



Republic of South Sudan



Eastern Equatoria State Government



SSRF Donor: UK-DFID



Ministry of Foreign Affairs of the Netherlands

SSRF Donor: Netherlands



Lead Agency: UNDP South Sudan



PUNO: UNOPS (EESP Outputs 1 & 2)



NGO IP: Pact Sudan (EESP Output 3)

EASTERN EQUATORIA STABILIZATION PROGRAMME (EESP)

Q3 (July -September) 2011 STATUS REPORT

<i>SC Approval Date:</i>	8 November 2010
<i>EESP Start Date:</i>	1 January 2011
<i>EESP End Date:</i>	31 December 2012
<i>EESP Budget Total:</i>	USD 17,400,000
<i>EESP Budget 2011:</i>	USD 13,932,000
<i>EESP Q3 Expenditure:</i>	USD 11,621,337
<i>EESP Lead Agency:</i>	UNDP South Sudan
<i>EESP Outputs:</i>	<ol style="list-style-type: none"> 1. Rehabilitation of the Lobira-Chahari-Lotome-Kikilei-Lotukei-Kanangok in Southern Kidepo Valley. 2. Four county headquarters and one prison constructed and equipped. 3. Four water reservoirs or haffirs (30,000m³ each) for cattle, and six boreholes and one water filtration unit for human consumption.

1. Progress

Outputs	PUNO	NGO	Progress (Q3 2011)	% Complete ¹
Output 1	UNOPS	-	1. Road assessment: UNOPS completed the assessment of the Lobira-Chahari-Lotome-Kikilei-Lotukei-Kanangok road and finalized the report.	100%
			2. Road Rehabilitation: Contracts were awarded to the contractors for packages 1 (Lobira-Romula) and 3 (Kikilei-Lutukei-Kanangorok) respectively. The contractor for package 1 mobilized to site. The contractor for package 3 is waiting to fully mobilize to the site until the compensation to the communities along the road section and in the camp areas are completed by the state government. Contract award for package 2 (Romula-Lotome-Kikilei) is pending due to concerns expressed by the state government.	25%
Output 2	UNOPS	-	1. Construction of one county headquarters in Kapoeta North: Construction work ongoing.	40%
			2. Construction of one county headquarters in Kapoeta South: Construction work ongoing.	40%
			3. Construction of one county headquarters in Magwi: Construction work ongoing.	40%

¹ Percentage completed reflects progress in implementation of activities towards each output/sub-output.

Outputs	PUNO	NGO	Progress (Q3 2011)	% Complete ¹
			4. Construction of one county headquarters in Imehejek: Construction work ongoing.	40%
			5. Construction of one prison complex in Ruwoto, Kapoeta North County: Construction work ongoing.	40%
Output 3	UNDP	PACT	1. Construction of one haffir (30,000m³) in Jie: The construction is 85% complete. Works were suspended due to rains in July 2011, and will resume in Q4 2011 once the wet season is over.	85%
			2. Construction of one haffir (30,000m³) in Lokoges: The project site was changed from Lokuwa to Lokages, which is closer to the center of the villages, based on the decision of the surrounding communities. The contractor had mobilized to the project site and construction will commence in Q4 2011 once the wet season is over.	20%
			3. Construction of one haffir (30,000m³) in Lokoal: The project site was changed from Lopuri to Lokoal, which is closer to the center of the villages, based on the decision of the surrounding communities. The contractor had mobilized to the project site and construction will commence in Q4 2011 once the wet season is over.	15%
			4. Construction of one haffir (30,000m³) in Loele: The contractor had mobilized to the project site and construction will commence in Q4 2011 once the wet season is over.	15%
			5. One water filtration unit and six boreholes: Two boreholes in Loete (Kapoeta East) have been completed. Construction works for boreholes in Lokoges and Lokoal (Kapoeta North) will resume in Q4 2011 once the wet season is over. NB: <i>Due to the preference for a water filtration unit at the haffir site in Jie, the number of boreholes was reduced from eight to six.</i>	20%
Lead Agency	UNDP	-	1. In August 2011, UNDP deployed a Stabilization Advisor, seconded from the UK Government, to support the team in overseeing and coordinating implementation of the EESP and provide technical advice on stabilization programming to the Governor and relevant line ministries in Eastern Equatoria. Pre-deployment briefings and orientation meetings were provided to the Stabilization Advisor, who is scheduled for deployment to Torit, following completion of the low-cost housing, accommodation units.	50%
			2. On 26 September 2011, UNDP submitted a proposal for allocation of USD 14.6 million in additional funds for SSRF Round 3 Stabilization Programmes at the 12th SSRF Steering Committee Meeting. The proposal, including funds for implementation of road maintenance strategy as well as construction of additional haffir and boreholes in Eastern Equatoria, was approved by the SSRF Steering Committee.	100%
			3. On 30 September 2011, UNDP organized the second EESP Programme Board Meeting where progress and challenges on implementation of the EESP were discussed.	50%

2. Challenges

Challenges/Risks	Mitigation Measures
<p>2.1 Tender process on the rehabilitation of roads was delayed, pending further agreement with and confirmation from the state government. Available budget for road rehabilitation was limited, as the state government had reallocated funds from EESP Output 1 (road rehabilitation) towards constructing and equipping larger county headquarters (EESP Output 2) in four counties. Therefore, scope of works for EESP Output 1 will be reassessed in line with the available budget, and agreed at the first EESP Programme Board Meeting with the EES Steering Committee on 1 April 2011. <i>Additional funding is required if both roads are to be constructed.</i></p>	<ul style="list-style-type: none"> ▪ UNOPS completed the Road Assessment on two roads in Northern and Southern Kidepo Valley, respectively, on 27 January, and presented the draft assessment report to the Chairperson of the EES State Steering Committee, H.E. State Ministry of Finance, on 11 February 2011, and held further consultative meetings to clarify the scope of works within the available budget for road construction under the EESP. UNOPS also met with the technical staff of the EE-Ministry of Transport and Roads to discuss various options in this regard. ▪ UNDP, UNOPS, PACT and the SRF Technical Secretariat met with the EES Steering Committee, chaired by H.E. the Governor of EES, on 1 April 2011, to convene the first EESP Board Meeting as well as provide an update on the EESP's progress and challenges. At this meeting, H.E. the Governor advised that the selection of the road is a security issue, and therefore this decision must be agreed and determined by the State 'Security' Committee. It was agreed that UNOPS would postpone its tendering/invitation to bid (ITB) process, following the decision of the State Security Committee. ▪ The State Governor convened an ad hoc meeting of the EES Security Committee with UNDP and UNOPS on 9 April 2011. UNOPS presented the findings of the road assessment in Northern and Southern Kidepo Valley. Following the deliberations, the EES Security Committee agreed and recommended that the road through the Southern Kidepo Valley was the top priority, and should be as Output 1 under the EESP. The EES Security Committee also recommended that if there are any savings after the Southern Kidepo Valley (SKV) road is rehabilitated, then these funds will be used to open up road sections in Northern Kidepo Valley. ▪ At the second EESP Programme Board Meeting on 30 September 2011, the state government expressed that they will explore alternative source of funding for the rehabilitation of the Northern Kidepo Valley road.
<p>2.2 Tender process on the construction of the county headquarters in Imehejek was delayed for most of the first quarter of 2011, pending further confirmation from the state government on its exact location.</p>	<ul style="list-style-type: none"> ▪ Through further consultations between UNDP, UNOPS and the State Government, a letter dated 29 March 2011, from H.E. State Minister of Finance confirmed the location of the County headquarters in Imehejek in Lopa/Lafon, and the construction of the Southern Kidepo Valley road. Tendering commenced shortly after.

Challenges/Risks	Mitigation Measures
<p>2.3 Insecurity due to communal fighting and cattle raiding constrained access to and delayed mobilization of contractors to some target sites.</p>	<ul style="list-style-type: none"> ▪ UNDP, UNOPS and PACT regularly monitored the security situation in target areas. Armed escorts were provided by state and county authorities when required. <i>However, in some cases the security escorts did not have transportation, and demanded additional payments that unforeseeably increased the cost of some field missions.</i>
<p>2.4 Tender process on the construction of the haffirs in Loele and Lopuri was delayed as only one company had submitted a proposal.</p>	<ul style="list-style-type: none"> ▪ PACT re-advertised the Request for Proposal for haffirs in Loele and Lopuri. Proposals were received from four companies, but only two had the necessary qualifications. From the two that qualified, only one, Texas Sudan, could initiate works during the present dry season; however, its proposal exceeded the available budget. PACT negotiated and reached agreement with Texas Sudan on reducing the costs in its proposal.
<p>2.5 Additional staff and operational costs required for coordination, monitoring and technical support to state line ministries.</p>	<ul style="list-style-type: none"> ▪ UNDP submitted a proposal for additional funding to effectively execute its Lead Agency activities at the 12th SSRF Steering Committee Meeting on 26 September 2011, amounting to an estimated USD 1.5 million. The proposal was approved by the SSRF Steering Committee.
<p>2.6 Scope of works, locations and building designs for county headquarters and the prison were not clearly decided and required further clarification.</p>	<ul style="list-style-type: none"> ▪ UNOPS requested the Eastern Equatoria state government to decide on the scope of works and locations of the county headquarters. UNOPS also reviewed and developed drawings for country headquarters and the prison.
<p>2.7 Roads in Northern Kidepo Valley and Southern Kidepo Valley run through ecologically sensitive areas, which requires Environmental Impact Assessment (EIA) to be conducted and mitigation measures devised. <i>Additional funding is required for Environmental Impact Assessment and ecological protection measures.</i></p>	<ul style="list-style-type: none"> ▪ Initial environmental screening was conducted by UNOPS. However, this could not be completed along Northern Kidepo Valley road, due to inaccessibility and limited funding. A full EIA will require an aerial survey, at an additional cost that is not currently available in the project budget. Similarly, as the construction of this road is not feasible within the available budget, the Eastern Equatoria state government, UNDP and UNOPS had agreed to focus available resources on the Southern Kidepo Valley road.
<p>2.8 One section of the road in Northern Kidepo Valley could not be fully assessed due to dense forestation that restricted access to the target areas along the route. <i>Additional funding is required for assessment of the targeted area, as this had not been initially planned or budgeted by the participating UN agency – i.e. UNOPS - as estimates were based on the concept note prepared by the Technical Secretariat and subsequently approved by the SSRF Steering Committee.</i></p>	<ul style="list-style-type: none"> ▪ UNDP and UNOPS finalized the cost estimate on conducting assessment of the targeted area and UNDP has approached donors to mobilize additional funding.
<p>2.9 UNOPS received an email complaint from the “Torit Contractors Association”</p>	<ul style="list-style-type: none"> ▪ UNDP and UNOPS met with the Governor of Eastern Equatoria State to discuss this

Challenges/Risks	Mitigation Measures
<p>raising concerns that local companies did not qualified for construction contracts. This was followed by telephone call from an anonymous person threatening the UNOPS Procurement Officer that UNOPS personnel and contractors will not be allowed to work in Eastern Equatoria State.</p>	<p>issue, and shared with the Governor the bid evaluation result of previous packages. UNDP re-emphasized that all procurement through UN agencies is conducted in an open and transparent manner, based on the United Nations rules and regulations and in line with international standards. The Governor assured full support of the state government to this principle and that he will contact companies listed in the email to ensure compliance and prevent such issues from occurring in the future.</p>
<p>2.10 Construction of haffirs and boreholes in Eastern Equatoria State was suspended by PACT in mid-June, due to heavy rain that restricted access to and operations at the target sites. Texas Sudan, PACT's contractor for construction of haffirs in Lokoal and Loele, delayed their mobilization to the project site. They had to stop working before making any major achievements due to the beginning of the wet season.</p>	<ul style="list-style-type: none"> ▪ In Q2 2011, PACT organized a meeting with the Governor, the Commissioners of Kapoeta North and Kapoeta East, and the Director of Texas Sudan. Texas Sudan admitted that they were delayed, but explained that they have the capacity to carry out the work and will resume once the wet season is over. With the approval of the Governor and the Commissioners, PACT decided not to cancel the contract with Texas Sudan but to extend it until the next dry season. ▪ However, in the second EESP Programme Board Meeting held on 30 September 2011, all parties agreed that PACT terminate the contract with Texas Sudan, due to their continuous poor performance as well as serious financial difficulties. PACT re-issued the Request for Proposal (RFP) for construction of haffirs in Lokoal and Loele. The RFP was advertised in national newspapers in Uganda and Kenya, and PACT staff travelled to Kampala and Nairobi to facilitate submission of bids from capable companies.
<p>2.11 There were prolonged periods during Q2 2011 when the price of fuel rose sharply, and there was no availability of fuel in Kapoeta.</p>	<ul style="list-style-type: none"> ▪ Contractors were forced to transport fuel from Juba and neighboring countries, which caused delays in project implementation and raised cost of operations.
<p>2.12 The locations of the haffirs have undergone multiple changes, and neither the state government nor county authorities took responsibility for this, as PACT was constantly informed that the final decision lies with the communities.</p>	<ul style="list-style-type: none"> ▪ PACT visited project sites often to have communication with the surrounding communities.
<p>2.13 As a result of the bid evaluation, UNOPS's Headquarters Contract and Procurement Committee (HQCPC) in Copenhagen decided that MacDowell Ltd. should be contracted for packages 1 and 2 under EESP Output 1. However, the state government requested UNOPS not to award the contract to MacDowell for package 2 and re-bid this package. MacDowell is working on another state-owned road construction project in the same area as package 2, and, according to the state government, the project has been delayed for almost two years and the local community in that area is not happy with the performance of the company.</p>	<ul style="list-style-type: none"> ▪ UNOPS strictly adhered to its rules and regulations on procurement, whereby MacDowell had been competitively selected as the contractor for packages 1 and 2 based on the technical and financial merit of its bids. Outstanding matters between the state government and contractors should not have any bearing or influence over the independent procurement process of UN agencies, as these issues could have significant budgetary, legal and operational implications on the timely and successful completion of the project. Participating UN Agencies under a UN Joint Programme hold programmatic and fiduciary responsibility for the delivery of outputs. UNDP and UNOPS will advocate for a timely resolution of issues between

Challenges/Risks	Mitigation Measures
	the state government and MacDowell, to expedite implementation of package 2 during the upcoming short window for construction in the dry season.

3. Lessons Learned

Lessons Learned	Recommendations
<p>3.1 Assessments and tendering of construction projects should be conducted during the wet season, to initiate construction works planned at the beginning of the dry season.</p>	<ul style="list-style-type: none"> ▪ Future call for proposals or expressions of interest launched by the SSRF should ensure realistic timelines that provide for adequate assessments and consultation by UN agencies that should be included in the UN joint programme document, work plan and budget. Project design should allow adequate preparation time to ensure resources are appropriately allocated, budgeted and planned with state government counterparts. This would serve to better manage expectations and provide adequate time to contractors for mobilizing to target sites at the beginning of the dry season and thereby, maximize time for construction works.
<p>3.2 A close, collaborative relationship between the state government, local authorities and target communities, participating UN organizations and NGO implementing partners is critical for overcoming challenges during project implementation.</p>	<ul style="list-style-type: none"> ▪ Maintain close communication and engagement with state government and local counterparts throughout implementation. This will enable participating UN organizations and NGO implementing partners to manage expectations of state government and local counterparts.
<p>3.3 In order to expedite delivery and limit bottlenecks and or constraints to implementation, a contingency fund/mechanism is required, to address increasing cost of project inputs that is further compounded by frequently changing operational and security dynamics and uncertainties in target areas.</p>	<ul style="list-style-type: none"> ▪ The SSRF should consider establishing a contingency fund or rapid disbursement mechanism for quickly disbursing funds to implementing partners in order to address contingencies that arise in a complex, conflict prone, operating environment.
<p>3.4 Construction works have to be stopped during the wet season. Contractors attempted to continue working during the rain, but mobilizing heavy machineries to isolated and underdeveloped project sites was severely restricted. Tendering of construction projects should be conducted during the wet season, to initiate construction works at the beginning of the dry season.</p>	<ul style="list-style-type: none"> ▪ Project design should allow adequate preparation time to ensure resources are appropriately allocated, budgeted and planned with state government counterparts. This would serve to better manage expectations and provide adequate time to contractors for mobilizing to target sites at the beginning of the dry season and thereby, maximize time for construction works.
<p>3.5 Issuing an RFP for large-scale earth-moving work in South Sudan and expecting applications from experienced and qualified companies does not produce the best results. There are few competent regional companies with the required technical expertise, equipment and machinery, and usually they are already committed to other contracts. Participating UN organizations and NGO</p>	<ul style="list-style-type: none"> ▪ Participating UN organizations and NGO implementing partners should travel to neighboring countries and meet face-to-face with companies to facilitate their application to bids.

Lessons Learned	Recommendations
implementing partners need to be proactive in approaching companies to apply, because in many cases, working in South Sudan is viewed by them as a risk not worth taking.	
<p>3.6 Divergent views from different stakeholders led to delay in the procurement process of package 2 under Output 1.</p>	<ul style="list-style-type: none"> State governments to be advised that procurement processes undertaken by UN Agencies, should not be subject to disputes between the State Government and contractors on separate, unrelated contractual issues. Chairpersons of SSRF Steering Committee to consider submitting a letter to state governments to clarify that UN procurement processes and contracting should not be unduly influenced based on unrelated disputes with contractors or other parties.

4. Financial Status²

Output/Activity	PUNO	NGO	Budget : 2011-2012			SRF Transfer for 2011 (USD)	Expenditure as of end of Q3 2011 (USD)	Balance (USD)
			2011	2012	Total (USD)			
			[A]	[B]	[C = A + B]			
Output 1: Road(s)	UNOPS	-	5,307,038	1,314,259	6,621,297	5,307,038	5,340,355	-33,317 ³
Output 2: County Headquarters	UNOPS	-	5,864,962	1,463,741	7,328,703	5,864,962	5,145,274	719,688
Output 3: Haffirs & Boreholes	UNDP	PACT	2,440,000	610,000	3,050,000	2,440,000	1,109,365	1,330,635
Lead Agency	UNDP	-	320,000	80,000	400,000	320,000	26,343	293,657
TOTAL			13,932,000	3,468,000	17,400,000	13,932,000	11,621,337	2,310,663

² All expenditures are indicative unless certified by each organization's financial comptroller.

³ Negative expenditure includes contractual commitments to contractor.