

South Sudan

In the second half of the 20th century, South Sudan experienced severe instability with inter-ethnic warfare and other civil violence. Two civil wars from 1955-1972 destroyed much of the country's infrastructure; as a result, many communities were disrupted and displaced. There were halting and inconclusive governmental efforts to curb this violence, but finally the Comprehensive Peace Agreement, signed in 2005, more or less ended a 25-year war that had left the region as one of the poorest and least developed in Africa.

In 2011, the region became the independent state of South Sudan due to a referendum. With this legislation, the reconstruction process has started, but the results have been slow and generally disappointing as the fledgling government struggles to organize itself, capture loyalty and provide services.

South Sudan's economy is mainly rural and relies heavily on subsistence farming and oil revenue. Even after independence, the country has suffered from oil disputes and ethnic warfare. Due to these entrenched conflicts, South Sudan continues to have one of the world's weakest and most underdeveloped economies, as well as the highest maternal mortality and female illiteracy. Since 2008, ACDI/VOCA has been



working in South Sudan to strengthen the microfinance sector, improve food security and develop agribusiness activity.

Building the Capacity of Microfinance Institutions

One of the notable achievements of the reconstruction effort after the Comprehensive Peace Agreement was the emergence of a microfinance sector that consisted of three major microfinance institutions (MFIs), multiple smaller start-ups, a microfinance association and a newly established unit in the central bank. However, the sector was still hampered by low technical and managerial capacity, insufficient resources and inadequate physical and legal infrastructure.

To provide additional resources, in 2008 ACDI/VOCA began implementing the USAID-funded the **Generating Economic Development through Microfinance in South Sudan (GEMSS)** project. For the next one and a half years, ACDI/VOCA partnered with the Academy for Educational Development (now FHI360) to promote a viable and inclusive financial sector in South Sudan.

At the micro level, GEMSS built the capacity of MFIs to sustainably expand financial services. At the meso level, GEMSS strengthened supporting organizations, such as the Microfinance Association of South Sudan (MASS) and the South Sudan Microfinance Forum, to serve both as leaders in the sector and as advocates in the microfinance regulatory framework development process. During its lifetime, GEMSS achieved major successes, including the turnaround of Finance Sudan from an MFI on the verge of failing to one that now stands at the forefront of the industry.

Increased Food Security to Strengthen Community Growth

In addition to microfinance work, ACDI/VOCA has targeted the country's agricultural sector in an effort to overcome food security challenges. From 2009-2012, the **Building Responsibility for Delivery of Government Services (BRIDGE)** program aimed to strengthen the capacity of the South Sudan government to deliver social services and promote economic growth and to build the

capacity of communities and the government to collectively identify, prioritize and address community needs.

As part of this integrated approach, BRIDGE increased food security and promoted rapid, broad-based and self-sustaining economic growth through agricultural development, improved access to safe drinking water, improved sanitation and expanded access to education. As the lead implementer for the program's food security and economic growth activities, ACDI/VOCA revitalized the agriculture and livestock sectors by strengthening the capacity of the government to support the sector and its respective value chains comprising producers, processors and enterprises.

In one year, BRIDGE trained 65 government extension agents and 848 individuals on agriculture production. Through these trainings, 32 demonstration plots were established and 34 producer organizations received assistance. During this time, a total of 702 rural households directly benefited from BRIDGE. Furthermore, to date a total of 990 individuals have also received agriculture microgrant kits to support training and encourage production.

Agribusiness Work Aims to Increase Rural Incomes

Recently, ACDI/VOCA has increased commercial agricultural opportunities in South Sudan. The **Food, Agribusiness and Rural Markets (FARM)** program, a five-year activity

that started in 2010, aims to foster agribusiness success and raise rural incomes. FARM brings ACDI/VOCA together with Abt Associates, Action Africa Help International Associates and RSM Consulting.

The project aims to sustainably increase agricultural productivity, food production and trade, and improve the capacity of producers, private sector and public sector actors to develop commercial agriculture. ACDI/VOCA is using the **Farming as a Business (FaaB)** curriculum to strengthen the capacity of associations and cooperatives. This approach helps rural associations to develop business plans, improve financial management and increase the productivity, profitability and market access of their members.

Looking Ahead

There are many factors that help to perpetuate poverty and instability in South Sudan today. ACDI/VOCA's work in the country will aim to overcome these barriers and provide sustainable solutions that will foster both community and economic change.

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