

**Support to Public Financial Management**

2021 Quarter 1 Progress Report

(January-March 2021)



Training of State Ministry of Finance officials in Kuajok, Warrap state, on managing increased non-oil revenues, 19 March 2021: Photo by UNDP

 

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| **Project Summary** | **Country: South Sudan****Project Duration:** **Project Budget: US$****Annual Budget: US$**

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| --- | --- | --- | --- |
| **Donor** | **Annual Budget US$** | **Expenditure**  | **Delivery Rate** |
| **AfDB** | **97,064.24** | **51,679.12** | **53%** |
| **Japan (JSB)** |  |  |  |
| **MPTF(SDG)** |  **241,138.03** |  **14,670.18** |  **6%** |
| **Total**  | **338,202.27** | **66,349.30** | **20%** |

**Cumulative expenditure (***including for the reporting period***):****Contact Persons: Samuel Doe** **Resident Representative**  **Tel: <0926221701>** **Email: <samuel.doe@undp.org>** **Fatmata Lovetta Sesay** **Team Leader, SPACE unit**  **Tel. <0929779104>** **Email: < fatmata.sesay@undp.org>** |
| **Responsible Parties:** National Ministry of Finance and Planning, National Revenue Authority, State Revenue Authorities, State Ministries of Finance.  |

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# **Acronyms**

|  |  |
| --- | --- |
| AfDBCOVID-19ICTITJSBNRA | African Development BankCoronavirus Disease 2019Information, Communication, and TechnologyInformation TechnologyJapan Supplementary BudgetNational Revenue Authority |
| PFMSDGs SDPCsSLASRAUNDPUNICEFVSAT | Public Financial ManagementSustainable Development Goals State Development Planning CommitteesState Legislative AssemblyState Revenue Authority United Nations Development ProgrammeUnited Nations Children’s FundVery-Small-Aperture Terminal |

# **Executive Summary**

The United Nations Development Programme (UNDP) is implementing the ‘Support to Public Financial Management (PFM) Project’ at the national and state levels in the Republic of South Sudan. The project is financed by the African Development Bank (AfDB – funding until June 2021), the Government of Japan (funding until March 2021), and the Joint SDG fund (funding until June 2022).

The project supported important Public Financial Management reforms in South Sudan during a key period, where the country is emerging from conflict to providing social services to her people. PFM reforms are being undertaken, and the project engaged with national partners, institutions, and subnational partners to strengthen the country’s capacity to increase and manage non-oil revenue in an efficient, transparent, and fair manner.

The project is aligned to national and international aspirations of ensuring that non-oil revenue is mobilized for the provision of social services to the people of South Sudan, and for the attainment of SDGs in the country.

**Main achievements of the project towards the outputs during the reporting period**:

* Completed construction of the State Revenue Authority office in Western Bahr el Ghazal. However, this is yet to be handed over to the SRA in Western Bahr el Ghazal. The SRA offices in Upper Nile, Unity, and Lakes are at various stages of progress, and will be finalized within quarter 2. Furniture for the offices have also been procured. The offices are expected to enhance the unify tax structures at the State level. In addition, it is to facilitate the collection of non-oil revenue to bolster social services provision.
* Strengthened collaboration and dialogue with the National Revenue Authority (NRA), including collaboration on development of TORs for activity implementation, such as an upcoming conference bringing together the NRA and State Governments. The preparation of the TORs led to the recruitment of two tax expects (one national and an international) to facilitate the conference. The TOR for the conference itself has strengthen the planning and implementation of the conference by facilitating logistics arrangements in order to have a successful meeting.
* **Progress made in revision of National Development Strategy**: Through UNDP Support, foundation work to the revision of the National Development Strategy revision process, commenced with the re-establishment of State Development Planning Committees. The process for the preparation of State Development Plans, State Budget Guidelines, Citizen’s Budget have been set in motion in the first quarter.
* **Progress on digitalization of state SRAs**: With UNDP support, installation of ICT equipment in three target states commenced during the quarter under review. Contractors are currently installing the equipment in a pre-determined sequence in the three target locations. The essence of this sub-project is to enhance the digitization of the SRAs for effective and efficient revenue mobilization and accountability.
* With UNDP additional capacity building support to 3 pilot States (Western Equatoria, Central Equatoria and Northern Bahr el Ghazal), marked revenue increased has been observed in those States compared to the other States. For example, quarterly revenue growth rate in Northern Bahr el Ghazal: 375%. Western Equatoria: 28%. However, data on Central Equatoria is not obtained.

Challenges faced in the implementation (and what has been done to mitigate the challenges):

* Delay of political appointments: State Ministers of Finance and SRA Commissioners were appointed later in the quarter. However, the appoint of State Legislative Assemblies has still not being done. This has made it challenging having full commitment from the State Authorities. It is noteworthy to indicate that since the appoints of the State Ministers of Finance and SRA Commissioners, high level consultations have been held and political authority buy in has been secured for the project. In a like manner, the engagement with the NRA has picked up in quarter 1 of 2021, with a new Commissioner General that took office in October 2020.
* Delay of reconstitution of legislative assemblies: The continued delay in reconstitution of National Legislative Assembly and State Legislative Assemblies rendered it impossible to work with the legislature to strengthen oversight functions during the reporting period. However, the project has adopted to have consultations with the Clerks of the Legislative Assemblies and trainings meant for the assemblies have been done on Training of Trainers basis. This is done not to delay the project delivery.
* COVID-19: the pandemic had serious implications on the implementation of activities. One contracted consultant that was going to train tax officers had to suspend training due to COVID-19 complications. Otherwise, a new partial-lockdown was imposed in February 2021. Express clearance had to be obtained to conduct any activity which involved gathering people for meetings, trainings or workshops. This delayed the implementation of the State Ministry of Finance training and led to an extension of the days the consultant spent in country, leading to additional fees being paid to the consultant.

Key lessons learned from implementation during the quarter:

* COVID-19: Flexibility is required to ensure the implementation of project activities in the face of the ongoing pandemic. Implementation of activities was possible despite the partial lockdown instated in February but required frequent follow-up with the Covid-19 taskforce to obtain permissions and had consequences for the numbers of stakeholders invited for trainings and workshops.
* It is important to engage officials as soon as they are instated, so that activities can pick up. During the quarter, activity planning with the NRA accelerated, with a new Commissioner General in place who is willing to move the PFM reform agenda. This provides an opportunity to link state level work to that of the national level for harmonious non-oil revenue collection in the country.

Budget – the total project budget was USD338,202.27, and the total expenditure during the reporting period was USD66,349.30 (indicating the 20% expenditure).

# **Situation Background.**

The Transitional Constitution of the Republic of South Sudan (2011) specifies a three-tiered system of decentralized Government: national, state, and local governments. While most high-yielding revenues are collected at the national level, the Constitution, together with the Local Government Act of 2009, devolves responsibility for primary service delivery and infrastructure to states and counties where resources are most limited, and public financial management capacity is low.

The onset of the Covid-19 pandemic, with its associated socio-economic impact on South Sudan – both directly and indirectly – has underlined the pressing need to diversify revenue collection beyond oil, and the need to increase efficiency, efficacy and transparency of spending in order to increase service delivery. Among other, the global fall in oil prices is leading to a depressed fiscal space in South Sudan. Therefore, the importance of strengthening public financial management in the country is critical in addressing the huge development challenge it is facing.

The signing of the Revitalized Peace Agreement in September 2018 and the formation of the Revitalized Transitional Government of National Unity (RTGoNU) in February 2020 provides hope for South Sudan to enter a pathway for critical institutional development and improved governance. Despite delay in formation of state governments and legislatures, there is some growing optimism of sustained peace in the country.

Full implementation of the Revitalized Agreement for the Resolution of Conflict in South Sudan (R-ARCSS) and the success of the R-TGoNU are necessary for the country to gain political stability and improved security, to create an enabling environment for increased productivity and business activities; and attract investors to South Sudan. If good institutions and systems are built, increasing economic activities provide an opportunity for SRAs to collect more taxes for local authorities, which through disciplined, efficient and transparent spending can provide more and better services to cement the social contract between the people and the states. Adequate provision of services is vital to break the current state of fragility in South Sudan, increase trust and confidence in government and for improved livelihood and wellbeing.

The Support to Public Financial Management project has adopted a strategic implementation approach aimed at strengthened non-oil revenue mobilization to improve service delivery at the state and the national government level. The project seeks to:

* 1. Modernize unified State Revenue Authorities (SRA) with a unified tax system;
	2. Enhance the oversight capacities of State Legislative Assemblies (SLAs), and;
	3. Enhance Stakeholder capacity on state public finance reforms.

# **Progress towards development results**

## **Contribution to longer term results**

**Interim Cooperation Framework (ICF)/Country Programme Document (CPD) Outcome 2:** Local economies are recovered and conditions and coping strategies are improved to end severe food insecurity.

The capacity of states to manage increased non-oil revenue generation for enhanced social services provision for states progressed in Q1 2021, with the appointment of state officials in key positions.

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| **Relevant CPD Output 2.4:** National and subnational governments capacities developed for tax and trade policy harmonization, revenue diversification, expansion of fiscal space and more transparent utilization of public resources. |

*Summary achievement based on CPD output targets*

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| **CPD output targets** | **Summary achievement to date** *(provide gender disaggregation)* | **Status** *Ongoing, Delayed, Completed* |
| **Indicator 2.4.1. Degree of diversification of revenues collected at state level****Baseline: 1****Target: 3** | Non. Data collection ongoing with National Bureau of Statistics to collect and classify data on taxpayers in three target states.3 states SRA offices are supported and structured in such a way that the source of non-oil revenue is diversified. For instance, the tax office in Aweil are structured based on the sources of tax (verification team, check point team, tax officers in different ministries…) which diversified the source and thereby increased the income. | Delayed |
| **Indicator 2.4.2. Number of state governments with functioning gender-responsive tax and trade policy****Baseline: tax policy: 4; trade policy: 0****Target: tax policy 10; Trade policy: 3** | 3tax policies have been enacted. The project supported the enactment of State Revenue Authority Act in three former states: Aweil, Gbudue and Jubek that form the basis of non-oil revenue management. | Delayed |
| **Indicator 2.4.3. Number of states with unified tax systems****Baseline: 1****Target: 3** | Six unified tax systems completed in the former states of Jubek, Aweil, Gbudue, Torit, Jonglei, and Gogrial. However, the reconstitution of the states implies that the SRA act and governing structures must be repeated to reflect new state boundaries and institutions. The engagement has also expanded to the four additional states, to cover all ten states of South Sudan | Completed |
|  **Overall status** | **On-going** |

## **Progress towards project outputs**

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| **Project Output 1: Strengthened national and subnational capacity of public financial management institutions to generate and manage non-oil revenue generation and strengthened public accountability** |

*Summary achievement against 2020 Annual Work Plan (AWP) target*

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| **Indicator (as they appear in the AWP)** | **Indicator Target (2020)**(AWP indicator targets) | **Summary achievement during the quarter (***provide gender disaggregation)* | **Status:** *Ongoing, Delayed, Completed* |
| 1.1 Number of unified tax structure and systems established (JSB 5.1/AfDB 1.4.1/SDG fund 1.1.2) | **10** | Seven (7) SRA offices constructed. Procurement of furniture for 4 new SRA office done.  | Ongoing |
| 1.2 Number of taxpayers registered (disaggregated by states and gender) (SDG fund 1.1.3) | **TBD** | Zero. However, inception report for registering taxpayers approved. Data collection is ongoing.  | Ongoing  |
| 1.3 Number of State Legislative Assemblies with enhanced oversight and accountability (disaggregated by gender) (JSB 5.2) | **10** | zero – SLAs still not reconstituted. However, a TOT would be conducted in all the 10 States to avoid delay in project delivery. | Delayed |
| 1.4 Number of state tax officers trained on new non-oil tax administration SOPs (AfDB 1.4.2)  | **400** | Zero – consultant delayed because of COVID-19 complications. | Delayed |
| 1.5 Percentage increase in non-oil revenue collection in Northern Bahr el Ghazal, Central Equatoria and Western Equatoria (SDG fund 1.1.1) | **8%** | Quarterly revenue growth rate in Northern Bahr el Ghazal: 375%. Western Equatoria: 28%. Central Equatoria: data not obtained. | Ongoing |
| 1.6 % increase in the number of taxpayers submitting tax returns (SDG fund 1.1.4) | **8%** | Zero percent. Inception report for registering taxpayers approved. Once completed, the activity will give a baseline of the number of taxpayers and how many are submitting tax returns. |  Ongoing |
| 1.7 Number of government institutions trained, and number of government officials trained (disaggregated by national, states and gender) (SDG fund 1.2.1 and 1.2.2) | **7 institutions, 50 officials** | 6 state-level institutions trained. State Ministries of Finance in six states were trained on public financial management. 241 officials trained, 44 women and 197 men. | Ongoing |
| 1.8 Number of new SDG aligned development strategies developed (national and state level) | **3** | Zero – national consultations for the review of the National Development Strategy completed. Firm recruitment for supporting reestablishment of State Development Planning Committees and the process for preparation of State Plans, State Budget Guidelines, and Citizen’s Budget almost concluded. | Ongoing |
|  |  **Overall status** | **Ongoing**  |

**Description of Results**

* 1. **Number of unified tax structure and systems established**

Baseline: 6, Target 10

While there are no new unified tax structure and system fully established during the period under review, the project has expanded its activities into four additional states to make it 10 states as was the initial agreement of expanding Support to PFM in South Sudan. Contracts were awarded in 2020, and construction of one office in Western Bahr el Ghazal was completed during Q1 2021. The remaining 3 State Revenue Authorities’ offices in Malakal, Rumbek, and Bentiu are almost complete. Furniture for the offices were also procured. The construction and furnishing of the SRAs will enhance their operations in all the locations (4 new and 6 already existing ones) and form the basis of strengthening non-oil revenue mobilization and accountability in the states.

The ICT-related equipment that is to be deployed to the SRAs in Northern Bahr el Ghazal, Central Equatoria and Western Equatoria SRAs was shipped to South Sudan and stored in Juba at the end of 2020. Solar, Security solar lights with fixed cameras and VSAT equipment installation finally began in Q1 2021 after long delay. Contractors are currently installing the equipment in a pre-determined sequence in the three target locations. The essence of this sub-project is to enhance the digitization of the SRAs for effectively and efficient revenue mobilization and accountability.

Data collection and classification of taxpayers in the same three target states was delayed in Q1 2021. However, the inception report was finally approved, and the contracted firm will move ahead with the National Bureau of Statistics to implement the activity in Q2.

* 1. **Number of taxpayers registered (disaggregated by states and gender)**

Baseline: TBD, Target: TBD

The registration of taxpayers is pending classification a data collection to provide baseline data. A contractor was contracted to conduct the data collection and classification in three target states. The contractor has delivered their inception report during Q1 2021. In addition, the survey instrument, sampling techniques and survey methodology are developed. This assignment is delayed due to Covid-19 impacting the operations of the firm.

* 1. **Number of State Legislative Assemblies with enhanced oversight and accountability (disaggregated by gender)**

Baseline: 6, Target: 10

The State Legislative Assemblies were not reconstituted in Q1 2021, after their dissolvement following the reconstitution of the state boundaries in February 2020. No trainings were therefore held, and no engagement was possible.

* 1. **Number of state tax officers trained on new non-oil tax administration SOPs**

Baseline: 350, Target: 400

There were no trainings of state tax officers on new non-oil tax administration SOPs during the quarter. A planned training of tax officers in Kuajok, which has been delayed since February 2020, could not take place as the consultant had COVID-19 complications just before leaving his home country.

* 1. **Percentage increase in non-oil revenue collection in Northern Bahr el Ghazal, Central Equatoria and Western Equatoria**

Baseline: TBD, Target 8%

Non-oil revenue collection in the States showed an upward trend during the quarter, except in the case of Eastern Equatoria, which saw a dip in the February and recovered almost 3 folds in March. The non-oil revenue from Western Equatoria State (WES) was SSP7.28M in January and rose to 9.37M in February, only to drop marginally to SSP9.31M in March. The Northern Bahr El Ghazal (NBeGS) recorded a very low non-oil revenue at SSP1.06M in January but had a tremendous jump in February to SSP8.06M. However, it saw a dip in March to SSP5.03M. This trend of rise and fall may be due to the Covid-19 restrictions imposed in the months of March to April, which can negatively impact revenue generation.

On the other hand, the trend in Eastern Equatoria State (EES) showed a contrast to other States with a fall and rise pattern. In January, total non-oil revenue stood at SSP1.72M, dropped to SSP0.93M in February, and increased to SSP2.84M in March. This rise in revenue collected may be due to return of economic activities between the state and Uganda before Easter season.

One clear distinction to be observed between WES and NBeGS, on one hand, and EES on the other hand is level of capacity support given to them. WES and NBeGS are among the 3 pilot States that have received additional institutional and human resource capacities from the NORMA and SDG Fund projects. This can explain the substantial non-oil revenue collection on their part, as opposed to EES.

The percentage change from January to March showed a marked improvement of not less than 25% change in revenue growth, which is above the 8% target. The revenue growth rate, therefore, for Western Equatoria stood at 28%, for Northern Bahr el Ghazal was a whopping 375%, and that of Eastern Equatoria was 65%.

Revenue figures for the quarter from other states were not obtained. However, with new SRA Commissioners instated in all states in February 2021, UNDP has begun collaboration on ongoing and planned project activities, including collection revenue figures and detecting trends.

* 1. **% increase in the number of taxpayers submitting tax returns**

Baseline: TBD, Target: 8%

The firm contracted to conduct data collection and classification in three target states, delivered their inception report during Q1 2021. This assignment delayed due to Covid-19 negatively impacting the operations of the firm. Once completed, the activity will provide a baseline for the number of taxpayers submitting tax returns.

**1.7 Number of government institutions trained, and number of government officials trained (disaggregated by national, states and gender)**

Baseline: 0, Target: 7 institutions, 50 officials

Trainings of State Ministry of Finance Officials on the PFM cycle took place during Q1 2021. Topics discussed included planning, budgeting, revenue, expenditure, internal control, procurement, external audit, among others. Trainings took place in six states with support of the Government of Japan in Jonglei, Western Equatoria, Central Equatoria, Eastern Equatoria, Northern Bahr el Ghazal and Warrap. A total number of 241 officials were trained, among which 44 female (18%) and 197 male (82%) participants. The pre and post examinations showed a marked understanding and appreciation of the training.

* 1. **Number of new SDG aligned development strategies developed (national and state level)**

Baseline: 0, Target: 3

No new SDG aligned development strategies were developed during the quarter. However, important steps were made to facilitate the formulation of such strategies.

Firstly, the National Development Strategy (NDS) review took place during the quarter, with some financial support from the Public Financial Management project. This included consultations with stakeholders in all ten states of the country, and with stakeholder groups in Juba. The project supported the printing of materials for the NDS stakeholders’ consultations. The contracting of a national and international financing for development expert went on during the quarter and is the most important contribution of the PFM project to the NDS review. The consultants will support the NDS Secretariat in undertaking a Development Financing Assessment for South Sudan, which will include a roadmap for an INFF for the country. This will be an important step toward operationalizing the NDS. The SPACE unit also supported the NDS review by making presentations about the Sustainable Development Goals during the consultations and administering a survey which will result in a policy brief about priority SDGs identified.

Secondly, a joint mission to Northern Bahr el Ghazal with the Ministry of Finance, UNICEF and UNDP was taken, to launch the subnational component of the Joint SDG fund PFM programme. This included having preliminary talks with state government – the Governor and State Ministry of Finance – about the re-establishment of State Development Planning Committees, which is one of the main components of the joint programme in 2021. By supporting the re-establishment of the SDPCs, the structure will be in place to ensure that State Development Strategies are formulated, financed, and implemented with local ownership of the process. In addition, support to the State Ministries of Finance on State Budget Guidelines and Citizen’s Budget are afoot.

# **Cross cutting issues**

## **Gender results**

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| **Gender results** | **Evidence** |
| **Gender result 1:** Strengthening the capacity of State Ministry of Finance officials to manage increased non-oil revenue: A total of 44 female were trained, representing 18.3% of participation for women.  | **Evidence 1:**Training report |
| The Joint SDG fund project includes a gender mainstreaming strategy, and gender disaggregated data is being collected by the project. | Project Report |

## **Partnerships.**

The project is funded by the African Development Bank, the Government of Japan, the Joint SDG fund and UNDP core resources and is part of UNDP´s flagship Support to Public Financial Management program. UNDP is implementing the project in collaboration with the NRA, Ministry of Finance, State Ministries of Finance and Planning, and State Legislative Assemblies of all ten states in South Sudan. During the first quarter of 2021, emphasis was placed on engaging with the newly appointed state officials, and renewing ties with the NRA and its newly appointed Commissioner General.

Within UNDP, the project works closely with the Evidence for Economic and Social Transformation project, by co-funding several activities such as the NDS review. The project also complements UNDP’s work on Governance and Economic Management System (GEMS), which is being implemented at the national level, since the capacity building of key economic institutions is the focus of both projects.

Through active participation in the PFM Donor Working Group and the PFM Technical Working Group, UNDP is taking an active role in the strengthening of public financial management in South Sudan.

The partnership with UNICEF through the Joint SDG fund programme on subnational public financial management was strengthened during the quarter. In addition to bi-weekly coordination meetings, a joint mission was done to Northern Bahr el Ghazal state to present a unified front with the Ministry of Finance on the need for strengthening PFM practices.

## **Environmental Considerations.**

All environmental considerations, as per UNDP policy, were considered during the project implementation. Environmental considerations were taken when entering new contracts for construction works in four new states, and quality assured by the UNDP engineer on site. Site visits have also been undertaken by the project in collaboration with the UNDP engineer. Besides, UNDP is in the process of delivering solar equipment to provide energy sources as part of green energy to the State Revenue Authorities.

##

## **South to South and Triangular Cooperation.**

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| --- | --- |
| **Country** | **Type of cooperation** |
| 1. None
 |  |

## **Strengthening national capacity**

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| --- | --- | --- |
| **Results achieved** | **Institution** | **National capacity strengthened** |
| 1. **NRA capacity to formulate a new mid-term strategy enhanced**
 | **National Revenue Authority** | **NRA planning and preparation of mid-term strategy**  |
| 1. **Enhanced understanding of non-oil revenue management in six states**
 | **State Ministries of Finance in six states** | **Staging for full PFM support, and state development plans in Central, Eastern and Western Equatoria, Northern Bahr el Ghazal, Warrap and Jonglei states.** |

# **Monitoring and Evaluation**

Key M&E activities conducted during the quarter [ensure alignment to section 3 - *how progress was evaluated*]

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| --- | --- | --- | --- |
| **Key M&E activity** (monitoring visit, evaluation, review exercise) | **Key outcomes/ observation**   | **Recommendation**  | **Action taken**  |
| **M&E activity 1: field visits to oversee the construction of State Revenue Authority Offices in Malakal, Wau, Rumbek and Bor** | Three (3) construction projects expected to go over time (March 2021), but on track to be completed by project finalization | Continue monitoring the construction | Project Engineer monitored construction at various sites. |
| **M&E activity 2: inspection of solar installation in Juba SRA office by UNDP IT team** | Installation on track as guided by the contract. Quality assurance of works completed | Continue monitoring | UNDP IT team inspected installation and functioning.  |
| **M&E activity 3** |  |  |  |

# **Risk management.**

|  |  |
| --- | --- |
| **Risks** | **Mitigation Measures** |
| New changes in states’ borders and continued delay in appointments of officials and members of legislative bodies. | Engage with national institutions where relevant, for potential to implement ToT modalities. Project implementation also incorporate political dynamics into its implementation efforts. |
| Failure to implement a peace agreement leading to continued hostilities. | No major threat happened in the project sites so far in association with this risk. However, the project will continue monitoring the situation and engaging other implementing partners in the PFM space to manage the risk. Particularly the expansion of the project to Upper Nile, where no agreement has been reached on the appointment of a new Governor, will be monitored closely.  |
| The continued political polarization between warring parties and delay in peace agreement affecting access to project sites. | Seeking support of UNDSS to appreciate security situation has improved access to the States.  |
| The inadequate institutional capacity of the subnational governments to implement PFM functions. | The state government capacity issues are affecting the project implementation and reporting on topics such as subnational non-oil revenue collection. UNDP is supporting institutional system strengthening and enhancing technical skills to reduce the impact.  |
| Impact of COVID-19 on project implementation | Seek approval for workshops from COVID taskforce.  |
| Conflicting roles among UNDP partners, namely the NRA and SRAs, on tax revenue collection and management. | Organizing conference in Q2 to bring all stakeholders together to discuss law and practice. |

# **Challenges**

* Delay of political appointments: Engagement with the NRA has picked up in Q1 2021, with a new Commissioner General that took office in October 2020. This has made it challenging having full commitment from the State Authorities. It is noteworthy to indicate that since the appoints of the State Ministers of Finance and SRA Commissioners, high level consultations have been held and political authority buy in has been secured for the project
* Delay of reconstitution of legislative assemblies: The continued delay in reconstitution of National Legislative Assembly and State Legislative Assemblies, rendered it impossible to work with the legislature to strengthen oversight functions during the reporting period. To this end, UNDP has resorted to using a TOT approach to deliver training in order not to delay project implementation.
* COVID-19: the pandemic had serious implications on the implementation of activities. One contracted consultant that was going to train tax officers tested positive when preparing to travel to South Sudan. Otherwise, a new semi-lockdown was imposed in February 2021. Express clearance had to be obtained to conduct any activity which involved gathering people for meetings, trainings or workshops. This delayed the implementation of the State Ministry of Finance training and led to an extension of the amount of days the consultant spent in country.

# **Lessons Learned**

* COVID-19: Flexibility is required to ensure the implementation of project activities in the face of the ongoing pandemic. Implementation of activities was possible despite the partial lockdown instated in February, but required frequent follow-up with the Covid-19 taskforce to obtain permissions, and had consequences for the numbers of stakeholders invited for trainings and workshops
* It is important to engage officials as soon as they are instated, so that activities can pick up. During the quarter, activity planning with the NRA accelerated, with a new Commissioner General in place who is willing to move the PFM reform agenda. This provides an opportunity to link state level work to that of the national level for harmonious non-oil revenue collection in the country.

**Financial Summary**

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| --- | --- | --- | --- |
| **Donor** | **Annual Budget US$** | **Expenditure**  | **Delivery Rate** |
| **AfDB** | **97,064.24** | **51,679.12** | **53%** |
| **Japan (JSB)** |  |  |  |
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