

COUNTRY PROGRAMME EVALUATION

SUDAN

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OVERVIEW OF COUNTRY PROGRAMME EVALUATIONS

DFID has a rolling programme of Country Programme Evaluations (CPEs) with 5 or 6 evaluations of countries or regions per year. A synthesis report pulling together findings from 5 recent CPEs is also produced annually. CPEs are challenging evaluations attempting to provide an overview of the entire DFID programme over a 5 year time frame and evaluate whether DFID made appropriate strategic choices in the given context and delivered effectively. CPEs are ideally undertaken in the year prior to development of a new Country Assistance Plan, as they are designed to meet DFID's needs for lessons that can inform future strategy and programming, as well as accountability for funds spent at country level. CPEs are intended for a wide audience including DFID's country office staff and partners, senior DFID managers in the relevant regional divisions and members of the public/ other stakeholders.

Each CPE is managed by DFID's Evaluation Department and carried out by 4-6 independent international consultants with a mixture of evaluation and development skills. The terms of reference for the CPE programme include a generic evaluation framework closely linked to standard evaluation criteria; this is customised a little for each individual evaluation (and annexed to the report). For CPEs, interpretation of each of the evaluation criteria is as follows:

- Relevance** – CPEs should provide high quality, well evidenced material and judgements on whether 'DFID did the right things'
- Effectiveness** – CPEs should examine key interventions and partnerships and identify and explain successes and failures
- Efficiency** – CPEs should tell a narrative around the allocation of resources (financial and staffing) to deliver the results DFID was hoping to achieve
- Impact** – CPEs cannot produce new information on impacts attributable to DFID, but should consider DFID's contribution to long term outcomes
- Sustainability** – CPEs should discuss evidence on progress towards sustainability in terms of ownership of reforms, capacity development and resilience to risks.

Typically CPEs comprise a one week inception mission to the country to make contacts, scope the boundaries of the evaluation, customise the generic evaluation matrix and make decisions around issues such as field visits. The main CPE fieldwork then takes place around a month later and lasts up to three weeks. DFID's Evaluation Department provides each evaluation team with a large documentary evidence base comprising strategies, project/ programme information and context material sourced from a thorough search of paper and electronic files, DFID's intranet system and the internet. During the fieldwork the team interview stakeholders in country and current and past DFID staff. A list of people consulted is annexed to each study.

The views expressed in CPE reports are those of the independent authors. The country office can comment on these in a 'management response' within the Evaluation report. CPE reports are quality assured by an independent consultant who has no other involvement in the CPE programme.

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Country Programme Evaluation: Sudan

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Full responsibility for the text of this report rests with the authors. In common with all evaluation reports commissioned by DFID's Evaluation Department, the views contained in this report do not necessarily represent those of DFID or of the people consulted.

Front Cover Photograph

NGO-supported refugee camp outside Khartoum, taken by Edmund Knollys

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Abbreviations

AMIS	African Union Mission in Sudan
AU	African Union
BSF	Basic Services Fund
CAP	Country Assistance Plan
CBTF	Capacity Building Trust Fund
CEP	Country Engagement Plan
CERF	Central Emergency Response Fund
CHF	Common Humanitarian Fund
CP	Country Profile
CPE	Country Programme Evaluation
CPA	Comprehensive Peace Agreement
DAC	Development Assistance Committee
DDR	Disarmament, Demobilisation and Reintegration
DFID	Department for International Development (UK)
DRC	Democratic Republic of Congo
EC	European Commission
EES	Environmental Emergencies Section
EvD	Evaluation Department (DFID)
FCO	Foreign and Commonwealth Office (UK)
FY	Financial Year
GAM	Global Acute Malnutrition
GBV	Gender-based Violence
GDP	Gross Domestic Product
GNU	Government of National Unity
GOS	Government of Sudan
GOSS	Government of Southern Sudan

HAC	Humanitarian Aid Commission
HC	Humanitarian Coordinator
HMG	Her Majesty's Government (UK)
ICC	International Criminal Court
ICRC	International Committee of the Red Cross
IDP	Internally Displaced People
IMF	International Monetary Fund
INGO	International Non-Governmental Organisation
IRC	International Rescue Committee
JAM	Joint Assessment Mission
JDO	Joint Donor Office
JDT	Joint Donor Team
JPDP	Justice and Peace Development Programme
JSU	Joint Sudan Unit
LRA	Lord's Resistance Army
MDG	Millennium Development Goal
MDTF	Multi-Donor Trust Fund
MDTF-S	Multi-Donor Trust Fund-Sudan
M&E	Monitoring and Evaluation
MOD	Ministry of Defence (UK)
MoH	Ministry of Health (Sudan)
MOJ	Ministry of Justice (Sudan)
NCP	National Congress Party
NGO	Non-Governmental Organisation
OCHA	Office for the Coordination of Humanitarian Affairs
OECD	Organisation for Economic Cooperation and Development
PRISM	Performance Reporting Information System for Management (DFID)
PWC	Price Waterhouse Coopers

Abbreviations

SAIC	Staff Appointed in Country (DFID)
SDF	Sudan Development Fund
SID	Statistics on International Development (DFID)
SP	Strategic Partnership
SPLA	Sudan People's Liberation Army
SPLM	Sudan People's Liberation Movement
SRF	Sudan Recovery Fund
SSAJ	Safety, Security and Access to Justice programme
TA	Technical Assistance
UK	United Kingdom of Great Britain and Northern Ireland
UN	United Nations
UNAMID	UN – African Union Mission in Darfur
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNICEF	United Nations International Children's Emergency Fund
USAID	United States Agency for International Development
WB	World Bank
WFP	World Food Programme

Preface

This evaluation of DFID's country programme in Sudan is one of a series of regular Country Programme Evaluations (CPEs) commissioned by DFID's Evaluation Department. The studies are intended to assess the relevance and effectiveness of the country programme, contribute to lesson learning and inform the development of future country assistance strategy. Collectively, the CPEs form an important element of DFID's corporate accountability and enable wider lessons across the organisation to be identified and shared.

The evaluation was carried out by a team of independent UK and national consultants, led by ITAD Ltd. The evaluation focused on DFID Sudan's programme during the period 2005-2008 and was managed by Lynne Henderson and Mark Herbert of Evaluation Department (EvD). The evaluation was carried out between March and December 2009.

Considerable emphasis was placed on involving DFID staff and other partners during the process and on communicating findings. In addition to an inception period that raised key issues for the evaluation, staff were invited to discuss findings at a workshop during and after the evaluation field work, offered written comments on the draft reports and provided DFID's "management response", which is included at the end of this report.

The evaluation underlines that DFID's programme in Sudan remains one of the most complex and challenging in its portfolio. Political developments in Sudan since 2005 have been the main influence on the strategic direction DFID has taken and after the 2005 Comprehensive Peace Agreement (CPA), attention turned to achieving peace in Darfur. The 2006 Darfur Peace Agreement was not supported by some of the key parties in the conflict and did not result in significant progress. The July 2008 DFID country plan and the broader HMG strategy that it reflected - and that DFID had a significant hand in developing - puts the focus back on the CPA. DFID have strongly advocated reducing humanitarian spend in the South by scaling up spending on recovery and development. Recognising it would take time for the Multi-Donor Trust Fund to take up the challenge, DFID developed the Basic Recovery Fund, which is managed by a private sector contractor reporting to a GOSS-chaired committee and provides support to NGO's to invest in education, health and water supply. This has been positively evaluated and by common consent, has the best project management of any of the schemes looked at in the evaluation.

The evaluation also acknowledges DFID has made significant contribution to development in Sudan, most notably in the areas of stabilisation and peace initiatives. Although the impact of peace and security work is hard to assess, capacity is being built to address drivers of conflict and there is evidence of DFID influence on others. The risks to peace have increased over the period of the evaluation. DFID's response with regard to supporting the peace and justice sector has been to lay the foundations of long term work, trying to build relationships and capacities that are capable of enduring, under all scenarios for the country.

EvD would like to acknowledge the contribution made by the evaluation team itself as well as DFID staff and development partners in Sudan.

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Head of Evaluation Department

Executive Summary

Context

S1 This Country Programme Evaluation covers DFID development assistance to Sudan in the period 2005-2008.

S2 Sudan is the largest country in Africa, and has a population of 40 million. The twenty year war between the Government and various groups in Southern Sudan was ended by the 2005 Comprehensive Peace Agreement (CPA). This brought the former combatants into a Government of National Unity (GNU), and gave autonomy to the South under a new Government of Southern Sudan (GOSS), subject to national elections in 2009 and a referendum on the status of the region in 2011. The CPA sets out the roadmap to a sustained peace, but much has yet to be agreed, including linked issues of the allocation of oil revenues, and delineation of borders. Much of the oil is in the South or on the border, but the only means to export it is via the pipeline to the North. National and regional conflicts have strong local elements related to land and competition for scarce resources. Conflict continues elsewhere in Sudan, notably in Darfur, where the Government has been accused of war crimes.

S3 There are two quite different aid environments. In the South, donors are working with GOSS, aiming to build the capacity of public sector institutions to take more responsibility. In the North, disagreements related to the handling of the humanitarian crisis in Darfur have made it impossible to have a normal aid relationship. For example, in March 2009 13 key NGOs were expelled following the International Criminal Court issuing an arrest warrant for the President for alleged war crimes. Nevertheless, limited engagement with state institutions in order to support the CPA process has continued.

S4 Conflict was partly provoked by the Islamist Government favouring Khartoum and neighbouring regions, while other areas were neglected. Southern Sudan remains by far the poorest region of Sudan, and one of the poorest in the world, with little infrastructure, low access to services, and limited livelihood options outside subsistence agriculture. Although there has been rapid economic growth in North and South based on oil since 2005, much of the revenue has gone on defence spending. The peace dividend has been slow to arrive. The recent collapse in oil prices leaves both GOSS and GNU in fiscal crisis.

S5 The modest UK programme of £7 million of entirely humanitarian aid in 2001 increased to £25 million in 2003-4 in support of progress towards a settlement of the North-South war, and in response to humanitarian crisis in Darfur caused by intense conflict from 2003. The programme was rapidly scaled up following the January 2005 CPA, to reach £133 million in 2007-08. A new DFID Sudan office was established in early 2006 to manage the programme. In the South, the UK participated in the establishment of a Joint Donor Office, opened in Juba in 2006, with the objective that donors working together would reduce transaction costs for GOSS.

S6 By 2008 the DFID Sudan country plan had 6 themes: Humanitarian; Recovery; Justice and Security; Elections and Referendum; Natural resources and climate change in relation to conflict; and Oil and Debt. The evaluation comments extensively on the first three of these themes, and in terms of context and analysis of the political economy, makes reference to the other themes. The fluid political environment and the time lapse between

evaluation and publication pre-empts the possibility of capturing the full extent of DFID's role within the UK Government in relation to, for instance, the Security Council.

Relevance

S7 The January 2005 CEP had a relevant strategy for achieving poverty reduction by supporting post-war needs as identified in the report of the Joint Assessment Mission, carried out by the UN and World Bank and endorsed by the Government of Sudan and the new Government of Southern Sudan. The strategy supported a gradual transition from humanitarian to development assistance, with a focus on achieving sustained poverty reduction by supporting the peace process, improving Governance, and supporting the development and implementation of poverty reduction policies.

S8 Nearly two thirds of DFID funds have flowed via pooled funding channels, most humanitarian aid via the UN administered common humanitarian fund (CHF), and development support mainly via the World Bank administered multi-donor trust funds. The CEP was produced before the establishment of these funds. It placed stress on working within a multilateral framework, but did not anticipate that most UK aid would be delivered via pooled funding, nor the innovation of the JDO. These developments were in line with the stress the CEP placed on aid effectiveness – but the way the programme developed from 2005 was very different in detail, and the CEP therefore could provide no guidance on the DFID approach to the joint institutions through which the programme was managed.

S9 The 2005 DFID humanitarian strategy for Sudan recognised explicitly that successful UK lobbying in 2004 on behalf of Darfur had diverted resources away from other parts of the country that had needs of equivalent severity. Both the CEP and the humanitarian strategy emphasised the importance of a country-wide approach. Although the CEP stressed the importance of the CPA, DFID continued to face intense media and political pressure to respond to the conflict and humanitarian crisis in Darfur. The new country plan finally approved in July 2008 is still emphasising the need to reduce the dominance of Darfur in UK policy. In 2007-8, two thirds of a much larger country programme continued to be spent on humanitarian aid.

S10 A new country plan to replace the CEP was only finally approved in July 2008, though it confirmed the underlying approach that had developed since the appointment of a new head of DFID Sudan in early 2007. It envisages that the transition to peace should permit the phasing down of humanitarian aid, while focussing attention on supporting the peace process and the transition to recovery. Humanitarian aid is proposed to phase down from over 60% to 30% of the programme by 2010-11, while new pooled instruments will expand recovery spending. The share of UK spending via multilateral and pooled funding channels will further increase, complemented by bilateral spending that exploits DFID strengths, seen as flexible procedures, good professional experience, and a willingness to work in areas shunned by other donors, such as the security sector and justice. Service delivery will be supported entirely via pooled funds.

S11 Including spending financed from the Conflict Prevention Pool, DFID plans to more than double support for transition to peace and democracy and for security and justice to nearly one third of DFID spending. The assumption is that the success of the CPA and other stabilisation and peace initiatives is a necessary condition for progress on poverty reduction, and that DFID is uniquely placed to be able to help with the transition, as part of a whole of Government approach coordinated with the FCO and MOD.

S12 Political developments in Sudan since 2005 have been the main influence on the strategic direction DFID has taken. After the 2005 CPA, attention turned to achieving peace in Darfur. The 2006 Darfur Peace Agreement was not supported by some of the key parties to the conflict, and did not result in significant progress. The July 2008 DFID country plan, and the broader HMG strategy that it reflected and that DFID had a significant hand in developing, puts the focus back on the CPA. With the 2011 Southern Sudan Referendum approaching, the emphasis is on helping to consolidate the gains already made while bolstering the institutional apparatus necessary for retaining peace whatever the outcome of the Referendum. To some extent, this has meant treating Darfur and the North/South as separate concerns. The International Criminal Court ruling in March 2009, and the partial closure of aid channels to Darfur that resulted from this, has further emphasised the very different operational environment of these two areas of the country.

S13 The discussion of risks in the July 2008 DFID country plan is entirely concerned with risks to the different peace initiatives, and the analysis presents clear contingency plans for various eventualities. From 2008 there is a shift in the approach to conflict risk, which becomes more informed by analysis and the identification of key entry points. This change is most notable in the Three Transitional Areas (disputed by the north and the south) which had been neglected by donors. There is also a stronger effort to link peace agreement negotiation and implementation to the grass roots, and to encourage peace at the level of communities. This more societal approach is associated with a lower focus on central state structures, and better extension of the programmes to the mid-level administration.

S14 The new approach was reinforced by the recruitment of conflict advisers and the deployment of a governance adviser to Juba. There is also a concerted effort by the DFID office to develop stronger synergies with the Embassy personnel, and ensure complementarity of initiatives there, such as a stronger programming of the Sudan Peace-Building Fund (renamed the Peace-Building Fund for the Transitional Areas).

S15 The major problem with regard to the relevance of DFID strategy as it has developed is the loss of focus on the underlying DFID 'mission' of poverty reduction. Poverty and the MDGs, and DFID concerns with cross-cutting issues of gender and social exclusion, are barely mentioned in the July 2008 plan. The strategy seems unbalanced: - the focus on the CPA is good, but there is no analysis of the options in terms of their likely contribution to sustained poverty reduction and progress towards the MDGs.

S16 This lack of balance is also reflected in the analysis of risks. The January 2005 CEP included a comprehensive risk analysis and mitigation measures for the mentioned risks, covering not just the peace process but risks related to development policy, institutional capacity, natural emergency, and the macro-economy. There is little discussion of these risks within the CEP itself, although many of the mitigation measures have featured as priorities in the subsequent DFID programme. These broader risks are not discussed in the July 2008 country plan. There is discussion of the DFID approach to trying to secure improved performance from pooled funding mechanisms and UN agencies, but no discussion of options or alternatives should progress not be achieved.

Efficiency and Effectiveness

S17 DFID policy was to reduce transactions costs and improve aid effectiveness through fewer, larger, longer term, and more predictable aid commitments, and through

using pooled fund mechanisms. DFID has been successful in consolidating the bilateral programme, reducing the annual number of new commitments from 100 to 20 while lengthening the commitment period and reducing the number of small projects.

S18 The overall results seem to have been favourable. Of those projects for which assessments are available, accounting for 63% of DFID spending, some 70% by value and 64% by number are assessed as fully (Box 1) or largely (Box 2) achieving their project purpose. This compares favourably with results for Indonesia and Sierra Leone. However, the performance of the pooled funding mechanisms is markedly weaker than for other interventions, and raises some major questions about DFID reliance on them. If the assessment of the Common Humanitarian Fund (CHF) is adjusted from Box 2 to Box 3 (benefits and shortcomings finely balanced), as later evaluation evidence would suggest, then only one third of assessed spending by value would be marked as fully or mainly achieving the purpose.

S19 The **Common Humanitarian Fund** is managed by the UN, but was set up largely at DFID urging, as part of a global initiative to improve the coordination and management of humanitarian aid. The Sudan CHF received substantial DFID support for its design. It is the largest single mechanism through which DFID aid to Sudan is delivered, accounting for 40% of DFID spending. Through a cumbersome process of allocating short-term financing to over 500 projects per year, the CHF has shifted transaction costs from donors to the NGOs and UN cluster leaders, but not necessarily reduced these costs. It is slow and unpredictable, and is therefore used not for critical needs, as originally envisaged, but for top-up funding on projects that draw on more reliable sources for their highest priority spending. Despite a complex allocation process, quality control at entry remains weak, as is monitoring and evaluation. It attracts only 11-16% of humanitarian aid, and the 2007 evaluation found no evidence of positive impact on either the level of aid or the proportion provided via the coordinating mechanism of the UN Workplan. The objectives remain relevant, but the procedures need reform.

S20 The World Bank (WB) managed **Multi-Donor Trust Funds (MDTF's)** have received 14% of DFID support. The Southern MDTF was intended to be the leading instrument for providing development assistance for the South and the WB was envisaged to assume a leading role in donor coordination in support of the new Government of Southern Sudan. The national MDTF had more modest objectives of financing national activities in support of the peace process. Both have been very slow to get off the ground. The in-country staffing and support that would be needed from the Bank was underestimated in both cases. By the end of 2008, the two MDTFs had spent only \$200 million from the \$600 million pledged for spending by the end of 2007. In the South, MDTF spending has been equal to just 2.5% of GOSS expenditure. Overall, the poor execution rate accounts for the Box 3 marking (purpose only partially achieved, benefits and shortcomings finely balanced) given to MDTF in the last two assessments. Lobbying by DFID in concert with other donors has helped secure increased local staffing and WB management attention. Disbursement is picking up, and portfolio performance is moderately satisfactory.

S21 In terms of the individual projects, MDTF self assessments report good progress in the North in community development, health, and the national census, but less satisfactory ratings for support to the judiciary and in Blue Nile; in the South, MDTF records satisfactory progress on service delivery projects (other than health, where there have been capacity and policy issues), but weaker progress on capacity building.

S22 The problem of capacity building in Southern Sudan is a major one. The scale of the need was underestimated from the start, for reasons that are not entirely clear. The scale of support for capacity building and capacity provision provided by the donor community fell far short of what would be required to establish functioning Government at regional, state and local level. The effort has been fragmented and lacking in overall strategy. Part of the difficulty has been the legacy of unaffordable expansion of staffing numbers as former combatants were put on the payroll, but the need for eventual retrenchment should not have prevented a greater effort in putting in place skills that were clearly needed.

S23 **Basic Services Fund.** DFID have strongly advocated reducing humanitarian spend in the South by scaling up spending on recovery and development. Recognising that it would take time for the MDTF to take up the challenge, DFID developed the Basic Services Fund (BSF). This is managed by a private sector contractor reporting to a GOSS-chaired committee, and provides support to NGOs to invest in education, health and water supply. It has been very positively evaluated, and by common consent has the best project management of any of the schemes we looked at, has attracted additional funding from other bilaterals, and has begun to undertake useful capacity building work as part of the project support it provides. DFID had intended BSF to be a temporary mechanism, and propose to close the scheme in 2010 as the new SRF expands. However, with so few examples of success, and such difficulty at start up of new schemes, the arguments for building on and expanding the BSF are strong.

S24 It is worth noting, though, that not one BSF project to date has received recurrent or capital cost commitment from GOSS. Thus, when a project closes, no further service is provided. The only solution is to strengthen planning and budgeting and having sector strategies within which aid from any source is integrated. Despite poor performance to date on sustainability, the GOSS has taken an early lead in developing three-year strategies through the Budget Sector Working Groups (BSWG), several of which they co-chair with the Joint Donor Team (JDT). These may provide an entry point for discussions on how best to align BSF (and, indeed, projects from other pooled funds) with longer-term government priorities. A number of the BSWGs have NGO involvement, and may also provide a forum for the beginnings of a sector wide approach and a public-private partnership with NGOs for delivery.¹

S25 **Sudan Recovery Fund.** DFID is the lead donor and main advocate for another new pooled fund, the Sudan Recovery Fund (SRF), intended to fill the gap between short-term CHF funding, and the larger scale and longer term MDTF funds. DFID plans to expand SRF rapidly, and advocate it folding in other pooled fund schemes such as the UNICEF-administered Capacity Building Trust Fund. The view of the evaluators, confirmed by many of those we spoke to in NGOs and development agencies, is that the SRF adds to the complexity of the aid architecture without offering significant benefits to aid coordination or efficiency. There is certainly a need for longer term timely and predictable funding. Excessively short-term funding seems to be a general problem in UN administered funds; for example, the Strategic Partnership with UNDP that DFID is also supporting suffers similar problems. However, it was not necessarily the case that the need

¹ Bennett, J et al (January 2009) Mid-term Evaluation of the Joint Donor team in Juba, Sudan, Norad, Norway

for longer term and predictable finance is best met by establishing a new fund, nor that the previous track record of UNDP justified selecting them to manage it.

S26 The decision to establish the SRF reflects the distinction that DFID draws between humanitarian and recovery support. Others have argued that this distinction is to some extent artificial, and undermines the prospects for moving humanitarian aid towards sustainable recovery. The close linkage between, for example, peace building, state-level capacity building and the delivery of basic services is incontestable. The SRF third allocation plan (2009) awards \$10 million per state (devolved to state level alongside technical support teams) to assist GOSS to plan recovery and stability programmes.

S27 DFID's distinction between humanitarian and recovery support may also partly reflect a possibly unhelpful split of staff responsibility within DFID Sudan, with one adviser doing recovery and 'owning' the SRF, while the other does humanitarian support and owns the CHF. It is too late to reverse the decision (SRF is already established), but past start-up difficulties would argue for reviewing performance of the fund and of the existing phase one projects before funding major expansion.

S28 Although support for the **police and justice** sector is to be scaled up, the expenditure to date under the security safety and justice programme has been relatively modest, roughly £10 million over three years. It was scored with a Box 3 (benefits and shortcomings finely balanced) in the last review. The programme has financed managerial inputs such as new organisational plans and has supported training and the establishment of in-house training capacity. Observers and even beneficiaries question whether the project will have much discernible impact on those within the system, due to the lack of buy-in in the north of the country, and the low level of capacity in the south (where, for example, it is estimated that 75% of the police force is illiterate). Sustainability has not been well thought through, both for material inputs and capacity building. It is not clear that the proposed scaling up of activity meets the criterion proposed in the country plan of having an impact within the interim period leading up to the 2011 referendum. The links may exist, but they have not been clearly articulated.

S29 **Supporting the peace process** HMG to date has been seen as one of the leading bilateral supporters of Disarmament, Demobilisation and Reintegration (DDR) in Sudan and is watched closely by others in this and in security sector work – including by the national commissions with whom it works on a regular basis. It has funded advisers, programmes for child combatants, and support to UNMIS and to UNDP. DFID is in the process of further expanding targeted support to peace processes including support to DDR, and to Security Sector Reform. These more targeted interventions have been designed to seize opportunities as the situation evolves, and bolster critical drivers of peace.

S30 Effective reintegration of former combatants is essential to consolidate the peace which has been achieved to date in the Three Areas and the South and to build confidence for progress in the future. However both in the north and in the south progress has been hindered by conflicting political priorities and a severe lack of planning and process capacity in the defence sector. Membership of an armed group (including militia) is one of the few sources of cash income available to people in the South, and the lack of alternative livelihood opportunities makes it difficult to make demobilisation attractive. Reducing the capacity to return to conflict is also seen as a high risk strategy when many of the details of the final settlement have yet to be agreed, one reason for DFID interest in supporting to develop affordable (i.e. smaller) but more effective security services. Over the evaluation

period the number of people in armed forces has actually grown. The inputs provided by DFID are nevertheless credited with keeping the momentum of the process, and the preparatory work that has been done will permit faster progress when political conditions allow.

S31 The drastic reduction in state revenue in both North and South due to the falling price of oil has given both Governments an increased incentive to reduce their armed forces payroll, but the worsened economic conditions also make voluntary reintegration of former combatants more difficult.

S32 With unrivalled professional capacity available in the conflict related sectors, DFID is recognised as a lead donor, and its initiatives are endorsed by the larger bilateral agencies in country, creating a multiplier effect. The capacity to fully play this important role is limited by the need to spend time on project implementation. DFID interventions in the sector have used a wide range of modalities (grants to NGOs, funding through the UN, consultancy contracts, MDTF), but all of them have been subject to start up and implementation delays that undermine the quick and adaptable response that is essential for conflict programming. There is no single cause: the problems derive from a wide range of administrative and country factors. Although the channelling of aid via multilateral and UN channels is intended to save administration costs for DFID, in practice the need to tackle frequent institutional bottlenecks has absorbed a significant amount of staff time. The need to solve process problems has arguably reduced the focus on achieving impact. The pressure to develop multilateral mechanisms for responding to perceived problems has sometimes contributed to further fragmentation within the agencies themselves. For example the Strategic Partnership Arrangement supported by various donors for Rule of Law and Governance became divorced, in UNDP planning, from community security and arms control, in spite of an obvious overlap.

S33 The cessation of DFID led work on **debt management** for political reasons delayed progress on issues that will need resolution in the final CPA settlement – and may have damaged the credibility of the UK commitment to engage with GNU.

S34 **In summary**, our assessment is that DFID were correct to wish to provide aid in ways that were more efficient, better coordinated and more flexible and that involved lower transactions costs – but the way this was implemented has resulted in a proliferation of relatively small and inefficient aid instruments that have not supported these objectives. DFID has rightly provided support to promoting aid coordination around a common plan and budget, through mechanisms such as the common humanitarian work plan, and the budget sector working groups in Southern Sudan. However, we believe DFID has gone too far in disbursing such a large share of DFID aid through pooled and multilateral funding mechanisms, and encouraging other donors to do likewise, without sufficient questioning of whether the instrument as designed actually advances aid effectiveness objectives. DFID has a strong staff presence, flexible approaches, and is able to provide aid in forms that are quick and well adapted to local conditions, as the BSF demonstrated. The pooled and multilateral aid mechanisms have in contrast relied on the procedures and reflected the institutional characteristics of the less flexible agencies tasked with managing them, without sufficient adaptation, and without achieving the scale to make real progress on harmonisation. DFID might have held out more strongly for better designed instruments before committing resources to them. A different balance between multilateral and bilateral approaches might also have yielded better results, and could have been sustained at least until the pooled funding mechanisms had established their capacity to deliver as effectively.

Programme Management

S35 After initial problems following the establishment of DFID Sudan, management arrangements are operating effectively.

S36 Administration costs as a share of programme spending increased by about 50% since the opening of DFID Sudan, but limited comparative data we have looked at suggests that administration costs are not out of line with other countries in the region. We recognise that fragile states normally require more human resources to deliver a given development assistance programme. Unpredictable operating conditions and extremely low levels of counterpart engagement, call for greater intensity of effort and considerable responsiveness to circumstances. However, the current nature of the programme involves over two thirds of the aid being passed on to pooled funding mechanisms or to UNDP who in turn support NGOs or UN agencies, with management costs being incurred at each stage.

S37 DFID provides an important service in leading the donor community on many issues and providing ‘development diplomacy’, while helping to improve the effectiveness of the multilateral institutions that it supports, an approach that the country plan describes as ‘multilateralism with edge.’ DFID Sudan staff are undoubtedly hard pressed in filling these roles. However, the administrative burden in large part reflects a pattern of inefficient multilateralism:- too many instruments, too short-term, with managing agencies imposing unnecessarily demanding procedures, modelled on their own practice and in some respects poorly adapted to the needs of Sudan. Reform is needed not to save DFID management costs – but to release resources for more productive work, including increased focus on better aid coordination in support of common plans endorsed by the main donors and (where appropriate) national authorities. This has received less attention than it needed relative to the focus on developing pooled funding instruments.

S38 DFID has obligations to its donor partners, and can not simply walk away from funds that it had a major role in creating – though there would be scope for making space for more bilateral initiative by improvements to the design and operation of the pooled funds, and with further progress towards a smaller number of larger and longer term commitments. Although the reform of the portfolio might release management time in the longer term, it will require increased administrative effort in the short term, which will be hard to manage while still dealing with the inefficiencies of the current arrangements.

S39 Although staff in DFID Sudan appear to be generally hard pressed, we note that humanitarian aid, basic services, and livelihoods account for 70% of spending, but just 45% of staff time. We are not arguing for crude proportionality. We recognise that there is a case for allocating disproportionate staff time to difficult and growing areas such as supporting peace and governance, while DFID roles in ‘development diplomacy’ over issues such as oil and debt do not relate to the management of a spending programme. We also recognise that, even with the disproportionate allocation of staff to these areas, DFID has only partly equipped itself with staff resources for the required conflict risk monitoring and impact assessment work. Nevertheless, we have also shown that there are major issues to be addressed with respect to the humanitarian and development agenda. Humanitarian advisers appear to be hard pressed, and there is clearly a demand for increased professional support from DFID in livelihoods and service delivery, where there is a paucity of professional capacity in the donor community in Sudan. Those we interviewed repeatedly made the point that DFID were missing opportunities by not making more use of their bilateral capacity. There will always be difficult trade-offs to be made, but we feel

there is scope for DFID to make better use of limited staff resources by doing fewer things on a larger scale through more functional routes. A good start has been made on consolidating the programme, but progress is uneven and there is further to go.

S40 There is particular scope for increased bilateral engagement in the South, where the development challenges are most acute, including for CPA implementation, while the Government would welcome and could greatly benefit from DFID's professional approach and flexibility to adapt to local needs. DFID needs to consider with partners the implications for the JDO of increased UK bilateral spending and presence in the South.

Impact

S41 The overall impact of the DFID programme is in summary positive, and improving since 2008, but less than it might have been, and is confronted by powerful countervailing forces.

S42 The international humanitarian effort in Darfur has brought clean water to 75% of the population and has avoided catastrophe, with acute malnutrition halved since 2005. Supported NGO humanitarian programmes across the country have achieved good results in providing food and basic services to target populations. Nevertheless, vulnerability to conflict-related risks is high, demonstrated by the recent expulsion of NGOs, raising questions over whether required levels of humanitarian assistance can be effectively sustained without them.

S43 The impact of both MDTFs has been limited, but is now improving after long start up delays. Road projects have achieved good results in the South, slashing journey times by 80% on 800 KMs of critical roads. Coverage of basic services interventions remains limited to partial interventions of an unsustainable and quasi-humanitarian nature (e.g. distribution of pharmaceuticals, bednets and school books), and has limited coverage (clean water to only 1% of population in South).

S44 BSF has built schools and health posts, and has brought clean water to more than twice as many people as MDTF-S.

S45 Capacity building is making some progress in building core budgeting and financial management functions, but Government spending in North and South is skewed towards defence, while fiscal crisis will limit the short to medium term prospects for making progress towards putting the financing of services on a sustainable basis less dependent on donors and NGOs.

S46 The impact of peace and security work is hard to assess, but capacity is being built to address drivers of conflict, and there is evidence of DFID influence on others e.g. increased commitments to the three protocol areas. The risks to peace have increased over the period under evaluation. The crisis in Darfur continues, while much faster progress will be needed if the CPA process is to reach agreement on the many outstanding issues within the timetable deadline of 2011. DFID's response with regard to supporting the peace and justice sector has been to lay the foundations of long term work, trying to build relationships and capacities that are capable of enduring under all scenarios for the country.

S47 DFID has had a major impact on aid architecture (humanitarian Workplan, CHF, SRF, BSF). Our main conclusion is that the proliferation and somewhat sclerotic performance of pooled fund and multilateral mechanisms has undermined their original

intent. Management burden and transaction costs, for DFID as well as implementing partners, have increased. If the ultimate goal is more conventional government-owned aid architecture, this perhaps should have been done through fewer instruments on a larger scale and more closely aligned with existing government mechanisms.

S48 We support the principle of pooled funding, but achieving real benefits from it requires careful attention to issues of design. For example, the UN has major disadvantages as the manager of the SRF; yet the design and ambitions of the instrument seem to be built around what the UN can achieve rather than what is strategically desirable for Sudan. From the outset, DFID should have pressed for this more strategic approach: a smaller number of instruments, operating on a larger scale, with longer term commitments and more delegated management. Where appropriate, more emphasis might also have been given to building Government ownership and capacity, especially in the South.

Major Recommendations

Recommendations for DFID

- In future post-conflict situations, and especially where starting capacity is very low, DFID should give far higher priority to working with other development partners to put in place a timely and appropriate response to capacity development and capacity provision. Capacity constraints in Southern Sudan were well-documented prior to the CPA and should have been at the top of all priorities since the knock-on effect of poor capacity has compromised all other programmes.
- DFID country policy in post-conflict states needs to retain a clear focus on the DFID 'mission' of reducing poverty and making progress towards the MDGs. Even if the judgement is that a strong focus on supporting a peace process is the most effective way for DFID to contribute, the assumptions and linkages to these core objectives should be explicit, including reviewing whether there is an appropriate balance between peace related programmes and more direct avenues for bringing material benefit to the population.
- DFID should ensure that its country offices apply appropriate DFID guidance on the choice of aid instrument². This implies appraising different options for their impact on aid effectiveness, avoiding pre-conceived notions that pooled funding arrangements are to be preferred irrespective of their design and management. It also implies keeping an open mind on alternatives to relying on the management and procedures of the multilaterals, especially in fragile environments, where DFID flexibility and professionalism is rightly valued. The Sudan experience seems to indicate a somewhat uncritical preference for pooled funding mechanisms without sufficiently critical review of their design and underlying rationale.

² DFID, Guidance on Aid Instruments, A DFID Practice paper, full draft. <http://www.dfid.gov.uk/pubs/files/aid-instruments-guidance.pdf> accessed 13 April 2009

- A review of CHF in other countries should be undertaken, to see if they display the same problems as CHF Sudan. If yes, DFID should press for similar reforms through the UN to those proposed in Sudan.

Recommendations for DFID Sudan

- Consolidate the aid instruments through which DFID funds are disbursed, where possible phasing out support via those that do not meet the criteria of providing low management cost, predictable, timely, flexible, and longer-term funding, in larger and preferably programmatic packages.
- Work with the Humanitarian Coordinator, UNDP and other donors for reform of CHF Sudan to meet these objectives by introducing some multi-year programmatic grants for funding the predictable requirements of well-established agencies and NGOs – subject to progress reporting and to supported activities being included in the humanitarian Workplan. As the majority source of funds, DFID should provide multi-year commitments that would allow predictable annual needs to be financed in a more programmatic manner, even if other donors are unable to do so.
- Review the experience with SRF to date before pushing ahead with expansion. If the CHF moves in the direction proposed – recognising the need for protracted humanitarian assistance, including recovery elements - consider absorbing SRF within the CHF. The peace building and state building objectives of SRF can be accommodated within a wider remit of CHF. This would need to address issues such as the long-term evolution of the relative roles of OCHA and UNDP within an instrument that will shift over time towards providing an increasing share of support for recovery.
- As an effective aid instrument currently operating in Southern Sudan, reprieve BSF and if possible find ways to expand it. If the management implications for DFID are a concern, this might be possible to manage via the JDO, given that the contractor is experienced and the operating procedures well established.
- Initiate discussion with GOSS, JDO, MDTF-S, UNICEF and other partners on the development of a strategy, roadmap and coordination framework for capacity building in Southern Sudan, and promote a better resourced effort to both provide and build capacity at GOSS, state and local level.
- Review whether the staff allocation in DFID Sudan reflects priorities, given the balance of programme spending and the opportunities.
- Discuss with JDO partners how DFID needs for good quality staff in Southern Sudan can best be met, expanding DFID presence in the South without undermining the joint approach of the JDO.

1. Introduction and Methods

- 1.1 This is one of a series of Country Programme Evaluations (CPEs) that DFID has undertaken in 2008-9 with a focus on fragile and conflict-affected states. It will feed into a synthesis report aimed at drawing lessons on how DFID can be most effective in such environments. Our Terms of Reference (TOR) are reproduced as Annex 2.
- 1.2 The methodology of the CPE is set out in an inception report prepared by the team leader following a round of discussions in London and telephone interviews with DFID Sudan. In common with other CPEs, key features of the methodology are:-
- All CPEs use a matrix of questions derived from a common model, but adapted to the specific circumstances of the country. The Sudan matrix at Annex 3 takes account of suggestions by DFID Sudan and EvD. Each team member independently produced a version of the matrix in relation to the area of work for which they were responsible.
 - Review of DFID and external literature. We have referenced only those sources specifically referred to or used in the text (Annex 4).
 - Two field visits to Southern Sudan in February and March 2009.
 - An extensive programme of interviews conducted in Juba and London, in person and by telephone and video conference. These included past and present DFID Sudan staff, NGOs, UN, donors and Sudan government officials. For security reasons, the list at Annex 1 does not include names. The field trip to Khartoum that was envisaged in the inception report could not take place due to disruption following the indictment of President Bashir by the International Criminal Court (ICC). An extensive programme of video conference and telephone interviews was organised instead.
- 1.3 Although three of the team have significant previous experience of Sudan, the inability of the team to visit Khartoum for the current assignment was unfortunate, and needs to be borne in mind when reading this report. We have tried to avoid the most obvious dangers of a distorted perspective, by interviewing a wide range of those currently and previously involved with Sudan in DFID, NGOs, and other international agencies, by interviewing GOSS and Sudanese civil society contacts in Juba, and by reading a wide range of literature bearing on development assistance to Sudan. The main potential bias relates to the North, where the sources we have had to rely on have been heavily weighted towards the international development community, with few opportunities to interview Sudanese contacts inside or outside Government. This would have been difficult even had we visited, and the limited DFID engagement with the national Government for much of the period may make the absence of Government voices less critical than in other countries or in the South. Nevertheless, the lack of Sudanese sources for our findings on the programmes in the North is a limitation. Although we have tried to use multiple sources to cross-check and confirm our findings and the inferences we draw from them and the preliminary findings were discussed with DFID Sudan in a round-up meeting, we have been able to do little to offset the dangers of a shared bias coming from an expatriate-centred view.

2. Context³

History

- 2.1 Sudan is the size of Western Europe with a diverse population of 40 million. About 80% live in the arid and largely Arabic North, and 20% in the mainly tropical and African South⁴.
- 2.2 Sudan's post-colonial history since independence from joint Egyptian-British rule in 1956 has been characterised by the centralisation of political power and resources in Khartoum and neighbouring Northern regions to the detriment of the rest of the country, with marginalisation and conflict as a result. An Islamist Government under President Bashir has been in power since a 1989 coup, but the Government 'remains weak, with leaders preoccupied with factionalism and holding on to power.'⁵
- 2.3 There have been two major wars between North and South, the first between 1955-1972 and the second 1983-2005. The 1983-2005 conflict between groups in the North and the South resulted in an estimated two million deaths, but was finally ended by the January 2005 Comprehensive Peace Agreement. This gave the Sudan People's Liberation Movement (SPLM) autonomy as the Government of Southern Sudan (GOSS). The National Congress Party continued in power in the North under President Bashir, but brought the SPLM into a Government of National Unity alongside their former enemies.

Poverty and the MDGs

- 2.4 Sudan is a deeply unequal society. Sudan's economy has grown at 9% per annum since 2004⁶, mostly based on oil, and the country is approaching lower-middle income status. However, Sudan is characterised by a relatively wealthy Arab 'riverain' elite in the North, and deep poverty in the South and in the impoverished and marginalised farming and pastoralist communities in Darfur, Nuba Mountains and the Eastern states.
- 2.5 If the 10 states of Southern Sudan were seen as a country, it would be among the very poorest in the world – comparable with Sierra Leone on many indicators (Table 1). In June 2004, UNICEF described Southern Sudan as 'the worst place in the world for many key indicators of women's and children's wellbeing.' A girl born in the region is more likely to die in pregnancy or childbirth than to complete primary education. When the CPA was signed, the South lacked infrastructure and economic and social services, had no civil service or local Government institutions

³ This section draws heavily on the DFID Sudan Country Plan Framing Paper, July 2008.

⁴ Exact figures await the release of the 2008 census, results of which have been contested by GOSS.

⁵ DFID Sudan Country Plan Framing Paper, July 2008.

⁶ IMF (2008) "IMF Executive Board Concludes 2008 Article IV Consultation with Sudan, Public Information Notice".

in place, and very few people with any experience of how to begin to tackle the enormous problems it had inherited. Those in the South who had worked in regional or local Government were distrusted for their association with the opposing side in the civil war.

Table 1. MDG Status in Northern and Southern Sudan

	Northern Sudan		Southern Sudan		Sierra Leone
	2008 Estimate	2015 target	2008 Estimate	2015 Target	
Poverty incidence (% of population, MDG \$1 per day definition)	50%	45%	90%	45%	53%
Gross primary enrolment rate	62%	100%	20%	100%	43%
Under 5 mortality rate (per 000)	105	35	126	83	270
Maternal mortality rate	638	127	2054	425	2100
Births attended by skilled staff (%)	57%	95%	5%	90%	43%
HIV prevalence (%) ⁷	1.6%		2.3%		1.6%
Access to improved drinking water source (% of population) ⁸	59%	85%	48%	75%	53%
Access to improved sanitation (% of population) ⁹	40%	67%	6%	53%	11%

Sources: Sudan data from http://www.sd.undp.org/mdg_fact.htm; Sierra Leone from <http://mdgs.un.org/unsd/mdg/Data.aspx> Both accessed 10/4/2009.

The Peace Process

2.6 The CPA requires national elections in 2009, implying democratisation of the whole of Sudan, followed by a referendum in 2011 on the future status of Southern Sudan

⁷ Sudan data are for 15-49 year old population, Sierra Leone is 15-24.

⁸ Sudan figures are for access to an improved source, Sierra Leone figures are defined as using an improved source

⁹ Sudan figures are for access to an improved source, Sierra Leone figures are defined as using an improved source

(see Table 3 time-line). In order to support the peace process, a Joint Assessment Mission (JAM) was undertaken to assess recovery and development needs. This reported in March 2005 following a year long process ‘carried out jointly by the World Bank and the United Nations, with the full endorsement, guidance and participation of the Government of Sudan (GOS) and the Sudan People’s Liberation Movement (SPLM)¹⁰.’ It was followed by the April 2005 Oslo conference, at which \$4.5 billion was pledged to finance post war recovery.

- 2.7 Although the final status of Southern Sudan will be established by the referendum, the establishment of GOSS and effective autonomy in the South has created two distinct types of aid relationship. In Southern Sudan, donors are working closely with GOSS to overcome the enormous development challenges and build the institutions that will enable whatever form of Government eventually emerges in the South to assume responsibility for many functions that are currently performed by donors and NGOs or not at all. One key initiative has been the Joint Donor Office, established in Juba in May 2006, and having six OECD donors including the UK.¹¹ In the North, Government behaviour in Darfur has attracted strong criticism from the international community, including the UK, and has made a normal aid relationship impossible¹².
- 2.8 Sudan has continued to experience rebellions amongst marginalised groups, especially in Darfur, but also in the East and other very poor areas, with the national Government reacting with harsh reprisals, often through proxy militias. The conflict in Darfur that started in 2003 has displaced an estimated 2 million people and caused upwards of 200,000 deaths. It is rooted in a range of factors, including concerns that the West of the country was being marginalised and growing resource conflict between settled populations and herders. The central government has been accused of arming the herders and setting them loose on the settled population. The US describes the killing in Darfur as genocide.
- 2.9 A joint UN-African Union Mission in Darfur (UNAMID) peacekeeping force is aiming to stabilise the situation. Government has been accused of war crimes in relation to the conflict, culminating in the indictment of President Bashir by the International Criminal Court (ICC) in March 2009. Providing humanitarian support to the region is made difficult by conflict, lack of transport infrastructure, and obstruction by the Government, including the March 2009 expulsions of 13 International Non-Governmental Organisations (INGOs) in response to the ICC decision.
- 2.10 Environmental deterioration is a major problem in its own right, and a contributory cause of conflict. Population growth of 2.6% per annum is intensifying pressures on land and water resources, and contributing to further depletion of natural resources.

¹⁰ JAM Sudan. Joint Assessment Mission. Framework for sustained peace, development and poverty eradication. March 2005. Volume 1, Synthesis.

¹¹ The JDO comprises UK, Netherlands, Norway, Sweden, Denmark and (since May 2007) Canada.

¹² DFID Sudan framing paper, July 2008, ‘we do not currently have a conventional partnership’ with the federal Government.

The Economics of Peace

- 2.11 Under the CPA, the oil revenues are shared, and increased revenues have flowed South in line with the agreement¹³. They have yet to deliver much of a peace dividend. GOSS was faced with the need to satisfy the expectations of those that had fought in the war, while it also wished to retain effective defence forces to guard against the risk of the CPA breaking down. The result has been a huge civil service payroll, with large numbers of ex-fighters retained in defence forces, or brought into the police or the wildlife service. The civil service is four times larger than the size thought to be optimal¹⁴. Spending on defence is increasing as a share of the budget in both North and South. Both North and South face an acute fiscal crisis in 2009 as a result of the collapse in oil prices and revenues.
- 2.12 According to the DFID framing paper¹⁵: ‘The federal government performs poorly against DFID’s partnership principles, with low levels of pro-poor spending, a weak strategy for addressing inequalities and marginalisation and a poor record on human rights. Sudan has only ratified two out of the sixteen major UN Human Rights instruments and is accused of widespread human rights abuses.’ Military and security spending accounts for about a third of spending in both North and South (which compares with 20% of federal spending estimated by the World Bank to be pro-poor)¹⁶.
- 2.13 Although the CPA offers the hope of a durable settlement to the major North South conflict, it is fragile. Some of the most difficult issues have yet to be resolved, and there is little time left to resolve them before the referendum scheduled for 2011. How oil revenues and costs will be shared after 2011 has not been agreed. Oil is 95% of exports, 65% of national Government revenues, and accounts for almost all GOSS revenues. Oil revenues are expected to fall from \$11 billion in 2008 to just \$4 billion in 2009 due to the collapse in petroleum prices, and recovery will be slow given the global recession. Over three quarters of oil production is based in the South, a further 11% is in the disputed Abyei region. However, the North controls the sole refinery and pipeline route for export, and it would be expensive and time-consuming to build alternatives.
- 2.14 The sharing of other assets and liabilities also has to be agreed, including the debt burden. Debt is 60% of GDP, which is not especially high by international

¹³ DFID ‘Issues and Options’ July 2008; see also DFID Sudan, Economic issues in Sudan: Beyond 2011 (2009, no date or author)

¹⁴ DFID framing paper, quoting World Bank, Public Expenditure Review: Volume II – Background Papers (June 07). Workshops held with Government in 2005, with WB and USAID technical assistance, agreed a civil service size of 55,000 rather than 40,000 proposed in the PER, but this is still only one third of current numbers (USAID, http://africastories.usaid.gov/search_details.cfm?storyID=418&countryID=25§orID=0&yearID=6, accessed 10 April 2009).

¹⁵ DFID Sudan Country Plan Framing Paper, July 2008.

¹⁶ Quoted in DFID Sudan Country Plan Framing paper, from figures provided to 2008 aid consortium.

comparisons but much of it is in arrears and a negotiated agreement with creditors will be needed in order to open access to support from IMF, AfDB and WB. Other issues to be decided include water sharing under the Nile basin agreement, and arrangements for cross-border grazing rights. The bitter contestation over what are now known as the ‘Three Areas’ — Southern Kordofan, Blue Nile and Abyei — is associated with root causes that are similar to those in Southern Sudan, Darfur, and other underdeveloped regions. Major grievances include political disenfranchisement, lack of access to basic services, food insecurity and lack of investment in development. Location of borders and land rights are especially critical issues—for example seasonal access for herders to water and grazing lands in Abyei.

The Humanitarian Dimension

- 2.15 Conflict has had a significant economic and social cost for Sudan. There has been very substantial population displacement, with over 5 million people still displaced in 2007/8, including 2.7 million in Southern Sudan and 2.5 million from Darfur. Around half a million refugees from Sudan are abroad, while Sudan itself hosts 400,000 refugees from neighbouring countries.
- 2.16 Many of the programmatic constraints for DFID and its partners are due to political and environmental obstacles over negotiated humanitarian access, particularly in Darfur, and the intransigence of the government in Khartoum. The UN reports that the Sudanese government has restricted humanitarian agencies' access to affected populations on more than 50 occasions. Since early February 2009, the UN Development Fund for Women (UNIFEM), UN Mine Action Organization, International Organization for Migration, and the Office of the UN High Commissioner for Refugees (UNHCR) have encountered bureaucratic impediments to international staff travel, preventing international personnel from visiting South Darfur. As of 2nd April 2009, the UN also reported that the GNU Humanitarian Assistance Commission (HAC) had not approved 93% of pending technical agreements – the document required for NGOs to obtain work and travel permits¹⁷.
- 2.17 It was the perception of poor performance of the UN in Sudan that provided the initial impetus for the UN humanitarian reform process. Poor performance in Darfur was highlighted by the then UK Secretary of State for International Development who specifically referred to the need to strengthen the humanitarian system because “vulnerable people deserve much better of us than we have given them in Darfur”¹⁸.

17 Sudan: NGO Expulsions Fact Sheet #04 (FY 2009), <http://www.reliefweb.int/rw/rwb.nsf/db900SID/MUMA-7QR2EC?OpenDocument&RSS20=02-P>

18 Benn, H. (2004). Reform of the International Humanitarian System, ODI: Speech by Hilary Benn, UK Secretary of State for International Development: 15 December 2004. <http://www.dfid.gov.uk/news/files/Speeches/bennaidssystemreform.asp>

2.18 In the same speech Hilary Benn called for six elements of reform which he summarised two months later (Benn, 2005)¹⁹ as:

- the need for more, and more flexible, funding to be available right from the moment crisis strikes;
- better and stronger Humanitarian Coordinators, with the power and the funds to act;
- greater clarity about who does what in a crisis;
- the development of benchmarks to measure how we perform;
- addressing unequal allocation of resources between crises; and
- more investment in reducing the risk of future disasters.

2.19 The subsequent Humanitarian Response Review (a global exercise) brought the three pillars of the UN's Humanitarian Reform²⁰ :

- the cluster coordination approach;
- strengthened humanitarian coordinators; and
- pooled humanitarian funding.

2.20 What is key in the reform process is the interlinking of the pillars. Pooled humanitarian funding increases the role of both the clusters and of the humanitarian coordinator. Stronger coordination is needed to manage the clusters and ensure equitable distribution of funding. The clusters system is needed to ensure effective distribution of pooled funds and to reinforce the humanitarian coordinator.

Aid to Sudan

2.21 Net aid to Sudan was equivalent to 4.7% of gross national income in 2007. It has increased from humanitarian aid of \$377 million in 2003 to more than \$2 billion in 2006-7, though humanitarian aid still accounts for nearly 70% of the total. The US is by far the largest donor, accounting for one third of total aid, followed by the EC and then the UK, with the UK accounting for 10% of the total. The large US presence is entirely bilateral, focused in the South and Darfur, and mainly humanitarian²¹. The US has not taken a lead role in development coordination. It has had supreme influence in the South, much less so in the North where it does not wield influence proportionate to its size. The EC provides humanitarian support via

19 Benn, H. (2005). Keeping our Promises: 2005 and Beyond: Speech by Hilary Benn MP: UK Secretary of State for International Development. London: DFID. <http://www.dfid.gov.uk/news/files/speeches/un-benn-160205.pdf>

20 Loupforest, C. (2006, July), 'The Three Pillars of Humanitarian Reform. The UN Business Focal Point' http://www.enebuilder.net/focalpoint/e_article000614343.cfm?x=b11,0,w

21 Summary comments on individual donor programmes mainly based on DFID framing paper July 2008.

ECHO, helps finance the Multi Donor Trust Funds, and is also active in education and livelihoods and in the financing of recovery activities via a community based Recovery and Rehabilitation Programme²².

Table 2. Aid Disbursements to Sudan, \$mn, 2003-2007

	2003	2004	2005	2006	2007
USA	175	378	759	739	710
UK	32	90	196	209	206
Netherlands	21	98	155	96	203
Norway	33	57	99	108	120
Canada	5	13	7	75	64
Sweden	8	20	41	44	68
Japan	1	2	2	43	52
Germany	16	48	45	51	37
TOTAL DAC BILATERAL	325	799	1448	1492	1651
EC	38	6	213	299	255
UN agencies	14	27	36	31	35
TOTAL MULTILATERAL	52	41	269	365	308
Total DAC and multilateral ODA disbursements	377	840	1717	1856	1959
Other donors			112	196	145
TOTAL	377	840	1829	2052	2104

Source: OECD DAC CRS, <http://stats.oecd.org/WBOS/Index.aspx?DatasetCode=CRSNEW>, accessed 10 April 2009. DAC total for all bilateral donors, only top 8 (by volume) shown.

2.22 Alongside other donors, DFID stopped its long term development assistance programme to Sudan in 1991²³. It continued a humanitarian programme of approximately £7 million per year delivered via the international ‘Lifeline Sudan’ programme via Nairobi. In 2002 and 2003, in line with progress towards peace, the DFID programme was broadened. Support to the peace process included providing funding for the IGAD Secretariat; input into monitoring missions; and supporting the peace talks by financing experts on areas including demobilisation, demilitarisation and reintegration (DDR). DFID also supported local peace-building initiatives, DDR and support for human rights. As a peace agreement drew closer and the parties became more involved in planning for government after a peace agreement, DFID started some further preparatory work, including support for the Joint Assessment Missions (JAM), for the UNICEF administered Capacity Building Trust Fund for the SPLM, for road rehabilitation in the South via World Food Programme, for debt management, for police training and for the UN plan for the return of internally displaced people (IDPs). Following agreement to the CPA, DFID

²² DFID CP framing paper, and http://ec.europa.eu/delegations/delsdn/en/eu_and_sudan/10.htm accessed 10 April 2009

²³ DFID Sudan Country Engagement Plan, January 2005 is the main source for this paragraph

assistance increased still more dramatically from £25 million in 2003-4 to reach £133 million by 2007-8.

- 2.23 HMG has long recognised the importance of ‘joined up Government’ in Sudan, where DFID needs to work closely with FCO and MOD in supporting progress towards peace. An early manifestation of this was the establishment in 2002 of a Joint Sudan Unit, to promote close working between DFID and the FCO. The unit was composed of both DFID and FCO staff, and reported jointly to the Africa Directors of the two Departments.
- 2.24 It was decided in late 2004 that the expanded aid programme that would follow the CPA justified expanding the DFID presence from a small number of staff seconded into the Embassy to a full DFID office. The office was duly established in early 2006, with the head of the new DFID Sudan office initially reporting to the head of the Joint Sudan Unit. This arrangement changed in early 2007 with the appointment of a senior civil service grade head of DFID Sudan, who reported to the DFID Africa Director, and had greater delegated authority over the Sudan country programme. The Joint Sudan Unit remained in being as the Whitehall interface between DFID and FCO and their respective Ministers.
- 2.25 Within Southern Sudan, DFID saw an opportunity for working jointly with other donors in a way that would reflect the principles enshrined in the Paris declaration on aid effectiveness²⁴, and that would avoid imposing on a new GOSS the complications of dealing with large numbers of donor agencies. The Oslo conference had agreed the establishment of two World Bank managed Multi Donor Trust Funds, one for the South and another for the rest of the country²⁵. MDTF-South was expected to be the main source of funding for the recovery and development of Southern Sudan. Several of the major donors had decided that their recovery and development support to the South would be channelled mainly through MDTF-South, and saw the opportunity to further simplify aid relationships by also pooling their representation in the South. The Joint Donor Office for Southern Sudan was opened in 2006, on behalf of DFID, Netherlands, Norway, Denmark, Sweden, with Canada joining in 2007. The JDO was intended to²⁶:
- Promote policies in support of sustainable peace, poverty reduction and the attainment of Millennium Development goals in Southern Sudan;
 - Support the World Bank managed Multi-Donor Trust Fund (MDTF-S) and cooperate with the Government and other stakeholders in South-Sudan;
 - Manage programmes which cannot be implemented under the MDTF-S;
 - Encourage donor harmonisation in Sudan, as well as to act as a pilot for donor integration elsewhere.

²⁴ Paris Declaration on Aid Effectiveness, ownership, Harmonisation, Alignment, Results, and Mutual Accountability. High level Forum, Paris, February 28 – March 2, 2005.

²⁵ <http://www.norway-sudan.org/Norway+in+Sudan/giverlandskonferansen.htm>, accessed 11 April 2009.

²⁶ Jon Bennett, Jups Kluijskens, James Morton, Derek Poate, Mid-term evaluation of the Joint Donor team in Juba, Sudan, January 2009.

2.26 The main institutional pillars of DFID support to Sudan were thus established:- a DFID Sudan office in Khartoum with overall responsibility for the Sudan programme; DFID representation in Southern Sudan primarily via a Juba based joint office arrangement with other bilateral donors; HMG Sudan policy and the interface with Ministers handled via the Joint Sudan Unit.

Table 3. Timeline

Date	Event
2005	January – NCP and SPLM sign landmark Comprehensive Peace Agreement – includes a ceasefire and protocols on security, wealth sharing and power sharing.
2005	January, DFID Country Engagement Plan
2005	April – donors pledge \$4.5bn (£2.38bn) in recovery aid at first Sudan Consortium in Oslo
2005	30 July – SPLM leader John Garang is killed in a plane crash.
2005	September - Power-sharing Government of National Unity is formed in Khartoum.
2005	October - Government of Southern Sudan (GOSS) formed headed by Salva Kiir
2006	Drafts of new Country Engagement Plan prepared, never finalised
2006	Multi-donor trust funds established in North and South, administered by World Bank
2006	March, Joint Donor office in Juba opens
2006	April, DFID country office established, reporting to head of JSU
2006	Common Humanitarian Fund established
2006	May - Darfur Peace Agreement includes one major rebel group– but most rebels do not sign
2006	ICC indictments of Haroun (subsequently made humanitarian affairs minister)
2006	Eastern peace agreement signed, conflict ends as Eritrean funding ceases
2007	Early 2007, WB changed MDTF procedures with more devolution of procurement responsibility
2007	August, terrorist plot to attack US, UK
2007	August-September – severe floods in Nile basin and Khartoum
2008	1 January – joint UN/AU force UNAMID takes over Darfur peacekeeping from African Union.
2008	Terrorist killing of USAID staff member
2008	April - National census completed; GOSS contests it
2008	May/June, UN withdraws all dependents,
2008	July, President Bashir named by ICC
2008	July, DFID Country Plan ('issues and options') finalised and submitted to Secretary of State
2009	March, President Bashir indicted by ICC
2009	March, 13 INGOs expelled
2009	National elections to be held (CPA requires by July 2009)
2011	Referenda on independence for Southern Sudan and status of Abyei

3. Relevance

DFID Country Strategy

Criteria for Relevance

3.1 In assessing the relevance of the Sudan programme, we referred to the DFID Mission Statement, which is entirely concerned with poverty reduction and achieving the MDGs²⁷. Other objectives, such as supporting the peace process, are relevant in so far as they contribute to this broader DFID ‘mission’ of achieving improvements in the material wellbeing of the population. This suggests a hierarchy of evaluation questions:-

- Was the programme informed by a sound evidence-based assessment of the situation at the start of the evaluation period, and of the critical constraints on achieving sustained improvements in the welfare of the poorest and most vulnerable groups within the population?
- Was the programme based on a sound assessment of how DFID can best contribute to relieving those constraints?
- How did the programme plan to deal with risk and uncertainty, and how did it react in practice to changes in the environment and new knowledge?

DFID Policy Documents on Sudan

3.2 Prior to 2005, DFID did not have an overall strategy for Sudan. There was a humanitarian strategy that was periodically updated, and a separate forward humanitarian strategy for Darfur, originally developed in July 2004 and reviewed each quarter²⁸. From 2005 onwards, the two humanitarian strategies were integrated, and brought within an overall Country Engagement Plan for Sudan²⁹. This reflected recognition by DFID that ‘Darfur needs, though acute, are receiving significantly more attention than those in other parts of the country’³⁰. Ministerial and official UK lobbying had helped the UN to mobilise 80% of the appealed amount for Darfur in 2004, significantly higher than the average of 60% received

²⁷ <http://www.dfid.gov.uk/aboutdfid/missionstatement.asp>, accessed 11 April 2009.

²⁸ Sudan and Eastern Chad: humanitarian strategy 2005, <http://www.dfid.gov.uk/pubs/files/sudan-echad-hum-strat05.pdf> accessed 11 April 2009.

²⁹ DFID, Sudan Country Engagement Plan, January 2005. <http://www.dfid.gov.uk/pubs/files/sudan-country-engagement-plan0105.pdf> accessed April 11th 2009.

³⁰ Sudan and Eastern Chad: humanitarian strategy 2005. The point is echoed in the January 2005 CEP: ‘There is a risk that so much attention on one part of the country means problems elsewhere are not addressed?’.

from other consolidated appeals³¹, but the humanitarian strategy says that this was achieved by diverting resources away from the rest of the country.

- 3.3 The Joint Sudan Unit (JSU) was a DFID-FCO joint venture established by the Secretary of State in 2002. A London-based unit, it was initially set up as the focus of the UK's political dialogue within the CPA and the unfolding events in Darfur. We comment further on the Unit in 3.10 and 3.49 below.

The Country Engagement Plan

- 3.4 The January 2005 Country Engagement Plan (CEP) was produced on the eve of the signing of the CPA, and set out DFID strategy for the short and medium term, though there is no explicit time-frame.
- 3.5 The CEP emphasis was on supporting future needs for Sudan as set out in the Joint Assessment Mission report which was at the time of drafting expected to be the key guide for Government and external agencies over the six and a half years leading up to the 2011 referendum. The CEP stated that UK commitment to a substantial humanitarian response and to Darfur would continue, but humanitarian spending would be phased down in favour of development spending, depending on progress with peace and security. In the wealthier North, the CEP envisaged a focus on poor communities in marginalised areas, linking service delivery to peace-building. In the South, it recognised the need to build sustainable services at State level, working with GOSS and state and local authorities as well as NGOs. Given the lack of institutional and financial capacity, the envisaged transition was from humanitarian support to 'community-led and – maintained services.'
- 3.6 The CEP goal was entirely consistent with the DFID Mission of poverty reduction. It was stated as: 'to support Sudan to reach a just and lasting peace and so lay the foundation for poverty reduction and progress towards the MDGs.' This was to be achieved via programmes aimed at four objectives:-

Humanitarian recovery and reintegration, to help the poorest people and communities.

Assistance to implement the peace agreement. Possible areas included helping with the running costs of peacekeepers, support for demobilisation, demilitarisation and reintegration (DDR) and possibly eventually security sector reform, demining, and work on advocacy via the media and civil society.

Improved governance – including support to the justice and security reform sectors as well as strengthening public administration.

Poverty reduction – envisaged to be undertaken in the context of putting in place a Poverty Eradication Strategy (meeting the role of a poverty reduction strategy paper). The GOS and the SPLM had started work on a joint strategy in 2004. Under this objective, DFID would take the lead in chairing a debt group which would

³¹ Sudan and Eastern Chad: humanitarian strategy 2005, paragraph 28.

prepare the ground for comprehensive debt relief linked to poverty reduction, and the resumption of World Bank and IMF lending (which the CEP envisaged would take 'a year or two'). Strong emphasis is also given to putting in place budget and public expenditure systems in both North and South in order to support progress towards pro-poor budgets.

- 3.7 The CEP stated that there would be a big premium on working jointly or in a complementary way with other donors. There would be a 'coherent and coordinated programme of support for a multilateral (World Bank and UN) national framework³².' However, it does not contain a commitment to disburse the bulk of funding via pooled mechanisms. It envisaged instead that DFID would work within the joint framework but would make full use of UK comparative advantages, identified as 'speed of response, flexibility, and preparedness to work in difficult policy areas.' The commitment to establish a DFID country office is seen as central to realising these advantages. The CEP envisaged that donors would agree which of them would take the lead in specific areas, with the CEP tentatively suggesting that possible lead sectors for DFID would be drawn from the security sector and justice, demobilisation disarmament and reintegration, debt relief, the poverty reduction strategy, and possibly some areas related to basic services.
- 3.8 For humanitarian aid, the CEP states that the UN Workplan provides the coordinating framework, but the envisaged approach for reducing transaction costs is 'to work by preference through fewer, larger grants to agencies working on the ground', and using where possible a programmatic approach, 'providing funding to key partners up-front against a jointly agreed set of objectives³³'. For the development agenda, the emphasis seems to be on coordination around a common framework with the long-term aim in the South being to provide direct budget support once capacity has been built.
- 3.9 The CEP pre-dates the Oslo conference and the establishment of the two major pooled funding mechanisms - the multi-donor trust funds administered by the World Bank and intended to finance development spending, and the common humanitarian fund controlled by the UN High Commissioner for Humanitarian Affairs and administered by the UNDP. Neither fund is mentioned by name in the CEP, yet DFID quickly committed to disbursing the bulk of assistance via these pooled mechanisms. They accounted for more than one third of DFID disbursement in 2005-6, rising to nearly 60% in the following year. Although the CEP includes a commitment to establishing a DFID office in Khartoum in 2006, the JDO in Juba had yet to be agreed, and is not mentioned in the CEP. The January 2005 CEP thus became quickly out of date. It had nothing to say about DFID policy towards the key institutions through which DFID funds would be spent, nor on a crucial and novel aspect of the management arrangements.
- 3.10 The DFID Sudan country office that was established in April 2006 clearly needed a more relevant strategy to work to, and the head of DFID Sudan started work on a revised CEP. This was also motivated by continuing concern that the media and

³² DFID Sudan, draft Country Engagement Plan, January 2005.

³³ Ibid.

political obsession with Darfur was still leading HMG to lose sight of the bigger picture. The Joint Sudan Unit in London, on the other hand, felt there was no Ministerial demand for a statement of strategy, particularly one that sought to modify the approach to a country in which the then Secretary of State had been very heavily involved. It proved difficult to get agreement in London to the draft, which was never put to Ministers. With a new Senior Civil Service head taking over the DFID Sudan office in early 2007, the decision was taken to defer work on a new country plan until she had arrived.

The DFID Country Plan: Issues and Choices

3.11 The new head of the DFID Sudan office appointed in 2007 started work on a new DFID Country Plan³⁴. This paper was approved at official level and was submitted to the Secretary of State, but the process of drafting and getting agreement was time consuming. The paper was only finalised in July 2008. Comments have been received from the Secretary of State, and the document is used as the roadmap for country policy, but the business plan has yet to be produced, and there is still no final and authoritative ‘country plan.’ For more than three years, DFID therefore operated in Sudan with no approved country plan. It is important to nuance this statement:- the CEP did provide guidance on overall objectives even if not on instruments, and the strategy underlying the Country Plan existed in draft and informed DFID Sudan policy long before the plan was finalised. Nevertheless, the lack of a formal strategy for addressing some of the major issues faced in 2005-2007 may have contributed to some of the problems that were encountered.

3.12 The goal of the DFID Sudan ‘issues and choices’ paper is ‘poverty reduction through a sustainable peace’, and the purpose is ‘to create the enabling environment for transition from relief to recovery to longer term equitable development³⁵.’ It describes itself as embedded within the overall HMG country strategy³⁶, which was developed through a joint FCO/MOD/DFID process in which DFID was heavily engaged, including organising a July 2007 joint workshop. The DFID paper characterises four changes in emphasis in the HMG strategy:

- From a focus on Darfur towards giving due emphasis to the CPA as the best means of making progress towards peace, including in Darfur;
- From a humanitarian focus towards recovery and development;
- From a short-term security and peacekeeping focus towards longer term focus on the transition to the 2011 referendum and beyond;
- From reliance on pressure/hostility, towards increased engagement with the Government.

³⁴ DFID had replaced Country Engagement Plans with Country Plans and associated business plans as the key tools for planning and managing the country programme.

³⁵ DFID Sudan Country Plan, Issues and Choices, July 2008.

³⁶ UK/Sudan: A Five year Strategy. {Undated}.

- 3.13 The new country plan has a much stronger emphasis on supporting the peace process as the key to achieving poverty reduction. It reflects an increasing focus on conflict from 2007, moving beyond the civilian-military monitoring missions in 2005, to support DDR and the rule of law. The UK as a whole has fielded two conflict advisers (one from DFID and one from the Stabilisation Unit), and DFID has an additional governance adviser. There have also been increasingly high bids presented to the Conflict Prevention Pools (CPP), increased cooperation with Embassy personnel (Defence Attaché, and subsequently the FCO Conflict Adviser), and above all a strategy of closer engagement with all parties and authorities in Sudan. This shift has been accompanied by recognition of the shortcomings of pooled and multilateral funding for issues relating to conflict, which requires timely, well targeted and managed interventions.
- 3.14 The country plan contains an analysis of future options for the DFID programme in Sudan. Options are analysed entirely in terms of their potential impact on the peace processes, the criteria being: engagement with the key players, the GNU and the GOSS; impact over the period leading up to the referendum; tackling underlying drivers of conflict; and building on DFID comparative advantage. Although the goal is 'poverty reduction through a sustainable peace', the likely impact on poverty or on the MDGs is entirely absent from the selection criteria. The analysis of alternative areas of focus in terms of these criteria is somewhat subjective, but the authors of the plan judge that it confirms the focus on the five themes of the existing programme. Compared to the CEP, it is striking that poverty has entirely disappeared from the themes, and is barely mentioned in the draft. This mirrors a similar loss of focus in overall development policy within Sudan since the JAM, with the joint poverty eradication strategy never having been finalised.
- 3.15 The plan contains a useful table showing how resources are expected to be allocated. Only £17.5 million is shown as already committed to expenditures carried over from 2007-8 – an indication of the very short commitments that are a feature of the Sudan programme – and a further £18.6 million is unallocated. Excluding these sums, but including the £22.5 million expected to be available from the Conflict Prevention Pool, and the additional £5.3 million per annum for humanitarian operations for Sudanese refugees in Chad that is included within the Sudan programme figures, gives a figure of £332.3 million for the 2008-9 to 2010-11 period, which the plan notionally allocates as follows:-
- Security, justice and reconciliation: £85.6 million (25.8%) composed of £63 million from the bilateral programme plus £22.6 million from CPP
 - Power-sharing and democratisation: £21.6 million (6.5%)
 - Building sustainable service delivery: £75.3 million (22.7%)
 - Oil, debt and wealth sharing: £2.4 million (0.7%)
 - Natural resources management: £25.5 million (7.7%)
 - Humanitarian assistance: £121.9 million (36.7%) composed of £106 million inside Sudan plus £15.9 million in Chad.

- 3.16 The country plan argues that DFID should focus on **security and justice and on support to the peace processes**, based on DFID's comparative advantages. These are acknowledged to be difficult and high risk areas in which to work, but it is argued that such work is vital to the sustainability of development work and poverty reduction, and that DFID is able to support them in ways that other donors are unwilling or unable to do, at least not alone. DFID also has the ability to access funding for activities which are non-ODA related, and to create a joined up approach with defence and diplomatic wings.
- 3.17 The DFID approach is informed by identification of the underlying conflict drivers through a cascade of conflict assessments, such as the Sudan Development Fund Study on the Three Areas³⁷, and the Sudan Country Governance Analysis. The drivers or key issue areas have subsequently been addressed through a multi-pronged approach combining DDR, rule of law, support to the Darfur mediation, community conflict resolution, and small arms.
- 3.18 The sharper analysis and more engaged response has been bolstered by subsequent finer assessments and monitoring provided by conflict advisers and the governance advisers (2 in DFID) who have worked until now on conflict issues. Contracts have been drawn up with NGOs, contractors, and UNDP, while close cooperation has been achieved with the EC, Netherlands, Canada and Norway missions for funding synergies on specific initiatives.
- 3.19 The focus on supporting a secure environment is in line with the objective of the DFID Country Plan on security, justice and reconciliation, and with DFID's Departmental Strategic Objective 3 ('respond effectively to conflict and humanitarian crises and support peace in order to reduce poverty'). It responds to the overarching objective of the HMG Strategy on Sudan to support the implementation of the CPA and the AU-UN led Darfur Peace Process. It also contributes to the CPP strategic objectives to support conflict prevention, management, peace building, post-conflict reconstruction, political dialogue, peace processes, and grassroots peace building initiatives in sub-Saharan Africa.
- 3.20 **Sustainable service delivery** is in future to be pursued entirely via pooled funding mechanisms - the World Bank administered Multi Donor Trust Funds (MDTF) and the UNDP administered SRF. The one bilateral vehicle for funding service delivery, the BSF, was conceived as a transitional measure to deliver some quick support in the period before MDTF and the SRF were fully operational. It will be phased out in 2010. Investment in infrastructure, a very high priority in the South, is similarly left to the pooled funds and the Government. It receives little discussion, and is shown as not receiving any DFID funds – though in practice a large share of the MDTF to which DFID provides unearmarked funds is rightly used for supporting infrastructure investment. There is little emphasis on expenditures directly aimed at achieving material improvements in people's welfare.
- 3.21 Decentralisation is another focus of the CEP and a priority identified in the HMG strategy that is not strongly picked up by the July 2008 country plan. The HMG

³⁷ Vaux, T., Pantulianos. and Srinivasan, S. (2008).

strategy places considerable emphasis on issues of decentralisation, including fiscal decentralisation under the Financial and Fiscal Monitoring and Allocation Commission. The DFID CP mentions the issue only twice, once as an area the World Bank should focus on, and once in the context of Southern Sudan. Although it may be an area where bilateral involvement by the UK would not be welcome, it clearly is a central issue that will require substantial technical assistance and might merit fuller discussion. Many of our interviewees agreed that community based approaches and working to build capacity at State and local level are the key to improving service delivery and have been underemphasised in the South, although there are some successful pilots of community based schemes in the North. Former DFID advisers argued that technical assistance with decentralised public expenditure management allied to financial and technical support to State and local Government might have been a stronger focus for the national MDTF.

3.22 **Oil debt and wealth sharing** is more a focus for technical assistance and development diplomacy than for significant development spending. There is a need for technical support to help the parties to the CPA reach agreement on how assets and liabilities should be shared. DFID have developed some innovative ideas on how agreement might be facilitated.

3.23 **Natural resources management** mainly supports UNEP work on environmental sustainability with respect to water resources and development assistance.

3.24 **Humanitarian aid** takes 37% of total aid over the period to 2011, but the share declines from 42% in 2008-9 to 30% in 2010-11. The humanitarian objectives were restated in the plan:

- Transition from humanitarian to recovery, shifting funding into recovery instruments in line with changing needs;
- More effective and accountable humanitarian financing and better leadership at cluster/sector level;
- Improved planning, coordination and needs assessment and greater harmonisation among humanitarian donors³⁸.

3.25 The objective of ‘shifting funding into recovery instruments’ could be questioned in a situation of ‘protracted emergency’ like Sudan, where rigid distinctions between humanitarian and early recovery work can be unhelpful. There is significant potential for achieving the critical CPA ‘peace dividend’ within disbursements through humanitarian agencies, particularly in areas of return for IDPs and refugees. The 2005 CEP correctly recognised that a substantial part of the burden of providing basic services (food, water, shelter, health, education), particularly in the South, would fall to the humanitarian agencies. UN and NGO providers rarely distinguish between this and life-saving activity. We return to this issue in our discussion of the effectiveness of different aid instruments in Chapter 4.

³⁸ Ibid.

- 3.26 Turning to the instruments by which DFID support is delivered, humanitarian support would continue to be provided mainly via the Common Humanitarian Fund administered by the UN, but established with DFID urging and with DFID the largest donor, providing over half of the funding³⁹. The use of the Common Humanitarian Fund was part of a DFID policy of improving the coordination of humanitarian aid that went beyond Sudan (there were pilots in both Democratic Republic of Congo and Sudan), and the DFID Sudan office saw little scope for changing the modality and limited scope (for reasons of need as well as policy), for reducing the humanitarian share more quickly in order to release funding for other programme priorities.
- 3.27 Support for the development effort would continue to be supported via the pooled funding mechanisms, particularly the MDTFs. For the funds not committed to humanitarian aid or the MDTF, the thinking was that the UK would have the best impact on poverty reduction by supporting peace security and justice, areas where the UK was believed to have greater expertise and experience, and where other donor agencies were unwilling to work. The assumption was that more mainstream development work could be left to the pooled funds and to other development agencies.
- 3.28 Of the five priority areas, support for service delivery will be entirely via pooled funds after 2010: power sharing and democratisation will finance support for the election via UNDP; natural resources and climate change will be implemented via UN Environment Programme (UNEP) and the pooled funds, as will most of the support to justice and reconciliation. The main bilateral programmes will be in the security sector and community reconciliation, plus some support to the justice sector, a small project financing capacity building in GOSS, and the modest but potentially important bilateral technical assistance on oil, debt and wealth sharing – aiming to help de-link the distribution of oil revenues from the physical location of the border as a way to unlock one of the most intractable issues in implementing the CPA.
- 3.29 Some of the large bilateral programmes, such as support to the National DDR Commissions, are tied to multilateral mechanisms. Although support to the national DDR Commissions is provided bilaterally, it is in support of a common strategy and programme coordinated by the National DDR Commissions and subsequent bodies and uses common processes agreed in the peace agreements on behalf of all donors supporting the programme.
- 3.30 The share of the DFID country programme that is implemented via the World Bank or UN agencies is over 70%. The plan states that the pooled funds alone account for 64% of the programme, and envisage that the share spent via pooled funding mechanisms will increase further. The weakness of existing multilateral channels is acknowledged, but the argument is that DFID has been and will continue to be involved in helping to improve them ('multilateralism with edge'). Nevertheless, the plan asserts rather than arguing the case that the further proliferation of pooled

³⁹ In 2008, DFID committed and paid \$79.5mn from \$152.2mn of new pledges, 52% of the total. See http://Workplan.unsudanig.org/chf/2008/docs/misc/CHF2008_Donor_Contributions.pdf

funding mechanisms that DFID is supporting will improve ‘efficiency, donor coordination and operational flexibility.’

- 3.31 Geographically, about half of DFID spending is in the Southern Sudan, with further expansion proposed. As one of six donors, DFID participates in the Joint Donor Office, opened in 2006 in Juba. DFID plans to move 2-3 additional DFID staff to Juba, keeping open the possibility of establishing a larger bilateral presence to manage existing programmes and encourage closer engagement with GOSS. Currently, DFID has only one staff in the JDO as an associate member of its team; this person reports to DFID. If new staff are assigned to Juba, their relationship to the JDO is yet to be decided.
- 3.32 Darfur is the main focus of humanitarian aid, and is also a focus for support to build an inclusive and sustainable political settlement and for ‘the transition to early recovery where security allows’. DFID has paid for five people (not core staff) to be placed in the Darfur-Darfur Dialogue and Consultation to work from El-Fasher. The three Protocol Areas (Abyei, Nuba Mountains and Southern Blue Nile State) while not foreseen in the 2008 planning, have been supported through DFID projects after a strategic review, recognising their central importance as obstacles to CPA implementation.
- 3.33 Although parts of the North and East are undoubtedly poor and the peace in the East is said to be fragile, DFID will have only a small programme because the pooled funds are present, and the East is less critical than other areas to the success of the CPA.

Cross-Cutting issues

- 3.34 Gender equality is a high corporate priority for DFID. There is a Gender Equality Action Plan for 2007-2009, championed at senior level by the Director General for Policy and International⁴⁰. Despite this high level of corporate commitment, the good analysis of gender and social exclusion issues that is provided in the JAM report and in the CEP is not reflected in subsequent DFID policy statements, nor in the bilateral and multilateral programmes that it is supporting.
- 3.35 The JAM stated that attention to gender issues has been integrated throughout the proposed programmes. On the institutional side, the JAM includes, for example, capacity building for women’s community groups, and support for increasing women’s participation in decision making. Reforms to ensure that internationally-acknowledged principles of gender equity are respected – both in principle and in practice – are important components of rule of law programming. Investments in women’s health and education through programmes such as scholarships for girls and support for safe motherhood initiatives are integral components of the basic social services strategy. The Infrastructure Action Plan includes studies to assess the best ways to integrate gender sensitivity and employment concerns, while women

⁴⁰ DFID Gender Equality Action Plan 2007-2009, Making faster progress to Gender Equality, February 2007. <http://www.dfid.gov.uk/pubs/files/gender-equality-plan-2007.pdf> accessed 11 April 2009.

constitute a majority of targeted beneficiary groups in the livelihoods programme. Collection of quantitative and qualitative information that can be disaggregated by sex will be key to monitoring and evaluating activities across all sectors, and is included as part of the overall information strategy.

- 3.36 The January 2005 CEP also highlights the problems of inequality and social exclusion, and inadequate responses to them in Government policies in both North and South. It draws attention to lack of operational detail in the September 2004 draft poverty eradication strategy that was the outcome of discussions between GOS and the SPLM. It mentions issues of social exclusion of women and children in the context of access to justice, and gender only in the context of civil society capacity building, and ensuring gender balance in training programmes for GOSS.
- 3.37 The early joint work by SPLM and GOS on a joint poverty eradication strategy was not completed, and both Governments lack a credible approach to addressing poverty, reflected in low spending on poverty-related programmes. The July 2008 DFID country plan does not address this lack of emphasis in GNU and GOSS policies, but rather reflects it. There are remarkably few references in the document to poverty, inequality, gender, and only one passing reference to the MDGs. This does not necessarily mean that these themes are not regarded as important, but the main priority is seen as supporting the peace process, as the key to making progress on the conventional development agenda. It is nevertheless arguable that the key DFID policy document might have been expected to say a little more about how issues of inequality and social exclusion would be addressed through the aid programme, and a little more about issues of social protection and the consequences of past abuse in a country where rape has been a major weapon in the conflict. Both in the humanitarian programmes, and in the line taken with regard to the MDTF, and in the bilateral activities, the 'issues and choices' paper is largely silent on what if anything DFID will seek to do to ensure that cross-cutting issues are addressed.
- 3.38 Lack of attention to gender and social exclusion in the policy document appears to carry through into the design and monitoring of individual programmes. These issues all appear in the project documents as appraisal paragraphs but it appears that they were not systematically treated. For example, the 2008 BSF reviews, MDTF reviews by PWC, and KPMG reports on the performance of the CBTF, do not report on gender equality or other aspects of social exclusion. The humanitarian Workplan is something of an exception, appointing specific responsibility to agencies to work with those proposing projects for inclusion to ensure that cross-cutting issues are adequately addressed⁴¹. It is unclear whether this has been effective in improving practice in implementation.
- 3.39 On environmental issues, DFID has taken a lead and has committed significant funding. DFID financed the establishment of a UNEP office in 2007, and is financing UNEP to work with development agencies to mainstream environmental concerns in their work, as well as supporting more sustainable water and sanitation in Darfur. Within the CHF, the 2007 evaluation notes the inaugural special

⁴¹ Humanitarian Workplan, 2008 Guidance note, July 2007.

allocation to the environment made within the first round of CHF allocations. One-third of all CHF projects were approved by UNEP as contributing to environmental objectives, with compliance and impact aspects integrated into the M&E systems under the Workplan. DFID has championed a special allocation in 2009 to be made from the CHF to support rapid environmental assessments of IDP camps and promote projects using environmentally sustainable technologies such as fuel efficient stoves and timberless construction.

- 3.40 DFID's 2008 'Issues and Options' paper displays a surprisingly Khartoum-centric view of civil society which depicts the sector as GNU-controlled and very weak. Consequently, the argument runs, DFID has little influence on civil society and the sector will have little impact on DFID objectives. This may be so in the North, but is inaccurate with respect to the South. Here, the indigenous NGO and CBO sector is certainly very weak, but its development is not inhibited by GOSS. Rather, there will need to be an extended period of shadow partnership from international NGOs combined with community-level capacity development before civil society is adequately represented in the broader polity. Already DFID directly supports Secretariat costs of the NGO Forum in Southern Sudan⁴², a loose membership of international and national NGOs. Within this is a 'branch' specifically for national NGOs claiming a membership of some 50 NGOs. The definition of NGO is very imprecise, but GOSS has encouraged the development of the sector through registering organisations under the Ministry of Legal Affairs and drafting the NGO Bill, yet to be ratified by Parliament⁴³.

Treatment of Risk and Uncertainty

- 3.41 The January 2005 CEP contains a risk annex with a comprehensive list of risks to the strategy, and of measures to mitigate them. In addition to a full treatment of risks to the peace process, it also includes risks related to poverty reduction policies, Government capacity to implement them, public expenditure management, humanitarian disaster, inadequate donor funding and weak donor coordination of that funding. Many of the proposed mitigation measures have featured strongly in DFID policy:- engagement with parties to the conflict and capacity building of institutions of conflict management, support for DDR and military re-organisation, local reconciliation measures, support to institutions of justice and to policing, and support to strengthen the peace dividend through improved donor coordination and help to build Government capacity and improve public expenditure management.
- 3.42 The CEP risk annex is not supported by any discussion in the text, and the brief descriptions of mitigation measures could be thought to be somewhat cursory, but the comprehensiveness of the risks discussed does contrast with the treatment in the July 2008 Country Plan, which is deeper but covers a narrower list of risks, limited to risks to the peace process.

⁴² This is a two-year project, beginning April 2008, with funds administered by the Catholic Relief Services. The NGO Forum consists of a Coordinator, Assistant Coordinator and a Security Officer (suggested by DFID).

⁴³ The NGO Association Bill responds to the freedom of association guaranteed by the Interim Constitution for Southern Sudan. It was drafted by the Southern Sudan Relief and Rehabilitation Commission (SSRRC) in 2005.

- 3.43 The July 2008 country plan assesses the implications for the Sudan programme of risks related to progress on peace and security, with scenarios based on future prospects for the CPA, and the outcome of the referendum and how the different parties react to it.
- 3.44 DFID posits the first ‘super risk’ as the ICC’s decision to indict the President and high level figures in the National Congress Party (NCP) for war crimes in Darfur. This is precisely what has happened. If not quickly resolved, the subsequent expulsion of NGOs (and one US commercial contractor) in reaction to the ICC decision will have major implications for not only the ability to meet humanitarian need, but also for the availability of experienced partner agencies for much of the recovery work. The collapse of the CPA (DFID’s second ‘super risk’) is the greatest threat to peace, but so too are the many ‘flashpoint’ geographic and ethnic tensions around this. The resumption of conflict in Abyei, for instance, has a high probability; so too does inter-ethnic conflict in other areas of the Southern Sudan where the slow unrolling of CPA promises threatens to unravel the precarious peace ‘contract’ between the SPLM and minority tribes.
- 3.45 Even in ostensibly ‘stable’ areas such as Western Equatoria there have been setbacks. In 2005 donors were confident that this would be a prime recovery area; yet Lord’s Resistance Army (LRA⁴⁴) incursions in 2006-07 soon put agencies back on an emergency footing, precisely when UN-OCHA was reducing its staff due to declining funds. There has been since the beginning of 2009 a series of clashes of increasing intensity in various areas of the south. These risks are well recognised in the high priority that DFID gives to supporting peace processes through the bilateral programme and the conflict pool. There is explicit discussion of what action DFID will take in the event that the specified risks materialise.
- 3.46 DFID has also established a rolling process of conflict risk assessment, using the Sudan Development Fund⁴⁵ for a strategic conflict assessment in the Three Areas, launching a UNDP programme on Threat and Risk Mapping Analysis, or commissioning NGO conflict impact assessments. The deployment of conflict advisers to focus on the critical areas is also an asset, although a large amount of their time is absorbed in dealing with implementation detail.
- 3.47 More conventional development risks are not formally discussed in the country plan, yet have had profound consequences for the success of the programme in the past. A critical risk is that the pooled funding mechanisms through which DFID is disbursing the bulk of its aid may continue to perform poorly, and that DFID efforts to improve their performance may not succeed. There is no discussion of alternatives.
- 3.48 The risk that the new policy of engagement may be undermined by domestic politics is not explicitly discussed, for obvious reasons, but experience suggests that this is a real threat. The technical assistance work on debt for example was abandoned

⁴⁴ The LRA are a Ugandan rebel group of notorious brutality, operating in Northern Uganda and sometimes from bases in Southern Sudan. They are responsible for the long and bloody conflict in the North of Uganda.

⁴⁵ See Annex 5 for a description of SDF

because of perceived political sensitivity, even though it was a vital input into the CPA implementation, and involved HMG going back on a promise to lead it (see chapter 4). There are lessons for the increased commitment to engagement in even more sensitive areas such as policing and the reform of the armed forces. The policy will need to be supported by a political willingness to react to criticism by explaining the rationale, and to resist calls to abandon promising initiatives at the first breath of controversy.

- 3.49 DFID Sudan and the UK's Joint Sudan Unit (JSU) will need to continue giving serious attention to managing risks at the London end. Some in DFID have argued that the JSU may be unhelpful in this respect. It is in the nature of a joint unit to reflect a balance of the views of the two departments, and it is inevitable that the FCO and DFID will not give equal weight to issues of longer term development. An alternative approach would be to have dedicated DFID staff managing Whitehall relationships, as is done for the Zimbabwe and Afghanistan programme. Coordination of views between the two departments can then take place with confidence that DFID views are properly represented in Whitehall, without the danger of too early a recourse to bland compromises.

Summary Chapter 3

- January 2005 CEP had a relevant strategy for achieving poverty reduction through transition from humanitarian to recovery and development assistance, support for the peace process, and for governance and service delivery.
- But CEP was produced before the Oslo conference, did not anticipate that most aid would be delivered via pooled funding or overseen by the innovative JDO. These developments were in line with the stress on aid effectiveness – but the way the programme developed from 2005 was very different in detail, and the lack of clarity on their implications was to lead to problems later (see Chapter 4).
- A successor country plan was only finalised in July 2008. It focuses on supporting the CPA with Darfur less dominant in UK policy, on transition from humanitarian to recovery, and on supporting service delivery via pooled funding arrangements – while seeking to improve their effectiveness.
- The country plan develops clear approaches to supporting the CPA and a clear strategy for addressing risks related to the peace process but the country plan is very weak on analysis of poverty, gender equality, and social exclusion, and considers no analysis of risks other than those to the peace process.
- The strategy seems unbalanced:- the focus on the CPA is good, but there is no analysis of the options in terms of their likely contribution to sustained poverty reduction and progress towards the MDGs.

4. Efficiency and Effectiveness

UK Development Assistance to Sudan

- 4.1 Table 2 presents data on DFID expenditure over the last five years. As envisaged in the CEP, the share of humanitarian aid has gradually declined, although the extent of the decline depends on how expenditures are classified, which varies between sources. On a narrow definition, which allocates peace and conflict spending and some social sector spending to the specific sector, the humanitarian spend has fallen from an average of over 80% in 2003-4 to 2004-5 to 63% of DFID aid in 2007-8⁴⁶.
- 4.2 In light of the anticipated shift from a humanitarian to a recovery response in Southern Sudan following the CPA, there was an overall reduction in the Sudan Aid Framework from FY 05/06 to FY 06/07, concentrated on humanitarian aid. The ambition to build national ownership and move from humanitarian response to more sustainable systems and approaches was laudable, but (with the benefit of hindsight) many evaluation respondents question whether the pace was too fast. In the South, the progress of returnees was slower than anticipated and facilities in key areas of return were below bare minimum requirements, resulting in a substantial shift of populations towards urban centres and an increasing strain on infrastructure. The over-optimistic appraisal of the post-conflict recovery potential was not unique to DFID but was widely shared at the time, reflecting the prognosis presented by the JAM, and unrealistic World Bank promises of rapid disbursements through the MDTF.
- 4.3 Comparing the recent trends in the distribution of DFID aid in Table 4 to the priority areas of the new Country Plan, as summarised in paragraph 3.12, suggests that a substantial re-allocation of spending is envisaged. Although the share of humanitarian aid is expected to be cut from over 60% in 2007-8 to less than 30% by 2010-11, this will depend on an ongoing assessment of humanitarian needs. If we include the conflict pool and assume that spending shown in the table as conflict, peace and governance can be associated with the themes of 'power sharing and democratisation' and 'security justice and reconciliation', then the annual level of spending on these themes is planned to double from about £20 million in 2007-8 (about 14% of the total) to over £42 million in 2010-11 (32% of the total).
- 4.4 The CHF (£40mn or 30% of spending in 2007-8) and the MDTF (£20mn or 15% of the total) are the two largest pooled funds, but there has been a proliferation of other pooled funding intermediaries financed by DFID, analysed in tabular form at Annex 5. The largest include a strategic partnership arrangement with UNDP that funds UNDP work on governance, rule of law and post conflict recovery, and the Capacity Building Trust Fund administered by UNICEF. Two important new pooled funds have come on stream in 2008-9, both developed with DFID encouragement

⁴⁶ These figures for humanitarian aid have been adjusted to show expenditure under code 60570 as conflict/peace spending or against the specific sector on which it is spent.

and a strong input into the design:- the Sudan Recovery Fund for financing recovery in Southern Sudan, and the Darfur Peace and Stability Fund.

Table 4. UK Aid to Sudan 2003/4 to 2007/8, £millions⁴⁷

	DFID Expenditure information from SID and expenditure cubes*				
	2003-4	2004-5	2005-6	2006-7	2007-8
BSF service delivery	0.000	0.016	0.139	2.157	0.000
MDTF	0.000	0.000	13.000	17.000	19.600
Sub-total Financial	0.000	0.016	13.139	19.157	28.150
Education	2.117	0.085	0.427	0.532	3.775
Health	0.364	3.699	2.677	2.399	1.512
Social	0.043	0.782	1.008	1.007	0.397
Livelihoods	0.000	0.170	0.000	0.000	0.000
Sub-total	2.524	4.736	4.112	3.938	5.684
Conflict and peace	4.003	7.462	9.232	10.013	10.577
Governance including security and justice, public admin	0.003	0.851	1.589	2.248	4.116
Sub-total	4.006	8.313	10.821	12.261	14.693
Humanitarian	17.869	70.442	88.560	73.601	84.544
Unallocated	0.264	0.457	0.482	0.905	0.000
TOTAL	24.663	83.964	117.114	109.862	133.074
Memo: conflict prevention pool (not included in above figures)				3.6	5.0

4.5 There has been a clear tendency since 2004 for DFID to consolidate the Sudan programme. New commitments have been fewer in number, for longer periods, and larger in scale, resulting in a gradual decline in the number of projects in the project portfolio (Table 5). In 2004, nearly one hundred new commitments were made, more than two thirds of them for less than £1 million, and 60% for a year or less. In the

⁴⁷ Sectoral analysis from SID is only available to 2006-7, and will no longer be provided on DFID's new system – ARIES. Data have been adjusted by the authors for consistency with ARIES data used for 2007-8, especially to move some spending from 'humanitarian' to conflict and peace. Remaining differences relate to different classification of humanitarian and development spending, and a lack of project level detail in available ARIES data. Spending from the conflict prevention pool is not captured: - it was £3.6mn in 2006-7 and roughly £5mn in the following year.

two most recent years, there have been just over 20 new project commitments per year, more than half have been for more than £1 million, and nearly two thirds have been commitments of more than a year. Although progress is being made, in 2007-8, there were still 42 active projects with total DFID commitment of less than £1 million⁴⁸.

Table 5. Trends in DFID Project Portfolio: new projects by Expected Duration of project

	2004	2005	2006	2007	2008
Number of New Commitments, Over £1mn by Expected Duration					
Less than one year	18	22	4	1	5
1-2 years	9	3	3	1	5
2-3 years	3	5	4	6	4
Over 3 years	1	3	4		1
Total	31	33	15	8	15
Percentage less than one year	58.1	66.7	26.7	12.5	33.3
New commitments, less than £1mn, by expected duration					
Less than one year	42	20	17	7	2
1-2 years	22	7	4	6	1
2-3 years	2	9	1		2
Over 3 years	2	2		1	1
Total new Starts	68	38	22	14	6
Percentage less than one year	61.8	52.6	77.3	50.0	33.3
Grand total of new commitments in year	99	71	37	22	21
Percentage less than one year	60.6	59.2	56.8	36.4	33.3
Percentage less than £1mn	68.7	53.5	59.5	63.6	28.6
Number of projects active in year		115	125	91	78
Average Annual spend per active project, excluding CHF and MDTF, £mns	0.468	0.726	0.624	0.489	0.789

Source: Calculated from PRISM data.

⁴⁸ Analysis of PRISM data on project portfolio.

Overall Scores

- 4.6 Table 6 summarises data on the rating of DFID funded activities according to the extent to which they achieved their purpose, based on PRISM scores as reported in annual reviews of the projects. Ratings are available for 55 projects, representing about 63% of DFID spending over the last five years.
- 4.7 Of the projects scored, 70% by value and 64% by number are judged to have fully or largely achieved their objectives. This is a good performance compared to similar assessments in other CPEs, and especially for a conflict-affected country. The purpose ratings by number of projects are comparable to Indonesia (62.5% by number) and better than Sierra Leone (56% by number). However, the positive assessment in terms of the share of total spending is heavily influenced by the Box 2 given to the CHF in a 2006 assessment. We argue below that more recent information would suggest at best a Box 3, which would imply just 34% of project expenditure that is scored would be rated as satisfactory (Box 1 or 2), though 62% of projects by number would still be rated positively.

Table 6. PRISM Scores, Achievement of Purpose: most recent rating, projects spending over £1mn and Completing After January 2005

	1 = fully achieved, very few or no shortcomings	2 = largely achieved, despite a few shortcomings	3 = only partially achieved, benefits and shortcomings finely balanced	4 = very limited achievement, extensive shortcomings	5 = not achieved	TOTAL
Percentage of Total spend	3.5	41.1	18.3	0.4	0.1	63.4
By number	7	28	17	2	1	55
Main projects scored	WFP emergency roads; others are NGO humanitarian projects	CHF; BSF; others are humanitarian interventions, plus some social sector and peace related projects	MDTF; capacity building, SSAJ, the UNDP strategic partnership, some peace and humanitarian interventions	The suspended debt management project; UNDP support to local Government and decentralisation.	One NGO project in S Darfur	

Humanitarian Aid Effectiveness

- 4.8 Many humanitarian interventions have more immediate and in some ways less challenging objectives (deliver immediate relief to keep people alive), which may explain why most of the directly supported NGO humanitarian interventions that have been assessed are judged to have fully or largely achieved their objectives.

- 4.9 DFID was instrumental in creating the CHF as part of a broader process of reform of the UN and of humanitarian aid⁴⁹. DFID has played a key role, driving forward the Good Humanitarian Donorship initiative, the Central Emergency Response Fund (CERF) and CHF pilots in Sudan, Democratic Republic of Congo (DRC) and Central African Republic. In March 2005, the Secretary of State asked the Joint Sudan Unit to work with the UN to establish a single fund for UN humanitarian activities to support the 2006 UN Work Plan for Sudan. DFID contracted Crown Agents to field a team of consultants to work with the Humanitarian Coordinator to develop the mechanism. The design built on ideas provided by a study undertaken by Development Initiatives in 2005, commissioned by Canada, Denmark, the Netherlands and the UK.
- 4.10 Sudan was the first country to have a Common Humanitarian Fund, a second pilot was later conducted in DRC. There are significant differences in the design and performance of the two pilots. In Sudan the fund ran at about \$150 million per annum from 2005, but is expected to be at least 20% less for 2009 (due to the fall in the value of the currencies of the contribution nations in dollar terms).

Table 7. The CHF as a funding source⁵⁰

	2006	2007	2008
CHF as % of Work Plan request	9.1%	8.0%	6.6%
CHF as % of Work Plan funding	16%	14%	11%

- 4.11 DFID’s contribution to the Sudan CHF rose from £28 million (32% of DFID Sudan humanitarian aid) in 2005-6 to £48 million (63%) in the following year and £40 million (48%) in 2007-8. In financial terms, this is the most important single instrument through which DFID policy in Sudan is implemented. In 2008, UN agencies received 65% of total CHF Sudan allocations, international NGOs 33% and national NGOs 2%. NGOs (INGOs and NNGOs) have seen their share of CHF allocations increase from 15.2% to 33.9% (including 1.5% for NNGOs) of CHF funds from 2006 to 2008⁵¹. The NGO share in final delivery would be significantly higher if account is taken of implementation that was carried out by NGOs as implementing partners of UN agencies. The main sectors were food security and livelihoods (20%), health and nutrition (20%), and water and sanitation (20%).
- 4.12 All CHF projects have to be included in the humanitarian Workplan, which captures 70-75% of all humanitarian aid to Sudan. DFID was the largest devolved donor

⁴⁹ ‘In Larger Freedom: Towards Security, Development and Human Rights for All’, September 2005, UN.

⁵⁰ OCHA Financial Tracking Service and [www. Unsudanig.org](http://www.Unsudanig.org)

⁵¹ Cosgrave, ‘Sudan Mapping Study: Review of the Engagement of NGOs in Sudan with the Humanitarian Reform process in February 2009’, Channel Research, March 2009.

office in Khartoum and, with at least two humanitarian advisors at any one time since 2006 was able to work closely with OCHA in the preparation of each subsequent annual Workplan. This included needs assessment, analysis, and the importance of obtaining ratification by the Government (GNU and GOSS). But the Workplan was never a strategic plan as such, and although prioritisation and assessment has improved over the years it is still something of a shopping list, particularly for UN specialist agencies⁵².

- 4.13 On the positive side, the CHF has helped overcome the limited capacity of implementation agencies to absorb and use aid effectively, by enabling the Humanitarian Coordinator (HC) to secure adequate financing for improved co-ordination, research, logistics, infrastructure and security. DFID financed substantial technical assistance via the CHF to enhance the capacity of delivery agents. However, it has not succeeded in achieving the wider objectives of reducing transactions costs and providing early and predictable funding to the most critical humanitarian needs of Sudan, as identified in the humanitarian Workplan.
- 4.14 Transactions costs are high, requiring the participation of large numbers of actors in a multi-stage process. A review of the CHF conducted in 2006 indicated that the Fund had improved the humanitarian response planning, prioritisation and co-ordination processes, and strengthened the position of the HC⁵³. However, it also highlighted the additional layers of bureaucracy and transaction costs created by the CHF, which resulted in significant delays and fewer benefits reaching people on the ground⁵⁴. It is somewhat difficult to understand how a programme that reduced benefits could nevertheless be given a Box 2 PRISM score.
- 4.15 Those wishing to access CHF funds first have to ensure that their proposals are included in the Workplan, which involves a rather complex planning process that captures all project proposals in a formidable document that is intended to be completed by end November for launching in the appeal in Geneva in December. Agencies report that the process for inclusion in the Workplan is not onerous, but they then have to enter a separate process for allocating CHF funds. Those UN agencies and NGOs wishing to apply for funds submit project concept notes for consideration. Funds are allocated geographically according to need, priorities by sector are proposed by sector groups or clusters, final decisions are taken by the UN HC. The process takes 120 days from application to disbursement of funds (compared with 84 days in DRC⁵⁵).

⁵² This is perhaps unavoidable when each specialist UN agency is obliged to submit projects solely through the Workplan and not to pursue individual appeals.

⁵³ Abby Stoddard, Dirk Salomons, Katherine Haver, and Adele Harmer (2006) 'A Review of the Common Humanitarian Fund' Center on International Cooperation (CIC) & Humanitarian Policy Group (Overseas Development Institute), London.

⁵⁴ As an example, a Save the Children request for CHF funding was approved so late in the proposed implementation period that an extension had to be requested.

⁵⁵ Willetts-King, B., Mowjee, T. and Barham, J. (2007), Evaluation of Common/Pooled Humanitarian Funds in Sudan and DRC, OCHA EES, United States.

- 4.16 The 2007 evaluation⁵⁶ argues that quality control and monitoring is weak, a point confirmed by many of our NGO and development agency interviewees. There is no evidence to suggest that the complex and time consuming allocation process provides any assurance of the underlying quality of the funded proposals. DFID seconded three officers to the M&E Unit of OCHA from April-October 2006. A new reporting format for the CHF was produced for 2008, which began to provide better information on impact. Monitoring nevertheless remains a key weakness. Part of the problem is that multiple funding sources require different types of reporting. CHF funding is marginal for most projects, and it is both onerous and somewhat meaningless to report on what CHF funds have achieved. Improvements are in train following the introduction of the Inter Agency Standing Committee's Cluster System (an outcome of the UN Reform Plan) which began to produce a more coherent, strategic sector coordination plan. SMART Workplan indicators were being developed for sectors in 2009, which should allow enhanced M&E and lesson learning.
- 4.17 The cumbersome process allocates small average amounts of short term funding for a huge number of projects (550 allocations in 2008 with average size of just \$270,000). All approvals are basically for a single year, though there can be provision for 'no cost extensions', necessary because delays mean that funding is often available too late to be used during the dry season. In 2008, because of late approval of some donor funding, the process for allocating CHF funds was done twice. This approach is very different from that envisaged in the draft Country Engagement Plan, which proposed the principle that humanitarian aid should be provided in the form of fewer, larger grants in programmatic form.
- 4.18 The probability of receiving funds is both low and uncertain. An NGO commented that the CHF is used for supplementary funding, with the bulk of the finance for the projects that CHF supports coming from other sources. The lack of predictability and timeliness means that the objective of serving the most critical needs can not be achieved.
- 4.19 CHF represents only 11-16%⁵⁷ of the humanitarian effort because the two largest sources (the US and the EC) are outside, while the agencies that do support CHF (including the UK) also provide assistance directly to UN agencies and NGOs. The 2007 evaluation⁵⁸ found no evidence of any increase in the share of humanitarian aid that supports the Workplan.
- 4.20 In short, CHF appears very bureaucratic and inflexible, while not meeting the CHF terms of reference⁵⁹ objectives of 'predictable and timely funding', minimising transaction costs, and using the Workplan as the primary allocation tool. None of these objectives are met:- the Workplan is a necessary but not sufficient condition for access, and the additional procedures to access funds involve a large time input

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Sudan Common Humanitarian Fund, Revised terms of Reference, July 2008.

from many people in order to produce a funding stream that is unpredictable, short-term, and often received too late for procurement action to be completed in the dry season.

- 4.21 CHF has never come close to being a common fund that most donors would use; instead, it has been one more source of funds with few advantages compared to the alternatives. DFID Sudan has worked with the HC and the UNDP to press with some success for procedural improvements, but flaws in CHF are fundamental and require a radical re-design.
- 4.22 DFID has retained a capacity to provide direct humanitarian support via NGOs and UN agencies. In 2007-8, this accounted for more than half of the spending recorded as 'humanitarian.' We were told that a process of consolidation is now underway, implementing the approach first proposed in the CEP of providing a smaller number of programmatic grants to a limited number of NGOs. In 2008/9, DFID has provided humanitarian funding through the International Committee of the Red Cross (£6.25 million) and £10 million in bilateral grants to NGOs.

The Multi-Donor Trust Funds

- 4.23 The two World Bank managed Multi-Donor Trust Funds were intended to be the main aid instruments for supporting post-war recovery, coordinating the overall development effort on the model pioneered with some success in Afghanistan. However, of the \$4.5 billion pledged at the 2005 Oslo conference, only \$500 million was for the two Multi-Donor Trust Funds, increased to \$626 million in pledges post-Oslo.
- 4.24 In DFID partner countries not regarded as fragile, pooled funds are used as a mechanism to enable donors to jointly support a single policy plan and budget, either at national level through some form of budget support, or in support of sector plans through a sector wide approach. In the case of Southern Sudan, the initial thinking was that the Joint Assessment Mission report would provide the overall plan. It was recognised that Government planning and budgeting mechanisms in the South would initially be very weak. It was therefore envisaged that the Multi Donor Trust Fund administered by the World Bank would help Government to articulate policies and plans and would support it to build the necessary systems for budgeting and financial management, with Government providing two thirds of the finance for MDTF projects from its own funds. MDTF would initially work through parallel systems and by contracting in core functions, but capacity would be built within Government, and functions transferred as Government was able to take them on.
- 4.25 In the North, the situation was different. The North was acknowledged to be in less need of general development finance, and the national MDTF was envisaged to be focused on supporting the peace process through investments and delivering a peace dividend in the Three Areas, as well as supporting national projects of benefit to North and South.
- 4.26 The UK has delivered on the pledges made at the April 2005 Oslo conference, and payments to MDTF have accounted for 14% of DFID Sudan spending over the three

years to 2007-8. However, payments to MDTF have been slow to be converted into development spending on the ground:

- Disbursements by donors to MDTF-S reached \$392 million in 2008, but spending by MDTF-S on projects to end December 2008 was just \$134 million – or \$264 million including the GOSS financed component of MDTF spending. The donor financed MDTF spending represents just 2.5% of total GOSS spending since 2005, and only 10.8% of capital expenditure. When included the GOSS contribution broadly doubles these figures, but it still implies that MDTF is financing less than 5% of total spending and only 21% of GOSS capital expenditure⁶⁰.
- Of \$234 million paid in to MDTF North, \$186 million has been committed to projects, \$86 million disbursed to implementing partners, and \$69 million actually spent on development activities⁶¹.

4.27 The two MDTFs have delivered less than expected, and more slowly than expected, at all levels, whether improvements in public services or the building of Government systems and capacity. The MDTF scores only a Box 3, in both of the two most recent DFID assessments (objectives only partially achieved, benefits and shortcomings finely balanced). This partly reflects unrealistic expectations and time horizons, but has left substantial gaps to be filled. MDTF has supported a portfolio of projects, and has provided some useful policy analysis and support to develop core systems, but (despite recent progress in accelerating disbursements) it has fallen far short of becoming the leading source of external funding or the partner that would lead the policy dialogue and coordinate external aid in the context of a coherent set of policies and programmes. DFID and other donors have emphasised the need for the WB to build up their in-country staffing in order to improve implementation performance in a situation where both North and Southern Sudan have lacked staff with any recent experience of working with international donors. The WB have responded by bolstering technical staffing in technical areas such as procurement and financial management, but have yet to meet the demand for a locally resident country director (recruitment action was suspended due to the ICC ruling).

4.28 The MDTFs rating of their own performance as reflected in the Price Waterhouse Coopers (PWC) monitoring reports is broadly consistent with this assessment. Both have an overall rating of their portfolio as ‘moderately satisfactory’ which, given the slow pace at which projects have come on stream, would be consistent with a Box 3 DFID marking for the performance of the institution. Specific problems with the portfolio in both MDTFs relate to procurement and to counterpart funding from GOSS and GOS. In terms of individual projects:-

- MDTF North scores satisfactory for three projects (the community development fund, support for the census, and the small decentralised health system project);

⁶⁰ Price Waterhouse Coopers, Report to the Southern Sudan Multi-donor trust fund coordinator, 4th Quarter 2008, February 2009, <http://siteresources.worldbank.org/INTAFRMDTF/Resources/MDTF-S-Q4-2008-Report.pdf>

⁶¹ Price Waterhouse Coopers, Report to the national Multi-Donor trust Fund Coordinator, 3rd Quarter report, November 2008, http://siteresources.worldbank.org/INTAFRMDTF/Resources/MDTF-N_Q308_FINAL_report.pdf

moderately satisfactory for the transport project and for interventions in micro-finance, livestock, and emergency interventions in South Kordofan; and moderately unsatisfactory for the technical assistance facility and for support to the judiciary, and for Blue Nile emergency start up operations.

- MDTF South scores half of the projects as satisfactory, all in areas of service delivery or with clear outputs (transport, education, water and sanitation, rapid impact projects, and the census). The moderately satisfactory markings are for health, livestock and fisheries, private sector development, and for areas raising particular institutional and capacity challenges - the building of core fiduciary systems, and the project for capacity building.

4.29 One source of delay and frustration with regard to the MDTF has been legal wrangling over the terms on which MDTF could contract UN agencies for implementing development programmes. For example, several interviewees, both WB and staff from other agencies, mentioned that the shift from direct support of the World Food Programme (WFP) roads programme to putting the funds via the MDTF delayed disbursement by about six months due to disputes between World Bank and WFP over the audit and other legal requirements. When funded directly by DFID and other donors, the WFP roads programme received a DFID Box 1 marking, confirmed by other sources that recognise the major contribution this programme has had in reducing transport costs and times, and opening the country as a pre-requisite for improved livelihoods and access to services. This had significant development costs in terms of avoidably delayed benefits from one of the few major programmes that had been delivering significant benefits on a large scale. The continuing legal difficulties in contracting UN agencies via the MDTF are one of the critical factors that have driven pressure for a UN managed development facility in the South, the Sudan Recovery Fund⁶².

The Basic Services Fund and the Sudan Recovery Fund

4.30 DFID recognised quite early that MDTF would take time to get established, and introduced a bilateral 'Basic Services Fund' to help fill the gap in service delivery in the South, working under a steering committee chaired by GOSS and managed by a private sector contractor. The BSF is small, with DFID disbursing £15 million between the October 2005 launch and the end of 2008. However, it has been very positively reviewed in January 2008 by two independent consultants (Box 2 marking, objectives largely achieved), it is well regarded by the NGO recipients we interviewed and has attracted additional support from other bilateral donors. It has the potential to be scaled up based on proven procedures that could be adapted to give more emphasis to capacity building and to sustainability. However, DFID plan to phase it out in 2010 in favour of yet another pooled fund administered by a multilateral agency, the UNDP administered Sudan Recovery Fund. NGOs that we interviewed ranked the BSF above either the SRF that is to replace it, or the CHF.

4.31 The Sudan recovery fund for Southern Sudan is intended to fill a perceived gap between CHF and MDTF-S by providing quick support to projects with a medium-

⁶² Interview with bilateral donor.

term time frame (one-three years compared to MDTF which is typically five years plus), and of medium size (\$500,000 to \$3 million compared to over \$3 million for MDTF)⁶³. DFID envisage that other schemes would be rolled into SRF, including the Basic Services Fund, the UNICEF administered Capacity Building Trust Fund and the recently started SEADGOSS capacity building project which runs from 2008-2010. So far, SRF has only attracted support from DFID and the Netherlands, with the UK commitment representing over 80% of the funding. Other bilaterals are looking at the possibility of providing funds.

- 4.32 Many whom we interviewed had mixed feelings about the SRF. It will be one more fund operating in the already complex aid architecture in Southern Sudan, and it does not appear to offer any clear benefits in terms of transaction costs or coordination. DFID have committed to substituting the untried SRF administered by the UNDP (which, as we have seen, does not have a positive track record in Sudan) for the flexible and responsive BSF, a fund that is widely regarded as effective and that has overcome initial teething problems and could usefully be scaled up and adapted to work more closely with Government.
- 4.33 Donors who are not supporting the SRF argued that the gap it was intended to fill could have been addressed by adapting existing mechanisms, for example by introducing longer term and more programmatic commitments into the CHF. Others questioned the decision to vest management within the UNDP without any competition to test alternatives such as private sector management – as with BSF.
- 4.34 Some locally resident donors do not accept the sharp distinction that DFID draws between the humanitarian and the recovery phase, arguing that Government lacks capacity, and services will continue to rely on NGOs to deliver them for some years to come. The NGOs, the key implementers, argue that what was needed was not a new mechanism for recovery, since this was already an integral part of projects funded under existing mechanisms. Rather, what was needed was to reform these mechanisms to make available funding that was more predictable and longer term, to enable them to respond more appropriately to a situation in which there was a need and an opportunity to give more emphasis to building the capacity of local institutions to assume responsibility. Those NGOs who were willing to move in this direction have been frustrated by the short-term nature of their funding. NGO projects in remote areas funded through CHF and BSF have been subject to continuous rounds of short-term funding and in the case of CHF a disruptive reduction in funding as DFID launched the new Sudan Recovery Fund.
- 4.35 In that view, what is needed is to build towards greater sustainability and to build capacity in GOSS and at state level to plan and coordinate, while putting services on a sounder footing through longer term and more predictable funding. The BSF had already begun to move in this direction, and has the potential to do more if the secretariat is kept in being (Box 1). Some development agency staff that we interviewed argued from their own experience of difficult start-ups in Sudan that SRF should prove itself before rapid expansion, criticising the call for funds for Phase 3 before evidence was in of the effectiveness of Phase 1.

⁶³ Strategic framework of the Sudan recovery fund for Southern Sudan, March 2008.

Box 1. Lessons from the Basic Services Fund

‘BSF has something to teach the other funds...BSF has joint objectives of service delivery and capacity building...The BSF secretariat has been strong enough, and well enough directed from the beginning, to move the project forward ...The projects have been managed properly, been helped to overcome their capacity problems and encouraged to engage with GOSS. In effect, they have been assisted to make the transition from relief to development. Government at several levels has been involved in allocation decisions. A strong monitoring team is fully integrated into the management of the programme and reporting directly to the GOSS steering committee...the reviewers see considerable potential to develop the BSF model in two areas: in lesson learning, i.e. development of policies, standards and approaches; and in giving GOSS a clear role in directing programme implementation. This learning by doing approach will assist GOSS, just as much as the NGOs, to make the transition from relief to development. The key has been...a relatively small but well-qualified secretariat which integrates all aspects of the task: from project management to technical support and M&E.’

External review of BSF

UNDP Strategic Partnership Arrangement

4.36 Although MDTF and CHF are the two largest pooled funds, there has been a proliferation of other pooled funding intermediaries financed by DFID, analysed in tabular form at Annex 5. The largest include a Strategic Partnership Arrangement with UNDP that funds UNDP work on Governance, rule of law and post conflict recovery. This receives a Box 3 PRISM marking. An internal UNDP review is more positive than this rating would imply. According to the findings of the Review, projects funded under the partnership got off the ground much quicker than other jointly funded initiatives and it has therefore filled an important gap in Sudan’s aid architecture. An important element of this faster implementation is reported to have been extensive DFID involvement in project appraisal, selection, and performance tracking⁶⁴. The Strategic Partnership Arrangement (SPA) is also said to have considerably reduced administrative and transaction costs and has allowed for more strategic and concerted interventions in the area of governance and the rule of law. Less positively, the review identifies weak monitoring focused on activities rather than outputs, and short term and late donor commitments leading to ‘SP projects locked into short term cycles of annual funding, budgeting and work plan revisions, which has created a process of constant shifting targets that are very difficult to gauge and monitor’⁶⁵. DFID was criticised for earmarking support to

⁶⁴ End of SPA Review, page 18.

⁶⁵ UNDP, Strategic partnership for Sudan, Annual progress Report 2007, Khartoum February 2008.

specific projects, but has provided unearmarked funding from March 2008. Our interviews revealed additional donor criticisms of perceived weak UNDP management of the partnership.

- 4.37 There is a general pattern of low ratings for DFID support via UNDP, with the UNDP local Government programme scored as Box 4, one of the lowest ratings.

Support for Capacity Building in Southern Sudan

- 4.38 DFID has supported capacity building in Southern Sudan via a number of different multilateral and bilateral routes, although total spending to date has been modest (Annex 5). It is important to acknowledge that much has been achieved from a very weak starting point, notably helping to put in place basic budget and financial systems with significant DFID technical assistance via the UN and via the support provided by the JDO. Nevertheless, a critical issue for all donors in Southern Sudan has been the initial underestimation of the scale of capacity building and capacity provision that would be needed, and the lack of any overall strategy or framework.
- 4.39 The limited capacity building support that has been given has focused mainly on the centre rather than the states and local Government where services are delivered. Too much of the focus has been on the serious problem of over-staffing with largely unqualified staff taken on at the end of the war, with too little emphasis on creating the capacities required of a modern state. The UNICEF Capacity Building Trust Fund was small and intended to fill the gap until the MDTF came on stream. It did not engage in policy dialogue. World Bank did finance various policy related studies but there was no overall strategy endorsed by Government. For whatever reason, there seems to have been a collective failure of will or vision to take on the challenge on anything like the scale required. The effort from all the parties has remained fragmented and partial. The various capacity building interventions score Box 3 in previous PRISM assessments.
- 4.40 In Southern Sudan the focus on building capacity from the top down, with a concentration on institutions in Juba and on building administrative capacity has resulted in less attention being given to issues of building legitimacy and accountability. Relatedly, in the concerted international efforts at coordination and alignment, there are dangers that civil society may be left out or relegated to having only a service-delivery role, while the importance of creating a strong civil society to press for good governance is overlooked.
- 4.41 Building a new regional government in the South is not only a matter of capacity and resources; it is also a question of adjusting deeply embedded approaches and attitudes of government officials who for 25 years had 'controlled' rather than 'administered' areas under their jurisdiction. For 25 years the SPLM outsourced its social safety net programme to NGOs under Operation Lifeline Sudan. Despite a strong adherence to the CPA, the GOSS has yet to demonstrate a coherent cross-ministerial approach to recovery principles. Indeed, there is a profound disconnect between some ministries such as Health whose primary health care and staffing

budget has been reduced in favour of large infrastructure projects, and Social Affairs and Gender whose approach is largely 'projectised' through NGOs⁶⁶.

- 4.42 The fragility of government structures at all levels in the South points to broader lessons for DFID. Capacity constraints were incontestably evident before the signing of the CPA. Channelling large funds to pooled mechanisms could be no substitute for the human resources required to enable those funds to be efficiently and effectively used. DFID has responded to the inertia of the MDTF by the proliferation of further pooled funds, but has not matched this with appropriate levels of capacity assistance to administer and create true GOSS ownership of these funds.
- 4.43 There has been a related lack of leadership on policy dialogue with the Government. Although the JDO has policy dialogue within its mandate, this is limited to technical issues, with no mandate to confront the more politically sensitive areas. Policy leadership is a function that would in other circumstances fall to the World Bank. The Bank has taken this on to some extent, but the WB has had less funding available for the necessary analytical work that underpins policy dialogue than would be the case in a country where it had a lending relationship, and faced resistance from some donors (though not DFID) to spending money on research. Other factors have been the lack of a WB resident country manager, the limited leverage over sector policy when disbursements are still a small percentage of Government spending, and understandable reluctance to take on the more difficult issues when CPA is still fragile. DFID-S might have sought more of a leadership role on policy dialogue through more frequent interactions at a high level. For understandable reasons, it did not do this, preferring to work through the established joint mechanisms. It focussed instead on lobbying with JDO partners for the WB to strengthen their presence and leadership.
- 4.44 The consequence of lack of effective policy dialogue has been that a largely compliant international community has been slow to challenge skewed GOSS spending priorities that have left responsibility for basic services with the donors and NGOs.

Effectiveness in Rule of Law

- 4.45 The development of an independent police and prison service are essential in creating a climate favourable to individual and community development, removing the security and armed forces from direct involvement in everyday life.
- 4.46 The safety, security and access to justice programme disbursed approximately £10 million over the three years to end 2008. Difficult relations with the GNU affected what could be achieved in the north, although there has been progress in community policing; there have also been some procurement problems and a general issue of low starting capacity in the South. It was implemented via contractors (Atos Consulting, British Council and International Procurement Agency) providing training and study tours, equipment and technical advice. The

⁶⁶ Comment based on interviews.

activities have been on the whole efficient and effective in terms of outputs, but the programme received a Box 3 rating in its review.

- 4.47 The CPA provides a planning framework for improvement in Rule of Law, but the implementation of the provisions has been extremely slow in starting. Access to resources and to appropriate models to develop the police and judiciary is extremely limited, while a dual system of formal and customary courts has emerged, the former steeped in Sharia law.
- 4.48 Other support has been provided through the Strategic Partnership Arrangement referred to above (paragraph 4.36-4.37). It has assisted the different spheres of justice and law enforcement, and the local administration, through technical assistance and small scale procurement. This mechanism was also used for providing joint support to the census, a critical element of the CPA (carried out in 2008, though the results have not been accepted by the South). The strategic partnership also received a Box 3 PRISM score. They stumble on similar issues to the bilateral DFID projects.
- 4.49 Although the strategic partnership has provided a joint funding mechanism for support to the Rule of Law, there remains an unmet need for improved coordination in the sector. Support provided through the strategic partnership has not been well coordinated with the DFID bilateral programme, and internal compartmentalisation within UNDP has meant that rule of law has until now been separated from conflict sensitivity work (Threat and Risk Mapping Analysis), also funded by DFID.
- 4.50 Achieving sustainable outcomes is a major challenge for interventions in this sector. Focused on advisory roles, the transfer of skills through short term, off the job training, and on the delivery of equipment, the programmes have struggled against the absence of strategic plans, systems and structures amongst counterparts. There has been very low buy-in from the north, and a very low initial starting point in the south.
- 4.51 The Inspector General of Police estimated in February 2007 that three quarters of the police officers in Southern Sudan were illiterate⁶⁷. They are in effect demobilised SPLA soldiers. Some 90% of day to day criminal and civil cases in Southern Sudan are handled by customary law (which is recognised in the Interim Constitution as a source of law⁶⁸). The reach of the formal justice system is therefore limited.
- 4.52 The submission for the successor Justice and Peace Development Programme (JPDP)⁶⁹ includes a brief section on Safety, Security and Access to Justice

⁶⁷ <http://www.ssrnetwork.net/documents/PractionersCourse/Jun08/Bruce%20Baker%20-%20Southern%20Sudan%20Handout.pdf> Accessed 11 April 2009

⁶⁸ A study of customary law in contemporary Southern Sudan. Justice Aleu Akechak Jok, LLB Robert A Leitch, M.BE Carrie Vandewint, B.Hum M.A. World Vision International And The South Sudan Secretariat of Legal and Constitutional Affairs, March 2004.

⁶⁹ DFID Khartoum, Justice And Police Development Programme, 2008/9 – 2012/13, Project Memorandum And Logical Framework, 15 October 2008.

programme 'achievements'. These are high level, and are linked to peace or the reinforcement of the rule of law in the very long term: strategic plans are produced for Ministry of Justice (MoJ) and the national police, training units established in both police forces, some management communication and language training provided for the MOD and the judiciary, and family and child protection units established in Khartoum.

- 4.53 This approach assumes considerable compatibility of the legal and security agencies to western governance. There is no evidence that it has durably affected behaviour, let alone the experience of justice by the mass of the population. What it may have done is to create a privileged relationship which had not existed until then. A new generation of law enforcement officials is emerging, with which the UK will share elements of an operational culture and language.
- 4.54 The JPDP does bring in some additional elements, including some attempt to strengthen oversight of and accountability to communities. However, the submission lacks strong analysis of the current community experience of the police and justice system. The assumptions as to the reach of the formal justice system are not explicit, but the bulk of the population is clearly outside it. It is not clear how the largely technical and managerial inputs proposed will address the major causes of injustice or have more than marginal impact on the behaviour of the police and justice system over DFID's own proposed time frame of achieving impact in the period to 2011. It is in the nature of support in this area of work that progress is slow and requires long term commitment. The question is one of priorities, whether long term, risky investment in the justice sector should be preferred to investments with a more predictable and immediate benefit to livelihoods, a 'peace dividend' that will also help to reduce threats to personal security.

Effectiveness in Security Sector Reform and Disarmament, Demobilisation and Reintegration

- 4.55 Respondents have described the security sector as central to the implementation of all peace processes (an importance ranking comparable only to natural resources). The most immediate priority for Disarmament, Demobilisation and Reintegration (DDR) and Security Sector Reform (SSR) is the move by the Sudanese People's Liberation Army (SPLA) and the Sudan Armed Forces (SAF) to restructure themselves into more professional military forces capable of maintaining stability and implementing political directives.
- 4.56 The CPA provides a framework for DDR in Sudan - although not covering the Darfur conflict, where DDR and SSR are premature.

4.57 Reviews and evaluations⁷⁰ show that progress is heavily influenced by broader issues, such as the 2011 referendum on the status of Southern Sudan. The more direct political influences on DDR are:

- Its prevalent management by political rather than professional criteria;
- The tensions around the disarmament of Other Armed Groups (OAGs) which are not stably aligned with the dominant groups in the South and North and represent a significant risk in the medium term.

4.58 The SPLA continues to bear primary responsibility for internal security in the South, while police and rule of law structures are nascent and civilian oversight of the security sector is weak. The SPLA, undergoing a fundamental force transformation process, is itself confronting the challenges involved in moving from a largely volunteer-fed, payroll-less rebel army, into a professional force. In 2009 the SPLA takes over one-third of the GOSS budget (mostly on salaries) at a time when the GOSS is in the midst of a fiscal crisis.

4.59 Over time the UK has provided a series of advisory services, supported the Joint Integrated Units through the MoD, plus provided funding for the demobilisation of child soldiers by UNICEF, amounting to a total of approximately £5 million. With UK support, the Ministry for SPLA Affairs and the SPLA have drafted a Defence White Paper that lays out the strategic vision of the SPLA and the basic policy framework for strategic planning for the next several years. With the SPLA Act it provides the fundamental legal, policy and planning frameworks to develop a force that can contribute to peace and security in Sudan.

4.60 The DDR programme was formally launched in June 2009 with an ultimate target of 180,000 demobilised personnel. \$88 million was pledged at the DDR Roundtable Conference in Juba in February 2009, and in the first quarter of 2009, some 5,000 SAF, Popular Defence Forces and SPLA soldiers were demobilised, mostly from Blue Nile province⁷¹. Prior to the formal DDR process, disarmament lacked clear analyses of the current situation, and was very partial. Indeed, the overall number of troops under the SPLA has grown, and the SAF is engaged in active operations in Darfur.

4.61 A new DFID project for SSR for £6.75 million spread over three years was launched in 2009, after a delay of nine months due to procurement difficulties. It is more clearly linked to the strategic level of decision making in the SPLA, providing for two broad streams dealing with force structure and with democratic accountability. It is highly probable that it will establish new milestones thanks to a very good level of access.

4.62 However this will take place in a context dominated by increasing strategic concerns. In the period up to the 2011 referendum, there is a reluctance to embrace changes that might pose risks such as demobilisation leading to possible sedition by

⁷⁰ For example “Every DDR is unique: A Review of DFID Support to the Disarmament, Demobilization and Reintegration Programme in Sudan”, November 2006, Morse et al.

⁷¹ UN News Centre, June 2009, <http://www.un.org/apps/news/story.asp?NewsID=30636&Cr=unmis&Cr1=>

rogue SPLA units, or damaging the ability to respond militarily to incidents. Moreover, according to UNMIS, discipline in the SPLA is deteriorating. The sharper approach to DDR and SSR, begun in 2007, is only beginning to bear fruit in 2009, at a time when the strategic climate has become more challenging.

Effectiveness in Support to National Peace Processes and to Local Level Peace and Reconciliation

- 4.63 There is a dangerous combination of high levels of civilian gun ownership in Southern Sudan, on-going tensions between ethnic groups, frequent resource scarcity (grazing land, cattle, water), and very limited security provision. However, there is a lack of clear policy on how these issues should be addressed. There is no regulatory framework that establishes arms controls within a broader framework of security and development.
- 4.64 DFID has led donor efforts to tackle this complex field which combines recovery, conflict resolution and work on small arms. It has helped new organisations to become involved or develop their work in new areas, most notably UNDP, and the NGOs PACT and Safer World, and has deployed contractors such as Coffey and Albany to link strategic processes to civil society.
- 4.65 DFID has for example supported the design of a combined UNDP NGO programme called Community Security and Arms Control (CSAC) jointly funded by Norway. The first stage is a £1.45 million pilot programme for the unstable area of Jonglei in the eastern part of Southern Sudan (funded by the Conflict Prevention Pool (CPP) but to be picked up in later stages by the SRF). This supports a series of inter-dependent interventions involving arms control, recovery, with development and community support to the rule of law.
- 4.66 CSAC is designed to improve the security environment of communities and thus to contribute to the consolidation of peace. This is part of a broader UNDP strategy that includes:
- enhanced cooperation within Sudan and regionally to address cross-border security concerns;
 - Supporting GOSS security decision-making structures (in particular a new peace commission) and policies to ensure community-focused security provision.
- 4.67 In Darfur DFID has administered support to the peace process (mostly in the form of analytical inputs by key specialists), and initiated two projects by contractors to enhance the capacity of UNAMID. The first by Albany Associates was aimed at the Department of Public Information (DPI), to ensure UNAMID is capable of managing press and information operations adequately by July 31 2008. It was to help UNAMID coordinate its activities with the wider effort on public information and outreach, including with the military side of the UN mission, the Joint Mediation Support Team (JMST), and the Darfur-Darfur Dialogue and Consultation (DDDC). Finally it aimed to develop the capacity of the local outreach and local media outlets which the contractor set up in Khartoum and Darfur.
- 4.68 This project has been reviewed and given a DFID score of 4 (very limited achievement, extensive shortcomings), mainly due to severe delays caused by the

slow procedures of the UN and its restrictive security guidance, and to low sustainability and outreach to key political stakeholders.

- 4.69 A subsequent DDDC Coffey project is to make the DDDC increasingly operational, active and effective, and its outputs are for the DDDC to conduct regular dialogue and consultation in Darfur, a dialogue which is inclusive and driven by the grassroots. It is making local voices, needs and perspectives heard in the political process. It also works with key institutions supporting dialogue, and peace-building to deliver shared goals. The project is still ongoing and is appreciated by the DDDC. It has allowed contacts to be made with local groups, but was also severely delayed due to the public tender process.
- 4.70 Abyei, Blue Nile State, and Southern Kordofan/Nuba Mountains are known as the Transitional or 'Three Areas'. CPA protocols recognise the special status of the Three Areas, due to their contested nature over the war period, and the existence of significant oil and mining resources. Lying on the border between the north and the south, the population is ethnically diverse.
- 4.71 After considerable lobbying DFID has managed to attract greater operational and donor interest in the Three Areas - a potential flash point of future conflict. This was achieved by establishing a donor steering committee with a single strategy matrix, and directly encouraging the EC to deploy a conflict adviser based in the Abyei region. Links were established with the USAID Office for Transition Initiatives (OTI) programme, which would have allowed the implementing partner – the NGO PACT - to sustain outcomes achieved by OTI (the partner was however asked to leave as part of the Government sanctioning certain agencies after the ICC ruling).
- 4.72 PACT meanwhile began to carry out comprehensive conflict assessments. It has received funding from the Peace-Building Fund for the Three Areas (which takes over from the Sudan Peace-Building Fund managed by the FCO and re-targeted jointly with DFID after an evaluation showed it to be poorly prioritized) and leads to a programme to design models of Community Early Warning Systems, local dissemination of information on the CPA, development of community capacity to resolve conflict peacefully, and targeted support to civil society organisations. It operates alongside the support the Southern Sudan Peace Commission to lead south-south conflict resolution dialogue.
- 4.73 The Threat and Risk Mapping Assessment (TRMA) tool developed by UNDP is another initiative funded by DFID for £1.1 million. It provides an approach to identify key issues and needs in an inclusive and participative process by local communities and in partnership with authorities at national, state, province, and local levels. Its focus has been on the border areas between the South and the North, as well as to a lesser extent in the East and Darfur. It aims to enable constructive dialogue around key socio-economic risks to recovery, as well as prioritising and informing peace-building activities around reconciliation and confidence building.
- 4.74 The final output from this process is very developed at this stage, and is a geo-referenced map which charts key security threats and socio-economic risks, and helps coordinate constructive responses. It is intended to help address the key issue of non-implementation of peace agreements at the local level. The planning tool highlights key needs and should improve institutional memory across a range of actors and promotes effective sharing of information. Although it still needs to be

evaluated, it has deployed in an impressive manner, but still has to demonstrate how well it has engaged state and local level authorities, to whom the tool should be handed over

- 4.75 An important area of work related to the CPA should have been DFID leadership of technical work on debt management. This is important because allocation of debt liabilities between GNU and GOSS will need to be agreed as part of a final settlement, while debt relief will be needed to permit re-establishment of lending relations with World Bank and the IMF, key players in future reconstruction and development in North and South. The access to credit that debt relief will open up is a potentially important incentive that can be used as a bargaining chip in brokering the final deal. Although the politics throughout the period would not have permitted progress on debt relief, the technical assistance project was funding essential preparatory work in establishing the stock of debt, and improving debt management. It was unfortunate that the project was suspended by DFID HQ because of perceived political sensitivity. This interrupted important and necessary preparatory work, and by not following through on a commitment to take the lead, potentially makes it harder for DFID to be successful in future efforts to engage GNU.

Aid Effectiveness: The dilemma of pooled funding

- 4.76 The large share of aid that is provided via pooled funds and other intermediary arrangements means that the opportunities for DFID to follow the approach proposed in the CEP and capitalise on its comparative advantages of staff on the ground and flexible procedures is limited. It has had to work on improving the performance of the multilateral institutions through which the majority of support is delivered. This would not matter at all, and would indeed be a positive finding, if DFID resources were being disbursed via pooled fund arrangements that were themselves being flexibly managed in support of a common programme – although it might prompt questions as to what type and size of office DFID needs in order to channel money to other development agencies. However, as we have seen, the chosen pooled and multilateral funding mechanisms have not developed to fulfil the roles envisaged when they were established.
- 4.77 The July 2008 country plan asserts that pooled funding will improve efficiency, donor coordination and operational flexibility. However, with the proliferation of pooled funds that DFID has helped to encourage, it seems unlikely that any of these benefits are currently being achieved to any significant extent, and there seems little reason for confidence that they will be in future.
- 4.78 The joint instruments through which DFID policy was to have been implemented – the MDTF, and the CHF - have not developed to fulfil the roles initially envisaged for them. This has left DFID with a dilemma. It has allocated the bulk of its funding to instruments that have proved inadequate to the task assigned to them, and has delegated some of the policy influence functions to a joint team that lacks the professional capacity to exert influence proportional to the collective weight of the donors supporting it. Meanwhile, with one of the strongest cadres of professional staff in the country, and with a capacity to move quickly and to adapt management systems to provide flexible support, DFID has been constrained to work mainly by seeking to improve the multilateral channels to which it has committed itself.

Significant bilateral channels of support have been used to fill some gaps but many of our interviewees talked of lost opportunities. It is interesting to compare the weak performance of the CHF with bilateral support provided by DFID to the 2005 Humanitarian Workplan, before the CHF was established. The OCHA Review of this Workplan expressed particular appreciation for DFID's early funding that enabled, for example, seeds and tools to be distributed on time for the planting season, the first time that this had been accomplished⁷².

- 4.79 DFID Sudan can not simply walk away from these instruments. The CHF is part of a global initiative in which DFID has taken a lead role, and the Sudan Recovery Fund was set up with DFID technical assistance in design. The JDO was something of a flagship for aid harmonisation, launched at the initiative of five development cooperation ministers from the sponsoring countries. As the largest donor to CHF and third largest to the MDTFs, DFID has obligations to the agencies charged with managing the funds, and to donor partners in financing the three organisations. DFID does however have choices regarding the share of resources that it devotes to the three institutions, while the combination of professional and financial resources it has available place it in a uniquely strong position to influence how the three institutions develop.
- 4.80 In the case of the MDTFs, they are playing a useful role and improving portfolio management, even if not able to completely fulfil the role originally envisaged; the approach of continuing to press for improvements with other donors is sound, with emphasis rightly placed on appointing a resident World Bank country manager and on bolstering the WB role in policy and sector strategy. The WB is now applying the more flexible procedures that it developed for use in fragile state situations and has increased local staffing; a case could probably be made for further adaptation, but the WB procedures are decided at corporate level, and there is limited scope for further progress within Sudan.
- 4.81 In the case of the CHF, the pilot schemes in the different countries have developed in different ways. The need is for reforms to enable CHF to meet the original objectives, and those reforms are not incompatible with the overall policy. As the largest donor, DFID has the leverage to press for the necessary changes, and can provide its own aid to CHF in ways that facilitate them. We return to this issue in our recommendations.

Efficiency of Management Arrangements

Staffing Levels and Allocation

- 4.82 Table 8 shows how the staffing of the Sudan programme has evolved since the establishment of DFID Sudan. Since December 2006, there have been around 20 UK staff and 10 locally appointed staff (SAIC) working in the DFID office in Khartoum. The table also shows DFID staff working in the JSU. It does not include

⁷² Barnaby Willitts-King et al, (2007) 'Evaluation of Common/Pooled Humanitarian Funds in DRC and Sudan', OCHA, 17 October 2007.

the time of UK based advisers working on the Sudan programme, accounting for roughly two more full time equivalent staff. It does not include staff seconded to the JDO.

Table 8. DFID Sudan Programme Staffing

Location	Dec-05				Dec-06				Dec-08			
	HCS		SAIC	Total	HCS		SAIC	Total	HCS		SAIC	Total
	UK	Ovs			UK	Ovs			UK	Ovs		
<i>Kenya</i>	0	11	35	46	0	8	35	43	0	9	34	43
<i>Sudan</i>	15	8	0	23	1	21	9	31	2	19	11	32
<i>Tanzania</i>	0	13	29	42	0	10	28	38	0	9	19	28
<i>Ethiopia</i>	0	12	32	44	1	14	32	47	0	18	34	52
Total	15	44	96	155	2	53	104	159	2	55	98	155

4.83 Compared to other country offices, the staff complement in Sudan is more heavily weighted towards UK staff, as would be expected in a country afflicted by civil conflict and with serious personal security issues, factors that limit the potential for deploying local professionals. Because UK staff have to be used in roles that in other countries can more easily be localised, more of them are needed to deliver a given programme, and the spend per UK staff member is slightly below average. Overall spend per staff member is higher (Table 9).

Table 9. DFID Spend per Staff member

Country	DFID Spending 2007-8 £mn	Spending Per Staff member, £mn	
		Total including locally appointed	Home Civil Service, UK and Overseas
<i>Kenya</i>	45	1.0	5.0
<i>Sudan</i>	135	4.2	6.4
<i>Tanzania</i>	123	4.4	13.7
<i>Ethiopia</i>	140	2.7	7.8
Total	443	2.9	7.8

4.84 DFID Sudan office is organised into three teams, one of which (Team 3) has responsibility for office management and corporate services.

4.85 Team 1 deals with humanitarian and recovery issues. There are separate advisers dealing with humanitarian aid and with the support for recovery, as well as a deputy programme manager, two locally recruited programme officers, and an admin

assistant. Although the humanitarian and recovery work is in principle integrated at the level of the team leader, the separation of the advisory roles in this way does carry some risk of compartmentalising 'recovery'. There is a respectable argument to be made that all activities, including humanitarian aid, should be continually challenged to look for opportunities to build capacity and make progress towards sustainability.

- 4.86 Team 2 deals with 'governance, security and development.' There are advisers on peace and security, two Governance advisers (one of them based in Juba), an economics adviser, two UK deputy programme managers supported by programme officers, and admin support. The team is able to call on some of the time of UK based regional advisers on health, education, livelihoods, the environment, and statistics.
- 4.87 All the conflict programmes managed by this team have taken place in the context of very high (and well identified) risks. Many of the worse case scenarios have come true recently, but the problems have developed over a longer period:- an increasing number of incidents in the south, the protracted ICC process contributing to difficult relationships and eventually resulting in organisations being banned from the country, fiscal crisis further delaying the peace dividend just as progress was finally beginning to accelerate. This leads to extremely complex implementation conditions, and the need to constantly adjust objectives, as well as to a considerable loss of energy. The recruitment and deployment of personnel has been very difficult, for DFID as well as its partners. Staff retention is low, particularly in the UN which has played a leading role for DFID in the conflict area (UNDP and UNMIS). In spite of these odds the staff deployed have been well motivated, and the institutions and partners are relatively permanent (partnerships tend to lead to new and more interconnected phases of programming).
- 4.88 The difficulties confronted by some organisations (most notably UNDP) to rapidly initiate and administer programmes, the multiplication of funding mechanisms and of coordination bodies, and the complexity of funding flows, require an inordinate amount of time spent by DFID advisers on process issues. This is also complicated by the scale of the country, as, similarly to humanitarian work, conflict and security programming requires frequent visits on the ground.
- 4.89 The country plan includes some analysis of how staff are deployed by programme area. The analysis shows that staff allocated to humanitarian aid and to sustainable service delivery and to natural resources and climate change are responsible for higher spending per head than are staff in security justice and power sharing and democratisation. Some bias in this direction is to be expected. These are the areas scheduled for increased spending over the period of the country plan. They are also the areas that are especially difficult, requiring a high level of engagement with counterparts in Government and the parties to the peace. Similar arguments apply to oil wealth sharing and debt, where the main inputs are technical advice from the economic adviser, not directly related to programme spend, but with a potentially big pay-off to the peace process. While accepting these arguments, we would at least question whether the emphasis has gone too far towards these areas of the programme. In 2008-9, the humanitarian basic services and livelihoods programmes were expected to account for more than 70% of spending, yet were allocated just 45% of staff time. Even by 2010/11, these areas were still expected to

take 65% of spending. As we have seen, they are not without serious problems of their own.

Table 10. Planned Spending per Staff member

	FTE staff	Planned Spending £ millions (absolute spend)		Spend per FTE £millions (spend per DFID staff caput)	
		2008/9	2010/11	2008/9	2010/11
Humanitarian	5.4	40.0	29	7.4	5.4
Security, justice and reconciliation	8.2	15.2	26.2	1.9	3.2
Power sharing and democratisation	5.3	6.2	8.2	1.2	1.5
Sustainable service delivery	6	25.8	25.8	4.3	4.3
Oil wealth sharing and debt	2	0.8	0.8	0.4	0.4
Natural resources & climate change	2	6.5	10.5	3.3	5.3
Total	28.9	94.5	100.5	3.3 (Average)	3.5 (Average)

Source: DFID Issues and Choices July 2008, Figure 3. Totals exclude spending not allocated by theme, and do not add to the aid framework totals.

Institutional Relationships and Performance

4.90 The devolved DFID Sudan office went through some initial teething problems. The internal audit report found evidence of rather casual approaches and failure to adhere to fundamental DFID procedures, for example in relation to lack of evidence of formal approval of two major commitments, and (in the case of the BSF) a project memorandum lacking detail on implementation arrangements, such as procurement, accounting and financial management, and audit. There was no basic project plan, the approval process for sub-projects was unclear, the logframe outputs confused, and the deliverables not sufficiently specified to enable DFID to

hold the implementation consultants accountable. Annual audited accounts were not available⁷³. The audit report comments that the weaknesses identified reflected the establishment of a new office in a difficult environment, and compliance did subsequently improve. In the specific case of the BSF, weaknesses on the DFID side did not prevent it developing into an effective programme, well managed by the implementation consultants (see Box 1).

- 4.91 Although the Joint Sudan Unit (JSU) arrangement received an award as an example of joined up Government, it had a number of problems. The JSU gravitated towards the foreign office style of Whitehall-centred decision-making, reflecting the priorities of Ministers, which were driven by Darfur and by humanitarian concerns. The unit was overwhelmed by the volume of Parliamentary Questions on Darfur and intensively lobbied by NGOs. During the crucial early years of establishment of DFID Sudan office, the JSU lacked staff with overseas experience, which was unhelpful to mutual understanding. The initial arrangement of a DFID Sudan office with limited delegated authority reporting to the JSU inevitably caused a certain amount of friction, and responsibilities had not been established as clearly as they needed to be. DFID Sudan felt frustrated that short-term pressures were driving policy, and felt that the need to filter everything through the JSU meant that DFID Sudan concerns and priorities were not being fully represented to Ministers.
- 4.92 Problems in the relationship eased following the appointment of a Senior Civil Service head to the DFID Sudan office in early 2007, reporting direct to the DFID Africa Director, and with increased delegated authority. There are still occasional small niggles regarding whether DFID Sudan voices are adequately reflected in briefing by the JSU, and DFID staff question whether they get value for money from the (quite small) share of the administration budget that goes to JSU, which has a high opportunity cost given the controls on the administration budget.
- 4.93 The JDO role in managing programmes has been limited to two very small programmes (less than \$1 million), but it plays an important role in sector dialogue, especially via the budget working groups, and DFID and other donors delegate to JDO the monitoring of the MDTF South, including co-chairing the Oversight Committee. However, the staff seconded to the JDO by the donor partners have not always had the qualifications and experience needed to fulfil the roles they are required to perform in sector dialogue and in appraisal and monitoring of the MDTF programmes and projects. The solution of expanding the JDO staff by open recruitment faces some resistance from donors who regard it as important to have some national representation in the JDO.
- 4.94 DFID faces a dilemma. The JDO has never been responsible for running bilateral programmes but was predicated on the assumption that the donors supporting it would provide their aid to Southern Sudan via pooled mechanisms. With half of DFID spending taking place in the South, and likely to increase, including bilateral programmes in conflict and justice areas, DFID-S needs to allocate more staff time to the region. It shares the view of some of those we interviewed in agencies that are not part of the JDO, that it is difficult to run programmes in the South from

⁷³ DFID Internal Audit Report No 474/12/07, DFID Sudan programme.

Khartoum. The deployment of competent contractor expertise at a strategic level has since late 2008 helped address the perceived absence of a UK input (particularly for the peace processes in Darfur and in security sector reform in Southern Sudan). This is not fully effective, since contractors can not represent DFID positions in policy discussion.

- 4.95 DFID are therefore increasing their staffing in the South, initially by placing a governance adviser in Juba. He has been located with the JDO, but is not part of it, reporting to DFID Khartoum rather than to the head of the JDO. This is controversial with some JDO donors, who argue that proliferation of bilateral projects and bilateral staff undermines the aid effectiveness objectives of establishing the JDO. However, there is by no means universal hostility to an expanded DFID presence in the South. The JDO team and some of the partner donors see advantages in increased access to DFID professional support and advice. They welcome the associate adviser model, and closer engagement with visiting DFID advisers, provided they work in a collegiate way with JDO. There may be scope for negotiating a future role for JDO and for an enhanced DFID presence in ways acceptable to all and compatible with the objectives for which JDO was originally established.

Administration and Management Costs

- 4.96 DFID administration costs have increased by 50% since the establishment of the devolved DFID office and the JDO (Table 11). They are significantly higher than Tanzania, where the bulk of the programme is disbursed as budget support, but below Kenya, where there is still a significant project portfolio. The heavy reliance on pooled funding might, other things being equal, be expected to be reflected in relatively low administration costs, closer to the Tanzania end of the spectrum. It ought not to require more DFID staff per pound spent to make effective use of aid provided via professional multilateral development agencies than via national budget systems. Pooled funding mechanisms are chosen with the aim of reducing management costs by delegating them, whereas budget support is a process in which financing is supported by policy dialogue and capacity building support, in order to help build effective state institutions. In the case of Sudan, pooled funding has not reduced administration costs to the extent it should have done because there are too many instruments preventing economies of scale, too short a commitment cycle resulting in continuous work on new submissions, and weaknesses in the managing institutions prompting a high level of involvement by DFID in implementation issues. We would not argue that the level of administration costs is excessive given the nature of the country, the security and logistical challenges, the lack of capacity in the South and the difficulties of the relationship with Government in the North. However, we do believe that changes in the composition of the portfolio and in the procedures of the pooled funds could enable DFID to make more effective use of the available staff resources. Too much emphasis has been given to developing inefficient forms of pooled funding, and too little attention to developing the broader framework of aid coordination in support of common plans and budgets. This is not to deny that there has been very substantial progress via approaches such as the common Workplan for humanitarian aid and the development of the budget sector working groups in the South. The argument is that the pooled funds need to focus more effectively on how

they work together to support these broader processes of coordination, including the implications for their own procedures.

Table 11. DFID Administration Costs

	Admin 2005/06 (£)	Prog 2005/06 (£m)	Admin/ Prog %	Admin 2006/07 (£)	Prog 2006/07 (£m)	Admin/ Prog %	Admin 2007/08 (£)	Prog 2007/08 (£)	Admin/Prog %
DFID Sudan	2.5	115	2	4	109	3.7	4	137	3.0
DFID Kenya	2	81	2.5	3	81	4.6	3	67	4.4
DFID Ethiopia	2	63	3	3	89	3.4	3	139	2.2
DFID Tanzania	2	109	2	3	109	2.8	2	120	1.7

4.97 These figures relate solely to DFID administration costs. They include the country office, the DFID share of costs of the JSU and the JDO and the share of the time of UK based regional advisers, but do not include the administrative costs of the pooled fund mechanisms themselves nor of the NGOs who deliver the expenditure programmes. In cases such as the Capacity Building Trust Fund, total management costs include DFID administration costs, UNICEF costs for managing the fund, and the costs of KPMG as managing agent. The CHF and the UN partnership agreement and the BSF also have multiple management costs for the intermediary fund and the NGO responsible for implementing the individual projects.

4.98 Some of the high transaction costs are intrinsic to the need to operate via NGOs in a difficult environment. However, the current portfolio of aid instruments is dominated by approaches involving application, approval, monitoring and accounting processes for small projects and short funding periods, typically one year, rarely more than 18 months even for recovery projects. This could be very substantially reduced, even for humanitarian funding, where much of the requirement represents fairly predictable needs being met by experienced agencies that could easily be shifted to multi-year programmatic funding – as was envisaged in the CEP. This has begun to be implemented in DFID bilateral support, but remains the exception in the pooled funding arrangements other than MDTF.

Summary Chapter 4

- DFID Sudan has made good progress in consolidating the programme with fewer active projects, for larger amounts, and longer commitment periods.
- 64% of projects with PRISM scores fully or largely achieve their purpose – but most of these are bilaterally managed and humanitarian. Pooled and multilateral instruments that account for 70% of spending have worse performance.
- The MDTFs have been slow and have yet to acquire the leadership role on policy dialogue originally envisaged – but DFID lobbying with others for increased WB management attention had some effect; disbursement is picking up, and portfolio performance is moderately satisfactory.
- CHF Sudan, UN managed but in response to a global initiative led by the UK, has not achieved the objectives set for it: - it is not focussed on critical needs, imposes high management costs, provides unpredictable and short-term funding too slowly and often too late in the year, has poor quality control and weak M&E. The objectives remain relevant, but the procedures need reform.
- SRF is a new instrument to finance recovery, but may be tackling the wrong problem if the main issue is the terms on which funding is available from existing instruments like CHF. DFID commitment to fund rapid expansion may be premature given past start-up problems on new instruments.
- Bilaterally managed BSF fund has been assessed as well managed and effective in supporting basic education, health and water and sanitation services via NGOs.
- The capacity building needs in Southern Sudan were under-estimated by all donors, and the effort remains fragmented.
- UK support to the rule of law has been top-down and technocratic in approach, effectiveness in addressing the major issues is in doubt.
- Progress on security sector reform and DDR has been limited during the CPA interim period when risks of a return to conflict remain significant, but support seems well directed and should permit faster progress as conditions permit.
- Increased DFID support to national and local peace processes has been well informed by conflict analysis, well directed to address risks, and influential e.g. increased donor attention to the ‘Three Areas.’ Problems have related to UN procedures and the proliferation of instruments.
- Stopping of DFID led work on debt management for political reasons delayed progress on issues that will need resolution in the final CPA settlement – and may have damaged the credibility of the UK commitment to engage with GNU.
- After initial problems following the establishment of DFID Sudan, management arrangements are operating effectively – though DFID needs to consider with partners the implications for the JDO of increased bilateral spending and presence.
- Management costs reflect inefficient multilateralism: - too many instruments, too short-term, with unnecessarily demanding procedures, managed by partners using their own procedures that are poorly adapted to the needs of Sudan.
- Reform is needed not to save DFID management costs – but to release resources

for more productive work, including increased focus on better aid coordination in support of common plans endorsed by the main donors and (where appropriate) national authorities. This has received less attention than it needed relative to the focus on developing pooled funding instruments.

5. Impact and sustainability

- 5.1 DFID is indirectly supporting a huge number of interventions, mostly via intermediaries. It is dependent on those intermediaries to generate adequate monitoring and evaluation material to be able to show impact. DFID has identified poor monitoring and evaluation as a weakness of many of the pooled funding instruments it is supporting, and of many of the NGOs. It has invested considerable effort in trying to improve monitoring, but the verifiable material available for assessing impact is largely missing, and much of the material that is available reports activities rather than outputs or contribution to outcomes.

Humanitarian

Darfur

- 5.2 Darfur remains the world's largest humanitarian operation. Over 4.5 million people are affected by the conflict, with some 2.7 million internally displaced and 250,000 Darfuri refugees in eastern Chad. Widespread and continuing violence has displaced over 310,000 people since the start of 2008. The humanitarian response has nevertheless demonstrated tangible achievements in reducing loss of life and suffering. Acute malnutrition rates halved between 2004 and 2007. More than 75% of the conflict affected population now has access to clean water⁷⁴.
- 5.3 The 2007 Darfur Food Security and Nutrition Assessment noted little change between 2005 and 2006 in terms of proportions of food insecure households (70%) and acute malnutrition among children under-5 (12.9%). The situation was worse for IDPs in camps than for IDPs in communities and resident populations. Localised nutrition surveys reported levels of Global Acute Malnutrition (GAM) ranging from 6% to 39%; however, these rates had decreased considerably in 2005-2006 and remained steady in 2007. Variants were also very seasonal⁷⁵.
- 5.4 A closer look at results achieved through DFID's bilateral funding of relief agencies reveals relative successes in achieving set objectives, and a notable improvement since 2004-05. For example, £1.58 million (mid-2007 – mid-2008) provided through the International Rescue Committee (IRC) for health, environmental health and safer communities for both displaced and host communities in Darfur shows some marked improvements. Populations received both the curative and preventative treatment required to meet their immediate health needs, reducing the risk of spreading communicable diseases and increased knowledge on healthy behaviour.⁷⁶ DFID Project scores were all above 3, and some as high as 1. There

⁷⁴ CHF Submission, 15 December 2008, DFID. Sustainability of water supply improvements is an issue:- DFID is supporting UNEPA to work with agencies to begin to address the issue.

⁷⁵ Food Security and Nutrition Assessment of the conflict-affected population of Darfur, Sudan 2007, WFP, UNICEF, CDC, FAO, June 2008.

⁷⁶ Annual Review, IRC Project AG4825, 9 September 2008, DFID Sudan.

were, of course, some obvious caveats: First, targets and data are based on entire camp populations and monitored as such, and hence the activities of IRC contribute only in part to the overall achievement along with several other health providers including NGOs, MoH, etc. Second, IRC was in 2008 singled out for review by Humanitarian Aid Commission (HAC) due to the protection and gender-based violence (GBV) nature of some of their programmes and their high profile. This forced a refocusing of IRC priorities, mainstreaming of some protection/GBV activities and closure of some programmes. Combined with increased security risk, the risk category to such a programme has remained high.

- 5.5 Similar measured successes – and high scores on project completions - within the same time period were recorded for GOAL (in Darfur) and Oxfam (across the border in Eastern Chad). However, the expulsion of all three agencies in March 2009 following the ICC ruling will again compromise medium-term improvements in these sectors. The UN agencies will not themselves be in a position to self-implement targeted programmes of this level of complexity and, despite claims to the contrary, neither will the Government's HAC. The UN estimates that 1.5 million people will be affected by reduced access to health care⁷⁷.

Southern Sudan

- 5.6 There is a lack of recent data for assessing poverty trends since 2005. The Price Waterhouse Cooper reports on MDTF-S do include some data on cumulative benefits but they are mostly of an intermediate output nature (pharmaceuticals and textbooks distributed, rather than enrolment rates or health facilities without stockouts, let alone numbers treated). Where quantification is given, the reach is quite limited: - 100,000 or so with access to clean water is about 1% of the population. There have been some notable achievements in rehabilitation of roads, where journey times on over 800kms of roads have been reduced by 80% for example, but overall the 'peace dividend' has been much slower than it need have been. DFID has been instrumental in developing the BSF, which has made some significant inroads into improving education, health and water and sanitation (Table 12). It is of interest that the BSF reports drilling more boreholes serving more people than the much larger MDTF, though overall the BSF is too small to offset the slow progress of the MDTF.

⁷⁷ See USAID report on recent expulsions, http://www.usaid.gov/locations/sub-saharan_africa/sudan/

Table 12. Basic Services Fund Outputs

	NGOs Working	Principal Services	Estimated Beneficiaries
Education	4	20 primary schools built 800 teachers trained	4,480
Health	8	14 health centres built 32 health posts built Medical staff and supplies Training	1 million
Water	7	227 boreholes installed	227,000
Sanitation	6	795 latrines built Hygiene & sanitation training	7,950

Source: Review of Basic Services Fund for South Sudan. January 2008.

- 5.7 Progress in building the capacity of GOSS and of state and local Government has also been slow, reflecting a fragmented approach by donors and inadequate resources allocated to the task. As one example, progress in the health sector in the South has been painfully slow. The approach of contracting NGOs is being used in a couple of states (Medecins Sans Frontieres and Norwegian People's Aid), and there is an attempt by GOSS to build up State Government to take responsibility for health services, but there are huge gaps. Budgets are not regularly reaching health facilities, and there is some evidence of ad hoc introduction of user fees, likely to exclude the poor⁷⁸. Health sector budgets have been under-spent and returned to treasury, an indicator of lack of capacity and lack of required technical support on the scale required. The BSF is widely regarded as quite successful in keeping NGO health services functioning, but Government funds are not flowing for a variety of capacity and other reasons. There has been recent progress in distributing bed nets – but this is an exception. There is need for more regular coordination between Ministry and health donors, with more professional representation and ability to engage from the donor side to support a better dialogue on the sector policy and performance. This is ironic because WB point to health as an example of one of the better sectors for donor coordination, reflecting the work of the budget working group. The individual who was a critical driving force behind that group has now left the country.

Peace, Security and Justice

- 5.8 It is difficult to measure positive impact with respect to conflict work, since conflict averted can not be observed. What can be said, referring to the conflict assessments carried out by a wide range of analysts on issues that are amenable to influence by a development assistance programme, is that DFID has tackled all the priority drivers of conflict in Sudan - there are no identifiable gaps since there has been a ramping up of the conflict and security programming in 2007. Progress is currently being made in all the issue areas, with the exception of rule of law programmes, where progress is less visible.

⁷⁸ Visit reports.

- 5.9 There is also a concerted effort by DFID staff to integrate previously disconnected initiatives (within UNDP, or between Security Sector Reform (SSR) and community issues, or community peace initiatives and the Darfur peace process), and to encourage other donors to intervene (the EC, US, Canada, Netherlands and Norway).
- 5.10 There is a general agreement that monitoring and evaluation by partners is still of limited quality, while the indicators remain very focused on activities and processes. DFID programme reviews and scoring in particular focus on the degree of implementation, rather than relevance and impact. While there is an increasing effort to define outcomes and impact at a strategic level, it is difficult in the current information systems to aggregate results to the national level. One way of doing this, which has not been used, would be to carry out periodic mapping of conflict drivers and focus on key actors and key capacities.
- 5.11 DFID has in particular laid the foundations of more long term work, by weaving relations and developing capacities that will endure under all the possible conflict scenarios for the country. Starting from a low point, the HMG presence inside Sudan has considerably increased. While policy tensions remain (regarding Darfur, the south, engagement with an increasingly confident national government), the transition from a period dominated by reactive rather than proactive humanitarian objectives has been achieved.
- 5.12 The flurry of initiatives described in the previous sections, and broader efforts, such as the deployment of the European Commission Adviser for the Three Areas, have however all been delayed, for different reasons. This slow ramping up of the DFID effort from 2005 to today, in spite of the acceleration since 2007, and the obligation to work through unwieldy UN structures, led stakeholders to complain that DFID have remained un-engaged. Key relationships have been established (particularly in SSR and in engaging local groups in peace processes), which could indeed have been established earlier.
- 5.13 The main factors limiting the impact have been beyond the control of the development assistance effort (continued lack of agreement on the border areas, fragmentation of the conflict in Darfur, the ICC indictment and arrest warrant), but avoidable delays in implementation have not helped. Timing is an important aspect of intervening in conflict. Intervention at the community level to engage with insecurity, strategic engagement with the SPLA, the creation of shared understandings of the stakes for peace and conflict, if applied earlier, would have rendered the environment less permeable to conflict, and would have demonstrated HMG's engagement.
- 5.14 It has to be recognised that a better timing or an acceleration of the procedures and mobilisation of the projects would have required more staffing and administrative capacity than was available to DFID. The available funding and staff time is committed to the current annual funding cycle of the Conflict Prevention Pool, the complexity of funding of UNDP, and use of other funds such as MDTF or SRF. It would not have been possible for DFID to launch more contracts, nor to ensure a strong sub-contracting body that would have had the necessary legitimacy or institutional capacity.

Aid harmonisation

- 5.15 DFID has had a significant impact on aid architecture and aid harmonisation, not all of it positive. DFID bears some responsibility for the fundamentally flawed design of the CHF in Sudan, and for a proliferation of pooled funding instruments.
- 5.16 More positively, DFID support to the GOSS through the budget sector working groups has begun to have a significant positive impact on GOSS planning and budgeting, though the collapse in revenues due to oil price decline are putting it under strain. The BSF has also been a real addition that has attracted support from other donors as well as DFID.
- 5.17 In the peace and security area DFID has been an innovative force, helping to generate investments in the police and prison services, and in community security and reconciliation. Of particular note is the role it has played in encouraging other donors, particularly the European Commission and Norway, to bring greater emphasis to the Three Areas, which had been neglected in development assistance terms until 2008. The creation of an adviser post by the EC, and the launch of a series of new projects bears testimony to this.
- 5.18 Similarly DFID has pushed for extensive reviews and adjustments to multilateral and NGO mechanisms. There is a clear pattern of integration or at least increased coordination in the funding arrangements in specific areas (for example amongst the programmes of the NGO PACT or in UNDP programming) where previously donor projects had run in parallel, as a result of the critical dialogue established by DFID staff. Better linkages are also made between large conflict resolution (Darfur) and DDR programmes (south and east) and the community based initiatives, including those that pre-existed in humanitarian aid.

Summary Chapter 5

- Measurement of impact by multilaterals and pooled funds is generally weak.
- Humanitarian effort has saved lives, reduced malnutrition since 2005, and extended safe water to 75% of Darfur population – but sustainability is threatened by NGO expulsions.
- Impact of both MDTFs has been limited. Good impact of road projects in South slashing journey times by 80%, but clean water to only 1% of population.
- BSF has built schools and health posts, brought clean water to more than twice as many people as WB.
- Capacity building limited, uneven, threatened by fiscal crisis- sustainability of services is still dependent on NGOs.
- Impact of peace and security work is hard to assess, but capacity is being built to address drivers of conflict, there is evidence of DFID influence on others e.g. commitments to the three protocol areas.
- DFID has had impact on aid architecture (humanitarian workplan, CHF, SRF, BSF). Could have been more positive with more analytical approach to advancing aid effectiveness.

6. Lessons and Recommendations

Strengths and Weaknesses of DFID

6.1 Strengths:

- Policy analysis embedded in a global context, including clear and professionally well informed institutional policies and approaches, notably reflected in policy papers on working in fragile states. DFID brings a global and regional perspective to the policy discussion and to the Sudan programme.
- DFID is an initiator and key player in the donor world in Khartoum, Darfur and Juba, showing strong leadership skills. DFID leads easily on the “bigger questions” and on strategic issues.
- DFID is well endowed with well trained and experienced staff, with numbers second only to the US, but with greater capacity to deploy them in cooperative ways that bring wider benefits to the donor effort as a whole.
- DFID has a large programme, giving it the financial means to support its policies and programmes.
- Some observers comment that the FCO/DFID combination is useful, including the FCO presence in Juba. Although others did comment that the programme has at times been excessively driven by the politics, especially in Darfur.
- Flexibility in approach and in general readiness to develop programmes in cooperation with others, allowing DFID to be committed and prepared to take risks.

6.2 Weaknesses:

- The key weakness is that the strong pressure to support donor harmonisation has resulted in a large share of the available financial and staff resources being committed to supporting a range of multilateral and pooled funding channels, all with serious problems.
- There was initially a weak relationship with the Government of Southern Sudan and no continuous interaction with authorities at all levels. This is beginning to be addressed by increasing the presence in Juba, although it remains limited, with no DFID staff except the associate arrangement of one staff member to the JDO.
- The avowed policy of engaging with all parties to the peace agreement has had to confront strong media and political pressures that have resulted in practice in a more hesitant approach that has stalled progress in some areas (debt is the main example, but all engagement with GNU has been subject to careful scrutiny for the political and reputational implications). This may be a simple fact of life of working in a conflict affected state, rather than a weakness as such.

Lessons

For DFID in Sudan

- 6.3 DFID professionalism and capacity to lead is acknowledged and welcomed by bilateral and multilateral agencies in Sudan, and has enabled DFID to secure significant changes in aid coordination. DFID might have had even greater impact had it posted more staff to the South where the need for support and guidance is greatest, and by adopting a less dogmatic approach, making more use of bilateral approaches where they offer advantages.
- 6.4 Aid effectiveness is not only or mainly about the funding arrangements. A better approach will often be to start by developing improved coordination in support of a common plan and budget, with joint funding arrangements coming later.
- 6.5 Decisions taken to solve specific problems have resulted in an accretion of aid instruments that in totality have resulted in excessively complex aid architecture. There has been a tendency to react to perceived gaps in coverage and to the inevitable delays and weak delivery by multiplying delivery modalities. The result is a confusing patchwork of pooled and multilateral mechanisms, and targeted bilateral programmes in overlapping areas. While this has in many cases helped overcome bottlenecks, it has also multiplied the transaction costs, and drawn staff time to process issues, to the detriment of a focus on impact.
- 6.6 DFID has obligations to its partners and so can not just walk away from funding instruments it helped to establish. DFID is locked in to supporting UN-managed pooled funds that are not in line with Paris principles of aid effectiveness. Pooled funds managed by multilaterals have high transactions costs, do not provide predictable or longer term financing, are aligned only with UN procedures and not with those of Government, and even the largest represent too small a share of the relevant aid flows to have much impact on overall harmonisation. However, reforming them requires a change in administrative culture, which can be difficult – which suggests a degree of caution in starting new ones.
- 6.7 The lesson is that the option of pooled funding managed by a multilateral is not always to be preferred. The appropriate mix of aid instruments should be appraised explicitly, applying the principles from DFID guidance on the choice of aid instrument. A combination and design of instruments that is effective in the circumstances of Sudan and can eventually be subsumed within a national budget may be more likely to emerge through a national design process facilitated by consultants. The BSF experience suggests that private sector involvement in management can also be more flexible and effective.
- 6.8 Any change in the aid channels used would need to be compatible with the global limitation on DFID administration costs. Making it feasible would require further progress towards fewer funding channels on a larger scale with longer-term commitments, with agreement to similar reforms to the UN managed pooled funds. The problem is that DFID staff are too busy running the current programme to have the time to plan how best to achieve a consolidation of the programme into fewer, larger, and more effective funding channels. Administration effort would need to increase in the short term in order to achieve the changes needed to get to a

medium term future in which staff time might be released to be used more productively. That will be difficult for staff who are hard-pressed with the challenges of managing the inefficiencies of the current system.

- 6.9 In Southern Sudan, the relationship between relief and recovery is one in which ‘transition’ is not a temporary passing phase but rather a protracted interplay between meeting humanitarian needs, providing basic services, and building capacities to sustain those services. This requires considerable bilateral investment, which has been underestimated.
- 6.10 It also suggests some nuancing of the DFID-S approach to recovery. The gap is not the classic ‘recovery’ gap, but rather a relatively poor and/or slow uptake in supporting livelihood initiatives, community driven development, credit and safety nets. Not only are these crucial to day-to-day realities of Southern Sudan (and almost entirely absent from GOSS planning), but they form the bedrock of the kind of peace dividends most people beyond the capital towns can expect as a minimum.
- 6.11 The donor community, including DFID, did not adequately respond to the expectations and demands of a rapidly decentralised, but notoriously weak, state apparatus beyond Juba. There is no substitute for large-scale, consistent capacity building (even capacity provision in some cases) provided by personnel on the ground. DFID’s front-loading of pooled funds was exemplary, but it did not anticipate how serious were the capacity constraints in delivering programmes effectively.
- 6.12 Southern Sudan was not just ‘post-war’; although strictly speaking sub-regional, it was state building from scratch. The apparatus of an effective security – police, judiciary, prison service, etc – required more immediate hands-on assistance from the outset, and perhaps too much reliance was placed on the UN to provide this in a timely fashion.

For DFID more widely

- 6.13 Avoid experimentation and piloting of institutional innovations in development assistance management in fragile settings (JDO, Joint Sudan Unit) unless the lessons learned from elsewhere (not from Sudan) build a strong case for the country in question and have given relevant results.
- 6.14 Pooled funding and use of multilateral mechanisms for service delivery will not necessarily reduce transaction costs for the country, and may not even save significant DFID administration costs unless the overall aid architecture is deliberately planned to meet local needs, and is kept under review. If not, there is a risk of fragmentation of execution and multiplication of coordination and process mechanisms, to the detriment of staff time spent in delivering programmes and interfacing with counterparts.
- 6.15 Fragile environments face substantial fiduciary risks, and require procurement, financial management and administrative staff with relevant experience, but face particular problems in recruiting them. GOSS experience confirms that outsourcing these functions to external contractors is one way to attract them, and the higher costs will often be compensated by greater efficiency.

- 6.16 Invest in more analysis on State-building in fragile States and avoid piece-meal and conventional approaches to capacity building that are not suitable to the circumstances.

Recommendations

Recommendations for DFID

- 6.17 In future post-conflict situations, and especially where starting capacity is very low, DFID should give far higher priority to working with other development partners to put in place a timely and appropriate response to capacity development and capacity provision. Capacity constraints in Southern Sudan were well-documented prior to the CPA and should have been at the top of all priorities since the knock-on effect of poor capacity has compromised all other programmes.
- 6.18 DFID country policy in post-conflict states needs to retain a clear focus on the DFID 'mission' of reducing poverty and making progress towards the MDGs. Even if the judgement is that a strong focus on supporting a peace process is the most effective way for DFID to contribute, the assumptions and linkages to these core objectives should be explicit, including reviewing whether there is an appropriate balance between peace related programmes and more direct avenues for bringing material benefit to the population.
- 6.19 DFID should ensure that its country offices apply appropriate DFID guidance on the choice of aid instrument⁷⁹. This implies appraising different options for their impact on aid effectiveness, avoiding pre-conceived notions that pooled funding arrangements are to be preferred irrespective of their design and management. It also implies keeping an open mind on alternatives to relying on the management and procedures of the multilaterals, especially in fragile environments, where DFID flexibility and professionalism is rightly valued. The Sudan experience seems to indicate a somewhat uncritical preference for pooled funding mechanisms without sufficiently critical review of their design and underlying rationale.
- 6.20 A review of CHF in other countries should be undertaken, to see if they display the same problems as CHF Sudan. If yes, DFID should press for similar reforms through the UN to those proposed in Sudan.

Recommendations for DFID Sudan

- 6.21 Consolidate the aid instruments through which DFID funds are disbursed, where possible phasing out support via those that do not meet the criteria of providing low management cost, predictable, timely, flexible, and longer-term funding, in larger and preferably programmatic packages.
- 6.22 Work with the Humanitarian Coordinator, UNDP and other donors for reform of CHF Sudan to meet these objectives by introducing some multi-year programmatic

⁷⁹ DFID, Guidance on Aid Instruments, A DFID Practice paper, full draft. <http://www.dfid.gov.uk/pubs/files/aid-instruments-guidance.pdf> accessed 13 April 2009

grants for funding the predictable requirements of well-established agencies and NGOs – subject to progress reporting and to supported activities being included in the humanitarian Workplan. As the majority source of funds, DFID should provide multi-year commitments that would allow predictable annual needs to be financed in a more programmatic manner, even if other donors are unable to do so.

- 6.23 Review the experience with SRF to date before pushing ahead with expansion. If the CHF moves in the direction proposed – recognising the need for protracted humanitarian assistance, including recovery elements - consider absorbing SRF within the CHF. The peace building and state building objectives of SRF can be accommodated within a wider remit of CHF. This would need to address issues such as the long-term evolution of the relative roles of OCHA and UNDP within an instrument that will shift over time towards providing an increasing share of support for recovery.
- 6.24 As an effective aid instrument currently operating in Southern Sudan, re-privatise BSF and if possible find ways to expand it. If the management implications for DFID are a concern, this might be possible to manage via the JDO, given that the contractor is experienced and the operating procedures well established.
- 6.25 Initiate discussion with GOSS, JDO, MDTF-S, UNICEF and other partners on the development of a strategy, roadmap and coordination framework for capacity building in Southern Sudan, and promote a better resourced effort to both provide and build capacity at GOSS, state and local level.
- 6.26 Review whether the staff allocation in DFID Sudan reflects priorities, given the balance of programme spending and the opportunities.
- 6.27 Discuss with JDO partners how DFID needs for good quality staff in Southern Sudan can best be met, expanding DFID presence in the South without undermining the joint approach of the JDO.

7. DFID Sudan Management Response to Country Programme Evaluation (CPE)

We welcome this report, which contains many helpful conclusions and recommendations. These will help us to shape our programme to Sudan as we go forward.

The evaluation rightfully recognises DFID's programme in Sudan is one of the most complex and challenging of its programmes. Continued insecurity, unparalleled humanitarian need and weak capacity and systems, are major challenges for all aid donors. However, we consider the programme to be consistent with DFID's wider policy framework, including that outlined in the 2009 Development White Paper - *Building our Common Future*, and consistent with established good practice for operating in fragile and post conflict states.

In this management response we provide some general comments in response to the evaluation, as well address some specific issues raised.

Between 2005 and 2008, DFID's evolving mission was to deliver the 'peace dividend' expected from the Comprehensive Peace Agreement (CPA), while also addressing the surges in humanitarian need linked to the conflict in Darfur. The history for both Governments, in the North and South, is a predominantly military one, with an over-riding concern for defence, from both internal and external threats, and with complex international relationships. Both preside over hugely diverse populations, and continue to be challenged on the allocation and distribution of the considerable resources at their disposal (the total aid budget to Sudan accounts for 3.3% of GDP). The abnormality of the aid and internal and external political environments impacting on Sudan was and remains absolutely fundamental to the design of the programme and we do not feel the evaluation takes sufficient account of this in its conclusion or recommendations.

Externally, the enthusiasm and commitment of the international community's response to the signing of the CPA in January 2005 was soon accompanied by a hardened international response to the long running conflict in Darfur. The collapse of the May 2006 Darfur Peace Agreement ushered in an era of increasingly generalised insecurity, heightened crime, much of it directed at humanitarians, and deteriorating humanitarian access. This ensured a strong international focus on Darfur, reinforced by influential lobbies, which we believe made it hard to maintain the desirable focus on implementation of the full range of components of the CPA. Three trade-offs followed: the continuing high profile of humanitarian work which limited our ability to focus on recovery and state-building activities across our portfolio; the need to find ways, without creating the wrong incentives for government, to provide basic services directly to a population ravaged by war in the South, instead of focusing on state-building; and the need to address security concerns to allow humanitarian access, prevent increased humanitarian need and build the confidence of citizens to invest in their livelihoods, while also demobilising soldiers and working to re-align government expenditure to service delivery priorities.

We accept the report conclusion that the links between programme activities and poverty reduction has not been as clearly articulated as it could have been and that it is important to continually review and test this link as the country strategy is implemented. The July 2008 DFID Country Plan clearly states our goal in Sudan is to secure "poverty reduction through a sustainable peace". DFID's policy on working in fragile environments – as set

out in the September 2009 White Paper – is clear that addressing constraints like security is absolutely critical for enabling poverty reduction.

DFID is also about to produce new policy guidance under the title Building Peaceful States and Societies. This sets out an integrated approach that puts building peaceful states and societies at the centre of DFID's efforts in fragile and conflict affected countries and recognises that conflict and state fragility have emerged in recent years as the most significant challenges to international peace and security, and to achieving the Millennium Development Goals (MDGs).

One of a number of particularly tough trade-offs for the DFID Sudan programme is the balance between humanitarian and development spending. Humanitarian support made up over 40% of DFID Sudan's programme in Financial Year 2008/9. But without progress on political and security fronts, the UK must continue to meet its burden share of humanitarian funding requirements particularly in Darfur, Southern Sudan and the border areas, while continuing to expand the options for affecting transition to recovery and development. In Financial Year 2009/10, our humanitarian programme will make up some 35% of total spend, and also will provide us with better evidence that immediate and life saving needs are being met in a timely fashion.

We agree that there is some basis for the report's conclusions on trust funds. DFID has been at risk from a heavy reliance on pooled funds administered by multilateral partners, some of which have performed poorly. In the case of the World Bank administered Multi-Donor Trust Funds, we have consistently pressed the Bank to improve performance. When that performance was not evident we stopped our contributions to the MDTF, and have had to identify other channels to deliver that assistance. We continue to believe that an effective World Bank presence is essential, however, particularly for the South, and will continue to work for this. We will continue to pay very close attention to the performance of this MDTF and other multi-donor funds and will take action as necessary, in order to ensure the proper use of our contributions and better outcomes for the people of Sudan.

The reality of working in Sudan, however, means our choices were always limited. Many of the regular multilateral channels for direct support (e.g. World Bank, IMF and African Development Bank) are not available. The minimal presence of private sector implementing partners – e.g. PWC, Crown Agents - has increased our dependence on NGOs and pooled mechanisms through and with other development agencies. Concerning the South, we took a deliberate decision to try and reduce transaction costs for a new governance apparatus by using pooled funding mechanisms. In line with good practice in fragile states, the range of funding options that we kept open has meant that we spread our exposure, but inevitably therefore were exposed to the risks of a number of under-performing institutions. However we also consider it an appropriate part of our role to work with these essential institutions to ensure that they are capable of taking up their proper roles in the aid architecture for all parts of Sudan.

We partly accept the report's suggestion that the international community as a whole underestimated the very low levels of capacity in the South. The international community also did not anticipate the impact of John Garang's death, a matter of weeks after the signing of the CPA, on governance capacity in the South. The introduction of the Joint Donor Office in Juba was intended to ensure that donor demands on this weak administration were minimised. Following on from this, we agree that it is important to keep the organisation of our in-country presence under review. Our response currently to the capacity issue in Southern Sudan is twin-track: firstly to work with other donor

partners on gap-filling of the important operational roles against a single coordinated and prioritised strategy; and secondly to focus on the longer-term, for example with a programme to enhance teacher training. Organisationally, DFID is implementing a change management programme that places programme management responsibilities more clearly where they should be, deploys more staff to Juba, and reprofiles our portfolio to fewer, bigger programmes.

Particularly in the South of Sudan, DFID is constantly reviewing our choice of aid instruments in order to try and address the tensions that arise between state-building and peace-building objectives. As noted earlier, the latter has led us - for good reason - to bypass the very weak state in order to achieve some level of basic service delivery usually through NGOs. But the international community has struggled with the sequencing and modalities of the transfer of these responsibilities so that we also begin to build state accountability and capacity. This is something that we are addressing in our policy dialogue with the Government of Southern Sudan and in the design of the basic services programme that will replace the Basic Services Fund.

The most significant disagreement we have with the findings of the evaluation report, is with regard to the Common Humanitarian Fund. We do not agree its remit should be broadened to include 'recovery' or state-building objectives. It is a new global mechanism and part of the UK's wider commitment to reform of the international humanitarian architecture. While it has had its share of teething problems, it has been independently and positively reviewed as a catalyst for reform: promoting more accountable financing, better sectoral coordination, stronger leadership by the Humanitarian Coordinator, and greater donor harmonisation. Learning lessons from the Pooled Fund in Democratic Republic of Congo, it has also recently begun reporting the cumulative results of the projects that it funds. This has helped to increase DFID Sudan's corporate reporting on targets in water and sanitation, health, and education sectors.

ANNEX 1. SUMMARY LIST OF PEOPLE CONSULTED

Institution	No. of
DFID – London	25
Foreign and Commonwealth Office, London	4
DFID – Khartoum	13
DFID – Juba	2
Government of Southern Sudan	8
State and County Level Representatives	8
World Bank	6
United Nations (including WFP and OCHA)	24
Other Embassy/Development partners	21
Non-governmental Organisations – Sudan	15
Private Agencies and Others	6

ANNEX 2. TERMS OF REFERENCE

TERMS OF REFERENCE FOR EVALUATION OF DFID COUNTRY PROGRAMMES - 2008-09

Introduction

- 1.1 DFID's performance management system is supported by periodic independent evaluations at project, programme, sector and thematic level. Evaluation Department (EvD) carry out four to five Country or Regional Programme Evaluations (CPEs or RPEs) annually. These terms of reference (ToRs) set out the scope of work for the 2008/09 period.
- 1.2 The CPEs provide important accountability and lesson learning functions for DFID. The primary audience for the evaluations is the UK government and DFID senior managers including heads of country offices. All evaluation reports are published externally.
- 1.3 Countries proposed for evaluation in 2008/09 are Afghanistan, Ethiopia, Cambodia, DRC and Sudan. Each evaluation will use the countries' most recent Country Assistance Plan (CAP) or equivalent, and related policy documents. Where the five year evaluation period spans two CAPs, or other strategy documents, the evaluation will relate to both.
- 1.4 While country-led approaches are central to the way that DFID works, socio-political and environmental contexts will influence the progress and form of the development process. The CAPs articulate the country offices' plans for operationalising corporate objectives within the country context, and in most cases they will build upon or reflect the national Poverty Reduction Strategy Paper (PRSP). These plans are therefore the logical starting point for the evaluation.

Overarching objectives

- 2.1 The main objectives of the country programme evaluations are to assess:
 - Country strategy and links to poverty outcomes and DFID's corporate objectives
 - Choice of aid instruments
 - DFID's role as a development partner

Annex 2. Terms of Reference

- DFID's success in implementing its country strategy

2.2 The CPEs will assess the DFID country programmes in terms of standard criteria although these may be customised to a degree for individual studies. The generic evaluation matrix can be seen at Annex A. It is based on DAC evaluation criteria adapted to take account of the fragile states context and considers:

- The **relevance** of country programme objectives and the logic behind them given domestic policy objectives for poverty reduction, as well as DFID's own corporate level objectives
- The **effectiveness** of the overall programme in achieving the objectives set out in the country strategy, including DFID's choice of aid instruments, harmonisation with other stakeholders, policy dialogue and influencing
- The **efficiency** with which programme plans are translated into activities, including human resource and office management, collaboration and harmonisation with other stakeholders, policy dialogue and influencing, the use of financial instruments

And to the extent possible

- **Sustainability** – are the reforms/ changes supported by DFID's country programme moving in the right direction and are they likely to be sustained? Has local capacity been built? Has transparency and accountability improved?
- **Outcome** – What did the country programme achieve the objectives set? Did the positive outcomes DFID achieved justify the financial and human resources used in the programme?
- **Attribution** – Given the direction of travel and external factors, overall how far did the country programme make a positive contribution to poverty reduction? How good a development partner was DFID?
- The success with which the programmed had mainstreamed the cross-cutting issues of **poverty, gender, HIV/AIDS and environment** into all of its activities. What were the variables influencing the process of inclusion? What was the impact on the achievement of wider programme objectives?
- Ensure that any information collected or evidence produced on multilateral effectiveness in each CPE is highlighted and forwarded to EvD.

Methodology, Outputs & Timing

3.1 The consultants will produce one study report and executive summary for each country or region. The report shall be approximately 50-60 pages long (excluding annexes) and

will include detailed lessons and recommendations. The evaluation summary (EvSum), should be approximately 4 pages, and will include the response from the relevant DFID office/Department, which EvD will obtain.

3.2 The other outputs required from this contract include:

- Inception reports detailing the way in which each individual CPE is to be carried out and showing the customised evaluation matrix.
- A presentation of preliminary findings to country offices before the end of the fieldwork for each study
- A publishable synthesis report pulling together findings across individual CPEs. In 2008/09 this will cover regional programmes and in 2009/10 it will cover fragile states

DFID also requires access to the evaluation team's interim evidence summaries, e.g. completed matrices, although it is not expected that these should be of publishable quality.

3.3 Each evaluation will involve an 'inception visit' and 'fieldwork mission'. EvD and the consultant team leader will undertake the inception visit. A team of 3-6 consultants will undertake the fieldwork, generally involving up to 3 weeks in country. In some cases the inception phase may be undertaken in the UK and the fieldwork may be organised a little differently given the fragile states focus in this round of countries.

3.4 The 'inception visit' has four key objectives:

- i. Ensuring staff in the DFID country office are fully informed about the evaluation, its purpose and how it will work;
- ii. Ensuring country/ regional office staff have an opportunity to feed in key questions they want the evaluation to address and decide whether they wish to undertake self-evaluation as part of the process
- iii. Determining the exact nature of the individual evaluation and resolving key methodological / practical issues.
- iv. Ensuring the evaluation team has access to all relevant contacts - including all those who have worked in the country/ regional programme over the fieldwork period and all relevant partners;

3.5 Between the inception visit and fieldwork the consultants will amend the standard evaluation framework for the study to address any country-specific issues raised during the inception visit. An inception report containing this matrix will be signed off by the country office.

Annex 2. Terms of Reference

- 3.6 If the DFID country office wishes to undertake self-evaluation they will be encouraged to produce a log-frame for the entire country programme (unless this already exists), detailing the logic of their interacting projects and programmes and assessing what has been achieved. If the country office does not undertake this work and there is not clear guiding framework, the evaluation team will attempt to create a similar log frame as part of the evaluation approach.
- 3.7 EvD will provide supporting documentation relevant to each CPE to the consultants in good time. This will include project documentation and relevant documentation about the design, implementation and monitoring/ evaluation of the country/ regional strategy and individual programmes (but not background policy information). Prior to undertaking fieldwork, the evaluation team need to be familiar with the DFID programme, the country context and the full range of DFID policy papers that are relevant to the country programme.
- 3.8 The consultant is responsible for identifying and engaging a team of consultants appropriate to each country context from within their company/ consortium. The team must have good evaluation skills, understanding of DFID and the local context and ability in the languages of the country. The team should cover all the major sectors of the country programme and if possible should include at least one locally based consultant as a full team member. The consultant is responsible for setting up and planning the main field visit. If EVD wish DFID staff members to accompany the consultant CPE team, additional terms of reference specifying the roles and responsibilities will be developed. The planned consultancy team for each of the CPEs covered in this contract is shown at Annex B; it is recognised that there may yet be some changes to this (due to either DFID or the consultants) – particularly for the studies programmed later in the year.
- 3.9 During the main fieldwork the sector specialists and evaluation team leader will interview DFID staff (current and past) and partners (in government, multilaterals, other donors etc.) about all aspects of the programme over the five year evaluation period – using checklists as appropriate. Web based surveys of staff and other stakeholders (e.g. other donors and NGOs) will also be trialled on a pilot basis. The evaluators will systematically scrutinise the available documentation and supplement this where possible, and then use all evidence gathered to complete the evaluation matrix. One matrix should be completed for each main sector, pillar or thematic area, and the evaluation team leader (and deputy) will use these to compile the final report. Fieldtrips outside the capital city are not a standard part of a CPE but may be used on occasion if applicable. This will be determined during the inception phase for each study.
- 3.10 Before leaving the country the evaluation team should make a presentation to the country office on emerging findings.
- Within 4 weeks of the fieldwork finishing a high quality draft report of 40-60 pages (excluding annexes and with an Executive Summary) will be submitted to EvD. Following initial checks within EvD this will be sent to the country office and staff there invited to correct any factual errors and make comments. Although country

- offices may challenge findings they disagree with, and sometimes have additional information to support a claim, EvD will support the evaluation team to ensure that the report remains a true independent evaluation. A second draft report and evaluation summary will be produced taking account of relevant comments. These will be subject to external quality assurance against the criteria shown at Annex C. It is expected that all draft reports submitted will have been checked for typos, formatting errors and consistency of data presented.
- The Synthesis Report (which in 2009 will focus on fragile states), will be guided by a workshop scheduled for around June 2009 and should be completed by October 2009. It is anticipated that there will be a further meeting between the authors and relevant DFID policy leads to discuss emerging recommendations – perhaps after the first draft report has been produced and considered by DFID. This will assist in building ownership for the synthesis report. The report should be finalised within three months of the date of the workshop - including an Evsum; a follow up dissemination event may be required. Note, during 2008 the synthesis report from the last contract will be produced focusing on regional evaluations.
 - The consultants will work to the strict deadlines set out in Annex D and the timeliness of the delivery of reports is of the essence. Any changes to these deliverables must be agreed in advance with EvD. Team composition and timelines will be agreed prior to commencement of each of the country studies, including the necessity of any follow up visit to the country if major issues remain unresolved. The consultancy should start in April 2008.

4. Competence and Expertise Required

- 4.1 One consultancy organisation or consortium will be appointed to deliver the outputs described above.
- 4.2 A managing consultant with extensive evaluation experience and a track record of managing country/strategic level evaluations will be required to manage the planning and delivery of the CPEs. This individual will be expected to have strong written and oral communications skills as he/she will play a role in communicating lessons learned both to country programme personnel and to a wider DFID audience.
- 4.3 Each CPE should have a named team leader with expertise in evaluation methodology and monitoring and performance management issues. This must include understanding of the complexities of country programme evaluation. The Team Leader must also have up to date knowledge of DFID policies and performance, planning and data systems. Access to our online systems will be provided. Team Leaders will all have CTC security clearance, and for fragile states, this will be increased to SC clearance,
- 4.4 Each CPE team will be made up of a combined skill set covering governance, economics, social and institutional development and human resource management and the number of team members will be appropriate to the country programme. There is not one model that will work for each country/ region being evaluated, so flexibility in team composition is essential. The team members for each country evaluation will

Annex 2. Terms of Reference

need expertise in evaluation methodology and familiarity with development issues in the CPE countries. They should also have up to date knowledge of DFID policies and systems. Relevant experience in cross-cutting issues like gender mainstreaming, HIV and AIDS and the environment. The team should normally include a strong national/regional component.

4.5 The consultancy team will have responsibility for:

- maintaining ethical standards in implementing the evaluation
- the timely production of evidence-based conclusions, lessons and recommendations to demanding quality standards
- managing logistics in country, with support from the DFID country office, to the extent mutually agreed in the respective Inception Visit.

Reporting and Dissemination

The consultants will report to the Country Programme Evaluation Team Leader or the Deputy Programme Manager in DFID Evaluation Department.

Reports will be published and distributed, electronically and in hard copy, to a wide ranging internal and external audience. The consultants should be prepared to present their findings to DFID staff and others as appropriate. Specific dissemination arrangements will be determined on completion of each country report and synthesis.

ANNEX 3. EVALUATION MATRIX

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)	Comments
(Chapter 1: Introduction and Methods)			
<i>Context</i> (to form Chapter 2 of report: Context: 2002 - 2007)			
	<i>Political and post-conflict situation. Key events over period including factors beyond control of development partners, MDG progress (and variation by gender, rural/ urban, ethnic group etc.); progress with peace-building. Importance of aid to the country and no. of donors active in area. Key agreements / strategies / reviews that influenced DFID's work.</i>	<p><i>DFID Sudan Framing Paper July 2008</i></p> <p><i>DFID Sudan Country Governance Analysis</i></p> <p><i>For Southern Sudan, 'Towards a Baseline' doc synthesises available data</i></p> <p><i>Briefing papers by Alex de Waal</i></p> <p><i>Laura James note on oil</i></p>	
	<i>Relevance</i> (to form Chapter 3 of report: To what extent was DFID's strategic approach relevant in a fragile states context)		
Overall strategy and areas/sectors selected for intervention	1. Throughout the evaluation period and as the context evolved, did DFID maintain clear and focused strategies for the approach to the overall Sudan programme, for the major regions (North, South,	Humanitarian strategy (successive versions); country engagement plan 2006; 'issues and options paper (the CAP) 2008; business plan (previous	The over-riding objective was to support the peace process, it makes less sense to refer to 'development needs and policy priorities of the country' than

Annex 3. Evaluation matrix

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)	Comments
	<p>South Darfur, other), for humanitarian and transition/recovery support, and for individual sectors?</p> <p>2. Was there an explicit rationale for the priorities chosen and the interventions supported, informed by analysis of the country situation, including political economy analysis?</p> <p>3. How was the strategy aligned with the Comprehensive Peace Agreement and related strategy for transition, recovery and development, including making progress towards the MDGs?</p> <p>4. Were changes to strategies appropriate given the changing context? What were the implications of the continuing conflict in Darfur; was there a clear rationale for how the aid programme adapted to events?</p> <p>5. How far were strategies aligned with, or determined by broader HMG objectives? How were the links between political, security and development objectives addressed?</p> <p>6. To what extent were strategies in line with corporate priorities? (e.g. Fragile states policy (2005), conflict guidelines, cross-Whitehall working and relevant sector strategies)</p> <p>7. Did the strategy address state building in an appropriate way in North and South? Was the level and type of support in the South appropriate to the</p>	<p>version, there is no current draft to accompany 'issues and options.'). No Sudan specific DFID policy paper existed pre the CEP, will need to find submissions and briefing papers, and review the overall Africa Director's delivery plan 2006-2008.</p> <p>The main framing document is the Joint Assessment Mission report, 2005, and the 2007 review of the JAM. More recently, DFID drafted 'national recovery principles', endorsed by UN and GOSS. There is also a 'recovery road map', and a 'National Reintegration programme' to which DFID is contributing alongside others.</p> <p>UK overall Sudan strategy, 2008. For earlier years, will need to obtain ministerial briefs and position papers, submissions.</p> <p>JAM report and 2007 review; capacity building trust fund submissions and annual reviews; SSAJ submission and progress reporting. Other?</p>	<p>to needs of component parts and needs to sustain the peace process. Other questions expanded to make more Sudan specific but otherwise unchanged.</p>

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)	Comments
	<p>context of building Government institutions where none had previously existed, and where the future form of Government remained to be decided? Was the approach in the North informed by good understanding of how state structures relate to the interests of the poor?</p>		
Risk Management	<p>8. How systematically did DFID assess the external risks (i.e. political governance, conflict, economic and fiduciary) and the internal threats to the country strategy? Were regional factors assessed?</p> <p>9. Was an appropriate and realistic balance struck between recognising the need to bear more risk and uncertainty in an environment like Sudan, while putting in place comprehensive and effective approaches for minimising risk and managing uncertainty?</p>		<p>Changed to address the question of whether DFID approach to risk aversion is appropriate to operating successfully in such a difficult setting</p>
Portfolio profile	<p>10. What interventions did DFID support over the evaluation period? How did they reflect the strategy? Were adaptations in line with the intended approach to risk management?</p> <p>11. How was the balance between humanitarian and development objectives managed, including managing the transition from humanitarian to recovery phase, and addressing environmental and other sustainability concerns where the humanitarian crisis has been long-term?</p>		<p>Added to ensure this core issue is addressed explicitly.</p> <p>Wording from conflict adviser, to reflect the country plan.</p>

Annex 3. Evaluation matrix

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)	Comments
	12. To what extent has DFID's programming supported conflict transformation goals in the South and stability in the three areas, and implementation of the CPA?		
DFID's choice of aid instruments	<p>13. Was there a clear rationale for the changing mix of aid instruments employed by DFID over the evaluation period, including the balance between pooled, multilateral and bilateral funding, and the balance between long term and shorter term instruments?</p> <p>14. To what extent did choices about aid instruments reflect the political economy and governance / conflict context of the country and DFID policy? Was the level of engagement and support provided for Government and via Government institutions appropriate in South and North?</p> <p>15. Would alternatives have delivered a quicker and more substantial 'peace dividend'?</p>	<p>Taylor Brown study on modalities and choices (mentioned by Liz Gaere)</p> <p>CHF Terms of reference, guidelines on management of funds, allocation proposals (latest, and one or two from earlier years)</p>	Made more specific to Sudan context.
DFID's partnership working	<p>16. How did DFID approach working with: a) Government (central and local, North and South) b) INGOs and civil society, c) multi-lateral organisations d) other bilateral donors? Were there explicit strategies, were they supported with sufficient and appropriate human resources in the best place to achieve the goals?</p> <p>17. Were realistic assumptions made regarding GOSS capacity? Should more</p>	<p>May 2008 Sudan Consortium, reports or aide memoires, GOSS statement of expenditure priorities</p> <p>National Strategic Plan</p> <p>Donor Mapping (with 2008 Sudan Consortium papers)</p>	Added/re-worded at suggestion of DFID conflict adviser

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)	Comments
	<p>have been done to build or provide capacity in GOSS, at least in functions likely to be required whatever the nature of the political settlement?</p> <p>18. Was the large share of aid channelled via UN and WB pooled mechanisms appropriate, what steps did DFID take to ensure that they were well designed and appropriately resourced?</p> <p>19. Were the institutional innovations such as JDO appropriate to the context?</p> <p>20. How did DFID work with OGDs – FCO, MoD, No. 10? Were institutional reforms introduced during the period based on realistic assumptions about country context (Joint Sudan Unit, DFID country office, Joint Donor office)? Were they established with sufficient clarity and consistency regarding the objectives, roles, relationships and operating procedures of the component parts of the HMG aid policy and management system for Sudan?</p> <p>21. How did the joint HMG strategy influence DFID strategy, and vice versa?</p> <p>22. Is there an effective whole of Government approach in place to address conflict issues in Sudan? How effectively has the conflict pool been utilised to support HMG strategy and the DFID CP?</p> <p>23. Was the priority given to donor harmonisation appropriate to the context, and what were the trade-</p>		

Annex 3. Evaluation matrix

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)	Comments
	<p>offs?</p> <p>24. How well did DFID consult with and communicate its aims and objectives to development partners?</p>		
DFID's approach to cross-cutting themes	25. Did DFID have a strategy for mainstreaming cross-cutting issues such as gender, social exclusion, human rights, HIV/AIDS and environmental protection (and was this consistent with corporate policy on these issues, and local context?)	On the environment, DFID supported a 2007 UNEP Post Conflict Environmental Assessment	
Level and allocation of resources	<p>26. Were strategies appropriate to the level of resources anticipated?</p> <p>27. How far did planned spending and use of staff time reflect strategic objectives?</p> <p>28. Was geographic coverage too narrow / wide for resources available?</p> <p>29. Were other donor resources and plans in the country taken into account to avoid over / under – aiding and aid volatility?</p>		
Results focus	<p>30. How far were DFID's planned interventions sufficiently results-focused and monitorable?</p> <p>31. How did DFID strengthen the results focus of partner institutions (pooled funds, UN agencies, NGOs)?</p> <p>32. How far were the results of reviews used to reconsider design/ direction of work and resourcing and staff allocation priorities?</p>	PRISM documents	
<p>II. Effectiveness and III. Efficiency (Chapter 4: How successful was DFID in terms of engagement in development and delivering results in a time of conflict?)</p>			

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)	Comments
Delivering on strategy	<p>33. How far were objectives set out in DFID strategies achieved in practice? What explains any areas of divergence?</p> <p>34. How effectively did the country office manage the strategic risks that emerged? To what extent did effective risk analysis allow DFID to remain engaged through the post-conflict transition?</p>		
Results	<p>35. How far were the objectives and performance indicators for individual DFID interventions achieved (drawing on data from project reviews and PRISM scores)?</p> <p>36. How are individual DFID programmes functioning during the post-conflict transition? What explains key successes and failures with regard to programme objectives?</p>		<p>There is a prior question of how meaningful it is to talk about ‘post conflict transition’ and in which contexts it might apply</p>
Efficiency	<p>37. Was DFID’s actual disbursement in line with expectations and plans? Causes of any significant changes or delays?</p> <p>38. Were DFID procedures well adapted to the environment in which they were applied?</p> <p>39. How was staff time spent? (influencing/ policy work, project/ programme work, field work, corporate</p>		<p>Added because several interlocutors raised problems in relation to DFID procurement approaches not being sufficiently sensitive to local capacity and other constraints</p>

Annex 3. Evaluation matrix

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)	Comments
	<p>reporting/ activities, liaising with OGDs and other donors)</p> <p>40. Was the decision to devolve the office to Khartoum soundly based (what alternatives were considered?), appropriately timed, well executed, and did it lead to efficiency improvements?</p> <p>41. Was the skill mix and continuity of staff appropriate to the country context and strategy?</p> <p>42. Was appropriate support provided to enable staff to be effective in a difficult and insecure environment</p>		
Aid effectiveness	<p>43. How effective was the mix of aid instruments in achieving objectives? Were the different instruments used in a complementary way?</p> <p>44. How well did joint arrangements perform, what explains that performance, how did DFID impact on their performance, what might have been improved? (MDTF, CHF, BSF, SRF, JDO, capacity building fund)</p> <p>45. How effective has DFID been in pursuing its development agenda (including peace building) with partners including other parts of the UK</p>		

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)	Comments
	<p>Government, the partner country Government(s), UN and World Bank, other donor agencies (including non-traditional donors), Civil Society, and NGOs?</p> <p>46. How well did the institutional arrangements function in support of DFID goals (Joint Sudan Unit, DFID country office, Joint Donor office, Africa Directorate, Embassy)?</p> <p>47. Has DFID operated in accordance with principles of aid effectiveness and emerging principles of aid effectiveness in fragile states?</p> <p>48. How effectively did the partnerships with UN agencies and INGOs function?</p> <p>49. How well has DFID communicated its results / lessons / good practice?</p>		
DFID's delivery on cross-cutting themes	<p>50. How well were issues of gender, social exclusion, human rights, HIV/AIDS and environmental protection actually integrated across the programme?</p> <p>51. Were results disaggregated by gender, social group etc. and what does the data show?</p> <p>52. To what extent are DFID programmes in Sudan conflict sensitive? To what extent has DFID tried to influence</p>		Suggested by conflict adviser, and substituted for earlier EvD drafting

Annex 3. Evaluation matrix

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)	Comments
	others towards a more conflict-sensitive approach?		
Impact and Sustainability Chapter 5: What impacts has DFID helped to achieve?			
Outcomes and sustainability	53. To what extent have DFID programmes delivered the outcomes they said they would? 54. What difference has DFID made to the lives of Sudanese people, and which groups within the population have benefited? 55. What is the evidence to support the view that DFID helped contribute to the peace building process and improve the security situation in the partner country? 56. To what extent has the policy and governance environment (e.g. accountability, action on corruption) been strengthened? 57. Are the development changes or reforms supported by DFID's country programme likely to be sustained / difficult to reverse? 58. How effectively has DFID sought to ensure benefits are sustainable given the constraints on Government capacity and long term role in the South, and constraints on	Towards a Baseline Health survey Darfur Humanitarian profile National Democratic Institute perception surveys BSF Review	53, 54 added at EvD suggestion

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)	Comments
	working with Government in the North? 59. Has DFID added value through gains in aid effectiveness? E.g. contributing analysis/ tools/ support on harmonisation?		
What lessons can DFID draw from the evaluation for informing future country, regional or corporate planning and operations? Chapter 6: Lessons and recommendations			
Strengths and weaknesses of DFID	60. What are the key strengths demonstrated by the DFID office? 61. What are the key weaknesses demonstrated by DFID?		
Lessons	62. What lessons (from positive and negative findings) can be drawn for DFID's future work in the country? 63. What lessons can be drawn more widely for DFID and its work in other post-conflict and fragile situations?		
Recommendations	64. What recommendations can be made based on the evaluation findings?		

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ANNEX 5. COMPARISON OF AID INSTRUMENTS

Name of fund	Funding	What it does	How it does it	Comment
Multi-Donor Trust Fund, which is split between a national (MDTF-N) and a Southern (MDTF-S) fund. ⁸⁰ The MDTFs are intended to provide support over the six year (2005-11) CPA interim period,	Eleven donors pledged a total of US\$611.3mn to the two MDTFs, US\$342.8mn of which was for MDTF-S.	MDTF National includes assistance to the three areas.	Administered by the World Bank.	
MDTF-S, see above.	Contributions: same as above For Phase I (2005-2007) DFID committed £23.5 mn and for Phase II (2008-2011) £36 mn, with £20mn	Mandate to work in five sectors: i) infrastructure, including urban; ii) agriculture and private sector	Administered by the World Bank. The Joint Donor Team in Juba will monitor the performance of the MDTF-S on behalf of DFID and other JDO partners. JDO has a co-chair on the Oversight Committee (OC), chaired by the GOSS Minister of Finance and consisting of senior representation from other key agencies	Became operational later than anticipated. In the second phase the MDTF will need to ensure complementarity with the SRF. The MDTF-S remains the only mechanism that is co-funded and implemented by government. GOSS

⁸⁰ World Bank: Sudan Multi-Donor Trust Funds (MDTFs), <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/SUDANEXTN/EXTAFRMDTF/0,,contentMDK:20850935~menuPK:2193691~pagePK:64168445~piPK:64168309~theSitePK:2193668,00.html>.

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	<p>proposed for 2008-9.</p> <p>By end 2008, disbursements to projects reached \$134mn, or \$264mn including the GOSS financed share.</p> <p>Estimates of contributions for 2008-2011 in US\$m: UK 28.4; Canada 37, Netherlands 78, Norway 90, Sweden 33, Germany 26, Finland 10, Spain 9, Denmark 5. Total US\$338 mn</p>	<p>development;</p> <p>iii) basic services;</p> <p>iv) rebuilding social capital through support to returnees, peace building and Disarmament, Demobilisation and Reintegration (DDR);</p> <p>v) governance and public service development.</p>	<p>financing the Fund, the UN and the NGO community. A Technical Working Group (TWG), composed of members from the GOSS, donors, UN and World Bank, occasionally assists the OC on background technical issues. The Fund is administered on a day to day basis by the World Bank, through a Technical Secretariat (TS). Approval of all projects follows the internal GOSS and MDTF-S appraisal - approval procedures (IMAC). Can be accessed by NGOs, UN agencies, GOSS</p>	<p>share for phase II is not clear. MDTF-S is aligned with GOSS priorities and applying aid principles that reduce the transaction costs to GOSS and donors. Most other aid instruments refer to the MDTF-S in ensuring their complementarity or coordination.</p>
CHF- Annual since 2005	<p>UK contribution in US \$ in 2006 88.5; 2007 79 and 2008 79.5</p>	<p>A pooled funding mechanism for humanitarian activities in Sudan; Only humanitarian projects included in the <i>UN and Partners Workplan for Sudan</i> (the Workplan) are eligible for CHF funding. The main objective of the CHF is to provide early and predictable funding and to support the timely allocation and disbursement of donor resources to the most critical humanitarian needs of Sudan under the direction of the Humanitarian Coordinator.</p>	<p>Humanitarian Coordinator is responsible for allocation, UNDP does financial administration. Complex annual process of allocation to UN agencies and NGOs involves regional, sectoral and thematic allocation envelopes, proposals from sector groups, final decision by HC advised by Advisory Group. In 2008, whole process was done twice.</p>	<p>Neither early nor predictable nor timely; NGOs therefore avoid using it for 'the most critical humanitarian needs' but use it for supplementary funding.</p>
Darfur Community Peace and Stability Fund (DCPSF)	<p>Commitment of £5mn made March 2008, paid £2mn (PRISM figures, confirmed from UN web site). Total commitments to the fund \$18.9mn at 28 Feb 2009. As at end Feb. 2009, \$2.9mn</p>	<p>The UN and its partners will apply to this fund to support priority programmes and projects promoting peace and stability in Darfur. The scope of the DCPSF will focus on, though is not limited to, the following areas:</p>	<p>Managed by UNDP</p>	<p>Scepticism by some other donors as to whether conditions in Darfur permit objectives to be achieved, DFID view that there are pockets of stability and that local peacebuilding can help influence the wider picture is contested by some.</p>

	approved for funding and transferred to partner organisations.	Support Peace Building at the Local Level Expansion of Basic Social Service Delivery Enhancing Livelihoods of Communities Improving Governance and the Rule of Law		
SDF April 2007- April 2010	DFID bilateral fund with £6mn for the entire period, plus an additional £4.5mn approved in August 2008 for 'objective 2', disbursements £1.75mn.	Provides technical assistance to priority activities which are not catered for by other DFID funding arrangements. The SDF is specifically intended to support small-scale policy analysis, research and capacity building initiatives, whether by government or non-governmental actors, through streamlined approval procedures.	Small TA fund using flexible procedures, directly administered by DFID Sudan office. The SDF is intended to support the implementation of the peace agreements and the development and implementation of government policies and programmes which contribute to poverty reduction, as well as UN reform.	A useful small fund to enable DFID to move quickly in response to analytical requirements and other small TA
BSF, 2006 - 2010	Total commitment to December 2008 £34mn, of which UK £19.5 mn, other contributions from Netherlands and Norway. DFID has disbursed £15.2mn to BSF to end 2008.	A pooled mechanism for funding NGO projects in basic education, health and water and sanitation—managed by DFID but with contributions from Norway, Netherlands and Canada. Will fold into the SRF in August 2010.	Managed by Mott Mac Donald since the beginning. Steering Committee chaired by Ministry of Finance with representation of relevant line ministries reviews project proposals, makes funding recommendations, and monitors the implementation and impact of these projects.	BSF was designed to bridge a gap between the post-CPA run-down of relief - humanitarian programmes, and the subsequent mobilisation of MDTF. Regarded as the most effective of the funds operating in SS, but short funding leash (3 phases since 2006) has meant project commitments have been short-term and have not provided predictable funding.

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SRF 2008 – 2011	<p>Donor pledges \$85mn, of which \$29mn paid in⁸¹. The biggest donors are UK (committed so far £10mn⁸²) and Netherlands (15mn for 2 years).</p> <p>First round of calls is for US \$ 20mn</p>	<p>A joint partnership of the GOSS, the UN, and donor partners, the SRF-SS aims to facilitate a transition from humanitarian to recovery assistance through wide ranging support that offers quick recovery impacts and demonstrates peace dividends. Operates at State level in four clusters: Peace Building and Security, Basic Services and Infrastructure, Livelihoods and Local Governance.</p>	<p>A Steering Committee has been formed to oversee the work of the SRF-SS. Chaired by the GOSS, the Steering Committee comprises representatives of the GOSS, development partners, UN and NGO communities. A Technical Secretariat has been established to facilitate the work of the Steering Committee, which will be tasked with reviewing proposal submissions and making recommendations to the Steering Committee for funding.</p>	<p>JDT co-chairs the SRF with DFID retaining a seat in its own right. SRF fills critical recovery gaps with multi-year coordinated support aligned behind GOSS recovery priority expenditures.</p> <p>UK is criticised for supporting SRF at the expense of its CHF contribution.</p> <p>SRF is controversial: yet another fund; potential for overlap with other funds; weak management.</p>
CBTF 2005 – 2011?	<p>DFID was the largest donor to CBTF (\$4.7mn from the \$22mn pledged to end 2007), and contributed a further \$5mn to fund a six month extension pending preparation of a second phase, with a similar level of funding from the same contributors.</p>	<p>Pooled donor support for GOSS, financing Recurrent Costs (60% of the fund); Capacity-Building and Institutional Strengthening (20%), and Quick-Start Impact Programming (20%). It is envisaged that many of the funds will be used to finance short to medium term TA and specialized training requirements at the Ministry or Commission level.</p>	<p>UNICEF managed, using KPMG Nairobi as the financial management agent responsible for the implementation of spending under the Fund.</p> <p>The Joint Donor Team represents JDPs (including DFID) on the CBTF steering committee. The JDT has been a member of the CBTF Steering Committee alongside EC, MLPSHRD, MRC and MOFEP.</p>	<p>Not a comprehensive approach to capacity building; criticised as high cost given both UNICEF and management agent fees.</p>

⁸¹ UNDP Sudan website

⁸² e-mail from, DFID Evaluation Department

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<p>Strategic Partnership Arrangement (SPA) with UNDP 2005-2007 extension? not clear</p>	<p>Contributions from DFID (US\$ 26mn), Denmark (US \$ 4mn) and the Netherlands. (US \$24mn).</p> <p>Total of US \$ 54mn was contributed.</p> <p>Total SP expenditures in 2007 and the first half of 2008 amounted to US\$ 23.4mn, out of which US\$ 8.4mn was spent in the North and US\$ 15mn was spent in the South.</p>	<p>Pooled funding mechanism, but focused specifically on medium term capacity building of governance, rule of Law and post-conflict recovery.</p> <p>Principally funds UNDP projects, and while these work in partnership with a range of actors, other organizations and agencies do not have direct access.</p>	<p>The Strategic Partnership (SP) is executed by UNDP and focuses on three programmatic areas: governance, rule of law and post-conflict recovery.</p>	<p>A review highlighted the difficulties of UNDP in managing the Partnership. Both, Denmark and the Netherlands had a block grant approach whereas DFID has adopted an approach of selecting projects on a case by case basis. The review describes DFID as de facto leading the Partnership (partly in relation to the devolved office)</p>
<p>Capacity Building for Government of Southern Sudan (CABGOSS, November 2005 – November 2007</p>	<p>DFID bilateral assistance of £ 2mn</p>	<p>A flexible pool of funds to be used in different combinations for different sub-projects: technical assistance: short and long-term consultancy; short-term (mainly in-country) training; the funding of high priority studies, surveys and background analysis. These will focus on equipping key GOSS institutions with competence and data necessary to establish their basic functions. NGOs from Sudan and elsewhere in Africa.</p>	<p>Implementation was the responsibility of the UK Joint Sudan Unit in London, Khartoum and Juba. A Project Steering Group was established and the implementation was done by DFID.</p>	<p>It was anticipated that CABGOSS would be superseded gradually by programmes of the Multi-Donor Trust Fund (MDTF) for the South where these focus on capacity building in government.</p>
<p>Skills for Sudan</p>	<p>DFID's contributions for a total of £1.2mn, many other small contributors to the NGO.</p>	<p>Mobilise the skills to perform key functions in the transition to peace. Primarily public sector focus.</p>	<p>Programme was administered and implemented by Skills for Sudan (NGO) also receiving funds for their work from other sources. Governed by a Board of Trustees.</p>	<p>SEADGOSS is now implemented by Skills for Sudan and a follow up of the Skills programme. See below.</p>
<p>SEADGOSS</p>	<p>DFID bilateral support of</p>	<p>The programme is focused on</p>	<p>Implemented by Skills for Sudan (NGO)</p>	<p>Possible overlap with SRF.</p>

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May 2008 – October 2010	£2.85mn over 30 months from May 2008 (tiny)	capacity building of key government institutions at Government of Southern Sudan (GOSS) and State level. The purpose of SEADGOSS is to contribute to a systematic and sustainable improvement in the effectiveness of state civil services, GOSS ministries (particularly the Ministry of Labour, Public Service and Human Resource Development (MLPSHRD) and the Ministry of Parliamentary Affairs (MPA)) and state legislative assemblies.		
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Department for International Development

DFID, the Department for International Development: leading the British Government's fight against world poverty.

One in six people in the world today, around 1 billion people, live in poverty on less than one dollar a day. In an increasingly interdependent world, many problems – like conflict, crime, pollution and diseases such as HIV and AIDS – are caused or made worse by poverty.

DFID supports long-term programmes to help tackle the underlying causes of poverty. DFID also responds to emergencies, both natural and man-made.

DFID's work forms part of a global promise to:

- halve the number of people living in extreme poverty and hunger
- ensure that all children receive primary education
- promote sexual equality and give women a stronger voice
- reduce child death rates
- improve the health of mothers
- combat HIV and AIDS, malaria and other diseases
- make sure the environment is protected
- build a global partnership for those working in development.

Together, these form the United Nations' eight 'Millennium Development Goals', with a 2015 deadline. Each of these goals has its own, measurable, targets.

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