**Project Title**: Rural Enterprises for Agriculture Development Project
**Project Number:**
**Implementing Partner: UNDP**
**Start Date: November 2023** **End Date:** **PAC Meeting date:**

Brief Description

The Republic of South Sudan was recognized as the newest country in the world in 2011. It is resource rich and has high agricultural potential to feed itself and to export food to neighbouring countries. The Revitalized Agreement on the Resolution of Conflict in South Sudan (R-ARCSS) signed on September 2018 to resolve the conflict, resulted to the formation of a Unity Government in February 2020. This represented an important phase of transition from conflict towards peace, stability and the initiation of economic recovery and development. The R-ARCSS brought hope and renewed impetus towards stabilizing the fragile situation in the country. Even so, South Sudan continues to face immense political, institutional, social and economic challenges which include a weak economy compounded by the effects of the pandemic, mounting government debt[1] and price volatility. The global economic backlash from the COVID-19 pandemic compounded the challenges in the country exposing already fragile systems and wreaking havoc on the economy, particularly impacting private sector growth. Small business owners in South Sudan bore the brunt of COVID-19 as livelihoods shrunk especially in the informal sector where women the constitute majority of the workforce.

Private sector development is a key engine for job creation and essential for South Sudan's growth and development. One of the major obstacles for SME growth in the country is access to finance. Commercial banks operating are lending less than 50% of their deposits as loans and only about 10% of the total loans provided by the South Sudan banking sector go to MSMEs due to lack of collateral and high risk. Financial inclusion is almost neglible with only 5 percent of South Sudanese adults having an account and only 2.63% of the population able to borrow money from a financial institution or using a mobile money account.

Agriculture is the backbone of the country comprising the majority of people's livelihoods. The sector is estimated to account for 36 percent of the non-oil GDP, and employed about 50 percent of the population. It is the primary source of livelihoods to about 88 percent of the rural households and about half of urban households. The complexity of conditions in South Sudan demands a mix of approaches to support sustainable development and lasting peace. Deliberate efforts to boost agriculture production, food security and agro-enterprise development, complemented by interventions focused on rebuilding human and social capital, trust, durable relationships and partnerships must be instituted.

The overall goal of the Rural Enterprises for Agricultural Development (READ) project is to 'improve food security and resilience among the targeted rural households'. The project development objective is to 'empower Rural producers' organizations (RPOs) as sustainable and resilient value chain players. The strategy for achieving this is built on RPO (Agricultural Producer Groups and Cooperatives (APGC), as well as Village Saving and Loan Associations (VSLAs), Savings and Credit Cooperatives (SACCOs)) and MSEs, as central to restoring individual/household and collective capital and assets, and towards attaining greater social cohesion and peace consolidation.

The project will work in 12 countries in six states. The primary target groups are rural poor smallholder producers organized through economic and special interest groups. The project will reach a total of at least 27,511 households (equivalent to 162,315 beneficiairies) through their RPOs (29 cooperatives, 240 APGs/MSEs, 300 VSLAs and 24 SACCOs). Special focus will be given to women (50 percent), youth (70 percent) and vulnerable groups (10 percent).

[1] IMF World Economic Outlook Database - April 2022; General government gross debt as a percentage of GDP: 2020=37.153%, 2021=58.162

The total project costs are estimated at US$23 million over a 7-year period. IFAD will fund an estimated 78 percent of the total project costs through a GAFSP grant of US$17,985,500 million. Component 1: Rural Producers Organizations' development accounts for 40 percent of total project costs (US$10.2 million). Component 2: Inclusive rural Financial Services accounts for 26 percent of total project costs (US$6.7 million). Component 3: MAFS capacity development and project management accounts for 33 percent of total project costs (US$5.1 million).

UNDP will be the Main Implementing Agency for the READ project (except for subcomponent 3.1 and 3.2). UNDP through a Programme Management Team will be responsible for (i) project implementation of Components 1 and 2 while providing monitoring and accountability support for Component 3; (ii) selection, management and delivery of results from Implementing Partners (IPs); (iii) procurement, financial management following UNDP rules and regulations M&E and meeting all the reporting requirementsto GoSS and IFAD; (iv) preparation of annual workplans and budgets, implementation progress reports and financial accountability for submission to the NTC and NAC; and (v) implementation of project monitoring and evaluation plans.

READ development objective will be achieved though implementation of three interlinked and complementary components: (i) Rural Producers' Organisations Development; (ii) Inclusive Rural Financial Services; (iii) Policy and Regulatory Framework Development. The third component will seek to ensure that READ is effectively implemented, including support to the development of key policies and capacity building of MAFS at the central and local levels as well as project support by the G-PCU and the PMT of the FM.

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| Contributing Outcome (UNSDCF, CPD, RPD ):<br>UNSDCF Outcome 2<br>CPD Outcome 2<br><br>Indicative Output(s) with gender marker[2]:<br>**GEN2** |

| | | |
|---|---|---|
| **Total resources required:** | | 23,026,800 |
| **Total resources allocated:** | **UNDP TRAC:** | 1,479,400 |
| | **IFAD/GAFSP grant:** | 17,984,500 |
| | **Government: In kind** | 966,700 |
| | **Private Sector: CBSS** | 1,844,200 |
| | **Beneficiaries: In-Kind:** | 752,000 |
| **Unfunded:** | | |

Agreed by (signatures)[3]:

| Government | UNDP | Implementing Partner |
|---|---|---|
| Print Name: | Print Name: | Print Name: |
| Date: | Date: | Date: |

[2] The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality)

[3] Note: Adjust signatures as needed

## I. DEVELOPMENT CHALLENGE

The Republic of South Sudan was recognized as the newest country in the world in 2011. It is resource rich and has high agricultural potential to feed itself and to export food to neighbouring countries. The diverse climatic zones, fertile soils and reasonable rainy season offer good conditions for a diversity of food products. It also hold sub-Saharan Africa's third largest oil reserves of about 3.5 billion barrels representing approximately 95% of exports and is a fundamental driver of Government revenue, which if optimised could enable significant gains across the SDGs.

However, after years of drawn-out conflict following independence and political, social and economic uncertainty, South Sudan currently ranks as the fourth most fragile state globally. Internal fighting led to massive cross-border displacements of about 4.3 million people, out of which 1.6 million are displaced in neighbouring countries, mainly Uganda and the Democratic Republic of Congo (DRC). Conflict led to a breakdown of governance structures, law and order, and curtailed socio-economic development in the country.

The Revitalized Agreement on the Resolution of Conflict in South Sudan (R-ARCSS) was signed in September 2018 to resolve the conflict and resulted to the formation of a Unity Government in February 2020. This represented an important phase of transition from conflict towards peace, stability and the initiation of economic recovery and development. The R-ARCSS brought hope and renewed impetus towards stabilizing the fragile situation in the country. Even so, South Sudan continues to face immense political, institutional, social and economic challenges which include a weak economy compounded by the effects of the pandemic, mounting government debt[4] and price volatility. Although gains were made prior to the COVID-19 pandemic through an uptick in oil prices and political stability that saw growth rebound and inflation decline and the exchange rate stabilize, these gains were quickly reversed due to declining oil revenues, pandemic response measures and the contagion effects of the Ukraine war on regional food security. Of the estimated 12.2 million people living within its borders, over 8 million are estimated to be living in extreme poverty and in need of humanitarian assistance[5].There are approximately 1.4 million internally displaced persons (IDPs) plus 350,000 refugees, the majority of whom are from Sudan[6]. The crisis that has began in April 2023 in Sudan has had consequences on South Sudan with more returnees coming back to South Sudan.

The global economic backlash from the COVID-19 pandemic compounded the challenges in the country exposing already fragile systems and wreaking havoc on the economy, particularly impacting private sector growth. As a result of the pandemic, about 50% of businesses closed and there was a 28-65% reduction in the work force of which 68% of those affected were women. Small business owners in South Sudan bore the brunt of COVID-19 as livelihoods shrunk especially in the informal sector where women the constitute majority of the workforce. Furthermore, 40-94% of businesses 9 (depending on the sector) faced a decrease in production/sales that impacted on trade and economic recovery.

Private sector development is a key engine for job creation and essential for South Sudan's growth and development. Over 99% of firms in South Sudan fall under the MSME category and 70% of MSMEs are classified in the microenterprise category (firms whose size ranges between one to four employees)[7]. One of the major obstacles for SME growth in the country is access to finance. South Sudan currently has 26 commercial banks operating, all lending less than 50% of their deposits as loans. Only about 10% of the total loans provided by the South Sudan banking sector go to MSMEs and lack of collateral and high risk are cited amongst the reasons that banks do not extend credit to MSMEs.

[4] IMF World Economic Outlook Database - April 2022; General government gross debt as a percentage of GDP: 2020=37.153%, 2021=58.162

[5] 2.3 million girls; 2.0 million women; 2.3 million boys; 1.9 million men; 4.6 million children aged 0-17; 3.3 million adults; 0.6 million aged 60+. Gender and age disaggregation information does not include refugees. Data drawn from Humanitarian Response Plan 2022-2023.

[6] Ibid

[7] The financial sector and inclusive development in Africa: Essays on access to finance for small and medium-sized enterprises in South Sudan and Kenya. James Garang, 2014.

Financial inclusion is almost neglible. According to Findex 2021, only 5 percent of South Sudanese adults (age 15+) have a financial account – a decline from the 9% registered in 2017. Access to credit and finance is very low with only 2.63% of the population able to borrow money from a financial institution or using a mobile money account. Savings is very minimal with only 1.5% of people being able to have some form of saving in a financial institution. Financing, savings and mobile money services are still in their infancy with the latter having been introduced only in 2019 and are therefore still in developing stage, although there is potential for growth.

The lack of economic diversification leaves the country over-exposed to fluctuations in global markets and vulnerable to regional instability. Further, the capital-intensive industry provides few opportunities for decent, formal employment with the majority of the population relying upon the informal economy as both consumers and traders, especially women, youth and IDPs. The country faces significant constraints to agricultural production with only 1 to 2 percent of the estimated 64 million hectares of agricultural land being cultivated in any year, and the prevalence of manual cultivation methods limiting the area cultivated by households to less than two hectares on average, depending on labour availability. Furthermore, close to 80 percent of farm labour is provided by women who combine this activity with their other domestic chores. Mechanization remains marginal and is limited to land preparation and sowing essentially in demarcated medium to large-scale farms. Public investment in agriculture remain less than one percent of the total national budget and the sector remains underinvested.

Agriculture is the backbone of the country comprising the majority of people's livelihoods. The sector is estimated to account for 36 percent of the non-oil GDP, and employed about 50 percent of the population. It is the primary source of livelihoods to about 88 percent of the rural households and about half of urban households. There is a significant gap between the supply and demand of cereals making food prohibitively expensive for about two-thirds of the population, aggravating the already dire food security situation. The agricultural sector is constrained by seasonally impassable community access roads, poor post-harvest and value addition facilities and inadequate irrigation and water harvesting technologies, among other challenges. The context therefore remains fragile, with localized inter-community conflict driven by competition for natural resources, adverse weather conditions and flooding, and a potential humanitarian crisis if adequate livelihood opportunities are not availed to the returnees and the general population. The re-integration of the rural population into viable livelihood opportunities remains a critical issue to be addressed in achieving the aspirations of the R-ARCSS.

The consolidation of peace as a result of the signing of the Revitalized Agreement on the Resolution of Conflict in South Sudan (R-ARCSS) has encouraged the return of the displaced population. This flow of returns increased when conflict broke out in Sudan resulting into the entry of 397,755 people fleeing the conflict, most of whom are South Sudanese returnees. The returning displaced population are mostly returning to conditions of limited physical and financial assets and weak public and private service coverage reating further strain on already overly stretched services and systems.

The complexity of conditions in South Sudan demands a mix of approaches to support sustainable development and lasting peace. Deliberate efforts to boost agriculture production, food security and agro-enterprise development, complemented by interventions focused on rebuilding human and social capital, trust, durable relationships and partnerships must be instituted. Such an approach requires a combination of conflict- sensitive strategies that increase women's empowerment, building an enabling environment for youth to access economic opportunities and promote social and community cohesion. These approach and interventions are contained in the National Development Strategy (2021-2024), and commits the Government of South Sudan to providing an enabling environment to support the transition from humanitarian aid to sustainable development.

## II. STRATEGY

The READ project is aligned to support the achievement of the Sustainable Development Goals, the national goals and targets as provided in the National Development Strategy, the UNSDCF 2023-2025 and the CPD 2023-2025. It will contribute to the achievement of: (i) SDG 1 (End poverty in all its forms everywhere) and SDG 2 (End hunger, achieve food security and improved nutrition and promote sustainable agriculture) through implementation of RPO development activities that promote good governance and accountability systems among their constituents, enhance their sustainable business models and economic initiatives and strengthen capacities to provide services to farmers, including facilitating access to financial services, technology, inputs and markets; (ii) SDG 5 (Achieve gender equality and empower all women and girls) through mainstreaming activities that directly target women's participation through a 50 percent quota in READ activities; (iii) SDG 8 (Decent work and economic growth) by helping youth find work or roles that provide value addition that rely on uptake in knowledge, technology and new practices; (iv) SDG 10 (Reduced inequality within and among countries) by focusing on people with disabilities and reintegration of IDPs; SDG 13 (take urgent action to combat climate change and its impact) by promoting climate smart agriculture through trainings to RPO leaders and their constituen.

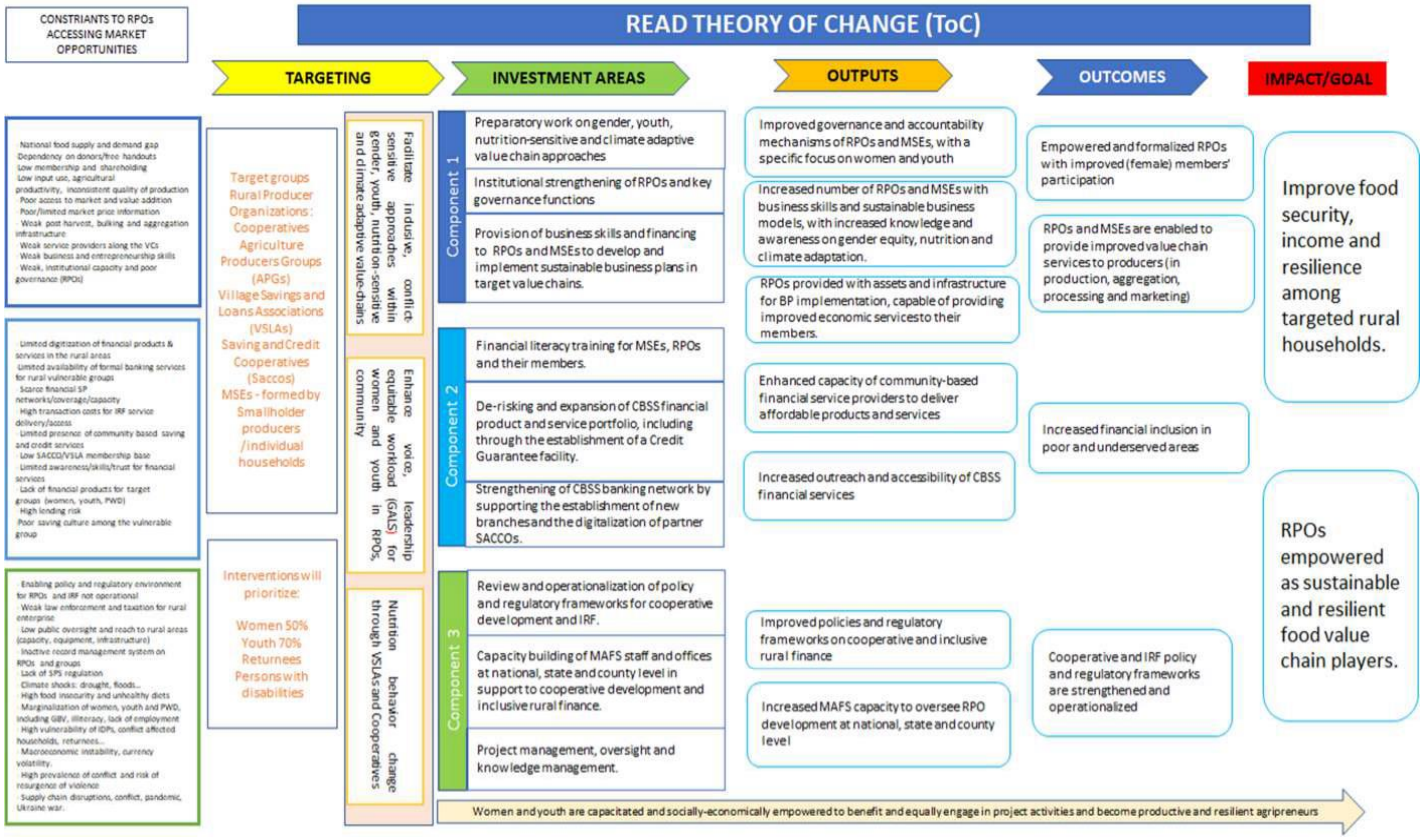
READ is aligned with the Government's policy priorities, as stipulated in the Comprehensive Agriculture Master Plan (CAMP) and with its five development themes, and the Revitalised Agreement on the Resolution of the Conflict in South Sudan (R-ARCSS), which commits to restore economic foundations by generating employment and improving livelihoods. The project is also aligned with Outcome 2 of UNSDCF *'W*omen and men in South Sudan, particularly youth and vulnerable groups, benefit from and contribute to more sustainable and inclusive economic development, with increased economic diversification, improved climate change adaptation and greater resilience to economic shocks' and Outcome 2 of the UNDP Strategic Plan stating 'no one left behind centering on equitable access to opportunities and a rights-based approach to human agency and human development'. It is also categporized under Pillar 2 of the CPD 2023-2025 which focuses on sustainable environment, economic empowerment, and resilience.

The main project strategy is focused on the capacity development of Rural producer Groups (RPOs), Agricultural Producer Groups (APGs), Cooperatives, Village Saving and Loans Associations (VSLAs), Savings and Credit Cooperatives (SACCOs)) and MSEs. These institutions form the core in terms of restoring individual/household and collective capital and assets, and ultimately towards attaining social cohesion and peace. The project strategy will employ an approach for the economic empowerment of rural producers that will foster their collective and inclusive participation in economic services. The READ Project will adopt a group approach inorder to enhance livelihoods and build the resilience capacities of vulnerable households. With services that will include input supply, storage facilities, collective marketing opportunities, access to financial services, equipment and agricultural advisory services, these are key to increasing productivity, reducing risk, manage and market their produce and increase income, while also representing members' interests for bulking and bargaining power.

READ will adopt a *differentiated context-specific approach* by investing in formalized and *not-yet-formalized* groups, while adopting a graduation approach for less structured groups, and will invest in inclusive rural financial services for better access by the target groups. Policy support that underpins the cooperative sector and inclusive rural finance will be a cornerstone of the project, with capacity building of MAFS. In aligning with the post-conflict context, READ will undertake a *Peace and Conflict Analysis* to inform a *do-no-harm and peace responsive approach* capable of building peaceful co-existence between communities, and to support the development of conflict-sensitive cooperation among RPOs, their members and authorities, as well as mitigation of grievances among all RPOs involved.

The project strategy is informed by the **Theory of Change** that is based on the premise that over 60 percent of households are facing varying levels of food and nutrition security. The underlying assumption of the READ approach is that the GoSS will continue to intensify efforts to address the underlying causes of conflict, striving to promote the humanitarian-development-peace nexus and pursue ongoing commitments

for economic and public finance management reforms to stabilize the economy. Interventions will be implemented as a coherent package targeting the same end beneficiaries and will result in (a) Empowered and formalized RPOs with improved members' participation, capable to promote women and youth economic and social empowerment, food security and resilience to climate change, and eventually to offer services to their members for the strengthening of selected value chains; (b) RPOs and MSEs are enabled to provide improved value chain services to producers (in production, aggregation, processing and marketing); (c) Increased financial inclusion and fintech in poor and underserved areas and (d) Cooperative and IRF policy and regulatory frameworks are strengthened and operationalized. Through promoting sustainable and resilient value chain, creating enabling environment on inclusive rural finance, supporting empowerment of RPOs and improved policy frameworks, READ will contribute to improve food security, diets, income and resilience of the targeted rural households.




## III. RESULTS AND PARTNERSHIPS

### *Expected Results*

The overall goal of the READ Project is to 'improve food security, income and resilience among the targeted rural households.' The achievement of the project goal will be through the realization of the Project Development Objective which is to 'empower RPOs as sustainable and resilient food value chain players'. The achievement of the development objective would be through interventions classified under three project components, namely, (i) Rural Producer's Organisations Development; (ii) Inclusive Rural Financial Services and (iii) Policy and Regulatory Framework Development.

***Component 1 – Rural Producer's Organisations Development.*** The objective of this component is to support RPOs development and existing formalized organizations like cooperatives, and the less structured APGs. A

key focus and success indicator is to realize the graduation of the said organizations. RPOs will be equipped with assets and capacities needed to promote equitable and sustainable market linkages for rural producers. The ultimate aim is to improve the social and economic welfare of RPOs and their members, while creating opportunities for other value chain actors interested in developing micro-enterprises along the specified value chains. An underlying theme of the component will be to promote women and youth participation and membership and to include them in decision-making levels of the RPOs, as well as, encourage growth in nutrient-rich and climate resilient value chains.

This component will be focused on women and youth ensuring participation of at least 50 percent and 70 percent of beneficiaries, respectively. The project will target APGs, RPOs, VSLAs, SACCOs, Cooperatives, and MSEs and provide support to less structured agriculture producer groups and VSLA groups with the aim of improving governance structures, accountability mechanisms, and strengthening business models and sustainable business plans for economic service delivery. Training tools, capacity building approaches, and modules on the capacity building of target groups will be adapted to the local context, complemented by the provision of sustained technical support.

**Sub-Component 1:1: Selection of Climate Resilient Food Value Chains, Group Profiling and Sensitization of the Selected Entities.** This sub-component is focused on i) selection of climate resilient value chains, through Value Chain analysis; ii) mapping/profiling of RPOs, APGs, VSLAs, and SACCOs; iii) conduct Market Opportunity Analysis for high value crops and iv) undertaking a Peace and Conflict Analysis (PCA) to ensure a stable operating environment and increased market penetration. Baseline assessments and analytical activities will be conducted to inform project implementation. These activities will form the start-up phase and not only serve as entry point for implementation, but also help to validate the targeting approach and identification of specific tailored interventions to facilitate sustainable empowerment of women, youth and other vulnerable groups.

The activities under this sub-component are:

- Conduct of value chain analysis. A value chain analysis targeting commodities in the targeted county that have good growth potential, nutritious, and which will contribute to food security and are gender biased towards youth and women will be conducted. The analysis will assess the impact of the value chains on livelihoods of ethnic groups in the target areas.
- Undertaking a market opportunity analysis. This analysis wll be conducted for high value crops/livestock that are in demand within the country and which has export potential. The study/analysis will look into exploiting the opportunities under the African Continental Free Trade Agreement, as well as, in the East African Community Common Market, and national and state levels.
- Mapping and profiling of APGs, RPOs, VSLAs, SACCOs, MSEs, and Coops. This activity will be undertaken in the target states/counties/bomas to assess the maturity, readiness of above mentiond institutions and to identify capacity gaps. The data from the mapping and profiling exercise will be included in the Business Portal developed by UNDP, lodged with the Ministry of Trade's E-Commerce Hub, in order to facilitate access to business networking and linkages, as well as inform future knowledge management products.
- Conduct of peace and conflict analysis (PCA). The PCA will inform the project strategies and activities and aid the development of policies and programming on appropriate governance structures, accountability mechanisms and business models for economic service delivery while ensuring consistency to the principles of "do no harm" and peace responsive approaches. Moreover, the analysis will assess how interventions could interact with the context and conflict dynamics, including inter-communal tensions. To this end, the analysis will look into actors, drivers, dynamics, dividers and connectors to minimize negative impacts, avoid triggering inter- communal tensions while also maximizing positive impacts.

- Capacity Building Modules: UNDP in partnership with ILO will develop capacity building modules and tools and adapt relevant training tools and methodologies to the context of South Sudan and the needs of READ. Such capacity building modules will include topics on cooperative law, governance, book keeping, climate change, nutrition and gender.

**Sub-component 1.2. Institutional and governance capacity development of RPOs**. This sub-component will strengthen the institutional and governance capacity of RPOs, and create a conducive platform that advances gender equity and youth inclusion, as well as awareness raising on climate resilience, food and nutrition security. Under this sub-component, 240 APGs will be formalized and 24 underperforming cooperatives will be strengthened to become viable entities. Support will involve merging, formalizing, graduating and empowering them to work within the confines of the legal framework to deliver efficient and effective economic service to their members.

The activities under this sub-component are:

- Institutional Capacity Development. UNDP will provide targeted support for the delivery of capacity development activities to enhance the institutional and management functions of target organizations. Start-up RPOs, APGs, Coops, VSLAs, SACCOs, and MSEs will be supported in the development of business plans and assisted in securing financing through the matching fund facility. This component will be linked with UNDP's Youth Enterprise Development and Capacity Building (YEDCB) Project initiative being implemented in 5 states (Central Equatoria, Eastern Equatoria, Jonglei, Lakes, and Upper Nile).
- Institutional capacity development: Modules, tools, and methodologies developed and adapted in the local context will be used for the institutional capacity development of the target groups with a focus on cooperative operations. UNDP, in collabporation with its technical and implementing partners will adapt the modules, tools, and methodologies and lead in standardizing and institutionalizing it in the country's capacity-building program. Special attention will be given to women and youth-led groups, so language and case studies are tailored to the needs and interests of these groups. Additionally, the adapted tools and modules will include a special package targeted to women in enterprise to foster women economic empowerment. A Gender Action Learning System (GALS) training materials, job aids and operationalization plan will be developed leveraging experiences and materials from other IFAD-funded programmes.
- Institutional development training, coaching, and mentorship. These services will be provided to targeted beneficiary organizations - APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs - using the adapted modules, tools, and methodologies. To ensure sustainability, a Training of Trainers (TOT) approach will be employed which will target a core team of officers drawn from the Directorate of Cooperatives and the Chamber of Commerce to develop capacity. Trainers from MoAFS, MoTI and the Chamber of Commerce will work together with UNDP in operationalizing a "twinning approach" in the delivery of the capacity development activities.
- Strengthening and graduating APGs to cooperatives. The intervention will target to strengthen 36 existing cooperatives, formalize 300 APGs/non performing cooperatives in level 0 and 1[6] to viable entities. This process will involve merging, formalizing and graduating about 70 percent of level 0 and 1 to about 24 cooperatives, and assimilating some of their current and new members into the cooperatives. This aims to increase membership and achieve economies of scale in RPOs.

**Sub-component 1.3. Supporting Business Capacity Development and Financing**. The focus of this subcomponent is to enhance the business skills and facilitate access to critical infrastructure needed by the RPO to support their businesses in an efficient and professional manner - aiming at increasing their market participation and value addition support for their members – and ultimately increase members' income and food production (key drivers of food and nutrition security).

The activities under this sub-component are:

- Business development support (BDS), learning, and market linkaging. The provision of continuing BDS to the target institutions will be provided inorder to contantly improve the business skills and facilitate the development of climate resilient business plans of APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs. It will support the grading of RPOs to determine their level of market preparedness and interventions needed and expand the provision of mentorship and coaching to facilitate peer-to-peer learning programmes among RPOs, women and youth. The provision of BDS will facilitate adherence to product quality standards (including food safety) and market linkages through UNDP digital market platform.

  The delivery of BDS will be based on training modules and approaches from adapted tools and methodologies. Financial literacy and requirements procedures that will allow the target beneficiary organizations to avail of financing from financial institutions will be integrated in the package of capacity development services. This will be a constant loop where feedback from the financing facility established with the Cooperative Bank of South Sudan (CBSS) on the quality of business plans and loan applications will be used to update and upgrade the delivery of BDS.

  Capitalizing on existing assets (VSAT, computers, office furniture, etc.), resources (youth databases, etc.), and networks (linkages with businesses, training institutions, etc.) established through the Integrated Business, Employment and Innovation Hubs (iHUBS), the delivery of BDS will be channeled through iHubs. UNDP will support the growth and sustainability of APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives by facilitating access to markets at national and regional levels. These organizations will be supported in entering the digital marketplace platform that UNDP has supported and is operational and accessible through the iHubs. The RPOs will be facilitated to enable them participate in business-to-business linkages that will be organized as part of MSE development.
- Matching repayable grant mechanism for Business Plan Financing. UNDP will utilize the experience and methodology from its IGNITE Food System Challenge and the YEDCB MSE Financing Facility established with a commercial bank which matches the financing to the needs and business plans of the MSEs but with a strong capacity building, innovation, and competitive approach. This will be a loan facility established as a separate window in the Financing Facility that will be established with Cooperative Bank of South Sudan (CBSS). It shall feature a zero-interest repayable loan facility, use fintech technology,and is specifically targeted at start-up and growth APGs, RPOs, VSLAs, SACCOs, MSEs, and Cooperatives. The Standard Operating Procedure (SOP) for the operation of the matching loan window will be developed in partnership with CBSS.

***Component 2 – Inclusive Rural Financial Services.*** This component is intended to: (i) enhance the capacities of target groups to access financial services and products; (ii) improve the capacity and inclusive outreach of rural financial institutions (VSLAs/SACCOs) and (iii) strengthen the capacity of the Cooperative Bank of South Sudan (CBSS) to expand its outreach to rural areas and agriculture sector. Component 2 aims to support RPOs and value chains under Component 1 with financial services for sustainable long-term investments. Fintech technologies, including biometric payments and mobile banking, will be deployed by CBSS, and special focus given to women (minimum 50 percent) and youth (minimum 70 percent), as well as support to climate resilient investments.

Key focus and success indicator under this component is the graduation of RPOs, APGs, VSLAs and SACCOs to the next level of development and growth. UNDP's VSLA model which uses a group approach and is currently successfully applied in 5 states (CE, WE, EE, Rumbek, and Jonglei) through the YEDCB Project will be employed. The APGs and VSLA formalization and registration will be supported, and they will be entered into UNDP's digital marketplace to allow them access to reach national and regional markets. The APGs and VSLAs will also be supported in participating in business-to-business linkages that will be organized as part of MSE development in order to expand their market base.

**Sub-component 2.1: Community-based financial services.** This sub-component will enhance the capacity of community-based financial service providers to deliver affordable and climate sensitive financial services and products. This involves: (i) the formation and/or strengthening of rural financial institutions (RFI) – VSLAs and SACCOs, (ii) support the graduation and transformation of VSLAs into SACCOs (iii) the provision of specific targeted training to RFIs, and (iv) financial services tailored to the needs of RPOs and their members, and more specifically to rural women and youth.

Financial literacy skills of the target group members, their potential members, and clients will be enhanced to increase savings, uptake of financial services and products, and formation of strong group lending mechanisms. Preferential treatment will be given to VSLAs and SACCOs whose members are engaged in businesses that enhance climate change adaptation. At least 30% of VSLAs and SACCOs engaged in climate change adapataion measures are targeted for support.

**Sub-component 2.2: CBSS expansion and development of agency banking network.** The CBSS will be engaged to increase its rural outreach and strengthen inclusive rural finance (IRF) services in rural South Sudan. CBSS has committed to expand its presence and banking model in the project areas with an expansion strategy developed including a commitment to open 1-2 new branches in the project areas as part of its co-financing for READ. CBSS will also extend its outreach through an agency banking model that will empower cooperatives and SACCOs to serve as its banking agents. CBSS will provide to the respective agents MIS support and point-of-sale (POS) machines and licenses. In addition, CBSS will further its outreach by: (i) extending the provision of wholesale loans to cooperatives (including SACCOs and agricultural/marketing cooperatives) for on-lending to their members and (ii) extending direct loans to APGs, VSLAs, Cooperatives and MSEs, in the target areas. Some of the loan products will include farm input loans, pre-harvest loans, post-harvest loans, farm implements and machinery financing, working capital and invoice/purchase or discounting. CBSS loans to RPOs will complement the asset transfers and the matching grants scheme under component 1, as follow-up financing, to ensure long-term impacts from their investments. The loans will be provided on a subsidized interest rate basis by CBSS, tied with a subsidy from READ. Agricultural insurance will be integrated on the loan against weather and supply chain shocks. CBSS will also establish an environmental and social safeguard system, whereby business plans are screened against their environment, social and climate impacts.

- CBSS portfolio mobilization. To facilitate the uptake in loans and to provide a reasonable level of risk to the lender, and an affordable level of service to the borrower, the project will contribute to de-risking the agricultural sector. The project will set up a credit guarantee fund (CGF), which will be used to collateralize loans and cover default loans among the target groups of READ sector, on proof of concept basis. The risk (and potential loan losses) will be split (50/50) between CBSS and the READ project, with only a portion of the loan amount collateralized, to help leverage CBSS loan funds at least two-fold. The project will cover some of the commercial interest rate earnings that CBSS will forgo to stimulate demand for financial services from the RFIs, RPOs and its members.
- Operational Manual for CGF. UNDP will, in partnership with CBSS, develop a detailed operational manual for the CGF. The manual will provide clear details on charges, collateral and liability levels, fund leveraging, risk sharing and exit strategy, including risk associated with SACCO lending to their members.

***Component 3 – Policy and Regulatory Framework Development.*** This component will be implemented directly by MAFS. UNDP will support the conduct of substantive and financial monitoring of this component, incorporating such into the wider monitoring and reporting mechanism of the READ project. However, UNDP will not have responsibility in terms of ensuring the delivery of intended outputs and outcomes under this component.

### *Resources Required to Achieve the Expected Results*

The READ project will be implemented over a period of 7 years with a total project cost amounting to US$ 23.026 million. IFAD, through the GAFSP grant, will fund up to 78 percent of the total project costs for a total amount of US$17.984 million. Other partners' contribution will contribute as follows: a) UNDP for an estimated amount of US$1.479 million (7 percent of total project costs). Co- financing will cover cost-sharing of selected project staff, provision for salary increases, as well as contributions to key activities (VC analysis, iHubs); b) CBSS for an estimated amount of US$1.844 million (8 percent of total project costs), mainly by funding the Bank's expansion in the target area and contributing to the CGF on a *pari passu* basis; and interest rate subsidy c) Beneficiaries for an estimated amount of US$0.752 million (3 percent of total project costs), through in-kind contributions to the matching grants provided in component 1; d) GoSS for an estimated amount of US$0.966 million in-kind contribution (4 percent of total project costs) mainly in the form of tax exemption.

### *Partnerships*

**Partnership and Collaboration with UNDP**

The African Development Bank (AfDB), the Kingdom of Netherland, the Government of Japan, and UNDP support the delivery of skills and agricultural value chain development programs, private sector development, and rural/MSE financing. To date, UNDP is the main organization supporting private sector development, financial inclusion, trade and e-commerce, and the youth and women employment and empowerment agenda in the country through the strengthening of the private sector and critical value chains of high-potential products, addressing skills gaps in the labour market, and facilitating increased engagement of women and youth in local and national governance.

UNDP is leading the design, capacity-building, and implementation of initiatives on skills development, job creation, trade, and private sector development in South Sudan. It has vast experience, capacity, and accumulated significant good practices and learnings generated from the implementation of projects that will be brought to bear in the implementation of the READ Project. To date, more than 25,000 youth and women (at least 70% women) have been trained on vocational and agriculture value chain skills. UNDP also supported the development of at least 2,500 agriculture-based MSEs directly creating jobs and enhancing trade in the states.

UNDP supports a value-chain approach to agriculture transformation as the infusion of value addition to a product not only leads to the improvement of a product but linking of commodity producers to processors and markets which creates a network of businesses and generates more employment opportunities. The value chains that will be developed and strengthened under this project will ensure that there are sufficient agricultural products available and marketed through the markets to be supported under this project, and that there is a substantial number of farmer households and cooperatives that will be engaged and benefited by the READ Project. The project shall hence, ensure stability of supply, quality, and prices within the critical value chains that can enable more viable, larger scale production and processing as well as ensure more stable markets and prices for consumers.

With support from the Netherlands and AfDB, UNDP has enhanced the quality of the labour force of the country by building the capacity of government to deliver standard quality vocational and agricultural value chain skills training to women and youth. The institutions and processes that have been institutionalized will form the core of the capacity that will be leveraged and used in the implementation of the READ Project.

UNDP leads on the formation of cooperatives/MSEs and linking them to innovative solutions to be able to tap local, national, regional (East African Community), and continental markets. Through a digital marketplace, e-commerce, and financing platforms using mobile technology, UNDP has the mechanism and know-how to ease the challenges related to production, job creation, private sector development, and access to finance.

Through these innovative solutions, the process of benefiting from markets and increased trade, as well as, job creation and placement will conducted in a more efficient, effective, and timely manner.

**Comparative Advantage of a Partnership with UNDP**

***Significant Capacity and Field Presence.*** UNDP has a strong capacity development orientation founded on its approaches and initiatives. It has biggest and most comprehensive intervention on skills development, entrepreneurship, and private sector development for youth and women in South Sudan, which is a critical foundation for this project to build on. It also possess vast and strong experience in implementing and managing skills development initiatives for youth in South Sudan on behalf of development partners which it achieves by working closely with partners, building on institutional coordination and management systems and mechanism to deliver projects that are responsive to the needs of the youth and women and the development priorities of the country. UNDP's geographical coverage and technical capacity given the presence of field offices and staff (international specialists and national experts) in all 10 states of South Sudan and supported established institutions (like fully equipped and operational iHubs and VTCs) will be leveraged under this project and will be the main channels for implementation of much needed interventions. With UNDP implementing the project, building on the capacity of Government, communities and relevant institutions will be ensured, and that the project is not only owned by Government and communities but is sustained.

***Comprehensive Approach and Value Addition.*** UNDP brings into the project a comprehensive approach that provide significant value addition to the project. The integrated approach on skills development, private sector growth, and rural finance/financial inclusion provides a catalyst for the realization of wider and more relevant impacts – number of persons with jobs and income, businesses established and marketing of high-value commodities at national and regional levels – articulated in the NDS and which are critical in the stabilization of the country and in consolidating peace and developmental gains.

***Government Leadership and Ownership.*** UNDP has a strong partnership with the Government of the South Sudan and UNDP will ensure to consolidate the Government's leadership and ownership of this initiative. As in other UNDP projects, interventions will be delivered through government centers, personnel, and institutions. UNDP provided support in the rehabilitation and equipping of vocational training centers, development of modules and in the upgrading of the skills of vocational training teachers that will be reflected as main delivery channels under the READ project.

***Robust Financial Management and Accountability.*** UNDP has a robust financial management system that assures proper utilization and accountability of donor resources. UNDP's financial management system is recognized globally and broadly accepted by donors and organizations. UNDP has a Fiduciary Principles Agreement with multilateral financial institutions (WB, AfDB) and is implementing projects in South Sudan on behalf of MFIs.

**Partnerships for Sustainability**

Building mutually beneficial partnerships will be the key in ensuring sustainability and maximize its impact. In this regard, private sector development projects will lead towards improved food security, income, and resilience of vulnerable women and youth and will prioritize the following:

***Ownership:*** The Ministry of Agriculture and Food Security (MAFS) shall be the main government partner for the READ Project. Close collaboration with the Ministry of Youth and Sports, Ministry of Gender, Child and Social Welfare, and Ministry of Trade and Industry will be undertaken to ensure impact maximization and complementarity. Furthermore, different government (at national and state levels) ministries and local government executives will be engaged in all facets of project planning and implementation to ensure that this project feed towards the achievement of national/government priorities and targets. The project will also build the capacity of government facilities and trainers in the implementation of project activities.

Communities will also be involved in project development to ensure community-level ownership and accountability in the assets and interventions that will be provided.

***Sustainability of infrastructures and facilities:*** The project will ensure that appropriate operation and maintenance of the infrastructures will be operationalized through the engagement with government and partners. It will use and complement existing structures and equipment to be utilized in the delivery of skills and capacity development trainings and private sector development initiatives.

***Localization and Capacity Building:*** A strong focus of the project will be on localization, particularly through the engagement of local/national civil society organizations and private companies in the delivery of the project activities. There will be focus on the training of government instructors and business development support providers to ensure that they have the knowledge and skills to carry out their functions after project completion.

***Collaboration with local authorities:*** The engagement and participation of relevant local government authorities will contribute to the sustainability of project outcomes, including but not limited to State Governments, County Government, amongst others.

***Local Oversight Committees.*** The Project will encourage the convening of a stakeholder group that will guide and support the implementation of the Project at the grassroots level. Local membership will depend on the local dynamics and stakeholders with the aim of enhancing local ownership and sustainability.

***Synergies and Convergence.*** UNDP is strategically positioned in each of the states to harness synergies among actors and partners which are implementing training and livelihood. Its memberships in coordination bodies allows it to position the project where complementarity is ensured. It also convenes local oversight committees which are stakeholder committees that guide the project implementation, ensuring local ownership. Multi-stakeholder inception workshops are also integral part of project implementation to fine-tune project interventions at the local level.

### *Risks and Assumptions*

| Key risk assumptions | Likelihood of incidence | Impact of incidence | Mitigation measures of the project | Responsibility |
|---|---|---|---|---|
| Political instability and resurgence of intra- and intercommunal conflict may lead to lack of access to communities as well as affect business and other economic activities. | Medium | High | Relative peace and order have been among the criteria for selection of the project areas to mitigate this risk. The Government of South Sudan has also been actively ensuring that the provisions of the R-ARCSS are carried out of which providing the necessary service to the people is a major pillar of intervention.<br>UNDP is part of and is providing information to a conflict early warning system of which appropriate measures while adherring to established safety and security principles and liaison with partners will be undertaken. | GoSS<br>UNDP |
| Delay in project implementation such as the conduct of trainings, BDS provision, and procurement of equipment will have an impact on delivering quality capacity development, | High | Medium to High | The preparation of annual workplans will ensure subscription to set timelines and allow for proper planning and execution. Procurement will be done collectively (in bulk) and advanced to take advantage of lower prices and bulk shipping/transport | UNDP<br>MAFS |

| Key risk assumptions | Likelihood of incidence | Impact of incidence | Mitigation measures of the project | Responsibility |
|---|---|---|---|---|
| attainment of project targets, and unmet community expectations | | | due to economies of scale. | |
| Interruption of project implementation due to frequent occurrence of extreme weather conditions such as flooding. | Low | Low to Medium | UNDP is establishing the National Climate Early Warning System that will be operational by end 2023. The NEWS has predictive, modelling capacity on climate, weather, and the anticipation of climate-induced disasters. Planning in the execution of project activities will take into consideration weather patterns and seasons, as well as, ground conditions as provided for by the NEWS. In the event of unlikely extreme weather vagaries, adjustments will be made in the program schedule and where delays are anticipated these will be consulted with the partners/donors. The possibility of shifting activities will also be considered. | UNDP |
| Women and youth show no interest in participating in project initiatives | Low | Medium | The experience from and impact of UNDP initiatives show the high demand and engagement of young people on skills and agricultural development, enterprise, and income generation. Nonetheless, the project will undertake massive mobilization and awareness raising of the various services that will be on offer, complemented by the support from state and county officials. | UNDP<br>State Governments,<br>States-based Partners |
| High rate of non-performing loans due to non-payment of loans thereby to the depletion of funds in the financing facility | Medium | High | Organizations that successfully repayed their loans are supported to grow and graduated to borrow more from the different financial facility windows. Close monitoring of CBSS will be instituted. | UNDP |
| Economic instability that can lead to higher project cost | Medium | Medium to High | The Government of South Sudan has been undertaking prudent measures to stabilize the economy. Public financial management reforms including some that are supported by UNDP are also underway. These reforms together with other macroeconomic policies will be closely monitored and mitigated. Should the South Sudan Pound lose its value and inflation goes up, the fact that UNDP maintains project funds in USD somehow insulates the project from these macroeconomic challenges. | GoSS |

| Key risk assumptions | Likelihood of incidence | Impact of incidence | Mitigation measures of the project | Responsibility |
|---|---|---|---|---|
| Public health threats that can delay implementation or affect the economy | Medium | Medium | The threat posed by the COVID-19 pandemic and Ebola Viral Disease (EVD) has not been eliminated. Its resurgence can negatively affect the implementation of the project. In this regard, health protocols will be followed in all aspects of project delivery. It should be noted that policy guidelines for the safe return to the workplace and training spaces for the COVID-19 was developed with the support of UNDP which was also the first to put the said guidelines into practice effectively. Depending on the eventual government directive/s, the project devise appropriate measures and guidelines to continue providing services to the youth within the limits of safety and maintaining the well-being of the general population. | UNDP |

### *Stakeholder Engagement*

The purpose of the planned project target group engagement and feedback modalities is to ensure the project is delivering interventions in line with target beneficiaries' needs and expectations, in a transparent manner. The project is based on a group approach, including Agricultural Producers Groups, Cooperatives, Village Savings and Loans Associations as well as Saving and Credit Cooperatives. Leveraging on the structure of these groups, the project will capture and integrate the view of the beneficiaries into the project implementation and the delivery of the capacity development activities.

During the start-up phase, the project will conduct sensitization and mobilisation activities including information sharing and consultation of social stakeholders such as local governmental authorities and village elders. Given the conflict-sensitivity of the project, these activities will be extremely important to ensure the transparency and buy-in of the project's targeting, to validate the relevance of the project's activities for the target groups, to confirm the communities' interest in participating in the proposed activities to avoid any disruptions of peace and coexistence in the targeted communities. SECAP documents and other project- related information will be shared with the local authorities, via the community meetings planned at inception phase and other potential channels such as mass media. The main stakeholders will include the target economic groups but also representatives from social target beneficiary groups, including ethnic groups residing in the localities, women and youth, returnees and other marginalized groups. The discussions will be facilitated by PMU/IP and local authorities, such as chiefs and elders, and will be conducted in a participatory manner to ensure inclusion of views/feedback of different categories of participants.

During project implementation, regular meetings will take place with the beneficiaries through their groups. A feedback mechanism will be established via the group representatives (leadership members) to make sure the project addresses beneficiaries' needs and expectations. If not, the project should adjust the intervention design and implementation accordingly. The PMU and IP staff will be trained on IFAD SECAP principles, including FPIC and the importance of beneficiary engagement and feedback, as well as participatory approaches to project implementation and monitoring. They will be responsible for the effective

implementation of the engagement and feedback process, building on lessons and good practices from IFAD SSLRP.

**Target Beneficiaries**

The READ project will target to benefit at least 33,750 households (165,375 beneficiaries). Preferential treatment in the targeting, as well as, provision of affirmative action will be given to women and youth as they are highly marginalised and considered among the most vulnerable groups in South Sudan. Therefore, amongst the target beneficiaries; 60% will be women, 70% youth, and 10% vulnerable groups (internally displaced persons, returnees and special attention will be given to persons with disabilities). The target groups will include; APGs, RPOs, VSLAs, SACCOs, and MSMEs.

*Subsistence farmers* who cultivate rain-fed small plots (1.12 ha on average) with hand labour from family members (5.9 people on average) will be targted under the project. With only 23 percent of small holder farmers having legal titles (deed) and 52 percent with customary rights, these farmers are particularly vulnerable as they cannot sell the land and have no incentive to invest in it. *Subsistence pastoralists* will also be targeted under the project as the increase in raiding has forced a number of pastoralists into sedentary lifestyles making them vulnerable abd needing assistance. Climate change amd occuirrence of extreme weather events have reduced availability of pasture for livestock and lack of animal health services make it even more difficult for pastoralists to maintain their herds. *Agro-pastoralists* will also be targeted as they are highly dependent on farmland, water resources and rangeland and face similar challenges as subsistence farmers and pastoralists.

In a country where more than 72% of the population is under the age of 30 years, youths play a critical role in achieving stability and reducing insecurity. The project will target the *youth* who are old enough to work and be part of a producer group, yet, face limited work opportunities, which leave them under-or unemployed. Given the gendered-related challenges faced by young women, READ will take focused attention on young women and identify opportunities to equitably benefit from READs activities. Troubled with stigma and less economic opportunities, READ will target young people with disabilities encouraging RPOs to engage persons with disabilities and link young people with disabilities, who are economically active, with rural enterprises.

Rural women in South Sudan face constraints that hamper their productive potential. They have fewer opportunities than men due to traditional gender patterns. The project will target women in male-headed and female-headed households, ensuring that they benefit and engage in all project activities and become productive and resilient agripreneurs by enhancing economic empowerment, participation and leadership in RPOs and decision-making bodies and access to labour and time-saving technologies.

The project will also target returnees and host communities facilitating their social and economic reintegration. Targeting both (returnees and host communities) is necessary to maintain social cohesion and on the principle that targeting returnees as a vulnerable population should not be at the expense of the general population.

Suppliers of inputs and services are indirect beneficiaries of the project as it will allow them to grow their businesses through the engagement of Coops, APGs, RPGs, VSLAs, SACCOs, and MSMEs. Increased demand for products and services could boost productivity and lead to job creation. Through the services and products to be provided; youth-led MSMEs, and start-ups will address the needs of the local population and their customers. The project will also indirectly benefit users of public services in South Sudan through the improvement of agriculture and private sector service delivery.

**Target Areas/Locations** The project will target an initial six counties, namely Aweil Centre, Magwi, Maridi, Nzara, Renk and Yambio, for implementation under Phase 1. This is based on a selection criteria in a conflict-sensitive context that include the following: (a) synergy with other projects or potential for scaling up, (b) agricultural productivity potential, (c) low risk of future conflicts, (d) availability of RPOs, APGs, SACCOs, VSLAs

and MSEs, (e) accessibility, connectivity and habitability, (f) climate change risk level, and (g) acute food insecurity. Under Phase 2, the project will cover the following additional counties: Tambura, Yei, Kajo-Keji, Torit, Terekeka, and Bor South.

### *Knowledge*

The READ project will nurture a culture of learning and sharing across partner agencies, local groups,etc. All project staff will have knowledge management as part of their responsibilities and deliverables. At the onset of project implementation, the READ Project will produce a Knowledge Management Strategy and Plan that will enable the generation, capture, sharing and dissemination of relevant information and knowledge to various stakeholders. A project webpage will be designed and linked to the UNDP South Sudan and IFAD websites/portals, and will be used as a knowledge-sharing platform.

Knowledge will be documented and shared. Quarterly review meetings will be used as knowledge-sharing venues for capturing lessons learned and best practices leading to the development of related knowledge products – studies, process documentation, evaluation, manuals, etc. Information about the project will be disseminated through knowledge products such as newsletters, project briefs, technical manuals, working papers, and case studies.

### *Sustainability and Scaling Up*

*Sustainability* is a guiding principle of the project strategy. It ensures functions and components supported by the joint programme and the resulting benefits and deliverables are maintained and continue to operate as the project phases down and ends. In this project, sustainability will be ensured through multiple actions, which include (i) improving capacities and supporting the growth of APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs; (ii) lodging initiatives with government institutions and local communities; (iii) building/strengthening partnerships, and; (iv) ensuring complementarity with other initiatives on the ground. Moreover, the project will maintain flexibility in facilitating quick adaptation to changing circumstances, as well as, responding to new opportunities. Enabling factors such as effective linkages between components, the level of flexibility and innovation which facilitates quick adaptation to changing circumstances, and response to new opportunities and enhancing risk management capacity are essential to long-term sustainability.




The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
*Map compiled by IFAD* | 03-08-2021

*Exit strategy* which are explicitly linked to sustainability, are specific plans describing how the project will withdraw from direct support while ensuring that achievements are not jeopardized. It is unequivocally linked to sustainability in that it also considers the means of ensuring further progress towards these outcomes after

the end of the project's technical and financial support. The goal of an exit strategy is to ensure the sustainability of project impacts and activities through a 'phase-down' strategy that involves the gradual reduction of inputs or resources to allow for the full transfer of responsibility for interventions to state actors and institutions.

It is envisaged that the partnership strategy, the engagement of the private sector and the enhanced local capacity to lead and coordinate will increase the interest in resilience building, increased use of financial products/services, growth of APGs, RPOs, VSLAs, SACCOs, Coops, and MSEs and the mobilization of new resources that would ensure financial sustainability of the initiative. The provision of assistance to the development of institutional capacities, including the establishment of systems and processes, in addition to individual capacity building efforts will allow the sustainability of project interventions.

The modality and financing platform to be established under the READ Project will be institutionalized as part of the financing mechanisms indicated in Chapter 4 of the Revitalized Agreement on the Resolution of the Conflict in the South Sudan (R- ARCSS), a critical document in the resolution of conflict and in the finding of enduring peace in the country. In institutionalizing the financing platforms, investments from government and development partners will be channelled into the said facility/ies and the governance mechanism as piloted in the YEDCB Project evolved to eventually manage the administration of the said financing platforms. The experience in the establishment of the READ financing platform will be complemented by similar experiences by UNDP in the implementation of a revolving fund mechanism being established under the YEDCB Project.

While the financing platform (and various windows under it) will be established through formal banking institutions, the administration and sustained financing will be delivered through government institutional mechanisms. The governance mechanism to review, select, and approve APGs, RPOs, Coops, VSLAs, SACCOs, and MSEs that will avail of financing and which will be established and operationalized under the READ and YEDCB Projects will be enhanced and institutionalized under government leadership and with the full engagement of the private sector, development partners, and the United Nations. Moreover, through the READ Project, the capacity of relevant government institutions engaged in rural finance are raised to facilitate more effective service delivery and accountability through the setting-up of systems and training of relevant personnel.

Through the development and growth of more APGs, RPOs, Coops, VSLAs, SACCOs, and MSMEs it is expected that such will contribute significantly towards the development of the private sector in South Sudan. With the demonstrated viability of agricultural value chain-based businesses, growth of existing of private enterprises, emergence of new enterprises, and the availability of systems for loan and fund disbursement (through the financing platforms) as established under the READ Project, there will be expected investment for rural finance due to expected increased demand from the private sector.

The knowledge products (studies, reviews, etc.) and capacity development modules and activities that will be institutionalized forms part of the national standard that will be replicated and used by government and other partners in all development initiatives on cooperative development and rural finance. Similarly, the policies that will be produced through READ Project support will provide scaling up of the initiatives and experience under the project since the said policy frameworks would be the guiding instruments towards the development of the sector.

## IV. PROJECT MANAGEMENT

### *Cost Efficiency and Effectiveness*

Work planning and budgeting will be done jointly by UNDP and MAFS, through the National Technical Committee and the National Advisory Committee, and on the basis of the Annual Work Plan Budget (AWPB)

and the Financial Agreement signed between IFAD and GoSS. The approved AWPB will form the basis of implementation on which expenditure will be incurred.

To ensure quality and timely delivery of expected project outputs UNDP will leverage its in-house and external expertise and bring it to bear on the READ Project. The UNDP in-house technical capacity in key thematic areas including skills and enterprises development; e-commerce; trade policy formulation and implementation, comprised of a network of international and national experts and specialists, and service providers will be engaged.

UNDP procurement regulations and procedures for acquiring goods and services (consultancy and non-consultancy) will be utilized in accordance with UNDP procurement policies and procedures which is guided by the following considerations:

- **Best Value for Money**: consists of the selection of the offer that best meets the end-users' needs and that presents the best return on investment. Best Value for Money is the result of several factors, including quality, experience, the vendor's reputation, life-cycle costs and benefits, and parameters that measure how well the goods or service allows the organization to meet its social, environmental, or other strategic objectives.
- **Fairness, Integrity, and Transparency:** ensures that competitive processes are fair, open, and rules based. All potential vendors should be treated equally, and the process should feature clear evaluation criteria, unambiguous solicitation instructions, realistic requirements, and rules and procedures that are easy to understand.
- **Effective International Competition**: understood as giving all potential vendors timely and adequate information on UNDP requirements, as well as equal opportunity to participate in procurement actions, and restricting them only when it is necessary to achieve UNDP's development goals.
- **Sustainable Procurement Considerations:** several factors shall be considered to influence sustainable procurement as follows:
    - Costs of products and services over their entire life cycle—acquisition, maintenance, operations and end-of-life management costs, including waste disposal, in line with good financial management.
    - Sustainable social and labor factors which encompass recognizing equality and diversity, observing core labor standards, ensuring fair working conditions, increasing employment and skills, and developing local communities and their physical infrastructure.
    - Sustainable environmental factors that comprise natural resource use and water scarcity, emissions, climate change and biodiversity over the whole product life cycle.
    - Identification of adverse social and environmental impacts of products and services is an important task.
    - Agreements with CBSS will include the establishment of ESMS, development of an environmental and social action plan (ESAP), conduct of periodic monitoring and reporting on ESC risks and impacts, assignment of ES expert and relevant capacity development.

A Project Procurement Plan and sourcing strategy (supplier sourcing, market research, supplier appraisals) will be developed for READ to fast track implementation. Procurement planning will take place at the project level including even at the activity level, depending on the complexity of the activity and the number of interrelated procurement actions. A Requisition Plan shall be developed at the project definition stage.

***Project Management***

The Ministry of Agriculture and Food Security (MAFS) is the Executing Agency for the READ Project. It will exercise overall responsibility and oversight of the project, through the Projects Coordination Unit (PCU),

ensuring that indicated development outcomes and objectives are met and intended project outputs delivered effectively and efficiently within agreed workplans and budget. At the same time, MAFS will be the main implementing partner for Component 3 which focuses on strengthening the national policy framework for agroculture and rural development, as well as, supporting the development of national capacity on cooperative development.

UNDP will be the Lead Implementing Agency for the READ project (except for subcomponent 3.1 and 3.2). UNDP through the Programme Management Team, will be responsible for (i) project implementation of Components 1 and 2 while providing monitoring and accountability support for Component 3; (ii) selection, management and delivery of results from Implementing Partners (IPs); (iii) procurement, financial management following UNDP rules and regulations, M&E and meeting all the reporting requirementsto GoSS and IFAD; (iv) preparation of annual workplans and budgets, implementation progress reports and financial accountability for submission to the NTC and NAC; and (v) implementation of project monitoring and evaluation plans.

**Project Management Team**

A Project Management Team (PMT), embedded within MAFS, will be established and will be responsible for the day-to-day implementation of project activities. The PMT will be comprised of the a) Project Manager; b) 2 Technical Officers; c) Monitoring and Evaluation and Safeguards Officer; d) Communication and Knowledge Management Officer; e) Social Inclusion, Nutrition and Climate Focal Point; (h) Logistics and Admin Associate, and i) Driver. The M&E and Safeguards Officer,and Communication and Knowledge Management Officer, will be cost-shared through UNDP core resources and other projects within the STARR unit. At mid-term, international positions will transition to national positions in order to ensure knowledge, skills and lessons learned gained from implementation are embedded within the PCU to the benefit of future projects implemented by the PCU.

*Project Manager.* The Project Manager will lead the coordination of project activities and IPs, manage the PMT, and ensure proper and timely reporting of substantive achievement and financial accountability. The Project Manager will be a full-time, international position.

*Technical Officers.* Two officers will be engaged full-time to lead the implementation and provide technical support to the different components under the READ Project. One technical officer, with technical knowledge and skills on cooperative and private sector development, will take lead in implementing Component 1 while providing support to Component 3. The other technical officer should be a financial management specialist to handle the implementation of Component 2 while also performing the role of finance and budget officer of the project. Both positions are full time, international positions.

*Social Inclusion, nutrition and climate focal point.* This person will be responsible for providing oversight of IFAD related mainstreaming activities with respect to the gender, youth, nutrition and climate. This is a national position that will cover the whole duration of the project.

*M&E and Safeguards Officer.* This position will be cost-shared by UNDP to reduce on the project management cost while facilitating the integration of the project indicators and information within the wider STARR and UNDP M&E and reporting system. This is an international position based in UNDP with 50 percent of the task to be undertaken with the READ Project.

*Communication and Knowledge Management Officer.* This is an international position that is 50 percent cost-shared by UNDP. It will be based in UNDP to leverage CO resources, systems, and channels in ensure that project achievements are not only effectively communicated but are also packaged as part of the wider UNDP and UN effort. This position will also lead in the generation of studies and other knowledge products as per the outputs indicated in the project AWPB.

*Logistics and Admin Associate.* This is a national position that will be the primary liaison to UNDP's procurement unit, common services, and other administrative units. The position is essentially responsible for

facilitating the procurement of goods and services while ensuring that appropriate administrative support services are provided to the PMT and project stakeholders. The logistics and admin associate will be based in UNDP 50% of the time with the remaining period spent in MAFS.

*Driver*. This national post is based with the project team in MAFS and is primarily responsible for providing transport support and facilitating movement of project personnel.

## V. RESULTS FRAMEWORK[8]

| |
|---|
| **Intended Outcome as stated in the UNSDCF/Country [or Regional] Programme Results and Resource Framework: Outcome 2** |
| **Outcome indicators as stated in the Country Programme [or Regional] Results and Resources Framework, including baseline and targets: Pillar 2** |
| **Applicable Output(s) from the UNDP Strategic Plan: Outcome 2** |
| **Project title and Quantum Project Number: Rural Enterprises for Agricultural Development (READ)** |

| EXPECTED OUTPUTS | OUTPUT INDICATORS[9] | DATA SOURCE | BASELINE | | TARGETS | | DATA COLLECTION METHODS & RISKS |
|---|---|---|---|---|---|---|---|
| | | | Value | Year | Mid-term | FINAL | |
| **Outcome 1** Empowered and formalized RPOs with improved members' participation | 1.1 Supported RPOs graduating – Number of APGs<br>Number of cooperatives | Baseline, midline and impact surveys | | | 45<br>5 | 90<br>10 | • Baseline, midline, end of project evaluation.<br>• Average membership is assumed to be 30 for APGs and 60 for Coops, growing by 20% and reaching 36 and 72 respectively at the endline. |
| | 1.2 Supported RPO's membership base increase<br>RPO's membership increase – Percentage<br>APGs membership base – Number<br>Cooperative Membership base - Number | Baseline, midline and impact surveys | <br><br>30<br>60 | 2022 | <br>10<br>33<br>66 | <br>20<br>36<br>72 | |
| **Output 1.1** Improved governance and accountability mechanisms of RPOs, with a specific focus on women and youth | 1.1.1 RPO members sensitized on RPO governance - total members - Number of people | RPO Meeting Minutes - Records of attendance, Progress Reports | | 2022 | 3,348 | 6,696 | • Field supervision missions, at least once a year.<br>• Persons sensitized/trained on RPO governance: At least 50% of the supported RPO members are assumed to take part in these trainings, and trickle down to other members; Two leaders per RPO, 50% of which women;<br>• Supported RPOs regularly holding an annual general meeting: Based on advice from the Cooperative specialist, at least 80% of supported APGs and Cooperatives are assumed to be able to hold an AGM by project end (targeted support |
| | 1.1.2 RPO leaders trained on ROP Governance - total leaders – Number of people | | | | 336 | 672 | |
| | 1.1.3 Persons sensitized/trained on RPO governance - Number of people | | | | 3,684 | 7,368 | |
| | 1.1.4 Supported RPOs to hold regularly an annual general meeting – APGs - Percentage | RPO Meeting Minutes - Records of attendance, Progress reports | | | 40 | 80 | |
| | 1.1.5 Supported RPOs to hold regularly an annual general meeting – Cooperatives - Percentage | | | | 40 | 80 | |
| Outcome 2 RPOs and MSEs are enabled to provide | *2.1* Supported organizations reporting new or improved value<br>Supported organizations – services providers | Baseline, midline and impact | | | <br>40 | <br>80 | At baseline, mid- term and completion |

[8] UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

[9] It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

| EXPECTED OUTPUTS | OUTPUT INDICATORS[9] | DATA SOURCE | BASELINE | | TARGETS | | DATA COLLECTION METHODS & RISKS |
|---|---|---|---|---|---|---|---|
| | | | Value | Year | Mid-term | FINAL | |
| improved value chain services to producers (in production, aggregation, processing and marketing) | | surveys | | | | | |
| | *2.2.* POS adopting climate-resilient or sustainable agricultural interventions in their operations. | Service provider reports, progress reports | 0 | | 165 | 365 | |
| | *2.3* Persons with new jobs/employment opportunities<br>Males<br>Females<br>Young | COI survey at baseline, mid-term and completion | 0 | 2022 | 528<br><br>156<br>342<br>342 | 1056<br><br>314<br>685<br>685 | • At baseline, mid- term and completion<br>• Of which direct employment opportunities at RPO/MSE level<br>• Of which recurrent seasonal employment opportunities at farm level |
| Output 2.1 Increased number of RPOs and MSEs with business skills and sustainable business models, with increased knowledge and awareness on gender equity, nutrition and climate adaptation | *2.1.* Rural enterprises accessing business development<br>Size of enterprises<br>Rural entreprises | Service provider report, progress reports | 0 | 2022 | 6,696<br><br>228 | 13,392<br><br>456 | • Sum of all APGs, Cooperatives and MSEs accessing BDS, 50 APGs per county, 6 cooperatives per county,<br>• Average membership is assumed to be 30 for APGs and 60 for Coops, growing by 20% and reaching 36 and 72 respectively at endline; |
| | *2.2* Households provided with targeted support to improve their nutrition<br>Total persones participating – Number of people<br>Males<br>Females<br>Households<br>Households members benefitted<br>Young people | Progress reports | 0 | 2022 | <br><br>5,400<br>2,700<br>2,700<br>5,400<br>31,860<br>3,780 | <br><br>10,800<br>5,400<br>5,400<br>10,800<br>63,720<br>7,560 | Field visits and verification missions.<br><br>Target based on number of APG members, as APGs are the main entry point for targeted nutrition support, 5.9 members |
| **Output 2.2**: RPOs provided with assets and infrastructure for BP implementation and capable of providing improved economic services to their members | 2.2.1 Number of business plans financed by type of organization<br>*Number of APGs*<br>*Number of Cooperatives*<br>*Number of MSEs*<br>*Number of Climate-smart/nutrition-sensitive BPs financed* | Service provider report, progress reports | 0 | 2022 | 101<br><br>84<br>20<br>48<br>120 | 301<br><br>168<br>37<br>96<br>241 | Supervision and verification missions.<br><br>Number of business plans financed, by type of organization: APGs (80% of level 1; level 0 will not be provided asset transfers), Cooperatives (80% of level 2 RPOs + 80% of level 2 RPOs graduating to level 3), MSEs (80% of targeted MSEs), 80% of funded BPs are assumed to be climate smart and nutrition sensitive; |
| | 2.2.2 Market, processing or storage facilities constructed or rehabilitated<br>Total number of facilities | | 0 | 2022 | 12 | 23 | |

| EXPECTED OUTPUTS | OUTPUT INDICATORS[9] | DATA SOURCE | BASELINE | | TARGETS | | DATA COLLECTION METHODS & RISKS |
|---|---|---|---|---|---|---|---|
| | | | Value | Year | Mid-term | FINAL | |
| Outcome 3: Increased financial inclusion in poor and underserved areas | 3.1 Households reporting using rural financial services<br>Households - Percentage | COI survey at baseline, mid-term and completion | 5 | 2022 | 13 | 26 | Baseline estimates loosely based on the SSADP-II baseline report. Pending review of IRF specialist. |
| | Volume of CBSS loans outstanding | | 0 | 2022 | 3,060,000 | 6,120,000 | |
| Output 3.1: Enhanced capacity of community-based financial service providers to deliver affordable products and services | 3.1.1 Number of community-based financial service providers<br>Number of community- based financial service providers<br>Number of New VSLAs formed<br>Number of Existing VSLAs supported<br>Number of New SACCOs formed (from VSLA graduation)<br>Number of Existing SACCOs supported | Progress reports | 0 | 2022<br><br><br><br><br><br> | <br><br>162<br>60<br>90<br>6<br>6 | <br><br>324<br>120<br>180<br>18<br>6 | • Supervision and verification missions.<br>• Number of community-based financial service providers supported:<br>• New VSLAs (20 new VSLAs per county),<br>• Existing VSLAs (Assuming that there are 50 VSLAs per county and that the project will target 60% of them), New SACCOs (3 new SACCOs per county (assuming that 3 VSLAs form a SACCO, there will be 54 VSLAs graduating)), Existing SACCOs (Targets to be confirmed at baseline, as it was not possible to confirm the number of existing SACCOs in the target area), VSLA members (25 members per VSLA), SACCP members (75 members per SACCO) |
| | 3.1.2 Persons in rural areas trained in financial literacy<br>Males<br>Females<br>Young people<br>Number of persons in rural areas trained in FL and/or use of FProd and Services | Progress reports | | 2022<br><br><br><br> | <br>2025<br>2025<br>2835<br>4050 | <br>4050<br>4050<br>5670<br>8100 | Supervision and verification missions.<br><br>Only individual households that are not members of producer groups are accounted for here. An average of 1350 individual |
| Output 3.2: Increased outreach and accessibility of CBSS financial services | 3.2.1 Number of CBSS agents capacitated and equipped | Progress reports | 0 | 2022 | 50 | 50 | Number of agents: Each of these groups are equipped with a functioning MIS system and accessories, alongside capacity building by CBSS; |
| Outcome 4: Cooperative and IRF policy and regulatory frameworks are strengthened and operationalized | 4.1 Supported RPOs complying with policy and regulation on cooperative development.<br>Supported RPOs -Percentage<br>APGs/Cooperatives - Percentage<br>VSLAs/SACCOs - Percentage | Progress reports | <br>0 | <br>2022 | <br>40<br>40<br>40 | <br>80<br>80<br>80 | Supported RPOs complying with policy and regulation on cooperative development: In order to be complying, RPOs need to be legally registered, have provided an audit over the past three years, have held an AGM and election yearly, they need to be active and operating within mandate; |
| | *4.2* Supported RPOs annually supported by qualified MAFS staff | Progress reports | 0 | 2022 | 45 | 90 | |

| EXPECTED OUTPUTS | OUTPUT INDICATORS[9] | DATA SOURCE | BASELINE | | TARGETS | | DATA COLLECTION METHODS & RISKS |
|---|---|---|---|---|---|---|---|
| | | | Value | Year | Mid-term | FINAL | |
| | Supported RPOs -Percentage<br>APGs/Cooperatives - Percentage<br>VSLAs/SACCOs - Percentage | | | | 45<br>45 | 90<br>90 | |
| Output 4.1: Review of policies and regulatory frameworks | *4.1.1* Number of policy products completed with project support<br>Number of policy products | Progress reports | 0 | 2022 | 4 | 4 | Tentatively: 1) National Cooperatives Development Policy |
| Output 4.2: Increased MAFS capacity to oversee RPO development at national, state and country level | *4.2.1* Number of MAFS staff trained, by state and county<br>Number of MAFS staff trained<br>Number of National level MAFS staff<br>Number of State/county level MAFS staff<br>Males - Percentage<br>Females – Percentage<br>Toung - Percentage | Records of attendance, progress reports | 0 | 2022 | <br>90<br>30<br>60<br>50<br>50<br>30 | <br>150<br>30<br>120<br>50<br>50<br>50 | Supervision and verification missions.<br><br>20 cooperative and community development officers per state |

## VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

**Monitoring Plan**

| Monitoring Activity | Purpose | Frequency | Expected Action | Partners (if joint) | Cost (if any) |
|---|---|---|---|---|---|
| **Track results progress** | Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs. | Quarterly, or in the frequency required for each indicator. | Slower than expected progress will be addressed by project management. | | |
| **Monitor and Manage Risk** | Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. | Quarterly | Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. | | |
| **Learn** | Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project. | At least annually | Relevant lessons are captured by the project team and used to inform management decisions. | | |
| **Annual Project Quality Assurance** | The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project. | Annually | Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance. | | |
| **Review and Make Course Corrections** | Internal review of data and evidence from all monitoring actions to inform decision making. | At least annually | Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections. | | |
| **Quarterly Progress Report** | The quarter progress report will cover implementation of project activities, realization of project outputs, risks and challenges and of mitigation measures undertaken focusing on the implementation of the AWPB. | Quarterly basis prepared by the PMT, subject of review by the PCG and endorsement by MAFS | | | |
| **Mid-Year Progress report** | It will be an aggregation of the accomplishments of the first 2 quarters/6 months of the year focusing on progress towards the achievement of annual project targets and | After the end of each the first quarters of the year prepared by the PMT | | | |

| Monitoring Activity | Purpose | Frequency | Expected Action | Partners (if joint) | Cost (if any) |
|---|---|---|---|---|---|
| | implementation of activities reflected in the AWPB. The information will be sourced from the project MIS and will contain summarized information and data from states and counties and findings from regular monitoring activities. The Mid-year Progress Report will be presented during the bi-annual meetings of the NTC for review and approval. | | | | |
| **Project Report** | A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period. | Annually, and at the end of the project (final report) | | | |
| **Project Review (Project Board)** | The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences. | Specify frequency (i.e., at least annually) | Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified. | | |

The READ Project will follow UNDP's Monitoring and Evaluation systems, knowledge management, and communication modalities, integrating minimum expectations and standards of IFAD. IFAD and GoSS reporting requirements and templates will be integrated in the preparation of quarterly Interim Financial Reports, semi-annual and annual reports (technical and financial), Mid-term reports, and project completion report. Financial reports shall be presented by component and category as stated in the design documents and the Financial Agreement.

Quarterly reports will detail progress in implementation of activities supported under the asset transfer/matching grant system to the UNDP. It shall describe the activities carried out during the reporting period and the results obtained in relation to specified outputs indicated in the funding proposal/business plans.

**M and E processes and responsibilities**. The NTC will provide overall project implementation oversight while the PMT will lead on the coordination and implementation of activities. Overall responsibility for performance of the M&E function and data collection and analysis will rest with READ M&E Officer who will be supported by IPs and State and County focal points. The M&E Officer will review all related outputs and contribute to the preparation of Annual Work Plans and Budgets (AWPB). The M&E officer will align the project's M&E requirements with IFAD and UNDP standards, provide orientations and capacity building to MAFS and project stakeholders that generate the data.

The READ Project M&E Officer (50% co-financed) forms part of UNDP's STARR unit and will therefore be able to rely on UNDP's network of field offices, technical personnel, and implementing partner organizations in the country in gathering the necessary data and information under the project should the situation not allow for field missions to be conducted due to insecurity.

Integrating gender, climate, youth and social inclusion dimension in M&E and reporting through the capturing of carbon emissions and sex-age-disaggregated data and analysis is imperative in the READ project. Gender, climate, youth and social inclusion will be mainstreamed into the project's M&E system to measure the extent of which the project has been able to contribute towards the sequestration of GHG emission, addressed the different needs of women and men and has made an impact on their lives and overall social and economic well-being. It also facilitates improving project performance during implementation, allows for mid-term course correction, and makes it possible to derive lessons for future projects.

**Supervision Missions:** An annual supervision mission will be conducted by IFAD to assess implementation progress, channel accomplishments, best practices, and lesson learned in global KM initiative and corporate reporting, and address constraints the project is facing. The supervision mission will be led by IFAD and will involve UNDP, MAFS, IPs and stakeholders at national and state levels.

**Internal Review Missions:** There will be internal review missions held by the executing agency in consultation with UNDP. These internal review mission will be undertaken on an annual basis and will be comprised of the PMT, UNDP, and MAFS. The mission will be focused on resolving bottlenecks in project implementation, establishing and/or expanding partnerships and assessing overall progress of project implementation. The review mission will also assess achievements and lessons, review innovations, and reflect on improvement measures. These review missions are an integral part of the KM cycle, with mission members playing a supportive role. A report will be published on the findings of this mission and will be disseminated to all stakeholders and shared with the IFAD supervision missions.

**Mid-Term Review (MTR):** A independent mid-term review will be carried out to evaluate the progress of the project towards the achievement of its outputs, outcomes, and objectives within the project's half term lifetime. The MTR will cover both technical and fiduciary aspects and will provide stakeholders with an opportunity to give valuable feedback for practical refinement of the project in terms of strategic approach and engagement in order to improve project performance and the likelihood of achieving target objectives. A joint mid-term review will be organized by the government and IFAD at the end of the third year of the project, in close collaboration with the above- mentioned agencies and stakeholders. A ToR for the mission will be mutually discussed and agreed between IFAD, MAFS an UNDP.

**Special studies**: The project will undertake an in-depth analysis of selected project activities to document observed trends, patterns, policy, and institutional implications as well as impacts. These will explain underlying factors to the observed results as well as operational challenges as they unfold in the course of project implementation. The types of case studies will be identified by the PMT together with the PCG and the NTC, and in collaboration with target states.

**Final Evaluation:** An independent final impact evaluation will be conducted to determine the project's relevance and fulfillment of objectives, development efficiency, effectiveness, impact, sustainability, and

lessons. The project M&E systems will provide valuable material to enable the final evaluation of the project to be carried out. The methodology will align with IFAD and GAFSP Core Indicators and M&E Guidelines.

## VII. MULTI-YEAR WORK PLAN [10][11]

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | | Planned Budget by Year ('000 USD) | | | | | | | RESPONSIBLE PARTY | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | | Funding Source | Budget Description | Amount |
| **Output 1: Rural producers' organizations development**<br><br>*Gender marker:* | 1.1 Project Inception activities | A/ Country profiling and selection of payams/bomas | 63.6 | | | | | | | UNDP | IFAD | Workshops and studies | 63.6 |
| | | B/ Gender, Youth nutrition and climate sensitive value chain analysis | | | | | | | | | | | |
| | | B.1 Value chain study in 5 states | 174.1 | | | | | | | UNDP | UNDP | Learning/Studies | 174.4 |
| | | B.2 Value chain study in 1 additional state | 34.8 | | | | | | | UNDP | IFAD<br>UNDP | Learning/Studies | 34.8 |
| | | B.3 Market opportunities analysis/study | 30.3 | | | | | | | UNDP | IFAD | Learning/Studies | 30.3 |
| | | B.4 Gender and nutrition assessment | 5 | | | | | | | UNDP | IFAD | Learning/Studies | 5 |
| | | C/ Participatory mapping and profiling of targets groups | 64.5 | | | | | | | UNDP | IFAD | Trainings and workshops | 64.5 |
| | | D/ Peace and conflict analysis | 42.9 | | | | | | | UNDP | IFAD<br>UNDP | Learning/Studies | 42.9 |
| | | E/ Development/adaptation of capacity building modules, including ILO training tools and methodologies | | | | | | | | | | | |

[10] Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

[11] Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | | Planned Budget by Year ('000 USD) | | | | | | | RESPONSIBLE PARTY | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | | Funding Source | Budget Description | Amount |
| | | E.1 Adaptation and standardization of ILO's training tools and methodologies | 99.4 | | | | | | | UNDP/ILO | IFAD | Grant (UN/ILO)/ Studies/ Trainings and workshops | 99.4 |
| | | E.2 Identification of support organisations/service providers for the delivery of capacity building modules | 12.1 | | | | | | | UNDP/ILO | IFAD | Grant (UN/ILO)/ Studies | 12.1 |
| | | F/Technical support | 62.5 | 130.0 | 140.4 | 104.5 | 65.8 | 71.1 | 36.9 | UNDP | IFAD | Staff Costs - IP Staff | 611.3 |
| | | Sub-total 1.1 | 589.1 | 130.0 | 140.4 | 104.5 | 65.8 | 71.1 | 36.9 | | | | 1,137.9 |
| | 1.2 Strenght-ening RPO institution al capacity | A/ Coaching/training on institutional capacity | | | | | | | | | | | |
| | | A.1 Capacity building of relevant support organisations/service providers to deliver training programmes | 58.6 | 59.7 | | | | | | UNDP/ILO | IFAD | Contractual Services-Comp (IP, NGO) Trainings and workshops | 118.3 |
| | | A.2 Roll out trainings/ coaching to RPOs to strengthen their institutional and governance capacity | | 101.2 | 103 | 105 | 107 | 109 | | UNDP/ILO | IFAD | Contractual Services-Comp (IP, NGO) Trainings and workshops | 525.2 |
| | | B/ RPO formalization and graduation | | | | | | | | | | | |
| | | B.1 Support the formation of new RPOs through the County and Payam committees and women/youth network | | 18.5 | 18.8 | 19.2 | 19.5 | 19.9 | | UNDP | IFAD | Trainings and workshops | 95.8 |
| | | B.2 Targeted support for RPO graduation | | 48.2 | 49 | 49.9 | 50.8 | 52.5 | | UNDP | IFAD | Trainings and workshops | 250.5 |

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | | Planned Budget by Year ('000 USD) | | | | | | | RESPONSIBLE PARTY | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | | Funding Source | Budget Description | Amount |
| | | B.3 Support the development of cooperative unions | | 5.1 | 10.5 | 10.6 | 10.8 | 5.5 | | UNDP | IFAD | Trainings and workshops | 42.6 |
| | | C/ Targeted support for institutional strengthening of RPOs | | 69.5 | 70.8 | 72 | 73.3 | 75.8 | | UNDP/ILO | IFAD | Trainings and workshops | 361.4 |
| | | D/ Gender mainstreaming among project groups | 24.7 | 25.2 | 17.8 | 18.1 | 18.4 | 18.8 | 19.1 | UNDP | IFAD | Contractual Services-Ind (IP, NGO)<br>Trainings and workshops | 142 |
| | | E/ Targeted support to improve nutrition among target groups | | 9 | 9 | 9 | 9 | 9 | | UNDP | IFAD | Trainings and workshops | 45 |
| | | *Sub-total 1.2* | 83.3 | 336.4 | 278.9 | 283.8 | 288.9 | 290.4 | 19.1 | | | | 1,580.8 |
| | 1.3 Business capacity development and financing | A/ Coaching, training and mentoring of RPOs and MSEs on business and financial literacy | | | | | | | | | | | |
| | | A.1 Support iHubs to deliver continuing Business Development Services | 496.4 | 178.7 | 181.9 | 185.2 | 188.6 | 191.9 | 97.7 | UNDP | IFAD<br>UNDP | Contractual Services-Comp (IP, NGO)<br>Facilities & Administration | 1,520.5 |
| | | A.2 Roll out of trainings on business and financial literacy for RPOs and MSEs | | 179.3 | 182.5 | 185.8 | 189.2 | 192.8 | | UNDP | IFAD | Trainings and workshops | 929.5 |
| | | B/ Capacity building of RPOs and MSEs on improved product development and standards | | 138.8 | 141.8 | 145.6 | 148.3 | 150.9 | | UNDP | IFAD | Contractual Services-Comp (IP, NGO)<br>Trainings and workshops | 725.4 |

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | | Planned Budget by Year ('000 USD) | | | | | | | RESPONSIBLE PARTY | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | | Funding Source | Budget Description | Amount |
| | | C/ Facilitation of business information sharing and peer learning | | | | | | | | | | | |
| | | C.1 Facilitate exchange visits and peer to peer learning | | 26.3 | 26.8 | 27.3 | 27.7 | 28.2 | | UNDP | IFAD | Travel | 136.3 |
| | | C.2 Facilitating access to local, national, and regional markets through digital platforms | 6.1 | 43.1 | 12.5 | 12.8 | 13.0 | 13.2 | 6.7 | UNDP | IFAD<br>UNDP | Contractual Services-Comp (IP, NGO)<br>Equipment and furniture | 107.5 |
| | | D/ ROP and MSE business plan financing | | | | | | | | | | | 3,358.7 |
| | | D.1 Financing windows | | 760.0 | 850.0 | 860.0 | 850.0 | 760.0 | | UNDP | IFAD/CBSS | Grant | 4,080.0 |
| | | D.2 Establishment and operation of the financing facility | | 6.6 | 6.7 | 6.8 | 6.9 | 7.1 | | UNDP | IFAD | Contractual Services-Comp (IP, NGO) | 34.1 |
| | | Sub-total 1.3 | 502.5 | 1,332.8 | 1,402.2 | 1,423.5 | 1,423.7 | 1,334.2 | 104.4 | | | | 7,533.2 |
| | **Sub-Total for Output 1** | | | | | | | | | | | | **10,251.9** |
| **Output 2: Inclusive rural financial services**<br>*Gender marker:* | 2.1 Community based financial services | A/ Formation and/or strengthening of community-based rural financial institutions | | | | | | | | | | | |
| | | A.1 Promotion of VSLAs in the READ target area | | 80.1 | 81.6 | 83.0 | 84.5 | 86.0 | | UNDP | IFAD | Contractual Services-Comp (IP, NGO)<br>Trainings and workshops | 415.3 |

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | | Planned Budget by Year ('000 USD) | | | | | | | RESPONSIBLE PARTY | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | | Funding Source | Budget Description | Amount |
| | | A.2 Supporting VSLA graduation to SACCOs | | 6.2 | 34.5 | 44.7 | 32.5 | 26.5 | | UNDP | IFAD | Contractual Services-Comp (IP, NGO)<br>Trainings and workshops | 144.4 |
| | | A.3 Capacity building of SACCOs operating in the READ target area | | 28.7 | 68.1 | 59.4 | 40.3 | 41.0 | | UNDP | IFAD | Contractual Services-Comp (IP, NGO)<br>Trainings and workshops | 237.5 |
| | | A.4 Exchange visits and peer to peer learning for VSLA/SACCO representatives | | 26.3 | 26.8 | 27.3 | 27.7 | 28.2 | | UNDP | IFAD | Travel | 136.3 |
| | | B/ Financial literacy training to individual households | 20.2 | 257.1 | 328.9 | 334.5 | 307.3 | 306.3 | | UNDP | IFAD | Contractual Services-Comp (IP, NGO)<br>Trainings and workshops | 1,554.2 |
| | | C/ Technical support | 62.5 | 130.0 | 140.4 | 104.5 | 65.8 | 71.1 | 36.9 | UNDP | IFAD<br>UNDP | Staff Costs - IP Staff | 611.3 |
| | | Sub-total 2.1 | 82.7 | 387.1 | 469.3 | 439.0 | 373.2 | 377.3 | 36.9 | | | | 2,165.5 |
| | 2.2 Support to CBSS expansion and agency banking | A/ Support to CBSS expansion and agency banking | | | | | | | | | | | |
| | | A.1 Establishment of a CBSS branch in WBeG | 411.2 | | | | | | | CBSS | CBSS | Facilities & Administration | 411.2 |
| | | A.2 Capacity building of SACCOs/Cooperatives as CBSS agents in the READ target area | 333.5 | 166.9 | 115.3 | 117.4 | 119.5 | 121.7 | 123.8 | CBSS | IFAD<br>CBSS | Equipment and Furniture<br>Trainings and workshops | 1,098.1 |

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | | Planned Budget by Year ('000 USD) | | | | | | | RESPONSIBLE PARTY | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | | Funding Source | Budget Description | Amount |
| | | B/ CBSS portfolio mobilization | | | | | | | | | | | |
| | | B.1 Establishment of a Credit Guarantee Facility | 20.2 | 602.0 | 704.0 | 806.0 | 408.0 | 510.0 | | UNDP/CBSS | IFAD CBSS | Grant | 3,050.2 |
| | | Sub-total 2.2 | 764.8 | 768.9 | 819.3 | 923.4 | 527.5 | 631.7 | 123.8 | | | | 4,559.4 |
| | **Sub-Total for Output 2** | | | | | | | | | | | | **6,724.9** |
| **Output 3: MAFS capacity development and project management** | 3.3 Project coordination and oversight | A/ PCU investment costs | 106.1 | | | | | | | UNDP | IFAD | Equipment and Furniture | 106.1 |
| | | B/ Monitoring and evaluation | 60.8 | 10.6 | 10.8 | 55.1 | 11.2 | 11.4 | 90.2 | UNDP | IFAD UNDP | Trainings and workshops Travel | 250.0 |
| | | C/ Knowledge management and communication | 5 | 5.1 | 5.2 | 5.3 | 5.4 | 5.5 | 5.6 | UNDP | IFAD | Communication | 37.3 |
| | | D/ Social, Environment and climate assessment procedures | 61.5 | 21.6 | 48.1 | 17.0 | 17.3 | 17.7 | 6.7 | UNDP | IFAD | Trainings and workshops | 190.0 |
| | | F/ Audits | 10.1 | 10.3 | 10.5 | 10.6 | 10.8 | 11 | 11.2 | UNDP | IFAD | Professional Services | 74.6 |
| | | G/ UNDP staff salaries | | | | | | | | | | | |
| | | G.1 Project Management Team | 235.2 | 470.5 | 470.5 | 283.0 | 95.4 | 95.4 | 47.7 | UNDP | IFAD UNDP | Staff Costs - IP and NP Staff | 1,697.7 |
| | | G.2 PMT – transition to NPSA at mid-term | | | | 88.0 | 176.0 | 176.0 | 176.0 | UNDP | IFAD | Staff Costs - NP Staff | 616.1 |
| | | G.3 Programme Support and CO linkaging | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | UNDP | IFAD | Staff Costs - IP Staff | 357.0 |
| | | G.4 Provision for salary increase | | 28.8 | 60.0 | 59.2 | 48.5 | 74.1 | 73.7 | UNDP | UNDP | Staff Costs - IP Staff | 344.3 |
| | | I/ Contribution to PCU operating costs | 18.5 | 18.8 | 19.2 | 19.5 | 19.9 | 20.2 | 20.6 | UNDP | IFAD | GMS | 136.8 |

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | | Planned Budget by Year ('000 USD) | | | | | | | RESPONSIBLE PARTY | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | | Funding Source | Budget Description | Amount |
| | | J/ UNDP GMS | 182 | 182 | 182 | 182 | 182 | 182 | 182 | UNDP | IFAD | | 1,273.7 |
| | | Sub-total 3.3 | 822.1 | 961.6 | 1016.1 | 930 | 776.9 | 803.8 | 749.5 | | | | 5,083.6 |
| | **Sub-Total for Output 3** | | | | | | | | | | | | **5,083.6** |
| **Total project cost** | | | 2,844.5 | 3,916.8 | 4,126.2 | 4,104.2 | 3,456.0 | 3,508.5 | 1,070.6 | | | | 22,060.5 |

## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The Ministry of Agriculture and Food Security (MAFS) is the lead executing agency of the READ project and is the chair of the National Technical Committee and the National Advisory Committee - the highest policy making and oversight body of the project. The National Advisory Committee (NAC) is chaired by the Undersecretary of Cooperative and Rural Development in MAFS and Co-chaired by the Undersecretary of the Ministry of Finance and Planning (MoFP), with membership of the Undersecretary of Agriculture and Food Security and other Undersecretaries from relevant line ministries. The NAC will provide strategic operational guidance on a quarterly and annual basis, and additional special meetings for approval of project documents, and approves the AWPBs and progress reports before they are submitted to IFAD for 'No Objection'.

A National Technical Committee (NTC), chaired by the Director General of Cooperative Development and Co-chaired by the Director in the MoFP, with membership of the DG of Rural Development, the DG Agriculture Production and Extension Services, the DG Planning and other relevant DGs from relevant line ministries will be the main technical body with the responsibility to: (a) provide technical guidance to the project; (b) update the NAC on technical and operational issues related to the project; (c) facilitate technical and operational partnerships with stakeholders within the government to advance operational coordination issues related to the project; (d) coordinate with technical counterparts of other government agents; (e) update their undersecretaries on any progress and challenges and plans of the project; (f) provide technical and operational guidance to project quarterly and annual progress reports and work plans; and (g) participate in periodic monitoring of the project.

A Partners Coordination Group (PCG) will be the established and comprised of implementing partners under each of the project components. The PCG will meet monthly to a) assess progress and immediately resolve issues on project implementation, b) monitor compliance with project work plans and budgets, and c) ensure complementarity between components and activities while leveraging resources. UNDP will Chair the PCG, who will also act as Secretary to the group. Representation to the PCG will include national ministries, UN agencies (ILO, UNDP), private sector (CBSS), and implementing partner organizations (I/NNGOs, firms, etc.).

UNDP is the Implementing Agency and will be responsible for implementing components 1 and 2, and sub-component 3.3 while MAFS will implement subcomponents 3.1 and 3.2. As Implementing Agency, UNDP will be responsible for: i) overall project implementation, especially contracting of service providers under components one and two or entering into sub-agreements with service providers for delivery of specific services; ii) preparation and supervision of implementation contracts/sub-agreements with Implementing Agencies (IAs) involved in the implementation of project activities (as per organigram); iii) procurement, financial management for activities implemented by UNDP following UNDP rules and regulations, M&E and reporting to GoSS and IFAD as required; (iv) preparation of AWPBs, procurement plans, v) implementation progress and quarterly financial reporting for activities implemented by UNDP, prepared according to IFAD's reporting format for submission to G-PCU; vi) set-up, installation and maintenance of UNDP's own Project M&E and safeguards system (to cover also financial intermediaries); vii) manage project procurement activities, including oversight of procurement by Implementing Agencies and submission of procurement packages to the PCU for transmission to IFAD for 'No Objection'.

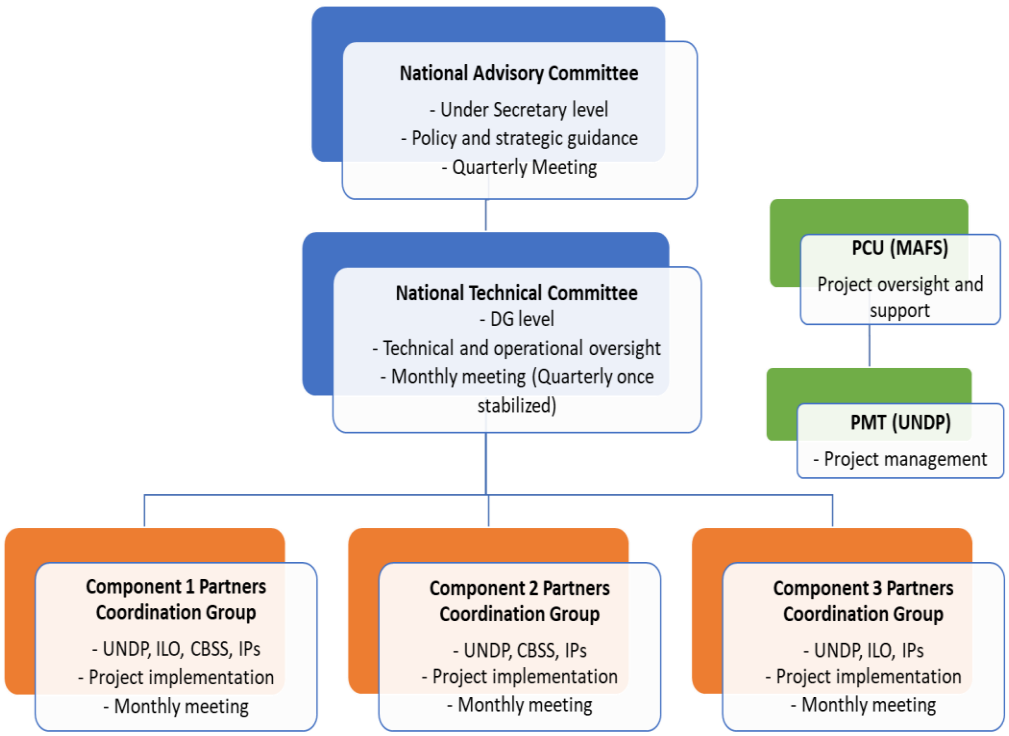
The International Labor Organization (ILO) will be engaged by UNDP as Technical Service Provider for components 1. Other third-Party Implementing Agencies (IAs) will be selected competitively to provide support to all the project components, backstopped by ILO for component 1. The Cooperative Bank of South Sudan will be engaged by UNDP to host the financing facility under Component 2 and the matching loan facility under Component 1. Under Component 3, MAFS will implement directly and provide oversight and support through the G-PCU and the relevant support committees.

The Stabilization, Recovery, and Resilience (StaRR) Unit will be the entity in UNDP responsible for the READ Project and will supervise and support project implementation through the Project Management Team (PMT).

The PMT will be embedded with MAFS and will be responsible for the day-to-day implementation of project activities. UNDP will establish the PMT which will be comprised of (a) a Team Leader; (b) two Project Management & Technical Support Officers (to cover components 1, 2 and 3); (c) Communications and Knowledge Management (KM) Officer; (d) Monitoring & Evaluation (M&E) and Safeguards Officer; (e) Social Inclusion, Nutrition and Climate Focal Point Officers; (f) a Logistics and Admin Associate and (g) one driver. UNDP will co-finance the Communication and KM Officer and the M&E and Safeguards Officer. The PMT will also be supported by a Chief Programme Officer who will provide programme support and linkage with the country office. Procurement activities will be supported by the UNDP Country Office procurement unit, where a designated procurement officer will support READ procurement activities.

Embedding the PMT in MAFS is consistent to the UNDP development approach and long-term objective under the project to develop the programme management capacity of Government, particularly the MoL, as well as, upgrade its technical capability and leadership and enhance institutional ownership of the project. In addition, embedding the PMT within MAFS will produce the following advantages:

- Stronger and seamless coordination and communication between UNDP and MAFS that will result to greater efficiency and effectiveness in the implementation of the READ Project;
- Institutionalization of project initiatives, good practices/experiences, and lessons learned in national policies, frameworks, and guidelines on vocational skills development through the integration of project activities in the Ministry's strategic plan and work programme;
- Upgrading of MAFS management and technical capacity as the PMT will form part and parcel of the ministry's structure and staffing. Ministry staff will be exposed to and engaged in implementation and the learnings will be factored in to influence the systems within the ministry, as well as, upgrade the capacity of the ministry's technical staff;
- The presence of the PMT within MAFS will facilitate easier coordination with other initiatives on agricultural development, rural finance, etc. while allowing the Ministry of leverage the project in order to strengthen complementation and enhance efficiency and effectiveness in resource utilization; Government ownership and leadership of the project will be enhanced and therefore the Ministry's ability to quality assure the project will be heightened given the higher level of government accountability for the project.



## IX. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date). All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by [name of entity] ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

## X. RISK MANAGEMENT

### UNDP (DIM)

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds][12] [UNDP funds received pursuant to the Project Document][13] are used to provide support to individuals or entities associated with terrorism , that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via https://www.un.org/securitycouncil/content/un-sc-consolidated-list. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse ("SEA") and sexual harassment ("SH") allegations in accordance with its regulations, rules, policies and procedures.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

[12] To be used where UNDP is the Implementing Partner

[13] To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor, and sub-recipient:

   a. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:

      i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

      ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.

   b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.

   c. Each responsible party, subcontractor and sub-recipient (each a "sub-party" and together "sub-parties") acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

      (a) In the implementation of the activities under this Project Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

      (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.

   d. In the performance of the activities under this Project Document, each sub-party shall (with respect to its own activities), and shall require from its sub-parties (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, sub-parties will and will require that their respective sub-parties will take all appropriate measures to:

      (i) Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;

(ii) Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;

(iii) Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof;

(iv) Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and

(v) Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. Each sub-party shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

e. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

f. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.

g. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption, anti-fraud and anti money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

h. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

i. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

j. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption other financial irregularities with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

k. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement.

   Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

   *Note:* The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

l. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.

m. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

n. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

## XI. ANNEXES

1. **Project Quality Assurance Report**

2. **Social and Environmental Screening Template** [English] [French] [Spanish], including additional Social and Environmental Assessments or Management Plans as relevant. *(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).*

3. **Risk Analysis**. Use the standard Risk Register template. Please refer to the Deliverable Description of the Risk Register for instructions

4. **Capacity Assessment:** Results of capacity assessments of Implementing Partner (including Partner Capacity Assessment Tool (PCAT) and HACT Micro Assessment)

5. **Project Board Terms of Reference and TORs of key management positions.** The standard Project Board TOR can be found here**.**

6. **On-Granting Provisions Applicable to the Implementing Partner[14].** On-granting clauses for non-UNDP Implementing Partners can be found here.

[14] Applicable for non-UNDP Implementing Partner as Grant Making Institution facilitating on-granting.