



PEACEBUILDING FUND

Project Title: Strategic Grain Reserve in Southern Sudan	Recipient UN Organization: WFP
Project Contact: Leo van der Velden Address PO Box 440, Jebel Kujur, Juba, Sudan. Email: leo.vandervelden@wfp.	Implementing Partner(s): International Food Policy Research Institute (IFPRI) Private Sector Contractors
Project Number: To be completed by UNDP MDTF Office	Project Location: Southern Sudan
Project Description: A key socio-economic lesson learned since 2005 in Southern Sudan is that the government's ability to ensure food security helps mitigate instability and fighting over natural resources and it is an important factor for protecting people who face post-conflict challenges. The IRF, which will be used in the context of a broader 3-year long project, will aim to develop the national institutional policy framework with GoSS that will officially legalize the SGR establishment; to design the M&E system and its tools; perform the baseline surveys in the selected locations and to hire the WFP specialized management team for project supervision.	Total Project Cost: \$99,624,552 (of which) Peacebuilding Fund: \$1,990,200 Government Input: Land and funding allocated in the South Sudan national budget, inclusive of recurrent civil servant salary costs. Other: Total:
Project Start Date and Duration: June 2011 – One year	
Gender Marker Score¹: <u> 1 </u> <small>Score 3 for projects that are targeted 100% to women beneficiaries and/or address specific hardships faced by women and girls in post-conflict situations; Score 2 for projects with specific component, activities and budget allocated to women; Score 1 for projects with women mentioned explicitly in its objectives, but no specific activities are formulated nor is a budget reserved; and Score 0 for projects that do not specifically mention women.</small>	
PBF Priority Area(s) and Outcomes: <i>Priority areas 3 and 4</i> Outputs and Key Activities: <i>The main outputs of this social-economic project are to have a grain reserve system, comprised of 5 main storage compounds and 20 satellites, and to fully train government staff to manage the system and administration of the reserve.</i>	

¹ The PBSO monitors the inclusion of women and girls in all PBF projects in line with:

- SC Resolution 1325 (inclusion of women in prevention and resolution of conflict and in peacebuilding)
- SC Resolution 1612 (protection of children affected by armed conflict);
- SC Resolution 1820 (prevention of sexual violence and women in situations of armed conflict); and
- SC Resolution 1888 (re-enforcing Resolution 1820)
- SC Resolution 1889 (re-enforcing Resolution 1325)

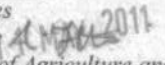
PBSO measures inclusion of women and girls at project planning stage based on intended results and allocated budgets. PBSO also monitors and documents the progress and results of these projects separately

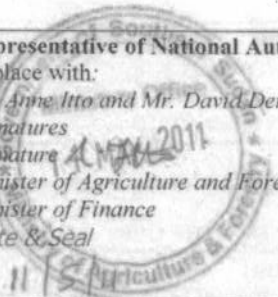
PROJECT DOCUMENT COVER SHEET

 **Leo Van Der Velden**
Coordinator
WFP South Sudan

(for IRF-funded projects)

 **World Food Programme**
South Sudan

<p>Recipient UN Organization(s) Replace with <i>Mr. Amer Da</i> <i>Signature</i> <i>World Food</i> <i>Date & Seal</i></p>	<p>National Implementing Partner(s) (as relevant) Replace with: <i>International Food Policy Research</i> <i>Institute (IFPRI)</i></p>
<p>Peacebuilding Support Office (PBSO) <i>Name of Representative</i> <i>Signature</i> Peacebuilding Support Office, NY <i>Date & Seal</i></p>	<p>Representative of National Authorities Replace with: <i>Dr. Anne Itto and Mr. David Deng Athorbei</i> <i>Signatures</i> <i>Signature</i>  <i>2011</i> <i>Minister of Agriculture and Forestry</i> <i>Minister of Finance</i> <i>Date & Seal</i></p>



to inform the SC and UN system.

COMPONENT 1: Situation Analysis

When analyzing the potential conflict dynamics and risks for Southern Sudan in the post-CPA period, a key socio-economic lesson learned since 2005 is that the government's ability to ensure food security mitigates instability and fighting over natural resources. The future UN engagement in support of political and security-related stability is to support the government to address the underlying causes of conflict, which often revolve around natural resource use, access to food or agricultural and animal resources like water and grazing lands. The legacy of years of conflict, changes in the political and economic landscape, and the fluid security situation suggest that food assistance will continue to be an important factor for protecting people who face post-conflict challenges. The WFP strategy for the next three years is to give direct support to the government's priorities in agricultural enhancement, infrastructure growth and security and assist the Government of Southern Sudan to mitigate the relationship between food insecurity and violence.

Food relief, from government stores or from international humanitarian agencies, can contribute to peaceful resolutions of conflicts and restore stability to erratic food price fluctuations. The Government of Southern Sudan (GoSS) has consistently voiced that there is a strong link between food insecurity and political instability. President Salva Kiir Mayardit, in his inaugural address on 21 May 2010, announced that food security was elevated to the 3rd highest GoSS priority. In the GoSS Strategic Framework of 'From War to Peace Transition', the centerpiece is rural transformation, a reaffirmation of the President's commitment to allocate resources towards improved development of natural resources to ensure food security for all.

The security and peacebuilding situation in Southern Sudan is a two way street when it comes to food: political instability and armed conflict worsen food security and poor harvest/high food prices and drought (causes of food insecurity) contribute to worsened political stability and increased tensions among the population who compete for food resources. Having a strategic grain reserve (SGR), that builds and strengthens national capacities, would cut down on the lead time needed to ship-in food assistance into the region for a crisis, thus increasing the ability of the GoSS to facilitate a resumption of stability for the affected communities, build trust with the population and demonstrate overall social protection for its citizens.²

Besides being an emergency buffer stock, a SGR system also offers activities that support efforts to revitalize the economy and generate immediate peace dividends for the population at large. It can be used as a temporary targeted instrument for market stabilization in case of unforeseen prices hikes. The reserve would be designed and implemented jointly with GoSS, to train government staff to apply transparent and efficient processes and warehouse management practices.

The reserve administration can also be seen as an integral part of the GoSS agricultural development strategy and gender programming; in times of surplus

² World Development Report 2011, Background paper. "Food Insecurity and Conflict: Applying the WDR Framework". Henk-Jen Brinkman and Cullen S. Hendrix. August 2, 2010. p. 36

production, reimbursement of loans through local purchase of grain will be an incentive for Southern Sudan small-holding farmers to increase their production due to a guaranteed outlet for their products. In the deep rural parts of Southern Sudan, the majority of subsistence agriculture is predominantly performed by women. However, men in rural areas are also a key target group to whom to provide agricultural livelihood opportunities due to their tendency to be involved in armed conflict³. WFP and the GoSS view the impact of the project as a tangible support for female and male cultivators at the household level because of the potential income generated by sale of surpluses to the SGR.

Building an effective and resilient grain reserve is not easy⁴. After the government's 2008 missteps due to unclear national policy and basic inexperience, the idea was shelved until a technical partner could be found. In 2009-2010, the food crisis, caused by failed harvests and poor rains, essentially triggered the largest escalation of widespread tribal raiding, localized fighting and internal displacements witnessed during the CPA period. By mid- 2010, the government requested WFP for guidance on how to establish a Strategic Grain Reserve, applying the high standards found in other successful WFP models. Before the end of 2010, a concept note was prepared and submitted to the Minister of Agriculture, Dr. Anne Itto, and the Minister of Finance, David Deng Athorbei. Within the first quarter of 2011, WFP entered into talks with GoSS to negotiate financial investment to launch the initiative by May 2011. A WFP Special Operation project proposal was submitted for approval to WFP Rome in early March.

COMPONENT 2: Narrative Section: Project justification

This project aims to contribute towards a coherent and systematic approach used by the UN and stakeholders within the GoSS including those at the State level to better link simultaneous solutions for natural resource management, food insecurity, conflict prevention and peacebuilding. In the UNEP report of February 2009, "From Conflict to Peacebuilding: The role of natural resources and the environment," the field research is loud and clear that supporting economic recovery with improved natural resource management (including agricultural development) will contribute to durable peace and sustained development in post-conflict regions like Southern Sudan.

Collapse of livelihoods from environmental stresses, overuse of assets or poor governance results in three main coping strategies: innovation, migration and competition. Combined with other factors, the outcome of competition can be violent. For this reason, developing sustainable livelihoods should be at the core of any peacebuilding approach...⁵

³ Brinkman and Hendrix, *ibid.* p. 48.

⁴ "Strategic Grain Reserves in an Era of Volatility," Sophia Murphy, Institute for Agriculture and Trade Policy, October 2009. p5. She lists the various hazards for government policy makers in deciding how to apply a grain reserve.

⁵ "From Conflict to Peacebuilding," August 2009. ISBN 978-92-807-2957-3. Editor: Silja Halle. p. 22.

Additionally, the World Bank Report on Food Insecurity and Conflict of August 2010 clearly outlines the impact of food insecurity on several forms of political violence and conflict.

Food insecurity is both a cause and a consequence of political violence. There is a small but consistent body of findings linking food insecurity to increased risk of democratic failure and increased protests and rioting, communal violence, and civil conflict. These conflicts, in turn, create widespread food insecurity, malnutrition and in some instances famine. Thus food insecurity is one of the mechanisms by which conflicts can be self-perpetuating, the 'conflict trap' (Collier et al., 2003). Food security is key for political stability....⁶

The SGR is a safety net institution that can mitigate food price increase but more importantly it can also play a role in post-conflict recovery by giving rural farmers a market outlet for their production and support longer-term livelihood opportunities.

This project proposes to set up a grain reserve program with the dual objectives of improving the operational efficacy of GoSS' emergency and food security programs and accelerating agricultural development. Project implementation will involve building both hard infrastructure (warehousing facilities) and soft infrastructure (the institutional and human capacity to run the program). A feasibility study undertaken by IFPRI in late 2010 - early 2011 recommended constructing five central warehouses and linking them with strategically placed satellite/primary storage depots. These will serve as the primary hard infrastructure for the operation of the SGR.

Two of the five central warehouses will be situated in areas of food surplus; the rest will be in areas of food deficit with a high concentration of food insecure populations. The warehouses in the surplus locations are envisioned to serve as market outlets for farmers and as food procurement points for the government and its development partners. In the short to medium term, or until such a time that the deficit regions begin to produce enough food to support safety nets and food security operations, these warehouses will also supply the food needed to carry out operations in the deficit areas. Strong links with the ongoing Southern Sudan Purchase for Progress ("P4P")⁷ pilot project will be established.

The remaining three warehouses will be located in areas where there are consistent populations of food-insecure people. The primary objective of these three

⁶ Brinkman and Hendrix, p. 48. The 'Collier 2003' reference is *Breaking the Conflict Trap: Civil War and Development Policy (World Bank Policy Research Reports) - Paperback (June 1, 2003)* by Paul Collier, V. L. Elliott, Havard Hegre, Anke Hoeffler, et al.

⁷ In **Southern Sudan**, P4P is working with a partners to promote agriculture production, providing training and improving the capacities of farmers in the surplus producing areas of southern Sudan. WFP will use its purchasing power to create a stable demand for cereals, particularly maize, which will stimulate local production. This is an important contribution to economic stability and integration of displaced populations. Funded by the Howard G Buffett Foundation for technical capacity for two years, WFP expects to purchase up to 1,500 mt of commodities, benefiting 4,100 farming households.

warehouses, and up to 20 linked satellite/primary storage depots, is to locate food closer to the beneficiaries, which will make food security and emergency operations targeted to local needs. The exact locations of the 20 satellite depots will be closely linked to WFP's feeder roads project. The P4P programme has identified the poor condition of the infrastructure in Southern Sudan as one of the major constraints to successfully linking smallholder farmers to markets. The construction and maintenance of key feeder roads will allow P4P increased access to areas ready for agricultural development. In addition, the capacity building portions of the feeder road project will ensure the local ability to construct mini grain storage facilities (this is in addition to the 20 satellite warehouses), with locally available materials, and other infrastructure required to support the success and expansion of the P4P programme.

WFP plans to promote agricultural development through targeted local purchase from smallholders and commercial farms in food-insecure regions in the hopes of improving food security through an increase in purchasing power and better linkages with existing markets. The SGR premises will also be supplied with appropriate processing plants, such as equipment for drying, cleaning, and milling commodities, as well as administrative offices.

Lack of market integration essentially implies that incentives for all actors in the value chain are distorted. An essential pre-condition for agriculture-led development is to have the correct incentive structure in place. Clearly, this requires concerted public investments and policy interventions. However, in the short to medium term, an effective linkage between various WFP (P4P, Feeder Roads Projects, and WFP Safety Nets) and Government of Southern Sudan programs can address some of the market failures; the grain reserve warehouses and institutional set-up will play an important role toward that end.

The final locations of the five central warehouses and of the satellite depots will be decided after consultation with the Government of Southern Sudan ministries at federal and state levels (end March 2011). Due to the high number of development partner activities within the Equatoria region, emphasis for the majority of the grain reserves and most of the satellites will be located outside of the three Equatoria states.

The handover strategy leading to full ownership of the strategic grain reserve by the Government of Southern Sudan at the end of the three years will involve a two-pronged approach. First, as the warehouses are being built, government officials (with a target of 25% female staff) will be trained to enable them to professionally manage the warehouses and the other food security programs linked to the SGR. The training will focus particularly on managing warehouses, maintaining food safety and quality, managing financial and operational databases, and carrying out analyses to enact timely and appropriate policy decisions.

The other part of the handover strategy will involve developing institutions and operational procedures that will guide the strategic reserves and related programs.

The first step toward this will be developing an organizational structure that clearly delineates the roles, responsibilities, and accountability within the organization. The next step will be agreeing on the principles of governance. The program can either be governed by a board of trustees or by a combination of technical and administrative bodies.

The critical gap in international funding for peacebuilding activities is the lack of large-scale economically-stimulating, government-operated emergency reserve. In addition to the GoSS prioritizing this SGR initiative within its 2011-2013 South Sudan Development Plan, the project's urgency is immediate due to the onset of the rains and the volatility of this fragile post-conflict state. International donors have tacitly offered support for such a complex endeavor, although they have been hesitant to rush in with pledges, particularly after the first attempt of 2008. With initial support of \$2 million from PBF IRF coupled with GoSS' budgetary allocation, there will be renewed donor confidence and faith in the applicability for such an initiative. Sustained financial support for this sort of peacebuilding and stabilization activity is expected to come from the GoSS' central budget, and from the line ministries of Agriculture and Finance for the civil servant salaries. In consultation with the GoSS, States will be responsible for land allocations.

Mobilization of national stakeholders in support of these activities is progressing, with WFP engaged in a series of consultations with the Office of the President, the Ministry of Agriculture and Forestry, the Ministry of Finance and, most recently, the Ministry of Cooperative and Rural Development.

COMPONENT 3: Logical Framework (including implementation strategy)

Part 1 (Strategic Level):

Objectives	Measurable indicators/Targets	Means of verification	Important assumptions
<p>PBF Priority Area 3: Revitalize the economy and immediate peace dividends</p> <p>Priority Area 4: Build essential government services and related technical and human capacities</p> <p>To mainstream gender balance in human capacity building by having 30% female staff within 3 years employed to project</p>	<p>Increased agricultural productivity in areas and improved and expanded access to market by smallholder farmers</p> <p>SGR government staff are trained and demonstrating the capacity to manage the reserve</p> <p>OUTPUT: Percentage of female staff employed by the SGR out of the total staff</p>	<p>Quantity of targeted local purchase from smallholders and commercial farms in food-insecure regions WFP and P4P quarterly reports</p> <p>Physical and chemical analysis of grain reveals proper storage, handling and maintenance; monthly reports show no infestation and vector control measures are effective</p> <p>Human Resource payroll documentation</p>	<p>Technical oversight committee engages regular internal and external audit of all records and spot checks are regularly done by Director Generals from Ministries.</p>
PBF Outcome(s)			Assumptions:

<p><i>Early revitalization of the economy, specifically the agricultural sector</i></p> <p><i>Be nationally prepared for food emergencies or food price volatility, thus reducing hunger and vulnerability to hunger in the longer-term</i></p>	<p>Increased number of small-holding farmers growing surpluses of grains</p> <p>Number of purchases made by SGR in three years</p> <p>Decreased number of security incidents in 10 km radius from the satellite purchasing posts</p> <p>Number of loans of food aid from SGR for natural disasters, food crises or high food prices</p>	<p>Quarterly monitoring missions and statistics from Ministry of Agriculture and FAO SGR Administration records</p> <p>DSS Security reports</p> <p>SGR Administration records</p>	<p>The national feeder roads construction and maintenance into areas with high agricultural potential continues and the Natural Resource sector of the South Sudan Development Plan is implemented and monitored</p> <p>P4P continues and expands beyond the Green Belt of the Equatoria into currently food deficit zones, thereby triggering a demand-driven impetus for surplus production</p>
<p>OUTPUTS:</p>	<p>Five grain reserves are built and filled with quality grain and 20 satellite warehouse facilities constructed and operational within a year.</p>	<p>Quarterly reports of progress by private sector contracting companies</p>	<p>Risks:</p> <p>Lack of commitment by GoSS for the effort and time required to implement this long-term project will impede progress even if contractors are available and willing to perform the construction responsibilities.</p> <p>Security concerns in some states, such as Upper Nile, may delay or block the project</p>

Part 2 (Implementation Level): *This table describes what will be implemented, by whom, how, and how much.*

PBF Outcome: _____ (One table for each PBF Outcome)

Indicators for catalytic effect:

- Signature of the Memorandum of Understanding with the GoSS;
- Bill is passed in the legislative assembly for the creation of the Special Grain Reserve;
- An effective administration is created by the hiring and training of 110 civil servants whose salaries are paid by the state;
- Additional contributions of XXX USD by other donors are secured by 31 December 2011.

Main Activities	Inputs	Rough Cost Estimate (optional)	Person(s) responsible for mobilizing inputs
<i>Land allocation</i>	<i>GoSS and State governments</i>	<i>Ministry of Lands will provide a valuation calculation</i>	<i>GoSS and State ministries</i>
<i>Land preparation</i>	<i>Earth moving equipment</i>		<i>Private sector contractor firms</i>
<i>Sub contracting of construction companies</i>	<i>Tenders sent out to private sector</i>	<i>\$75 million</i>	<i>WFP</i>

<i>Construction of the warehouse facilities, compound yard, offices, and processing areas</i>	<i>Building materials are incorporated into the contractor's contract</i>	<i>Inclusive from above</i>	<i>Private sector contractor firms</i>
<i>Purchase and installing cleaning, bagging and drying equipment</i>	<i>Machines, supplies and equipment</i>	<i>\$5 million</i>	<i>WFP</i>
<i>Civil servant training for 110 government staff in SGR administration and management</i>	<i>Study tours to model SGR in region; commodity management and warehouse management training at accredited universities and institutions; on-site capacity building with WFP trainers</i>	<i>\$6.3 million over 3 years</i>	<i>Regional warehouse and commodity management schools and WFP Logistics</i>

COMPONENT 4: Budget

This project has a total cost of US\$ 99,624,552.

The IRF will be used in the first year of the project to develop the national institutional policy framework with GoSS that will officially legalize the SGR establishment; to design the M&E system and its tools; to clear land for reserve locations, perform the baseline surveys in the selected locations and to hire the WFP specialized management team for project supervision.

It is rather difficult to ascribe a monetary value to policies or investments that expedite the GoSS response to a humanitarian crisis, as these actions or investments can save human lives and suffering for which no objective financial valuation exists.

A range of benefits can be estimated under some reasonable assumptions. Available WFP estimates suggest that transportation costs alone can range from US\$ 270 to US\$ 360 for procuring food from neighboring Uganda (P4P South Sudan estimates). Assuming WFP logistics and other costs of US\$100/MT, total costs of sourcing food would cost between US\$ 370 and US\$ 460, per metric tonne.

Once the SGR provides a platform for procuring food from local markets, one can calculate a stream of benefit. Should P4P and other similar programs manage to procure 25,000 tons of food after project completion, this would imply that annual savings on food procurement would be about US\$10 million. In other words, the SGR project costs will be recovered in 10 years.

The above calculations are based on assumptions and informed estimates. There is the likelihood that P4P and other procurement may not reach 25,000 MT. However, given the agricultural potentials of Southern Sudan, this is not an unrealistic expectation.

Benefits of the project are not limited to cost savings generated by local procurement. By serving as a platform of market access, the program will also contribute toward market development and improvement in the livelihoods and well being of the poor. The

magnitudes of such indirect benefits will be documented in partnership with respected international research organizations, as the International Food Policy Research Institute (IFPRI).

BUDGET DU PROGRAMME	
CATEGORIES	Agence 1
1. Provisions, produits, équipement et transport	0
2. Personnel (personnel, consultants et voyage)	720000
3. Formation des partenaires	100000
4. Contracts	690000
5. Autres coûts directs	350000
Sous-Total Coûts du Programme	1860000
Frais de gestion (7%)*	130200
TOTAL	1990200

See the UNDG Harmonized reporting to Donors for Joint Programmes approved in 2006 and available on <http://www.undg.org/docs/9442/Explanatory-Note---Annex-D.doc>.

** The rate shall not exceed 7% of the total of categories 1-5, as specified in the PBF MOU and should follow the rules and guidelines of each recipient organisation. Note that Agency-incurred direct project implementation costs should be charged to the relevant budget line, according to the Agency's regulations, rules and procedures.

COMPONENT 5: Management Arrangements

Depending on the evolving situation on the ground, especially during the post-Referendum period, the proposed implementation plan may be revised as necessary. The project implementation will involve building the warehouses, purchasing the equipment to operate and manage the premises, and, as an exit strategy, training government personnel regarding administration and warehouse management practices, including equipment handling.

Building of warehouses: Warehouses will be constructed in five strategic locations, which have been identified on the basis of the following two considerations: vulnerability

of the population and production potential within each state. The proposed locations are Malakal, Wau, Rumbek, Juba, and Yambio.

- a. Two of these warehouses (tentatively Juba and Yambio) will be situated in food-producing areas that would allow WFP, other food aid organizations, and the government to access food reserves and able to respond to crises in low-yield producing zones (Jonglei, Lakes and Eastern Equatoria). The remaining three warehouses (tentatively Wau, Rumbek, and Malakal) will be located in areas where there are consistent populations of food-insecure people. With these three warehouses WFP plans to promote agricultural production through targeted, local purchase from small-holding farmers and commercial farms and to improve food security through an increase in purchasing power and better linkages with existing markets.
- b. The building of the five warehouses premises will require a specialized team to oversee the project. An international team will be comprised of a Project Manager, a Logistics Officer, an Administration Officer, a Procurement Officer, and a Finance Officer, plus a Southern Sudanese team that will support the capacity building programmes on-site. The Project Management Units for the Feeder Roads and the SGR will be merged into one in order to save costs. The tendering process for the design and construction companies will commence after approval of this proposal.
- c. The final locations of the five central warehouses and of the 20 satellite depots will be finalized after a large consultation with the Government of Southern Sudan ministries at federal and state levels.

Purchase of equipment: In order to have these warehouses fully equipped and to maximize their use, WFP will purchase cleaning, bagging, and processing/milling plants for each facility.

Capacity Building and handover: One of the central pillars of a successful handover of the SGR to the GoSS will be national capacity—both human and physical capacity—to effectively manage, empirically evaluate, and strategically integrate with other evolving food security and safety nets programs. This will be accomplished by carrying WFP will carry out out a series of training programs and study tours for key GoSS officials in countries with successful SGRs and food security programs. Examples include Ethiopia and India. Once the government's staff (tentatively 110, of which a minimum of 27 will be female staff) are in place and trained, WFP will take a more advisory role, allowing the government to take the lead in the provision of food assistance in times of crises. The training program will begin as soon as warehouses are built and bilaterally-donated food is stored in the warehouses.

A practical and efficient system for civil servant training is envisioned, combining study tours, computer literacy and data entry, financial accounting, commodity management,

warehouse facility management and overall administrative professionalism. A calendar of learning for several internet-based distance-learning courses will be mandatory to continue the hands-on higher education gained at accredited institutions. Each manager of a SGR complex will be required to effectively earn the equivalent of an accelerated Masters degree in administration; midlevel staff will essentially be performing with Bachelor level credentials. The learning programme for top managers will be 6-9 months; for mid-level staff 6 months, and for lowest tier such as tally clerks, machine operators and storekeepers, 2-3 months. Professionalization of each role at all levels is the goal. WFP will share guidelines on performance evaluation and competency enhancement with the SGR administration board to ensure the establishment of bi-annual reviews, and result-based work planning for each contributing member of the SGR operational team at the five complexes and the 20 satellites.

Setting up a successful grain reserve in Southern Sudan is a challenge because, unlike other countries where there are pre-existing institutions to launch a grain reserve, Southern Sudan will have to start from the scratch. Four key elements of the institutional design need to be taken into consideration: (a) identifying key stakeholders in the GoSS to host the SGR; (b) developing an organizational structure; (c) building capacity for management, monitoring, and program evaluation; and (d) preparing operational guidelines. This note touches on the first three elements; the fourth element will be developed through consultation with various stakeholders once project implementation begins.

Since the country does not yet have a specialized agency or a department under the key ministry, the new SGR can be housed in one of the three ministries, namely Ministry of Agriculture, Ministry of Cooperatives & Rural Development, and the Ministry of Rehabilitation. The GoSS will eventually have to decide whether to place an SGR under one of the three relevant ministries. Initial consultation suggests that the majority of the stakeholders are in favor of attaching the SGR to the Ministry of Agriculture.

The organization and management of the SGR is expected to be a three-tier structure: (i) a governing body, (ii) a technical advisory committee, and (iii) day-to-day administration under the administrator of the SGR.

- a. The governing body—preferably consisting of members from key government ministries—will be responsible for major decision-making and policy guidance. Relevant ministries for the governing body may include the Ministry of Agriculture, Ministry of Finance, Ministry of Cooperatives and Rural Development, Ministry of Rehabilitation, and the Ministry of Trade/Commerce.
- b. The technical advisory committee will preferably consist of representatives of the GoSS ministries that hosts the SGR, WFP Project Unit Head, nominated representatives from civil society organizations, international agencies engaged in food security operations, and the donors' agencies or development partners.

- c. The day-to-day operation of the SGR is expected to be managed by a Head of the SGR, who will be in charge of overseeing five departments, namely, storage and distribution, quality control, finance, audit, and human resources departments, until such time Government civil servants are trained in full. The major warehouses will fall under these departments and each warehouse will have its own manager, quality control officer, and storage and distribution officers. Each central warehouse manager will also be responsible for managing the satellite warehouses under its jurisdiction/pre-defined periphery.

COMPONENT 6: Monitoring and evaluation

Monitoring and evaluation will be an integral part of the project implementation. This will be done in two important ways. With assistance from the key partners and experts as the International Food Policy Research Institute (IFPRI), a monitoring system will be developed to track the project progress based on some objective indicators and milestones. This will be critical at the implementation stage in order to make decisions regarding the plan's revision or for mid-course corrections. There are some ideas on how to track the outcome level catalytic effects of the SGR to the rural incidence of violence and conflict, especially within a certain kilometer radius from the satellite warehouses that will serve as buying posts for smallholding farmers. Further development is needed and the IRF support will be partially used to further investigate how WFP and GoSS can qualitatively measure the mitigation of violence due to improved food security.

Program impacts will also be assessed after project completion. For this purpose, essential data will be collected in the forms of baseline surveys and pictorial views of the SGR locations and their vicinities. The baseline surveys will collect data on demographics, agricultural portfolios, incomes and expenditures, and indicators of market access, as well as community-level information such as marketplaces, number of traders, and primary sources of livelihoods. Community well being will also be captured by photographs and videos.

The surveys will be repeated after project completion in order to measure the project impacts—both quantitatively by econometric and spatial equilibrium models and qualitatively by documenting changes in the community over time with pictures and videos. A formal partnership with IFPRI is envisaged in conducting rigorous monitoring and evaluation

COMPONENT 7: Analysis of risks and assumptions

Key assumptions with regard to external factors that are outside project control but nevertheless necessary to the achievement of project outputs and purpose are 1) the lack of commitment by the GoSS for the time, effort and funding needed to implement and learn how to manage an SGR; 2) security concerns in certain states, such as Upper Nile, may prevent WFP and GoSS from developing the SGR there, as planned, and an alternate

site may be selected and 3) the lack of comprehension by government officials on how to apply the benefits of a SGR.

Although grain reserves have been used for millennia, the actual purpose and the application of the grain reserve must be clear in the national policy and the GoSS institutional frameworks or else the SGR may be relied on for circumstances that are inappropriate to its purpose. The discussions on how to orient the SGR have begun with the GoSS and will continue as the legal framework for its establishment progresses. A major risk is that the government tries to use the SGR to serve multiple purposes and there is confusion that leads to failure⁸. The difficulties to arrange the use of an SGR to the particular context of Southern Sudan must be recognized, discussed and overcome, if this new tool of the government is to have positive, sustained, long-term impact.

Another potential cause of failure is funding shortfall and the likelihood is low to moderate, depending on the GoSS budgetary allocation process to provide seed funds to stimulate confidence in the international donor community to gain additional contributions towards the project, beyond PBF support. In the event that insufficient funds are contributed to cover the full costs of the project, WFP and GoSS will consult and reprioritize the number and locations of the SGR and possibly reduce the number of satellites. Reduction in the scope or length or quality of the government staff capacity building programme will be avoided in any event.

Annex I: Project Summary and Status Updates – Part One and Part Two

**PEACEBUILDING FUND
ANNEX I
PROJECT SUMMARY**

Project Number & Title:	PBF/			
Recipient UN Organization:	World Food Programme			
Implementing Partner(s):	IFPRI and Private sector contractors for construction			
Location:	Southern Sudan			
Approved Project Budget:	99.6 million USD			
Duration:	Planned Start Date: May 2011		Planned Completion: May 2012 for first phase of construction	
SC Approval Date: (Actual Dates)		Fund Transfer Date		Project Start Date
Project Description:	A key socio-economic lesson learned since 2005 in Southern Sudan is that the government's ability to ensure food security helps mitigate instability and fighting over natural resources and it is an important factor for protecting people who face post-conflict challenges. The IRF, which will be used in the context of a broader 3-year long project, will aim to develop			

⁸ S. Murphy, *ibid.* p. 4.

	the national institutional policy framework with GoSS that will officially legalize the SGR establishment; to design the M&E system and its tools; perform the baseline surveys in the selected locations and to hire the WFP specialized management team for project supervision.
PBF Priority Area:	Revitalize the economy and immediate peace dividends and Build essential government services and related technical and human capacities
PBF Outcome:	<i>Revitalizing the agricultural sector Be nationally prepared for food emergencies or food price volatility, thus reducing hunger and vulnerability to hunger in the longer-term</i>
Key Project Activities:	Construction of five strategic grain reserve complexes, 20 satellite warehouse facilities and capacity building of the civil servants to maintain and manage the administration and operations of the grain reserves.
Procurement:	Bagging, cleaning and drying equipment, supplies and warehouse materials

QUARTERLY PROJECT UPDATE

Period covered:			
Project Number & Title	PBF/		
Recipient UN Organization:			
Implementing Partner(s):			
JSC Approval Date:			
Funds Committed⁹:		% of Approved:	
Funds Disbursed¹⁰:		% of Approved:	
Forecast Final Date:		Delay (Months):	

Outcome/Indicators:	Achievements/Results:	Challenges (incl. expected effect on project results):

⁹ Project commitment is defined as legally binding contracts signed for goods, works, and services as permissible by the respective agency's financial rules and regulations.

¹⁰ Actual payments (for goods, works, and services) made against signed contract commitments. In most cases, total reported disbursements should not exceed total commitments, except in cases where disbursements are made against non-committed project funds (such as small scale payments, indirect programme costs etc, where no commitments are raised prior to payment).