

SOUTH SUDAN-ANNUAL AID REPORT 2014/15



This report has been produced by the Aid Coordination Department in the Ministry of Finance and Economic Planning of the Government of the Republic of South Sudan. The Ministry of Finance and Economic Planning wishes to express its gratitude to the African Development Bank, through its Institutional Support Project to PFM and Aid Coordination (PFAID), for the financial and Technical Assistance support during this exercise. Additional thanks are given the UK Department for International Development (DfID) for the Technical Assistance provided by the Budget Strengthening Initiative (BSI). Contact details: P.O. Box 80 Juba - South Sudan Email: aidco.mofep@gmail.com An electronic version of this report is accessible online on the Ministry of Finance and Economic Planning's website: http://www.grss-mof.org

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Glossary

AIMS AID INFORMATION MANAGEMENT SYSTEM

ARCISS AGREEMENT ON RESOLUTION OF CONFLICT IN SOUTH SUDAN

CPA COMPREHENSIVE PEACE AGREEMENT

DP DEVELOPMENT PARTNER

FY FISCAL YEAR (I.E. GOVERNMENT FINANCIAL YEAR)

GRSS GOVERNMENT OF THE REPUBLIC OF SOUTH SUDAN

IDA WORLD BANK INTERNATIONAL DEVELOPMENT ASSOCIATION

MOFEP MINISTRY OF FINANCE AND ECONOMIC PLANNING

NGO NON-GOVERNMENTAL ORGANIZATION

OECD ORGANIZATION OF ECONOMIC COOPERATION AND DEVELOPMENT

OECD DAC OECD DEVELOPMENT ASSISTANCE COMMITTEE

OECD DAC CRS OECD DAC CREDITOR REPORTING SYSTEM

PIU PROJECT IMPLEMENTATION UNIT

PSGS PEACEBUILDING AND STATEBUILDING GOALS

SSDP SOUTH SUDAN DEVELOPMENT PLAN

TF TRUST FUND

UN UNITED NATIONS

UNMISS UNITED NATIONS MISSION IN THE REPUBLIC OF SOUTH SUDAN

UNOCHA UN OFFICE FOR THE COORDINATION OF HUMANITARIAN AFFAIRS

UNOCHA FTS UN OCHA FINANCIAL TRACKING SYSTEM

Foreword

It has been over a year since the Ministry of Finance and Economic Planning (MoFEP) last published a Donor Book, which it has now reconfigured and renamed the Annual Aid Report. The lack of a report for 2013/14 was due to the challenge of data collection during the period after the political crisis of December 2013. Nonetheless, during this period MoFEP received useful feedback from many readers of previous Donor Books, which triggered the need to rethink the content, to better serve the target audience.

This new format retains many of the components that previous Donor Books have had. It still aims to provide the Government of the Republic of South Sudan (GRSS), the international community, and the wider public, with an overview of the aid landscape in South Sudan. However, the focus of the narrative has shifted away from the individual Development Partners (DPs). Instead, it focuses on the contribution of DPs to the various development priorities, and the efforts of both the GRSS and DPs to coordinate this engagement.

This report is an opportunity to look back on the role played by external financing in implementing the country's development priorities in 2014/15. I hope you enjoy reading it and look forward to engaging with all stakeholders going forwards.



Honourable David Deng Athorbei

Minister of Finance and Economic Planning Government of the Republic of South Sudan

Data

The data used in this report is primarily from the Interim Aid Information Management System (AIMS) in use while the previous online AIMS is undergoing changes. The Interim AIMS is an Excel template maintained by the Aid Coordination Department of the MoFEP and circulated among DP Focal Points who then return it to MoFEP with updated data on a quarterly or annual basis. The quality of the data used in this report therefore depends on the quality of reporting by the DP Focal Points and the Aid Coordination Department1 would like to thank all DP Focal Points for their cooperation.

The 2014/15 Disbursements data used for the majority of this report is the combination of planned, updated planned, and confirmed disbursements based on the most recent submission by the DP. Disbursements represent a transfer of funds (or resources), whereas Commitments represent an expectation of a transfer of funds or resources.

Coverage is limited to projects classed by DPs as for Development (not Humanitarian) purposes. Non-concessional support (e.g. commercial loans) and private flows (e.g. own-funding of International NGOs) as well as remittances, are not included.

To this end, four other external sources of data have been used. The Organization of Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) Creditor Reporting System (CRS) is used to triangulate Interim AIMS data. The United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) Financial Tracking Services (FTS) is used to provide coverage of humanitarian support. Data on United Nations Mission In South Sudan (UNMISS) spending comes from the UN website, and data from previous Donor Books is used to provide historical context.

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Aid trends over time

Aid from the international community continues to play an important role in supporting national efforts in the implementation of both development and humanitarian activities. Chart 1 shows the trend in aid flows to South Sudan between 2006 and FY 2015/2016, the earliest and latest available data. It combines data from multiple sources comprising the Interim AIMS, the GRSS Donor Book 12/13 and the OECD DAC CRS database. The different sources not only have different coverage of DPs but also capture different definitions of aid, some including Humanitarian support and others not, some focus on commitments to spend, and others on actual disbursements. Where possible, current prices have been used across all sources. The vertical bars represent an estimate by the Aid Coordination Department of likely expenditure by DPs on South Sudan for Development (not Humanitarian) purposes, taking into account the information from the different sources.

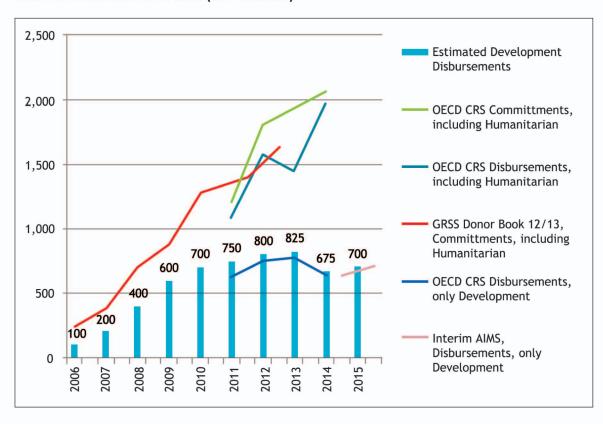


Chart 1: Trend in aid over time (USD millions)

Source: MoFEP Estimates, GRSS Donor Book 12/13, Interim AIMS, OECD DAC CRS

Chart 1 shows a trend in aid flows that can be characterised into three phases:

Pre-crisis (2006 to 2013): Increasing independence from the Sudan and a high level of need attracted many actors accompanied by steadily increasing volumes of aid. Development and Humanitarian commitments rose from around USD 200 million in 2006 to around USD 1.9 billion in 2013. Following a similar trend, Development disbursements are estimated to have risen from around USD 100 million in 2006 to USD 825 million in 2013.

Crisis (2014 – 2015): The political turmoil of December 2013 impacted the volume of aid that was allocated to both on-going and pipeline Development projects. Many DPs opted to reprogramme their funding away from Development support and instead address the increasing Humanitarian needs. As a result, estimated Development disbursements fell for the first time in South Sudan's history, from USD 825 million in 2013 to USD 675 million in 2014. Estimated Development disbursements increased slightly in 2015 to USD 700 million but this remains substantially lower than the 2013 peak, and represents a movement from Development support to Humanitarian of around USD 300 million a year.

2014/15 comparison : For 2014/15, GRSS spending (excluding the security sector) was USD 2,145 million. This compared to DP reported Development disbursements of USD 605 million. If DP 2014/15 estimated Humanitarian spending of USD 1,637 million is added, then DP Development and Humanitarian spending is marginally higher at USD 2,243 million. If GRSS spending on the security sector, and UNMISS spending (effectively DP security spending) are added to each side, then total 2014/15 GRSS spending of USD 3,992 million is almost identical to total DP spending of USD 3,880 million for the same period.

Post crisis (2016 onwards): The Agreement on the Resolution of the Conflict In South Sudan (ARCISS) in late 2015 marked the beginning of a journey back towards peace. The destruction of infrastructure (e.g. schools, hospitals, etc.), loss of life, and displacement of people, all contribute to the immense challenges that the GRSS is now facing. A great deal of effort and resources will be required to remedy the damage caused by the conflict, to reconcile a people torn apart by the war, and to begin the process of rebuilding South Sudan. The effective implementation of the Transitional Government of National Unity (TGoNU) will be crucial in ensuring that the appropriate environment is put in place to encourage the resumption of aid for Development activities.

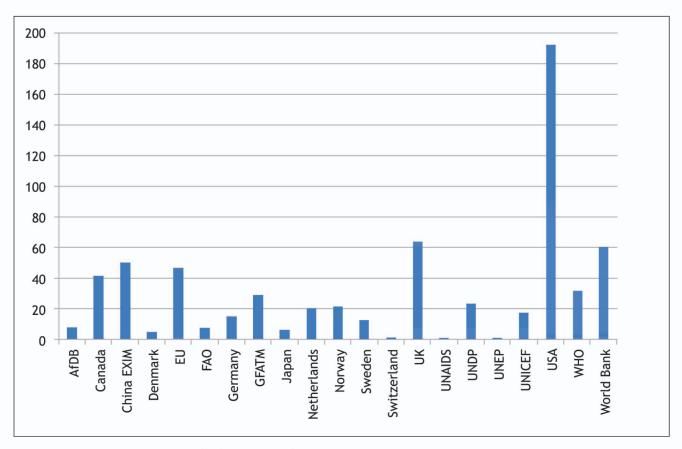
The political crisis has coincided with a huge exogenous macroeconomic shock. The worldwide decline in oil prices has caused a severe fiscal crisis in all oil exporting countries, including South Sudan. The huge and near instant reduction in government revenues means additional external support (potentially in the form of an IMF programme) will be required as GRSS struggles to finance its basic expenditures as a state. The necessary floating of the exchange rate and rapid devaluation of the South Sudanese pound has significantly increased the cost of (typically imported) basic goods, including foodstuffs and led to high levels of general inflation which has had severe negative effects on household welfare, pushing many more of the population further into poverty.

The impact of the crisis on DPs Development and Humanitarian support will also continue for several years. The current situation suggests that the Humanitarian crisis will continue to demand increased resources. Whilst many on-going Development projects were not halted by the crisis, most are likely to need significant alteration to refocus on the new priorities brought about by the changed context. It often takes several months or years to prepare new projects and the period of uncertainty and breakdown in relations between DPs and government has meant that there is a significant gap in the pipeline.

Aid by Development Partner

Chart 2 shows the support (excluding humanitarian) provided by DPs. DPs were requested to report to the Interim AIMS on the basis of 'own funds' and the chart therefore shows the DP who provides the financing, rather than for example, the agency managing the project.

Chart 2: 2014/15 Disbursements (USD millions) by Development Partner



Source: Interim AIMS, GRSS Budget 2014/15 (for China EXIM)

In total, 21 DPs were recorded as providing resources in 2014/15, comprising 11 bilateral partners, and 10 multilaterals (including the EU).

The USA was by far the largest provider of financing, providing 30% of the total, and more than the smallest 14 DPs put together. Chart 3 shows that the top 5 DPs: USA, UK, China EXIM Bank and the EU respectively, provided almost two-thirds (64%) of the total financing. 11 DPs provided under USD 20 million in 2014/15.

30% 25% 20% 15% 10% 5% 0% UNICEF USA WHO GFATM UNDP Norway **Netherlands** FAO Japan UNEP **World Bank** China EXIM Sweden Denmark ¥ Canada Germany Switzerland \mathbf{E}

Chart 3: 2014/15 Disbursements (%) by Development Partner

Source: Interim AIMS, GRSS Budget 2014/15 (for China EXIM)

As a comparison, Chart 4 shows the most recently available international data (for 2014) from the OECD DAC CRS². The list of DPs, their rough order and approximate volume is similar.

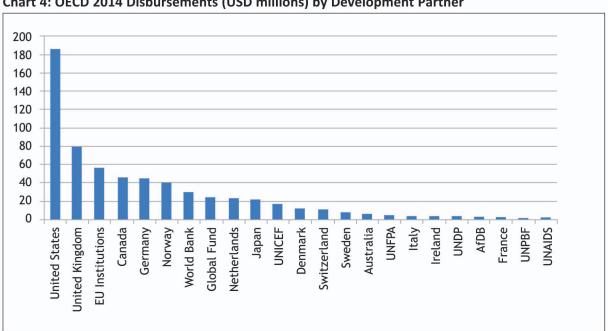


Chart 4: OECD 2014 Disbursements (USD millions) by Development Partner

Source: OECD DAC CRS database

² Comparison made after removing the following OECD DAC CRS sector codes: 600 - Debt, 700 - Humanitarian, 910 - Administration costs of DPs, 930 Refugees in Donor countries and 998 - Unspecified, which do not fit the definition of 'Development' used in the Interim AIMS' data. Data is 2014 USD, gross disbursements, and excludes DPs providing less than USD 1 million in 2014.

Humanitarian and Security aid

A significant amount (USD 306 million) of Humanitarian support was reported to the Interim AIMS. However, Humanitarian programming was not collected systematically in 2014/15, due to the short term programming cycles and more complex delivery channels involved. Therefore, this data is not considered ready for release. As an alternative, UN OCHA collect data on Humanitarian support in the Financial Tracking System (FTS) database. Unfortunately, FTS data is not available using GRSS Financial Years. However, the FTS reports that in 2014, USD 1,465 million in paid contributions was provided, and in 2015, USD 734 million in paid contributions. Taking half from each year gives an estimate for 2014/15 of USD 1,100 million in paid contributions of Humanitarian support as tracked by the UNOCHA FTS, and is the most similar measure to the disbursements data used elsewhere in this report.

On a DP basis, UN OCHA also reports 'funding', the (larger) sum of paid contributions (as above), plus commitments (where a paid contribution is the actual payment of funds or transfer of inkind goods from the donor to the recipient entity, and a commitment is creation of a legal, contractual obligation between the donor and recipient entity, specifying the amount to be contributed). This sum (shown in Chart 5) is therefore significantly larger than the figures above, which only include paid contributions, totalling USD 1,637 million for 2014/15.

100 200 300 400 500 600 700 **United States** United Kingdom **European Commission** Details not yet provided Norway Japan Germany Canada Private Sweden Denmark UN unearmarked funds **CERF** Carry-over (DPs not specified) Netherlands Switzerland Ireland Finland Australia Belgium Italy Luxembourg South Sudan China none France Spain

Chart 5: 2014/15 FTS Humanitarian funding estimates for DPs providing over USD 1 million (USD millions)

Source: UN OCHA FTS

As with Development support, the USA is by far the largest contributor. Three DPs (the USA, UK and EU) provide over 60% of all Humanitarian support. Notably, there is a much wider range of DPs involved in Humanitarian financing than for Development support.

It is also worth recognising the United Nations Mission in the Republic of South Sudan (UNMISS) budget in 2014/15 of USD 1,097 million³, which was not reported to the Interim AIMS.

Aid by Sector

Aid to South Sudan can be categorised into the ten National Sectors. Chart 6 shows that there is very uneven support for the different sectors by DPs.

250 200 150 100 50 0 **Economic Functions** Health Accountability Infrastructure Development Social & Humanitarian Affairs Education Natural Resourses and Rural Public Administration Rule of Law

Chart 6: 2014/15 Disbursements (USD millions) by National Sectors

Source: Interim AIMS

The Health sector received the most support (USD 230 million). This was more than all the non service delivery sectors (Accountability, Economic Functions, Public Administration, Rule of Law, Security, Social & Humanitarian) put together (USD 178 million). Put together, the four sectors of Health, Education, Infrastructure, and Natural Resources & Rural Development, accounted for roughly three quarters (72%) of all DP support, highlighting their revealed priorities. It is likely that the very low levels of support for Public Administration are also a result of the political crisis and the withdrawal by DPs from direct support of GRSS capacity building.

Chart 7 shows this information as percentages. It is worth noting that DP allocation of resources appears more strongly aligned with frameworks such as the MDGs and SDGs, which prioritise issues such as poverty, inequality, and access to health, education and water, rather than frameworks such as the Peacebuilding and Statebuilding Goals (PSGs) which are designed for the g7+, a group fragile States (including South Sudan). The PSGs suggest first prioritising 5 sectors: Politics; Security; Justice; Employment; and Revenue, in Fragile States such as South Sudan⁴.

¹ Source: http://www.un.org/ga/search/view_doc.asp?symbol=A/69/650

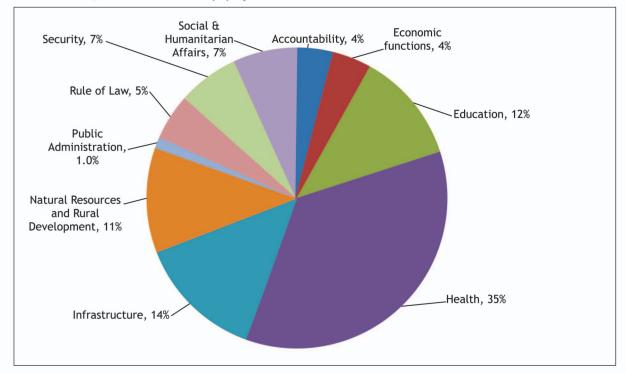


Chart 7: 2014/15 Disbursements (%) by National Sectors

Source: Interim AIMS

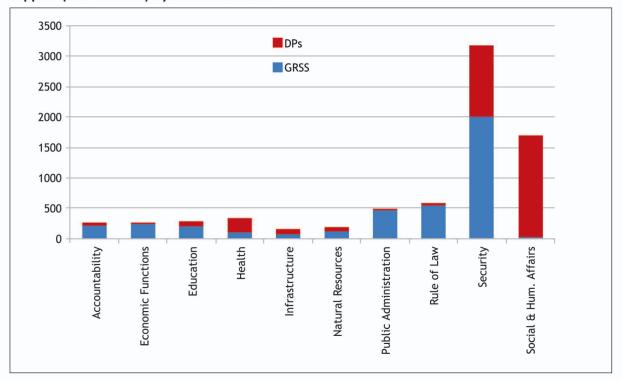
However, in part, this allocation may be a direct response to GRSS revealed spending priorities. Charts 8 and 9 (on the next page) combine data on DP financing for the 10 National Sectors, with similar data on GRSS expenditure⁵, data on UNMISS allocated to Security spending, and UN OCHA data on Humanitarian spending.

Chart 8 shows the combined impact of GRSS and DP spending. GRSS is the major provider of funding in all sectors except Social & Humanitarian Affairs, and Health. Chart 9 provides a clearer picture of the relative importance of the different sectors in GRSS and DP spending. Social & Humanitarian Affairs, Health, and Infrastructure, are the three sectors that DPs place more priority on than GRSS. GRSS places greater priority than DPs on Accountability, Economic Functions, Education, Public Administration and Rule of Law.

⁴ http://www.pbsbdialogue.org/en/new-deal/new-deal-principles/

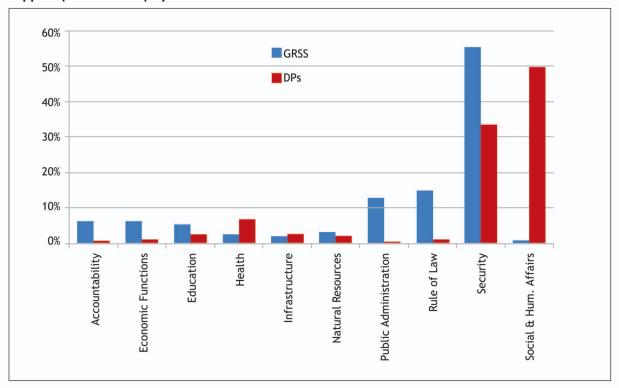
⁵ Data from 2014/15 Expenditure reports available at http://grss-mof.org. Data includes block grant expenditure allocated according to existing sector shares.

Chart 8: GRSS 2014/15 Expenditure and DP Disbursements for Development, Humanitarian and Security support (USD millions) by National Sectors



Source: Interim AIMS, GRSS Expenditure Reports, UNMISS, UN OCHA

Chart 9: GRSS 2014/15 Expenditure and DP Disbursements for Development, Humanitarian and Security support (USD millions) by National Sectors



Source: Interim AIMS, GRSS Expenditure Reports, UNMISS, UN OCHA

Aid by Location

The Interim AIMS allows DPs to report the States that their projects are active in. Only a minority of DPs currently provide this information. However, it is displayed here in order to demonstrate the potential benefits and to encourage DPs to share the valuable data in the future.

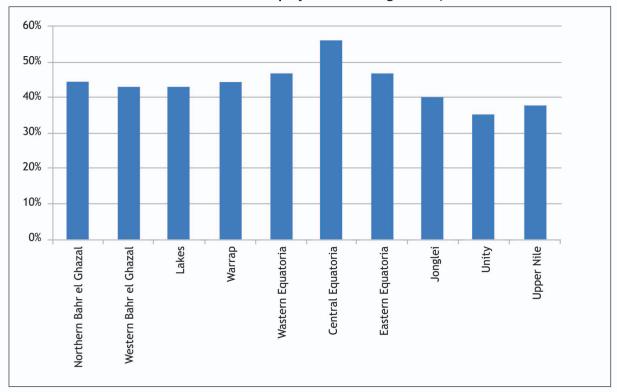


Chart 10: State share of the total number of projects disbursing in 2014/15

Source : Interim AIMS

Chart 10 shows that there appears to be a relatively even number of projects operating in each state. It is presumed that the larger number of projects operating in Central Equatoria is because projects supporting the national government are active there, rather than a suggestion of increased support for the population of Central Equatoria. It is also possible that this figure is under-reported as projects working with national government often did not report their location data.

Aid by Type

The GRSS receives two types of Development aid financing from DPs, concessional loans, and grants. Chart 11 shows that in FY 2014/15 11% (USD 71m) of aid disbursed was in the form of loans, and 89% (USD 577m) in the form of grants. This trend is likely to remain largely unchanged as the effects of the crisis are expected to spill over into FY 2015-16.

Loan Grant

Chart 11: 2014/15 disbursements by aid type

Source : Interim AIMS

The concessional loans are currently provided by just two DPs, the World Bank, and China Exim Bank, with all other DPs only providing grants.

Post crisis, and due to the macroeconomic shock caused by falling world oil prices, GRSS faces a deteriorating macroeconomic and fiscal situation. All external loans are denominated in foreign currencies against which the South Sudanese Pound has substantially depreciated. Therefore, these debts are now imposing a substantially higher repayment burden than initially anticipated.

Aid delivery

Enhancing the quality and effectiveness of aid continues to be of great importance to South Sudan's development agenda. To this effect, the 2011 National Aid Strategy¹ introduced seven 'Partnership Principles'².

In order to achieve these principles, the Strategy outlines four key mechanisms for effective aid/development coordination, namely (i) the High-level Partnership Forum (HPF); (ii) the Quarterly Government-Donor Forum (QGDF); (iii) the Inter-ministerial Appraisal Committee (IMAC) for all country strategies and new projects valued at over USD 20 million; and (iv) Sector Working Groups (SWGs). During the Fiscal Year 2014/15, very little activity took place in terms of use of these coordination mechanisms:

- No HPF or QDGF meetings took place although there were isolated meetings between DPs and GRSS around specific issues such as the macroeconomic crisis.
- Only two very brief IMAC meetings took place during this period, for the UNDP Interim Country Strategy Paper, and for the EU Rule of Law, Justice and Reconciliation project.
- A few SWGs were active between DPs and Line Ministries, although with limited involvement from MoFEP.

Going forward, improvements will be needed in reinstating these mechanisms to function effectively, in order to ensure better coordination and utilisation of resources that GRSS will be receiving.

The Strategy further added six 'Benchmarks for Aid Delivery', each of which is then supported by a number of indicators (giving 30 indicators in total) to monitor international best practices for efficient aid delivery (although no targets are given). Table 1 shows the six Benchmarks and gives a brief comment on their status:

Table 1: Benchmarks for Aid Delivery and traffic-light score

Benchmark	Comment
Aid is aligned with overall Government and sector policies and plans.	Some projects are aligned with national and sector plans, but there is no functioning formal process of alignment.
Aid is managed by Government institutions and uses Government systems.	Government is involved in the delivery of comparatively few projects. Almost zero aid uses government systems.
Aid is aligned with the Government budget cycle and channelled through Government public financial management systems.	The majority of aid is not aligned to the Government budget process in any formal way and under 1% of aid uses government PFM systems.
Aid supports institutional capacity and systems.	Some projects build the capacity of government institutions but most do not. No formal mechanism of monitoring and measuring capacity transfer exists.
Aid is oriented towards the achievement of outcomes.	The indicators for this benchmark focus on financial predictability and reporting outputs to SWGs and government but the interpretation is unclear.
Aid is provided coherently and fragmentation is avoided.	Very few of the coordinated interventions (joint programming, pooled funds, budget support) that were planned in 2013 have been taken forwards and there is no active process to reduce fragmentation.

¹ Available at : http://www.grss-mof.org/docs/south-sudan-aid-strategy-2011/

² (i) Be Government-owned and -led, (ii) Be aligned with Government policies as set out in the South Sudan Development Plan and Budget Sector Plans, (iii) Use Government systems and institutions for public financial management, policy and service delivery, including at the State level, (iv) Be predictable, over both the short and medium term, (v) Be coordinated and harmonised through sectoral mechanisms, (vi) Be managed for results with project outcomes tracked alongside sectoral policy outcomes, and (vii) Be based on the principle of mutual accountability.

The achievement of these ambitions since 2011 has been very low and reflects the significant change in circumstances since the Aid Strategy was revised. Government leadership, and DP enthusiasm for engagement with government on issues of aid effectiveness has not yet recovered after the December 2013 crisis. As such this 2014/15 Annual Aid report takes a broader look at a few key topics and suggests the need to find and build a new consensus on aid effectiveness issues in South Sudan. Despite this, all parties are encouraged to engage with the issues outlined in the Aid Strategy in anticipation of a return to joint-working on aid effectiveness issues under the TGoNU.

The support, use of, and alignment with, government systems

Not a great deal of change has taken place in the modalities of delivery of aid in South Sudan during 2014/15. The majority of aid continues to be channelled outside government systems, implemented either by DPs themselves, via UN Agencies, NGOs or private sector partners. With South Sudan's institutions still needing a lot of capacity building, for the most part, DPs have chosen to circumvent national systems as a medium-term arrangement, in what is considered a more efficient alternative that will expedite delivery of critical goods and services.

In 2014/15, only two projects were making use of government financial systems - the UNDP funded upgrading of the AIMS where the agreement between MoFEP and UNDP allowed for the payments for services rendered to be channelled through the National Accounts at the Bank of South Sudan, and the World Bank funded Local Governance and Service Delivery Project which made payments directly into commercial accounts held by County administrations. The lessons from implementing these two projects will start to form the evidence based upon which GRSS could negotiate for more projects to be delivered in the same manner. Unfortunately, no DP funded projects made any use of GRSS national procurement or audit systems, despite both being the recipient of substantial DP financed capacity building.

Many World Bank and African Development Bank projects make use of Project Implementation Units (PIUs), with varying levels of integration into the respective line ministries. Under this arrangement, GRSS is formally involved in the project disbursement process (although with DP veto), and is a part of the project Steering Committee although all staff are appointed by the DP, and accounting, procurement and audit all use DP systems.

Finally, a number of projects, often those focussed on supporting service delivery, work closely with GRSS Line Ministries, and for example, involve GRSS staff in meetings and assessments. These interactions have led to some good examples of alignment efforts including:

- The three large Primary Health Care programmes who have agreed with the Ministry of Health to providing similar support levels across States and to ensure full geographical coverage between DPs.
- The attempt made to align NGO and GRSS salary scales for PHC health workers.
- The Girls Education CapitationGrants using shared GRSS decision-making and reporting systems for both DP and GRSS financing (secondary levels with DFID financingand primary levels with GRSS financing), with DP capacity building support extending to both.

A key issue going forward is the extent to which these initiatives are learned from, and built upon to establish common modalities for the use and strengthening of GRSS systems and capacity. In part, this also depends on progress in strengthening these systems through public financial management reforms and capacity building efforts at all GRSS levels.

Prior to the December 2013 crisis, several innovative instruments were in the process of being developed, ranging from budget support to new multi-donor pooled funds. These were designed to achieve many of the alignment, harmonisation, and coordination issues outlined above. Whilst no longer exactly fitting the context, with some modification they could provide a common, and for most part pre-agreed, starting point for the development of the next generation of modalities.

Sustainability

A growing concern in South Sudan, and an outcome of the breakdown in DP-GRSS coordination efforts, is the long-term sustainability of DP support. Especially in sectors with high levels of DP support, where DPs are often providing services, parallel systems are emerging (e.g. parallel payrolls and salary scales, parallel lines of accountability and financing) which weaken the ability of GRSS to resume responsibility for delivery, or to be involved in the management, monitoring and allocation of these flows. In addition, short-term DP support is increasingly creating on-going liabilities (for staff, for specific approaches and for new roles and institutions) that taking into account the current fiscal crisis, GRSS is unlikely to be able to afford when DPs withdraw their support. The solution lies in resuming an increased level of cooperation (and not just consultation) between DPs, Implementers, Line Ministries, and MoFEP during new project design processes.

Fragmentation

Although a number of DPs have left South Sudan following the December 2013 crisis, many remain. Traditionally, DPs want to engage with, and receive visibility in as many sectors as possible, in pursuit of their own policies and strategies. However, this comes with significant transaction costs of participating and maintaining knowledge in each sector whilst only disbursing small amounts. This reduces the value of DP aid to South Sudan, as well as increasing the coordination costs of GRSS Line Ministries who have to manage a large number of different DPs, projects, missions, and reporting frameworks.

Table 2: 2014/15 Fragmentation by sector

Sector	DPs/ sector	Number of Projects	Mean project value (USD millions)	% of projects < USD 1 million	DPs < 5% of sector
Accountability	7	15	1.66	60%	2
Economic functions	9	20	1.38	45%	3
Education	7	12	6.47	50%	4
Health	12	30	7.68	30%	4
Infrastructure	8	11	8.07	27%	5
Nat. Res. & R. Dev.	13	42	1.73	40%	10
Public Admin.	4	10	0.66	79%	1
Rule of Law	6	14	2.37	57%	2
Security	5	6	7.07	50%	3
Social & Hum.	9	13	3.36	46%	6

Source : Interim AIMS

Table 2 shows that there is substantial variation across sectors in terms of fragmentation and associated indicators. For example, the Natural Resources & Rural Development sector has 10 DPs, each contributing under 5% of the total sector disbursements.

The Aid Strategy suggests that DPs engaging in a sector should only do so if their contribution will exceed USD 20 million. While this number may need fine-tuning, Table 2 highlights that there are plenty of opportunities where DPs contributing small amounts should be persuaded to consider delegating their cooperation to another DP in the sector, or joining a pooled fund to reduce transaction costs.

GPEDC and Aid Effectiveness

In November 2011, the international community came together in Busan (South Korea) to endorse the Global Partnership for Effective Development Co-operation — a broad, inclusive, and multi-stakeholder partnership to guide development co-operation going forward. The Global Partnership is grounded in the shared principles of country ownership, inclusive partnerships, results, and transparency and accountability. These act as the anchor for the Partnership, and the wider set of commitments made in Busan. The Global Partnership recognizes that the shifting development context requires a shift from aid effectiveness to the effectiveness of development cooperation, recognizing differential commitments and the differing responsibilities for North-South and South-South Cooperation, while also reaffirming existing commitments on ODA made at the Paris and Accra High Level Fora on Aid Effectiveness. The GRSS and almost all DPs operating in South Sudan are signatory to the GPEDC and are thus bound by the commitments therein. South Sudan is participating in the 2016 GPEDC monitoring round and will be collecting data on these indicators for publishing in a future Annual Aid Report.

The g7+ and New Deal

South Sudan is a member of the g7+, a voluntary association of countries that are or have been affected by conflict and are now in transition to the next stage of development. The g7+ proposes the 'New Deal for Engagement in Fragile States' as a set of principles guiding international engagement in conflict-affected states. The New Deal seeks to be more context-sensitive and country-led than traditional approaches to development, and aims to ensure mutual accountability between governments, civil society, donors and other international actors. The New Deal notes that the Millennium Development Goals and their successors, theSustainable Development Goals, the international standard for measuring human development progress, assume sound institutional, financial and human capacity to deliver services – circumstances that rarely exist in fragile contexts. The New Deal proposes an intermediary step where DPs use the five Peacebuilding and Statebuilding Goals (PSGs) as the basis for working in fragile and conflict-affected states. The PSGs represent the pre-requisites for achieving the SDGs and include (i) legitimate politics, (ii) security, (iii) justice, (iv)economic foundations and, (v) revenue and services.

Immediately prior to the December 2013 Crisis, GRSS had carried out an extensive Fragility Assessment and GRSS and DPs were extremely close to signing a New Deal Compact as a framework within which to coordinate their joint efforts. While a great deal has changed, the fundamentals of needing an agreement to strengthen and guide the relationship between the GRSS and DPs has not gone away, and it is possible that the GRSS may wish to revive the process of establishing New Deal Compact for South Sudan under the TGoNU as a route to making development cooperation in South Sudan more effective.

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