main agricultural production areas (crop, livestock, forestry and fishery) for the different livelihood zones of South Sudan.

Figure A7-2 - Main agricultural production areas and their contexts in South Sudan



Source: FAO and the World Bank (March 2022) Transforming Agriculture from Humanitarian Aid to a Development Oriented Growth Path (and based on FEWS NET 2018 livelihood zones and FAO-WFP 2020)

Present situation of the Agricultural sector

Resource-rich South Sudan gained independence in 2011 following decades of civil war with the Government of Sudan. Five additional years of civil war between 2013 and 2018 have left both society and the economy severely damaged. By 2016, 83 percent of the country's population were living below the poverty line. This recent history has resulted in an agricultural sector that has experienced little progress in developing itself, where farmers regularly abandon their fields and homesteads as result of violence, lose livestock to cattle raiding and function in poorly linked markets to rely on selling their produce. This has resulted in a situation that, out of the estimated 64 million ha only about 4 percent of agricultural land (or about 2.8 million ha) has been cultivated either continuously or periodically. The actual area cultivated in any year has been ranging from about 800,000 to 1.3 million hectares (about 1% and 2% of the total land area),

⁸⁶ Source: FAO and World Bank (March 2022) Transforming Agriculture from Humanitarian Aid to a Development Oriented Growth Path

according to FAO. According to FAO-WFP 2020, about 930 000 hectares were cultivated in 2019. Apart from the conflict, the main reason for under-utilization of arable land is the wide practice of manual cultivation methods, which limits the area cultivated by household to the 0.4 - 1.7 hectares, depending on labor availability. Furthermore, close to 80 percent of farm labor is provided by women who combine this activity with their other domestic chores. Mechanization remains marginal and is limited to land preparation and sowing, essentially in demarcated medium to large-scale farms (FAO-WFP 2020). Combined with the fact that most farmers still do not use improved farming inputs (improved seeds, (bio) fertilizers and pesticides), the sector productivity is currently among the lowest in the world (estimated average yields in 2019 according to FAO-WFP 2020: cereals: 0.88 ton/ha; cassava: 15.2 ton/ha and groundnut: 0.69 ton/ha), about 18 percent of that of the average in South Africa, and about a third (31 percent-41 percent) of that of Kenya, Uganda, or Ethiopia (data FAO Stat).

Agri-food sector is also the most important source of livelihoods to majority of people in South Sudan. Agriculture sector employs about 50% of the population in 2018 (some 3/5 of female and 1/3 male employment). In its broader sense, food systems are primary source of livelihoods to some 88% of the rural households and to about half of urban households. For those households that practice agriculture, it is usually the main source of income (90%), while about 60 percent of the population is dependent on livestock rearing for food security and income generation (FAO-WFP 2020).

Cereal value chains (particularly sorghum and maize) make up about 49 percent of the diet in South Sudan (World Bank Group 2019). Total cereal production reduced considerably during the 2013-2018 civil war. In 2019 production of cereals slowly started to increase again. In 2020, the deficit reduced for the first time after years of increase, still the production volumes only cover about 63 percent of domestic cereal needs. In 2021 the deficit further decreased with about 3.5 percent, but still 5 percent above the 2016–2020 average, see table below prepared based on the data presented in the FAO-WFP 2020 and previous versions). The increase in total production in 2019 and 2020 were mainly attributed to an increase in harvested area and only for a minor part as result of an increase in yield, most likely as result of favorable rains.

Table: South Sudan - Estimated total production, consumption and cereal deficit (metric tonnes)

Year	2016	2017	2018	2019	2020	2021
Gross total production	1,032,500	955,000	931,250	1,022,500	1,093,013	
Yield (ton/ha)	0,88	0,89	0,84	0,88	0,89	
Net total production*	826,000	764,000	745,000	818,000	874,410	
Consumption**		1,210,285	1,232,395	1,263,240	1,300,540	1,340,020
Deficit		384,285	468,395	518,240	482,504	465,610

* Net total production is total production minus 20% for post-harvest losses and seed use

** Consumption is estimated based on the total population and an average per capita consumption of about 110 kg of cereals per year.

*** Deficit is based on the consumption minus the total net production of the previous year

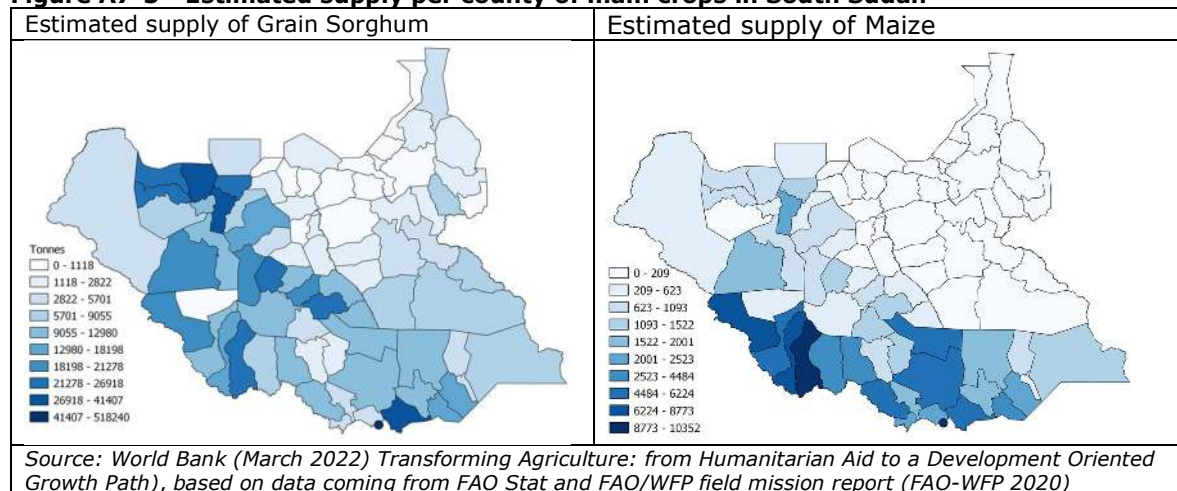
Figure A7-3 shows the main supply areas of sorghum and maize in the country. The remaining demand is met through imports (essentially sorghum and maize from Uganda) and food aid. Indeed, food assistance has become a noticeable component of the South Sudanese food value chains and was the main supplier of staples for close to 19 percent of the households during the lean season and 14 percent around harvest time in 2019 (FAO-WFP 2020).

Groundnuts (northern states) and cassava (Greenbelt and southern areas of the Ironstone Plateau) are the main non-cereal crops grown in the country. They both play important safety net roles for farmers. Vegetables are also an important part of South Sudanese diet. Most farmers cultivate vegetables in their home gardens or in small field

areas ranging from 0.1 ha to 0.5 ha. Net vegetable production and yields have been increasing in recent years.

Displacement and insecurity have disrupted all elements of the markets that South Sudanese rely on for their livelihoods, from agricultural production to the transformation of produce, trade networks, and demand. With the establishment of the revitalized peace agreement in 2018, the displaced population has begun to return, but their food security remains constrained by limited physical and financial assets, poor public, and private service coverage.

Figure A7-3 - Estimated supply per county of main crops in South Sudan



Challenges and opportunities in developing the agricultural value chains

South Sudan has enormous productive potential for staples (like sorghum, maize, cassava, pulses, and groundnut), nuts and seeds (like sesame and sunflower), horticulture (like bananas, mangoes, lemons, pineapples, onions, okra, tomatoes, eggplants, sweet potatoes and cabbages), and high-value commodities (like coffee, tea, honey, and sugar). Even with the constraints on internal trade and export, it is possible to develop value chains and invest in the conditions for job creation by focusing on building the value chains around the key staples that are critical to the food security of people in South Sudan (World Bank Group 2019).

Common challenges to agricultural value chains

A long list of factors are affecting farmer's productivity. Certainly, in areas where battles, insurgency, and mining prevent farmer from accessing their fields, security tops the list of constraints. There is, however, a long list of additional constraints that must be met to start closing the yield gap and improving the food security situation. These are described below.

Primary value chain functions include:

Pests and crop diseases. Pests and disease are the biggest technical challenges faced by farmers and livestock producers, as for example, the Fall armyworm (FAW), grasshoppers, Striga and Newcastle disease as one of the worse among many others.

Seed availability and the need for research. Quality of seed is, perhaps, the most important variable in productivity, and right now farmers in South Sudan lack quality seed. Although seed production is slowly increasing, still most farmers use seeds from previous cultivation or provided by NGOs and UN agencies. A proper system for seed multiplication and marketing is still under development.

Farmer knowledge/lack of extension. Estimates from 2014 showed each of the 86 counties in South Sudan had about 8-14 public extension agents, 1 or 2 per Payam. County profiles prepared for the IFAD funded South Sudan Livelihood Resilience Project (SSLRP) indicated that still in quite a number of Payams, the extension agents had not yet returned back in 2021 and are left without any public extension agent. With only a few public extension agents and in combination with the poor infrastructure at payan and boma level, most farmers are deprived from proper extension support to assist them to move from subsistence farming to more market-oriented farming. To address these limitations, many NGOs, UN agencies and projects have started to train and employed their own extension staff and introduced alternative forms of extension—including radio, ICT, lead farmers, farmer field schools, and community resource persons.

Access to irrigation and flood control. Infrastructure for irrigation and proper flood control is limited to a few production areas developed decades ago.

Tools and machinery. Majority of farmers in South Sudan still uses mainly manual tools, seriously limiting the size of land one farmer can cultivate.

Inadequate storage infrastructure. Lack of storage facilities leads to post-harvest losses ranging from 15 to 50 percent. Cold chains infrastructure is severely underdeveloped.

Value chain supporting functions include:

Inadequate transport networks. South Sudan's transport network is extremely underdeveloped and the widespread conflict has certainly led to deterioration of those roads. This makes reaching markets with undamaged produce a special challenge for farmers. Logistical costs are also very high.

Inadequate market infrastructure. The civil war was a major setback in the development of local markets and marketing channels. The undeveloped transport network will constrain its recovery. Most market places are concentrated near Juba. There are markets in rural areas, but supply channels are informally organized. Neither the distribution channels from seller to buyer nor the role of the different stakeholders are well defined (Henderson, 2015).

Access to finance. Only about three percent of the population has access to financial services. As per the World Bank 2019 Ease of Doing Business report, South Sudan ranks 178 out of 189 economies in ease of getting credit because of an inadequate regulatory infrastructure, weak investor protection legislation, undeveloped credit bureau, and inexistent collateral registry.

Access to power. The World Bank's Doing Business report 2019 ranked South Sudan 187 out of 189 countries for access to electricity, with only one percent of the population having access to grid electricity. There is no national interconnected network of transmission grids. Grid electricity accounts for just 1.4 percent of the electricity generated in South Sudan, with the balance coming privately through small diesel generators. The paucity of electricity hampers the growth of the industrial and agricultural sector—irrigation, processing (African Development Bank, 2013).

As the agriculture sector moves from a humanitarian to resilience building, producers need to access more land, better technology and seed, and better knowledge. Upgrading along the entire value chain is needed to move South Sudan out of chronic food insecurity, and the formation and strengthening of Rural Producer Organizations (RPO) will allow farmers to undertake the necessary process upgrading.

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South Sudan

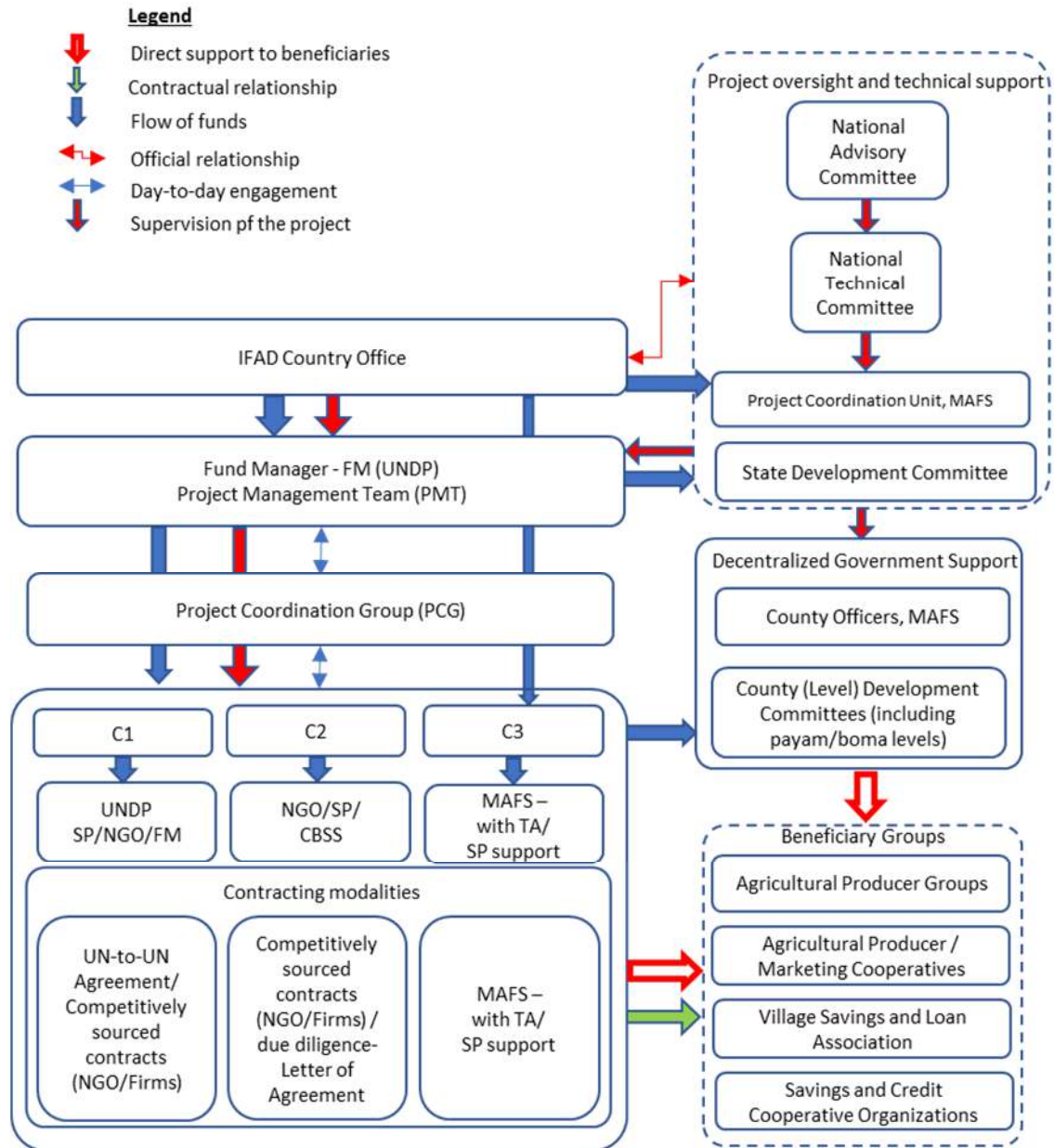
Rural Enterprises for Agriculture Development Project Design Report

Annex: Ssd Read Annex Organigramme

Mission Dates: 10-19 May 2022
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Project No. 2000004330
Report No. 6197-SS

East and Southern Africa Division
Programme Management Department

Annex: READ Project Organigram



South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex: Ssd Read Annex Conflict Risk Analysis

Mission Dates: 10-19 May 2022

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East and Southern Africa Division
Programme Management Department

Annex: South Sudan Rural Enterprises for Agricultural Development (READ) Project Conflict Analysis

Introduction

Ten years ago, on July 9, 2011, South Sudan gained its long-fought independence from Sudan. Since then, the new country descended into a bloody seven-year civil war, and while a peace deal was inked by warring parties in 2018, fighting between communities, as well as government human rights abuses, rage on.

South Sudan gained independence from Sudan in July 2011, but the hard-won celebration was short-lived. The Sudan People's Liberation Movement, the ruling political party that originally led the way for independence, is now divided and fighting for power. In December 2013, political infighting erupted into violence in the streets of the capital, Juba, after South Sudan's president accused his vice president of an attempted coup. Fighting between the two factions of government forces loyal to each soon moved to Bor, and then to Bentiu.

The Republic of South Sudan became the world's newest nation and Africa's 55th country on July 9, 2011. Renewed conflicts in December 2013 and July 2016 have undermined the development gains achieved since independence and worsened the humanitarian situation⁸⁷.

This happened when political disputes coupled with pre-existing ethnic and political fault lines became brutal. This conflict has mostly targeted civilians and most often, ethnic groups, and warring parties have been accused of war crimes and crimes against humanity. The conflict has resulted in a major humanitarian crisis, mass displacement and mass atrocities against South Sudanese citizens. Notwithstanding, instability in South Sudan has made the country one of the most dangerous countries for humanitarian aid workers in the world, especially as majority of them have lost their lives during their operation⁸⁸.

As a consequence, South Sudan remains severely impacted fragility, economic stagnation, and instability a decade after independence. Poverty is ubiquitous and is being reinforced by ongoing intercommunal conflict, displacement, and external shocks⁸⁹.

The signing of a revitalized peace agreement in September 2018 and subsequent formation of Government in February 2020 have contributed to recovery and peace-building. Conflict events decreased significantly in 2019, allowing some refugees previously displaced in the region to return. At the same time, a resumption of oil production in oil fields previously shutdown due to conflict had raised the prospects of an oil-led recovery. The country, however, faces the risk of these gains being reversed, with increasing incidents of subnational violence in 2021 and early 2022, flooding and the COVID-19 pandemic exacerbating an already dire situation. (WB)

The main objective of this preliminary conflict analysis in South Sudan, in light to READ implementation, is to: (i) understand the nature of the conflict, (ii) defining project design and implementation, (iii) ensure evidence-based targeting (iv) identify the challenges and

⁸⁷ <https://www.worldbank.org/en/country/southsudan/overview> April 21, 2022

⁸⁸ COMPREHENSIVE ANALYSIS OF SOUTH SUDAN CONFLICT: DETERMINANTS AND REPERCUSSIONS

⁸⁹ <https://www.worldbank.org/en/country/southsudan/overview> April 21, 2022

propose mitigation measures. As part of READ component 1, a detailed peace and conflict analysis report will be undertaken during the early stage of project implementation.

Causes of conflict

The most important factors contributing to the conflict in South Sudan are: leadership (power) struggles, ethnicity, natural resources and corruption, lack of justice and human rights violations, mismanagement of the economy and weak institutional capacity. There has also been a number of conflicts reported because of boarder demarcations among counties as well as between South Sudan and Neighbouring countries such as Uganda. Furthermore, climate shocks have long been the source of intercommunal conflict in the country.

Since independence in 2011, the country has suffered severe droughts and floods, severely impacting the country's development efforts. The most recent floods (May-November 2021) – reportedly the most devastating since the early 1960s – are estimated to have affected 9 out of 10 states, impacting 800,000 to 1.2 million people and displacing more than 300,000 people⁹⁰.

There are some additional factors that are constraining the peaceful resolution of the conflict in South Sudan. The main factors include, but not limited to, (i) interference of neighbouring countries in desire to gain access to the vast oil wealth of South Sudan⁹¹, (ii) deep mistrust and suspicion between and among the contracting parties, (iii) the division of existing states is becoming a serious obstacle to peace and conflict resolution mechanisms and could be a serious potential driver of conflict.

Other sources of instability in South Sudan are: un-resolving issues around housing, land and property issues which have intensified with displacement, a rise in real estate values and competing local authorities.

Consequences of conflict

The conflict in South Sudan has bring about a number of social, political and economic crises to the citizens as well as neighbouring countries. The main consequences are listed below:

Food in-security:

In South Sudan, over seven million people — about two thirds of the population — are in need of aid, including around 6.9 million people experiencing hunger. Food security is expected to deteriorate more, with 7.7 million people estimated to face crisis levels of hunger. The ongoing conflict and insecurity have pushed millions to the brink of starvation for years. In 2017, famine was declared in two counties in South Sudan, and famine has remained a persistent threat since⁹². Nationwide, hundreds of thousands of young ones are facing an uncertain future — according to UNICEF, more than 70 percent of the country's children are out of school.

Impacts on Women, children and youth

⁹⁰ <https://www.worldbank.org/en/country/southsudan/overview> April 21, 2022

⁹¹ Andrew Edward Tchie (2019). Why the latest peace deal in South Sudan won't hold, The Conversation. Accessed 2020, <https://theconversation.com/why-the-latest-peace-deal-in-south-sudan-wont-hold-113125>

⁹² Mercy Corps 2019: <https://www.mercycorps.org/blog/south-sudan-crisis>

Women and children are disproportionately impacted by the conflict in South Sudan. The majority of the population of the United Nations' displacement sites is made up of women and children, with more than 60 percent of South Sudanese refugees being under age 18⁹³.

According to the Commission on Human Rights in South Sudan, the number of female-headed households increased as a result of the conflict as male family members joined armed groups, were killed, abducted, or separated during conflicts. Further, widespread conflict-related sexual violence, which takes many forms, including rape, abduction and sexual slavery, sexual torture, beatings, cruel and unhuman treatment and many more, continue to threaten women's safety. While rape and sexual violence is being instrumentalized by conflict and war to disrupt the very fabric of communities and the integrity of households, gender-based violence in South Sudan can not be assessed in isolation. Deeply embedded patriarchal societal norms and attitudes and imbalanced power relations combined with widespread impunity, create a fueling environment for a culture of entitlement over women and girls.

Despite the signing of a peace deal between belligerents, September 2018, UN investigators found that at least 175 women and girls have been raped or suffered other sexual and physical violence between September and December 2018, and 49 of those girls who were raped, were children."⁹⁴

The harm caused by GBV and conflict-related sexual violence go beyond physical and mental harm and extend to the loss of livelihood. Shame and stigma associated with rape can force GBV survivors to stay silent. By reporting, survivors not only risk retaliation, but also adverse impacts of marriage, livelihood opportunities and affects on the dowry potential, for instance the Commission documented the pattern of husbands abandoning their wives following rape and sexual violence incidences. The Government of South Sudan must address impunity, translate the R-ARCSS into action and take decisive and transformative measures against sexual gender-based violence.⁸

The conflict directly impacted livelihood options for young people, especially in the rural areas, putting their future plans on hold as increased insecurity and precarity force young people to migrate or revert to crimes. Further, competition and employment discrimination along class, gender and ethnicity lines aggravated tensions in the midst of disruptions in the formal job market, market volatility, devaluation, inflation as a result of the conflict. The subsequent economic crisis and the endemic violence and trauma are thus considered to be key drivers of criminality, gang violence and rural cattle raiding, primarily conducted by young men. According to the report by Rift Valley Institute, some young men have accepted that in order to earn money to marry or to advance economically, they will have to loot or steal cattle. Compounded by external factors such as climate change, agricultural and cattle-herding become more dangerous and precarious. Militarization, marginalization and societal inequalities further limit the space for young people to thrive and advance livelihood aspirations. In such a volatile context, interventions focusing on individual entrepreneurship fuelled mistrust and anger amongst the young population. Moving forward, to counteract mistrust and re-build mutual solidarity, it is critical to build on collective economic actions.⁹

Displacement

According to Mercy Corps, 1.9 million people have internally displaced and more than 2.3 million have fled the country to five neighbouring countries (Fig 1)⁹⁵.

⁹³ Mercy Corps 2019: <https://www.mercycorps.org/blog/south-sudan-crisis>

⁹⁴ Human Rights, 2019: 'Endemic' sexual violence surging in South Sudan: UN human rights office: 15 February 2019

⁹⁵ Mercy Corps 2019: <https://www.mercycorps.org/blog/south-sudan-crisis>

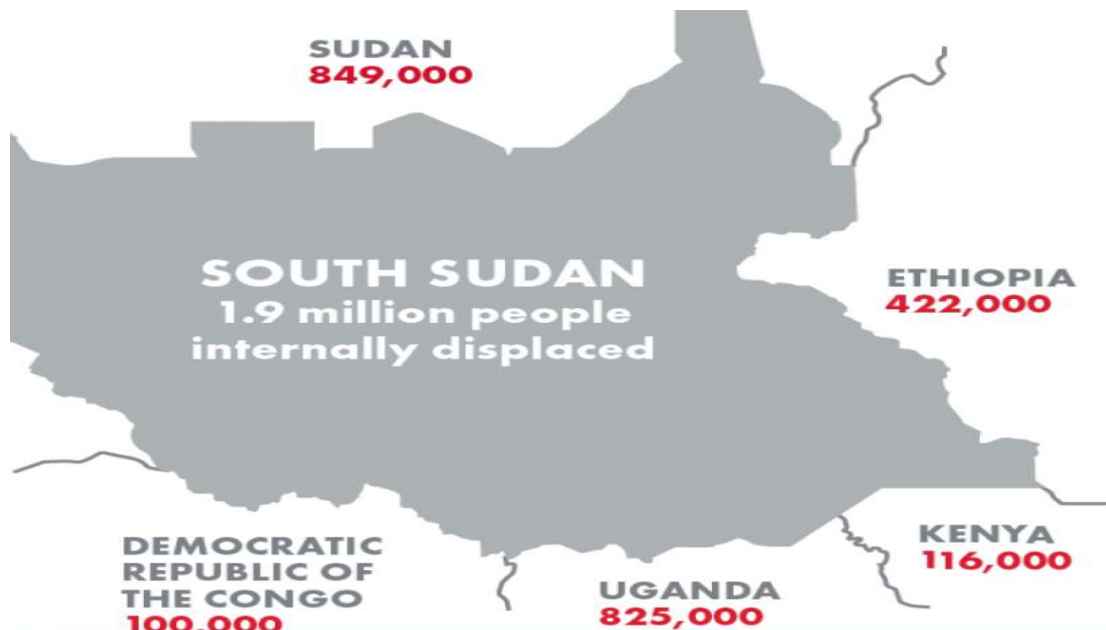


Figure 8 Mercy Corps, 2019

Child soldiers

As of October 2018, 19,000 children were reportedly involved in the South Sudan civil war as child soldiers, a claim that the South Sudan's People Defense Force vehemently denied. It's a sentiment shared by another group, the National Liberation Movement, which stated that they did not force any children to join their army; rather, it was the current situation that brought children and the army together. Between October 2014 and June 2018, the UN found that 6,500 children were recruited by both sides of the war and were subjected to many forms of abuses like abductions, killing, maiming and sexual abuse⁹⁶.

Intercommunal conflict

The displacement of people from their home have caused intercommunal conflict between the host community and incoming people over resource competition, cultural and ethnic difference.

Economic Crisis

Economy of South Sudan highly depends on oil. Since the war outbreak in 2013 and 2016, the economy has been severely impacted. Due to lower oil exports, government revenues, and disrupted agricultural production, the economy contracted by an estimated 5.4 percent in FY2020/21, while 4 in 5 individuals remain under the international poverty line.

The Revitalized Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS)

⁹⁶ World Vision 2020: South Sudan conflict: facts and how to help <https://www.worldvision.ca/stories/south-sudan-conflict-facts-and-how-to-help#:~:text=The%20South%20Sudanese%20civil%20war%20created%20a%20multitude%20of%20crises,and%20many%20human%20rights%20violations.>

The R-ARCSS was held in Addis Ababa, Ethiopia on September 12, 2018 with the aim of ending the 2013-2018 South Sudanese civil war through restoring the Agreement on the Resolution of Conflicts in the Republic of South Sudan (ARCSS) of August 17, 2015 and addressing the challenges of power sharing⁹⁷.

The signing of a revitalized peace agreement in 2018 and subsequent formation of Government in February 2020 have contributed to recovery and peace-building. Conflict events decreased significantly in 2019, allowing some refugees previously displaced in the region to return. At the same time, a resumption of oil production in oil fields previously shutdown due to conflict had raised the prospects of an oil-led recovery. The country, however, faces the risk of these gains being reversed, with increasing incidents of subnational violence in 2021 and early 2022, flooding and the COVID-19 pandemic exacerbating an already dire situation⁹⁸.

Demography and conflict dynamics of the selected counties (Conflict Sensitivity Resource Facility (CSRF) of South Sudan)

Conflict sensitivity is an approach that seeks to maximise the positive impacts of humanitarian and development initiatives for peace, whilst avoiding harm. Initiated in 2016, the Conflict Sensitivity Resource Facility (CSRF) supports the use of conflict sensitivity in donor strategies and programmes in South Sudan.

Through its three focus areas, the CSRF works with donors, policymakers and aid practitioners to maximise the positive impacts of aid and promote the integration of conflict sensitivity throughout all programmes, operations and policy decisions in South Sudan⁹⁹.

The demography and conflict dynamics of the selected the selected counties is annexed in this report.

READ and conflict Analysis

READ project will be implemented in 6/12 counties in South Sudan. As indicated in annex 1, IDPs and returnees have been settling in these counties and this in turn will cause: (i) intercommunal conflict between the native/host community and the incoming people, (ii) resource conflict, (iii) burden to local authorities and aid agencies in terms of aid and support distribution. Therefore, implementation of READ projects should ensure that:

Adequate quotas should be given to IDPs and returnees

Special support to Cooperatives, MSEs etc that are supporting IDP and returnees

Collaboration with other UN and NGO operating in these counties.

Targeting of Bomas and Payama should consider Number of IDP, returnees as well as conflict dynamics.

Conclusions

Two years after independence, South Sudan has faced sever conflict that have caused displacement of more than four million people internally as well as to the neighbouring countries. Agreement on the Resolution of Conflicts in the Republic of South Sudan (ARCSS) was signed in 2016 but has not been stayed longer as another round of devastating conflict emerged in 2016. The parties to the conflict have also been signed a

⁹⁷ The Revitalized Agreement for Resolution of Conflict in South Sudan (R-ARCSS): Horn Policy Brief No. 17 February 1, 2019

⁹⁸ <https://www.worldbank.org/en/country/southsudan/overview> April 21, 2022

⁹⁹⁹⁹ [Home - csrf-southsudan.org](http://Home-csrf-southsudan.org)

revitalized agreement to the ARCSS (R-ARCSS) in 2018. Although conflict and its consequences have reduced since the R-ARCSS, there have still been some conflicts in almost all counties. Therefore, a detailed peace and conflict analysis should be undertaken to understand the situation in the target counties prior to actual implementation of project activities.

Recommendations

Based on the preliminary conflict analysis, the following recommendations are forwarded to ensure successful implementation of READ projects:

Targeting: Selection of Bomas and Payams as well as targeting of cooperatives, RPOs, MSEs etc and its members should follow a transparent and participatory process to ensure targeting of people severely affected by the war as well as flooding and drought. Special attention should be paid on ethnic balance to avoid false perception on preferential selection of groups over another.

Peace and conflict analysis: Conflict Analysis has three stages: (i) Preparation, (ii) ownership creation and implementation. The third stage encompasses data collection, consultation as well as analysis of results. Therefore, an in-depth peace and conflict analysis should be done prior to implementation of project activities. Most importantly, the findings of the peace and conflict analysis should be mainstreamed into project components and activities. Further, it will inform the development of a conflict-sensitive FPIC implementation plan.

Training and awareness: As part of the READ capacity development programme, training and awareness on peaceful resolution of conflicts should be given to target cooperatives, RPO and communities to ensure successful implementation of READ.

Collaboration with other organizations: coordinated effort to operate in conflict situation is important for informed planning, respond to conflict, resource sharing etc.

Table 1: Conflict Sensitivity Resource Facility (CSRF) of South Sudan

Country	population		Displacement Figure (Q1 2020)		Conflict dynamics
	2008 census	2020 projection	IDPs	Returnees (Q1 2022)	
RENK (upper Nile state)	137,751	188,564	17,721	82,804	<p>-Since the signing of the R-ARCSS in September 2018, Renk County has become more stable and economic activities have resumed. However, the county continues to experience sporadic violence.</p> <p>-For example, in November 2019, government forces clashed with militias from Sudan who crossed the border. Additionally, in early 2020 the county experienced protests against the return to the 10-state arrangement</p>
AWEIL CENTER (NORTHERN BAHR EL-GHAZAL STATE)	41,827	79,060	14,805	11,698	<p>-has not been significantly directly affected by the most recent civil war</p> <p>-Some defection between government and opposition forces</p> <p>-Inter-communal violence has also been evident historically in the county, primarily with Rezeigat pastoralists from Sudan who migrate southwards during the dry season. With the assistance of humanitarian actors, a peace conference was held between the two communities in 2018 to mitigate tensions (UNDP, 2018).</p>
TAMBURA COUNTY (WESTERN EQUATORIA STATE)	55,365	110,431	803	24,397	<p>-The location of Tambura on the borders between Western Equatoria and both Western Bahr el-Ghazal and Central African Republic, meant that it has been impacted by conflict in a multitude of ways. Insecurity associated with seasonal movements of pastoralists and irregular movements of armed groups</p> <p>-Insecurity greatly restricted freedom of movement along major trade and transportation routes, which were key to the local economy (frequency and severity not mentioned)</p> <p>-</p>
NZARA COUNTY (WESTERN EQUATORIA STATE)	65,712	81,075	6,130	7,708	<p>- During the operations against the Ugandan-based Lord's Resistance Army (LRA), peaking in 2009, the Ugandan military established a base in southern Nzara county in Li-Rangu payam.</p> <p>-Although the presence of the Ugandan military base rendered Nzara relatively calm and stable following the outbreak of civil war in South Sudan in December 2013, local authorities in Nzara County did complain of clashes</p>

Country	population		Displacement Figure (Q1 2020)		Conflict dynamics
	2008 census	2020 projection	IDPs	Returnees (Q1 2022)	
					<p>between the SPLA and unknown gunmen potentially affiliated with the 'arrow boys' following the spread of the conflict into Western Equatoria State (Sudan Tribune 2015).</p> <p>-Fighting in neighboring counties also resulted in spikes of increased insecurity on roads leading in and out of Nzara County. This restricted the freedom of movement and limited access for traders and transportation of goods to supply the local market</p>
YAMBIO COUNTY, WESTERN EQUATORIA STATE	152,257	158,961	3,360	25,974	<p>-Relatively calm until 2015</p> <p>-Tension in the county began to emerge initially between cattle-keeping communities from Lakes State and indigenous communities who are predominantly farmers. The tensions escalated with the involvement of 'arrow boys' supporting local farmers to defend their land against perceived encroachment by cattle-keepers.</p> <p>-Over time the SPLA became involved in these clashes and were perceived as lending their support to cattle-keeping communities. This was further exacerbated by the firing and replacement of the widely-supported State Governor in 2015,</p>
MARIDI COUNTY, WESTERN EQUATORIA STATE	82,461	92,205	15,932	8,959	<p>-periodic clashes between the National Salvation Front (NAF) and the SPLA/SSPDF occasionally result in displacement of civilians to areas in Maridi, such as the displacement of 612 people to Maridi Town and the DRC in Feb 2020 (IOM 2020).</p>
YEI COUNTY, CENTRAL EQUATORIA STATE	201,443	271,197	67,511	10,097	<p>-However, its infrastructure and proximity to the border led it to become a site for hosting IDPs as hundreds of Nuer IDPs sought refuge in counties including Yei, where they were protected by the Government in the former UNMISS compound.</p> <p>-Yei has also been a site of refugee settlement for those displaced from neighboring countries, particularly that of the Democratic Republic of Congo.</p> <p>-Following the escalation of conflict in 2016, the situation in Yei County changed significantly, due to the sustained presence of armed rebel groups</p>

Country	population		Displacement Figure (Q1 2020)		Conflict dynamics
	2008 census	2020 projection	IDPs	Returnees (Q1 2022)	
					<p>in the area and neighboring counties. This led to significant displacement within the county, as well as across international borders, primarily to Uganda.</p> <p>-The National Salvation Front (NAS), led by Thomas Cirillo, has frequently clashed with the South Sudan People's Defense Force in the area and is not a signatory to the 2018 peace agreement. Clashes were reported as recently as May 2020 (Abraham, 2020), and as a result, the future security of the area remains precarious. In addition to the civil war, contestations over land due to migration to the area have also created tension between the host community and those settling in the county.</p>
KAJO-KEJI COUNTY, CENTRAL EQUATORIA STATE	196,387	221,902	17,273	33,671	<p>- Prior to 2016, there were ongoing intercommunal conflicts, -it was significantly impacted by the second outbreak of conflict in 2016 -Those who were displaced from Kajo-Keji fled primarily to Uganda. -In addition, disagreements between the Kuku community and the Moyo community in neighboring Uganda over the demarcation of the border remains a flashpoint. In September 2014, tensions over land rights erupted into conflict which killed dozens on both sides of the border (UNMISS, 2015). -Although the security situation has improved since the signing of the peace agreement in 2018, much of the population remains displaced and sporadic insecurity prevents IDPs and refugees from returning home.</p>
MAGWI COUNTY, EASTERN EQUATORIA STATE	169,826	248,107	15,312	68,971	<p>-Magwi's strategic position on the border with Uganda has made it vulnerable to multiple conflict dynamics associated with movement of displaced populations and armed groups. - disputes relating to ownership and demarcation of land – in particular the border between Madi-dominated Pageri Payam and Acholi-dominated Magwi Payam, and the location of the county headquarters and Ame road junction. The division of the county into two separate administrative areas or 'corridors' – Magwi Administrative Area and Pageri Administrative Area – was intended in part to address this tension although disputes continued. Additionally, due to the presence of SPLA barracks in Pageri Payam and the military training</p>

Country	population		Displacement Figure (Q1 2020)		Conflict dynamics
	2008 census	2020 projection	IDPs	Returnees (Q1 2022)	
					<p>center in Uwinjibul, there were sporadic clashes with the local community and soldiers.</p> <p>The outbreak of conflict in December 2013 – and in particular the spread of violence into the Equatorias in 2016 – further heightened tensions over land. The displacement of Dinka IDPs that had relocated to the area mainly from Jonglei State as a result of the spread of armed conflict fueled Madi frustrations. The increasing presence of different opposition factions in the Equatoria region since 2016 contributed to growing insecurity in the county. Clashes between government forces and different armed factions were observed between 2016 and 2018, which led to the mass exodus of population back into Uganda.</p> <p>The security situation has begun to stabilize since 2019, particularly with the implementation of the revitalized peace agreement and the cantonment of soldiers. With the assistance of aid organizations, peace committees have been set up in Magwi County to help mediate communal clashes. Additionally, parts of Magwi County’s border with Uganda are contested by communities on both sides. While a committee has been set up to resolve this dispute, to date there has not been a permanent resolution.</p>
TORIT COUNTY, EASTERN EQUATORIA STATE	99,740	58,644	2,499	8,295	<p>-The outbreak of the civil war in December 2013 and subsequent insecurity in Torit County led to widespread displacement, with significant increases in displacement trends observed in 2016 and again in 2017.</p> <p>- These incidents were both a result of communal clashes, as well as clashes between government and opposition factions in the area</p> <p>- High poverty rates and insecurity along major roads prevented many IDPs from being able to flee out of the county.</p>

Country	population		Displacement Figure (Q1 2020)		Conflict dynamics
	2008 census	2020 projection	IDPs	Returnees (Q1 2022)	
					- Since the signing of the peace agreement in 2018, the security situation in Torit has been relatively stable, with no major incidents reported
TEREKEKA COUNTY, CENTRAL EQUATORIA STATE	144,373	246,483	23,165	22,352	<p>- Terekeka's conflict dynamics have long been marked with communal clashes. The Mundari residing in this county share proximity to Bari and Dinka groups, which has at times led to conflict over access to water and land between local armed militias, both of which are needed to sustain livelihoods related to agriculture and animal husbandry (UNICEF, 2003)</p> <p>- While there has been no major fighting between government and opposition forces in Terekeka following the outbreak of civil war in December 2013, its strategic location between along the Juba-Bor highway has made it vulnerable to movement of armed groups and associated displacement and food insecurity.</p> <p>- Terekeka's proximity to fighting in Jonglei has also led it to host significant IDP population from the state.</p> <p>- Tension has also arisen over Terekeka's administration and boundaries. This was related to President Kiir's decision to split Central Equatoria State into three, as part of his move to establish 28 states in December 2015.</p> <p>- Since the signing of the R-ARCISS peace agreement in 2018, the security situation in relation to the civil war has stabilized, however communal clashes continue to impact the area (REACH, 2019).</p>
BOR SOUTH COUNTY, JONGLEI STATE	221,106	327,583	29,063	51,117	- Bor Town was almost entirely destroyed by fighting between the SPLA and newly-defected SPLA division – with support from Nuer militia – in late 2013 and early 2014, with at least 2,500 people killed and thousands displaced (SAS 2014).

Country	population		Displacement Figure (Q1 2020)		Conflict dynamics
	2008 census	2020 projection	IDPs	Returnees (Q1 2022)	
					<ul style="list-style-type: none"> -Relative stability has since returned to the county and Bor Town has been rebuilt and remains a key market town, although not at its previous strength. - Eastern Bor South County borders the Greater Pibor Administrative Area (GPAA) and has been the site of large cattle raids and intercommunal tension

South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex: Ssd Read Annex Targeted Adaptation Assessments

Mission Dates: 10-19 May 2022

Document Date: 08/11/2022

Project No. 2000004330

Report No. 6197-SS

East and Southern Africa Division
Programme Management Department

Annex: Targeted Adaptation Assessments

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Background of READ Project:

Title of the project/programme: Rural Enterprises for Agricultural Development (READ) Projects

Target counties: the project will be implemented in six counties namely: Awaik Centre, Magwi, Maridi, Nzara, Renk and Yambio counties.

Name of the executing entity: The project will be owned by the Ministry of Agriculture and Food Security. IFAD is the supervising entity and UNDP is the fund manager. **Contacts: Bong (UNDP)**

Summary of the project/programme

The Rural Enterprises for Agriculture Development (READ) project will be financed by the Global Agriculture and Food Security Programme (GAFSP) and its aims is to respond to critical growth and development challenges confronted by smallholders by supporting the development of rural producers' organizations (RPOs) as effective value-chain actors and credible partners for upstream and downstream stakeholders. The READ project seeks to foster the holistic development of RPOs, by promoting good governance and accountability systems vis-à-vis their constituencies, enhancing their sustainable business models and economic initiatives and strengthening their capacity to provide services to farmers including facilitating access to financial services, technology, inputs and markets. READ project will also contribute to the peace, recovery and stabilization agenda in South Sudan by strengthening the social fabric within communities and creating livelihood opportunities for the rural population, including returnees and IDPs.

The overall goal of the Rural Enterprises for Agricultural Development (READ) project is to 'improve food security, income and resilience among the targeted rural households.' The Project Development Objective is to 'empower Rural Producers' Organization (RPOs) as sustainable and resilient food value chain players.

READ will be implemented through a conflict sensitive lens, whilst ensuring inclusion and empowerment of youth and women. READ development objective will be achieved through the effective implementation of two interlinked and complementary technical components: (i) Rural Producers' Organisations Development; (ii) Inclusive Rural Financial Services; (iii) Policy and Regulatory Framework Development. The third component will seek to ensure that READ is effectively implemented, including support to the development of key policies and capacity building of MAFS at the central and local levels as well as project support by the G-PCU and the PMT of the FM.

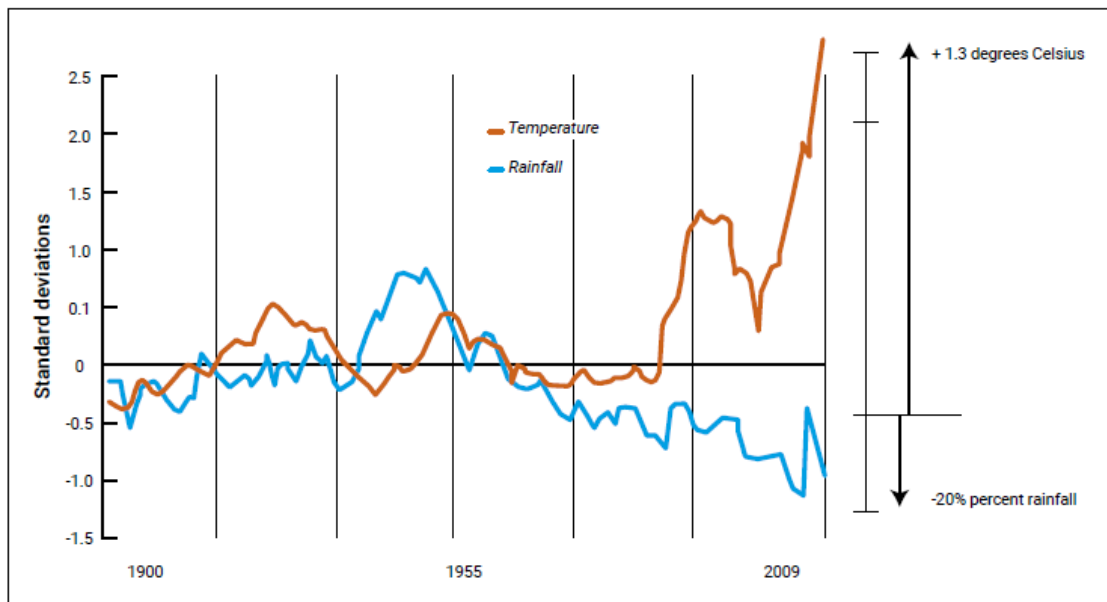
1.5 Date of preparation of the vulnerability and adaptation assessment June-July 2022

Climate trends and impacts

South Sudan lies within the tropical zone between latitudes 3°N and 13°N and longitudes 24°E and 36°E. The climate ranges from Tropical Semi-Humid with a short rainy season in the north, to Tropical Wet-Dry and Tropical Rainy climates with longer wet seasons in the south. South Sudan receives ~1 billion m³ of rain annually, which can be classified into two major rainfall regimes – unimodal and bimodal. The unimodal rainfall regime occurs in the north with a six month wet season from May to October. The southern part of the country has a bimodal rainfall regime with high rainfall for 7-8 months a year, which ranges from 500-600 mm annually to 1500 mm annually. Rainy seasons are influenced by the annual shift of the Inter-Tropical Convergence Zone and the shift to southerly and south westerly winds, which leads to higher temperatures and humidity as well as increased

cloud cover. There are prominent variations in rainfall and the length of the dry season. However, there is little temperature variation over the country or within season. Mean annual temperatures vary between 26°C and 32°C (NAPA, 2016).

The meteorological service of South Sudan suffers from inadequate weather and climate-forecasting equipment (BRACED, 2016). Available data show that temperatures in South Sudan are rising and the weather is becoming drier (USAID, 2016). It is likely that these changes are related to global climate change. According to Richardson (2011), there has been an increase of temperature by 1.3°C and rainfall reduced by 20% between 1900 and 2009. In the 2000s, much of South Sudan was over 2 °C warmer on average than in the 1970s, with the central and southern regions registering an increase of as much as 0.4 °C per decade – one of the highest increases in the world. By 2060, South Sudan will get warmer by about 1 °C over and above 2020 values. Rains in South Sudan have declined by 10-20 per cent since the mid-1970s. Average rainfall is expected to decline by 10-20 per cent for any observed warming of more than 1 °C. A general trend of delayed and shortened rainy seasons over the years has been reported in many places



Source: (Richardson, 2011)

Figure 10: Historic data for Temperature and Rain Fall

Since the mid-1970s, average temperatures have increased by 1°C, while some regions have experienced temperature rises of up to 0.4°C per decade (BRACED, 2016). It is projected that average temperatures in South Sudan will rise by 1°C by 2060, with lower increases in the south (USAID, 2016). Table 1 presents an overview of the climatic changes that have already occurred in South Sudan (left-hand column) and the predicted changes in those parameters in the future (right-hand column).

Table 1. Climate change trends in South Sudan, past and future

Historical change Historical climate trends include:	Future change Projected changes include:
In the 2000s, much of South Sudan was over 2 °C warmer on average than in the 1970s, with the central and southern regions registering an increase of as much as 0.4 °C per decade – one of the highest increases in the world.	By 2060, South Sudan will get warmer by about 1 °C over and above 2020 values.
Rains in South Sudan have declined by 10-20 per cent since the mid-1970s.	Average rainfall is expected to decline by 10-20 per cent for any observed warming of more than 1 °C.
A general trend of delayed and shortened rainy seasons over the years has been reported in many places.	Between 1960 and 1989, the area of 858,000 km ² receiving more than 500 mm rainfall declined; if present rainfall trends continue, by 2025, it is expected to reduce to 249,000 km ² (30 per cent of the area).

HISTORICAL CLIMATE CHANGE CONDITIONS

South Sudan has experienced changing climate conditions and weather patterns over the past several decades. Average temperatures have increased by around 1-1.5°C since the 1970s (GERICS 2015, USAID 2016a, UNEP 2018, PREPdata 2018). While temperatures were already increasing since the 1950s, the rate of increase has increased significantly in the past three to four decades (GERICS 2015, UNEP 2018). The increase in maximum temperatures is slightly higher than the increase in average temperatures, elevating the incidence of extreme heat conditions (GERICS 2015).

Assessment of the historical precipitation data is less conclusive than temperature information. A USGS and USAID (Funk et al. 2011) climate trend analysis for Sudan indicates that the average rainfall during the wettest months, June through September, for Southern Sudan between 1990-2009 is around 20% lower than the average for the same months from 1900-1989 (Funk et al. 2011). Numerous resources, such as the USAID Climate Risk Profile (USAID 2016a) and UNEP State of Environment (UNEP 2018), have relied on this data. A decreasing trend for both annual and June through September precipitation over the 1951-2000 trend is also observed across three rainfall stations (Juba, Wau, and Malakal) in South Sudan (WB 2015), with Wau experiencing the greatest precipitation decrease. However, station data collected by FAO and shown in the UNDP/MOE Environmental Impacts, Risks and Opportunities Assessment (UNDP 2011) shows no clear change in annual rainfall between 1980 and 2010. Additionally, the historical data in the PREP Data dashboards, which are summaries of historical and future climate trends and shared below in the future projections section, generally suggest little change or slight increases in precipitation between the 1970s and 2010 (PREPdata 2019). This data is based on downscaled model projections informed by observed climate records¹. Finally, spatially averaged observed data for the area show no substantial change in the precipitation overall over the past century, but a slight increase of around 10% since the 1980s (GERICS 2015). Ultimately, station data appears to suggest annual and rainy season average precipitation levels have either remained broadly constant or declined in recent decades, while gridded observational datasets suggest slightly increasing precipitation level. These discrepancies highlight the potential that different observation methods can yield different results, potentially based on location of observations, and reinforce the need for spatially significant observations and projected trends that are tailored to the needs of a specific sector, such as agriculture. The importance of precipitation variability should not be overlooked. Historical precipitation exhibits large annual variability, often shifting from 50 percent lower average rainfall in

one year to 50 percent higher than the average the next year (UNDP 2011, GERICS 2015, UNEP 2017). The variability in both timing and amount of rainfall has been increasing (USAID 2016a). Analysis from weather station data for the period 1961-2013 indicate high rainfall variability across the regions. Whereas the southern and central regions have experienced decrease in rainfall, some parts of the western and eastern regions have experienced increase in rainfall (USAID East Africa 2018). There also appears to be increasing delays and/or early finishes of the rainy season, resulting in overall shortening of the rainy season (UNDP/MOE 2011). It is also reported that droughts have become more frequent and widespread since the 1960s (Funk et al. 2011, UNEP 2011).

FUTURE CLIMATE PROJECTIONS

There is broad agreement across climate models that the average annual temperature across South Sudan is expected to increase by around 1-1.5°C by 2060 compared to current average temperature (USAID 2016a, UNEP 2018 , PREPdata 2019). In addition to increasing average temperatures, maximum and minimum temperatures are expected to increase at around the same rate (GERICS 2015, PREPdata 2019). The higher temperature regime is projected to result in shorter cold spells as well as both more extreme heat days, or days with temperatures in the top 1% of temperatures project2 , and longer heat waves (estimated at 5 to 32 days longer by 2085) (GERICS 2015, PREPdata 2019).

There is less agreement around projections of future precipitation changes. Because there is greater uncertainty regarding future precipitation changes, it is important that adaptation and resiliency-building efforts consider a wide range of potential future precipitation scenarios. In the relatively near term (up through 2040), continuing trends from station data suggest the potential for decreasing rainy season length and total annual precipitation (USGS/USAID 2011). This could result in increased drought incidence. However, for the coming decades, a majority of climate models project greater likelihood of slightly increasing total annual precipitation, particularly increases in the November – March dry season (GERICS 2015, PREPdata 2019). These differences may be explained because the near-term trend analyses are projecting forward based on historical results while the models are accounting for changes in global and regional atmospheric conditions.

Unlike temperature projections, there is very significant variation between model projections for total annual precipitation, with numerous model simulations showing decreased rainfall and many showing increased rainfall (GERICS 2015, PREPdata 2019). While difficult to predict, overall, both the frequency and length of dry spells are projected to stay relatively stable or decrease in the coming decades (GERICS 2015, PREPdata 2019). This aligns with the general expected increase in precipitation levels. However, the increased temperatures could result in greater evapotranspiration, increasing drought impacts if not incidence (Funk et al. 2011). Decreasing rainfall in some years, combined with increasing temperatures, could also result in more intense or longer dry spells and droughts. There is also broad agreement that the frequency and intensity of heavy rainfall events is projected to increase (GERICS 2015, USAID 2016a, PREPdata 2019). While the overall average across models suggests slightly increasing precipitation in the coming decades, it's important to account for the possibility of drier future conditions and increased drought. Even if overall rainfall increases, it is also expected to be more variable, and thus dry years may also become more likely even in a slightly wetter future. The projections through 2040 developed by USGS/USAID (Funk et al. 2011) for the Famine Early Warning Systems Network (FEWSNET) that suggest continued decreasing rainfall are based on both extrapolated trends as well as local ocean-climate patterns. These findings have been referenced in and shaped many of the climate change analyses for South Sudan, including the USAID Climate Risk Profile (USAID 2016a) and the recently-released State of the Environment report (UNEP 2018) by the UN Environment Programme. Given the uncertainty around precipitation projections, it is important to consider and plan for a wide range of possible future precipitation conditions.

Climate change has long been affecting agriculture and water sector in South Sudan. Most of the people, being dependent on rainwater, the delayed onset of rainy season and prolonged dry spell changes the seasonal calendar of the country, which in turn affects the production system.

Although South Sudan contributes very little to global greenhouse gas emissions, it is highly vulnerable to the impacts of rising temperatures and increased rainfall variability due to climate change, since pastoralists and farmers rely heavily on seasonal rains. Indeed, according to the 2017 Climate Change Vulnerability Index, South Sudan ranks among the five countries in the world most vulnerable to the impacts of climate change. The others are the Democratic Republic of the Congo, the Central African Republic, Haiti and Liberia (Reliefweb, 2017). Climate change is thus a significant driver of environmental change in South Sudan.

In addition to the scientific evidence of climatic change in South Sudan, agro-pastoralists and farmers have noticed the delayed onset of rains, prolonged dry spells at the beginning of the wet season and an increase in the intensity of rainfall events, resulting in more erratic and heavy flooding (Murray, 2016).

The population of South Sudan is extremely vulnerable to the impacts of increased warming and unpredictable and reduced rainfall, given its fragile state and its extreme dependence on rain-fed subsistence agriculture. A warmer climate and drier weather have food security implications, reducing crop harvests and pasture availability and intensifying the impacts of droughts and floods. If the current climate change trend continues, rain-fed agriculture may become untenable.

[Indication of Hazard, exposure, sensitivity and adaptive capacity](#)

South Sudan is the most vulnerable country to the impact of climate change. According to the Dame Notra, it is the 5th most vulnerable and 178 least ready to climate impacts. (Reference). Climate impacts such as drought and flooding have long been impacting the agriculture and water sector in the country and they have also contributing to humanitarian crisis (reference). For example, flooding in October and November in 2021 have affected 9 states, out of the 10, affecting the livelihood of more than three million people and causing the displacement of 800,000 citizens.

Based on the official request of the government of South Sudan, IFAD has been developing a concept note to mobilize resource from the Global Agriculture and Food Security Programme (GAFSP) in 2021. The concept note was on Rural Enterprises for Agricultural Development (READ) and it was approved. A design mission to South Sudan to develop full funding proposal was undertaken on May 2022.

READ project is subjected to IFAD's new SECAP, 2022 and according the project was screened against its environmental and social as well as classified against its climate impacts. Hence, the project has been classified as SUBSTANTIAL for its climate impact and Climate Risk Analysis and Targeted Adaptation Assessments have been triggered.

This climate Risk Analysis and Targeted Adaptation Assessment is therefore prepared using IFAD's tools such as the Climate Adaptation for Rural Development (CARD), Adaptation Framework as well as World bank's tools such as the thinkhazard model and the Climate Change Knowledge Portal (CCKP). Furthermore, a reference was made to SSLRP Climate Risk Analysis report which was prepared based on (i) secondary data on historic and projected climate information for both temperature and rainfall/precipitation. The date and information on the climate trends were obtained mainly from National Adaptation program of Action (NAPA) for South Sudan, State of the Environment for south Sudan as well as researched and assessments made by USAID and BRACED and (ii) Climate vulnerability assessment model and dashboard specifically prepared for SSLRP.

Substantial Climate Risk has a big implication to project implementation in general and components, stakeholders and beneficiaries in particular and hence it is important to

make sure that the prioritized adaptation measures are adequately integrated into project objectives, components and activities. Furthermore, a system/structure that enable implementation of the adaptation measures should exist at UNDP, MAFS and other stakeholders.

Climate Vulnerability Assessment model

Climate Vulnerability Assessment Model/tool was developed for the South Sudan Livelihood Development Project (SSLRP) in 2021. Hence appropriate data and information was gathered from the model to prepare this report for READ project.

Climate vulnerability assessment model aims to produce spatial information supporting the users in highlighting hotspots of particularly high relative vulnerability within the area of interest (AOI) due to constellations of high climatic stress, high sensitivity, and low adaptive capacity. The goal is to provide useful information able to answer the user’s needs in the different IFAD investment stages. The model relies on the IFAD GeoScan spatial database (200 layers +). The selection of data to be plugged in the model comes out from the interaction with the final users where the needs are discussed and possible outputs are identified.

Climate Vulnerability assessment is a factor of sensitivity, exposure and adaptive capacity and is calculated as $(Sensitivity + Exposure - Adaptive Capacity / 3)$.

Variables by components

According to the climate vulnerability assessment form, the following shows variables identified per each component.

Table 2: Variables by components

Exposure	Sensitivity	Adaptive capacity
Rainfall variability, Rainfall trend Dry-spell PCI and PCI trend Heavy rains (n.) avg and trend Dry (Poor) season frequency Max temperature trend	Flood exposure (pop) Drought exposure (pop) Erosion Land degradation Wildfires Poverty (stunting, wasting, undernourished) Conflicts Accessibility (over 2 hrs)	Accessibility <= 2 hrs.

The model was prepared at Country level where status of the components can be seen for the states as well as for the specific counties. Furthermore, the model was considered with and without adaptive capacity.

Methodology:

The model was prepared using the following methodologies

Selection of Variables: As discussed above, this was made in consultation with the PDT for the SSLRP and a number of variable have been identified (Table 1)

Normalization: Standardisation makes the variables ranging from 0 to 1 in order to make them comparable to each other. Those data sets where a higher value means lower vulnerability are inverted $(X_{std} = (x - min) / (max - min))$

Aggregation by component and Final Aggregation: by additive approach. It is a simple and widely used method of calculating vulnerability indices. In this

approach, values derived from the standardization of the single variables, are added to create a single index and no prior assumptions about the importance of each variable (weight*) in the overall sum are made.

*The composite index approach assumes that different variables contribute differently to the overall vulnerability. The weight given to a variable is based on expert judgment or is derived from statistical analyses.

Rating (score): the rating in the vulnerability assessment tool is in the range between very low to very high and on the dashboard between 1-5 which is equivalent to tool rating.

Exposure, sensitivity and adaptive capacity results

As indicated in table 1, the vulnerability of Yambio, Al Renk and Aweil is medium and that of Magwi and Meridi is very low. Exposure of the counties to climate impacts is low for AL Renk and Aweil and very low for Yambio, Magwi and Meridi. Magwi is highly sensitive county to the impact of climate change while the sensitivity of other counties is low. Also, the adaptive capacity of Magwi is very high; Meridi and Yambio is Medium; Al Renk is low and that of Aweil is very low.

Hazard

The world Bank's Think Hazard tool was used to see the hazards of the target counties. Accordingly, there is high level of fire hazard in all counties. Furthermore, Al Renk and Aweil counties are most susceptible hazards such as river flood, extreme heat and water scarcity. Earth quick is not as such big concern in most of the counties except in Magwi in which the hazard level is medium.

Table 3: Vulnerability, exposure, sensitivity and adaptive capacity of selected counties: (Data available from the Climate risk and vulnerability assessment dashboard prepared for the SSLRP)

County Name	Magwi	Meridi	Yambio	Al Renk	Aweil
Province Name	Eastern Equatoria	Western Equatoria	Western Equatoria	Upper Nile	Northern Bahr Al Ghazal
Estimated Population in District	1082544	209519	318472	205146	322029
Vulnerability Characterised	Very Low	Very Low	Very Low	Medium	Medium
Vulnerability Class	1	1	1	3	3
Exposure to Climate Impacts Characterised		Very Low	Very Low	Low	Low
Exposure to Climate Impact Class	1	1	1	2	2
Sensitivity to Climate Impacts Characterised	High	Low	Low	Low	Low
Sensitivity to Climate Impacts Class	4	2	2	2	2
Adaptive Capacity Class	5	3	3	2	1

Table 4: Think hazard tool of the World Bank

Climate indicator	Magwi	Meridi	Yambio	Al Renk	Aweil
Wild Fire	High	High	High	High	High
River flood	Medium	Low	Medium	High	High
Urban flood	Medium	Very Low	Very Low	High	Low
Earth Quake	Medium	Very Low	Very Low	Very Low	Very Low
Extreme heat	Medium	Medium	Medium	High	High
Water scarcity	Low	Very Low	Very Low	High	High
Land slide	Very low	Very Low	Very Low	Very Low	Very Low

Adaptation options for sectors:

IFAD’s adaptation framework as well as the second nationally determined contributions of South Sudan have been used to identify and prioritize adaptation options for the READ project. Furthermore, the Climate Adaptation in Rural Development (CARD) assessment tool is used to see crop production trends under climate change.

South Sudan’s Second Nationally Determined Contributions:

South Sudan updates its first Nationally Determined Contributions (NDC) in 2021. The updated NDC include the country’s changing climate and its development considerations. As part of South Sudan’s increased ambition, this second NDC has also increased the country’s sectoral coverage, and instituted additional mitigation and adaptation measures in sectors that were included in the first NDC. These strategies have been designed to ensure that South Sudan adopts a sustainable and low-carbon growth pathway while also supporting the country’s vision to ‘transition from a least developed country to a middle-income country by 2030 supported by inclusive, stable and sustainable economic growth whilst alleviating poverty’

The Adaptation and mitigation strategies and activities of sectors relevant to READ project are considered (Tables 3-6) in this report.

Table 5: Adaptation strategies for agriculture and fisheries

Adaptation		Mitigation	
Strategy	Activities	Strategy	Activities
Promote climate-smart agriculture and livestock techniques. To increase productivity, reduce vulnerability to droughts and other climate-related risks while reducing GHG emissions.	Assessment of specific climate-related risks and vulnerabilities on food producing sectors.	Implement initiatives to reduce emissions related to agricultural soils	Promote measures such as crop rotation that require less fertilizer and hence reduce the risk of nitrate leaching into surface and subsurface waters.
	Develop climate-smart projects on building resilience of livestock and pastoral communities, especially, in rural areas		Promote reduced tillage and modern grazing practices such as zero grazing, to allow carbon to remain in the soil as a result of less microbial activities.
	Build the capacity of local communities on climate change		Promote measures to reduce crop-residue burning.

Adaptation		Mitigation	
Strategy	Activities	Strategy	Activities
			increasing the organic content of the soil, enhancing the amount of carbon sequestered, such that the soil becomes a net carbon sink.
	Implement control measures for crop pests and diseases to prevent crop loss.	Promote sustainable and climate-smart livestock management.	Disseminate the National Livestock Feed Guide to all the key stakeholders (FAO, 2021).
Promote the use of climate-resilient seeds and crops. (for example, utilizing varieties of flood-resilient rice in flood-prone areas).	Implement the Seed Policy that was drafted in 2012 by the Ministry of Animal Resources and Fisheries that focuses on establishing a Seed Testing and Certification Agency to control the quality of seed in the country.		Increase uptake of leguminous fodder shrubs; improve grassland management; greater use of locally available supplements to help improve livestock feed. Implement grazing management strategies, such as rotational grazing, common grazing and zero grazing, that will allow carbon to remain intact in the soil. Carry out continuous monitoring (with regard to duration and frequency) of grazing of animals to reduce soil emissions and erosion
	Development of a seed breeding and seed bank centre to provide climate-resilient seed varieties to farmers across the country.		
Adoption of digital solutions to keep farmers informed about agricultural markets.	Conduct a feasibility study for the development and adoption of digital solutions to enable farmers' access to information on agricultural hubs and climate-related information		
Promote community-based watershed management. Establishing rainwater harvesting structures and encouraging communities to participate in watershed management initiatives for maintaining water quantity	Excavate haffirs (local rainwater harvesting structures) in strategic locations.	Create agricultural hubs with closed agricultural loops	Establishing markets closer to production areas will allow quicker and more efficient transportation of produce, thus helping reduce post-harvest losses
	Community-managed construction of boreholes and maintenance of existing ones for use of livestock and		Promote reuse and recycling of waste generated within agricultural systems to ensure efficient waste management

Adaptation		Mitigation	
Strategy	Activities	Strategy	Activities
and quality will be key aspects of the second NDC.	their owners.		and reduction in emissions
Conduct rangeland mapping to control overgrazing.	Disseminate the National Livestock Feed Guide to all key stakeholders and build the capacity of livestock owners to adopt good practices for managing livestock feed.		Establish adequate transport and cold-storage solutions to reduce post-harvest losses. Given the costly nature of these interventions,
	Reseed and introduce high-quality grass seeds in rangelands; encourage communities to produce fodder for commercial purposes.		
	Promote the adoption of modern grazing techniques such as rotational grazing, common grazing and zero grazing.		
Implement water management initiatives for livestock in regions prone to droughts. To reduce vulnerability of pastoralist communities during dry seasons, water conservation and management initiatives to ensuring future water availability.	Conduct research and develop maps that indicate the rangelands of South Sudan.		
	Utilize the results of studies to construct water harvesting structures and boreholes in states prone to droughts and conflicts over natural resources.		
Introduce an index-based livestock insurance system in the country.	Conduct a feasibility study for an index-based livestock insurance system.		
Build traditional knowledge to support community-based adaptation.	Conduct and document a study on ethno-veterinary knowledge		
	Utilize traditional knowledge of rural and local communities into modern plans to support climate adaptation in the sector		
Establish early warning systems.	Develop conflict-mitigation measures to address conflicts on natural resources		

Table 6: Adaptation and Mitigation strategies for the forestry sector

Adaptation		Mitigation	
Strategy	Activities	Strategy	Activities
Sustainable management of forests through community involvement	Enable community members to participate in the management of forest lands	Reduce deforestation	Delineate natural forest areas
			Plant valuable tree species
			Monitor changes in forest cover and vegetation
			Introduce fire protection and management plans for forested areas
Establish early warning systems	Develop early warning systems and response measures to control widespread pest and/or disease outbreaks to reduce their negative impacts on vegetation.	Implement afforestation and reforestation projects.	Map degraded areas in the country
			Procure seeds of important tree species and the necessary tools and equipment for tree planting.
			Establish central tree nurseries
		Promote agroforestry.	Raise awareness and build the capacity of key stakeholders on agroforestry practices
			Identify suitable multi-purpose tree species based on parameters such as landscape and climatic conditions in different parts of the country.
		Promote the use of alternative fuels.	Encourage use of biofuels, such as those derived from refuse and agriculture residue
			Install biogas plants in rural areas to meet energy needs for cooking
		Increase awareness of communities on climate change	Conduct workshops, seminars and talks on television and radio on climate change

Table 7: Adaptation and Mitigation strategies for infrastructure sector

Adaptation		Mitigation	
Strategy	Activities	Strategy	Activities
Mainstream climate resilience in construction activities.	awareness creation and promote the use of climate-resilient construction materials to adapt infrastructure to expected changes in climate.	Regulate the importation of construction material for low-carbon alternatives.	Develop policy to ensure the importation of low-carbon construction materials (such as mandating that imported cement has a certain proportion of fly ash, which makes it greener)
	Developing flood-proof infrastructure and increased planning for floods	Adopt policies, guidelines and national building codes that incorporate climate-change adaptation criteria in any new construction.	Increasing the share of renewable energy, improving energy efficiency, and developing waste-management and water-harvesting structures, etc.
Develop regulations to ensure environmental and social impact assessments for large infrastructure projects	Infrastructure development should be subjected to the ESIA processes.	Promote use of low-carbon construction materials.	The use of materials with industrial by-products

Table 8: Mitigation strategies for the industry

Mitigation	
Strategy	Activities
Promote importation of energy-efficient goods.	Review import policies to incorporate criteria for importation of green and low-carbon products.
Promote efficient waste management, particularly in the food and beverage industry.	Given that much of the waste generated in the food and beverage industry is likely to be organic in nature, composting of waste, particularly in this industry, will be encouraged
Promote the use of energy-efficient technologies and renewable energy.	Promote the use of energy-efficient technologies to reduce energy requirements of industrial processes
	Increase share of or integrate renewable energy in industrial office/building operations
Promote the use of alternate sources of energy	Use alternate sources of energy such as biofuels and refuse-derived fuel in different sectors.

IFAD's Adaptation Framework

The framework provides a set of adaptation options which will be prioritized using different criteria such as technical feasibility, co-benefits, potential to address climate risks, accessibility for small holders, mitigation benefits and transformative potential. Prioritization of the adaptation options using the criteria should be done in consultation with stakeholders, beneficiaries and project PDTs. However, prioritization of adaptation measures for READ projects was made using personal expertise based on (i) nature of the projects which is more or less a rural finance focusing on the establishment and strengthening of Rural Producer Organizations (RPOs) and, (ii) hazard, exposure, sensitivity and adaptive capacity of the counties to the impact of climate change. The adaptation options for various sectors/sub sectors are indicated in table below. The most important adaptation measures that can be applied to all sectors/sub sectors to reduce climate risks are:

- Build coastal and river flood defences near vulnerable farming areas
- Improve existing irrigation systems to reduce water loss
- Introduce new varieties of existing crops, e.g. with greater drought or flood resistance
- Build expertise in the use of climate forecast information for improvement of cropping strategies and yield forecasting
- Implement Agroforestry techniques
- Develop early warning systems to improve response to climate disasters
- Change approach to farmland management to work with flooding, rather than fighting against it (particularly in flood plains where flood sediments increase productivity of pastures)
- Identify alternative sources of water supply during drought

Table 9: Prioritized Adaptation options for sectors/sub sectors

Irrigated Crops	Rainfed Crops	Forestry	Pasture Restoration	Livestock	Fisheries
Build coastal and river flood defences near vulnerable farming areas	Build coastal and river flood defences near vulnerable farming areas	Introduce new tree species which are more resistant to drought	Use non-climate sensitive sources of fodder	Use non-climate sensitive sources of fodder	Train staff to build understanding of the effects of climate change on fish distribution, storm tracks and fisheries yield
Improve existing irrigation systems to reduce water loss	Introduce new varieties of existing crops, e.g. with greater drought or flood resistance	Diversify livelihoods / create income sources from activities other than forestry	Improve techniques to trap and collect run-off and rainwater to maintain productivity of pasture	Build larger fodder storage facilities	Consider the effect of new weather patterns on the health and well-being of fishers
Introduce new varieties of existing crops, e.g. with greater drought or flood resistance	Develop irrigation systems in areas where water supply is plentiful	Train staff to build understanding of the effects of climate change on forest composition, fires, pests and rotation lengths.	Reduce grazing intensity to reduce soil erosion	Develop new livestock watering systems in areas where water supply is plentiful	Access higher-value markets; shift/widen targeted species or increase fishing capacity/effort
Diversify agricultural activities within single farm units, e.g. introduction of agro-forestry systems	Diversify agricultural activities within single farm units, e.g. introduction of agro-forestry systems	Develop management plans for fire and pests which take into account likely changes in frequency and distribution from climate change and their impact on the forest	Change approach to pasture management to work with flooding, rather than fighting against it (particularly in flood plains where flood sediments increase productivity of pastures)	Reduce grazing intensity to reduce soil erosion	Weather warning systems; improved vessel stability/safety/communications
Develop appropriate insurance products for crops and equipment	Diversify agricultural crops available to farmers/ introduce new crops	Provide information to institutions and carry out awareness raising activities	Provide information to institutions and carry out awareness raising activities	Change approach to farmland management to work with flooding, rather than fighting against it (particularly in flood plains where	

Irrigated Crops	Rainfed Crops	Forestry	Pasture Restoration	Livestock	Fisheries
				flood sediments increase productivity of pastures)	
Modify farming techniques to reduce impacts on vulnerable ecosystems, such as forests or wetlands	Develop appropriate insurance products for crops and equipment		Implement catchment restoration plans	Implement Agroforestry techniques	
Build expertise in the use of climate forecast information for improvement of cropping strategies and yield forecasting	Build expertise in the use of climate forecast information for improvement of cropping strategies and yield forecasting			Provide information to institutions and carry out awareness raising activities	
Improve efficiency of water consumption through smart irrigation and drop irrigation technologies	Research traditional farming practices to identify approaches that may be suited to a different climate			Train staff to build understanding of climate change / improve operational performance in dealing with climate risks	
Identify alternative sources of water supply during drought	Identify alternative sources of water supply during drought			Improve pest and disease control practices	
Change approach to farmland management to work with flooding, rather than fighting against it (particularly in flood plains where flood sediments increase productivity of pastures)	Change approach to farmland management to work with flooding, rather than fighting against it (particularly in flood plains where flood sediments increase productivity of pastures)			Collect climate and flood data for the project area and identify areas that are vulnerable to climate related damage (drought, flooding, soil erosion)	
Use intercropping where appropriate	Make contingency plans to deal with loss			Develop early warning systems to improve	

Irrigated Crops	Rainfed Crops	Forestry	Pasture Restoration	Livestock	Fisheries
	of crops due to drought or flood			response to climate disasters	
Change post-harvest practices, for example the extent to which grain may require drying and how products are stored after harvest.	Provide information to institutions and carry out awareness raising activities			Consider the effect of new weather patterns on the health and well-being of livestock	
Implement Agroforestry techniques	Implement Agroforestry techniques				
Develop early warning systems to improve response to climate disasters	Develop early warning systems to improve response to climate disasters				

Climate Adaptation for Rural Development (CARD) Assessment tool.

The Climate Adaptation in Rural Development (CARD) assessment tool enables easy access to peer-reviewed modelling results for crop yields under climate change. The tool provides status (increasing/decreasing) of crop production of states and agro-ecological zones. The information will be used how best adaptation options should be integrated into the project design and implementation to enhance crop productivity. The tables below shows the CARD tool results of READ target states for a period of 2022-2032. Given infrastructure developments are low in South Sudan, the NO IRRIGATION scenario has been assumed and the base line year is 2022.

The main findings of the tool are:

In Easter Equatori state, production of Cassave in 2023-2025, Sorghum and Maize in 2024 and 2025 will increase under climate change. The production of other crops such as Groundnut, Maize, Millet, Peas, Rice and Soy will decrease. Managed Grass production will also increase in Upper Nile State in 2023 and 2024.

Production of crops in Western Equatoria and Northern Bahr El-Ghazal states will decrease in the during 2023-2032 under climate change

The above two findings can lead to the conclusion that: (i) Climate change will affect crop production in majority of South Sudan and (ii) Climate adaptation options should be mainstreamed in to government and developmental partners effort to reduce climate risk and also to increase crop production.

Table 10: Crop production in Easter Equatoria state, under climate change.

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Barley											
Bean											
Cassava	-	+0.51%	+0.16%	+0.05%	0.48%	0.89%	1.26%	2.09%	1.76%	3.19%	3.51%
Cotton											
Groundnuts	-	0.57%	0.57%	0.80%	1.43%	1.85%	2.38%	3.72%	3.87%	3.72%	3.94%
Maize	-	0.84%	0.64%	0.28%	0.93%	0.92%	1.52%	0.74%	1.49%	2.91%	2.33%
Managed grass											
Millet	-	0.05%	0.02%	0.34%	0.69%	1.07%	1.51%	2.08%	2.34%	2.50%	3.83%
Peas	-	0.36%	0.44%	0.68%	0.91%	1.09%	1.21%	1.76%	2.17%	2.10%	2.15%
Rapeseed											
Rice	-	0.73%	1.28%	1.35%	1.68%	2.20%	2.49%	2.89%	3.92%	4.13%	4.54%
Sorghum	-	-	+0.34%	+0.23%	0.16%	0.68%	1.75%	2.34%	2.81%	3.61%	5.14%
Soy	-	0.89%	0.03%	1.31%	2.51%	1.98%	4.46%	4.01%	3.09%	3.87%	4.94%
Sugar beet											
Sugar/sugarcane											
Sunflower											
Wheat	-	0.08%	+0.01%	+0.37%	0.24%	0.97%	2.64%	2.25%	1.04%	1.97%	2.34%

Table 11: Crop production in Upper Nile State, under climate change

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Barley											
Bean											
Cassava											
Cotton											
Groundnuts	-	0.33%	0.75%	1.06%	1.57%	1.97%	2.59%	3.30%	3.94%	4.14%	4.36%
Maize	-	0.36%	0.12%	0.55%	0.69%	0.86%	0.97%	1.67%	1.63%	2.46%	2.80%
Managed grass	-	+0.25%	+0.12%	0.80%	0.80%	1.21%	1.21%	1.42%	0.76%	0.86%	1.01%
Millet	-	0.37%	0.57%	0.57%	0.71%	0.94%	1.33%	1.63%	1.95%	2.09%	2.39%
Peas	-	0.07%	0.56%	0.51%	0.67%	1.11%	1.28%	1.69%	2.13%	2.23%	2.45%
Rapeseed											
Rice	-	0.99%	2.99%	3.61%	3.52%	4.20%	5.06%	4.74%	4.74%	4.71%	5.66%
Sorghum	-	0.51%	0.57%	0.32%	0.51%	1.24%	2.20%	2.58%	3.30%	3.75%	4.97%
Soy	-	0.63%	1.20%	1.73%	1.26%	2.36%	3.51%	4.15%	4.77%	5.87%	6.80%
Sugar beet											
Sugar/sugarcane											
Sunflower											
Wheat	-	2.09%	3.16%	4.18%	5.41%	6.20%	8.10%	9.96%	10.91%	13.21%	14.46%

Table 12: Crop production in Northern Bahr El-Ghazal State, under climate change

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Barley											
Bean											
Cassava	-	0.32%	0.76%	1.28%	1.43%	1.76%	2.39%	2.72%	3.14%	3.71%	4.24%
Cotton											
Groundnuts	-	0.54%	1.21%	1.23%	1.86%	2.47%	2.55%	2.81%	3.00%	3.54%	4.03%
Maize	-	0.36%	0.81%	0.98%	1.26%	1.71%	2.27%	2.82%	3.16%	3.44%	3.95%
Managed grass											
Millet	-	0.14%	0.27%	0.27%	0.46%	0.76%	1.02%	1.35%	1.61%	1.80%	2.00%
Peas	-	0.06%	0.09%	0.49%	0.64%	1.15%	1.48%	1.87%	1.95%	2.28%	2.64%
Rapeseed											
Rice	-	0.41%	0.74%	0.81%	1.28%	1.76%	2.31%	2.74%	2.05%	3.10%	4.03%
Sorghum	-	0.72%	0.82%	0.33%	0.30%	0.62%	1.10%	1.89%	2.49%	2.93%	3.84%
Soy											
Sugar beet											
Sugar/sugarcane											
Sunflower											
Wheat	-	1.48%	2.35%	3.42%	4.59%	6.03%	8.16%	10.48%	12.05%	13.76%	15.00%

Table 13: Crop production in Western Equatoria State, under climate change

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Barley											
Bean											
Cassava	-	0.64%	0.80%	1.17%	1.60%	1.89%	2.50%	3.07%	3.36%	4.09%	4.73%
Cotton											
Groundnuts	-	0.39%	0.79%	1.02%	1.29%	1.90%	2.26%	2.95%	3.26%	3.40%	4.04%
Maize	-	0.56%	0.59%	0.75%	0.94%	1.47%	1.75%	2.31%	3.08%	3.35%	3.76%
Managed grass											
Millet	-	0.19%	0.48%	0.72%	0.68%	1.08%	1.26%	1.61%	1.77%	2.01%	2.31%
Peas	-	0.27%	0.61%	0.90%	1.08%	1.44%	1.82%	2.29%	2.50%	2.74%	2.82%
Rapeseed											
Rice	-	1.15%	0.23%	0.20%	0.28%	1.68%	0.52%	2.40%	2.68%	2.98%	3.13%
Sorghum	-	0.12%	0.18%	0.26%	0.33%	0.51%	0.77%	1.03%	1.33%	1.61%	2.00%
Soy	-	0.23%	1.72%	2.04%	1.00%	2.44%	1.57%	3.76%	4.03%	3.05%	3.50%
Sugar beet											
Sugar/sugarcane											
Sunflower											
Wheat	-	0.92%	1.39%	1.73%	2.75%	5.06%	6.17%	7.69%	8.05%	9.13%	10.28%

Table 14: Crop Production in Central Equatoria State, under Climate Change

Barley													
Bean													
Cassava	-	-0.14%	-0.26%	-0.37%	-0.46%	-0.54%	-0.62%	-0.70%	-0.78%	-0.86%	-1.52%	-1.68%	-1.40%
Cotton													
Groundnuts	-	-0.95%	-1.14%	-1.32%	-1.50%	-1.68%	-1.86%	-2.04%	-2.22%	-2.40%	-2.58%	-2.76%	-2.94%
Maize	-	+0.03%	-1.14%	-2.27%	-3.40%	-4.53%	-5.66%	-6.79%	-7.92%	-9.05%	-10.18%	-11.31%	-12.44%
Managed grass													
Millet	-	-0.29%	-0.58%	-0.87%	-1.16%	-1.45%	-1.74%	-2.03%	-2.32%	-2.61%	-2.90%	-3.19%	-3.48%
Peas	-	-0.81%	-1.48%	-2.16%	-2.83%	-3.51%	-4.18%	-4.86%	-5.53%	-6.21%	-6.88%	-7.56%	-8.23%
Rapeseed													
Rice	-	+0.39%	+0.50%	+0.62%	+0.67%	-0.81%	-0.84%	-0.85%	-0.83%	-0.92%	-1.21%	-1.56%	-1.89%
Sorghum	-	-0.12%	-0.38%	-0.48%	-0.49%	-0.58%	-0.75%	-0.98%	-1.38%	-1.78%	-2.08%	-2.48%	-3.15%
Soy	-	+0.03%	-0.65%	-0.50%	-0.21%	-1.80%	-1.70%	-2.60%	-3.58%	-3.71%	-3.87%	-4.43%	-4.28%
Sugar beet													
Sugar/sugarcane													
Sunflower	-	-0.36%	-1.33%	-2.10%	-2.16%	-2.87%	-3.16%	-3.48%	-3.54%	-4.02%	-3.92%	-3.68%	-3.17%
Wheat	-	-1.81%	-4.02%	-6.29%	-6.52%	-7.09%	-8.38%	-9.68%	-11.03%	-12.77%	-12.42%	-14.26%	-14.67%

Conclusion

READ project will be financed by the GAFSP and will be implemented in 6 counties in South Sudan namely: Magwi, Al Renk, Nzara, Yambio, Aweil and Maridi. This Climate Risk Analysis and Targeted Adaptation Assessment report is prepared based on the Substantial classification of the project for its climate impacts. The most important findings of the report can be summarized as: (i) vulnerability of the target counties to climate impacts in terms of sensitivity, hazards, exposure and adaptive capacity, (ii) adaptation and climate strategies and activities of READ related sectors as well as (iii) crop production trends under climate change.

IFAD's adaptation framework and Climate Adaptation in Rural Development (CARD) assessment tool, World bank thinks hazard and climate change knowledge portal (CCKP) as well as South Sudan's second Nationally Determined Contributions (NDCs) have been used to identify and prioritize strategies and adaptation options.

Stakeholder and beneficiary consultations might be needed during implantation to further strengthen the report.

South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex: Ssd Read Annex Guidelines On Matching Grants

Mission Dates: 10-19 May 2022

Document Date: 08/11/2022

Project No. 2000004330

Report No. 6197-SS

East and Southern Africa Division
Programme Management Department

Annex: Guidelines on Matching Grants

Glossary of Terms

Agricultural Producer Organizations: are either a farmer association or a group consisting of about 20 to 30 members that have come together to address challenges faced in agricultural production at individual levels. These APGs are registered by the MAFS (Rural Development officer) or have no registration certificate but are recognized by the local Payam and Boma administrators.

Agricultural Marketing Cooperatives Society Limited: are registered under cooperative legal framework and are based on cooperative values and principles. The primary objective of an agricultural/marketing cooperative is to improve the social and economic welfare of its members through aggregation and bulking, value adding/processing and marketing members' produce jointly in an effort to obtain economies of scale.

Assets: Resources controlled by an organization, and in which it has ownership rights such as cash, inventory and fixed assets and from which future economic benefits are expected to flow to the organization.

Asset transfer grant: refers to the support that READ project will support RPOs in level "0" to accelerate their business performance at 100%.

Agriculture Value Chain: Activities that bring a basic agricultural product from obtaining inputs and production in the field to the consumer, through stages such as processing, packaging, and distribution.

Budget: Statement of estimated expected revenue and expenditure for the organization for a specified period whose objective is to act as a basis for requesting funds. It can also be described as a plan of action quantified in monetary terms, prepared and submitted alongside the business plan.

Business Plan: Written document describing the nature of a business, containing business goals, methods on how these goals can be attained and time- frame within which these goals need to be achieved.

Cooperative Unions: Is an affiliation of two or more primary cooperative societies with similar objectives registered under the cooperative society Act.

Concept Note: following a call for proposal all applicants will present brief details of the proposed idea to UNDP. It should contain among others the profile of the RPO/MSE, objectives of the proposed project, outputs, intervention strategies and profiles of key partners and personnel. It also contains a budget summary of the proposed interventions and activities.

Conflict of Interest: Occurs when individuals of a group's private interest is materially inconsistent with, interferes with, or appears to be inconsistent with the interests of the READ Project.

Grant Agreement: Binding agreement that is signed between READ acting through the Grant Manager and a participating organization before monetary resources are subverted to the service provider. The Grant Agreement stipulates the conditions for the disbursement and the management of the matching grant funds. The disbursement of subsequent fund tranches will depend on the organization performance based on the agreed milestones in the second schedule in the Grant Agreement.

Grievance Redress Mechanism: Recourse for situations in which individuals and stakeholders are aggrieved by READ's project activities and impacts. Complaints will be cascaded through the committees set at READ UNDP/PMT.

Grant Review Committee: are members, selected on the basis of their experience and expertise in cooperative, agribusiness, business economics, business management, financial management, entrepreneurship from reputable agricultural organization, established government structures and UNDP staff – to review READ Grant applications and claims and recommend for their approval. The Grants Review Committee (GRC) promotes transparency, objectivity and independence in the review process.

Liabilities: Present obligations of an organization that includes all debts incurred and owed by the organization the settlement of which is expected to result in outflows.

Matching Grants: Conditional awards that require an applicant raise a specified portion of the grant through solicitation of own money and/or in-kind contributions, depending on the stipulation in the grant guidelines.

Members of the APGs and cooperatives: are crop or livestock-based small-scale farmers producing mainly for home consumption as they depend on traditional inputs and farm practices due to inaccessibility and affordability of quality farm inputs, ploughing, extension and credit services.

Micro Small Enterprises (MSEs): in this context are registered companies providing business development service to improve the value of the selected value chains under the READ project.

Rural Producer Organizations (RPOs): in the context of SS will refer to both the APGs, Cooperative, Unions and other player in the value chain directly supporting production and marketing of the selected value chain in a bid to improve the social and economic welfare of the rural small-scale producer.

RPOs are clustered into: LEVEL "0": unregistered APGs, Level 1: are registered APGs and inactive cooperatives, Level 2 are cooperative operating at breakeven point and level 3 are cooperatives run professionally and making surplus in the business.

Rural Financial Institutions (RFI): These are the rural entities such as SACCOs and VSLAs, that support small-scale producers meet their financial needs through their saving and credit activities.

Revenue: Monies received by the organization such as grants, investment income, interest income and cash donations.

Selected Value Chains: means the targeted crops and livestock the READ project is supporting in SS.

PREFACE

This manual details the requirements and procedures for each step of the grant-making process of the Rural Enterprise Agricultural Development (READ) project. The project manual is premised on the need for transparent and objective system of awarding grants to RPOs, RFI and MSEs for improving their business performance and infrastructure in an effort of accelerating their market preparedness level to better serve their membership. In preparing this manual, lessons were drawn from previous IFAD funded programmes, current similar facilities implemented by other development partners (UNDP, FAO) in the country and experiences from neighboring countries such as Kenya.

The manual has been designed in a manner that ensures that READ resources are utilized for the intended purposes and provisions stipulated in the Financing Agreement between the UNDP and IFAD. For avoidance of doubt, where there is a seemingly contradiction between this manual and the Financing Agreement, the latter's provisions shall prevail. UNDP as the implementing partner will ensure the capacities and governance structures for implementing the asset transfer and matching grant component are in place and are approved by the National Advisory Committee.

In particular, the manual provides details on eligibility criteria, screening and selection criteria for READ recipients and projects. It also outlines the process and timelines of different processes between a call for expression of interest to project closure. The manual is subject to amendments from time to time, as needs arise to reflect the realities on ground and other developments that necessitate such a need. In doing so, the UNDP shall always seek the authorization of IFAD and clearance of the READ Project's National Advisory Committee.

The manual is built on the design framework presented in READ Project Design Report (PDR) and the associated Project Implementation Manual (PIM) approved by IFAD's Executive Board and ratified by the Government of South Sudan. In the event that there is any statement or provision in this manual that contradicts the description and set up of the READ as presented in the PDR/PIM, the PDR/PIM description shall supersede the description in this manual.

Introduction

Rural Enterprises for Agricultural Development (READ) project is a 6-year Government of South Sudan initiative funded by GAFSP, supervised through the International Fund for Agricultural Development (IFAD) whose overall goal is to 'improve food security, diets, income and resilience among the targeted rural households.' The Project Development Objective is to 'empower Rural Producers' Organization (RPOs) as sustainable and resilient food value chain players'.

READ Project specifically seeks to:

- Empower persons with disabilities (PWD), youth and women in farming and agribusiness along the selected nutritional focused value chains to access marketing service in an efficient and effective manner;
- Ensure youths and women are in leadership positions and participate in decision making of the RPOs and RFI (RPOs led by women and or youth chairpersons will get undue advantage over other RPOs);
- Increase the number of rural organizations that offer competitive and accessible services to farmers in a bid to improve production of food and access;
- Ensure that rural organizations are operating in a legal framework that allows for group wealth creation;
- Professionalize the business services offered by these rural organizations which include: bulking and aggregation, warehousing services, processing, cold chain storage, packaging to capture more value for the benefit of their members;
- Improve horizontal linkages by strengthening the infrastructure capacities of cooperatives to provide market access functions and other additional services to their members and the farming community as a whole;
- Catalyse and improve financial access and affordability for both the RPOs, RFI and MSEs

READ Project Objectives and Components

READ has three operational objectives divided into three corresponding components, as follows: (i) Rural Producers' Organizations Development; (ii) Inclusive Rural Financial Services and (iii) Policy and Regulatory Framework Development. The third component will also seek to ensure that READ is effectively implemented, including support to the development of key policies and capacity building of MAFS at the central and local levels as well as project support by the G-PCU and the PMT of the Fund Manager.

With a total target of 37 agricultural marketing cooperatives and 20 SACCOs and 96 MSEs whose total direct membership isand ... households. READ will initially cover 6 counties infocusing on value chains(.....).

Component 1 – Rural Producer's Organisations Development – The objective of this component is to ensure RPOs comply with the legal framework requirements of cooperatives and that they conduct climate smart business in a professionally manner. Ultimately, the aim being to improve the social and economic welfare of cooperative members, while creating opportunities for other value chain actors interested in developing micro-enterprises along the specified value chains. An underlying theme of the component will be to promote women and youth participation and membership and to include them at the decision-making level of the RPOs as well as encourage growth in nutrient-rich and climate resilient value chains.

Component 2 – Inclusive Rural Financial Services – The objectives of this component are to: (i) enhance the capacities of target groups to access financial services and products; (ii) enhance the capacity and outreach of inclusive rural financial institutions (VSLAs/SACCOs) and (iii) strengthen the Cooperative Bank of South Sudan rural and agriculture finance outreach and service quality. Component 2 is a coherent part of Component 1, working to support RPOs and value chains under C1 with financial services for sustainable long-term investments. In line with C1, C2 will give special focus to women (minimum 50 percent) and youth (minimum 70 percent), as well as climate resilient investments.

Component 3 – Policy and Regulatory Framework Development – This subcomponent will: i) support the development of a conducive policy and legal framework for cooperative development and inclusive rural finance; ii) strengthen the capacity of MAFS staff and offices at the national, state and county level to formalize and register cooperatives and iii) support MAFS staff coordinate and implement policy and projects – related to the national policy framework for agriculture and rural development and inclusive rural finance, with support to the Government-Project Coordination Unit and at the decentralized level.

Target groups and key areas of support

The objective is to promote progression through the market preparedness approach to increase business performance for better social and economic welfare of the target group beneficiaries. There are three acknowledged levels of maturity for organisations – organizations at level one are at the start of formalization while level three are cooperatives with the highest accolade since they run profitable businesses.

To qualify for a matching grant the targeted RPOs will meet certain set thresholds such as 70% youth and 50% women, while their proposals or business plans will require need to be climate smart compliant.

The RPOs in level one that demonstrate a viable business case through a competitive process will receive a 100 percent project support grant in the form of an asset transfer of the identified infrastructure aimed at unlocking business performance. Some of the eligible items to be supported will include those requested in the detailed proposal and are aligned to the Capacity Building Implementation Plan. These may include establishing a collection shed and the supporting infrastructure, value addition equipment – such as cereal sorting equipment, digital weighing scales, tomatoes crates among others.

Cooperatives/RPOs at level 2 have some assets to facilitate business, they have good access or linkages to markets but are not however able to service their members adequately due to limited access to finance needed to improve their infrastructure and personnel capacity. These RPOs will through a competitive process be supported under a matching grant facilitate.

Level three RPOs are the most desired cooperatives and primarily they can access the financial services providers. However, if they prove that they do not have the collateral to source for commercial loans to implement advanced technology for their operation, the project through a competitive process will provide a matching grant package. The grant shall be used to complement linkages with financial service providers through targeting complementary investments. This will prevent overburdening RPOs members with loans at individual and group level

MSEs:

These investments through the grant component will build RPO and MSEs business performance and increase collateral base and members confidence in their organizations. The grant will primarily support all the value chains in aspects of:

Aggregating and bulking infrastructure and their supporting accessories
Value addition and processing technology
Transport
Working capital that is not tied to contract marketing
Farm input store for resale
Packing and branding
Support to management information systems and market information linkages

These grant investments are made under Components 1 and 2 of the project.

Component 2 mini-grant investments will support VSLAs and SACCOs to advance along their development pathway to realise the provision of inclusive rural financial services. The support will include: (i) mini-grants to new VSLAs to cover operating costs, costs of registers, passbooks, safe-deposit boxes and other items, and (ii) ICT equipment packages to newly formed SACCOs.

Justification for the Grants

The financing agreement of the Rural Enterprise and Agriculture Development (READ) project made a provision of USD 1.68 MN for grants (to finance asset transfers) and USD 2.4 MN for matching grants, under Component 1. The objective of these grants is to unlock the potential and overcome the major constraints of infrastructure related to bulking, processing, value addition and support services for enhancing members' production capacity. This intervention is critical as most of the RPOs are still at their infancy stage and do not have the requisite collateral to borrow from the banks. Providing these entities with support to accelerate their business performance is critical.

The long term project objective is to support RPOs with the means to have collateral to become bankable by linking beneficiaries with financial service providers (SACCO and commercial banks) for long-term capital investment

The project will use the grant scheme to formalize informal groups and support asset transfer grants. In an effort to shorten the learning curve and enhance business performance of these entities the project will support recruitment of critical personnel on short term basis with a view of creating the necessary capacity.

Sustainability of the project is important and these interventions are aimed at ensuring about 60% of the RPOs will move to at least level 2 of cooperative development, where sufficient bulking and market penetration is assured.

READ Grant: Aims and Goals

READ Project aims are to enhance the capacity of targeted small-scale producers' ability to access markets by enhancing the business performance and the infrastructure capacity of the RPOs and RFIs. To achieve this, the project based on competitive proposal for asset transfer and business plans for matching grant will use three windows, namely: asset transfers, a small and a large matching grant facility. READ will provide asset transfer to level 1 and RFI and matching grants to MSEs, level 2 and 3 RPOs to improve their business operations. READ will specifically give priority to interventions that:

- Increase the business volumes of each RPO
- Support the capacity of RPOs/MSEs to become sustainable and resilient players in the marketplace
- Value Chain investments that empower women and youth

Purpose of the Community Grants Manual

SMG+LMG								
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Number of RPOs graduating from one level to the next and participating members linked to the market

	Year 2		Year 3		Year 4		Year 5	
	RPOs		RPOs		RPOs		RPOs	
	No.	Membership	No.	Membership	No.	Membership	No.	Membership
Level 0 to 1								
Level 1 to 2								
Level 2 to 3								

Supported RPOs and MSEs – reporting an increase in surplus/profit

YEAR	1	2	3	4	5
RPO/VSLA/MSE	No.	No	No.	No.	No.
Level 0 to 1					
Level 1 to 2					
Level 2 to 3					
VSLA					
SACCOS					
MSEs					

Core Objectives Of The Grant/Matching Grant

The objective of the grant is to support initiatives that enable READ target groups to progress through the market preparedness process. Specifically, the READ grants will be awarded towards attainment of the following major deliverables:

- Increased number of Rural Producer Organization's (RPOs) with enhance infrastructure capacity to conduct business
- Strengthened business skills of RPOs to engage in upward and downstream market linkages
- Improve sustainable market access by the RPO beneficiaries in target groups and apex bodies at the state or county-level
- Strengthened post-harvest skills such as value addition/processing of smallholders' producers.
- Enhanced access to Knowledge and Climate Smart Agriculture (CSA) technologies/ practices
- Reinforced capacity of Micro and Small Enterprises to initiate formal business arrangements among RPOs, smallholder farmers and private sector
- Improve access to additional services such as farm inputs and machinery for their members

General Eligibility Criteria

READ will in general support innovative and impactful interventions that:

- promote bulking, aggregation and storage;

Promote sustainable improved incomes and food/ nutrition security of households in targeted areas;
Foster increased commercial partnerships/linkages and market access
Promote improved productivity of targeted commodities;
Foster the involvement of youth, women and other marginalized groups, such as returnees, persons with disabilities (PWDs) in agriculture commercialization
Promote inclusiveness among the RPOs in cascading of commercial services to women, youth from different ethnic groups and people with physical disabilities;
Foster sustainable adoption of climate smart agriculture technologies;
Incorporates safeguards instruments – where such requirement is necessary - namely Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plans (ESMP), Resettlement Action Plan (RAP), Construction Environmental Management Plan (CEMP) and Integrated Pest Management Plan (IPMP).

General Ineligibility Criteria

In line with South Sudan Government and IFAD's fiduciary safeguards, the following categories of entities may not be eligible for READ grants if they have been:

Declared bankrupt, being wound up, or having their affairs administered by the competent court in South Sudan;
Convicted (group officials) of an offence that bring into reproach their professional conduct;
Found guilty of serious professional misconduct that borders on moral dishonesty by competent court;
Noted not to fulfil their statutory obligations such as remitting of tax;
The subject of a judgment for fraud, corruption, harassment, breaching and infringement of human rights, involvement in a criminal activity, terrorism, human trafficking or any other illegal activity and
Have submitted a proposal that does not meet the deliverables outlined in section 2.1.

The applicant will in the "Declaration of Applicant", section declare that they do not fall into any of the situations mentioned above. The Declaration of Applicants must be completed and signed; otherwise their application will be excluded.

READ Grants Windows

The READ grant window will be administered under asset transfer window with a grant covering all the costs of the intervention and investment whereas the Matching grant, the project and beneficiary will co-share as outlined in this document. RPOs in all the three levels who have a direct market linkage with an assured market outlets such as FAO or WFP will not be entitled to get working capital under the matching grant window but will be supported to borrow from CBSS or other commercial banks.

The matching grants are conditional grants that require an applicant to raise a specified portion of the grant through solicitation of own money and/or in-kind contributions, depending on the stipulation in the grant guidelines. The purpose of a matching grant requirement is to syndicate and spread the risk between READ and the awardee, facilitate ownership of the intervention and promote access to other alternative sources of funding.

Asset transfer window

Proposals that aim at building resilience and climate smart approaches have 50% women and 70% youth membership will receive priority or additional support.

General Description

The asset transfer grants will finance viable proposals of RPOs at level one that meet the gender requirement (focusing on the poor, youth and women) and are climate smart. These RPOs should demonstrate a viable business case despite the fact they are involved in early stage of organizing bulking and marketing of members produce. The project will support the RPO investment at a 100% through asset transfer of the identified infrastructure aimed at unlocking business performance. A maximum of 80% of RPOs in level 1 will benefit from the asset transfer window over the project period. Some of the fundable items that will be drawn from a well articulate proposal and the Capacity Building Implementation Plan will include a establishing a collection shed including the required infrastructure, value additions equipment such as sorting equipment among others.

Details of asset transfer window is provided in the table below:

Table 2: Summary of a asset transfer Window

SMALL Max. USD 10,000	Open to RPOs in level one
Objective:	<ol style="list-style-type: none">1. Assist economic activity of RPOs in level one to jump start and accelerate their transition to commercially-oriented and sustainable market players2. Support supply and demand-side interventions to increase bulking and marketable volumes from RPO members3. Provide investment through asset transfer to enhance bulking and value addition capacity to improve their business performance
Eligible investments:	Small processing equipment, collection shades, market linkage through the UNDP marketplace
Non-eligible investments	Certain infrastructure like offices, houses; working capital, operation and or recurrent costs; management, allowances

Eligibility Criteria

The following eligibility criteria will be used for asset transfer window applicants:

The applicant is an RPO in level one and the proposed project is consistent with READ development objectives which support gender at membership and decision-making level and the developed business plans are climate smart.

The applicant has instituted the proper governance structures and is complying with the requirements of statutory legal framework

The RPO size or numbers of participating members is larger than the minimum of 40 members required by the Act

Set mechanisms for inclusiveness of all members with emphasis on women, youth and PWD.

Provide documented proof showing past/potential performance to justify the investment. The applicant will participate in a grading system organized by the project and participatory develop a customized Capacity Building Implementation Plan.

The proposed project will provide demonstrable sustainable benefits to the targeted RPOs capacity in meeting the members (poor, youth, women and other vulnerable groups) expectation of increasing their social and economic welfare.

The applicant has identified strategies to bulk the value chain and has the capacity to source markets to be competitive.

Must have land in its name or an enforceable land lease contract for the project to support infrastructure development such as building store

For installation of equipment the RPO must have an enforceable lease/rental contract to benefit from the support if it will not be installed in their own premises.

Meets the eligible investment criteria.

The grant proposal is up to or under the maximum limit of 10,000 USD per organisation.

The Expression of Interest is submitted before the submission deadline.

The proposed interventions are undertaken within 18 months.

The applicant operates a bank account and is not classified as solvent and is willing to open a bank account that will be used to facilitate the requested investment.

The applicant informs members of the project support and minutes this in a duly convened AGM;

The RPO is not implementing a similar initiative using other donor funds on the same targeted population.

The applicant is willing to give a report of the RPOs performance during the project period.

Small Matching Grants

The small matching grants will finance viable business plans of MSEs that provide business development services to RPOs and its members such as provision of farm input, ploughing services, value addition and processing services among others. The impact of these interventions have a direct bearing on production volumes and marketability of identified value chains and therefore these participating MSE may qualify for a matching grant of up to 50 percent of their total investment amount. A maximum of 80 percent of the targeted MSEs will benefit from the small matching grant window over the project period.

Details of small grant window is provided in the table below:

SMALL Max. USD 10,000	Open to MSE supporting members production or improving the marketability of the identified value chain through the targeted RPO.
Objective:	Upscale/scaleup/ upgrade the business development services offered by MSEs in supporting RPOs and their members to increase production or marketability of their produce for enhance market penetration

	support supply and demand-side interventions to increase productivity and market penetration
	provide resources (up to 50% with the recipient contributing 50% in cash or in-kind) to purchase productive assets,
Eligible investments:	Transport tuk tuk, small lorries, pickups, agro shops dealing with farm inputs, small processing equipment, collection shades,
Non-eligible investments	Transportation (small car, motorcycle, minibus); certain infrastructure like offices, houses; promotion and marketing cost; working capital, operation and or recurrent costs; management, salaries, allowances

Eligibility Criteria

The following eligibility criteria will be used for small grant window applicants:

The applicant is a registered MSE company and the proposed intervention is consistent with READ development objectives which support gender at membership and decision-making level and the developed business plans are climate smart. initiatives focus of READ project.

The applicant has instituted the proper governance structures and is complying with the requirements of statutory legal framework.

The MSE has a minimum of 2 employees and a board of director overseeing the company.

Provides documented proof showing past performance to justify the investment;

The proposed project will provide demonstrable sustainable benefits to the targeted RPOs and their members e.g. increased production at farm level, value additions services, among other benefits.

The applicant has the equipment and necessary infrastructure to provide business development services to RPOs and their members.

Has clear upscaling/upgrading strategies to increase the service currently being offered and the supporting capacity in terms of personnel and space (land).

Meets the eligible investment criteria.

The grant proposal is up to or under the maximum limit of 10,000 USD.

The Expression of Interest was submitted before the submission deadline.

The proposed interventions are undertaken within 18 months.

The applicant operates a bank account and is not classified as solvent and is willing to open a bank account that will be used to facilitate the requested investment

The applicant will inform members of the project support and minute this in a duly convened AGM;

The MSE is not implementing a similar initiative using other donor funds on the same targeted population

The applicant is willing to give a report of the MSE performance during the project period.

Large Matching Grants Window
General Description

Large matching grants will be open to level two and level three RPOs that are offering competitive bulking, aggregation value addition processing and marketing services to their members. For level 2, the matching grants will have to be matched by the grantee either in kind, cash, or a combination of both, with a maximum contribution from the grantee of 10% while the level 3 will match at 50%. Level 2 RPOs can receive additional grant when it is demonstrated that business is profitable in two consecutive years at a matching grant of 90:10 and can receive one more additional grant support at a ratio of 50:50. Level 3 can only receive one grant for upscaling technology or for Technical assistant support at a ratio of 50:50. A maximum of 80% RPOs in level 2 and 3 will benefit matching grant window over the project period.

Table 3: Summary of a Large Matching Grant Window.

LARGE Max. USD 40,000	Open for RPOs in level 2 and 3
Objectives:	Support investments that will accelerate business performance and service delivery for these RPOs for increased profitability and sustainability of their enterprises in a bid to improve members social and economic welfare.
	The size of the grant will be based primarily on capacity building Implementation Plan (CBIP), and the anticipated impact to members as highlighted in the business plan.
	All large grants will have to be matched by the grantee either in kind, cash, or a combination of both, with a minimum matching of 90:10 for level two and 50:50% for level 3 beneficiaries. The matching amount may come from in-kind investments/expenditures, members share capital or accumulated cash. The matching contribution, or part of it, will not come from donors or other grants.
Eligible investments:	Storage facilities, cooling equipment and cold storage facilities, processing and packing equipment, sorting and grading machines, washer, dryers, farm inputs store for resale, MIS, feasible climate-smart technologies, certification to comply with the quality standards; key technical expert on value addition services among others.
Non-eligible investments	Transportation (small car, motorcycle, minibus); certain infrastructure like offices, houses; promotion and marketing cost; working capital to service an invoiced contract, operation and or recurrent costs; management, salaries, allowances

Eligibility Criteria for Large Grant Windows

The following eligibility criteria will be used for large grant window applicants:

The applicant (RPO) is a registered cooperative

The proposed project is consistent with READ goals and objectives, and support gender and pro-poor focus of READ project;

The applicant has instituted the proper governance structures and is complying with the requirements of statutory legal framework eg cooperative Act, labour laws, developed policies etc

The proposed project will provide demonstrable sustainable benefits to the READ target RPOs and their membership.

The RPO size or number of participating members is larger than 60 members in level two and 120 for level 3;

Set mechanisms for inclusiveness of all members ensuring 50% are women, 70% are youth in leadership level and at membership level.

Provide documented proof showing volumes to justify the investment

The applicant has a minimum of 2-year demonstrable experience in the value chain

The applicant is compliant with the cooperative act and has audited accounts for the last two years

Has an office or operating space

The requested investment is in line with the CBIP and its impact will directly increase the social and economic welfare of its membership;

Must have land in its name of an enforceable lease contract for the project to support infrastructure development such as building store

For installation of equipment the RPO must have a enforceable leasing/rent contract to benefit from the support if it will not be installed in their own premises.

The investment will take place within 2 years.

Meets the eligible investment criteria

The proposal is within the grant financial parameters:

the requested grant is under the maximum limit of USD. 50,000 for level 2 and USD 40,000 for level 3

matching contribution, financial or in-kind, is at least 90:10% for level 2 and 50:50 percent for level 3 of the requested grant.

The applicant has the required technical and managerial capacity to implement the proposed project.

The proposed project will be implemented within 3 years

The Expression of Interest was submitted before the submission deadline.

The applicant is operating a bank account and is not classified as solvent and is willing to open a bank account that will be used to facilitate the requested investment

The applicant will inform members of the project support and minute this in a duly convened AGM;

The RPOs will present a resolution showing members willingness to contribute to the requested matching grant either through raising capital share or through accumulated savings. (borrowing from the bank is an option but can compromise ownership and result in risk of the investment)

The applicant is not implementing a similar initiative using other donor funds on the same targeted population

When applicable, we could request the grantee to share the last Financial Statement and audit report.

READ Grant Award Process Grant Award Stages

The award of the READ grants will generally follow the below listed steps;-

UNDP to ensure all RPOs have the skills and capacity to develop business plan or proposal

Put call for proposals for business plans to all RPOs and MSEs;

Submission of proposal and business plans before the deadline

Business plans should then be reviewed, assessed and selected following a set of pre-established eligibility and selection criteria (UNDP led and identified GPT members);

UNDP and GPT conduct a due diligence to validate and ensure compliance with mandatory statutory requirements

The list of beneficiaries is forwarded through the government structure for ratification and approval;

The list is officially submitted to UNDP for implementation and beneficiaries notified.

Template for business plans for RPOs/MSE

Content of business plan should include;

Background of MSE and RPOs (membership, share-holding, assets, training undergone, contribution towards specific value chain and milestones achieved.

Technological and management angles (Professionalism and governance structures.)

Problem statement

The plan should include mechanisms for the inclusiveness of all members, (including women and youth), and for the provision of inputs

Value propositions based on market assessments.

Improving marketing through value addition

Improving post-harvesting through small-scale facilities for storage, coolers etc.

Small-scale processing facilities through provision of farm inputs

Environmental assessment

Use of climate smart technologies E.g. using renewable energy

Benefits to the value chain

Viability of the proposal and soundness of the support required

Own financing plan and sustainability of RPO and MSE

Business plans MSEs

These will be "small Grant Awards" issued on a competitive basis (e.g. less than USD 10,000 and will not have an implementation duration that exceeds one year,

The MOU based on business plans will include

Clear binding targets and responsibilities.

Outline monitoring frequencies clauses by the Project

Agreement and scheduling of additional mentoring support for MSEs

Agreement on special considerations of how women and youth and sufficient numbers of smallholders and marginalised groups would be included in each business plan.

Grant application processing

All grant applications will be processed in accordance with UNDP procedures.

Management Structure

UNDP will set up and operational the structures that will evaluate the proposal and business plans under the three windows. Once the vetting and selection is done UNDP will seek the approval of the NAC before disbursement is done.

Financial management

UNDP

Financial Management of grants main focus will be on the process of allocation and utilization of project resources in an efficient and effective manner in order to achieve the projects organizational objectives. It will give details on planning organizing, controlling, directing and monitoring financial resources with a view to achieve planned results. **The section will borrows heavily on UNDP/IFAD laid down structure and operations.**

Financial Management Structure and Flow of funds

READ flow of funds

UNDP will use the guidelines as laid out in the agreement with IFAD.

Financial management tools

UNDP will use the tools as agreed to in the IFAD-UNDP agreement

Bank accounts

All RPOs and MSEs being supported through the matching grants will be expected to open a dedicated bank account at financial institutions acceptable to UNDP/IFAD and GOSS. The RPOs must be duly registered by relevant authorities. A copy of registration certificate, minutes of meetings recommending opening of bank accounts and a forwarding letter by the registering authority will be used for this purpose. All cheque payments and withdrawals must be signed by the Chairperson/ Vice Chairperson, Secretary and Treasurer of the entity.

Disbursement

Financing agreements signed with the RPOs will generally indicate how the funds are to be disbursed (.e.g. tranches), percentage of the funding, the length of the implementation period, and the capacity of the RPO to absorb the funds. Disbursement percentages will be indicated in the approved project proposals; contracts and the subsequent payments based on periodical progress reports and verified milestones. For sustainability of the project, it is expected that RPO contributions will continue beyond the project period.

RPO Contribution

It is a requirement that each RPO raises the agreed to amount of matching grant either in cash or in kind. The resolution in regards to the RPO contribution from the general membership will be required from each participating beneficiaries as proof for transparency, accountability and ownership of the project.

This cost sharing will complement the funding from IFAD/UNDP. Cost sharing and leveraging will be handled in accordance with grants contract conditions which will be developed by UNDP. In kind contributions can take a variety of forms and include labour, materials, or other resources depending on the nature of the project. Grantees are required to report on cost share just as they report on READ funds expended. All such contributions will be recorded in a RPO Contribution Book. The Management committee of the RPO will be responsible for maintaining the mandatory books account including this contribution. In it will be recorded the following details.

RPOs name

General membership resolution in regards to the contribution

Date of contribution

Amount or Quantity of contribution

Purpose of contribution

Unit and Total costs

Planning , Budgeting , Accounting and Auditing for funds

RPOs and MSE investment requirements will inform budgeting and work planning of the project. RPOs and MSEs will account for the project funds in accordance with the READ financial procedures manual. For purposes of records and bookkeeping, all original vouchers and support documents will be recognized as owned by the accounting units that incurred the expenses and retained in the respective accounting units. The RPOs/MSE will receive funds disbursed by the UNDP through their commercial bank accounts designated for READ funds. Money advanced to the beneficiaries will be considered as expenditure only when it is applied for the intended purposes and as detailed in the respective funding proposals and against clear outputs. All the projects will be subjected to both project internal, external financial and accounting functions.

Internal Controls, Management oversight, and risk management

Record Management

All RPOs and MSE will be required to maintain: Cash Book, Bank Reconciliation Statements, Statement of Source and uses of Funds, Receipt Voucher, Purchase Order, Invoice, Vouchers, Delivery Note, Petty Cash Book, Asset Register and have their books audited very year.

Procurement

The RPOs/MSE will be supported by UNDP to acquire goods and services to fulfil the needs in their respective organizations. In order to enable the groups procure, their needs must be consolidated in the approved UNDP AWP&B and Procurement Plans. The beneficiaries will be trained in order to enhance their capacity to consider the core principles of procurement which include, value for money, economy, integrity, fit for purpose, efficiency, transparency and fairness. Procurement at the all levels will be undertaken in accordance with the UNDP requirement.

Procurement equipment and construction

Every RPO/VSLA/MSE which intends to procure goods, services, works to be financed through the matching grant must prepare a proposal/business plan and procurement plan which captures the items to be procured.

Disposal of Assets

RPOs/VSLA/MSEs should apply reasonable and convenient disposal methods for assets procured through READ grant funds in line with UNDP laid down procedures.

Exit strategy

READ will work closely with RPOs and MSE, during the implementation phase and participatory monitor their projects with a view to empower these groups to continue operations beyond project closure. The beneficiaries will also be trained on good financial and procurement management in order to mitigate failure of the initiatives after the granting period.

Sustainability mechanism

It is expected that results and achievements realized from the grant will be positive and commendable. The potential for sustainability will increase if the project succeeds in strengthening RPOs/VSLA business skills and infrastructure capacity to serve their members effectively. Stronger RPOs developed under READ will increase their market outreach on behalf of their members as well as provide additional services will increase their production and productivity at farm level.

Conflict management and resolution

It is anticipated that during the implementation of the grant project, various conflicts may emanate at various grassroots, County or at the National level . If unresolved, these conflict may impede effective programme implementation and may result in loss of implementation momentum, time and disruptions in the set out operations. In order to deal with such emanating challenges, UNDP will in place a Grievance Management Mechanism (GMM). The framework will assist in mitigating the risk of resource use/social conflict. Grievances arising from the grant system will be reported and resolved at various levels starting at RPOs and escalating upwards to UNDP. Members of RPOs will be sensitized during project mobilization on grievances handling procedures and conflict management. They will be encouraged to report and resolve issues at their respective organization level through their managements and in other stakeholder engagement forums in the communities. it is important to have conflict resolution as part of the RPO training and awareness creation along with.

Monitoring Complaints

The efficacy of these complaints handling procedures will be monitored and assessed at/during the annual review workshops for any needed modifications. All complaints will be categorized, logged in a register to be maintained by the UNDP. Complaints and their follow up will be recorded, analyzed and reported in quarterly and annual project reports. The consolidated information will be submitted to the established government structures. The effectiveness of complaints handling procedures will be monitored and assessed during the project's implementation reviews.

Environmental and social safeguards

UNDP will sensitize the RPOs/VSLA/MSEs on the importance of Environmental and Social Impact Assessments (ESIA) and support the groups to undertake ESIA.

Monitoring, Evaluation Learning And Accountability

The project will support the implementation of a participatory monitoring mechanism of the grants projects. Reporting and feedback from monitoring will be undertaken against prescribed formats and schedules provided by the UNDP M& E.

Every project financed through the grants will reviewed for Impact and evaluated at Mid Term and End term. Depending on the evaluation results, and the quality in implementation, possible recommendation will be proposed.

In order to prepare for ex-post evaluation of the supported projects, baseline data and information on output, outcome and impact indicators will be required. It shall be the role of UNDP to develop instruments and conduct the collection of the required baselines. Ex-post evaluation of projects shall be assessed based on efficiency and effectiveness in implementation and the production of outputs, the relevance and sustainability of outcomes (both expected and unexpected).

Coordination of Monitoring and Evaluation

The monitoring and evaluation of RPO/MSEs grant project activities will be co-ordinated by the UNDP and established government structures.

Reporting

The officials of each RPO will be required to compile quarterly reports detailing progress in implementation of activities supported under the asset transfer/matching grant System to the UNDP. The quarterly reports shall describe the activities carried out during the reporting period and the results obtained in relation to the specified outputs indicated in the funding proposals/ business plans.

South Sudan

Rural Enterprises for Agriculture Development

Project Design Report

Annex: Annex Fpic Plan

Mission Dates: 10-19 May 2022

Document Date: 08/11/2022

Project No. 2000004330

Report No. 6197-SS

East and Southern Africa Division
Programme Management Department

Free Prior Informed Consent Plan
Rural Enterprises for Agricultural Development (READ)

1. Executive summary

The multi-stakeholder design mission to South Sudan entailed extensive consultation with Government and key stakeholders, including UN agencies, development partners, NGOs, cooperatives, SACCOs, young entrepreneurs, to design a contextualized project, speaking to the needs and priorities of READ's main target groups. However, security considerations and administrative barriers required the team to remain in Juba. As counties will be validated and Payams and Bomas selected at inception stage, the design team could not clearly identify ethnic groups nor conduct consultation at community level.

Due to scarcity of data and mobility limitation, the FPIC plan remains a draft and will be elaborated and finalized at inception stage with the intention to enable and provide guidance to the Fund Manager and implementing partners in identifying conflict-sensitive measures for FPIC implementation. Further, key baseline assessments, including value-chain analysis, group profiling and the Peace and Conflict Analysis, will be conducted at start-up stage and provide key information to determine targeted value-chains and identify whether and how livelihoods of targeted ethnic groups may be affected.

It is pivotal to note that FPIC will be applied in an exceptional context that is characterized by a fluid conflict dynamic, driven by power struggles, corruption, lack of justice, lack of livelihood or access to natural resources, mismanagement and weak institutional capacity. Though the war may have intensified inter-communal disputes, they have existed for years. In light of ethno-political divisions and the militarization of cattle raiding, the Peace and Conflict Analysis will play a critical role in understanding how READ interventions could interact with the context and conflict dynamics, including inter-communal tensions, and propose mitigation measures to minimize negative impacts. The analysis will provide an important body of evidence to inform the FPIC implementation plan by providing background information on livelihood, customs and traditions practiced by ethnic groups residing in targeted areas and subsequently proposing culturally appropriate measures to conduct consultation and seek consent and non-consent as well as the appropriate engagement in READ's activities while doing no harm and avoiding fueling inter-communal tensions.

The current FPIC plan provides an overview of ethnic groups residing in targeted counties, legal frameworks and details preliminary approaches and actions to avert/minimize adverse social and economic impacts. Opportunities and actions to benefit and improve the livelihood of ethnic groups residing in targeted areas were identified and included in the plan.

2. Description of the project

The Rural Enterprises for Agricultural Development programme is a 6-year investment led by the South Sudan Ministry of Agriculture and Food Security, and supported by IFAD and GAFSP. READ overall goal is to 'improve food security, income and resilience among the targeted rural households'. The Programme Development Objective is to 'empower Rural Producers' Organisations (RPOs) as sustainable and resilient value chain players.'

Components – READ development objective will be achieved through the effective implementation of two interlinked and complementary technical components: (i) Rural Producers’ Organisations Development; (ii) Inclusive Rural Financial Services; (iii) Policy and Regulatory Framework Development. The third component will seek to ensure that READ is effectively implemented, including support to the development of key policies and capacity building of MAFS at the central and local levels.

Component 1 – Rural Producer’s Organisations Development – The component will adopt a holistic approach for RPOs development, supporting existing formalized organizations such as cooperatives, and adopting a graduation approach for the less structured Agriculture Producers’ Groups (APGs), including women and youth groups from targeted ethnic groups, to equip them with assets and capacities needed to promote equitable and sustainable market linkages for rural producers. Targeting measures will ensure ethnic balance and set forth measures for adequate inclusion of ethnic minorities in the support provided. The value-chain analysis will assess how selected-value chains could impact the livelihoods of ethnic groups and identify opportunities for increased engagement. An underlying theme of the component will be to promote women and youth, including from targeted ethnic groups, participation and membership and increased voice in decision-making levels, which shall increase social cohesion within the communities.

Component 2 – Inclusive Rural Financial Services – The objectives of this component are to: (i) enhance the capacities of target groups to access financial services and products; (ii) enhance the capacity and outreach of inclusive rural financial institutions (VSLAs/SACCOs) and (iii) strengthen the Cooperative Bank of South Sudan (CBSS) rural and agriculture finance outreach and service quality. READ will be deliberate in facilitating access to financial services and products to ethnic groups.

Component 3 - Policy and Regulatory Framework Development – MAFS and implementing partners will be sensitized and trained on FPIC implementation for culturally sensitive and appropriate consultation, consent seeking and engagement of ethnic groups. This way, partnership with local communities will be strengthened and sources of tension may be minimized.

Geographic Intervention Area and Targeting Criteria – The project will work in six pre-selected counties in six states - for regional balance - guided by ranking of all counties using an evidence-based approach to be validated at inception, for implementation under phase I. Selection of counties, bomas and payams along with the selection of value chains will determine concerned ethnic groups to be targeted.

Target Groups – The primary target groups are poor smallholder producers organized through economic and special interest groups such as Agricultural Producers' Groups (APGs), cooperatives, Village Saving and Loans Associations (VSLAs), Saving and Credit Cooperatives (SACCOs), as well as MSEs. The READ project will reach a total of approximately 26,817 households (equivalent to 158,220 beneficiaries) through 29 cooperatives, 240 APGs, 300 VSLAs and 24 SACCOS. Special focus will be given to women (50 percent), youth (70 percent) and vulnerable groups, including ethnic groups. The group profiling will provide baseline data on members from ethnic groups and their differentiated challenges, needs and priorities.

Targeting Strategy – READ will apply a combination of geographic targeting, self-targeting and direct targeting mechanisms.

- **Self-targeting:** READ will select value-chains suitable for women, youth and vulnerable groups (including IDPs, returnees, ethnic groups); leverage on informal youth networks and VSLA's, which are usually composed of women, to ensure self-selection and inclusion of women and develop and roll out tailored financial products for women groups, returnees and young entrepreneurs of different ethnic groups;
 - **Direct targeted activities** will be designed for the most vulnerable groups. READ will deliberately support and establish new APGs_with quotas for vulnerable groups (e.g., poor households, ethnic groups, returnees), including women-only groups and youth-only groups, and provide capacity-building to graduate to cooperatives. By doing so, READ will pay particular attention to ethnic balance to avoid perceived preferential selection of one group over another. Further, 60 percent of the asset and grant transfer will go to youth- and women-led RPOs. To offer young people an alternative livelihood away from conflict is key to break the cycle of violence. READ will be intentional in the selection of youth for asset and grant transfer and subsequent job opportunities. As such, youth from ethnic groups will be prioritized, if the job opportunity emerges on their land or territories.
 - Deliberate interventions on **empowerment and capacity building** will build confidence to target beneficiaries with less voice and power and enable them to actively engage in project activities. As such, capacity development interventions through RPOs will be adapted to the context and tailored to the needs and interests of the target beneficiaries, including ethnic groups facing marginalization and isolation from decision-making levels.
3. Description of indigenous peoples and historically underserved local communities if identified at this stage

South Sudan is socially diverse and comprises more than 70 different language groups dominated by Juba Arabic, Nilotic, Nilo-Hamitic and Sudanic languages such as Dinka, Azande, Nuer and Shiluk¹. However, there is no official demographic data in South Sudan since the 2008 census was rejected and a post-independence census has not yet been undertaken².

Western Nilotes, including Dinka and Nuer (with their associated subgroup Atuot) are the largest groups in the country. They traditionally live in the North and East areas of South Sudan³. Dinka are a Nilotic people and seasonal migrating agro-pastoralists, often forming livelihoods out of cattle-keeping, small-scale agriculture, fishing, trade and conflict-related activities, such as recruitment in an armed group. Nuer are divided into several independent groups organised in clans, lineages and age groups. For both Dinka and Nuer, cattle are essential to social structures. They are a measure of wealth status, and personal influence. As such, cattle are used to pay debts, fines and bride prices and are central to religious and artistic culture. Given the high importance of cattle, it can be a source of conflict when herds are competing over limited grazing resources during transhumance. Making up 15.6 percent of the population, the Nuer are divided into several independent groups that are organized in clans, lineages and age groups. This stands in strong contrast to structured kingdoms of their fellow Western Nilotic peoples, Shilluk and Anuak.

Some Western Nilotes peoples are settled crop farmers such as Shiluk and Anuak. The Shilluk are a Nilotic group that live along the Nile and Sobat Rivers and represent the third largest ethnic group in South Sudan. The Shilluk Kingdom is hierarchal and falls under the authority of the hereditary Shilluk king or reth. Hundreds of years ago, the Shilluk settled in their

¹ Cullis A. (2021). Strengthening South Sudan's Livestock Sector, Discussion Paper, March 2021. UKaid, East Africa Research Fund, Tana

² Minority Rights Group International (2018) South Sudan Minorities and Indigenous Peoples. Accessible [here](#)

³ As well as parts of Sudan Kordofan and White Nile, and Ethiopia Gambella region.

current area and developed an intensive system of agriculture and animal husbandry. As many other ethnic minorities, the Shilluk were drawn into the conflict as victims of targeted violence, which escalated in early 2017. As a result, tens of thousands of Shilluk were uprooted from their homes. With the return to their homes since early 2018, the UN has been supporting conflict management efforts between the Shilluk and other ethnic groups⁴.

Murle represent another Western Nilotes group, residing mostly in Jonglei State. Though they are one ethnic group, they are divided into a primarily agriculturalist eastern group residing in the mountainous Boma plateau and a primarily pastoralist western group residing in Jonglei's wetlands. The society is organized by age set. Both highland and lowland Murle are members of the same age-sets, which may include men within a ten-year age range. The dominant age set typically is responsible for community security and border protection, and has the right to marry. According to minority rights, Murle have been subject to discrimination at the state and national level as well as being both victims and perpetrators of deadly inter-communal violence. In continuing violence by the Yau Yau militia, associated with the Murle community, Murle are frequently accused of being the primary aggressors in the vicious cycle of cattle raiding, child abduction and killings in Jonglei state. Notwithstanding the violence perpetrated by Murle, it is however critical to understand the complex inter-ethnic dynamics with other ethnic groups and their perceived exclusion by the dominant Dinka and Nuer within Jonglei.⁵

Other groups live further south in Equatoria, such as the Azande, Bari, Latuka, Madi, Moru, Taposa and Turkana, who are a mixture of Sudanic and Eastern Nilotes peoples.

The civil war which erupted in 2013 was mostly driven by ethnic dissents. Fights between Dinka and Nuer militias, among others, have led to widespread human right violations, large population displacements of indigenous peoples and increased tensions on land rights. Additionally, traditional rule of law and resolutions mechanisms that are deeply anchored into the tribe institutions and the areas in which the peoples have long resided, are being disrupted by the recurring displacements, the non-planned livestock migrations and the introduction of weapons.

The concept of "Indigenous peoples" and its interpretation in the context of South Sudan are extremely sensitive. Identifying some groups as "indigenous" would imply that other groups don't belong to the social and cultural identity of the country and would therefore drive unjustified inequalities and potential injustice. In a country which is 11 years old and still trying to forge a common framework for a unified people, identifying and targeting indigenous peoples is a major challenge.

4 ibid

5 ibid

Table 1. Distribution of ethnic groups across READ counties (Phase 1 counties, (Phase 2 counties)

State	Eastern Equatoria		Central Equatoria			Western Equatoria				Jonglei	Upper Nile	Northern Bar el Ghazal
County	Magwi	Torit	Kajo-Keji	Terekeka	Yei	Yambio	Tambura	Maridi	Nzara	Bor South	Renk	Aweil Centre
Ethnic groups	Acholi Madi	Otuho Lakoya	Kuku	Mundari	Kakwa Bari Mundu Avok'aya Pajulu Baka	Zande	Zande Belanda Bor	Baka Mundu Avukaya Zande Moro Kodo Wetu	Zande	Bor Dinka	Dinka Nuer Shiluk Burun Dagu	Rek Dinka Luo

Target areas	Conflict dynamics
Eastern Equatoria	
Magwi	Tensions between Madi and Acholi communities erupted into violence in November 2011 and centered on disputes relating to ownership and demarcation of land, in particular the border between Madi-dominated Pageri Payam and Acholi-dominated Magwi Payam. The county was divided into two separate administrative areas (Magwi Administrative Area and Pageri Administrative Area) with the intention to address the underlying tensions, but disputes continued. The outbreak of conflict in December 2013, in particular the spread of violence into the Equatorias in 2016, further heightened tensions over land. An influx of displaced Dinka IDPs to Jonglei State and increased presence of different opposition factions in the region contributed to growing frustration and insecurity, leading to a mass exodus back into Uganda. The revitalized peace agreement stabilized the security situation since 2019. Since then, groups who were forcibly displaced have begun returning to Magwi, including farmers. Peace committees have been set up to help mediate communal clashes.
Torit	Both agriculture and cattle-keeping are considered primary livelihood practices by residents. According to a report by FAO and WFP in 2018, 75 % of households engage in agriculture. Torit receives migratory cattle keepers during the dry season, as they seek land for grazing and access to water sources. Tensions between cattle keepers and farmers exists since the 1990s. Community defence groups in Torit like the monyomiji among the Otuho have cooperated and deterred both government and opposition to improve security in the area while at the same time being a key player in the cattle raids and revenge killing. The outbreak of civil war in 2013 and subsequent insecurity in Torit County led to widespread displacement, both as a result of communal clashes and clashes between government and opposition factions in the area. Since the signing of the peace agreement in 2018, the security situation in Torit has been relatively stable with no major incident reported.
Central Equatoria	
Kajo-Keji	The county has significant amount of arable land and high potential for agricultural development. However, conflict and insecurity since

Target areas	Conflict dynamics
	<p>2016 has significantly impacted livelihood and economic stability of the county, increasing the vulnerability of the population. The presence of migrating cattle herds has led to tensions with the local population in recent years, with no sign of resolution.</p> <p>Kajo-Keji was significantly impacted by the second outbreak of conflict in 2016, which has led to significant displacement and insecurity. Those who were displaced from Kajo-Keji fled primarily to Uganda.</p> <p>Further, disagreements between the Kuku community and the Moyo community in neighboring Uganda over the demarcation of the border remain a source of tension. In September 2014, tensions over land erupted into conflict which killed dozens on both sides of the border. Although the security situation has improved since the signing of the peace agreement in 2018, much of the population remains displaced and sporadic insecurity prevents IDPs and refugees from returning home.</p>
Terekeka	<p>The Mundari are both cattle keepers and cultivators. Due to the proximity to the White Nile, fishing is also a viable livelihood for residents of the country. Access to land and water play a critical role and thus can be a source of communal clashes with neighboring groups.</p> <p>The Mundari residing in this county share proximity to Bari and Dinka groups, which has led to conflict over access to water and land between local armed militias. Further exacerbated by high bride price, leading to more cattle raiding in the area.</p> <p>Tension has also arisen over Terekeka's administration and boundaries. The decision to split Central Equatoria State into three has been highly unpopular among the Mundari. State governors have traditionally come from the Mundari tribe, and the new borders limit the Mundari tribe to governing their own, smaller area around Terekeka. Tensions translated into clashes between the SPLA and local armed groups. Since the signing of the R-ARCISS peace agreement in 2018, the security situation in relation to the civil war has stabilized, but communal clashes continue to impact the area. Peace mechanisms in the area have been facilitated, among others by UNMISS.</p>
Yei	<p>Following the escalation of conflict in 2016 and the subsequent sustained presence of armed rebel groups in the area and neighboring counties, county experienced significant displacement. Future security remains precarious. Further, contestations over land due to migration to the area created tensions between the host community and those settling in the country.</p>
Western Equatoria	
Yambio	<p>60 % of household engaged in agriculture. Cattle-rearing is not common although small-scale animal husbandry is widely practiced.</p> <p>From 2015, tensions in the county began to emerge between cattle-keeping communities from Lakes states and indigenous communities who are predominantly farmers.</p>
Tambura	<p>Due to its proximity to the Bahr el-Ghazal region, migratory cattle herders at times travel across the county to access water and grazing land, leading to localized tensions with agricultural Zande and Belanda communities.</p>

Target areas	Conflict dynamics
	<p>Insecurity associated with seasonal movements of pastoralists and irregular movements of armed groups have led to the growth of community defence groups known as 'arrow boys' in Western Equatoria post CPA in 2005. The civil war and continued insecurity and displacement has led 'arrow boys' to be absorbed into the conflict and seen as an important mechanism to protect against attacks from both pastoralist groups and perceived mistreatment by the SPLA.</p> <p>Further, internal boundary disputes dating back to the late 1990s between Tambura and Nagero counties have resulted in heightened tensions between the areas' two major ethnic groups – the (A)Zande and Belanda. Community dialogue initiatives and social cohesion programs between the two groups have been initiated, but have limited progress and struggled to get political support.</p>
Maridi	<p>Disputes between Dinka cattle keepers from Lakes state and indigenous inhabitants of Maridi town, most of whom were farmers, led to serious armed clashes in 2015 resulting in significant displacement and deterioration of local infrastructure in Maridi Town.</p> <p>Insecurity with seasonal movement of pastoralists and irregular movement of armed groups led to the growth of community defence groups, 'arrow boys' in Western Equatoria. Post 2015, 'arrow boys' were absorbed into the conflict and seen as an important mechanism to protect against attacks from both pastoralist groups and perceived mistreatment by the SPLA. To note, cattle-keepers were often much better armed than the agro-communities in Maridi. After a Dinka cattle camp was attacked retaliatory conflict led to over 20,000 residents being displaced to the periphery of Maridi town, and over 7000 people to neighboring Ibba County. By 2017, the 'arrow boys' in Maridi County and elsewhere were either demobilized, absorbed into new formal armed groups, defeated or intimidated into submission by groups with greater resources and firepower.</p> <p>Ongoing insecurity in Western Equatoria and the presence of military barracks in Maridi continue to contribute to conflict dynamics in the county.</p>
Nzara	<p>Ongoing recruitment and abduction of civilians and former 'arrow' boys into 'Sector 6' of the sPLA-IO in Ezo, Yambio and Nzara counties were reported throughout 2019 and early 2020, which represents a significant protection risk for the local population.</p>
Jonglei	
Bor South	<p>Food insecurity, financial crisis, adverse weather and conflict has plagued the area. Cattle raids, livestock diseases, crop pests and drought are the major factors affecting livelihoods.</p> <p>Bor town was almost entirely destroyed by fighting between the SPLA and newly-defected SPLA division, but Bor Town has been rebuild and remains a key market town.</p> <p>According to the International Crisis Group, Greater Bor Dinka youth are largely aligned with the government, but they are not a coherent fighting force and remain internally divided. Tensions between Dinka from Greater Bor and Dinka from Greater Bahr el Ghazal reflect different factions of the SPLM/A and existed for more than a decade.</p>

Target areas	Conflict dynamics
	In 2016, the Bor Solutions Working Group was established with UNMISS and humanitarian organizations. Eastern Bor South County borders the Greater Pibor Administrative Area (GPAA) and has been the site of large cattle raids and intercommunal tensions. Tensions between the Bor Dinka and neighboring Murle community of Pibor have been long-standing and is reflected in cattle raids and the abduction of children, with attacks being reported in 2019.
Upper Nile	
Renk	Its strategic location at the north of the country and nearby natural resources have been a point of contention during the country's civil wars. Significant violence and conflict was reported, particularly around the movement of Falata cattle herders through Dinka Abilang areas. Conflict drivers included environmental pollution, competition over clean water, land and border disputes, degradation of road networks by the oil sector, etc. Fightings involved Shilluk forces and Dinka militias. Since the signing of the R-ARCSS in 2018, Renk county has become more stable and economic activities have resumed, but it continues to experience sporadic violence.
Northern Bar el Ghazal	
Aweil Centre	Luo are predominately engaged in farming and Dinka are mostly agro-pastoralists. Inter-communal violence is historic, primarily with Rezeigat pastoralists from Sudan who migrate southwards during the dry season. With assistance from humanitarian actors, a peace conference was held between the two communities in 2018 to mitigate tensions.

Source: [Conflict Sensitivity Resource Facility South Sudan](#)

4. Summary of substantive rights and legal framework

The transitional constitution from 2011 enshrines the rights of ethnic and cultural communities as follows:

Article 33: 'Ethnic and cultural communities shall have the right to freely enjoy and develop their particular cultures. Members of such communities shall have the right to practice their beliefs, use their languages, observe their religions and raise their children within the context of their respective cultures and customs in accordance with this Constitution and the law.'

Equally important, the constitution recognizes and affirms traditional authority within South Sudan:

Article 167:

1. *The institution, status and role of Traditional Authority, according to customary law, are recognized under the Constitution.*
2. *Traditional authority shall function in accordance with this Constitution, the state constitution and the law.*
3. *The courts shall apply customary law subject to the Constitution and the law.*

Further, their equal rights before the law are manifested under Article 14:

"All persons are equal before the law and are entitled to the equal protection of the law without discrimination as to race, ethnic origin, colour, sex, language, religious creed, political opinion, birth, locality or social status".

Notwithstanding the recognition in the transitional constitution, legal ambiguity and the existence of plural systems contribute to inequalities, discrimination, leading to inter-communal tensions.

In the context of South Sudan, land is innately linked to identity, culture, heritage, wealth and provides access to resources, services and livelihoods. Yet, complex and constantly evolving plural tenure systems seem to fuel local tensions and perpetuate inequalities. With just four percent of land titled, customary tenure systems are the most prevalent ones, but they are context-driven and unique to the respective localities⁶.

Overall, there are three types of land: public, private and community:

- Private land is owned by individuals, typically in freehold or leasehold ;
- Public land is owned collectively by all people of Southern Sudan and held in trust by the government, typically in freehold;
- Community land is held by communities identified on the basis of ethnicity, residence or interest with regulation by local tribal/clan leadership according to customary law. In areas where there is a monarchy such as Shilluk in Malakal, land is owned and vested in the King. Otherwise, in all communities, rules for access and use of land are established by customary law and administered, interpreted and enforced by community leaders, such as chiefs, clan leaders and elders.⁷

In line with the ambitions in the CPA to provide a legal foundation for administration of land and resources, the Southern Sudan Legislative Assembly passed three key pieces of legislation in 2009: the Land Act, the Local Government Act, the Investment Promotion Act. The Land Act is most pertinent to community land as it reinforces government's recognition of customary land tenure

As such, Article 6 (3) states: *"All levels of government in Southern Sudan shall institute a process to progressively develop and amend the relevant laws to incorporate customary laws, practices, local heritage and international trends and practices"*.

Further, on Protection of Land Rights, Article 8 (6) affirms: *"Customary land rights including those held in common shall have equal force and effect in law with freehold or leasehold rights acquired through statutory allocation, registration or transaction"* and article 8 (4): *"Any person or group of persons holding a customary land right before the commencement of this Act shall continue to hold the same"*.

⁶ Conflict Sensitivity Resource Facility South Sudan (2018), Housing, Land and Property, Aid and Conflict in South Sudan

⁷ Tiernan Mennen, NRC (2012) Customary Law and Land Rights in South Sudan.

The Land Act also recognizes the protection of pastoral lands, such as article 66 (2) ‘*Customs and practices related to land used by pastoral communities shall be taken into consideration as long as they comply with the provisions of this Act and any other applicable law*’.

Pertinent to the South Sudanese context, the Land Act clarifies rights in regard to communal grazing land as follows:

Article 67 (1) *no person shall without permission –*

(a) obstruct the approaches to any water point in the communal grazing land or to other appurtenances installed or constructed at such a watering place; or

(b) carry out any activity on the communal grazing land which may prevent or restrict the residents of the traditional communities concerned from exercising their grazing rights; and

(c) take any other measure that the community land users find appropriate to take in order to protect such an area.

Notwithstanding the attempt to establish a legal foundation onto land rights, the interface between customary and statutory systems remain blurry. While consultation with local communities and especially the chiefs is embedded in the act, the process of surveying and titling of customary land was considered problematic and resulted in a number of communities, returnees and others to have lost their land⁸.

Chiefs and customary land systems are still highly regarded and respected. As cattle grazing, cultivation or access to waterholes can become a source of conflict within and between clans, chiefs take up mediation roles in coordinating land use and in settling disputes and ensuring reparations. However, new forms of public authority combined with war, increased displacement and climate change have seen a change in practice and reduced authority of the chief system⁹.

Access to land for returnees

According to customary law, returnees are entitled to reclaim their original land upon return. However, in cases where the returnee arrives at a place other than their original homes, returnee must undergo the same procedure as any other outsider seeking land and must seek approval by the elder to access communal land.

Women’s land rights:

While the Land Act and the Local Government Act affirm women’s right to own and inherit land, customary law does not recognize a woman’s right to land and property ownership. However, due to the war and the subsequent absence of men, many de-facto women-headed households and women without male guardians existed, which forced some communities to change practices. For instance, the Acholi and the Madi to allow women to hold land directly for cultivation. In Yei, a by-law exist, which requires the signatories of both the husband and

⁸ *ibid.*

⁹ *ibid.*

the wife before the sale of land can be sanctioned, even though the husband is the owner of the land¹⁰.

5. Anticipated potential adverse social and environmental impacts

Applying a conflict sensitive lens across the project targeting, components and implementation arrangement will be key to 'do no harm' and prevent tensions by early identifying sources of conflict and adopting adequate mitigation measures. The Peace and Conflict analysis will play a pivotal role in understanding how interventions could interact with the context and conflict dynamics. To this end, the analysis will look into actors, drivers, dynamics, dividers and connectors to minimize negative impacts, avoid triggering inter-communal tensions while also maximizing positive impacts. In the context of South Sudan, this is a pre-requisite to develop a holistic and conflict-sensitive FPIC implementation plan.

Value-chain analysis will assess how selected value chains may impact ethnic groups residing in targeted areas. Value-chains which are being perceived as sources of conflict will be avoided. Recommendations to ensure ethnic groups can equally benefit from project activities without creating any harm onto the communities will be included in all relevant assessments.

The selection of business plans for matching grants will undergo a rigorous screening process to exclude proposals, which could create adverse social and environmental impacts onto ethnic groups in targeted areas. As market, processing and storage facilities may be financed under the matching grants, READ will closely consult with local authorities, elders, chiefs and targeted communities to avoid any disruption of indigenous use of land, and seek their consent.

6. Participation, consultation and FPIC processes

The purpose of the planned consultation and consent process modalities is to ensure the project is delivering interventions in line with target beneficiaries' needs and expectations, in a transparent manner. The project is based on a group approach, including Agricultural Producers Groups, Cooperatives, Village Savings and Loans Associations as well as Saving and Credit Cooperatives. Leveraging on the structure of these groups, the project will ensure to capture and integrate the view of the beneficiaries, including ethnic groups, into the project implementation and the delivery of the capacity development activities.

During the start-up phase, the project will conduct sensitisation and mobilisation activities including information sharing and consultation of social stakeholders such as local governmental authorities and village elders. Given the conflict-sensitivity of the project, these activities will be extremely important to ensure the transparency and buy-in of the project's targeting, to validate the relevance of the project's activities for the target groups, to confirm the communities' interest in participating in the proposed activities to avoid any disruptions of peace and coexistence in the targeted communities. SECAP documents and other project-related information will be shared

¹⁰ Ibid.

with the local authorities, via the community meetings planned at inception phase and other potential channels such as mass media.

Consultations will take place in all communities in the initial stages of implementation. The main stakeholders will include the target economic groups but also representatives from social target beneficiary groups, including ethnic groups residing in the localities. The discussions will be facilitated by PMU/IP and local authorities, such as chiefs and elders, and will be conducted in participatory manner to ensure inclusion of views of different categories of participants. Beyond mere consultation, affected ethnic groups residing in targeted areas can provide consent or no-consent on the proposed activities, which may affect their livelihood, land or territories.

During project implementation, regular meetings will take place with the beneficiaries through their groups. A feedback mechanism will be established via the group representatives (leadership members) to make sure the project addresses beneficiaries' needs and expectations. If not, the project should adjust the intervention design and implementation accordingly. The final FPIC implementation plan will clarify a culturally appropriate format to document consultations and the FPIC agreements.

READ will apply a culturally appropriate consultation approach with open-ended dialogues to ensure a safe, free and open space for beneficiaries. Consequently, FPIC will build mutual trust, foster empowerment and allow READ to build on indigenous knowledge as it strengthens rural producers organizations. Thereby, READ will strengthen partnership between local communities, government institutions and financing institutions, in this case CBSS.

7. Appropriate benefits

Extensive consultations with local communities, including local authorities, elders, targeting beneficiaries, along with an elaborate targeting strategy, which sets forth deliberate measures to reach the most vulnerable, including ethnic groups, in the targeted areas, will ensure underserved local communities are reached and will adequately benefit from READ's project interventions. An inclusive and do-no-harm lens has been applied when developing READ's project activities, bearing in mind patriarchal and discriminatory structures. Enabling marginal groups and actors to engage in the process will enable more resilience in the face of continued challenges brought by climate change, the prevailing security situation and localized underdevelopment.

Through its targeting approach, ethnic groups residing in targeted areas will be consulted and can benefit from RPOs development and READ's graduation approach for the less structured APGs and Associations by equipping groups with assets and capacities needed to promote equitable and sustainable market linkages, if this is being desired by the respective ethnic groups. Ethnic balance will be a critical criterion to select RPOs and matching grant awardees. Further, under component 2, READ will invest in the development of inclusive rural financial services, ensuring improved and sustainable financial inclusion for vulnerable groups, including ethnic groups.

Any investment via matching grants will undergo stringent reviews, ensuring equitable social and economic benefits for underserved communities and will prioritize investments, which promote indigenous knowledge. Further, employment opportunities, including daily labour, shall prioritize youth from ethnic groups in underserved areas, especially if they are being created on their lands and territories. In light of war, displacement and lack of employment opportunities, youth have turned to violence. Matching grants and job creation opportunities will serve as a pathway to break the cycle of violence. With consistent inclusion of targeted ethnic groups in READ's interventions, social and economic empowerment will be enhanced.

The participatory methodology, GALS, will be a critical tool to enhance social cohesion and peace-building as it addresses unequal power dynamics within the groups and households, beyond the division of gender, but allowing the groups to identify key drivers of tension and to envision a path for change in behavior and practice that can benefit the entire group, no matter gender, age, or ethnicity.

8. Capacity support

The PMU and IP staff will be trained on IFAD SECAP principles, including the importance of beneficiary engagement and feedback, FPIC, as well as participatory approaches to project implementation and monitoring. They will be responsible for the effective implementation of the FPIC and engagement and feedback process by: a) promoting a culture of open feedback and communication among all stakeholders; b) ensuring effective stakeholder involvement at individual and institutional levels; c) seeking consent from ethnic groups residing in targeted areas; d) using stakeholders' feedback into adaptive project management; and e) evaluating the effectiveness of the engagement activities. Best practices that have shown to be cost-effective in IFAD-SSLRP implementation will be documented and applied in READ.

9. Grievance redress (see Guidelines on Target Group Engagement, Feedback and Grievance Redress)

Planning, design and Implementations of policies, programmes and projects may cause grievances. Possible Sources of complaints are geographic coverage and beneficiary targeting, job creation, land acquisition/compensation, quality of service delivery, delay in project implementation etc. Hence Grievance Redress Mechanism should be in place to ensure the timely and fair resolutions. GRM is an organizational system established by entities to receive and address complaints, concerns, inquiries, and suggestions on a proposed initiative. As per IFAD's GRM, any grievances should be resolved in two ways: (i) provision of quality service: through the involvement of various stakeholder and target groups and (ii) resolution of complaints: through the establishment of Grievance Redress Mechanism (system) at various levels such as community level, Payam, Boma, County, State and National.

Generally, GRM consists of (i) GRM committee at all levels, (ii) Capacity building to GRM committee and awareness creation to beneficiaries. At the lowest administrative level, READ will build on the communal chief system and engage with chiefs and elders to resolve disputes, which may arise through READ. Leveraging on traditional systems will gain trust by beneficiaries and people residing in targeted areas to resolve disputes and access justice.

10. If available, monitoring, reporting and evaluation, including:

The Fund Manager and social inclusion officer under the G-PCU will monitor and evaluate FPIC plan implementation and provide timely recommendation, if necessary, to ensure local communities in targeted areas are consulted and provided consent for activities conducted on their land and territories.

Further, ESCMP will monitor social, environmental and climate risks to alert project team to take mitigation actions, if necessary. This includes risks related to the exclusion of ethnic groups and adverse impacts on their livelihoods.

11. Implementation arrangements

The implementation arrangement for seeking FPIC should begin with training at Federal level, directed to project implementing partners. This will be integrated in trainings organized on ESCMP. It is proposed that the Fund Manager and relevant implementing partners will sought FPIC at each Payam level and ensure it is well embedded in planned consultation and consent processes.

Operating in volatile environments requires careful planning for project implementation, especially for seeking consent by ethnic groups that have been marginalized. The Peace and Conflict analysis will provide recommendations for FPIC implementation that guarantees well-being and safety of implementing partners, avoid harm to staff and organizations and set forth measures to minimize risks.

READ will liaise with UNMISS and UNCT and leverage on peace-building and land rights' related initiatives implemented in targeted areas, given READ's limited scope to directly influence legal recognition of rights to land, resources or territories. However, project implementation will apply a do-no-harm approach and within the scope of READ respect customs, traditions, norms, values, land tenure systems of targeted populations.

12. Budget and financing

Activities	Budget (USD '000)	Comments
Under component 1:		
Peace and Conflict Analysis	42.9	Will provide an understanding of ethnic groups residing in targeted areas, including livelihood, customs, traditions, and provide recommendations for culturally appropriate FPIC implementation.
Sensitization workshops with target groups on project interventions and expectations, with inclusion and extra sessions with ethnic groups	30.3	Consult and seek consent/non-consent from ethnic groups residing in targeted areas
Under component 3: SECAP		
High level training/sensitization workshop on READ ESCMP	10.1	Will include sensitization on FPIC process throughout the project cycle to project staff and relevant stakeholders in

Activities	Budget (USD '000)	Comments
		line with IFAD guidelines on how to seek FPIC and protocols on FPIC if available at local level
Training to Environment, Social and Climate focal points	61.6	Will include capacity building of focal points to engage with ethnic groups in targeted areas and ensure measures are in place to mitigate adverse social, environmental and climate impacts
Compliance monitoring of the implementation of ESCMP	42.2	Including implementation of FPIC process
Strengthening/establishment of GRM system	20.3	Including the engagement of chiefs and elders
Implementation of mitigation measures	53.2	
Total	217.7	