



Towards Resilient, Inclusive and Sustainable Development in Southern Sudan



Map Sources: UNCS, SIM, Natural Earth.
The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. Final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined. Final status of the Abyei area is not yet determined. Map created in Oct 2011.

Introduction

This note outlines elements for the establishment of a long term strategy to promote a transition from post-conflict recovery and towards resilient, inclusive, and sustainable development in Southern Sudan. These elements intend to serve as a foundation for initiating a policy dialogue between the Government of Southern Sudan (GoSS) and national and international development partners, as well as to support the production of additional in-depth analytical work, leading to the finalization of a nationally-owned long term development

strategy for Southern Sudan.

The long-term development strategy would complement on-going efforts by the international community and the GoSS to support the process of independence of Southern Sudan. Independence is expected for July of this year, following the announcement of the Southern Sudan Referendum Commission that the overwhelming majority of Southern Sudanese had voted for secession during the January 2011 referendum.

In particular, the long-term development strategy would draw from and complement the 3-year Southern Sudan Development Plan (SSDP), started last year by the GoSS and expected to be completed by May 2011. The SSDP, which builds on the current Core Functions Framework, will also serve as an Interim Poverty Reduction Strategy Paper (I-PRPS), and it is likely to form the basis for conference to mobilise resources from the international community.

The long-term strategy would also contribute to guide the GoSS and international partners to ensure that the many initiatives and activities that are being planned and undertaken in Southern Sudan, while all meritorious on an individual basis, add up towards contributing to the strategic developmental goals of the country. In fact, several interventions have failed or have had limited impact because they are not embedded in a comprehensive perspective.

The note starts with a diagnostic of the current development context in Southern Sudan, presenting the most salient facts on the economic and social development context. The first section of the note also highlights the challenges and opportunities facing Southern Sudan as it prepares for entry into the community of independent states.

Drawing both on this diagnostic and on the analysis of studies of the economics of succession and post-conflict recovery, the second section of the note identifies the key elements of a national strategy to generate resilient, inclusive and sustainable economic growth and development. The underlying thrust of long term development challenge is to turn the vast and rich natural resources of Southern Sudan to the advantage of its people. Three broad policy areas are outlined: First, the design and implementation of medium to long term reforms in institutional strengthening, capacity development, and the transparency in the management of

public resources. Second, the transformation of agriculture to spur food security and economic diversification. Third, to enhance the provision of basic social services, targeting women and girls and building systems for social protection.

The note concludes with proposals for next steps in advancing the policy dialogue and proposes a sequencing of the policy areas identified in terms of the time frame of the actions required to meet the goals of the development strategy. This is intended not only to help structure the policy dialogue between the GoSS and international partners, but also to indicate the areas in which there would be a need for additional analytical work.

Development Context

Southern Sudan is preparing for independence in July 2011 after the January 2011 referendum in which more than 98 percent of southerners voted for secession. The referendum came as part of the 2005 Comprehensive Peace Agreement (CPA) that ended two decades of civil war between the North and South of Sudan.

The development context in Southern Sudan is dominated by the legacies of the 20 year civil conflict and the aftermath of the 2005 CPA. The long conflict had a major negative impact on livelihoods, especially in rural areas, where more than 80 percent of the population reside. The effects on agriculture and livestock were particularly devastating, given that about 80 percent of households depend on crop farming or animal husbandry for their livelihood. The conflict eroded assets such as livestock through distress sales, destruction of housing and infrastructure, and looting by fighting parties, it overburdened coping mechanisms, and it led to massive population displacements that disrupted cultivation. Agricultural markets and trade, incipient before the conflict, had their development curtailed. According to the US State Department, the conflict resulted in over 2 million deaths and more than 4 million people displaced between 1983 and 2005.

After the 2005 CPA there have been important improvements, namely in infrastructure (especially trunk roads), and the emergence of better functioning markets for food and household items, with enhanced opportunities for income-generating activities from production and trade with the reduction in conflict. The adoption in January of 2007 of a single currency further improved the economic conditions in Southern Sudan. But Southern Sudan had also to cope with the return of as many as 2 million people from the North since 2005. The GoSS revenues remain dependent almost exclusively from its share (50 percent) of the oil revenues that it receives from the Sudan Central Government.

Status of Social Development

The population of Southern Sudan was estimated at 8.26 million in the 2008 Census, and it exhibits one of the lowest population densities of any subtropical region, with 13.5 inhabitants per square kilometer. The population is very

young, with 51 percent under the age of 18 and 72 percent under the age of 30. The average household size is 7.

In 2009, 51 percent of the population were found to live below the national poverty line (of 72.9 SDG), which is based on a minimum required food intake and including a small non-food component. The incidence of poverty was higher in rural areas (55%) than in urban areas (24%). The state of Northern Bahr El Ghazal had the highest poverty incidence (76%) and the state of Upper Nile, the lowest (26%).

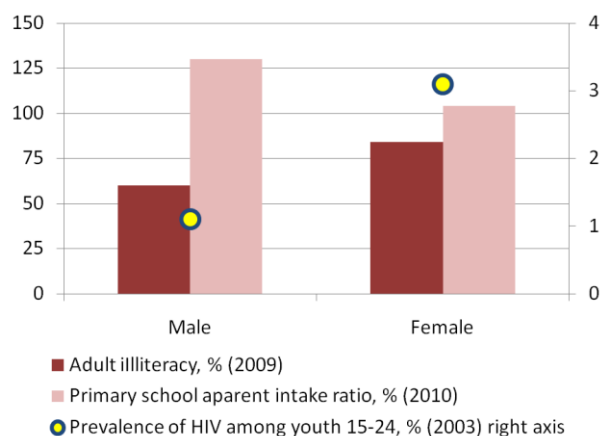
The under-five mortality rate was estimated at 135 per 1,000 live births in 2006 compared to the average sub-Saharan African of 129 (UN 2010a). The under-five mortality rate ranged from 82 per 1,000 live births in the state of Unity to 192 in Western Equatoria. One third of children under 5 were severely or moderately stunted and just 17% of children between 1 and 2 years of age were fully immunized. The maternal mortality rate was estimated at an extremely high 2054 in 2006 compared to the average for sub-Saharan Africa of 640 (UN 2010b).

Food insecurity remains a perennial problem in Southern Sudan, and while there is volatility in the intensity of food insecurity depending on weather patterns, almost half of the population was found in 2009 to have food consumption below the minimum required dietary energy intake. In the state of Western Bahr El Ghazal the share is 74 percent. Only 2 out of the country's 10 states had a surplus of cereal in 2010 and the total deficit for the country was 225,000 tonnes.

There are massive needs in social service delivery and basic social infrastructure. A total of 67 percent of the urban population has access improved sources of drinking water compared to 53 percent of the rural population, and 80 percent of the population does not have access to any toilet facility. There is almost universal reliance (96 percent of the population) on firewood or charcoal as the primary fuel for cooking.

There are strong elements of gender inequality in the social development and economic empowerment indicators for Southern Sudan. The level of illiteracy among the population above 15 years of age is 73 percent with 60 percent for males and 84 percent among women (Figure 1). The youth (15-24 years) illiteracy rate is 60 percent, and 72 percent for young women. In 2009, 1.38 million children were enrolled in primary school, an increase of almost 100,000 compared to the year before. Almost two-thirds of children enrolled in primary school are boys and the annual intake ratio is much higher for boys than for girls. The prevalence of HIV among youth is three times as high for women than for men. Affirmative action, women's lists, provide some security of representation by women in the Southern Sudan Legislative Assembly but in terms of state ministers, governors and county commissioners women representation remain a serious challenge (Figure 2).

Figure 1: Southern Sudan: Gender inequality in social indicators

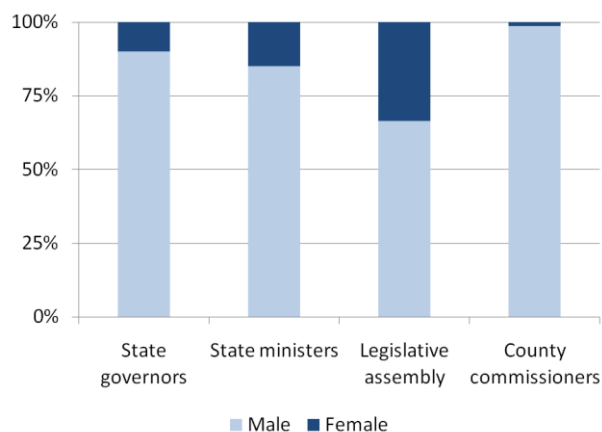


Source: SSCSCE (2010)

real GDP growth stabilized somewhat since the middle of the last decade, averaging 8 percent during 2004–2008 (**Error! Reference source not found.**). However, in the aftermath of the global recession of 2009 and in the run-up to the referendum, economic growth slowed to 5 percent in 2010 (World Bank 2010). The balance of payments position also deteriorated due to lower oil receipts, falling remittances and foreign direct investments. At the same time, inflation and currency pressures have mounted and International reserves have been run down to critical levels, in part due to efforts to defend the exchange rate. Food prices have accelerated due to rising global food prices as Sudan is a net importer of food (and exacerbated by currency depreciation, which make imports more costly), as well as the removal of subsidies on oil, sugar and other products as part of the 2011 budget austerity measures. In Southern Sudan prices pressures have also mounted (Figure 4). Build up of external debt remains a serious concern for macro-economic stability in Sudan and the IMF is advising Sudan to minimize non-concessional borrowing.

Sudan has re-established relations with the IMF and is implementing a Staff Monitored Programme (an informal instrument for dialogue on economic policies between IMF staff and a member country). Under the programme, the Government of Sudan is working to secure fiscal stability through widening the tax base, reduction in tax exemptions, improvements in tax administration and the introduction of a medium term budget framework using non-oil indicators. The IMF has also advised Sudan to tighten monetary policy to reduce pressures on inflation and the exchange rate, and to seek longer term increases in the competitiveness of the private sector through structural reforms. Financial sector reforms are focused on improving the regulatory environment, reducing non-performing loans, improve private sector access to credit and privatization of state-owned banks (IMF 2010).

Figure 2: Sudan: Gender inequality in political empowerment indicators



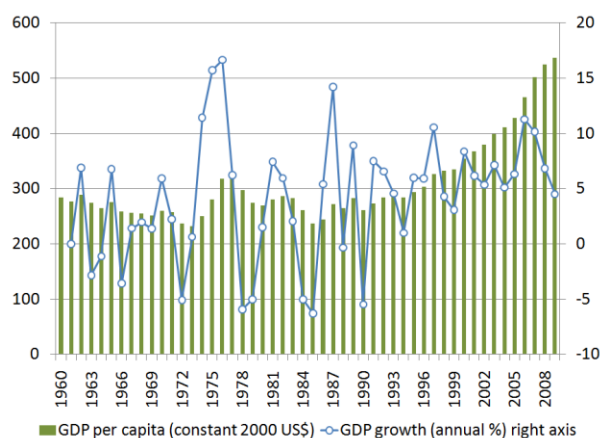
Source: SSCSCE (2010)

Macro-economic and real sector performance

The economies of northern and southern parts of Sudan are highly intertwined, the two countries share a common currency (the Sudanese pound) and the budget of the GoSS is almost entirely dependent on the share of oil revenues received from the Central Government. Therefore the analysis of the macroeconomic situation in Southern Sudan needs to be viewed in the context of that of Sudan as a whole.

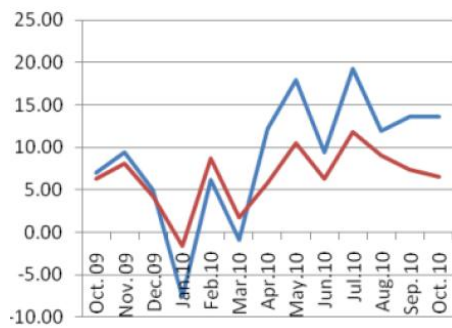
The Sudanese economy has emerged as one of the fastest growing economies in the region in the run-up to the global crisis in 2009. After decades of extremely high output volatility,

Figure 3: Sudan: GDP/cap and growth



Source: World Development Indicators

Figure 4: Southern Sudan: Inflation (annual change in %)



Source: SSCSE (2010)

Sudan is currently the third largest oil producer in sub-Saharan Africa, behind Nigeria and Angola.ⁱ In real terms, the oil sector accounts for only about 10 percent of Sudan's overall GDP, compared with agriculture and services, which account for 35 percent and 50 percent, respectively (Abbas 2010).

According to World Bank (2010) the non-oil sector has taken over the role as main contributor to economic growth, but this is mainly due to a combination of stagnant oil production growth and the collapse in oil prices in 2009, but it may also reflect the growing relative importance of the agricultural sector.

Increased agricultural production in recent years (Figure 5) has been attributed to improved security situation (fewer cattle raids and reprisals, and inter-ethnic conflicts, and the CPA after 2005). However, production has not increased in proportion to the cultivated area even in relatively good seasons. The potential of the agricultural sector to drive economic development is substantial. While 78 percent of households list crop farming or animal husbandry as their primary source of livelihood, only 4 percent of arable land is currently under cultivation, and consists mainly of rain-fed traditional subsistence agriculture characterized by low productivity and rudimentary cropping techniques such as shifting cultivation and seed broadcasting. Total livestock production is estimated at one fifth of the potential, while fish production is only about one tenth of the potential (GoSS 2011).

The economic potential of Southern Sudan

While the short term challenges for Southern Sudan are immense and considerable security risks remain in the medium to long-term the country is faced with a number of opportunities for development. Collier (2006) suggests that post-conflict conditions often provide the political opportunity for radical improvement in policies and institutions. This was the case in Uganda, which underwent some of the most comprehensive economic reforms in the 1990s setting it off on a path of rapid and uninterrupted economic growth and poverty reduction. Several other opportunities exist. The

country is well-endowed with natural resources, and while examples of resource-cursed countries are abundant, there are many examples of natural wealth being exploited for the good of a country. The youthful nature of the country's population means that a demographic dividend that can be harness when the share of working age population grows faster than the share of children and elderly, a transition process that is expected to continue over the next several decades. Addressing severe backlogs in gender inequality is also a tremendous source of potential growth and development. Furthermore, Southern Sudan is located centrally in a region of growing peace, trade and integration, which can facilitate sustained growth and convergence beyond the expected initial spurt generated by the reconstruction process.

Figure 5: Southern Sudan: Agricultural production (Units in 1000)



Source: GoSS (2011)

Elements of the Development Strategy

From an economic perspective most of the attention in the aftermath of the referendum relates to a range of critical issues that are currently under discussion, such sharing of oil revenues, dealing with the division of debt responsibilities, border demarcation, the timing for establishing a new currency in the South. The process of discussion and negotiation are on-going, with support from international development partners. This note does not take a position of these issues, and takes the outcome of these processes as given. This is not to diminish the importance of these issues—indeed they are critical and they will influence the timing and feasibility of other reforms—but rather to allow a focus on the more longer terms structural economic issues.

Since 2010 GoSS has embarked on the preparation of a 3-year Southern Sudan Development Plan (SSDP), which is expected to be finalised in May 2011 and serve as an Interim Poverty Reduction Strategy Paper (I-PRPS). It is also likely to form the basis for a round-table like conference to mobilise resources from the international community. The process has been led by the Ministry of Finance and Economic Planning (MoFEP) and gained momentum following the referendum. The priorities of the SSDP are: infrastructure, basic education, primary health and agriculture.ⁱⁱ

This section proposes some core elements of a comprehensive national strategy for economic growth and development that is resilient, inclusive and sustainable. Resilience is particularly critical in the post-conflict environment given the vulnerability of individuals and communities, and given the overall risks for a relapse into civil unrest and war. Inclusive growth and development is critical given the severe undersupply of public services in many areas and the dire circumstances of women and girls. Ensuring sustainability of the development process should be seen in the context of the current over-reliance on oil, the need for economic diversification and natural resource management, as well as mitigating and adapting to the impacts of climate changes.

To facilitate the transformation of post-conflict recovery into a resilient, inclusive and sustainable development process three broad policy areas have been identified. These three areas reflect the severe backlogs and development needs identified in the presentation of social and economic development context above, and are further based on empirical studies on the determinants of long-run growth and development.

The three policy areas are:

- Building institutions and national capacity.
- Economic diversification and agricultural development.
- Expanding access to services and social protection, especially for women and girls.

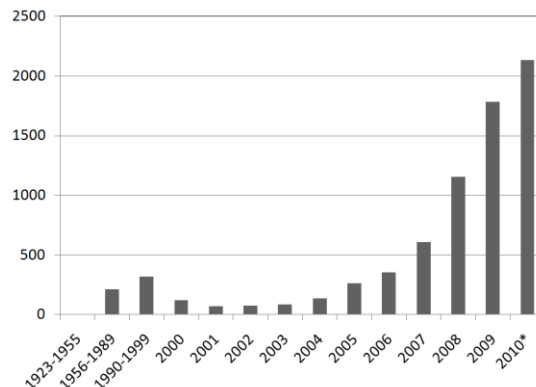
Building institutions and national capacity

Strong institutions are essential to development. Still, institutions develop over time and are as much an outcome of the development process as a contributor to it. Institution-building needs to feature prominently in the long-term development strategy, which needs to lay the foundations for these institutions to emerge and grow organically. Key priorities should be to ensure peace and stability, galvanise the required resources and promote political accountability.

Ensure peace and stability: Empirical studies have found a very high risk that a peace between parties in civil war collapses within the first decade (Collier 2006). The high risk of conflict relapse is due to a combination of underlying and persistent factors such as low income, ethnic dominance, and natural resource dependence.

While the maintenance of peace in Sudan will hinge on a myriad of complex issues, economic factors and hence economic policies will play a critical role. For instance, significant cuts in military spending and demobilization of soldiers may not only signal commitment to peace but also free up financial and human resources that can be allocated to development. Currently, 25 percent of the total budget goes to the Security sector, twice the share allocated to infrastructure and more than six times the share allocated to education (Figure 7).

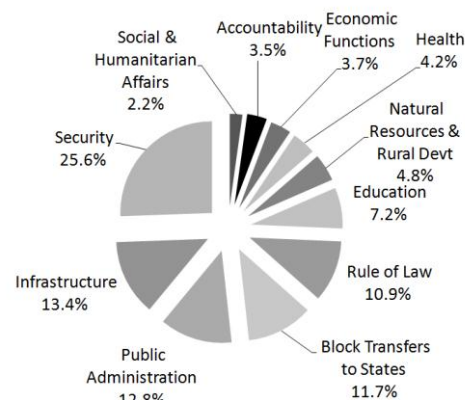
Figure 6: Southern Sudan: Businesses by year of founding



Source: CCSSCE (2010); Note: * = Before June 2010

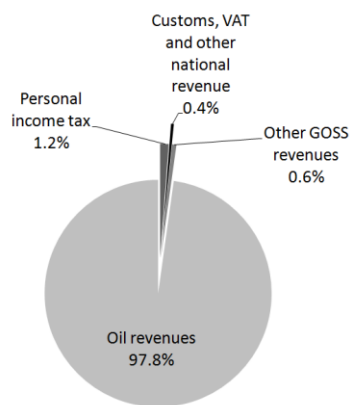
Moreover, if oil revenues were to precipitously decline due to war or political crisis the governments of Khartoum and Juba would have to reduce their large public-sector workforces, which would destabilize both governments over time, in what Natsios and Abrahamowitz (2011) term 'mutually assured dependence'. Encouragingly, a number of initiatives envisaged in the CPA have been implemented, including the introduction of a new national currency in 2007, adoption of a dual banking system (with Islamic banking in the North and conventional banking in the South), as well as sharing of oil revenue and some degree of fiscal decentralization. Already the nascent private sector has responded to the new opportunities afforded by the peace process with a surge in new business formation in recent years (Figure 6).

Figure 7: Southern Sudan : Budget shares (in % of total budget), 2010



Source: MoFEP (2010)

Figure 8: Southern Sudan: Revenue sources (in % of total), 2010



Source: CCSSCE (2010)

Resourcing the development strategy: Oil revenues accounted for 98 percent of total revenues in the 2010 budget (Figure 8). There are strong arguments for spending the oil resources to accumulate physical capital domestically rather than save these as financial assets abroad. Since the stock of capital is low, returns to public investments are high and these can significantly raise the non-oil GDP growth rate and government tax takes over the medium to long run. Nevertheless, diversification of revenues to finance the development process remains a medium term priority and should include a range of efforts including a reorientation of expenditure away from the security sector, as well as mobilizing non-oil revenues, including raising income and consumption taxes, improving tax compliance and fighting corruption. A reorientation of domestic expenditure will also be required to spur long term growth and development. Currently, 80 percent of total budget expenditures are allocated in equal parts to salaries and operating expenses with only 20 percent allocated to capital investments.

From the side of the international community it is essential that plans for debt cancellation are brought forward and that credible commitments are made to provide concessional financing for the country's development plan. Much stronger efforts should also be made on the side of development partners to simplify procedures and coordinate disbursement of aid, technical assistance and capacity development efforts. Other resources than financial will also be needed to implement the long-term development strategy for Southern Sudan. Human resources, managerial knowhow and technical capacity should be sourced from neighboring countries, from the Diaspora and internationally facilitated by efficient and open systems for recruitment and immigration.

Political accountability: Accountability is not a luxury that can wait until a society is developed. Rather effective accountability is a strong defense against the degeneration of

a society into the wastage of patronage and corruption. Strengthening political accountability in Southern Sudan is critical for managing the natural resource wealth, and avoiding the resource-curse, and it is central for the deepening of democratic governance. Sudan's recently appointed Minister of Petroleum Lual Achuil Deng said he will soon start "an era of transparency" aimed at resolving years of disputes between northern and southern Sudanese over production from the country's oil wells. "We will put everything on the internet, for the Southerners, the Northerners, and the rest of the world to verify. We will put up daily production figures and daily revenue figures."ⁱⁱⁱ This is an encouraging statement that could be followed by the two countries joining the Extractive Industries Transparency Initiative, whereby resource-rich countries and oil, gas and mining companies commit to disclosing and reporting revenues and payments.

Economic diversification and agricultural development

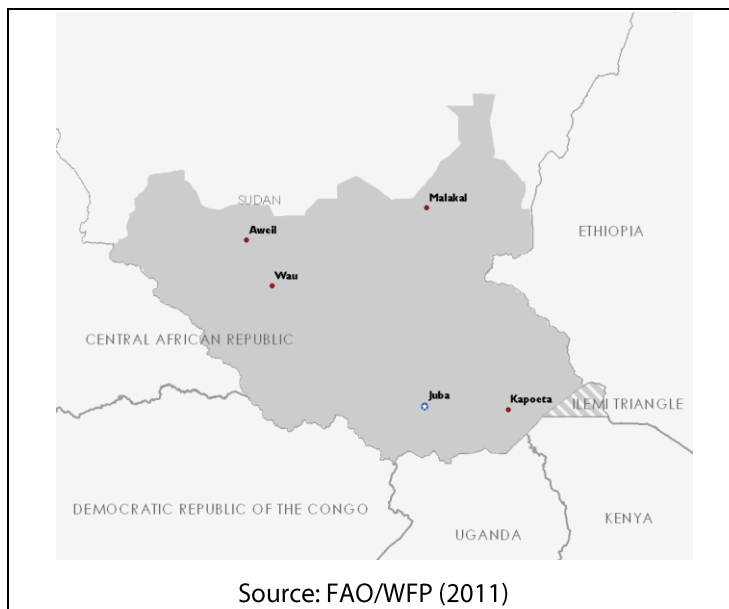
It is a sad irony that Southern Sudan has such potential for agriculture while half its population suffer food deficits. The development of the agriculture sector is critical to spur food security and reduce poverty, diversify the economy, and build productive capacity outside of the oil sector. Building the country's stock of infrastructure and strengthening the pro-poor focus of infrastructure investments, and facilitating the establishment of inclusive markets, are key issues are key additional levers economic growth and diversification.

Strengthen food security and the role of agriculture: Food insecurity continues to be a result of a combination of structural effects exacerbated by exposure to frequent, multiple and unpredictable shocks. Structural causes manifest in the form of low agricultural productivity and income, low human capital-knowledge and skills, limited access to social facilities, high disease burden and poor market integration. These undermine household resilience and increases vulnerability to shocks (GoSS 2011). Building a strong and commercialised agricultural sector will also be critical for absorbing the large number of youths who enter the work force. According to IMF (2010) the emphasis in the government's \$5 billion investment plan is on attracting strategic foreign investors by providing better infrastructure, removing structural rigidities and distortions, liberalizing investment and the labor market, and reforming the legal system, including to enhance property rights and land leasing arrangements. This investment plan, combined with other initiatives to revitalise the agricultural sector, should form a critical component of the long-term national development strategy.

Promote pro-poor investments in infrastructure: Rebuilding the country's infrastructure and capital stock is a first-order priority. Specifically managing the construction boom will require unlocking a number of constraints (e.g. managerial skills, and cement and equipment), nurturing of the local construction industry and maximising the potential for creation of jobs especially for unskilled youth. To be sure, the emphasis on

infrastructure reconstruction and development is critical for post-conflict recovery and sustained economic growth and is a foundation for industrial development, international trade and development of modern commercial centres. However, infrastructure investments can be made distinctly pro-poor and growth-generating by prioritising improvements in rural and community roads, raising availability of modern energy sources in households, schools and health facilities, and improving systems for safe water and sanitation.

Build efficient and inclusive markets: Almost half of households in Southern Sudan do not use cash regularly and the private sector is virtually non-existent outside the enclaves formed by the oil sector and aid workers. Most agricultural markets in Southern Sudan are not well integrated given the poor state of infrastructure and the absence of commodity exchanges. For example, the retail prices of sorghum in some of the key agricultural markets reveal sharp differences in levels and dynamics (Figure 9). This limits the flow of commodities between different markets and prices move independently of the differences in transaction costs GoSS (2011). Features in the current tax system are also considered obstacles to market development, notably as the current practice of collection of arbitrary multiple trade taxes increases transactional costs and reduces competitiveness of prices of local production. Traders therefore retort to import agricultural commodities from the neighboring countries, which is cheaper than the locally produced commodities. Sustained private sector development can be further promoted by a swift resolution of property rights, supported in the medium term by the establishment of a functioning system of commercial law to enforce contracts, as well as improvements in access to credit.

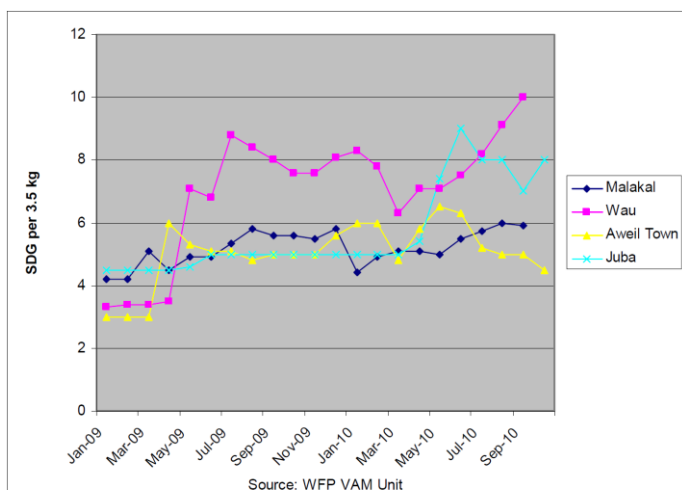


Expanding access to services and social protection, especially for women and girls

Investing in social protection and addressing gender inequalities is often granted lower priority in post-conflict reconstruction where investing in security and political processes are considered more important.^{iv} However, expanding access to basic service and social protection, especially for women and girls, should form a central element of the national development strategy not only for purposes of social justice, which are important in their own right, but for effects it will have in terms of improving security and promoting economic growth.

Expanding access to basic services: Given the dismal performance on indicators of education and health the critical short term priority must be on expanding access to basic services. Expanding access to basic services is particularly pressing given the large scale return of IDPs, refugees and residents of the north, often to areas with no social or physical infrastructure. At least 372,000 verified returnees returned between 2005-2009, but the real number of returnees is much higher because the spontaneous returnees are not included (GoSS 2011). Because of the severe under-performance of women and girls in terms of social development indicators, and the documented high-returns from investing for instance in girls education, any strategy to expand access to basic services should have a distinct female gender-bias. Empirical studies from a number of countries and regions have established that educating girls is one of the most cost-effective ways of stimulating development. Female education accelerates poverty reduction yields enormous intergenerational gains. It is positively correlated with increased economic productivity, more robust labor markets, higher earnings, and improved societal health and well-being. For instance, Quisumbing (1996) estimate that if women across a range of African countries were to obtain the same levels of

Figure 9. Southern Sudan: Retail Prices of White Sorghum in Selected Markets



education, experience, and farm inputs that currently benefit the average male farmer, they would increase their yields for basic staples by as much as 22 percent. Klaasen (2002) finds that gender inequality in education directly affects economic growth by lowering the average level of human capital. He estimates that almost one half of one points of the difference in annual per capita growth rates between East Asia and Sub-Saharan Africa can be accounted for by regional differences in gender gaps in education.

Implement social protection and cash transfer programmes: Social protection covers a range of public programmes that seek to: reduce chronic poverty and provide access to financial services (social assistance), shield vulnerable population groups against the effects of short term shocks (social insurance) and reverse social exclusion and economic marginalisation (social justice). For instance, direct cash transfers are appealing on a number of accounts. First, cash transfers can be targeted to particularly vulnerable population groups as part of a strategy to reduce chronic poverty. Where markets exist, transfers may also be a more viable option than direct food aid. Cash transfers build resilience among recipients, inject purchasing power into nascent markets, and need not affect the reservation wage and restrict labour supply. Moreover, cash transfers can induce behavioural changes, e.g. increase immunisation of children or school attendance by girls. One recent study found that cash transfers targeted towards teenage girls and young women in Malawi increased their re-enrollment rate among those who had already dropped out of school before the start of the program by two and a half times and the dropout rate among those in school at baseline decreased from 11 to 6 percent (Baird et al 2009).

Cash transfers can also be seen as a very tangible way of ensuring that the proceeds from the oil revenues are distributed to the communities from which the oil is extracted and thus help increase the legitimacy of the oil economy in the eyes of the population. Other types of social protection programmes to be implemented in the short term include employment guarantee programmes during off-farming seasons, agricultural input subsidies, and insurance against crop failure that can boost agricultural productivity and encourage moderate risk taking among farmers. Such interventions can also be targeted towards returning internally displaced people as part of a reintegration strategy.

Timing and Sequencing

Two final aspects to be addressed relates to the timing and sequencing of policy reforms, and on the immediate next steps in terms of supporting the development framework for southern Sudan.

On the first point, the 3-year timeframe proposed for the SSDP might be considered too short and the plan could be embedded in a longer-term growth and national development strategy. Such a strategy would cover structural issues related

to laying the foundations for strengthening economic and political institutions, promoting democratic governance, and build consensus around needed policy reforms. It could also include a vision of what the economy could look like after one or two decades, and set out aspirational targets such as joining the East African Community and/or for graduating to middle-income status.

Collier and Hoeffler (2004) provide some general evidence as to which type policies should be priorities in a post-conflict context. Inclusive social expenditures such as expansion in primary health care and education, targeted towards women and girls, are found to be atypically important for growth in post-conflict settings, whereas macro policy is atypically less important. The severity of Southern Sudan's social development indicators, and the critical role that investments in human development have for longer-term growth, provide justification for the proposed reprioritization. An outline of key policies and their indicative implementation timeline is sketched in Table 1. This should not be taken as a detailed timeline for policy implementation but rather as a rough indication of the sequencing of policy areas within the national plan.

Table 1. Policies and timeframe for national development strategy

		POLICIES		
POLICY AREAS	Economic diversification and agricultural development	Debt relief and restructuring Mobilise domestic revenues		Economic diversification
	Institutions and national capacity	Reduce market distorting taxes and costly subsidies	Adopt EITI principles and fight corruption	Establish commercial courts
	Social protection and investing in women, youth and girls	Resolution of property rights Pro-poor infrastructure development	Capacity development	
		Import technical assistance Invest in social protection systems Expand access to primary health care and basic education especially for girls Reorient public expenditures away from security towards social sectors Reintegration of internally displaced people		
		Short (6-12 months)	Medium (1-5 years)	Long (5-10 years)
		TIMEFRAME		

Regarding the second point on the immediate next steps in supporting the GoSS in developing its long-term development strategy this note has highlighted some core elements of such a strategy. This could form a basis for a discussion with the GoSS and its partners within the country and in the international community, to galvanise a consensus on the overarching development objectives, provide a framework for coordinating the many disparate activities and for mobilising the necessary human, organisational and financial resources from the multiple sources that are available. If the development strategy is to serve as a framework for implementation of national policies and reforms, effort should be made to ensure broad-based participation and national ownership by government and non-state actors. In other words, the strategy should not be rushed through to comply with externally set deadlines. The national authorities must lead the identification of the technical support required for the purposes of the development of the strategy, and this technical support must be embedded within government

structures balancing the requirement for getting the job done, with the need to develop local capacity. A prioritised plan for additional analytical work should also be developed, in close collaboration with line ministries, the Southern Sudan Centre for Census Statistics and Evaluation, and academic institutions

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ⁱ There is considerable uncertainty regarding Sudan's total oil reserves with estimates ranging from 2½-6½ billion barrels. At 4–5 billion barrels Sudan could continue to produce at current levels of output for some 25–30 years (Abbas et al. 2010).

ⁱⁱ UNMIS Cable 14 February 2011

ⁱⁱⁱ Oil and Gas Journal (13 September 2010)

^{iv} A recent example is: <http://www.washingtonpost.com/wp-dyn/content/article/2011/03/05/AR2011030503668.html>

The findings, interpretations and conclusions are strictly those of the authors and do not necessarily represent the views of UNDP or United Nations Member States.

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