
Tackling the food deficit in the world's newest country

Conflict, stretched resources and economic meltdown are causing the worst food crisis in South Sudan since the 2005 signing of the Comprehensive Peace Agreement

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As South Sudan approaches its first anniversary of independence, half of its 9.7 million citizens are struggling to meet their very basic food needs¹. Fertile and resource rich, the country has huge potential to feed its own population, yet is in the midst of an escalating food crisis. The poor rainfall in 2011, internal conflict, and complex population movement is now dramatically compounded by an increase in conflict with Sudan leading to severe economic crisis. In some parts of South Sudan, families, who were already struggling to make ends meet, are forced to eat just one meal or day or rely on leaves and roots to survive. All too often, women and children are bearing the brunt.

This brief looks at the reasons for the current food crisis in South Sudan and draws attention to the impact on the population, asks for the Government of the Republic of South Sudan (RoSS) and International actors to urgently address the food insecurity crisis, ensure that resources reach the most vulnerable and that all efforts are maintained on providing peace and development for the citizens of the world's newest country.



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Peace – unfinished business?

Relations between Sudan and South Sudan are at their worst since the peace deal in 2005 ended the 20-year civil war. There has been no resolution to a set of outstanding post-referendum issues including borders, security and oil. The faltering relations have led to closure of the border and the shutdown of oil production on which both countries rely heavily. The economic dimension of the crisis is leading to sky-rocketing prices on both sides of the new international border.²

South Sudan is almost entirely dependent on oil, which provides 98 per cent of government revenue. This unprecedented loss in GDP has brought the government to the verge of bankruptcy and forced it to adopt a severe austerity budget.³ Already over-stretched frontline services will suffer as government structures, which are still in their infancy, become inoperative. This means that much-needed roads won't be built, the education and health systems will struggle further still, and water and sanitation infrastructure will be neglected. This will significantly contribute to a further aggravation of food insecurity and will impede the long-term vision of a food secure South Sudan. All this is happening in one of the poorest countries in the world, where citizens desperately want development.

Emergency levels of food insecurity

Within South Sudan, the impact is felt most acutely in the states along the border with Sudan. Efforts were made by humanitarian agencies and the international community to tackle this situation before the rains began in June. For instance the United Nations has ramped up its plans for 2012, planning for food assistance to 2.4 million people, doubling the assistance from last year to reach 35 per cent of the population with aid. But this has not been sufficient to prevent the situation reaching emergency (pre-famine) levels in the northern most counties of the conflict-affected border states of Northern Bahr el Ghazal, Unity, Upper Nile, Warrap and Jonglei. This emergency classification means that people will lose their livelihoods with little chance of recovery; there will be a significant increase in severely acute malnourished children and mortality rates⁴. In the majority of the country, the situation is expected to remain at crisis⁵ level for the rest of 2012, requiring government and international interventions to urgently prevent severe malnutrition and protect livelihoods. This has yet to be adequately prioritised and addressed.

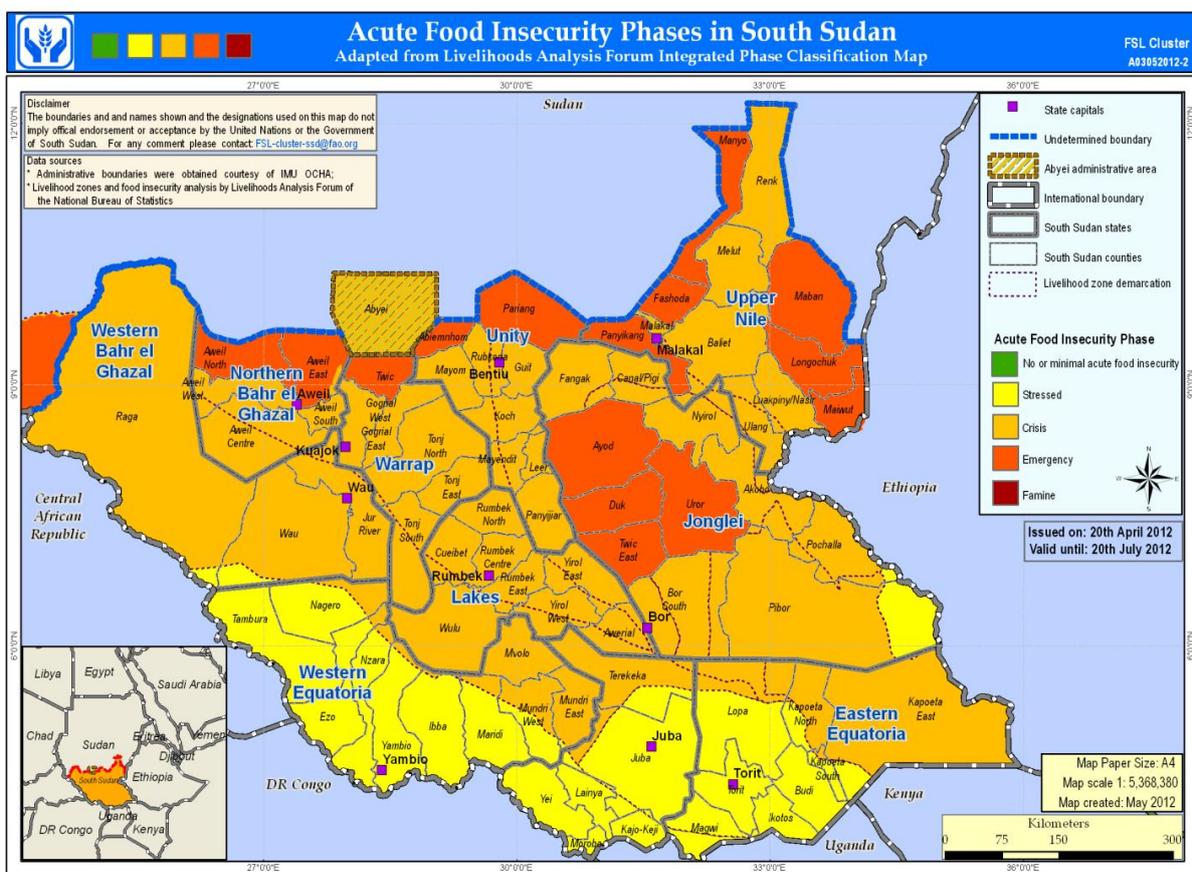
At a crucial political juncture where the new government must provide, and be seen to be providing, for its citizens, the country is racked by economic uncertainty, conflict and deepening humanitarian crisis. South Sudan and its international partners must:

- **Urgently address the food and malnutrition crisis** to prevent the humanitarian situation from deteriorating further. This will involve:
 - Providing more funding, maximising existing interventions, ensuring these are targeting the most vulnerable at all times, and pushing for renewed commitment to resilience within humanitarian response
- **Develop a realistic, long-term strategy for improving food security** to ensure the country will be feeding itself on future anniversaries and beyond. This will involve:
 - Sharing transparent funding strategies and providing effective coordination across the development, humanitarian and private sectors by donors, government, civil society and companies, with a view to ensuring efficiency of interventions, even during this period of austerity.
 - Targeting community-based development, peace-building and effective provision of security and protection of civilians to end inter-communal conflicts within South Sudan, a key cause of food insecurity.

- Finally, South Sudan needs peace, and it cannot end the political and economic crisis alone. **Sudan and South Sudan must continue to pursue negotiated solutions to the conflict between and within the two states**, with concerted supported from the international community, including key regional governments.

This must aim for implementation of the outstanding agreements in the 2005 Comprehensive Peace Agreement (CPA) which remain at the heart of long term peace. Peace within Sudan and South Sudan and positive political, economic and social relationship between them hinges on a lasting solution to the peaceful administration of Abyei and resolution of the conflicts in South Kordofan and Blue Nile.

Without peace, South Sudan will not achieve sustainable development and fulfil its enormous potential.



1. Huge potential and a short-lived peace dividend

With peace and investment, as well as good rains, there are indications that moving towards a food secure South Sudan is possible. Progress was made in the farming sector in the period after the CPA thanks to a reduction in fighting as well as the efforts of development actors including the government. Favourable weather conditions in 2008 even allowed South Sudan to produce a bumper crop, making it self-sufficient in cereals for the first time (as the table below demonstrates).

Harvest year	2005	2006	2007	2008	2009	2010	2011
(Consumption year	2006	2007	2008	2009	2010	2011	2012)
Population (year following on harvest year) ('000) ⁶	9,458	9,853	10,221	9,655	8,924	9,158	9,634
Cereal Harvest Area ('000 ha)	888	956	858	1,002	852	921	860
Yield (t/ha)	0.91	0.88	1.01	1.25	0.97	0.95	0.82
Gross Production ('000 t)	805	838	868	1,251	825	874	703
Net production ('000 t) ⁷		754	781	1,001	660	695	562
Cereal Requirement ('000 t)		839	874	954	885	986	1,036
Surplus / Deficit ('000 t)		- 85	- 93	+ 47	- 225	- 291	- 473
People in need of assistance ('000)		1,110	1,241	1,298	1,800	816	2,710
Food aid requirement ('000 t)		111	76	96	155	86	152
Food insecure (and severely insecure) population (%)				36% (12%)	53% (21%)	36% (10%)	48% (11%)

Sources: FAO/WFP Crop and Food Security Assessment Mission 2007; 2008; 2009; 2010; 2011; and 2012.

A UN and government survey of 885 farmers and 70 traders across 8 states held at the end of 2010 showed an optimistic farming sector⁸. Farmers in 2010 had planted 17 per cent over what they considered normal, and were planning to plant 80 per cent more again in 2011. Within five years farmers had moved from a heavy reliance on outside sources (NGOs, markets) towards an increased use of their own produce as seeds. Over half of the farmers had had access to new varieties of seeds, and most of these new varieties had been retained for continuing use. In the same survey 94 per cent of traders indicated that business was changing for them in a promising direction. Some roads had been improved, they had expanded the range and volume of goods they sell (an expansion of trade in horticultural crops such as eggplant and okra was noted) and several traders reported they had started to process agricultural products into commercial goods such as flours, pastes and alcohol. There is huge farming potential in South Sudan: the government estimates that fifty per cent of the country is prime agricultural land, and while much of that may be used for livestock grazing, less than 5 per cent is presently cultivated.⁹

Political commitment to agriculture

Although the average budget allocation for agriculture has been just 1.15 per cent over the last five years¹⁰, there were positive indications of a growing commitment to prioritising the sector. By becoming the newest member of the African Union, South Sudan recently signed

up for the 2003 African Union Head of States Maputo Declaration, which commits to 10 per cent of the government budget to be invested in agriculture. The 2011 budget had provided a 23 per cent increase on the previous year's allocation¹¹. Economic predictions were favourable indicating growth of 6 per cent estimated for 2011 and a similar rate of growth forecast for 2012, provided oil production and prices were maintained.

The importance of livestock

Another area with clear potential, though a less realised one, has also been identified in the livestock sector. 80 per cent of South Sudanese people farm or herd livestock, with milk considered a critical source of nutrition, particularly for children.¹² Many of those farming crops are in fact agro-pastoralists whose identity and status are intimately linked to their livestock. A recent study concluded that 'the livestock sector stands out as perhaps the single most important area through which the livelihoods of the rural poor in Southern Sudan can be permanently improved'.¹³ There is huge scope to better value and fund the livestock sector, which currently rarely contributes more than 15 per cent to household food consumption (only in parts of Jonglei and Upper Nile)¹⁴, and it is the main source of livelihood for only 7 per cent of families, whereas crop farming is the main source of livelihood for 71 per cent of the population.¹⁵ It must be recognised, however, that the ownership of livestock, in particular cattle, is one of the drivers of conflict in South Sudan, and any efforts to support the livestock sector must be conflict sensitive.

Justin Madut tends his groundnut and sorghum fields in Warrap State. South Sudan has considerable agricultural potential, but a lack of infrastructure – such as roads and storage facilities – and ongoing insecurity has limited production. Many markets are almost empty of fruit and vegetables, and rely heavily on imports and food aid. Oxfam is supporting small-scale farmers like Justin by providing a variety of seeds, tools and equipment to help increase the amount and quality of crops they are able to grow.

Oxfam/Abdullah Ampilan



2. The current state of play: the largest food deficit since 2005

Despite its abundant potential, South Sudan is experiencing its largest food deficit since the CPA. In June and July 2011, erratic rainfall and prolonged dry spells affected most parts of Jonglei, Eastern Equatoria and Northern Bahr el Ghazal states, causing a below average harvest and poor pasture conditions for livestock. National cereal production in 2011 was 25 per cent lower than the earlier five years. Conflict and population pressures increased against a backdrop of poor rains, with planting and yields decreasing.

The food security situation was forecast to be severe in 2012. The planning figure for people in need of food assistance was already 1.2 million, much of which was funded by donors early in the year. However, the crisis has now been dramatically compounded by the conflict on the border, the deterioration of market systems, and soaring inflation and fuel/food prices.

The UN now indicates 2.4 million people require food and livelihoods assistance – double the number planned for. Funding needs have had to be urgently revised in light of the rapidly deteriorating conditions.¹⁶

Finding ways to cope

The economic dimension of the crisis has undermined some of the very coping mechanisms relied upon during the annual hunger season, such as selling assets for food and bartering, creating yet more vulnerability, particularly among rural populations and those in urban areas without access to land to farm for themselves.

Communities are reducing the quantity and diversity of the food they eat, spending more of their income on food, and reducing their spending on essential areas such as school fees and healthcare.¹⁷ For those partly or wholly dependent on livestock, increasing food prices mean people are forced to sell a disproportionate number of animals in order to purchase cereals. More people, especially young men, are moving from rural areas to towns in search of income and food and to seek security from conflict. Agriculture production is often left to women, children and older people. In the absence of tractors and extremely limited use of ox ploughs, one of the most challenging parts of farming is preparing the land and this can result in small plots and low production.¹⁸ In some cases, entire families are moving in search of income opportunities, increasing pressure on already overstretched urban markets and leaving fertile land uncultivated.

Nyayien Pal, a mother of 6 is aged 31 year's old and lives in Bam Boma. Her household has 12 members, 6 children, and she is also housing 5 other children who are returnees. Pal is the bread winner for the family.

Cash based assistance from Oxfam has helped Nyayien support her family for the last year but the rising cost of basics and the lack of goods in the market mean she can no longer afford to give her children a balanced diet

The prospects for the main planting season in 2012 between May and August look bleak. The poorest households may choose to neglect their own harvest, as they are forced to work on other people's land for cash, or sell their tools needed for planting. There is a pressure for communities to sell important assets in order to purchase food to feed their families today. In some border states, markets are almost bare and prices for staple foods, such as a tin of millet, which feeds a family of five for two days, have quadrupled. The need for immediate food for the family may also mean people consume seeds meant for farming. This is not only a highly inadequate source of food but will threaten next year's harvest. The cereal harvest was 25 per cent lower than the past five years reducing an average family's food stock to only two or three months stock, compared to the normal six months. As a consequence, many have been forced to adopt harmful coping strategies such as cutting meals to one per day for the family or over-reliance on leaves or roots, earlier in the year than in previous years – the impact of which is often felt most by women and children.

Complex population movements

A crucial factor in the food insecurity has been the complex population movements from across the border and within South Sudan. Returnees, returning home after years living in Sudan and other countries in the region, and refugees fleeing violence in the border states of Sudan together with those displaced by violence in South Sudan itself are all increasing demand for limited resources. This has a knock-on effect for already vulnerable host populations across the country. With much focus on the dire situation of refugees and returnees, there is also a risk of missing the 'invisible' populations that slip into destitution in non-conflict zones as the economic crisis deepens.

In some areas, refugee and returnee populations exceed the size of the host population¹⁹, leading to extreme competition over access to scarce food and water resources, fuel and land²⁰. Since June 2011, over 165,000 refugees have arrived to South Sudan fleeing conflict from Sudan's South Kordofan and Blue Nile states – 35,000 of them in the last month. All are reliant on international food assistance. 110,000 people remain displaced from the disputed Abyei region. By June this year, those displaced by conflict inside South Sudan was already at 164,000 people²¹.

The almost continuous closure of all or part of the Sudan - South Sudan border has restricted trade to states trying to cope with a growing population of returnees and refugees. Demands on local markets for food and scarce commodities, including fuel, have increased and left local people in a highly precarious position. This year the rate of severely food insecure people in Unity has quadrupled from 5 per cent to 20 per cent, in Warrap from 5 per cent to 13 per cent and, most alarmingly, in Western Bahr El Ghazal from 15 per cent to 37 per cent.²²

In Upper Nile, a kilo of onions has risen from 5 SSP to 20 SSP; the price of a packet of salt is also four times higher than last year.

In Northern Bahr el Ghazal, Sorghum – a staple food in South Sudan - increased by 40 % in January 2012, a 221 % increase compared to the 5-year average.

Despite the escalating malnutrition indicators in many of the priority states, humanitarian funding for response is underwhelming. Nutrition actors only have 44 per cent of what they need this year. Health and WASH are neglected at only 28 per cent and 15 per cent respectively. These are critical sectors underpinning the success of any food security responses. For example, an increasingly undernourished caseload of vulnerable communities needs basic WASH services as they become even more susceptible to water-borne diseases, such as acute watery diarrhea and cholera.

Internal displacement

In 2011, more than 350,000 people were internally displaced due to violence – often involving large scale cattle raids.²³ Such displacement means people cannot farm their land or look after their animals; fighting stops people reaching markets to buy food, or transporting food to markets, accessing water, or travelling to find work. Conflict often results in theft and destruction of crops and cattle. At the beginning of this year, internal conflict escalated, forcing more than 120,000 from their homes in Jonglei, disrupting normal livestock migration movements and communities' usual methods for accessing food, such as purchasing food items on markets, which account for 30 per cent of a family's regular food source. Emergency humanitarian assistance in Jonglei has been credited with ensuring that the food security situation has not deteriorated even more sharply in that state.²⁴ However, the deeply felt tensions between the communities that led to the inter-tribal violence lingers.²⁵ Government interventions to disarm communities obscure the more important contributing factors—not least that Jonglei is the most under developed state in the country, with chronic food insecurity and insufficient government security actors to protect communities' lives and livelihoods.

Returnees

The post-CPA period saw the return of South Sudanese from Ethiopia, Kenya, Uganda, Egypt, and further afield. More than two million returned from Sudan to South Sudan, and almost 391,220 since October 2010 alone²⁶. People continue to return to South Sudan, placing further pressure on food and water supplies. There are as many as 500,000 South Sudanese still expected to return from Sudan and both the government and agencies are extremely concerned about the ability of South Sudan to provide for the growing number of arrivals.

Many thousands are struggling to cope in their new home, still awaiting monetary assistance and access to land from the government. Only 30 per cent of returnees in a recent survey had cultivated this year compared with 81 per cent of residents²⁷. The World Food Programme (WFP)'s three-month ration of food assistance intended for returnees, who have made it to South Sudan after an often hazardous journey, isn't always provided, can be unpredictable in terms of distribution and is not sufficient to allow people to build new livelihoods, nor does it necessarily enable or incentivise them to do so; benefits are compromised by under-coverage and unpredictability.²⁸

Challenges with reintegration

While donors have invested heavily in the return process, far less attention has been paid to reintegration. Interventions so far have tended to focus on return to rural areas, with little attention on the link between rural livelihoods and constraints on land, or on return to urban areas. Government policy was intended to assist returnees to reach their 'area of origin', however many returnees have become accustomed to urban life and have built up skills which do not transfer well to their home rural areas. Economic opportunities are becoming even more limited and cannot meet growing demand in the potential labour force, particularly in urban areas where many are resorting to unreliable jobs such as petty trade or casual labour. At the same time, rapid urbanisation has led to increasing numbers of children and youth living in poverty on the streets in towns across South Sudan.²⁹

The difficult adjustment for returnees makes it all the more important that assistance is tailored to people's needs. For example, seeds, tools and training are appropriate for those with access to land; however, this intervention is only useful if ongoing advice and support is given to those who are not familiar with farming. Many returnees have come home with new skills and are contributing to pockets of growth. This should be capitalised on through more innovative approaches to reintegration support, such as cash-based interventions based on strong market analysis, in-kind livelihoods and urban agriculture support, and relevant literacy and vocational training.

Markets and trade routes disrupted

Markets throughout South Sudan, already dysfunctional due to low production and poor roads, have been seriously disrupted by trading restrictions with Sudan since August 2011. This, and the decrease in foreign currency in the country following the loss of oil revenue, has put enormous pressure on the South Sudanese pound, which plummeted against the dollar. As a result small traders are unable to stock market shelves with imported goods, which the country relies heavily upon. Food imports accounted for nearly half (43 per cent) of all imports in 2010 and food exports are negligible.

Blockage of the three main trade routes has had a significant and negative impact on the availability of food, particularly in states on the border with Sudan.³⁰ In October 2011 aid agencies in Northern Bahr el Ghazal reported that food prices had risen four-fold over the previous three months, making it difficult for them to procure adequate food. Although other supply routes from Uganda, Kenya and Gambella in Ethiopia helped ease shortages, these routes will soon be hindered by rains and scarcity of food. In Malakal, traders are considering leaving town due to inability to get adequate stocks and a forced price ceiling imposed by the government. The loss of goods from the closure of the border has not been filled by goods travelling up the river Nile from Juba due to government restrictions on barges and trade permits. Ethiopian traders are moving goods into South Sudan, but without any supply competition the prices are increasing dramatically. In the meantime, the potential for civil unrest is growing, particularly in urban areas.

Budget cuts and economic turmoil

In the aftermath of the oil shutdown in February 2012 and the subsequent unprecedented loss in revenue, the government was forced to adopt emergency austerity measures. At that stage, the World Bank estimated that people living in poverty would jump from 51 per cent in 2012 to 83 per cent in 2013 meaning 3.6 million more people will fall below the poverty line. However, despite assurances of cuts in spending, the government spent more during the period of so-called austerity than the previous year. Sector spending breakdowns have not been available. That uncertainty combined with broader political uncertainty undermined donor plans for co-financed development projects. The risk of insufficient funding for operational costs, salaries and basic maintenance has left many donors unwilling, or unsure, how to fill the gap left by the loss of government contribution. Many have cut support to central state and capital expenditures.

With the decrease in foreign currency available, inflation jumped from 21.3 per cent to 50.9 per cent in one month from February to March. By May it was up to 80 per cent, hitting the poorest, those who have limited or no savings or resources to draw on, the hardest. As the Minister of Finance presented the new budget for 2012/13, he highlighted that the average family in South Sudan has faced nearly a doubling of its costs over the last year. Expenditure in the new 2012/13 austerity budget passed in June will be 6.4 billion South Sudanese pounds (\$2.4bn), down from over SSP 10 billion (\$3.7bn) in the original 2011-12 budget. This includes further cuts and is dependent on new strategies for non-oil revenue such as increased borrowing, more taxes and sale of mining concessions in addition to pursuing an agreement on oil with Sudan.

Austerity measures affect all parts of the RoSS budget, including government investment in critical infrastructure and agriculture, which had been identified as the central plank for the country's future economy in the South Sudan Development Plan 2011-2013. Despite assurances that agriculture remains a priority, the Ministry of Agriculture has already seen large budgets cuts and faces uncertainty as operational costs such as fuel continue to rise.³¹ Even prior to this depleted budget, there were significant challenges in getting finance transferred to support basic services where they are most needed - the local level. A recent government commissioned report indicated that 80 per cent of government resources remain in Juba, with only 14 per cent reaching the states.

Rising costs of humanitarian response

High operating costs, linked to challenging logistics and high inflation, are hampering aid efforts at a time when humanitarian agencies are urgently scaling up to meet the growing needs.

Despite huge logistical challenges, food assistance had largely been pre-positioned by WFP before the onset of the annual rainy season.³² This is despite a significant increase in running costs of the Food Security and Livelihoods cluster core pipeline due to the border closure as major commodities of food and agricultural inputs previously delivered through Sudan were obtained from ports in Mombasa, Kenya and Djibouti, via Ethiopia.³³ But many still fear that supplies will not meet the rising need. Worsening rains limit access to isolated refugee camps, and many acutely vulnerable communities, including those outside of conflict areas, slip further into crisis amid escalating food and fuel prices.

In Upper Nile region, where Oxfam is delivering water and sanitation to more than 32,000 refugees, fuel prices are 111 per cent higher than normal. A 200-litre barrel of fuel now costs up to \$1600, compared to \$600 in January this year. One barrel lasts just two days to pump water into Oxfam's water tanks for the people in Jamam refugee camp.

Humanitarian access

Even before the current crisis, the UN Resident Coordinator/Humanitarian Coordinator reported that humanitarian partners were over stretched supporting 30 simultaneous emergency operations in South Sudan.³⁴ Across many of these operations, access is very difficult. Logistics are extremely challenging and expensive. Lack of roads and infrastructure outside of Juba, coupled with a heavy rainy season for almost six months of the year, makes many airstrips or roads impassable.



Oxfam/Shannon Jensen
Jamam refugee camp, Upper Nile,
June 2012: Although the rain has
only just started, the soft soil quickly
turns to mud increasing public
health risks and making road access
extremely difficult for aid agencies

In addition, in the first quarter of 2012, there were 32 registered incidents of impediments to humanitarian actors delivering aid - 21 of which were by government actors (SPLA, officials, police).³⁵ This trend looks set to increase sharply as a result of the continuing border conflict and large scale movement of SPLA troops to the Border States. There have been several reports of SPLA checkpoints emerging on roads in these states looking primarily for access to fuel from vehicles. As the crisis continues, all actors have a responsibility to ensure that the limited aid available is reaching those it is intended for, and that the government upholds its commitments to protecting humanitarian access and assets by holding any actors accountable for actions which restrict the delivery of aid.

What options are there?

Diversification of the economy

Diversification away from dependence on oil is being heralded by the government and donors as the long term response to the economic crisis. Agriculture, including farming, livestock, forestry and fisheries, offers great potential, and is also crucial to improve food security, as the country's dependence on food imports has become untenable. The President's commitment that the government will launch an agricultural investment fund to attract SSP 5 billion for promotion of agriculture over the next five years is to be welcomed.

The potential for small-scale commercial agriculture is virtually untapped. Wheat flour, corn flour, sugar and palm oil, available in abundance in raw form, are imported from neighboring countries. Western Equatoria, which could be feeding the rest of the country, instead imports flour, rice, fruit and vegetable products from the Democratic Republic of Congo and Uganda.

Ensuring livelihoods are sustainable will rely on a wide range of government and donor initiatives, including better understanding the needs and aspirations of pastoralists; technical

support to livestock, crop farmers and small businesses; facilitating market access; ensuring the food production system does not overly favour some actors at the expense of poor producers or consumers; and creating a conducive environment for trade, via policies, taxes, infrastructure development and access to financial services. This is a huge agenda that will be difficult and requires a sustained commitment from the government and donors, with close engagement with NGOs, civil society and the private sector, but to ignore it now may undo progress since the 2005 peace deal.

It also demands investment in education as South Sudan's youthful population (51 per cent are children) is its productive future. This extends from basic through to tertiary education and a significant investment in technical and vocational training in new industry and urban skills tailored to the market for young people in urban centres (as well as agrarian skills for rural-based young people). While currently only 6 per cent of girls complete primary school, many farmers in South Sudan are women and an educated farming community has greater productive potential.

While the private sector has a role to play, it cannot be a panacea and there are inherent risks in over-reliance on it, particularly given the uncertain economic outlook. Access to any markets and associated benefits are largely outside of regulatory control: instead, this access is increasingly controlled by elites in cooperation with government actors, which risks creating yet more conflict. Offers of credit to South Sudan may also be on unfavourable terms as investors worry about the risk of any returns in such an environment. At a time when the government is desperate for capital and investment in the country is never more urgent, there is a risk that investors disregard land rights or environmental policies and laws³⁶ and consume finite resources with a potentially devastating legacy for food security of future generations.

The need for urgent, sustained and flexible responses

The immediacy of the looming economic crisis is drawing significant attention and driving government and donor decision-making. As populations affected by food insecurity continue to grow, and with looming shocks of further conflict and currency depreciation ahead, it is clear that the people of South Sudan desperately need both urgent and sustained support from the international community. The causes of this situation are complex, covering economic, political and climatic factors. As such, a complex response is needed focusing not only on short-term gains.

Donors are making swift and difficult decisions about how best to assist in this volatile and fragile state which faces current emergencies and has years of fluctuating security and development conditions ahead of it. They need to both respond urgently to meet the humanitarian needs and re-evaluate their priorities and ways of working in the context of South Sudan's rapidly deteriorating economic climate.

Transparency and strong coordination needed

Since the oil shutdown, the macro economic scenarios facing the country have become difficult to anticipate. The government has been unable to confirm what budget will be available and for what sectors. The government budget for 2012/13 is dependent in part on sources of revenue that cannot yet be assured. There is a real risk that unpredictable and diminishing funding will lead to frontline government services becoming inoperative. How and when this may happen is hard to predict.

As a result, donors have variously paused and reallocated funding for existing programmes and revised future funding strategies. If there is a significant reduction in donor support to

central government due to the politics of the oil stalemate, donors should communicate what has changed and their thresholds for re-engagement urgently – when; how; under what conditions; and consider whether or not they will have lost influence by their withdrawal of funds at this time. Thus far, decisions have largely taken place discreetly and the overall picture of changes in government and donor funding within the last six months remains unclear despite global commitments to improving transparency in donor decision making.³⁷ This lack of transparency makes it very difficult for anyone to plan and coordinate.

Be prepared to do things differently

Some standard assumptions of how to respond have been called into question by the economic context. For example, progressive cash-based responses to create small businesses, which can strengthen weak market systems, may no longer be appropriate in certain locations due to high inflation and a lack of available commodities. Cash-based interventions need to be agile, driven by knowledge of local market and supplier dynamics, go beyond periodic reviews and consider variable conditions from one location to another. Parallel support to traders to deal with market fluctuations may be required. Programme designs may not have taken into account unprecedented inflation rates. For example, in Eastern Equatoria, USAID had to step in to buy fertilizer to keep their small holder farming project viable as the costs became out of reach of farmers. Instead increased attention on social safety nets that are grounded in local context analysis should be prioritised. Different states have distinct challenges and opportunities.

Existing donor investments in food security should be supported by developing contingency strategies that ensure holding mechanisms where the local government is not able to deliver, for example local road maintenance to support small farmers to transport surplus stock to market.

The international community needs to think ahead about preventative humanitarian work – what can be done now that will minimise food insecurity next year and the year after that? This will require building confidence in making decisions based on forecasts – political as well as climatic, engaging more with risk and encouraging donors to shift from the familiar food aid response to more innovative and preventative measures.³⁸

Jamam camp in Upper Nile is hosting 32,000 refugees who have fled conflict in Sudan. The area has very little ground water and aid agencies, including Oxfam, have had to pump 24 hours a day just to get enough to provide families with 8 litres per day. Urgent attention is required to the long term water management of the area and the impact this has on local conflict dynamics. Will there be enough water next dry season? The area host's pastoralists with their cattle during this period and at present, the long term impact of the refugee response is unclear.

Prevent people slipping into crisis

Interventions to prevent chronically vulnerable people slipping into crisis have to be prioritised alongside emergency lifesaving responses.³⁹ Vulnerability criteria may need to be regularly re-examined to ensure that those most in need are able to receive appropriate assistance. Interventions should be based on understanding chronic vulnerability and impact of limited access to basic services, rather than focused on conflict and categories of refugees or returnees for example, and concentrate on communities' own strengths and capacities to support resilience and sustainability. With humanitarian and development budgets uncertain in several major economies in 2012/13, the need to act early to maximise the efficiency and impact of interventions, and prevent the need for more expensive assistance later, is particularly vital.

Integrating humanitarian and development response

It is crucial that donors and the government also look beyond the immediate needs and support strategies

Oxfam has worked in Turkana, Kenya for decades, and undertook a strategic shift in programming in 2007 to combine both humanitarian and development work. The key elements of the programme are livelihood promotion, social protection and responding to acute food insecurity needs in a way that supports and sustains the local economy

to build up the resilience and self-sufficiency of local people. Aid needs to be much more targeted to specific community needs and bridge the divide between humanitarian and development responses; long-term development assistance should contribute to preventing recurring crises.

This is a daunting challenge. Humanitarian and development silos are difficult to break down. However, the 'New Deal' proposed at the Busan High Level Forum on Aid Effectiveness in November 2011 shows there is renewed donor commitment to flexible funding and supporting interventions in fragile contexts emerging from conflict, such as South Sudan – a new country and a work in progress⁴⁰. Clever programming can and does exist that deals with the uncertain fluctuations of humanitarian/development contexts, ensuring programmes are able to surge to respond to crises, but remain focused on addressing long-term resilience.⁴¹

However, such programmes require multi-year funding committed to adapting in response to the changing environment. These require changing our approach to managing risk and adapting to it as both part of the humanitarian and development response needed.

USAID's highly innovative Pastoralist Livelihood Initiative (a long-term programme) in Ethiopia has a 'crisis modifier,' whereby the programme can switch gear from development to humanitarian, accessing Office of Foreign Disaster Assistance (OFDA) emergency funding for humanitarian work, in order to protect development gains in times of shock.

Renewed need for bilateral funding

In the current humanitarian context in South Sudan, there is a need for a diversity of funding mechanisms including bilateral support to NGOs.

Of particular concern is the current rate of inflation meaning that time taken in delay of payment through multilateral mechanisms, or currency of distribution, can have a huge impact on how far aid money can go. In South Sudan's downward economic spiral, donors need a strategy to ensure that the value of assistance is protected as far as possible and that assistance can still reach the most remote and vulnerable populations, particularly as the country inches towards currency collapse and the potential dollarization of the economy.

Experience has shown that very often, humanitarian funding takes too long to reach targeted beneficiaries. Many donors, including DFID, channel a large part of their funds through the UN cluster lead agencies, despite repeated analysis showing that these funds can take an unacceptably long time to get to implementing partners and even longer to reach beneficiaries.

Donors do need to support efforts to strengthen multilateral funding mechanisms, but at the same time ensure a rapid response to the needs of the crisis-affected population. The best way to do this is to channel a substantial portion of their funds bilaterally through NGOs, and also support efforts to improve the efficiency with which funds are transferred between UN agencies and implementing partners. The Common Humanitarian Fund (CHF) was itself delayed this year, although it managed to start disbursement of funds ahead of the rainy season.

Community-based state building

The big state building project of South Sudan post 2005 CPA was too ambitious and is not working. The structural changes necessary for development are not in place nor will they be in the near future. Rather than the huge state building project, the international community has to focus first on the community and local level. Donors have made commitments to tailor development aid according to the context in fragile states such as South Sudan. Now is the opportunity to realize those commitments and prioritise the long term needs of the new country rather than more crisis management and short term punitive measures. In

the face of decreasing operational capacity within government structures, donors should re-orient existing and future funding to targeted community-based development and social protection programming at the local level. This focus builds civil society, local markets and local government capacity and accountability at the county level where it can have most effect in reducing local level insecurity – a primary driver of poverty and food insecurity.

Realise the long term potential

Even for a fledgling nation South Sudan faces a complex set of challenges, but also tremendous potential for development and self sustainability. In no sector is this more apparent than the country's food security. Government commitments to boost agricultural investment, as well as the potential offered by growth of the livestock sector, provide millions of people with hope. However, crucially, the impact of the economic collapse alongside continuing conflict, the influx of refugees, and the arrival of hundreds of thousands of returnees who have not been given adequate support to create a new life, is stalling the nation's development, and to some extent pushing it backwards.

Ultimately, South Sudan must escape cyclical food insecurity and its growing dependence on emergency food aid. The Government of South Sudan, together with donors and implementing agencies, must do more to ensure that South Sudan does not slip back into reliance upon short term aid, and the progress of recent years is not undermined.

Support is needed to promote vibrant markets, a diversified economy, and social safety nets for the poorest members of society. Development of infrastructure to support the agricultural sector must continue to be a priority. To ensure that South Sudan does not regress, the international community must continue to provide multi-year funding and ensure the country's potential can be realised.

Conflict is the biggest hindrance to development. Both governments of Sudan and South Sudan, with support from their international partners, must urgently pursue negotiated solutions to the conflicts within and between the two countries. This must be underpinned by the resolution of the outstanding CPA issues. Without real peace, on both sides of this new border, there can be no development necessary to build a resilient and self-sufficient South Sudan.

RECOMMENDATIONS

Government of South Sudan

- Commit to finding agreement during the negotiation process with Sudan to address the conflict between South Sudan and Sudan, and seek to de-escalate tension urgently to allow focus to resume on the development agenda for the country.
- Support humanitarian interventions, particularly in food insecure areas; Guarantee access to all implementing agencies particularly in border areas with emphasis on ability to operate without military harassment.
- Focus attention on proactive measures to address chronic food insecurity such as the extension of social safety nets as effective mechanisms for off-setting the impact of current pressures on South Sudan's poor.
- Capitalize on the influx of skills to South Sudan by providing appropriate assistance to returnees through urgently expediting provision of land and urban livelihood opportunities.

- Infrastructure should be prioritized for agricultural development, supported by roads linking the country – particularly to allow goods to flow up from the South; this can be helping by increasing permits to release more barges to deliver goods up the Nile.
- Continue the focus on tackling corruption and honour commitments to ensure that financial transfers from the Centre to the State level happen to reach local people.

International Community and Donors

- Ensure all diplomatic efforts support South Sudan and Sudan to negotiate an end to the conflicts between and within their states, and commit to the resolution of outstanding CPA issues including those related to oil.
- Commit to transparency in decision-making and lead on coordination across funding mechanisms (both development and humanitarian) to maximize the impact of aid and assist in enabling planning among partners, where possible.
- Increase funding to address the urgent food insecurity needs of the most vulnerable; and insist upon building resilience as part of that strategy.
- Provide rapid, effective funding through bilateral and multilateral funds; easily accessible to national NGOs. Emergency funding must not replace desperately needed long term development programmes.
- Introduce flexible, multi-year funding that can be used for development and crisis response. Pilots such as USAID crisis modifiers should be considered.
- Invest in urban programming, particularly in anticipation of vulnerability linked to high market dependence in situation of inflation.
- Ensure food security strategies address the particular livelihood concerns of agro-pastoralists, particularly in conflict affected states along the border.
- Redefine a reintegration strategy for returnees - with the government, humanitarian and development actors. This must support new arrivals based on need, expedite allocation of land and build upon their existing skills.
- Continue to provide macro-economic advice to the government to protect critical resources for South Sudan's future generations, and work to ensure investors from their own countries observe good practices.

UN Agencies and NGOs operating in South Sudan

- Review vulnerability and targeting criteria to ensure that support is given based on the needs of all affected communities, including host families.
- Ground interventions in strong market analysis and adopt flexible, agile response modalities that take into account macro economic scenarios. Options for programming despite inflation should be developed from lessons in countries that have experienced conflict and economic shocks, such as Zimbabwe.
- Examine existing food security interventions to ensure that they are strengthening resilience within communities, particularly among women, and building upon households' skills and knowledge to cope with future shocks

¹ 50per cent of people are chronically food insecure in South Sudan: Crop Food Security Assessment (CFSAM) Feb 2012 p36

² Fighting within Sudan's South Kordofan and Blue Nile States – traditionally the bread-baskets of Sudan – is also deepening food insecurity affecting 4.7 million people, including 3 million in Darfur

³ GoSS Budget 2012/2013 http://www.goss-online.org/magnoliaPublic/en/ministries/Finance/Annual-Budgets/mainColumnParagraphs/0/content_files/file17/Draft%20Budget%20to%20NLA%2020120613.pdf

- ⁴ Integrated Phase Classification (IPC) level 4 'EMERGENCY' definition: Extreme food consumption gaps/High malnutrition and excess mortality OR extreme loss of livelihood assets. IPC level 3 'CRISIS': Significant consumption gaps/ irreversible coping mechanisms (www.ipcinfo.org)
- ⁵ Integrated Phase Classification (IPC) level 3 'CRISIS': Significant consumption gaps/ irreversible coping mechanisms (www.ipcinfo.org)
- ⁶ Unclear inconsistency between years, which probably also affects calculation of cereal requirement; nevertheless the cereal requirement series seems more consistent; showing a gradual increase over the years except for 2009; implied in this series seems to be an increasing consumption of cereals per capita.
- ⁷ Another inconsistency: the post-harvest loss has been estimated at 10% of gross harvest until 2007 and at 20% in the years after.
- ⁸ FAO (2011), Seed System Security Assessment Southern Sudan, November-December 2010, Rome, March 2011. http://www.ciat.cgiar.org/work/Africa/Documents/sss_a_southern_sudan.pdf
- ⁹ Less optimistically, World Bank estimates for both Sudans combined indicate 26 per cent of potential arable land is already in use across both countries. K.Deininger e.a., Rising Global Interest in Farmland, 2010, World Bank, p. xxxviii and p. 166. All available estimations are based on macro-level analysis rather than on-the-ground soil and hydrological research.
- ¹⁰ According to figures of the Statistical Yearbook for Southern Sudan 2010, overall spending on Agriculture, Forestry, Animal resources and Fishery has been 1.3% of the total budget in 2006, 1% in 2007 and 2008, and 1.3% in 2009.
- ¹¹ CSFAM p10
- ¹² SNV, The Livestock Sector in South Sudan. Juba, 2010. Commissioned by MARF.
- ¹³ SNV, op.cit.
- ¹⁴ Fewsnets, Southern Sudan Livelihood Attribute Map: Food from livestock., <http://www.fews.net/pages/livelihoods-country.aspx?gb=ss&l=en>
- ¹⁵ SSCSSE (now NBS), Statistical Yearbook for South Sudan 2010. Juba 2010.
- ¹⁶ Funding required has increased to \$ 394m from the original \$194m. Donors have stepped up funding to WFP \$233m so far, and overall the cluster is funded 62% per cent. However, if you exclude WFP from the Food Security and Livelihoods cluster requirements, only 16% is funded for livelihoods based or resilience based food security programmes. (UN OCHA Consolidated Appeals Process Mid Year Review June 2012)
- ¹⁷ Oxfam internal price monitoring, May 2012
- ¹⁸ ALNA 2012
- ¹⁹ In Maban County (Upper Nile) for example, there are now more than 100,000 refugees according to UNHCR, while Maban has 45 000 inhabitants. Thus the refugee population is more than twice the size of the host population (Fewsnets).
- ²⁰ In Maban, there has been tension over access to firewood leading to strict penalties being imposed by the local authorities for cutting down certain trees. There are also reports of skirmishes and violent beatings over access to limited water points (Oxfam staff, Apr 12)
- ²¹ UN OCHA cumulative figures of new conflict displacement reported in 2012 – status 15/06/12
- ²² South Sudan Food Security Monitoring, Round 6, February 2012 p1
- ²³ UN OCHA
- ²⁴ Ibid
- ²⁵ IN June 2012, UNMISS- Human Rights confirmed 888 deaths from two communal attacks in Jonglei in January and February 2012. Total confirmed deaths by OCHA as of early July = 1506.
- ²⁶ OCHA Cumulative No. of returnees, by type, arriving at final destination 30 Oct. 2010 - 05 Jun. 2012: 391,220
- ²⁷ South Sudan Food Security Monitoring, round 6, February 2012 p2
- ²⁸ ODI Food assistance, reintegration and dependency in South Sudan (2009) Bailey & Harrigan; See also Pantuliano, S., Buchanan-Smith, M. and Murphy, P. (2008) 'The Long Road Home: Opportunities and Obstacles to the Reintegration of IDPs and Refugees Returning to Southern Sudan and the Three Areas'. London: HPG, ODI.
- ²⁹ Martin, M. and Mosel, I. (2011) 'City Limits: Urbanization and Vulnerability in Sudan, Juba Case Study'. London: HPG, ODI.
- ³⁰ High food prices were the most significant shock to 69% of households in South Sudan as inflation takes its toll (South Sudan Food Security Monitoring, round 6, February 2012, p7)
- ³¹ Allocation from Ministry of Finance was originally reduced from 110m to 40m SSP, then increased to 78m SSP in the face of the emerging food crisis (NGO meeting with Ministry of Agriculture, Juba May 2012)
- ³² WFP reports 93% of its stock pre positioned - Food security meeting Juba 20th April
- ³³ South Sudan CAP Mid Year Review June 2012
- ³⁴ Office of the Resident and Humanitarian Coordinator in South Sudan, 20/1/2012
- ³⁵ OCHA 17 April 12
- ³⁶ There is also a risk of unscrupulous investors utilising the opportunity to buy up land - already a concerning trend outlined by recent reports suggesting an area as large as Rwanda has already been sold off in the country. See report by Norwegian People's Aid http://www.npaid.org/filestore/NPA_New_Frontier.pdf
- ³⁷ As part of the New Deal endorsed by the United Nations Development Group and key donor states at the fourth High Level Forum on Aid Effectiveness in Busan in November 2011 – South Sudan is a pilot country. "We commit to build mutual TRUST by providing aid and managing resources more effectively and aligning these resources for results. We will enhance transparency, risk management to use country systems, strengthen national capacities and timeliness of aid, improving the speed and predictability of funding to achieve better results." <http://www.aideffectiveness.org/busanhl4/en/about/new-deal-for-engagement-in-fragile-states.html>
- ³⁸ "In a risk-prone environment such as South Sudan, risk management programming is essential. Such programme should consider not only the risk of natural hazards such as drought or flooding, but also the ever-present manmade hazard of conflict, whether it be localised ethnic or resource conflict, militia activity or cross-border refugee flows, as occurred in the summer of 2011" Livelihoods, Basic Services and Social Protection – South Sudan Working Paper July 2012 <http://www.odi.org.uk/resources/docs/7716.pdf>
- ³⁹ Commitments of Good Humanitarian Donorship of funding based on needs, increasing the capacity of countries and local communities to prevent, prepare for, mitigate and respond to humanitarian crises and where appropriate Provide humanitarian assistance in ways that are supportive of recovery and long-term development, striving to ensure support, where appropriate, to the maintenance and return of sustainable livelihoods and transitions from humanitarian relief to recovery and development

activities.

⁴⁰ As part of the New Deal endorsed by the United Nations Development Group and key donor states at the fourth High Level Forum on Aid Effectiveness in Busan in November 2011 – South Sudan is a pilot country

⁴¹ For examples see Joint Agency Briefing Paper: A Dangerous Delay 18 January 2012 (Oxfam and Save the Children)
<http://www.oxfam.org/sites/www.oxfam.org/files/bp-dangerous-delay-horn-africa-drought-180112-summ-en.pdf>

APPENDIX

Programming by aid agencies in the current context in South Sudan is extremely challenging, but all food security interventions should be guided by the following principles:

Conflict sensitive: Not create or exacerbate conflicts over local resources such as land and water. If possible interventions should be designed in ways that contribute to conflict resolution and/or prevention.

Conflict and crisis proof: Operations and results should as much as possible be independent of external inputs, to ensure continuation of the intervention and its results when cut off from those inputs. This includes:

- **Physical inputs:** Farmer-saved seeds, and seeds from local seed system (seed banks, gene banks rather than external seed provisioning); locally produced fertilizer (compost, manure rather than artificial fertilizer if at all possible); fuel (ox plough rather than tractor; irrigation pumps equally vulnerable). South Sudan's Northern most county Renk, relatively close to Khartoum, was South Sudan's centre of mechanized agriculture, for the market in Khartoum. However, this model collapsed with the border closure, as it depended on imports from the North for its inputs: fuel for tractors and irrigation, fertilizer, seeds.
- **Financial inputs:** Don't depend on investors and creditors – they may withdraw. Consider that inflation may render inputs out of reach for farmers, even if they remain physically available in the market. Mechanised agriculture in Renk also collapsed because investors withdrew to Khartoum and trade relations were cut off.
- **Human resources:** Capacity building is a long term investment in human capital (and in social capital if done well). Rather than implementing themselves and hiring expatriates, agencies if possible should support local government and local civil society to operate, and use national staff; and preferably local national staff rather than from other states.

Economically sustainable: Interventions that create positive incentives rather than taking incentives away. Based on strong market analysis. Do not provision seed where it undermines the development of local seed systems, but support those systems (An FAO and government study recently criticized the blanket distribution of seeds, which clearly was no longer needed for many farmers and which can create dependency. Some households received seed aid 12 times between 2005 and 2010). When supporting farmers to produce surplus, also support them to create market linkages or the rotting surpluses will bankrupt and/or demotivate them.

Targeted: Aim to reach the most vulnerable and marginalised groups, as well as the most likely agents of change in a community; and aim well to ensure that the target group is reached, rather than benefits being diverted to the powerful; or to men rather than women.

Long term: Building a long term future requires long term investment which should prioritise the training and outreach of extension workers and for sustainability the payment of extension workers.

Flexible: Flexible, agile response modalities, programmes with built-in crisis modifiers that allow funds to be used for humanitarian relief when needed and for development when possible.

Take into account macro economic scenarios. Options for programming despite inflation should be developed from lessons in countries that have experienced conflict and economic shocks.

Ecologically sustainable: Ensure not to deplete local water or soil resources, or contribute to local climate change (as may happen when you cut all the trees in an area)