

**South Sudan - Special Operation 200379 – “Feeder Road Construction in Support of WFP Operations in Southern Sudan”**

**B/R No.: 2**

**BUDGET REVISION OF SO FOR THE APPROVAL OF REGIONAL DIRECTOR**

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<b><u>ORIGINATOR</u></b>				
Country Office Chris Nikoi	.....	.....	.....	.....
<b><u>CLEARANCE</u></b>				
Project Budget & Programming Officer, RMBP Betty Ka	.....	.....	.....	.....
Chief, RMBP Laurent Bukera	.....	.....	.....	.....
Chief, OSLT Adrian Vander Knaap	.....	.....	.....	.....
Director, OSL Wolfgang Herbinger	.....	.....	.....	.....
Director, OST ( <i>ICT operations only</i> )	.....	.....	.....	.....
<b><u>APPROVAL</u></b>				
<input checked="" type="checkbox"/> Regional Director Valerie Guarnierie	.....	.....	.....	.....

<b>PROJECT ..</b>	<b>Previous Budget</b>	<b>Revision</b>	<b>New Budget</b>
CD&A (US\$)	68,552,000	825,478	69,377,478
DSC (US\$)	6,802,411	153,926	6,956,337
ISC (US\$)	5,274,809	68,558	5,343,367
<b>Total WFP cost (US\$)</b>	<b>80,629,220</b>	<b>1,047,962</b>	<b>81,677,182</b>

<b><u>TYPE OF REVISION</u></b>			
<input checked="" type="checkbox"/> Additional DSC	<input checked="" type="checkbox"/> Additional CD&A	<input checked="" type="checkbox"/> Extension in time	<input type="checkbox"/> Other

**NATURE OF REVISION:**

1. This Budget Revision is for the extension in time of an additional 2 months (01/01/2014-28/02/2014) and increase in CD&A as well as the increase in the associated Direct Support Costs (DSC) which includes WFP Staff costs.

## **BACKGROUND:**

2. After more than five decades of near continuous war, and the completion of the six-year interim period that followed the signing of the Comprehensive Peace Agreement (CPA) between the Sudan People's Liberation Movement and the Government of the Republic of the Sudan, South Sudan became an independent nation on 9 July 2011. The Republic of South Sudan was admitted into the United Nations General Assembly as the 193rd member state on 14 July 2011.
3. The Republic of South Sudan (South Sudan) stands at a critical juncture on its path to post-independence development and is faced with a number of challenges. As a result of decades of civil war that saw severe destruction of basic infrastructure and inhibited the provision of public services, South Sudan has some of the worst socio-economic indicators in the world and is not on track to meet any of the Millennium Development Goals (MDGs). Poverty is endemic and prospects for diversified growth in the near term are minimal. None of the public infrastructure required for growth is in place.
4. The Government derived over 90 percent of its budgetary resources from oil. Because of this dependence, South Sudan's economy is tied to volatile fluctuations in global oil prices and is heavily dependent on its political relationship with the Republic of Sudan. The highest growth potential outside of the oil sector is in the agriculture sector; however, only 4 percent of arable land is cultivated<sup>1</sup>. South Sudan is also a net-food deficit country and relies on imports from Sudan and eastern Africa and even in times of normal production, poor road infrastructure, poor market integration, low levels of investment in the agriculture sector, and a lack of agriculture inputs, limit food availability.
5. Lacking an all-weather road system, close to 60 per cent of the country is inaccessible during the rainy season. With some 12,640 km of road networks, of which about 4000 km are all weather roads, South Sudan has one of the lowest road densities in Africa. The underdeveloped transport infrastructure network contributes to high transport prices and impedes access to rural and agricultural production areas. According to the World Bank<sup>2</sup>, road density is only 15 km per 1,000 km of arable land area, below the average of its neighboring countries. For example, South Sudan has 4,000 km of all weather roads, compared to 160,000 km of roads in neighboring Kenya. Large parts of the economically productive areas in the country are isolated from markets and are vastly underutilized. Furthermore, most of the rural population has no access to markets during the rainy season, which lasts up to seven months in some places.

In addition to the need for a robust road network for economic growth, the ability of the Government to deliver basic services, including extension of security services to the rural communities, is also negatively affected.

6. WFP has experience and expertise in road construction in the Sudan(s) and under Special Operation 103680, worked with the Government of South Sudan (GOSS) to construct 2,600 kilometers of gravel wearing coarse trunk roads between 2004 -2011. In 2011, responsibility for these trunk roads was handed over to the Ministry of Roads, Transport and Bridges (MRTB).

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<sup>1</sup> WFP, 2010. South Sudan Annual Needs and Livelihood Analysis.

<sup>2</sup> World Bank, 2012

WFP, capitalizing on these experiences and relationships, launched Special Operation 200379, to undertake construction of 500 kilometers of feeder roads and contribute to solving the underlying challenges impeding growth and other challenges facing the Government of South Sudan.

7. Specifically, the feeder road projects undertaken under the Special Operation connect rural communities to population centers and the already existing trunk road network.

The objectives of these roads are to:

- Facilitate increased agricultural production by improved access to markets for agricultural produce and inputs;
- Reduce transport costs and subsequently reduce costs of production and provision of services, to enhance market price competition for goods and services in rural communities;
- Improve access to vulnerable communities by WFP and other humanitarian actors;
- Improve road infrastructure that facilitates the implementation of a range of other development projects such as health care or education;
- Promote employment generation for local community members both during the project implementation and as a result of the subsequent economic stimulus the roads provide;
- Train and support national contractors and ministry counterparts to undertake future rehabilitation and maintenance works.

The feeder roads are selected in close collaboration with the Government of South Sudan and their Feeder Roads Steering Committee (FRSC). The special operation anticipated the development of approximately 500km of feeder roads over three years, as well as the implementation of local maintenance and community capacity building programs.

8. It is anticipated that by the first quarter of 2014, the Special Operation would have completed or commenced construction of 368kilometers of feeder roads. Furthermore, the design and preparatory work for an additional 84 kilometers would also have started.

#### **JUSTIFICATION FOR THE REVISION:**

9. In 2011, over 17,000 km of priority roads were submitted to the Government's Feeder Roads Steering Committee (FRSC) by the Governments of all ten states. The current SO budget will develop approximately 474 km out of a targeted 500 km of feeder roads in the SO due to increase in costs overtime.
10. Within the constraints of the funding available to WFP the initial 500km of feeder roads were prioritized by the FRSC in the southern states and at the juncture of Western and Northern Bahr El Ghazal and Warrap states. Given the large-scale needs and interest from the Government of South Sudan and the donor community to further expand the scale of the project to cover an additional 500 kilometers, selected from the list on Appendix B the FRSC will shift its focus to the provision of feeder roads across the northern areas of Western and Northern Bahr El Ghazal and Warrap states.
11. WFP is working in close cooperation with the GoSS, the FRSC the donor community and the State Ministries of Physical Infrastructure (SMoPI) to develop a list of prioritised roads across these states. Enhanced coordination with all these actors will be pursued

12. To achieve maximum effectiveness and efficiency. The Country Office has developed a detailed concept of operations, outlining the implementation of the project over the proposed 60 month period. It is envisaged that construction contracts will be awarded in tranches over the first 48 months, with a focus on the defects liability and maintenance period for the final tranches in the concluding 12 months.
13. The proposed feeder roads will be rehabilitated to a maintainable ‘basic access’ standard in conformity with an appropriate national standard and technical specifications. National contractors, targeted community members and state authorities will be mobilised, supported and further capacitated to implement these works. Strong coordination with all project stakeholders will build the foundation for future maintenance works, and national management of the infrastructure assets that have been the subject of investment under the project.
14. The Special operation will continue to work closely with government in the areas of capacity development and training of local engineering and management staff including the provision of vehicles and on-site logistics. In line with the WFP South Sudan Country Strategy (2014 – 2017), an increased effort to converge programmatic activities across all WFP projects in the country will be undertaken. This Special Operation will actively seek linkages to maximize gains with other WFP projects such as Purchase for Progress (P4P), National Strategic Food Reserve (NSFR) and Food for Assets (FFA) projects within the targeted states. This will be done through sharing data and exploring complimentary activities under FFA for the construction of local irrigation schemes and tracks to connect villages to the rehabilitated road.
15. Efforts to ensure sustainability of implemented works will be redoubled and provisions in the proposed budget revision have been made to implement a revised strategy which includes continued engagement in the post-construction road maintenance period. This maintenance extends the life of the roads and provides contractors an opportunity to develop capacities in this field which the MRTB and SMOPI can utilise in the future.
16. Support to ensuring continued and enhanced humanitarian access will also remain an objective of this Special Operation. The provision of appropriate maintenance methodologies including spot improvements over limited sections of road to maintain access may be undertaken under this special operation to maintain humanitarian access.
17. The Special Operation will continue to work closely with local communities to measure and evaluate the impacts of the feeder roads on the food security of the communities.

**In light of the above, this budget revision for the extension in time of the project for 2 months (1 January 2014 – 28 February 2014) and a budget increase of US\$1,047,962 is recommended for approval by the Regional Director.**

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 RB Programme Assistant  
 Director, OME

Appendix A – Status of Roads being implemented under SO 200379

Road name	Length in km	County	State	Status	Funding Source
Karich - Amok Piny – Panyijar	119	Rumbek East/Rumbek Centre/Panyijar	Lakes State/Unity State	Ongoing	SSRF
Aluak Luak - Akuoc Cok	40	Yirol West	Lakes State	Completed	SSRF
Kuajok - Lunyaker	56	Gogrial East/ Gogrial West	Warrap	Design-consultants only for 2014	EU
Kangi - Kuajok	41	Gogrial West/Jur River County	Warrap/Western Bahr el Ghazal	Consultants contracted Contractor award expected Q1 2014	EU
Tharkueng - Getti	28	Jur River County	Western Bahr el Ghazal	Design-only at present pending BR	EU
Wullu - Pacong (to be replaced by Aluak Luak - Mapuordit) –	22	Rumbek East/Wullu	Lakes State	Design-consultants only for 2014	EU
Mundri - Bangolo	75	Mundri West	Western Equatoria	Contracted	Kingdom of the Netherlands
Pageri - Magwi	65	Magwi	Eastern Equatoria	Tender Evaluation	Kingdom of the Netherlands
Kworijik - Tendere - Buko	28	Juba	Central Equatoria	Expected award of contracts Q1 2014	IFAD
<b>Constructed or under construction Q1 2014</b>	<b>368</b>				
<b>Design only</b>	<b>84</b>				
<b>Funding dependent</b>	<b>22</b>				
<b>Total</b>	<b>474</b>				