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**Pro-Poor Growth &  
Development in South Sudan:  
Post-CPA Aid Mechanisms,  
Poverty Reduction Strategies  
and the Role of the World Bank**

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# *Presentation*

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# ***Introduction***

Sudan's civil war was the longest running in Africa and covered most of its life as an independent country. After more than thirty months of negotiation, the northern National Congress Party (NCP) and the southern rebel, the Sudan People's Liberation Movement/Army (SPLM/A), signed the Comprehensive Peace Agreement (CPA) in January 2005. The CPA not only provided a political framework for a ceasefire but it also addressed the issues at the root of Sudan's civil war, namely, the unequal development of the peripheral areas and the distribution of wealth (Johnson 2003, Kulusika 1998). The signature of the CPA provided a historic opportunity to put South Sudan on the path of development in response to the high expectations of its population, but also supported by the domestically-generated resources, especially the oil revenues and the flow of international aid. In this sense, the (re)construction of South Sudan is a white canvas where the international community can try out and implement its vision of pro-poor growth.

The most important processes and mechanisms being implemented in Sudan include the Joint Assessment Mission (JAM) process - the 'guiding document' (Murphy 2007) -, the interim Poverty Reduction Strategy Paper (iPRSP) and the Multi-Donor Trust Funds (MDTF). Although these mechanisms have a national scope, the emphasis is on the relationship between the Government of National Unity (GNU) and the Government of South Sudan (GoSS), with the intention to support the CPA. The role of the World Bank in the development and implementation of these aid mechanisms is central.

This paper argues that there are significant inconsistencies in the pro-poor development strategy championed by the World Bank in South Sudan for several reasons. First, there is no consensus on what pro-poor growth exactly means. Even within the Bank (World Bank) there are different interpretations of its definition and determinants. Second, even if there was an agreement on the previous, the capacity to measure pro-poor growth and pro-poor spending in South Sudan is very limited. The general lack of data is significant, so measuring poverty rates and the impact of policies is a challenging endeavour. Moreover, national budgets are, by large, planned according to the lines of the JAM and the iPRSP, but there is a notable lack of information and transparency on the effective use of budget allocations, which in turn makes the talk on pro-poor spending rather insubstantial. And finally, the mechanisms put in place to outline Sudan's development have so far failed to match the general expectations. On one side, the MDTF has failed to be a single aid instrument and to deliver tangible results. On the other side, the lack of clarity and consensus on the meaning of pro-poor growth and pro-poor spending is reflected in the different mechanisms and policy recommendations. At the core of the analysed mechanisms there are policy suggestions that echo the development understanding of the Structural Adjustment Programmes (SAP), emphasising policies such as market

liberalisation and privatization, without fully addressing growth distribution (Babiker and Pantuliano 2006). As a result of the above, the door is open for further research on the extent to which the development recommendations of these documents and mechanisms promoted by the World Bank reflect a real pro-poor commitment or they just reproduce the logics of the SAPs.

This paper does not touch upon other very important factors related to the development of South Sudan and the progress of the peace process like the issue of oil resources, the role of the UN peacekeeping mission, inter-ethnic tensions and other security issues, CPA benchmarks (i.e. elections, border demarcations and the referendum), or the role of other agencies and actors (e.g. UNDP, NGOs), etc. I acknowledge that all of these issues are interrelated and have a significant effect on the development prospect of Sudan in general and South Sudan in particular. The first section of the paper briefly situates the Poverty Reduction Strategy Papers (PRSP) within the evolution of the Bank's conception on development and, thus, its recommendations for poverty alleviation. The following section looks at different definitions of and approaches to pro-poor growth, with special focus on those adopted by the World Bank, highlighting the current lack of consensus and their implications for policy. With the objective of exploring how the vision of pro-poor growth is actually promoted and implemented by the Bank, the third and last part of the paper examines the development processes and mechanisms being implemented with the leadership of the Bank in Sudan after the signature of the CPA: the JAM, the iPRSP and the MDTF. Although these mechanisms are related to both the North and the South Sudan, this paper's emphasis is on the latter. I analyse some of the obstacles encountered so far and the challenges involved for an effective implementation of a pro-poor growth and development strategy in South Sudan.

# ***Development and Poverty Reduction***

There is extensive debate as to what development is exactly and, even more, how to achieve it. In general terms, this paper understands development as structural transformation that encompasses not only national economic growth but also, as defined by Ravenhill, 'the material improvement in the lives of its citizens evidenced in poverty reduction and increased equity' (2008: 411). But the understanding of development within the World Bank, and its institutional emphasis on development issues, changed over time. At the beginning of the 1980's development policy started to shift from being led by the state to being led by the market. Poverty reduction has been largely seen as a result of overall economic growth and the Bretton Woods institutions had a prominent role in universalizing a model of growth and development that promoted global economic integration and free trade. The neo-liberal global development policy was fostered by the international finance institutions (IFIs) by providing assistance on the basis of the adoption of certain policies (conditionality). Through Structural Adjustment Programmes (SAP) governments were encouraged to pursue macroeconomic stability by controlling inflation and reducing fiscal deficits, open up their economies and liberalise markets through privatisation and deregulation. The idea was that growth would trigger a trickle-down process which would have a positive effect on the poorer sectors of society.

The poor performance observed under the SAPs and the financial crises of the late 1990's produced intense criticism of the IFIs. The response was the adoption of a new approach that implied a revised idea of what constitutes development. The poor were elevated as the focus of policy and poverty reduction as its central purpose, and the social dimensions of development received greater emphasis. The presidency of James Wolfensohn brought to the Bank the concern that globalization should work for the poor, and its chief economist, Joseph Stiglitz, declared the emergence of the "Post-Washington Consensus" (Stiglitz 1998)<sup>1</sup>. The central element of the Post-Washington Consensus is poverty reduction and a move towards 'empowering' the poor as a strategy to tackle poverty (Schech and Vas Dev 2007). 'Participation', 'ownership' and 'partnership' became the conceptual drivers for policy-making. The trends in development thinking of the Bank materialised in the Comprehensive Development Framework (CDF), as the 'guiding approach' to country assistance (Williams and Young 2007). The CDF, in turn, governs the design of Poverty Reduction Strategy Papers (PRSP), a growth oriented macroeconomic framework which

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<sup>1</sup> Stiglitz J (1998) "More Instruments and Broader Goals: Moving Towards the Post-Washington Consensus" Presentation at the WIDER Annual Lecture, at the at the World Institute for Development Economics Research in Helsinki

must integrate the poverty reducing policies around which the Banks' projects should be articulated (Wolfensohn and Fischer 2000).

Replacing the criticised SAPs, the PRSPs are expected to be poverty-focused comprehensive documents created through a participatory process (e.g. involving the civil society and other development 'partners') and with a high sense of national ownership by the concerned country, which sets its own development priorities and poverty reduction framework with a medium and long-term perspective. This approach is also expected to produce an alignment of donors around the priorities, policies and resources identified by the country to meet its development goals. The PRSPs are endorsed by the World Bank and the IMF as a basis for national and international decision-making and a pre-condition for access to debt relief under the Highly Indebted Poor Countries initiative (HIPC).

However, some authors claim that, in fact, the PRSPs replicate the key macro-economic policy components of the SAPs. Jerome et al. (2008) suggest that the policy components remain intact, but highlight that the change is to be found in the principles that rule the PRSPs (e.g. partnership, ownership, long-term vision, etc.). The authors recognize that the PRSP approach has 'contributed to a much stronger focus on poverty by governments, has engaged civil society in poverty policy debates to an extent, and has focused attention on donor alignment and harmonisation internationally and at country level' (2008: 270). But others, like Gould, are less persuaded; claiming that the notion of 'the poor' is just a primary source evoked by the international actors to legitimize their penetration in political arenas, in the framework of what he defines as 'populist neo-liberalism', or 'structural adjustment in the name of the poor' (2005: 7). In any case, the fact that the process is sponsored by international financial institutions suggests two things: first, that as long as it is a mechanism to qualify for funds or debt relief the aspect of conditionality persists. And linked to that, it reveals a challenge generated by the tension between externally imposed conditionality and national ownership.

# ***Pro-Poor Growth and Development***

In the last years the concept of 'pro-poor growth' emerged in discussions on development policy, but there seems to be no consensus on the exact meaning of the term or its determinants. Jerome et al. suggest that there seem to be two types of definitions of pro-poor growth: a *relative* and an *absolute* definition. The first one involves a comparison of changes in the income of poor and non-poor sectors of the population. Thus, growth is pro-poor 'when the distributional shifts accompanying growth favour the poor' (2008: 265). The absolute perspective identifies growth as pro-poor if any specific measure of poverty reflects that poor people benefit in absolute terms. Jerome et al. argue that the PRSPs would fall under the latter definition. Moreover, the different understandings of pro-poor growth would have different implications at the level of policy design. Hansohm (2008) classifies the elements of pro-poor strategies into two groups: on one side, measures that address its direct sources such as land reform, investment in human capital, support to the emergence of private sector, etc. On the other hand, measures which are relevant for aggregate growth, such as macro-economic stability, good governance, targeted pro-poor spending and other measures that attempt to redistribute the aggregate growth dividend towards the poor (2008: 107).

Within the World Bank there have been various attempts to define pro-poor growth, with different policy implications. A paper prepared in the context of the Bank's pro-poor growth programme<sup>2</sup> investigated the determinants of growth in the income of the poor - defined as those in the bottom quintile of the income distribution. Kraay finds that most of the variation in changes in poverty is due to growth in average incomes (absolute approach). He argues that 'growth in average household survey incomes is correlated with several of the usual determinants of growth from the empirical growth literature, including institutional quality, openness to international trade, and size of government' (2004: 2). Thus, in the line of the second group of measures described by Hansohm (2008), Kraay suggests that a pro-poor growth strategy, focusing on determinants of growth in average incomes, should involve policies like the protection of property rights, sound macroeconomic policies, and openness to international trade.

Another study of the World Bank argues that making growth more pro-poor 'requires a combination of more growth, a more pro-poor pattern of growth and success in reducing the antecedent inequalities that limit the prospects for poor people to share in the opportunities unleashed in a growing economy' (Ravallion 2004: 20). In the line of a more relative conceptualization, the differences between sectors or regions in levels of poverty

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<sup>2</sup> PREM-Poverty Group, World Bank,



and the distributional factors matter to the extent to which growth affects the poor. Initial conditions, institutions and policies, affect the extent of growth and pro-poor distribution that can be achieved. In general, the study suggests that to assure more pro-poor growth governments should give high priority to health and education, and aim policies at benefiting the rural sector (2004).

As we can observe, even within the World Bank there are different ways of approaching the concept, which have very different implications at the level of policy. These conceptualisations compete, in addition, to national understandings of pro-poor growth and policy-making. During the process of the 2007 Public Expenditure Review (PER) between the World Bank and the Government of Sudan, the Ministry of Finance and National Economy (MFNE) developed its own definition of pro-poor spending: 'all recurrent spending except wages / salaries / pensions for ministers and politicians, and all expenditure on goods and services, excluding defence; all development spending, both locally and foreign financed; and 80 percent of current and block transfers to northern states, plus all regional development projects both locally and foreign financed' (World Bank, 2007).

Understood in these terms, GNU pro-poor spending in Sudan is reported to have increased significantly, from the low level of \$16 per capita (19.3 percent of total GNU expenditures and 2.8 percent of GDP) in the pre-CPA period (2000- 2004) to \$68 per capita in 2006 (24.8 percent of total GNU expenditures and 5.5 percent of GDP). Even if the increase is considerable, it is still 'below budget plans (6.6 percent of GDP), JAM commitments (5.9 percent of GDP), the average for HIPC countries (7 percent of GDP), and, for example, neighbouring Ethiopia (19 percent of GDP) and Uganda (11 percent of GDP)' (World Bank 2007: 38-39). Nevertheless, the reliability of the information is limited, as the Bank recognizes that '[it doesn't] have information directly from the spending units on the use of funds for the intended purposes and the quality / efficiency of spending' (World Bank 2007: 39).

# ***Pro-Poor Development Strategies in Sudan***

The CPA process is the background of any strategy and policy in post-conflict South Sudan. It created the autonomous Government of Southern Sudan (GoSS) and provided for a six-year interim period for implementation of the Agreement, after which the South can, through a referendum, opt out of the united Sudan. As noted earlier, unequal development has been at the heart of Sudan's problems; hence the Sudanese motto: 'peace through development' (Thomas 2009). The Agreement comprises political, economic and security issues, of which the share of wealth resources between the North and the South is a central component. A mid-term evaluation of the implementation of the CPA<sup>3</sup> assesses positively the provisions of the wealth-sharing protocol, arguing that the oil and non-oil revenues have been regularly transferred by the GNU to the GoSS, although another recent report found a difference of between 9% and 26% in the GNUs' revenue estimates and the estimates of the Chinese National Petroleum Corporation, operating in Sudan<sup>4</sup>. But, even if under the CPA the parties agreed to pursue accountability and transparency, the mid-term evaluation claims that GoSS information on state revenues is lacking. Besides putting an end to the conflict and sketching a new distribution of political and economic power, the transitional period outlined in the CPA had also the objective of 'making unity attractive'<sup>5</sup>. Thus, the strategies and mechanisms to support the implementation of the CPA are embedded in a vision of a united Sudan. After the signature of this historic agreement, the expectations were very high. The international engagement in South Sudan, stronger than in the North, has focused its energy in state-building through a series of aid coordination and poverty reduction mechanisms, described below. The role of the World Bank in promoting and leading these processes has been prominent.

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<sup>3</sup> Mid Term Evaluation Report of the Comprehensive Peace Agreement, Assessment and Evaluation Commission, July 2008.

<sup>4</sup> Global Witness (2009) "Fuelling Mistrust. The Need for Transparency in Sudan's Oil Industry", Global Witness Limited, London.

<sup>5</sup> It is argued that John Garang, founder and leader of the SPLA/M didn't seek secession but fought for a more equitable distribution of wealth and power between the North and the South Sudan. In contrast, after Garang's tragic death, the leadership of Salva Kiir Mayardit took a secessionist stand.

# ***The Sudan Joint Assessment Mission (JAM)***

Conducted by the World Bank and the UN with the active involvement of the two CPA parties, the JAM is a comprehensive assessment of the post-conflict reconstruction and development requirements for the transitional recovery and the consolidation of peace. Presented in March 2005, the ambition of the JAM is to provide a framework for “attaining broad-based growth, poverty reduction and sustained human development towards the MDGs, firmly grounded in the historic Comprehensive Peace Agreement” (JAM 2005). The document, called ‘Framework for Sustained Peace, Development and Poverty Eradication’, provided an assessment of the causes of conflict in Sudan, highlighting the historic underdevelopment of the South and its exclusion in decision-making. The JAM addresses issues of governance, security, decentralisation, human rights and gives suggestions for the resolution of disputes over the Three Areas<sup>6</sup>. It also comprises a concept note for a Poverty Eradication Strategy that emphasizes ensuring macro-economic stability, creating an environment for private sector promotion, implementing comprehensive capacity-building and institutional strengthening programmes and empowering local communities and vulnerable groups. The total development plan was estimated at USD 7,9 billion, most part of which should be financed by the GNU and the GoSS.

The JAM expresses the need to increase peace dividends by reallocating defence resources to pro-poor spending: ‘the Sudanese authorities [will] exert maximum efforts to re-allocate resources. This means shifting expenditures towards pro-poor and development priorities as the amount budgeted for defence declines’. But in fact the lack of transparency of the GoSS budget management and reporting cannot prove that that has been effectively the case. On the contrary, it is believed that defence spending has increased in 2006 amounting to approximately 30% of all federal expenditures (2,9% of GDP). The increase could be explained in the lines of increased efforts to support demobilization programmes, but even the World Bank is not able to confirm this hypothesis (World Bank 2007).

It is agreed that the positive feature of the JAM process is that it brought northern and southern parties (and other stakeholders) together, around a common framework for reconstruction. However, there is disagreement regarding the degree of ownership sensed

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<sup>6</sup> Abyei, Blue Nile and Southern Kordofan are three border areas over which the North and the South Sudan have long disputed in regards to border demarcation, ethnic issues and oil. The CPA established the Road Map for the resolution of these conflicts. These areas are critical to long-term stability and economic development in Sudan because of their geographic location and wealth of natural resources (not only oil, but also agricultural land, water, Gum Arabic, and minerals).

by national actors and on the level of involvement of civil society. In fact, critics point out that the lack of ownership led to a growing irrelevance of the JAM in the face of changing government and security priorities (Haslie and Borchgrevink 2007, Pantuliano 2009). Others critiques stress the limited attention to prioritization within the JAM. Even if some elements of prioritization and sequencing are contemplated in the plan, 'representatives of both donors and multilateral institutions commented that the framework was still too wide' (Haslie and Borchgrevink 2007: 16). Prioritization is not only essential in an environment of limited implementation and absorption capacity like Sudan, but would also facilitate aid coordination (Haslie and Borchgrevink 2007, Hansohn, 2008).

So on the positive side, the JAM has successfully provided a shared framework for the understanding of Sudan's problems and development needs, even if the degree of ownership of the document is contested. The JAM is widely used as a reference for policy-making by the different stakeholders involved in Sudan's development. But the lack of clear prioritization has affected negatively aid coordination and has given space for feeble political commitment from the side of the Sudanese authorities. While security and defence spending are still of major concern for the GoSS, lack of accountability and transparency add to a weak implementation of the JAM's more direct pro-poor suggestions (Haslie and Borchgrevink 2007).

# ***Multi-Donors Trust Funds (MDTFs)***

The MDTFs are mechanisms created to implement the suggestions of the JAM, and they are administered by the World Bank. The CPA established the creation of two MDTF (one for the GNU and one for the GoSS) “to provide funding for priority projects and programs that are both pro-peace and pro-poor”<sup>7</sup>. The strategy for the southern MDTF involves the establishment of core effective public sector administration, investments in ‘priority sector’ programmes such as infrastructure, education and health, investments to generate social capital (access to education) and supporting programmes for the development of the private sector and the transition from subsistence-livelihoods to a ‘development-oriented’ economy. But it is also important to underline that one of the main aims of this WB-administered fund was to ensure donor coordination through to 2011.

Even if MDTF projects are claimed to have a good thematic and sectoral balance, the MDTF is widely criticised (even by the Bank itself, see below) for having a very slow rate of disbursement and having delivered, so far, very few tangible results. Pledges for the period 2005- 2007 amounted to USD 611,7 million. By October 31st 2006, USD 14 million had been disbursed by the MDTF-N, while the MDTF-S had disbursed USD 46 million<sup>8</sup>. An assessment by the Ministry of International Cooperation claims that after two years of functioning, only 7,2% of the pledges to the MDTF were spent by implementing agencies (MIC 2007)<sup>9</sup>. So the high expectations have been met only to a very limited extent. Even if the MDTF was expected to be a single aid instrument, a Mid-Term Evaluation of the Joint Donor Team in Juba (2009) claims that half of the aid is indeed taking place outside of the fund, especially through bilateral funding or through other pooled funding. For example, the Basic Services Fund (BSF) led by DFID and supported by the governments of Norway, Canada and the Netherlands has pledged £28 million for the period January 2009 - June 2010 (Fenton and Phillips, 2009).

The implementation of the funds pledged by donors through the MDTFs is done through UN agencies, the government and NGOs. By the end of 2007, more than one third of MDTF grant commitments was being managed or implemented by UN agencies (World Bank 2008). Especially during the first years, the Bank and the UN agencies had difficulty reaching consensus on legal agreements, which accounts in part for the delays observed. Haslie and Borchgrevink point out that these rivalries ‘made the UN agencies little disposed to try to

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<sup>7</sup> [web.worldbank.org](http://web.worldbank.org)

<sup>8</sup> MDTFs Technical Secretariats, National and South: Sudan Multi-Donor Trust Funds: One Year On. Second report covering January to October 2006. Power Point Presentation, December 2006; in Haslie and Borchgrevink (2007).

<sup>9</sup> Ministry of International Cooperation (MIC) (2007) “Aid Effectiveness, External Assistance and Donor Financed Projects”; Presentation to Sudan Consortium 19-22 March, unpublished; in Hansohn (2008).

overcome these difficulties, as they had an institutional interest in making the Bank appear inefficient in managing the MDTFs' (2007:18). On the other side, the Bank claims that as the MDTFs are fully embedded in the state budgets, thus subjected to government budget allocation, procedures, decision-making processes and the general low capacity at government level, which in turn account for the delays in project implementation (World Bank 2008, 2009). In fact, the Bank's mechanisms of control and accountability are very difficult to meet, especially in the context of South Sudan. For this reason the Bank acknowledges that it has to revise the trade-offs between delivering short term results and longer term objectives of capacity building and sustainability (World Bank 2008). In a very recent statement, the Bank has admitted not being satisfied with its own management of the MTDF<sup>10</sup>.

The idea of having a MTDF is an important effort for the achievement of international aid coordination under a single strategic framework. Unfortunately, the implementation has been more challenging than imagined. Being administered by the World Bank in coordination with the Sudanese authorities and other UN agencies, a certain level of bureaucracy should be expected. But considering the fact that the MTDF should have helped to deliver visible important results within a limited six-year interim period, more flexible mechanisms for project approval and fund disbursement should have been envisaged. A better prioritization of the development needs (within the JAM, for example) would have probably helped solve the trade-offs between the need for quick visible results and a long-term development vision.

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<sup>10</sup> The statement was read to reporters by a senior Bank official, Joseph Saba and published by the Agence France-Press ("World Bank admits 'not satisfied' with South Sudan spending", Agence France-Press, 20<sup>th</sup> February 2010).

# ***Poverty Reduction Strategy Paper (PRSP)***

The Government of Sudan finalised an interim Poverty Eradication Strategy Paper (PESP) in 2004, drafted by a 'Poverty Unit' established within the Ministry of Finance and Economic Planning (MFEP). However, after the signature of the CPA, the GNU and the GoSS agreed on launching a new national PRSP process. Although that process was supposed to be finalised by 2007, only an interim-PRSP is available in Sudan today. By December 2009, different working groups in Sudan were still finalising sectoral papers. It seems that in the absence of a full PRSP the JAM continues to be the 'guiding document' (Murphy, 2007). The PRSP has not yet succeeded in being the axis of donors' strategies, but appears to be just the mechanism through which to qualify for HIPC debt relief.

The PRSP process was, however,

'[...] characterised by delays and hampered by institutional weakness of the Poverty Unit, the weak planning function within the Government of National Unity (GNU), the lack of clarity about an Interim PRSP versus a [full] PRSP, by competition with other institutions, lack of interaction with other institutions and plans, and inconsistencies between plan and available resources and time' (Hansohn 2008:120).

The poverty assessment included in the i-PRSP is limited by the lack of reliable information. It argues that poverty in Sudan 'may perhaps be in the region of 50-60%', although it is claimed that poverty rates in South Sudan alone is around 90%. 'Observation and anecdotal evidence' suggests that poverty has increased in the last years, especially in the urban areas, although most of the poor live in rural areas. As stated in the JAM, the causes of poverty lie in the sustained urban bias of post-independence development strategies. The envisaged development framework suggests that Sudan's future depends on its capacity of developing its resource-based export-led economy. Sudan would be able to do that, the document indicates, only by maintaining first a stable macro-economic environment, achieving a GDP growth of 7%, keeping inflation lower than 7% through a tight monetary policy regime and maintaining a managed-float exchange rate. All these measures are contingent with its capacity to resolve its foreign debt problem. The rest is a good governance checklist with a vision of a government that enables the growth of the private sector (including fostering its involvement in the education sector) and the participation of civil society, with a special focus on decentralisation and empowerment.

In fact, the priorities proposed in the iPRSP bear a high resemblance with the World Bank's own strategy for Sudan. According to the Bank's strategy the key to sustainable and diversified pro-poor growth is, above all, a stable macro-economic and fiscal environment followed by the promotion of the private sector, rural development and infrastructural investment (World Bank 2008). The basic pro-poor feature of the iPRSP appears to be the shift in the approach to agricultural development: 'the emphasis will be the rain-fed traditional and livestock sectors as part of a conscious policy of integrated rural development based on the country's factor endowments' (iPRSP 2004). But Babiker and Pantuliano (2006) argue that beyond the rhetoric, it is not clear how growth is going to be redistributed to the poor, and what will be the consequences for the most marginalized minorities, such as the pastoralists. Moreover, the conception of pro-poor policy outlined in the document is wide-ranging; it also embraces privatisation as a mechanism for pro-poor spending. As the document reads, "government policy would continue to focus on the agreed programme for privatisation so that public resources are directed towards priority pro-poor investments" (iPRSP 2004: 29). It does sound like Gould's 'structural adjustment in the name of the poor' (Gould 2005).

From the JAM to the iPRSP, there is a commitment to increase the spending in health and education. Taking the former as example, the document reads: "the health development programme based on this strategy assumes that public expenditures, both current and development will be significantly increased as part of budgeting that has a clear pro-poor bias" (iPRSP 2004: 29). But as the 2007 PER process reveals, the expenditure levels of Sudan in the health sector are below expectations: "a key concern is the extremely low level of investment spending in the health and education sectors, with over 95 percent going for current expenditure" (World Bank 2007: 39). Even if spending levels increased over the last years, they remain very low. Sudan has an approximate GDP per capita of \$1,000, which is 25% higher than the average in Sub-Saharan Africa. However, its health outcomes are nearer to countries near \$400 per capita. The lack of data does not permit to have clearer estimates for South Sudan alone, but considering that i) the North tends to perform better than the South, and that ii) health NGOs provide 86% of available health services and finance the salaries of about 75% of the health staff in South Sudan (Fenton and Phillips 2009); we can conclude that the level of government pro-poor spending with significant impact in the health sector is minimal. The education sector poses similar concerns, with some war affected areas receiving only 1% of government budgets<sup>11</sup>.

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<sup>11</sup> Civil Society and International NGO Statement to the Sudan Consortium, Oslo, Norway, 5-7 May 2008 / [web.worldbank.org](http://web.worldbank.org).



## **Conclusion**

Decades of war have jeopardized Sudan's development capacity posing enormous challenges for its future. As the JAM points out, 'meeting these challenges requires policy and institutional reform, mobilization of local populations, and financial resources, coupled with external support. Political commitment is recognized as a fundamental precondition to the implementation of the CPA and to redirecting national resources towards a pro-poor development strategy' (JAM 2005: 13). These aspirations have not yet materialised. But the expectations have been disproportionate and the capacity of the international community to help create a new government (the GoSS) from scratch has been overestimated.

As documented in the JAM and the iPRSP, the bulk of the needs are in basic services delivery (education, health, water and sanitation), rural development, and investment in infrastructure. But even if budgets are constructed in consideration of these demands, at the end of the day resources are not allocated accordingly and government spending remains obscure. As Hansohn points out, "resources have not yet systematically targeted the poor, neither through the pro-poor provision of public services nor through an expansion of employment, by expanding economic and social infrastructure or by transferring assets to the poor. Grievances are simmering" (2008: 138).

The GoSS acknowledges (at least in rhetoric) that making investments in pro-poor development is central to averting the risk of future conflict, but considers that the JAM underestimated the challenges the GoSS faces, including the difficulties of establishing a civil service and institutions to deliver services from scratch. The slow progress of key donor delivery mechanisms such as the MDTF is equally singled out<sup>12</sup>. It does not only imply a limited advance in key recovery, state building and development areas, but it has also led to strong disillusionment and loss of faith in the international community (Haslie and Borchgrevink 2007). Serious considerations should be made on the tensions between long-term development vs. short-term visible results benefiting the poor; and also on the need for aid vs. the absorption capacity of the GoSS (Elnur 2009, Yongo-Bure 2007).

Improving planning, allocation, and monitoring of decentralized spending are requisites for an effective assessment of pro-poor growth. The different mechanisms analysed reflect the lack of consensus on the meaning of pro-poor growth and spending. The JAM and iPRSP do suggest direct measures to affect positively poverty reduction. These include highlighting the need to expand the access to basic services, a focus in rural development and the emphasis in infrastructure investment. But while the major concern of the JAM is on state-

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<sup>12</sup> Presentation by Kuol Athian Mawien, Minister of Finance of the GoSS, at the Third Sudan Consortium, May 2008, Oslo (Norway) / [web.worldbank.org](http://web.worldbank.org).

building and good governance, the iPRSP reveals a more absolute understanding of pro-poor growth, in which the preoccupation is with macro-economic variables and the policy suggestions bear resemblance to the SAPs. A possible explanation could be that the PRSP process has become a mechanised exercise to qualify for funds and relief, reflecting more what the Bank wants to hear than a home-grown vision of poverty reduction. On the other hand, the JAM has been a process born in the context of a historical momentum, more attuned to the sensitivities of the CPA: the need to buttress peace and a more equitable development. Once the full-PRSP is finalised, further research could be directed to assessing up to what extent the process reveals a real commitment to put the focus on the poor, or it just reproduces the same fundamental logics of the SAPs. The hope is that the process to the full-PRSP brings about a shared vision of pro-poor growth consensuated with the different actors involved in Sudan's development, and equated with a real commitment from the national authorities. That would be the PRSP's only added-value. Peace will come along only when Sudanese poor benefit from the peace dividends.

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