

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC710

Project Name	SS Social Safety Net and Skills Devt (P143915)
Region	AFRICA
Country	South Sudan
Sector(s)	Other social services (100%)
Theme(s)	Improving labor markets (50%), Social safety nets (50%)
Lending Instrument	Specific Investment Loan
Project ID	P143915
Borrower(s)	Aid Management Unit, Ministry of Finance
Implementing Agency	Ministry of Agriculture, Forestry, Cooperatives and Rural Development
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	06-Mar-2013
Date PID Approved/ Disclosed	13-Mar-2013
Estimated Date of Appraisal Completion	00000000
Estimated Date of Board Approval	31-May-2013
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Just over a year after its independence on July 9, 2011, South Sudan finds itself in a volatile situation and facing formidable development challenges. Following the signing of the Comprehensive Peace Agreement in 2005, the influx of South Sudanese returnees has triggered rapid changes in the country's demographic structure and created pressure on the already poor communities, scarce basic services and limited livelihood opportunities. Erratic weather patterns (delayed in rains and subsequent flooding) have caused an estimated deficit of nearly a third of national cereal requirement for 2012. The crop and food security assessments conducted in November 2011 estimated that 4.7 million people would be food insecure during 2012, of which one million will be severely food insecure. Moreover, tensions between Sudan and South Sudan, clashes between the Sudan People's Liberation Army and militia groups, and competition over natural resources between South Sudan's many tribes have sparked new conflict. This recent violence is estimated to have displaced over 500,000 in the past two years alone.

In January 2012, the government of the South Sudan shut down its oil production, resulting in the loss of 98 percent of its annual revenue. South Sudan is a net importer of food items; therefore, the loss of its main foreign currency earner will exacerbate the already dire food security situation in the country. By May 2012, food prices had increased by 38 percent and the availability of staple foods in local markets was limited. In September 2012, Sudan and South Sudan reached the ‘Agreement on Oil and Related Economic Matters’; however, ongoing issues of border security could threaten the reopening of the pipelines.

The unfolding crisis is taking place against a backdrop of persistent poverty and poor human development indicators. Despite its oil wealth and relatively high GDP per capita, simple human development indicators place South Sudan among the poorest countries on the continent. While GDP per capita is \$1,546 with a GNI per capita of \$984—placing it just barely below the World Bank classification threshold of a GNI below \$1,005 for low income countries (LICs)—redistribution of wealth to the poorest is clearly an issue. Education and health indicators are among the lowest in the world, reflecting the impact of protracted conflict and limited provision of social services. Only 27 percent of the adult population is literate and less than half of all primary school-age children are in school. Infant mortality is approximately 102 per 1,000 live births, while the maternal mortality rate is 2,054 per 100,000 live births, the highest in the world.

Compounding the situation are concerns around youth employment and opportunities. South Sudan is a young country with half (51 percent) the population under the age of eighteen and 72 percent under the age of thirty. Substantial numbers of young South Sudanese declare themselves to be not working and looking for a job. Many youth are former soldiers; ensuring that they have employment opportunities is seen as an essential part of avoiding their return to conflict or other violent activities.

Sectoral and Institutional Context

The South Sudan Development Plan (SSDP) 2011-2013 aims to ensure a united and peaceful new nation by building strong foundations for good governance, economic prosperity, and enhanced quality of life for all. The SSDP identifies the importance of social protection in the achievement of the country’s development objectives under its Social and Human Development Pillar. The SSDP’s specific social protection objective is to work progressively to reduce risk, vulnerability, poverty, and economic and social exclusion throughout South Sudan.

A well-developed social protection system could also contribute SSDP pillars regarding economic growth and conflict prevention. Conflict prevention and peace building hinge on increasing social cohesion; however, non-inclusive economic growth can worsen social and economic inequalities, a potential driver of future conflict. In South Sudan, this threat is exacerbated by the predominance of the private sector by oil production. Global experience demonstrates that social protection interventions, particularly public works, have the potential to increase social cohesion and smooth social tension by fostering inclusion through program processes, encouraging equality in labor market participation, building trust in governance and accountability structures.

The Government has identified youth employment and gender equality as developmental priorities. Through public works and livelihood opportunities, social protection can have a direct impact on youth employment. Youth integration in public works also can contribute to the overall societal stability. This is of particular importance in fragile and post-conflict settings, where public works have played a big role in curbing the rise of societal violence, generating social capital in efforts of

achieving post-crisis resettlement, and promoting reintegration of returnees and IDPs. In addition, international evidence shows a positive impact from a gender perspective, such as increased control over resources, improved societal status, and benefits from assets created.

Preliminary analysis of ongoing SSN programs shows that Government-led initiatives are limited; however, there are a number of NGO-implemented programs that, while limited in scope, are showing positive impacts within their target populations. For example, the World Bank-financed Food Price Crisis Trust Fund Project has reached 216,885 direct beneficiaries through a network of five NGOs coordinated by Government. This includes 25,303 participants in a Community Safety Nets component that provides a direct cash transfer to targeted households through public works activities. In addition, under the Adolescent Girls Initiative (AGI) Project, 2,913 young women, out of the planned 3,000 beneficiaries, have received livelihood training. Of these, a substantial majority (2,332 members) report increased earnings as a result of the Project; 144 members have benefited from micro finance loans following the training. This intervention is implemented by an international NGO under Government supervision.

Progress toward the achievement of the SSDP's social protection agenda will require strengthening Government capacity in the sector. The Government has established a Social Protection Core Team led by the Ministry of Gender, Child, and Social Welfare with membership of the Ministries of Finance, Education, and Health, the Board of Local Government, and the Commission of War Widows and Veterans, as well as one member of the National Parliament. However, to date, the majority of social safety net (SSN) interventions have been supported by development partners and implemented through NGOs. Increasing Government capacity to oversee and coordinate these fragmented programs could serve to help establish a social protection system in South Sudan. Leveraging and strengthening the presence and capacities of Local Government for community-level coordination and implementation also could deepen impact.

Relationship to CAS

The proposed Bank Group Interim Strategy for FY13-14 focuses on helping the country move from fragility to stability by laying the foundations for effective and accountable institutions that use the country's own resources to respond to its citizen's needs and promote economic opportunities and improve livelihoods. Toward this objective, the Bank program will have two clusters: (i) improving economic management and governance for effective local service delivery and (ii) expanding productive employment opportunities through economic diversification. The large presence of humanitarian assistance interventions suggests that the Bank's comparative advantage is on focusing on the longer-term institutional building agenda, while seeking to capture strategic opportunities for managing risks and achieving quick improvements in livelihoods and service delivery.

The draft ISN for South Sudan outlines the need for a social protection program focused on productive safety nets and skills development activities. The Government has requested Bank support to help address the challenge of high underemployment and idleness, particularly among youth, which is seen as a potential destabilizing stress factor within South Sudan. Responding to this request, the Bank has determined to allocate resources for a program focused on livelihood opportunities, particularly for women and youth, through public works and skills development. This approach is based on the Bank's ongoing technical assistance to social protection policy in South Sudan and its programmatic achievements since re-engagement in the country.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The proposed Project Development Objective (PDO) is to provide basic income to poor and vulnerable South Sudanese, particularly youth and women, through temporary employment programs and income generating opportunities.

Key Results (From PCN)

- Number of direct project beneficiaries
- Percentages of female and youth beneficiaries
- Number of work-days created
- Number of beneficiaries completing training
- Percentage of average increase in income of project beneficiaries

III. Preliminary Description**Concept Description**

The proposed Project would finance productive social safety net and skills development activities to help address the urgent needs of at-risk populations, particularly youth and women, by scaling up existing programming while simultaneously setting in place the building blocks for an integrated approach to social protection. The focus would be on relatively quick impact activities to increase livelihood opportunities, particularly for women and youth, through public works activities and skills development. This would build on successful pilot interventions and will be limited in its geographic coverage.

To accomplish the PDO, the proposed Project would be structured around three components:

Component 1 – Public Works: This component responds to the urgent need to improve the living standards, including basic food security, of targeted households through a direct cash transfer. The public works activities would finance a positive list of labor intensive public works and, through these activities, provide temporary employment to poor and at-risk South Sudanese. Local governments and communities would select the public works activities with preference given to works that promote local economic opportunity, such as movement of produce from farms to the market. Given then emphasis on labor intensive works, the proposed Component 1 would finance primarily wages for the participants but also make available financing for equipment, materials, and technical assistance, as necessary, to complete the selected works. Component 1 would include non-cognitive skills training to reinforce basic life skills and workforce readiness behaviors provided by the overall experience of participating in the public works activities.

The public works component would build off the successes of the ongoing Food Price Crisis Response Project, as outlined above. Preparation of the proposed Project would include a detailed assessment of these ongoing activities, including consultation with Government, NGO, and community stakeholders, as to potential areas for improvement and expansion of these activities.

Component 2 – Skills Development: This component would seek to expand income generating opportunities, particularly of young men and women, through skills development. The technical training activities would be closely tied with the demand for skills and services in the private sector. Given the prevalence of the informal and agricultural sectors in the South Sudanese economy, much of the technical training would focus on basic business/entrepreneurial skills and improving agricultural productivity. The technical training would be complimented by socialization activities, life skills and financial literacy training, access to savings and credit, and community sensitization

activities.

The skills development component would expand on the AGI Project, as outlined above. A key finding from these ongoing activities is the recommendation of the need to develop parallel systems through which young men can access similar support networks. Preparation of the proposed Project would develop a gender sensitive training package for young men and would also undertake a review and revision of the current training package for young women. In addition, the proposed Project would strengthen the ties between types of technical trainings available and ongoing market assessment research.

Component 3 – Social Protection Systems Building: Policy Technical Assistance: The proposed Project would seek to build Government capacity to develop a comprehensive social protection system, as outlined in the SSDP 2011-2013, through two interrelated sub-components.

3(a) Technical assistance: The Government has begun the process of developing a National Social Protection Policy, which will include engagement of a wide-range of stakeholders and at the state level to secure national consensus on the objectives and functions of a future social protection system. Ongoing technical assistance from the World Bank, including a Background Note on Social Protection Policy Options and a Social Safety Net Diagnostic Report, will inform the drafting of the National Policy. The proposed Project would continue this assistance in keeping with the objectives of the forthcoming National Social Protection Policy. This could include building capacity to coordinate ongoing projects as well as research and knowledge generation toward establishing national systems that can be used across these and future projects.

3(b) Capacity building and project management: The major implementation challenge is weak capacity and limited experience in implementation of social safety net and skills development project. This component will finance different activities that will address implementation challenges. Activities under this component include (i) develop local capacities for the implementation of the Social Safety Net and Skill Development project by creating strong local counterpart teams that can work side by side with consultants; and (ii) finance administrative cost of the implementation of the Social Safety Net and Skill Development project.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04		x	
Forests OP/BP 4.36		x	
Pest Management OP 4.09	x		
Physical Cultural Resources OP/BP 4.11	x		
Indigenous Peoples OP/BP 4.10	x		
Involuntary Resettlement OP/BP 4.12		x	
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50			x
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	21.00	Total Bank Financing:	21.00
Total Cofinancing:		Financing Gap:	0.00
Financing Source		Amount	
BORROWER/RECIPIENT		0.00	
International Development Association (IDA)		21.00	
Total		21.00	

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