



Republic of South Sudan
National Development Strategy



Consolidate Peace and Stabilize the Economy

July 2018 – June 2021 »



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Preface

It is with great pleasure that I present the second medium term development framework for the Republic of South Sudan. The first South Sudan Development Plan (2011-2013), which was later extended to 2016, met immense implementation challenges brought about by conflict and economic shocks. As a country, it is important to articulate a strategy to guide government to invest in those areas that will consolidate peace and stabilize the economy, notably: - agriculture and livestock, petroleum, security sector reform, and basic services. We will encourage citizens, the private sector and partners to leverage these investments.

We have taken keen attention to leverage and align the Strategy to other national and international development frameworks to which the Government has committed. For instance, South Sudan Vision 2040 and the 2030 Global Agenda for Sustainable Development is an important framework. Through consultations across government and other stakeholders, SDG 16 on peace, justice and strong institutions and SDG 2 on hunger emerged as priority opportunities for us to deal with the immediate challenges facing the Nation. The Africa Agenda 2063, particularly, the aspect of a peaceful and secure Africa, provided inspiration for the Strategy. Likewise, the New Deal and the International Dialogue on Peacebuilding and Statebuilding, as well as the G7 plus group of conflict affected and fragile states (of which South Sudan is a founding member), provided us with tools to ensure a fragility sensitive strategy. We look forward to leveraging the partnerships, which these various frameworks provide to deliver the desired results for the people of South Sudan.

The FY 2018/19 budget will be the first instrument to actualize this Strategy. Each year, we shall ensure alignment of the budget to the NDS priorities and make necessary adjustments as we go.

I acknowledge the support of our development partners during the preparation of this Strategy and hope this will continue during the critical implementation phase. The United Nations Development Programme has been supportive in the process, facilitating the linkage to key stakeholders.

I wish to stress that good intentions alone are not enough to ensure the successful implementation of this Strategy. We will need to work together to combine the comparative strengths of the public and private sectors, communities and individual citizens in order to realize the objectives of the Strategy. Finally, I wish to convey my sincere appreciation to the NDS Steering Committee, the Secretariat, and the sector working groups that contributed to the articulation of this Strategy.


Hon. Salvatore Garang Mabior
Minister of Finance and Planning 12/4/2018

Acronyms

ARCISS	Agreement on the Resolution of the Conflict in the Republic of South Sudan
BOSS	Bank of South Sudan
CAMP	Comprehensive Agriculture Master Plan
CPA	Comprehensive Peace Agreement
EAC	East African Community
GATC	Government Accountancy Training Center
JMEC	Joint Monitoring & Evaluation Committee
GDP	Gross Domestic Product
ICT	Information Communications Technology
IT	Information Technology
IMF	International Monetary Fund
LGB	Local Government Board
MAFS	Ministry of Agriculture & Food Security
MARF	Ministry of Livestock & Fisheries
MoGEI	Ministry of General Education & Instruction
MoFP	Ministry of Finance and Planning
MTIEACA	Ministry of Trade, Industry & East African Community Affairs
MoEF	Ministry of Environment & Forestry
MED	Ministry of Energy and Dams
MHADM	Ministry of Humanitarian Affairs and Disaster Management
MLHUD	Ministry of Land, Housing and Urban Development
Mol	Ministry of Interior
MICTPS	Ministry of Information, Communication Technology and Postal Service
MIS	Management Information Systems
MLPS&HRD	Ministry of Labour, Public Service and Human Resource Development

MoCA	Ministry of Cabinet Affairs
MDVA	Ministry of Defense and Veterans' Affairs
MFAIC	Ministry of Foreign Affairs and International Cooperation
MoGCSW	Ministry of Gender, Child and Social Welfare
MoH	Ministry of Health
MHEST	Ministry of Higher Education, Science and Technology
MLF	Ministry of Livestock and Fisheries
MJCA	Ministry of Justice and Constitutional Affairs
MoP	Ministry of Petroleum
MP	Ministry of Parliamentary Affairs
MoCYS	Ministry of Culture, Youth and Sports
MoM	Ministry of Mining
MoT	Ministry of Transport
MWCT	Ministry of Wildlife Conservation and Tourism
MWRI	Ministry of Water Resources and Irrigation
NCRC	National Constitutional Review Commission
NDS	National Development Strategy
NNGO	National Non - Governmental Organization
OCHA	Office for the Coordination of Humanitarian Affairs
ODA	Official Development Assistance
PFMA	Public Financial Management & Accountability Act
SDGs	Sustainable Development Goals
TGoNU	Transitional Government of National Unity
TNLA	Transitional National Legislative Assembly
UNDP	United Nations Development Programme
UNMISS	United Nations Mission in South Sudan
WB	World Bank

01

The Context



The National Development Strategy (NDS) is the first national planning document providing strategic guidance since the South Sudan Development Plan (SSDP) expired in 2016, following a three-year extension. It is formulated in a very challenging country context of conflict, humanitarian crisis and economic downturn. As a result, the formulation of the NDS paid particular attention to the unique country context. The formulation process considered difficulties in holding nationwide consultations due to inaccessibility of certain regions in the country. The process was flexible to accommodate representation from various stakeholder groups to ensure that the strategy is a national document. Several processes are ongoing, all geared towards placing South Sudan back on the path to development. These include, the implementation of Agreement for the Resolution of the Conflict in the Republic of South Sudan (ARCISS), the ARCISS revitalization process and the national dialogue process. The NDS is key in articulating the government's priorities reflected in the various processes.

1.1 Guiding Principles of the National Development Strategy

The National Development Strategy is guided by the following principles:

Peace, Security, and Rule of Law

(a) Silencing of all guns; (b) Security sector reforms; (c) Supremacy of the rule of law and separation of powers; (d) Human rights and fundamental freedoms as stipulated in the Constitution of the Republic of South Sudan, international and regional covenants; (e) Justice and equality for all irrespective of ethnicity, religion, state of origin, social status or gender; (f) Accountability, transparency and good governance; and (g) Safe-guarding the rights of children, youths, widows, women orphans, wounded heroes/heroines and war veterans.

Democracy and Good Governance

(a) Political pluralism; (b) Free and fair elections; (c) Participatory democracy, inclusiveness to address issues of ethnic diversity; (d) Dialogue, reconciliation, and mutual tolerance as ways of resolving communal conflicts; (e) Respect for democratic institutions and collective responsibility; (f) Accountability and transparency; (g) Institutional reforms; (h) Responsible public borrowing and management of public assets; (i) Enactment and enforcement of property rights and contracts; (j) Protection of environments; (k) Competent public administration and civil service, staffed through meritorious recruitment and free from undue political influences; (l) Devolution of power, decentralization and self-governance; (m) Responsible economic management through pursuit of prudent fiscal and monetary policies; (n) Well coordinated planning and implementation mechanisms; (o) Balanced foreign policy that serves the national interests; (p) International partnerships and compacts; (q) Informed policy design and decision-making; (r) Tracking and monitoring of indicators and targets

Socio-economic Development

(a) Inclusive and equitable economic growth, Service delivery, Social safety nets for the vulnerable Creation and development of markets; (b) Productive capital accumulation; (c) Poverty reduction and eradication of hunger; (d) Economic recovery and management of inflation; (e) Economic diversification; (f) Infrastructural services; (g) Empowerment of women and youth; (h) Improving the quality of education and expanding training opportunities; (i) Support to scientific and socio-economic research; (j) Provision of vocational technical training; (k) Adoption of communication and information technologies; (l) Industrialization of the economy; (m) Export promotion.

International Compacts and Partnerships

(a) National ownership of development assistance; (b) Coordination of development aid; (c) Humanitarian work should go hand in hand with development; (d) Regional integration; (e) Public-Private partnership for sustainable development; (f) Balance foreign policy and promotion of global peace



Vision 2040

Justice, liberty and prosperity



Mission

Silence the guns and improve the living conditions of South Sudanese.



Overall Objective

Consolidate peace and stabilize the economy

1.2 Conflict, Security, and Economic Vulnerability

The Republic of South Sudan became the world's newest nation and Africa's 54th country on July 9, 2011, following a peaceful secession from the Sudan through a referendum in January 2011. Translating independence into broad-based, sustained development and prosperity remains the central objective of the Government of South Sudan. The outbreak of a protracted conflict since 2013 is considered a failure of development to reconcile political differences and grievances. During the Comprehensive Peace Agreement (CPA) period (2005-11), whilst state building focused on institution building, it had by post-independence become clear that underdevelopment and poverty pose an existential threat to South Sudan and has resulted in poor social cohesion and mistrust amongst stakeholders (citizens, government, and development partners).

Since independence, some progress has been made on institutionalizing state functions, albeit starting from a very low base. South Sudan also has significant oil wealth, which if effectively used to drive development, could provide the basis for progress in the coming years. However, the renewed conflict, is undermining development gains achieved since independence and has worsened the humanitarian situation. The lack of development, visible in the limited physical infrastructure; high unemployment and mortality rates; and low-income levels, is accompanied by corruption, violence, economic hardship, lack of basic services and human rights abuse. Even in regions not facing high levels of insecurity, lack of development combined with "lack of capacity" development and resources mobilization, means that government's presence is limited and its effectiveness questionable. The civil service is weak, severely limiting government's capacity to mobilize resources and deliver services to citizens. It is obvious that without conflict resolution and a framework for peace and security, the country's longer-term development and prosperity are threatened.

The current conflict has resulted in a significantly negative financial impact on South Sudan. In 2015, South Sudan entered a recession (estimated at -5.7%) which continued in 2016 (-13.8%) according to the International Monetary Fund (IMF). The economy is projected to contract an additional 3.5% in 2017. The Government relies on central bank loans to fund budget expenses, approximately 62% of which go towards salaries and transfers. Oil exports account for 98% of South Sudan's revenue. With oil production disruptions and below-average agriculture production, the economy continues to contract, while fiscal and current account deficits soar, domestic prices spiral and a parallel market thrives. The extreme poverty rate has increased to 65.9%. It is obvious that avoiding protracted crisis requires renewed commitment to a political settlement and major fiscal adjustment.

Security, Peace and Conflict Dynamics

The crisis has constrained efforts aimed at managing diversity. Levels of violence have traditionally been high in areas of high levels of diversity, where communities and different ethnic groups interact with each other. Because of weak governance structures, perceptions of ethnic bias and marginalization persist.

Consistent insecurity related to resource-competition and a pastoral inclination towards expansion, has created conditions of continued deprivation and underdevelopment for communities. Since 2011, events

in Jonglei have shown this combustible mix of armed political opposition, violent ethnic militias and a nascent political system. At times local armed groups' reasons for fighting are different from those of national politicians, and many do not support the peace process, creating a precarious security context at local level. For example, some of these local armed groups are not fighting for control of the government in Juba but for local autonomy. This desire for local independence is rooted in the existence of multiple ethnic groups with their own languages, traditions, laws, sources of revenue and security providers.

Some of the protagonists in the national conflict have been able to use these groups and manipulate their grievances in the quest for national power. The trend of fragmentation of armed groups and alliance formation at the local level is illustrative, not only of the complexity of the current crisis, but also the narrow approach to conflict resolution currently being pursued. Sustainable peace at the local level is to an extent distinct from the alliances and coalition politics at the national level.

Governance reform, including justice and reconciliation, must be central to any future vision for South Sudan. These governance reforms have been well articulated in the ARCISS and are contained in the objectives of the National Dialogue. A long-term change perspective is required to lay the foundations for a less violent political economy. This includes looking not only at national change processes but also at the structural and foundational issues. For example, aiming for a free and fair national election needs to include conducting a credible national census and enabling political participation, which would mean dealing with internal boundary demarcation and freedom of speech for media and activists.

The Regional Security Context

Overlaying the civil war and local resource-based conflicts are regional interests. The cross-border interest has been pursued through intermittent military transgression alongside longer-term proxies taking advantage of local grievances and ethnic bias. This means that the politically ambitious and/or embattled in South Sudan are easily able to find support from neighboring states seeking to pursue their own power agendas. This regional dimension of the South Sudan conflict will play a determining role in the future development and transformation of South Sudan. Being a landlocked country will always increase the level of risk of instability in South Sudan with different parts of the country having cross-border relationships with neighboring states and peoples. Additionally, with the need to export oil via at least one neighboring state, there are deeply embedded regional interests, which have long-historical legacies as well as national political implications. To the extent that regional politics influence the South Sudan conflict, national development plans must consider a regional strategy for stability.

The Humanitarian Situation

There has been a steady worsening of the humanitarian situation across the country since the crisis in 2013. Around 7.5 million people out of an estimated 12.2 million population comprising nearly 61% of the total population of the country, are estimated to need humanitarian assistance. Integrated Food Security Classification Updates released in June 2017, highlighted that 6 million persons are "severely food insecure," a number which is unprecedented in South Sudan. Estimates by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) suggested that because of the conflict, nearly 2 million people have been internally displaced and over 2 million people have sought refuge in

Uganda, Ethiopia, Kenya, Sudan, Central African Republic and Democratic Republic of Congo with women and children being worst hit. The outflow of people continuing unabated, with an average of 40,000 people leaving the country per month through 2016 on account of insecurity in parts of the country.

According to the Integrated Food Security Phase Classification (IPC) update released on February 20, 2017, by the South Sudan National Bureau of Statistics, the food security situation across South Sudan has continued to deteriorate alarmingly. The IPC update classified 4.9 million people (42 percent of the population) as severely food insecure (IPC Phases 3, 4, 5) from February to April 2017.

1.3 Global, Regional and National Anchors

The content and orientation of the NDS, while being anchored in local needs, perspectives and realities, draws inspiration from the following national, regional and global development frameworks. These frameworks help to better situate the people of South Sudan's ambition, responsibility and most importantly, frame mutual accountability mechanisms.

Vision 2040

The National Development Strategy (NDS) represents steps towards achieving the objective of the Vision 2040, which aims to define the type of country that South Sudanese would like to have by the year 2040. Vision 2040, with the theme "Toward Freedom, Equality, Justice, Peace and Prosperity for All", is a channel for strategic thinking and policy-making through which all the people of South Sudan can unite, join hands together and contribute towards achieving the goal of building the nation.

The following seven pillars of Vision 2040 are therefore reflected in the NDS Cluster and sector priorities to facilitate a smooth process of implementation: a) building an educated and informed nation, b) building a prosperous, productive and innovative nation, c) building a compassionate and tolerant nation, d) building free, just and peaceful nation, e) building a democratic and accountable nation, f) building a safe, secure and healthy nation; and h) building a united and proud nation.

Agreement on Resolution of Conflict in the Republic of South Sudan

The Agreement on the Resolution of the Conflict in the Republic of South Sudan (ARCISS) is the guiding text during the Transitional Period in regard to activities of the Transitional Government of National Unity (TGoNU), the Transitional National Legislature, the Judiciary and other developmental institutions. As stipulated in Chapter IV of ARCISS, the National Development Strategy will provide the broad strategic guidance and accelerate progress in achieving a sustainable and resilient national economy. The various chapters of the ARCISS are thus strategically aligned with the NDS to achieve the desired outcomes for governance and political reform, permanent ceasefire, effective delivery of

humanitarian assistance and reconstruction, as well as improved economic, financial and natural resource management. The National Development Strategy will be flexible to accommodate changes that might be necessitated by the ongoing Revitalization Forum of the ARCISS.

National Dialogue for Peace and Reconciliation

As the first truly national conversations since independence amongst South Sudanese to redefine the social contract, the National Dialogue provides an opportunity for every South Sudanese, including people who feel left out of the political process, to articulate a vision and contribute to establishing the actions required to put South Sudan on a sustainable path to peace and development. It is possible that some of the issues arising from the ongoing national dialogue may have already been addressed by ARCISS. However, the outcomes from the national dialogue consultations will inform the next national development plan.

Hence an effort is made to ensure that the NDS is aligned to the following objectives of the national dialogue: (1) to end political and communal violence in the country and resolve how to properly transform the military; (2) to redefine and re-establish stronger national unity; (3) to restructure the state and negotiate social contract between citizens and their government; (4) to settle issues of diversity, dealing with fear of political domination, issues of national army and civil and foreign service; (5) to resolve issues related to resources sharing and allocation; (6) to settle social disputes and sources of conflict; (7) to set a stage for an integrated and inclusive national development strategy; (8) to agree on steps and guarantees to ensure safe, fair, free and peaceful elections and transition; (9) to agree on a strategy to return internally displaced persons and refugees to their homes; and (10) to develop a framework for national peace, healing and reconciliation.

The African Agenda 2063

The National Development Strategy draws inspiration from the Africa Agenda 2063. The agenda envisions an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena. A key aspiration of the Africa Agenda 2063 that provides inspiration for the strategy is a peaceful and secure Africa.

The 2030 Sustainable Development Agenda

The 17 Sustainable Development Goals (SDGs) present a global blueprint to end poverty, protect the planet, and ensure prosperity for all. As a member of the global community these aspirations truly reflect the shared values and ambitions of the people and government of South Sudan. Within the current challenging country context, the NDS represents initial steps to domesticate the global agenda. The NDS is informed by priorities agreed during SDG consultations held by national stakeholders.

Through participatory consultations with national stakeholders, a consensus emerged that SDG 16 on peace, justice and inclusion is the priority SDG goal for South Sudan, and an enabler for other SDGs. Without peace, progress is not possible in other areas, and there is a need to make peacebuilding and progress towards peace goals more concrete and measurable. The need for inclusive dialogue was also highlighted. Among the specific targets under SDG 16, rule of law, reducing violence and arms flows were emphasized by participants. Drawing from the outcomes of the World Humanitarian Summit, the NDS will place development at the center of humanitarian interventions and peace building in South Sudan. While there are immediate needs for humanitarian support, civilian protection and mediated conflict resolution must remain high on the peacebuilding agenda.

Nurturing Partnerships

Developing and nurturing strong partnerships is critical to deliver the National Development Strategy. Such partnership must include all key stakeholders - the central and state governments, the people, the private sector, development partners and civil society. Government will provide the lead while strengthening its capacity to nurture an effective partnership that will foster alignment, strengthening institutions, results and accountability.

1.4 Managing Fragility

The New Deal (International Dialogue on Peacebuilding & Statebuilding)

The New Deal for Engagement in Fragile States is based on five Peacebuilding and Statebuilding Goals (PSGs) and two principles. The New Deal builds on the recognition that conventional humanitarian and development assistance, while providing a boost in the short-term, have often failed to deliver results that are sustainable in the long-term. As a founding member of the g7 plus group of conflict affected and fragile countries, South Sudan piloted implementation of the New Deal to help identify and address the root causes of fragility and build a sustainable pathway towards resilience.

The five Peacebuilding and Statebuilding Goals: (1) Legitimate politics, (2) Security, (3) Justice, (4) Economic foundations, and (5) revenues and services are meant to provide clarity on the national priorities.

New Deal Principle - "FOCUS"

The New Deal "FOCUS" principles highlights new ways of engaging (strategies) to support inclusive country-owned transitions out of fragility based on a country-led fragility assessment, country-led one vision, one plan, a country compact to implement the plan and support inclusive political dialogue.

F- Fragility Assessment: conduct periodic country-led assessment on the causes and features of fragility and sources of resilience as a basis for one vision, one plan. The assessment will include key national stakeholders and non-state actors and will build upon a harmonized methodology, including a fragility spectrum.

O- One Vision, One Plan: develop and support country-owned and -led one national vision and one plan to transition out of fragility in consultation with civil society.

C-Compact: Key mechanism to enhance partnership implementation on vision, one plan. A compact will be drawn upon a broad range of views from multiple stakeholders and the public, and be reviewed annually through a multi-stakeholder review.

U-Use peacebuilding and statebuilding goals, targets and indicators to monitor country level progress.

S-Support political dialogue and leadership

New Deal Principle - "TRUST"

T - *Transparency*: ensure more transparent use of aid (ODA and non-ODA),

R - *Risk-sharing*: accept the risk of engaging during transition, using joint mechanisms to reduce and better manage risks so as to build the capacity of country systems.

U - *Use and strengthen country systems*: jointly identify oversight and accountability measures as required to enhance confidence in and enable the expanded use and strengthening of country systems

S - *Strengthen capacities*: ensure efficient support to build critical capacities of institutions of funding the state and civil society

T - *Timely and predictable aid*: develop and use simplified, accountable fast-track financial management and procurement procedures to improve the speed and flexibility of aid delivery in fragile situations and review legal frameworks to support our shared objectives

The New Deal (IDPSB) commits to build mutual "TRUST" by providing aid and managing resources more effectively and aligning these resources for results. Delivering visible results quickly and on a continuous basis will enhance transparency, risk management to use country systems, strengthen national capacities and timeliness of aid, while improving the speed and predictability of funding to achieve better results.

South Sudan remains fully committed to the principles of the New Deal for Engagement in Fragile States. The government updated the 2012 fragility assessment in the process of articulating this strategy.

The basis for the fragility assessment was the five peacebuilding and statebuilding goals as follows:

- [1] **Legitimate politics** - Foster inclusive political settlements and conflict resolution.
- [2] **Security** - Establish and strengthen people's security
- [3] **Justice** - Address injustices and increase people's access to justice,
- [4] **Economic foundations** - Generate employment and improve livelihoods,
- [5] **Revenues and services** - Manage revenue and build capacity for accountable and fair service delivery.

The conclusion from the fragility update is that the nation has rolled back from the "rebuild and reform" phase in 2012, to a "crisis" phase in 2017 on the New Deal fragility spectrum (see Annex 6.8).

Core Government Functions

Strengthening core functions of government is essential to deliver the NDS. As such, government will emphasize key functions critical to implement the strategy and manage risks associated with the fragility dimensions of the country's stabilization and recovery process.

Consultations with stakeholders indicates that a focus on the following core functions is strategic to deliver the NDS:

- a) Take practical steps to **identify, review, strengthen and implement policies** and ensure they are consistent and coherent in overcoming technical and political barriers. Policies that have a multiplier effect in consolidating peace and stabilizing the economy will take precedence.
- b) Take practical steps to **communicate policies** more effectively at the level of The President and Council of Ministers. This will create a predictable environment in which citizens, the private sector, and the development partners are able to contribute meaningfully to peace consolidation and economic stabilization.
- c) Take practical steps to **coordinate policy** at national and state levels. The clusters (and the sector working groups) will be an essential mechanism for coordination. However other inter-agency mechanisms will be revived (e.g. governors' forum, Undersecretaries forum) or designed.
- d) Take practical steps to **support stakeholders to align to the strategy** at various levels, including departments and agencies, civil society, private sector, and other stakeholders.

02

The National
Development
Strategy



2.1 The Journey

The Agreement on the Resolution of Conflict in South Sudan came into effect on August 2015, which provided for the articulation of a national development strategy. The strategy was conceived as a tool to accelerate progress in achieving a sustainable and resilient national economy in collaboration and coordination with inter-ministerial departments and, where appropriate, with development partners.

On 6th July 2017, the honorable Minister of Finance and Planning announced formally the intention of Government to articulate a conflict-sensitive national development strategy at a high-level government and development partners' meeting. He indicated that the focus will be to consolidate peace and stabilize the economy.

The Ministry of Finance and Planning led the coordination of the strategy formulation with a structure that included a secretariat charged with coordinating across five working groups . Three of the NDS clusters - Governance, Economic, and Service delivery – were articulated in the Peace Agreement. The other two Working Groups - Context and Cross-cutting – were instituted to reflect the unique context of the NDS and mainstream key cross-cutting issues such as gender, capacity and climate resilience. The ten sectors upon which the budget instruments are designed are organized into the 5 NDS clusters. All stakeholders - government, private sector, civil society, bilateral and multilateral partners are part of a sector. The NDS Secretariat reported to a Steering Committee composed of cluster and Working Group chairpersons, Undersecretary of the Ministry of Finance and Planning, Office of the President, Ministry of Cabinet Affairs, NGO forum, South Sudan Business Forum and Academia.

The various drafts of the strategy were reviewed by members of the working groups and final discussions were held in January 2018.

It is anticipated that the organizational structure will remain during the implementation period and provide opportunities for review at the end of each financial year.

2.2 Objectives and Strategic Actions

The National Development Strategy (NDS) will guide national investment and development actions for three years from 1st July 2018 to 30th June 2021. It will be implemented through three budget cycles. The objective of the NDS during the three years is to **consolidate peace and stabilize the economy.**

What change should citizens expect to indicate success of the NDS? Through consultations with multiple stakeholders, it emerged that citizens **want** to see change in three critical aspects (or outcomes). First, people should **feel safe** to go about their business (daily activities), including freedom of movement. Second, people should be able to enjoy **stable prices** with the key prices being food, currency (foreign exchange rate), and labor (wages

NDS will be considered successful...

- ✓ *When more people feel safe to go about their business;*
- ✓ *When people enjoy stable prices;*
- ✓ *When people experience improved basic services.*

and salaries). The third aspect is access to **basic services**, broadly defined to include health, education, and rule of law, as well as other services that enable citizens to go about their businesses.

The NDS will be delivered through six interconnected priority strategic actions:

- **Create enabling conditions for and facilitate the voluntary return and integration of displaced South Sudanese:** When people who have been displaced finally return home, it will be an indication that they feel safe and can engage in production, which in turn will enhance food security.
- **Develop appropriate laws and enforce the rule of law:** Enforcing the law will mean that crime is controlled, the movement of people, goods and services will not be unnecessarily curtailed – contributing to people feeling safe, enjoy stable prices and basic service provision.
- **Ensure secure access to adequate and nutritious food:** Securing food will directly stabilize food prices but will also have an effect on reducing the slide of the economy.
- **Silence the guns by facilitating a permanent cessation of hostilities:** Silencing the guns means that no new armed groups will be formed and existing ones will cease hostilities permanently.
- **Restore and expand the provision of basic services:** Maintaining basic services is defined broadly to include those that enable individuals and firms to conduct their businesses. This will begin to build the social contract between government and its people.
- **Restore and maintain basic transport infrastructure such as roads and bridges:** Will mean that the movement of people, goods and services will not be curtailed and will help stabilize prices and ease the provision of services.

Six strategic deliverables:

- [1] Create enabling conditions for and facilitate the voluntary return and integration of displaced South Sudanese;
- [2] Develop appropriate laws and enforce the rule of law;
- [3] Ensure secure access to adequate and nutritious food;
- [4] Silence the guns by facilitating a permanent cessation of hostilities;
- [5] Restore and expand the provision basic services;
- [6] Restore and maintain basic transport infrastructure such as roads and bridges.

03

Results and Implementation Framework



Table 3.1: **Expected Results for the National Development Strategy**

Outcomes	SDG Related Indicator	NDS Indicator	Baselines	3-Year Targets	Means of Verification
Feel safe to go about their business	SDG 16.1.4 Proportion of population that feel safe walking alone around the area they live	% of population that report feeling safe to go about their business		40%	Surveys and other sources
		% population that feel safe walking alone around the area they live		40%	Surveys and other sources
Enjoy stable prices	SDG 2.c.1 Indicator of food price anomalies	Rate of inflation (year-on-year)	135%	30%	CPI, Surveys, other sources
Access to basic services	SDG 16.6.2 Proportion of the population satisfied with their last experience of public services	% of population satisfied with their last experience of public services		50%	Surveys and other sources

The expected results for the NDS are presented in **Table 3.1** and relate to the overall strategy. The baselines and 3-year targets will be reviewed and revised in the first year of implementation as new and better data becomes available. Each of the sectors has articulated the results at sector level and will constitute part of the overall success of the strategy. Monitoring of these results is important for accountability. A partnership to continuously and systematically collect data on indicators, as well as resources will be nurtured.

The results will also form the basis for Government's reporting on its commitment to other international frameworks, including the 2030 Global Agenda for Sustainable Development and the Africa Agenda 2063 - the Africa we want.

Many of the baseline data is currently not available. However, Government will coordinate the update of the baseline data and continue to support data gathering as a basis for reporting and accountability.

In addition to the expected results, **Table 3.2** provides strategic deliverables that directly link to the key results. These are big ticket actions, which are critical to the achievement of the strategy results.

Deliberate efforts will be made to communicate the NDS Results and Strategic Deliverable to all stakeholders for buy-in.

	Measures (indicator)	Baselines	3-Year Targets	Means of Verification
Return the displaced	% of total number of people displaced internally due to conflict and violence who return		70%	National Household Survey
	% of total number of refugees due to conflict and violence who return		50%	National Household Survey
Enforce the law	Proportion of people with rule of law related grievances that receive satisfactory redress		25%	National Household Survey
Secure food	Net Cereal production	60%	80%	National Household Survey
Silence the guns	Conflict-related deaths per 100,000 population	40%	30%	National Household Survey
Maintain basic services	Proportion of births attended by skilled health personnel (%)			National Household Survey
	Proportion of children completing primary education	64.4%	30%	National Household Survey
Maintain basic roads	Proportion of the rural population who live within 2 km of an all-season road			National Household Survey

3.1 Implementation Framework

Successful implementation of the NDS is crucial, not only to deliver on the planned objectives of the strategy, but also to rebuild trust in the capacity and legitimacy of the state. Therefore, implementation of the NDS will typically be led by the sectors through corresponding Ministries and Agencies. Sectors will develop strategic and implementation plans to deliver the NDS as prescribe by law and procedure.

Given the immense interest of diverse stakeholders during the participatory phase of the process, implementation and coordination design will be flexible to accommodate the diversity of institutions and stakeholders at various levels (national and sub-national) in implementing the NDS. Low capacity of public and non-state actors was identified as a major constraint to the implementation of the South Sudan Development Plan. NDS implementation will take this into consideration and leverage the comparative advantages of various stakeholders.

Overall NDS implementation will be coordinated across sectors, clearly outlining the roles of the major actors in the implementation framework. The NDS Secretariat situated within MoFP will support the coordination of NDS implementation, collect annually updated implementation plans from the sectors and check for consistency with the NDS. It will also collect quarterly implementation reports from Ministries, agencies and commissions to review consistency and the evidence for progress. The NDS Secretariat will prepare summary reports of this information to submit to the NDS Steering Committee, highlighting where there are delays or other constraints that merit management attention and capacity development.

The national budget is an important implementation tool for the strategy. Efforts will be made to ensure that the priorities are reflected in the annual budget cycle. In the annual budget discussions, the Council of Ministers will consider the success rate of sectors in meeting their commitments for deliverables elaborated in the results framework.

3.2 Communication

National ownership of the NDS is important to ensure successful implementation. The NDS was formulated through a participatory process with diverse stakeholders contributing to the cluster and sector priorities. A deliberate effort will be made to continue to communicate the NDS objectives to all stakeholders for buy-in. The NDS document will be widely disseminated and progress reports on implementation will be available to stakeholders for inputs to enhance implementation. Various means of communication will be deployed, including print and electronic media, seminars involving academia and interest groups and creative community methods. A communication strategy for the NDS will be developed to guide sensitization and outreach efforts.

04

**Cluster Priority
Actions**



4.1 Governance Cluster

Several analyses of the crisis in South Sudan have referenced challenges with governance in the country. The lack of strong governance capacity, manifested since 2005, has been acknowledged by both government and partners, and is widely considered as a major contributing factor to the political and humanitarian crisis currently facing the country. More importantly, there is a general recognition that all efforts to implement reforms for socioeconomic development will only have a chance of success, and can only be sustainable if peace is achieved. Furthermore, buy-in from citizens achieved through an inclusive political dialogue process is essential for sustainable peace to prevail.

The Governance cluster is therefore very critical to achieving the objectives of the NDS. Good governance is important for creating the enabling environment for peace, economic development, capacity development and equitable service delivery. It reduces the potential for corruption and enables the allocation of public resources to respond to priority needs (security, food security, health and education). Effective and credible governance also facilitates an environment for macroeconomic stability, enabling economic activity to flourish.

As prescribed by the ARCISS, the Governance Cluster consists of the Rule of Law, Security, Public Administration and Accountability sectors. The goal for the Cluster is:

“A peaceful, developed/prosperous, secure, democratic, effective, efficient and accountable society which adheres to the rule of law.”

Cluster deliberations identified numerous issues that must be addressed to establish an environment for sustainable peace and development in the country. However, the Cluster reached a consensus on the following five key issues to be addressed during the NDS period.

The Key issues

1 Contamination of areas with unexploded ordinance (UXO), explosive remnants of war (ERW), which affects farming, grazing and human settlement.

2 High levels of corruption and lack of transparency in South Sudan

4 Insufficient physical infrastructure and inadequate staff capacity

3 High proliferation of illegal arms and delay in the implementation of security sector reform and DDR program

5 Insufficient legislative framework and lack of implementation of existing laws

Recognizing the complex nature of the challenges reflected in the key issues listed above, the Cluster proposed the to address the issues in the NDS:

Strategic Priority Actions:**1. Comprehensive disarmament of ex-combatants, demobilizing and reintegrating them into civilian life; and disarmament of civilians with illegal arms.**

This is essential to address the situation of high volume of arms in the civilian population, which poses a constant threat to peaceful coexistence in society. The intent of this priority action is to engage all stakeholders to take concrete steps to remove arms from the civilian population, whilst leveraging other national processes such as the National Dialogue and the revitalization of the peace process to advocate and push for total cessation of hostilities and subsequent disarmament of armed combatants.

2. Ensure that relevant legal frameworks are reviewed, reforms enacted, passed, assented to and implemented accordingly.

Agencies require legitimacy and autonomy relevant to the execution of their mandates in order to improve service delivery for citizens. Establishing the appropriate legal and institutional frameworks is essential to empower agencies and enhance functionality. Additionally, policy making, implementation, monitoring and oversight are key to ensuring coherence and consistency to achieve the NDS objectives.

3. Enhance communication, strengthen coordination and institutional relations.

Poor coordination has been identified as a major weakness in achieving government effectiveness and efficiency. Revitalizing coordination arrangements, strengthening coordination and improving communication, especially between government and citizens is important for building trust and enhancing the social contract.

4. Ensure the resettlement, reintegration of returnees and refugees, provision of reconstruction and recovery services to the general population countrywide.

This presents opportunities to deliver some quick wins. Working actively to establish an enabling environment - including cessation of hostilities could mark the beginning of a positive drive towards consolidating peace.

5. Ensure institutional and human resource development.

This strategic priority action is to ensure that institutions are developed and staffed with qualified and competent people to ensure continuity of quality service delivery in the public sector.

Governance Cluster Results Framework

Cluster Goal - “A peaceful, developed/prosperous, secure, democratic, effective, efficient and accountable society which adheres to the rule of law.”

Composition - Governance Cluster is comprised of Accountability, Public Administration, Rule of Law and Security Sectors.

Cluster Strategic Objective: To be a cohesive, democratic, accountable, transparent, efficient and effective government for the people of South Sudan.

Outcomes	Measures (indicator)	Baselines	3-Year Targets	Means of Verification
Ex-combatants are comprehensively disarmed, demobilized and reintegrated into civilian life; civilians with illegal arms disarmed	% of civilian population with firearms and/or light weapons	40%	30%	Small arms survey
relevant legal frameworks are reviewed, reforms enacted, passed, assented to and implemented accordingly	% of government institutions with updated number of legal frameworks	50%	70%	Matrix of Policy Instruments
communication enhanced, coordination and institutional relations strengthened	% of public service employees that perceived communication, coordination and relations are good or very good.	30%	45%	Labor Force Survey
Refugees and returnees are resettled; reconstruction and recovery services ensured	% of displaced, repatriated and resettled	10%	55%	Reconstruction and Development Commission reports
institutional and human resource development enhanced and ensured	% civil servants with capacities required to function optimally	35%	55%	Labor Force Survey

4.2 Economic Cluster

Although rich in natural resources, South Sudan's economy is centered on oil production and subsistence agriculture. When global oil prices were above US\$100 per barrel, oil production accounted for 99% of exports, 95% of government revenue and more than 60% of GDP. When oil revenue declined due to conflict and decline in oil prices, GDP contracted. Inflation has been in triple digits for more than 2 years as of December 2017. Productive capacity has also been weakened due to displacement and lack of investment, making households and communities vulnerable.

The Economic cluster seeks to achieve viable economic stability and growth. Cluster deliberations identified numerous issues that must be addressed to establish an environment to enable the economy to recover while consolidating peace in the country. However, the Cluster reached a consensus to address the following key issues during the NDS period:



Cluster Goal: improve food security and livelihoods, and revitalize the national economy.

Economic Cluster Strategic Priority Actions:

Recognizing the complex nature of the challenges reflected in the key issues listed above, the cluster proposed the following strategic priority actions to address the issues in the NDS:

1. Intensify revenue mobilization

Heavy reliance on oil has left the country's economy extremely vulnerable to external shocks related to volatility in oil prices on the global market. The intent of this priority action is to intensify efforts to mobilize non-oil revenue to finance implementation of the NDS. This will be done through implementing key reforms in public financial management and making investments to begin to diversify the economy.

2. Expedite economic infrastructure development

Infrastructure development is a key driver for progress and a critical enabler for productivity and economic growth. South Sudan has significant infrastructure deficit, which must be addressed to provide the necessary impetus for economic diversification. The intent of this priority action is to begin investing in critical economic infrastructure development, including transport infrastructure (roads, rail, inland ports, etc) as well as power, agriculture infrastructure and technology

3. Fast-track development of legal, regulatory and institutional frameworks

A conducive environment is necessary to attract investment and stimulate the private sector to be the engine of economic growth. The intent of this priority action is to ensure that legal, regulatory and institutional frameworks are established to facilitate a favorable environment for economic growth.

Economic Cluster Results Framework

Cluster Goal -
“Improve food security and livelihoods, and revitalize the national economy”

Composition -
Economic Functions, Natural Resources, and Infrastructure Sectors

Strategic Objectives of the Cluster -

1. To finalize legal institutional frameworks
2. To meet the EAC “basels” requirements
3. To enhance revenue mobilization and strengthen public financial management 4.
- To develop basic economic infrastructure
5. To review, update and implement policies and strategies of the Economic Cluster

Outcomes	Measures (indicator)	Baselines	3-Year Targets	Means of Verification
Economy is increasingly diversified	Ratio of Non-oil GDP	TBC	TBC	CPI, Annual GDP report,
expenditure is reoriented to expand the productive base	Share of capital expenditure as a % of total government expenditure	5%	10%	National Annual Budget Outturn
	Net Cereal production	60%	80%	Crop and Food Security Assessment Mission

Table continued next page »

Outcomes	Measures (indicator)	Baselines	3-Year Targets	Means of Verification
Development of economic infrastructure is expedited	Feeder roads rehabilitated or constructed	750 KM	1000 KM	Ministry of transport
	Construction of a major highway	250 KM	500 KM	Survey and assessment of roads
	Food reserve depots built	0	3 (40,000 MT each)	Ministry of Agriculture
	Mobile phone penetration	5	TBC	MWRI
	Number of developed or rehabilitated irrigation schemes	0	3,000	Water Information Management System
	Construction and rehabilitations of buildings	0		
	Construction and rehabilitation of urban water and sanitation facilities			
	Maintenance of airports and control of airspace			
development of legal, regulatory and institutional frameworks is fast-tracked	Number of legal framework revised and submitted	1%	25	Policy Instrument Tracking Matrix
revenue mobilization is intensified	Oil revenue as % of GDP Non-oil revenue as % of GDP	TBC	TBC	Ministry of Finance and Planning

4.3 Social Service Cluster

Decades of civil war and renewed fighting in December 2013 has devastated the entire country, especially the service delivery architecture. Today, the provision of service opportunities in South Sudan occurs against a back drop of high illiteracy, lack of basic health infrastructure; extreme poverty, food insecurity, displacement/ refugees and returnees, forced child soldiers, gross gender based violence and a struggling economy.



The key issues listed above clearly indicate weak systems and uncoordinated partnership in the cluster. The systems in the Social Service cluster mainly refer to:

1. Governance - leadership, framework and coordination
2. Human resource capacity
3. Financial capacity
4. Information, technology, monitoring and evaluation
5. Commodities, supplies and equipment / devices
6. The service delivery and infrastructure

"The goal for the Social Services Cluster is to establish a robust, equitable social service system and partnership that is sustainable and accountable".

Strategic Priority Actions:

1. Provide adequate social service system
2. Increase inclusive access and coverage to quality social services
3. Strengthen social services leadership and framework

Social Service Cluster Results Framework

Cluster Goal -
Establish a robust, equitable social service system and partnership that is sustainable and accountable

Composition -
Education, Health and Social & Humanitarian Affairs Sectors

Cluster Strategic Objectives:

1. To create a cohesive social service system and effective coordination mechanisms;
2. To increase inclusive access and coverage in the social service;
3. To expand and improve social infrastructure;
4. To promote partnership among all stakeholders;
5. To strengthen human and institutional capacity for efficient and effective social services

Outcomes	Measures (indicator)	Baselines	3-Year Targets	Means of Verification
adequate coverage and inclusive access to quality social services is provided	% of population accessing inclusive and quality social services	44%	60%	EMIS, DHIS, SSHHS,
	% of human resource capacitated	13.5%	27%	EMIS, DHIS, SSHHS,
social services leadership and policy environment is strengthened	% of national Budget allocated to social services	5%	15%	Analysis of the National and state budgets/ outturns
	Number of policies promulgated, implemented, monitored and Evaluated	75%	100%	Tracking matrix of key policies

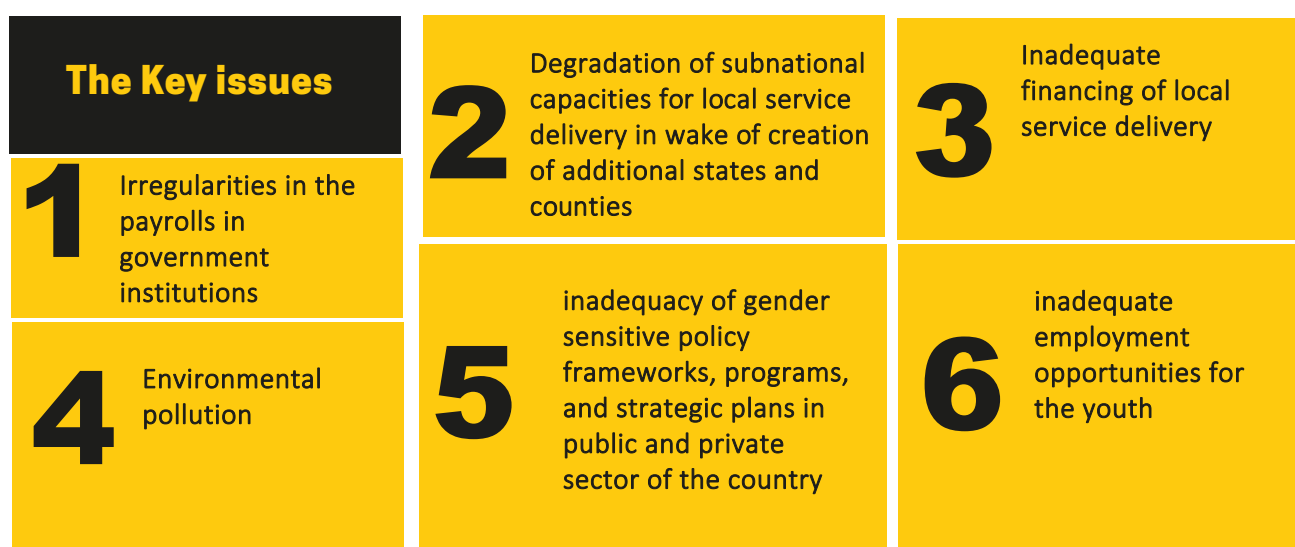
4.4 Cross-Cutting Issues

As reflected in the context for the NDS, several issues are critical to deliver the NDS objectives for the people of South Sudan. Four cross-cutting issues specifically are identified as important: environment, women and youth, capacity-building and Local Service Support (LSS). The broad nature of these issues means that they cannot be categorized into any of the other clusters. The NDS aims to mainstream these important cross-cutting issues across all clusters through integrating initiatives into sectoral action programs during implementation. Facilitating access and participation by women and youth in governance, peacebuilding and economic opportunities must be clearly reflected in implementation of cluster strategic priority actions. Environmental concerns must be seriously considered for the sustainability of potential gains in economic development and service delivery. The ultimate aim of the NDS is to improve the standard of living of the people of South Sudan.

Service delivery happens at the local level. As such, particular attention must be paid to ensuring a coordinated and efficient delivery of services through local institutions: states, counties and service delivery units. The Government has since 2013 coordinated responses for delivery of key local services (education, health, water and small-scale infrastructure) through Joint Plan of Actions (JPAs) endorsed by respective ministries and agencies and coordinated by the MoFP. The joint work of the Local Service Support (LSS) JPAs continue to strive for coordination of government efforts for local service delivery through policy alignments, coordinated capacity building and allocation of government fiscal and human resources for local service delivery. A particular challenge for the LSS agenda is how best to respond to the challenges raised by the very significant increase of subnational entities (states and counties) that has occurred since late 2015.

The goal for cross-cutting issues is:

“an effective public service that enhances inclusive, productive and quality service delivery for the welfare of the entire society.”



Working Group Strategic Objectives:

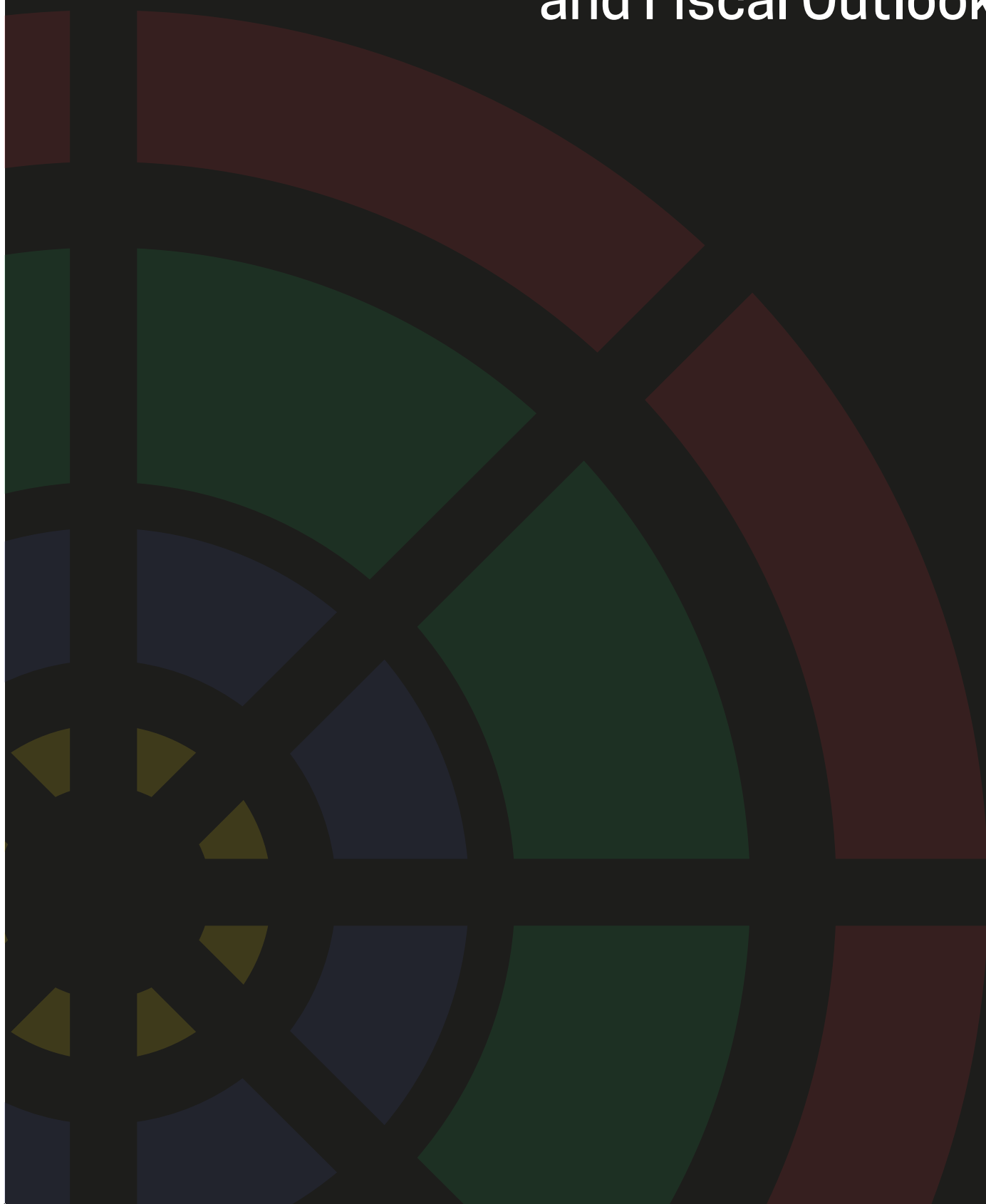
1. To establish standardized operational Electronic Payroll System (EPS) in all the Government institutions in South Sudan
2. To strengthen institutional capacities for environmental pollution management
3. To mainstream gender issues into all policy frameworks, programs and strategic plans in public institutions and private sectors in South Sudan
4. To empower youth to address unemployment challenges

Strategic Priority Actions

1. Roll-out the establishment of South Sudan EPS (SSEPS 11) to all government institutions in South Sudan and concurrently conduct physical head count exercise through salary payment supervision committees in all government institutions
2. Adapt the LSS framework for local service delivery to the new subnational configuration (consider relevant legal and policy revisions, adapt systems and guidelines, reorient capacity building efforts) and undertake subnational capacity building with particular focus on restoration of basic PFM compliance and accountability
3. Gradually restore value of service delivery fiscal transfers to states and counties and enhance transparency and equity of fiscal transfer system
4. Conduct a baseline survey on status and sources of environmental pollution in South Sudan
5. Develop legislation, regulations, standards and guidelines on environmental pollution management
6. Coordinate and train all the targeted groups (staff, youth and women) in the relevant fields for efficient and effective participation in nation-building and statebuilding

05

Macroeconomic
and Fiscal Outlook



5.1 The Current Economic Situation and Challenges

The economic goals in the South Sudan Development Plan 2011 were aimed at facilitating diversified private sector-led economic growth and sustainable development to improve livelihoods and reduce poverty. These goals have not been met. Inflation is rampant and the exchange rate has declined sharply. The total economy shrank considerably from 2012. Measured in USD at the official exchange rate, the non-oil sector GDP per capita was reduced by 35 per cent. Gross national income per capita in USD, which captures the combined international spending power of South Sudanese Government and residents, fell by 74 per cent.

In part, this is the result of factors outside economic policy. The military conflict has had and is still having a devastating effect on people's life. More than a third of the population have fled from their homes to escape violence. Half of the population is food insecure and 15% is on the brink of famine. The armed conflict has also led to declining oil and food production.

Developments in the international oil market contributed to the strong downturn from 2014/15. Without accumulated reserves of oil revenues to insulate the non-oil economy from volatile movements in the oil price, its steep fall forced sharp cuts in government expenditures. This has resulted in declining living standards for the population. While negative impacts from the extreme swings in the oil price experienced could not be avoided, they could have been substantially reduced if a better system for managing oil revenues had been in place.

In the first part of this chapter, the requirements for long-term growth are discussed, followed by an analysis of whether macroeconomic management have met these requirements. In the second part of the chapter, a medium-term strategy and policy framework is presented.

Creating conditions for economic growth in South Sudan

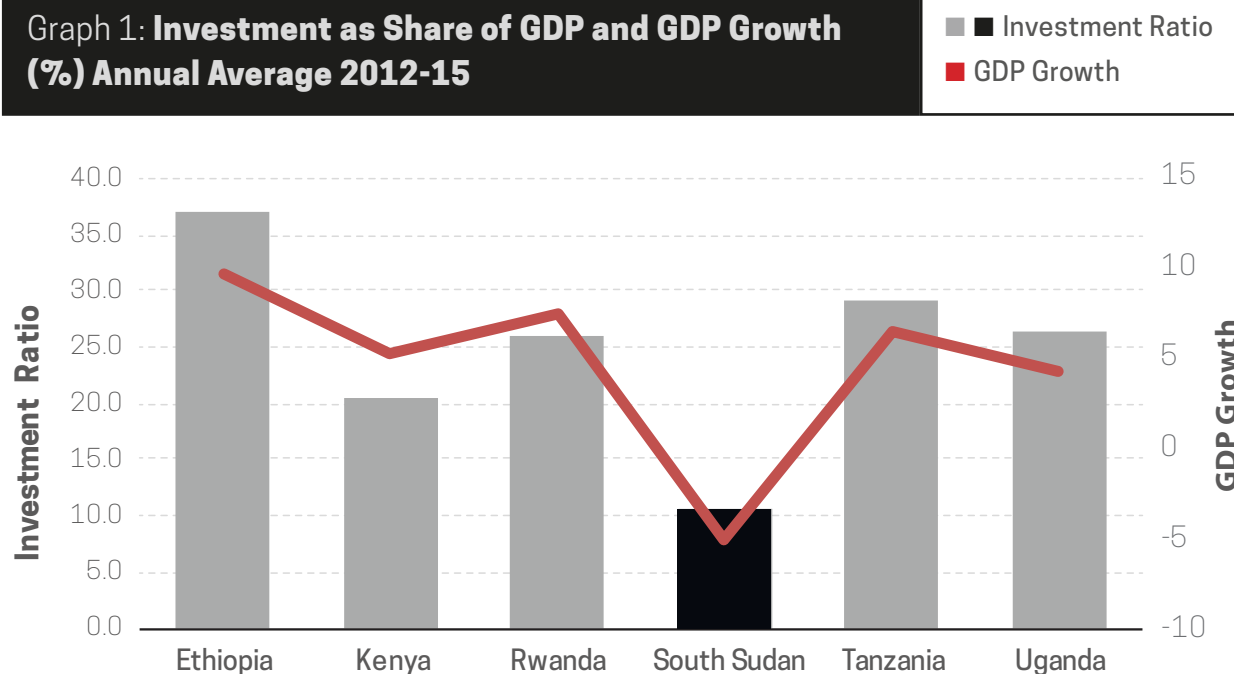
While economic stability will support growth, it is not a sufficient condition. Diversifying the economy and creating growth require high investment levels. Investments have to be financed, and a positive climate has to be created through policies that emphasize stability, transparency and an investment-friendly regulatory framework.

According to UNdata¹, the annual population growth in South Sudan averaged 4 per cent between 1999 and 2016. If population growth remains at this level, the economy has to expand by 4 per cent per year just to sustain the present living standards.

Neighboring East African countries have been able to create growth above the population increase. Uganda, Kenya, Tanzania, Rwanda and Ethiopia, achieved growth rates of real GDP in the range of 4 to 10 per cent on average between 2012 and 2015. However, in South Sudan real GDP fell by 5 per cent on average per year during the same period.

¹ UNdata (data.un.org)

Graph 1: Investment as Share of GDP and GDP Growth (%) Annual Average 2012-15

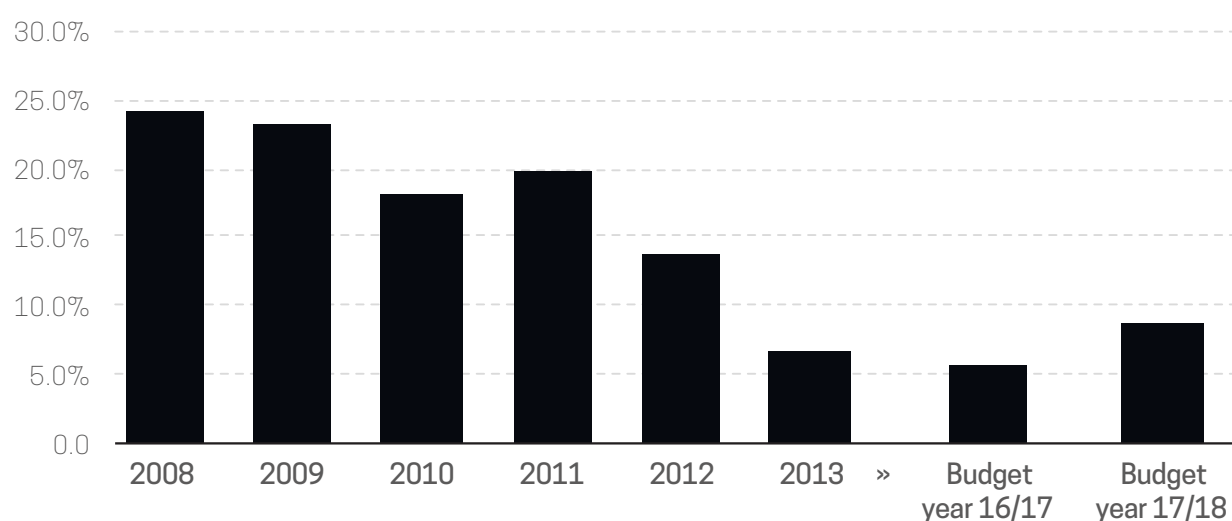


To create economic growth, countries have to expand the capital stock through investments in infrastructure like roads, bridges, school buildings, health clinics as well as transport and communication equipment, research facilities, seed banks, production and storage facilities in agriculture.

Graph 1 shows how much of GDP that is ploughed back into the economy as investments (investment ratio) in selected East African countries. In the graph, the GDP growth rates obtained by the individual countries also are plotted. There is a clear relationship between the investments ratios and the growth rates obtained.

- In the years 2012 -2015 Ethiopia ploughed the equivalent of 37 per cent of GDP back into the economy as investments to increase the capital stock. This policy gave good returns, an average growth rate of close to 10 per cent per year.
- Rwanda and Tanzania ploughed the equivalent of between 26 and 29 per cent of GDP as investments into the economy and achieved growth rates of around 7 per cent per year.
- South Sudan had a very low investment ratio over the period compared with the other countries, less than 11 per cent of GDP. Low investment has contributed to negative GDP growth, - 5 per cent per year on average between 2012 and 2015. If these trends are not reversed, living standards for the population will continue to decline.

Increased investments can be financed through domestic savings, or through external financing. The Fiscal Budget plays a central role in domestic savings and financing as it has evolved from 2008 in South Sudan. Graph 2 shows how the share of capital expenditure in the central government budget in South Sudan has evolved since 2008. There was a marked reduction in the share of capital spending both in 2012 and 2013, reflecting that it was the first item to be targeted when austerity measures

Graph 2: Share of Central Government Capital Expenditures* in Central Government Expenditures

* Share capital expenditure in total expenditures on salaries, operational, capital and transfers to states.
2008 – 2013: Estimates by JMEC Secretariat. 16/17 and 17/18: Budgeted amounts.

were introduced. While this could make sense if the need for austerity was temporary, maintaining this strategy over the medium term has undermined development.

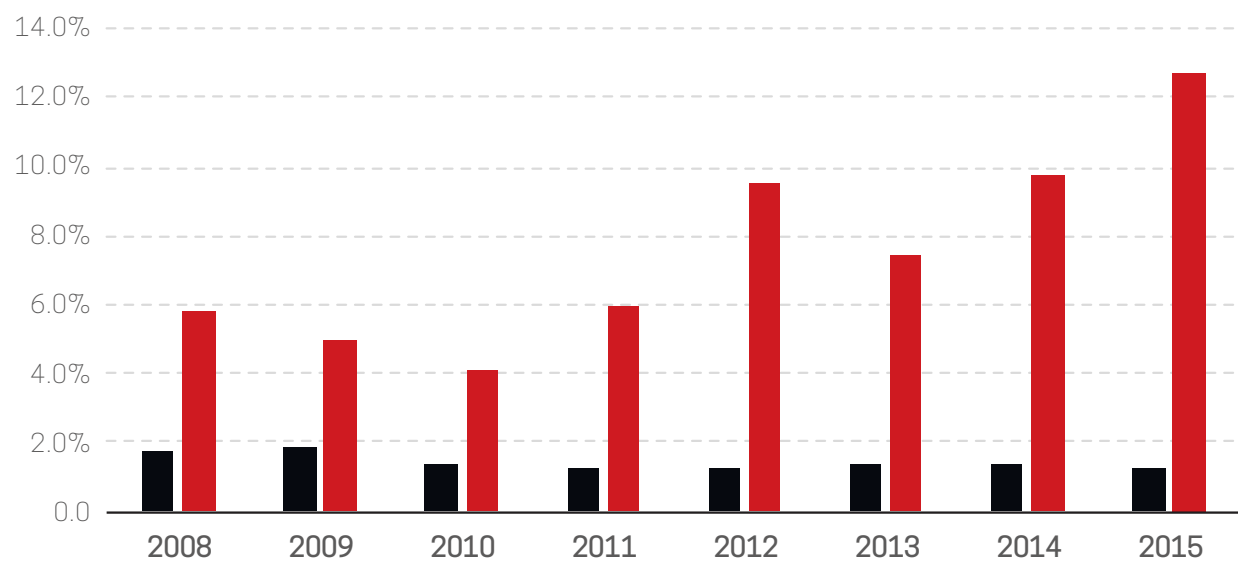
External financing comes about principally through Foreign Direct Investment (FDI) and official development assistance (ODA). FDI plays the dominant role in the oil sector, while most of the ODA is now centered on humanitarian aid. At present, financing of projects through external commercial borrowing is not a viable option for South Sudan.

The ability to attract FDI and ODI will depend on a conducive environment and confidence in Government's economic policy.

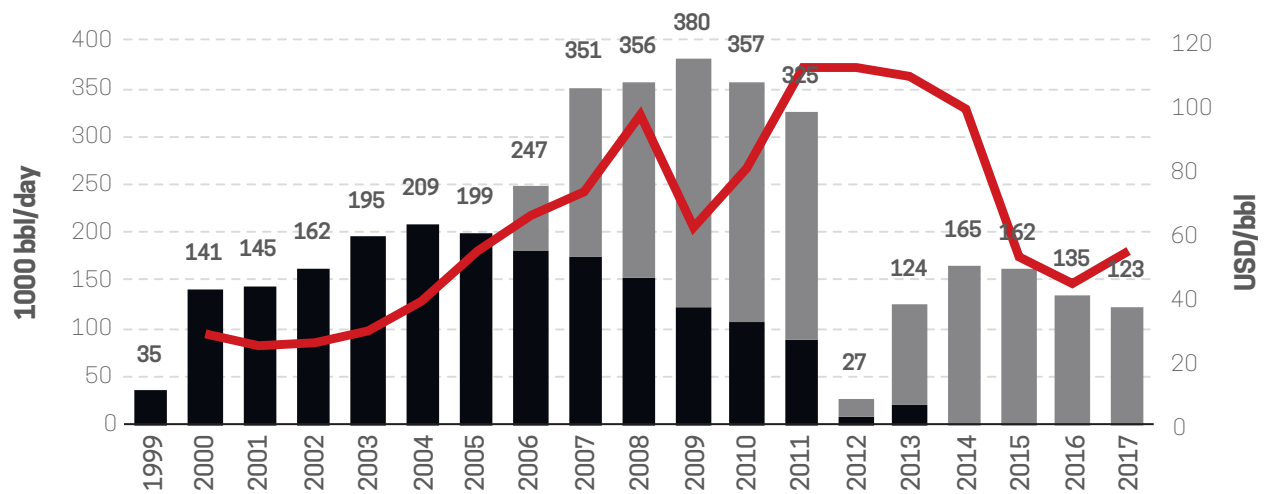
Chapter IV of ARCISS covers measures that enhance transparency, accountability and stability, which are central in this context.

Comparing the structure of government spending with that of other Sub-Saharan countries, South Sudan stands out in one respect; the share of spending devoted to military purposes as shown in graph 3. Military spending as a share of GDP reached 12 per cent in 2015, close to ten times the average for other Sub-Saharan countries. If South Sudan in the long term is able to reduce military expenditures to the level of neighboring countries, and reallocate the savings to investments, that would help significantly in increasing the investment ratio up to a level required to support growth.

Graph 3: Military Spending as Share of GDP Source: World Bank



Graph 4: Oil Production and Brent Price Development



Developments in the oil sector

In the period up to 2005, oil production was confined to Unity State. Production was extended to the Upper Nile in 2006, which became the major source of supply. Oil production peaked in the period 2007 – 2011 (see graph 4). Maximum combined production from the two oil fields was reached in 2009 with 380 000 barrels per day. In the 2017/18 Budget, daily production is assumed to average 110 000 barrels per day.

International oil prices fluctuated in the USD 20 – 40 band between the latter part of the 1980s and 2000. During the first decade after 2000 there was a strong trend increase. Prices temporarily reached price levels around USD 120.²

The peak in oil production overlapped with the period of historically high oil prices. In the years 2008 - 2011 the oil sector accounted for between one-half and two-thirds of GDP and almost all export earnings and government revenues. In this period, a combination of high oil prices and high production contributed to strong increases in government revenues. But as was manifested in subsequent years, the economy also became highly vulnerable to declines in the oil price and disruptions in production.

As oil production increased, the government used almost all the revenues to finance current expenditures. In the period 2008 – 2011 only two years, 2008 and 2011 gave rise to marked surpluses. Spending decisions from around 2008 to the first part of 2012 were made as if net revenues would permanently remain elevated at the level of those years.

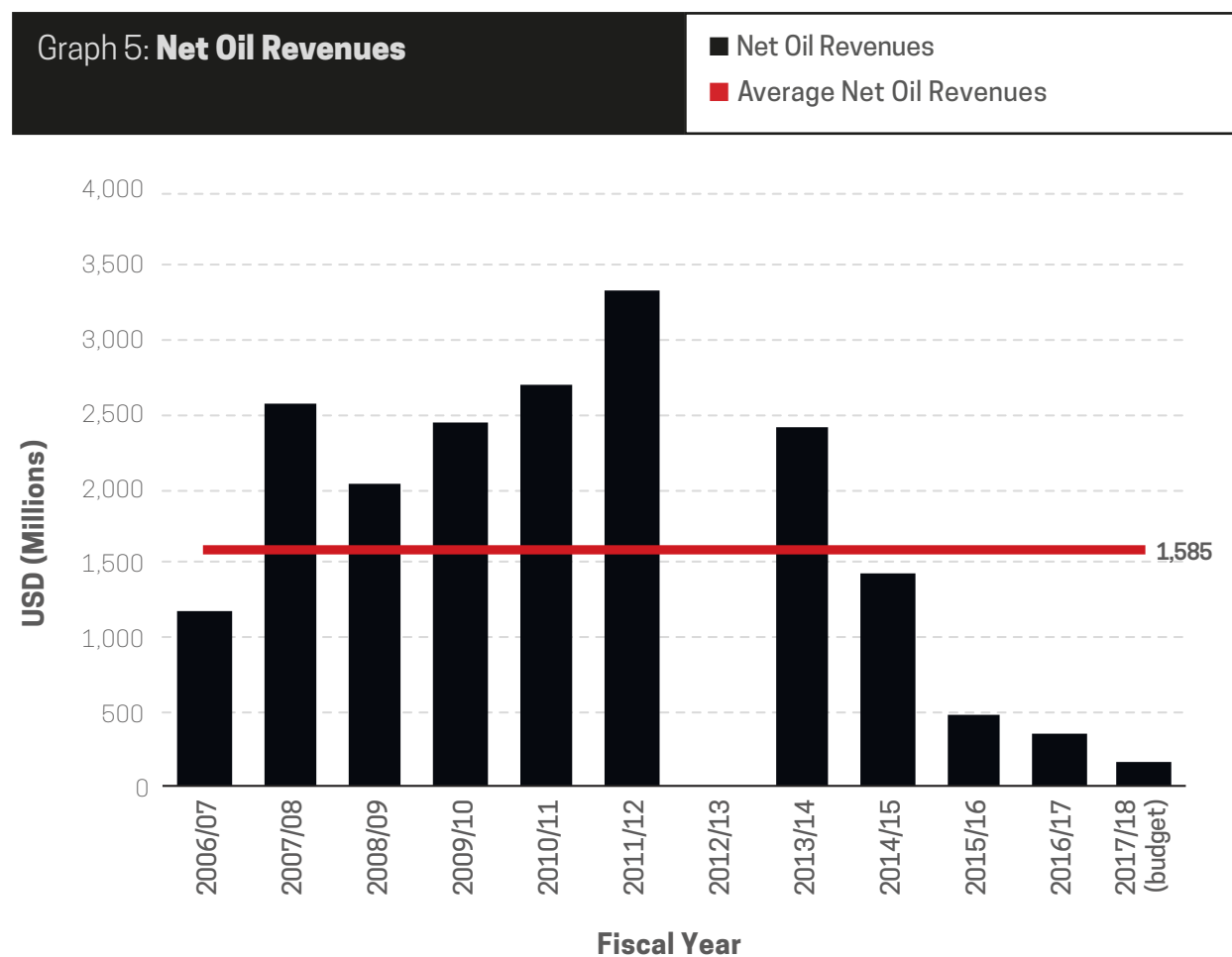
Non-oil revenues accounted for less than five percent of total revenues at the time of independence in 2011. These revenues increased significantly in the subsequent years. Measured as a share of non-oil GDP, non-oil revenues increased from 0.8 percent in 2011/2012 to around three and half percent in 2013/14 and 2014/15, before declining in recent years.

Aligning budget spending to actual oil revenues entails a high risk of instability, and may undermine long term development

Aligning spending to the level of oil revenues increases the risk of instability. The economy tends to overheat, creating inflationary pressures when the oil price is high, while the Government has to resort to budget tightening exacerbating economic downturns when the price is low. As oil revenues started to decline markedly from 2014/15 onwards, the Government had to resort to increasingly larger spending cuts. Calculated in current USD terms, net revenues declined almost 80 per cent from 2013/2014 to 2015/2016, and there were further substantial reductions in the following years.

Managing spending cuts of the order enacted in a rational and orderly way is not possible. The Government's financing of the ensuing large deficits led to explosive inflationary developments in the first part of 2016, monthly inflation having reached 80 per cent in June. Thanks to stricter fiscal measures (including cash management) introduced in the 2016/17 budget, inflation was gradually reduced, from an annual rate of

² SS oil has normally been sold at a discount relative to Brent oil, ranging from USD 10 for Dar Blend and USD 2 for Nile Blend.



550 per cent in September 2016 to below 120 per cent in December 2017. However, the budgetary measures introduced did not address the problem of a low share of capital expenditures.

Additionally, the spending of most revenues on current expenditures puts the economy on an unsustainable path. Oil revenues will inevitably decline and eventually disappear as the oil reservoirs are depleted. According to present estimates, daily production will decline to less than 50 000 barrels per day in the 2030s, and virtually disappear in the 2040s. If most oil revenues have been used for financing current expenditures, national income will decline when the oil reservoirs are emptied, and oil production will not have any lasting impact on development.

Introducing a system for effectively managing oil revenues is challenging, but the rewards are high

Both developing and developed oil rich countries have experienced significant instability. It is challenging to develop effective management systems for oil revenues that promote stability, growth and diversification. It took Norway 20 years of periodic instability and one deep crisis before they got a well-functioning management system in place.

The South Sudan Development Plan (SSDP) from 2011 presented an analysis of the outlook for the oil sector and the long-term contribution the oil sector can make to development. Estimated permanent income reflects what would be available for government expenditures every future year, including the period after all oil has been extracted, if the revenues were invested in the financial markets. According to the analysis, the permanent income would amount to USD 1.2 bn. This is the amount that can be spent annually without being forced to cut expenditures when oil production declines and eventually disappears. Actual spending in the peak years of oil production from 2007/08 to 2011/12 were more than twice this amount.

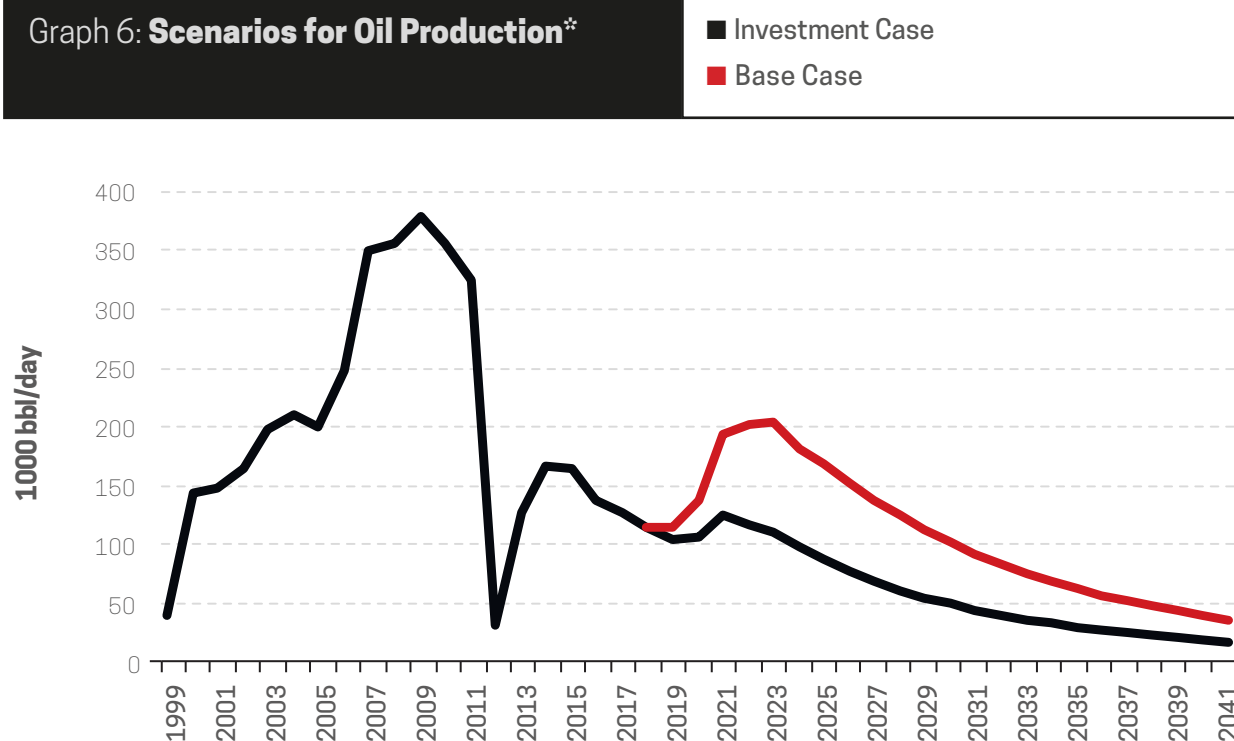
While assumptions have changed somewhat after the SSDP was published, the main picture remains unchanged. Actual current expenditures in the years with peak revenues were far above what could be sustained in the longer run.

Volatile, uncertain and exhaustible oil revenues will continue to pose large challenges to economic management. Without any buffer to cushion the economy, South Sudan risks a repeat of the economic crisis experienced since 2014. Additionally, efforts to diversify the economy will be undermined by lack of funding.

The Petroleum Revenue Management Act (2015) introduced a stabilization fund to shelter fiscal policies from swings in the oil price and production, and in addition the Future Generation Fund, a mechanism for channeling part of the revenues into a financial investment fund geared at financing development. However, these mechanisms have temporarily been suspended.

Even though the design of the mechanisms incorporated in the Act may not seem relevant to the present situation, one should still consider options for how to mitigate risks of new declines in the oil price, for example by setting aside windfall gains in net oil revenues due to higher oil price than forecast.

Provided that the remaining payments to Sudan under the Transitional Financial Arrangement are made on time, the total amount of USD 3028 mill. will be paid by the early 2020s. When this happens, payments to Sudan will decrease by USD 15 per barrel. This will increase net revenues significantly. Additionally, if investments in the oil sector increases, production and revenues may also increase significantly (see Graph 6). It is important to have appropriate mechanisms in place for stabilization and earmark revenues for development so as to avoid a repeat of the mistakes of the past.

Graph 6: **Scenarios for Oil Production***

* The underlying assumptions for the two scenarios are explained in the Annex: Medium Term Outlook for the Oil Sector

5.2 The Medium-term Strategy

An economic policy strategy must be geared towards supporting sustained growth and development. Over the years very little government resources have been devoted to capital spending. Indeed, as a percentage of total spending the capital component has been six percent (see Graph 2), far too low to impact growth prospects. Without such dedicated investments it is not realistic to expect economic growth within the economy. It is also important to note that if the current conflict persists, a baseline scenario as outlined in **Table 5.1** may very well be obtained.

The binding constraint on government's fiscal operations have been the sustained reduction in both oil and non-oil revenues. Falling production levels coupled with depressed world prices have largely been responsible for the dip in oil revenues. However, more recently the situation has been compounded by demands made by Sudan for immediate repayment of arrears. With regards to non-oil revenue, the ongoing conflict has seriously disrupted collection along with the shrinking size of the economy.

Going forward the strategy should focus on: (i) improving the effectiveness of tax collection through a fully functional Revenue Authority; (ii) reorienting expenditure towards capital spending and reducing military and wasteful spending; and (iii) increasing oil revenues through higher investment within the sector.

To highlight this scenario, **Table 5.1** (next page) shows a baseline scenario where little or no improvements are undertaken with regards to tax revenue collection and the oil revenue continues to stagnate. In this scenario, revenue collection remains broadly in line with the historic trend forcing an increased level of borrowing to maintain current expenditure levels.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Act.	Est.	Est.	Est.	Projections		
Total Revenue and Grants	11.1	17.4	75.0	164.7	178.2	166.4	177.7
Total Oil Revenues	6.5	13.2	64.3	135.5	139.1	122.7	129.7
Other Revenues	1.4	4.0	8.7	16.9	22.0	26.2	30.0
Grants	3.2	0.2	2.0	12.2	17.1	17.5	18.1
Total Expenditure	14.6	23.4	79.1	185.5	202.7	192.4	203.2
Current Expenditure	13.7	20.2	73.4	168.6	184.3	172.5	181.7
Salaries	5.0	7.5	16.1	43.8	48.2	53.0	58.3
Transfers to Sudan	2.3	4.8	37.5	86.7	96.0	66.3	62.2
Other	6.4	7.9	19.8	38.0	40.1	53.2	61.2
Net acquisition of Non-Financial Assets	0.9	3.2	5.7	17.0	18.5	19.9	21.6
Financing	5.6	4.5	2.9	21.3	24.6	26.0	25.5
Domestic	5.9	3.0	9.0	11.1	11.3	7.3	6.6
Foreign	-0.3	1.5	-6.1	10.2	13.3	18.7	18.9
Memo:							
Exchange Rate (SSP/USD, Average)	3	52	97	150	155	150	150
Oil Price (Avg. GoRSS sales price (USD/bbl))	32	35	35	46	55	45	47

Sources: South Sudan Ministry of Finance and Planning and JMEC Estimates

The Fiscal Frameworks for the Baseline Scenario and the Investment Scenario presented in **tables 5.1** and **5.2** were developed by the JMEC Secretariat based on information available in early January 2018. The fiscal frameworks over the period covered by the National Development Strategy will change over time as new information becomes available and policies are adjusted.

In **Table 5.2** it is assumed that there are new investments within the oil sector and that the government has made inroads with the collection of tax revenues. This is prefaced on the fact of having in place a Revenue Authority that has some success with regards to revenue collection. In addition, the authorities will in the medium term begin a process of expenditure reorientation away from military spending and towards infrastructure and other growth enhancing expenditure. Importantly this situation will also aid the authorities in paying down debt while simultaneously cutting back on their borrowing thus contributing significantly to a reduction in the debt overhang.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Act.	Est.	Est.	Est.	Projections		
Total Revenue and Grants	11.1	17.4	75.0	165.6	195.1	209.7	250.7
Total Oil Revenues	6.5	13.2	64.3	135.5	146.7	152.2	186.1
Other Revenues	1.4	4.0	8.7	16.9	33.1	39.4	45.2
Grants	3.2	0.2	2.0	13.1	15.3	18.1	19.4
Total Expenditure	14.6	23.4	79.1	186.5	209.8	201.7	234.5
Current Expenditure	13.7	20.2	73.4	169.5	189.3	179.4	210.1
Salaries	5.0	7.5	16.1	43.8	48.2	53.0	59.3
Transfers to Sudan	2.3	4.8	37.5	86.7	100.2	82.2	89.3
Other	6.4	7.9	19.8	39.0	40.9	44.2	61.4
Net acquisition of Non-Financial Assets	0.9	3.2	5.7	17.0	20.5	22.3	24.4
Financing	5.6	4.5	2.9	21.3	14.7	-8.1	-16.2
Domestic	5.9	3.0	9.0	11.1	11.3	7.3	6.6
Foreign	-0.3	1.5	-6.1	10.2	3.4	-15.4	-22.8
Memo:							
Exchange Rate (SSP/USD, Average)	3	52	97	150	155	150	150
Oil Price (Avg. GoRSS sales price (USD/bbl))	32	35	35	46	55	45	47

Sources: South Sudan Ministry of Finance and Planning and JMEC Estimates

Ultimately, it is only through a dedicated process of gradually increasing capital expenditure that the necessary foundation for sustained growth will be established. Of necessity this expenditure should be focused on investments within the agriculture sector, the building of new roads and feeder roads, irrigation systems, as well as storage facilities aimed at improving food security and boosting exports.

Government's fiscal policy stance should also aim to support a situation of low inflation and a stable exchange rate. In that regard a situation as depicted in Table 1B where borrowing declines substantively and the budget deficit also shrinks is a step in the right direction. The adoption of strict fiscal rules, which are adhered to and directed at limiting the budget deficit and current government spending are similarly desirable. Such a policy stance is critical in enabling the private sector to grow and to contribute to the country's growth prospects.

5.3 Financing

The Government is fully aware of the current fiscally constrained environment under which the NDS is formulated. To stabilize the economy within the time period stipulated for the present NDS and deliver according to the six priority actions described in section 5, high demands on fiscal policy are required including:

- Budgetary discipline: lowering inflation requires avoiding/controlling budget deficits.
- Increased resources have to be channeled towards priority areas such as: resettlement of displaced persons, refugees, food security, enforcement of law, support of basic services, roads)

Additionally, in order to support long-term development and increase in living standard in subsequent NDS periods, investments will have to be increased.

Both the NDS priority actions and increased investments have to be financed.

Most likely means of financing:

- Reallocation of resources between public sectors - that is, financing increased allocations to priority areas entails reduced allocation to other sectors is the most important means to finance activity in priority areas
- Mobilizing domestic public resources through taxation
- Investments financed by private businesses in the country
- Foreign Direct Investment is and will continue to be dominant in the oil sector. It has also been important in agriculture and will probably play a role for other resource-based industries.

Despite the opportunities of resource mobilization from taxation, the Government is aware of limitations to what can be achieved in the short run, without negatively impacting the economy. Setting tax rates too high may strangle the private sector.

Achieving peace will make it possible to gradually scale down the defense sector, which today accounts for 12 per cent of GDP in 2015. Over the long term this could liberate significant resources for expansion of priority services and for investments. This would require cooperation with development partners to achieve a successful demobilization.

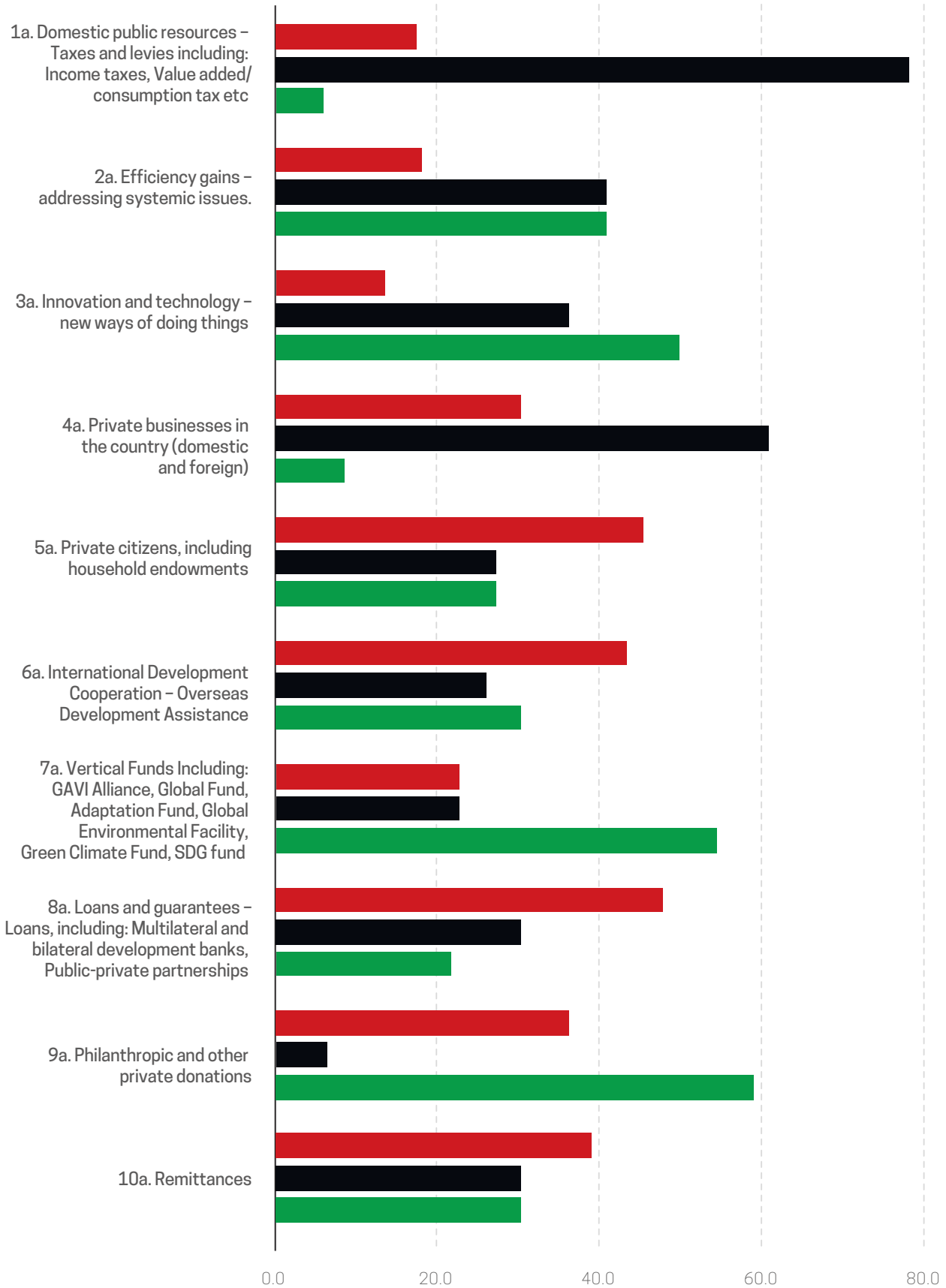
Historically, international development assistance, partly in the form of loans and guarantees, have been a central source of financing in South Sudan. Today, assistance is concentrated on humanitarian areas and financing of social services. Development financing plays a limited role in project financing. The government will continue to engage with development partners to facilitate resource mobilization. Government officials were consulted on expected sources of financing. Chart 8 summarizes the results. Generally, it is expected that budget financing will dominate and that different forms of development assistance will play limited role.

Additionally, the Government will explore the potential for resource mobilization through remittances and household endowments.

Finally, while the goals in the present NDS are short term, the longer run goal is to put the economy on a path of sustained growth and development. That will require an increase in investments up to levels comparable to those prevailing in neighboring countries. Increased investments will require additional financing, for example through allocating part of the oil revenues to development purposes.

Government officials were consulted on expected sources of financing. Graph 8 summarizes the results. Generally, it is expected that budget financing will dominate and that different forms of development assistance will play a limited role.

Graph 8: Expected Sources of Financing ■ Least likely ■ Most likely
■ Not sure



06

Annexes



6.1 Reference Documents

The key reference and guiding policy documents include:

- 1) The Interim Constitution of the Republic of South Sudan 2011
- 2) Agreement on the Resolution of Conflict in South Sudan, 2015
- 3) The Public Finance Management & Accountability Act (PFMAA – 2011)
- 4) Taxation Act, 2009
- 5) Public Service Regulations
- 6) Financial Acts
- 7) Appropriation Acts
- 8) Water policy 2007
- 9) WASH framework 2011
- 10) Water bill 2012
- 11) Rural WASH action and Investment plan 2013
- 12) Urban WASH action and Implementation plan 2013
- 13) Irrigation Development Master Plan (IDMP)
- 14) SSUWC Corporate Plan 2015 – 2018
- 15) Exploration and Production Sharing Agreement
- 16) Forestry Policy
- 17) National Environment Policy 2015-2025.
- 18) Comprehensive Agriculture Master Plan
- 19) Land Bill – Land Policy Draft.
- 20) NALE Extension - Policy.
- 21) Policy Framework and Strategy 2016
- 22) National Aquaculture Development Strategy
- 23) Animal Production Policy
- 24) Veterinary Policy
- 25) Livestock and Fisheries bill
- 26) The higher education Act 2011
- 27) National health policy 2016-2026
- 28) National Health sectors strategic plan 2017-2021
- 29) National HIV strategic Plan 2017/18-2021/22 (draft)
- 30) National Gender Policy and its Strategic Plan (2013-2018)
- 31) National Disability and Inclusive Policy (2015)
- 32) National Social Protection Policy Framework (2016)
- 33) Southern Sudan Child Act (2008)
- 34) South Sudan National Policy for Protection and care of Children without Appropriate Parental Care Act (2017)
- 35) National Child Responsive Budgeting Policy Framework (2013)
- 36) Draft, Justice for Children Policy Framework
- 37) National Examinations Council Act, 2011
- 38) General Education Policy, 2017-2027
- 39) Drug and Food Control authority act 2012
- 40) Policy Framework and Strategy Plan, 2012-2016
- 41) Agreement on the Resolution of Conflict in the Republic of South Sudan, 2015.
- 42) South Sudan National Gender Policy, 2013.
- 43) Nation Gender Policy Strategic Plan, 2013-2018
- 44) South Sudan National Action Plan, 2015-2020 on UNSCR 1325 on Women, Peace and Security and Related Resolutions
- 45) South Sudan Fragility Assessment Report
- 46) South Sudan Inaugural SDG Report 2017
- 47) New Deal for Engagement in Fragile States
- 48) IMF 2016 Article IV Consultation with the Republic of South Sudan

6.2 Structure of NDS Process

Steering Committee	
Ministry of Finance & Planning	Chair
Office of the President	Member
Ministry of Cabinet Affairs	Member
National Bureau of Statistics	Member
University of Juba	Member
Chairpersons of the Clusters	Members
National Non-governmental Organizations Forum	
	Member
South Sudan Business Forum	Member
Chair - Context Working Group	Member
Chair- Cross-cutting Working Group	Member
Governance Cluster	
	Member
Public Administration Sector	Chair and Secretary
Accountability Sector	Member
Rule of Law Sector	Member
Security	Member
Economic Cluster	
Economic Functions Sector	Chair and Secretary
Infrastructure Sector	Member
Natural Resources Sector	Member
Social Service Cluster	
Education Sector	Chair and Secretary
Health Sector	Member
Social and Humanitarian Affairs Sector	Member
Crosscutting	
Ministry of Labor Public Service and Human Resource Development	Chair and Secretary
Ministry of Gender, Child and Social Welfare	Member
Ministry of Culture, Youth and Sports	Member
Ministry of Environment and Forestry	Member
Ministry of Information	Member

Context Working Group	
Ministry of Labor Public Service and Human Resource Development	Chair and Secretary
Ministry of Gender, Child and Social Welfare	Member
Ministry of Culture, Youth and Sports	Member
Ministry of Environment and Forestry	Member
Ministry of Information	Member
Ministry of Defence & Veterans Affairs	Member
Ministry of Humanitarian Affairs & Disaster Risk management	Member
National Security Services	Member

Sectors

Public Administration Sector
Council of States
Employees Justice Chamber
Media Authority
Ministry of Cabinet Affairs
Ministry of Federal Affairs
Ministry of Foreign Affairs
Ministry of Information, Transport & Postal Services
Min. Parliamentarian Affairs
N. Communications Authority
National Elections Commission
Northern Corridor Authority
Office of the President
Parliamentarian Service Com
Public Grievances Chamber
SS Broadcasting Corporation
Local Government Board
National Legislative Assembly

Accountability Sector
National Audit Chamber
National Bureau of Statistics
Anti -Corruptions Commission
Reconstruction & Development
F F A&M C

Rule of Law Sector
Ministry of Justice
Ministry of Interior HQs
Judiciary of South Sudan
Law Review Commission
Bureau of Community Security. & Small Arms Control
National Constitutional Review Commission
Human Rights Commission

Security Sector

Ministry of Defense and Veteran Affairs

Demining Authority

Disarmament, Demobilization & Reintegration Commission

National Security Service

Natural Resources Sector

Land Commission

Min. of Agric. and Food Security

Min. of Environ. and Forestry

Min. of Livestock and Fisheries

Ministry of Wildlife Conservation and Tourism

Economic Functions Sector

Bank of South Sudan

Investment Authority

Ministry of Energy and Dams

Ministry of Finance and Planning

Ministry of Mining

Ministry of Petroleum

Ministry of Trade Investment & East African Community Affairs

Ministry of Water Resources & Irrigation

National Bureau of Standards

National Electricity Corporation

Petroleum and Gas Commission

Urban Water Corporation

Education Sector

Ministry of High Education, Science & Technology

Ministry of General Education & Instructions

Examination Council

Health Sector

Drug and Food Control Authority

HIV/Aids Commission

Ministry of Health

Social & Humanitarian Sector

Ministry of Gender, Child & Social Welfare

Ministry of Culture, Youth & Sport

Ministry of Humanitarian Affairs & Disaster Management

Infrastructure Sector

MLH and Urban Development

Ministry of Roads & Bridges

Ministry Transport

Civil Aviation Authority

South Sudan Roads Authorities

6.3 Annual Work-plan Template Directorate Level

Directorate: Macroeconomic Planning and Aid Coordination							
Strategic Objectives:							
Priority Action	Program	Expected Output	Performance Indicators	3 Years			Departments/ Units Responsible
				Y1	Y2	Y3	
Task 1: Debt management policy	1.review policy						Debt Management Unit
	2. Draft DM Bill						
Task 2: Training	1.Train 3 staff externally on CS-DMRS						
	2: internal training						
Task 3:							

6.4 Annual Work-plan template - Agency Level

Agency: Ministry of Finance and Planning							
Strategic Objectives:							
Priority Action	Program	Expected Output	Performance Indicators	3 Years			Departments/ Units Responsible
				Y1	Y2	Y3	
Task 1: Coordinate NDS	1:Convene SWG on NDS						Macroeconomic planning
	2:Monitor NDS						
Task 2: Budget execution	1: prepare annual budget						Budget
	2. training						
Task 3:							

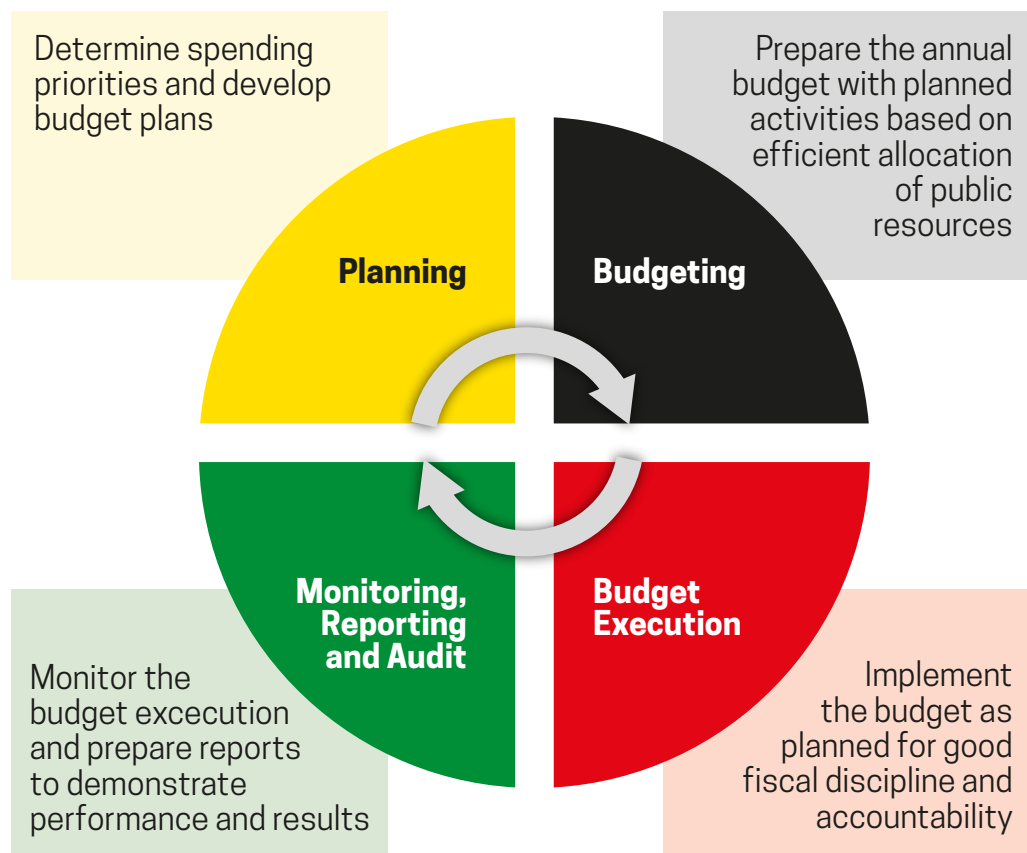
6.5 Annual Work-plan Template - Sector Level

Sector: Economic Functions							
Strategic Objectives:							
Priority Action	Program	Expected Output	Performance Indicators	3 Years			Departments/ Units Responsible
				Y1	Y2	Y3	
Task 1: Revenue mobilization	1. Operationalize NRA						Ministry of Finance & Planning
	2 Tax reform						
Task 2: finalize legal frameworks	1: PFMAA						Bank of South Sudan
	2. training						
Task 3:							

6.6 Budget Process & Budget Cycle

The fiscal year for the Republic of South Sudan begins on 1st July and ends on 30th June. The **Budget Cycle** has four phases: Planning, Budgeting, Budget Execution and Monitoring, Reporting and Audit. The figure below is the **Budget Cycle** to be followed during the period of NDS (FY2018/19 to 2020/2021).³

Budget Cycle



³ This Budget Cycle is adopted from MOFEP Budget Preparation Manual: A Handbook for the National Budget Planning and Preparation Process. Ministry of Finance and Planning (MOFP), Republic of South Sudan.

6.7 Sector Results Frameworks

Accountability Sector Results Framework					
Sector Goal: A cohesive, efficient and effective accountability sector					
Strategic Objectives of Sector					
More transparent and accountable governance arrangements.					
More inclusive social and political participation.					
Priority Action	Measure	Baseline	Target	Time Frame	Means of Verification
Establish a strategic sectorial partnership to lobby institutions enacting laws	Minutes from Meetings and No. of MOUs signed and implemented Number of resolutions	Institutional structures	Accountability and transparent systems in place Inclusive participation, shared commitment Readiness to adopt new evidence Shared commitment	3 Years	Number of cases tried, Transparency Index, Commitment of leaders on the fight against corruption, No of bills enacted and accented to Improved relationship, coordination, cooperation between stake holders Effective financial management
Operationalize institutional mechanism to promote citizen engagement and participation	Inclusive and transparent engagement Freedom of speech		Open and free engagement, Free and fair access to justice Transparent Judicial systems in place	3 Years	Transparency of information to Stake holders, (accurate, relevant, verifiable and timely information) Legitimacy of the policy processes (Transparent, participatory and deliberate) Issues and concerns of institutions are clarified through assessment and facilitations)
Develop a strategy for Recruiting and retaining a motivated professional staff	Organization charts Time it takes to hire Tracking Turnover Number of vacancies	% Nominal role vacancies	Positions advertised	3 Years	Labour Force survey Reforms Government Evaluation Survey

Economic functions sector results framework

Sector Goal: "Achieve A Viable Economic Stability And Growth"

Strategic Objectives of Sector

- To finalize the legal institutional frameworks
- To enhance revenue mobilization and Financial Performance
- To develop basic Infrastructure
- To meet the EAC "basels" Requirements
- To establish a competitive and conducive investment environment.

Priority Action	Measure	Baseline	Target	Time Frame	Means of Verification	Responsible Agency/ Institution
Intensify revenue mobilization	Amount of revenue collected	FY 2017/ 2018 estimated resource envelop (SSP 141,690m)	50% of the FY 2017/ 2018 estimated resources envelop	3 Years (FY 2017/ 2018 -2020/ 20)	Annual revenue collections reports (Outturns)	Revenue Authority/ Ministry of Finance and Planning
Expedite economic infrastructure development	Number of economic infrastructure reconstructed and rehabilitated	Existing economic infrastructure	100% of the economic infrastructure improved	3 Years (FY 2017/ 2018 -2020/ 20)	Spending Agencies and the Budget Execution Reports	All Economic Functions Spending Agencies
Fast-track development of legal, regulatory and institutional frameworks.	Number of legal, regulatory and institutional framework finalized	12 main current legal frameworks for the Economic Sector	95% of the current legal frameworks for the Economic Sector are functional	3 Years (2017/ 2018 -2020/ 20)	Number of legal and regulatory frameworks produced and disseminated	All 12 spending agencies in the Economic Functions Sector/ Council of Ministers/ National Legislative Assembly

Education sector results framework

Sector Goal: Increase equitable and sustainable access to quality education that is governed by an effective and efficient system that contributes to peaceful, secured and economically viable Nation.

Strategic Objectives of Sector**Access**

Increase equitable and inclusive infrastructure for general and tertiary education.

Improve grant transfers system to education institutions and learners.

Quality

By 2021 all schools will be implementing the new curriculum nationwide.

Increase percentage of qualified teachers at all levels.

A centralized, standardized and comprehensive national assessment and examination system by 2021.

Accredit institutions and evaluate programs for private or foreign Higher Education providers in the Country.

By 2021, National, State, County and Payam education managers use effective tools.

Promote and improve research, science, technical and technological innovation and skills transfers for a peaceful, just and prosperous nation.

Management

Staff at all levels will have clearly defined roles and responsibilities and improved competencies to implement them effectively and efficiently.

The teaching force is diversified and teachers are deployed in an equitable manner throughout the country.

Increase and promote public and private sector financing/investment in education.

Strengthen transparency and accountability mechanisms for efficient and effective utilization of education financial resources at all levels.

Improve communication, coordination and the quality of education information at all levels of education systems.

Develop effective and efficient management system.

Access					
Priority Action	Measure	Baseline	Indicator/Target	Time Frame	Means of Verification
Provide equitable and safe access to inclusive, quality education for all children, youth and adults	# of inclusive educational infrastructures constructed	0%	50%	3 Years	EMIS
	% of learners enrolled, desegregated by dimensions of exclusion (gender, disability, income levels, location)	Male 58% Female 42%	50%	3 Years	EMIS -2016
	% of learners completing their level, desegregated by gender & disability	Overall = 64.4% Male = 65.3% Female = 62.4%	30%	3 Years	EMIS - 2015

	# of out-of-school children provided with education	Out-of school (oosc) 1.8	45%	3 years	UNESCO OOSC 2017
	% of youth and adults provided with skills & livelihood training	20%	40%	3 years	EMIS
Quality					
Priority Action	Measure	Baseline	Indicator/ Target	Time Frame	Means of Verification
Provide quality education that promotes citizenship, productivity and lifelong learning	% of pre-service and in-service teachers with MoGEI recognised professional qualification	9% Inservice, 16% Pre-service and 9% Diploma	50%	3 years	EMIS - 2016
	% of schools that implement the new South Sudan National Curriculum	55%	80%	3 years	EMIS
	% of learners that achieve the minimum pass grade for their level	83%	90%	3 years	EMIS and Examination Secretariat
	% of schools that have established functional peace clubs	15%	75%	3 years	EMIS
Management					
Priority Action	Measure	Baseline	Indicator/ Target	Time Frame	Means of Verification
Strengthen communication, coordination and management to improve oversight, monitoring and supervision	# of national, state and county education managers trained in policy, M&E and financial management	10%	45%	3 years	Annual reports
	% of national budget allocated to the education sector	4%	15%	3 years	Budget book, annual reports, financial reports
	% national, state, county and schools that comply with internationally accepted standards of accounting, procurement and financial management	5%	45%	3 years	Financial report

Health Sector Results Framework

Sector Goal: A strengthened health system and partnerships that overcome barriers and effectively delivers Universal Health Coverage.

Strategic Objectives of Sector

1. To implement the Basic Package of Health and Nutrition Services and the Boma Health Initiative in order to achieve Universal Health Coverage.
2. To strengthen the regulatory functions of the Drug and Food Control Authority.
3. To increase access to and retention in HIV and TB care, treatment and support for the PLHIV/TB and other eligible populations.
4. To strengthen the critical enablers and develop synergies for the multi-sectoral health response in South Sudan.

Priority Action	Measure	Baseline	Indicator/ Target	Time Frame	Means of Verification
General government expenditure on health as a % of total government expenditure	% of total government expenditure on Health	2%	7%	3 Years	National budgetary allocation reports
Number of Medical Officers (Doctors) trained and deployed (by State)	Number of Medical Officers (Doctors) per 10,000 population (by State)	0.02	1 per 10,000 population	3 Years	HMIS / annual health reports
	Number of nurses and midwives per 10,000 population	0.05	2 per 10,000 population	3 Years	HMIS / annual health reports
Increase access to quality Health services at community level	Proportion of population who have access to quality Health care services	44%	90%	3 years	HMIS/ Surveys and Annual reports
Number of States/ countries with coordination mechanisms in place to enhance Health service delivery	Proportion of States and counties who have mechanism in place	50%	100%	3 years	Coordination meeting reports/ HMIS and Surveys
Child mortality	Proportion of children dying before their 5th birthday	75/1000 live births	30/1000 live births	3 Years	MMR Survey
Maternal mortality	Proportion of mothers dying during pregnancy or within 42 days of childbirth due to causes related to childbearing.	780/ 100,000 live births	400/100,000 live births	3 Years	MMR Survey

Infrastructure sector results framework

Sector Goal: “Rehabilitate, construct, and procure infrastructural systems for effective service delivery”.

Strategic Objectives of Sector

To improve transport infrastructures, public facilities and affordable housing for citizens.

Priority Action	Measure	Baseline	Indicator/ Target	Time Frame	Means of Verification
Infrastructure					
Develop, complete and implement legal, regulatory and institutional frameworks	% of Policies, Acts, & Regulations revised and enacted	40%	80%	3 Years	Land Bills Housing Policy Draft Performance
Rehabilitate, Construct, Procure Infrastructure	% of roads, equipment, airport buildings & facilities	10%	40%	3 Years	Infrastructure Annual report
Strengthen Institutional and Personnel Capacities	Working Space Equipment or tools Providing Recruit	30%	70%	3Years	Consultation Meetings, Reports

Natural Resources sector results framework

Sector Goal: “Improve food security, livelihoods and land management”

Strategic Objectives of Sector

To review and update policies and strategies for development of Agriculture Sector.

To develop priority infrastructure for Wildlife Conservation and Tourism

To improve the productive capacity of Livestock and Fisheries resources

To conduct baseline

Priority Action	Measure	Baseline	Indicator/ Target	Time Frame	Means of Verification
Implementation of CAMP component of Reconstruction and Recovery, Food and Nutrition Security	% of people who are food secure	60%	80%	3 Years	National annual Crop and Food security Assessment Reports
Establish wildlife and Tourism facilities in the protected areas,	% of facilities in the protected areas	100%	80%	3 Years	National annual Wildlife and Tourism Reports
Review and enforce the Land Act,	% of Land Act and land policies disseminated	100%	80%	3 Years	Nation Land Commission annual reports
Fast-track and disseminate the Land Policy.	# of policy documents reached the users				

Public Administration**Sector Goal:** "Efficient and effective public service delivery"**Strategic Objectives of Sector**

"Enactment of Laws, develop functional institutions, Personnel Capacity Building, improve employees' benefits, and enhance coordination and cooperation amongst Public Institutions"

Priority Action	Measure	Baseline	Indicator/ Target	Time Frame	Means of Verification
Immediate review and enactment of laws	% of Constitution, Laws, Rules and Regulations	50%	70%	3 Years	Matrix of Policy Instrument
Accelerate Capacity and Institutional Building, Training and Research	% of the Manpower in all the Institutions	30%	45%	3 Years	Labour Force Survey
Improve working environment, Institutional Structures and Employees Benefits	% of the framework Recruitment on Merit, promotion, structures and Employees Benefits	30%	45%	3 Years	Labour Force Survey

Rule of Law sector Results framework**Sector Goal:** "Strengthening the Rule of Law System to ensure and promote equal access to justice for all"**Strategic Objectives of Sector**

Strengthen the rule of law system and promote equal access to justice
 Improve Rule of Law sector infrastructures/facilities
 Strengthen institutional and human resources development
 Constant review and reforms of legislations/ laws and policies.

Priority Action	Measure	Baseline	Indicator/ Target	Time Frame	Means of Verification
Enhance disarmament and demobilization process	% of people with illegal arms Reduction of illegal firearms in the hands of civil populations	40%	30%	3 years	DDR reports Bureau of community and small arms control reports National disarmament committee (presidential order).
Rehabilitate and construct rule of law sector 's infrastructures/ facilities	% institutional and human resource developed Number of new buildings and equipment provided	40%	45%	3 years	Number of courses availed for HRD Number of new institutions facilities built and procured Number of professionals recruited.
3. Advocate for allocation of sufficient resources	% institutional and human resource developed Number of new buildings and equipment provided	30%	40%	3 years	Number of courses availed for HRD MoL&PS recruitments and retirements reports Financial and technical support provided by the national government and donors agencies.

Security sector results framework

Sector Goal: “Defend the sovereignty and territorial integrity of South Sudan to ensure peace and security for socio-economic development.”

Strategic Objectives of Sector

Improve Disarmament, Demobilization and Reintegration of the ex-combatants and all other illegal armed groups by 2020.

Establish a respected and professional national army by 2020.

Strengthen National and International relations to address internal and external border conflicts.

Reduce contaminated areas by mines and ERW (explosive remnants of war) by 75% by the next three years. (Baseline 64%) (Target 70%)

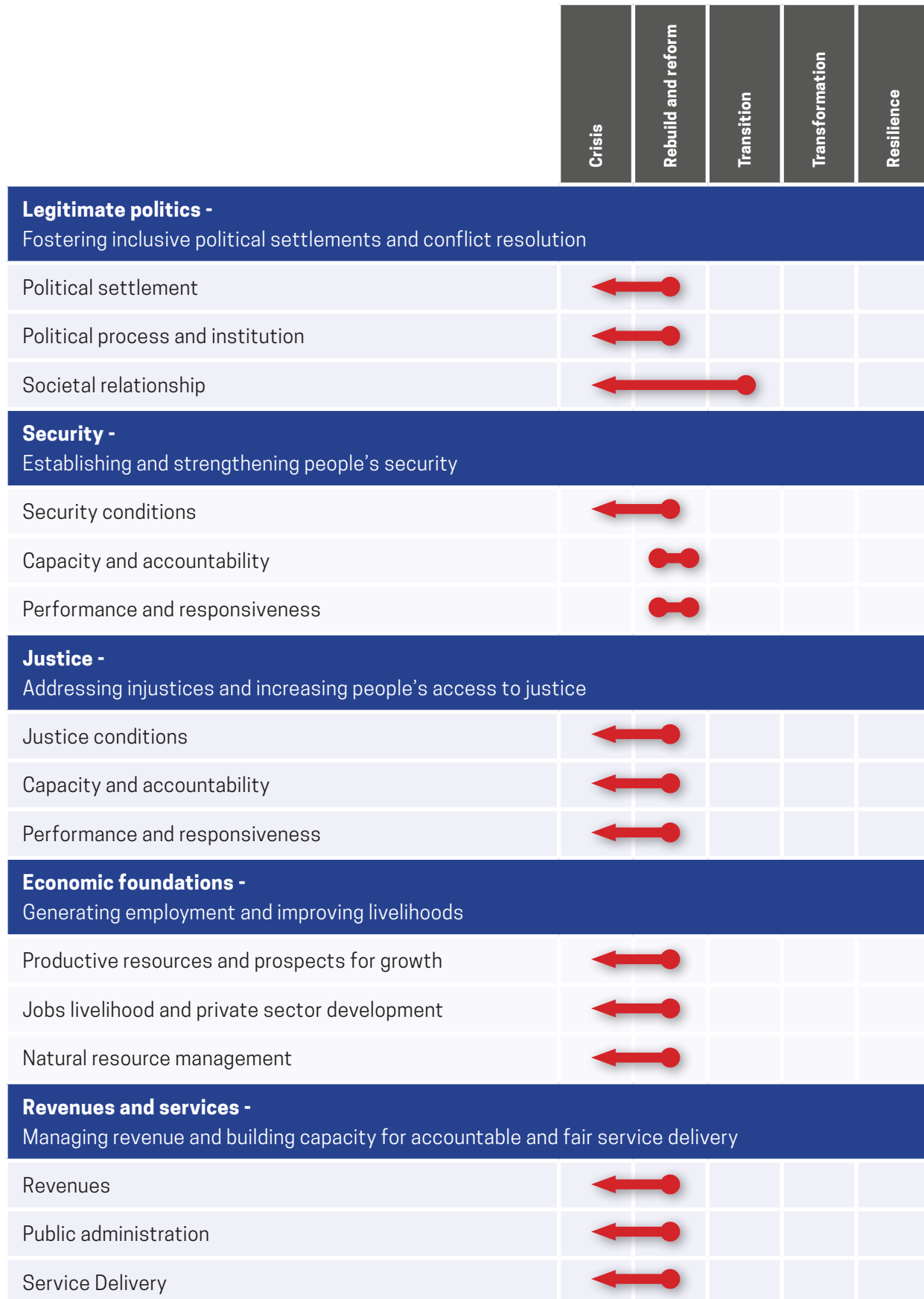
Speed up security sector reform and DDR implementation within the next three years.

Outcomes	Measure (Indicator)	Baseline	3 Years Targets	Means of verification
Comprehensive disarmament of Ex combatants, demobilizing and reintegrating them into civilian life and disarmament of civilians with illegal arms	Number of arms collected, Number of soldiers demobilized and reintegrated.	40%	30%	Small arms survey
Operationalized security sector reform and DDR	Reduced criminal activities, improved civil military relations	30%	40%	Number of trainings conducted, Filed inspections conducted and reports generated
Clearance of contaminated areas by mines and ERW	The number of mines and ERW cleared, number of roads opened, number of communities that received MRE	64%	70%	Field visit to areas contaminated by mines. IMSMA (Information Management System Mine Action) Data

Social and Humanitarian Affairs Sector Results Framework**Sector Goal:****Strategic Objectives of Sector**

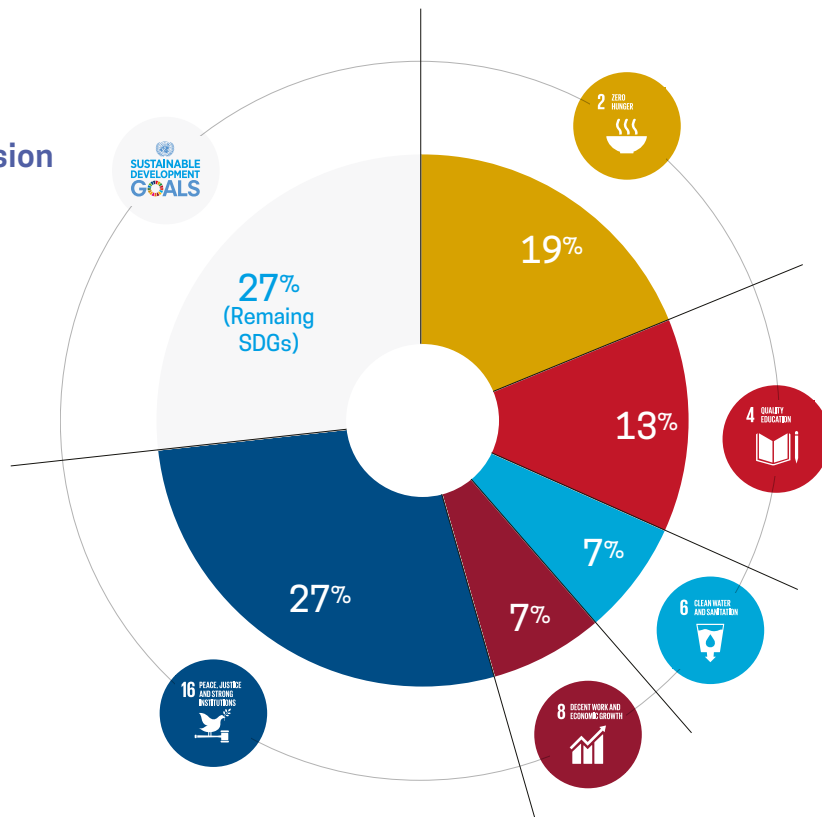
Priority Action	Measure	Baseline	Indicator/ Target	Time Frame	Means of Verification
Develop and promote gender equality, youth, rehabilitate the disabled, and protected the vulnerable groups	The percentage increase of participation and inclusive of all youth and vulnerable group	10%	40%	2018-2021	MGCSW (2011-2013) Care act National Disability and Inclusive Policy (2015) Southern Sudan Child Act (2008)
Mobilize Resources for efficient social and humanitarian programs	Increment of the Budget to the Social and Humanitarian	0.1%	10%	2018-2021	National Child Responsive Budgeting Policy Framework (2013) Audit report gazette
Restore hope and build an inclusive society for vulnerable and all people	Increase equitable, inclusive and wide coverage to access social and humanitarians' aid.	0.1%	60%	2018-2021	South Sudan Vision 2040, South Sudan Development Plan 2013 - 2015

6.8 Update of Fragility Assessment Illustrated on Fragility Spectrum

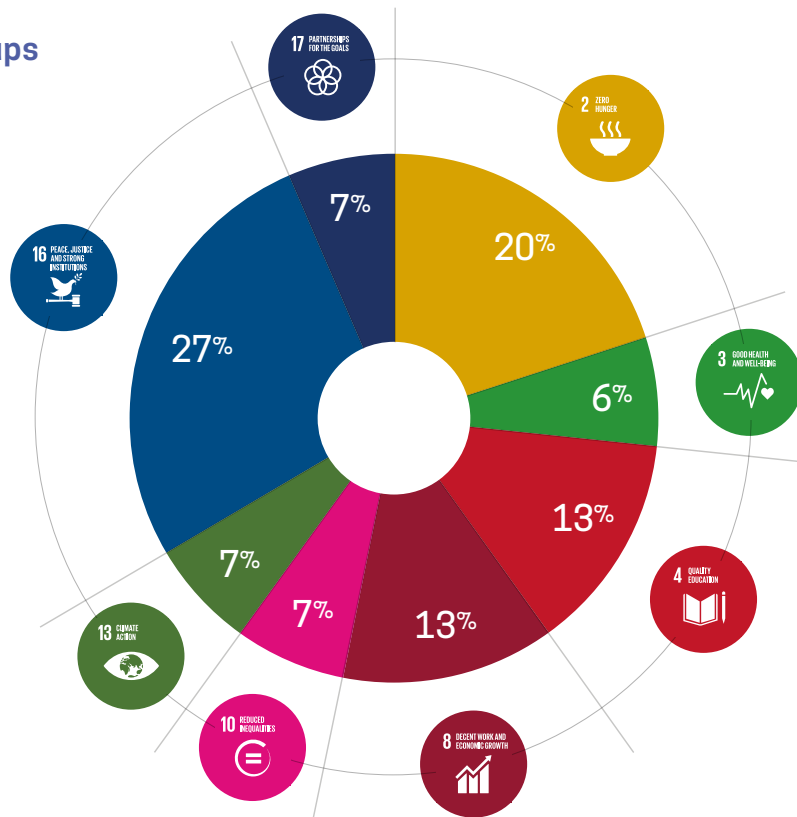


6.9 Results of SDG Consensus Exercise

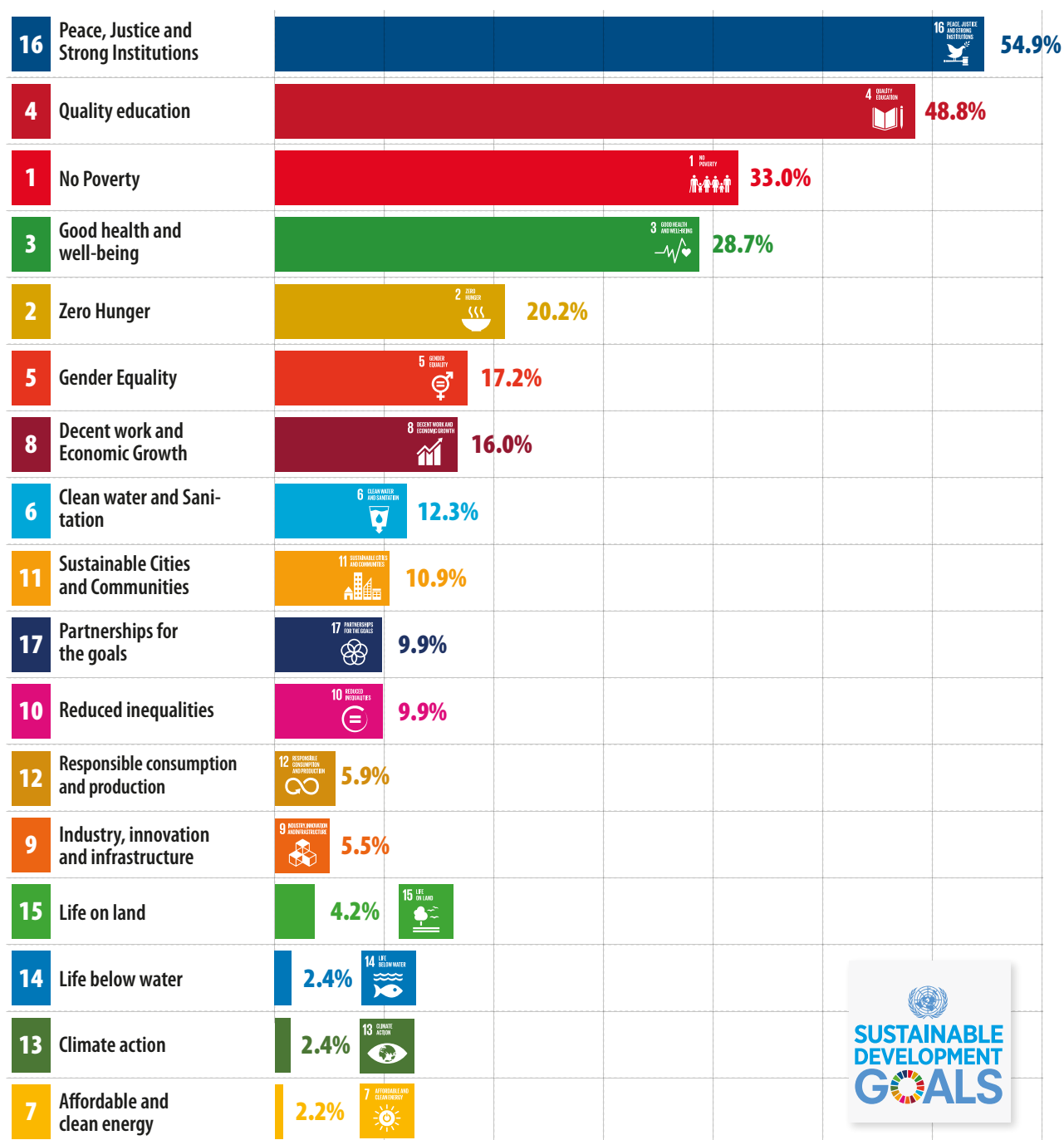
Plenary Session



Breakout Groups



7.0 Survey Findings on SDG Priorities for South Sudan



7.1 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ■ Leadership commitment to fiscal and economic stabilization measures ■ Established institutional frameworks on which to base further reforms ■ Possibility of increasing tax revenues with the establishment of Revenue Authority ■ National Dialogue 	<ul style="list-style-type: none"> ■ Weak civil service (skill gaps, training, numbers, institutional design, coordination, regulation, pension, etc) ■ Poor coordination among government agencies (and with partners) in policy implementation and planning
Opportunities	Threats
<ul style="list-style-type: none"> ■ Recovery of oil prices in global markets and increased oil production. ■ Incremental civil service reforms ■ Economic diversification 	<ul style="list-style-type: none"> ■ Rapidly evolving political environment ■ Resistance to economic and institutional reforms ■ Failure of revitalization of peace process

South Sudan National Development Strategy Questionnaire

Thank you for taking the time to read the South Sudan National Development Strategy (NDS). Note that with this strategy, South Sudan joins many countries with a strategic document to guide national investment and development. We would like to see South Sudan also join the group of countries that have fully implemented their national guiding documents.

Please consider responding to a few questions:

Question 1: Do you think that this strategy reflects the priorities for the nation at this time? (please tick one)

YES NO

Question 2: Do you know of any nation that has a national guiding document? (please tick one)

YES NO

Question 3: Would you like to contribute to implement the National Development Strategy? (please tick one)

YES NO

If yes, please list ways in which you commit to contribute:

I

II

III

Questionnaire continued »

Question 5: Would you like to contribute as an individual or an institution?

(please tick the appropriate response)

Individual

Institution » Name of institution :

.....
.....

Thank you for your time.

Please keep this questionnaire as a part of the strategy document. Kindly transfer your

comments to www.ssnds.net

The NDS secretariat will like to follow up with you. Please share your contact details and tick the preferred method of contact:

Name:

.....

Email:

.....

Telephone:

.....



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Republic of South Sudan
National Development Strategy

Consolidate Peace and
Stabilize the Economy



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