ACTION DOCUMENT

THE EUROPEAN UNION EMERGENCY TRUST FUND FOR STABILITY AND ADDRESSING THE ROOT CAUSES OF IRREGULAR MIGRATION AND DISPLACED PERSONS IN AFRICA

1. **IDENTIFICATION**

Title	Reference:T05-EUTF-HOA-SS-93						
	Job Creation and Trade Development for South Sudan						
Zone benefitting from the action	South Sudan						
Total cost	Total estimated cost: 4 974	973 EUR					
	Total amount drawn from the Trust Fund: EUR 4 974 973						
Aid modality(ies)	Indirect Management with	n a Pillar Asse	ssed Organisa	ation			
and implementation modality(ies)	Direct management through procurement for monitoring, evaluation, audit, communication and visibility (Direct Management for audit and evaluation)						
DAC – codes	Main DAC code – sector 25010 – Business support services and institutions 32130 – Small and medium-sized enterprises (SME) development 33181 - Trade education/training						
Main delivery channels		40000 – Multilateral Organisations					
Markers	National Significant Principal Significant Principal						
	Policy objectives Not targeted objective Participatory development / good X						
	Aid to environment X						
	Gender equality and empowerment of women and girls						
	Trade development						
	Reproductive, maternal, newborn and child health						
	Rio Markers Not targeted Significant Principal objective objective						
	Biological diversity X						
	Climate change mitigation	X					
	Climate change adaptation	X					
	Migration		X				
	Digitalisation	X					
	COVID-19 X \square						
SDG	Main SDG Goals:						

	Goal 1: No Poverty				
	Goal 8: Decent Work and Economic Growth				
	Other relevant SDG Goals				
	Goal 9: Industry, Innovation and Infrastructure				
	Goal 5: Gender Equality				
Valetta Action Plan Domains	1. Development benefits of migration and root causes of irregular migration				
Strategic priorities of the Trust Fund	1. Economic Development and Employment				
Beneficiaries of the action	The youth and women labour force; Micro, small and medium sized enterprises (MSMEs).				
Derogations, authorized exceptions, prior agreements	None.				

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

Repeated armed conflicts in South Sudan in 2013 and 2016 undercut the development gains achieved since the country independence in 2011 and exacerbated the humanitarian situation. The country is one of the most oil-dependent in the world, with oil accounting for almost the entire export, and contributing to about half of its gross domestic product (GDP). The oil sector aside, livelihoods are concentrated in low productive, subsistence agriculture and pastoralists labour. The poverty levels are anticipated to remain extremely high in combination with severe food insecurity, undernutrition and limited access to basic services across the country.

Against the above challenging background, the overall objective of this action is to improve the livelihoods of the targeted populations (with a special focus on youth and women) through jobs creation, better employment opportunities and income.

The specific objective is to develop the sector and enterprise competitiveness along selected value chains to improve the competitiveness of micro, small and medium-sized enterprises; and improve the capacity, employability and entrepreneurial opportunities for South Sudanese labour force (with a focus on youth and women).

The intervention logic is that by investing in youth and women employability in rural sector, the livelihoods of the most vulnerable will be restored, and this will sow the seeds for small scale sustainable developments. The action will focus on creating economic and employment opportunities for the youth labour force and women in view of enhancing their effective and sustained participation in targeted economic activities. This is believed to contribute to the reduction of conflict, displacement and irregular migration as well as to the solidification of peace in the country. Activities under this action will put attention to address root causes of youth unemployment and poverty.

This action takes a further step in EU support to the South Sudan rural development, building on grounds laid through SORUDEV, ZEAT-BEAD and EUTF relevant programmes. The focus here is on promoting economically viable activities that will allow people to capitalise the peace dividends.

South Sudan does not have access to programmable bilateral resources from the 11th European Development Fund (EDF) as it is not amongst the signatories of the Cotonou Agreement, and hence there is reliance on other sources of funding, such as the EUTF Africa. The EUTF funds allocated to South Sudan aligns with the EUTF strategic objectives, and this action addresses one of the key priorities set for the EUTF Horn of Africa window by the EUTF Strategic Board in April 2018: essential stabilisation in South Sudan, the lack of which is a root cause for displacement and irregular migration.

The project is in line with the priorities of the Government as elaborated in the South Sudan National Development Strategy 2018-2021, its Development Plan of 2011, as well as the Comprehensive Agriculture Master Plan (CAMP) 2016. It contributes to the implementation of priority actions and recommendations contained in these development plans and strategies.

2.2. Context

2.2.1. *National context*

South Sudan recent history is marked of armed conflicts that have negatively affected at least three generations of people. The Republic of South Sudan gained formally its independence from Sudan on 9 July 2011 after almost four decades of civil war. Despite the positive outlook, peace did not last for longer. In 2013, the political rivalry grew into a civil war that continued until 2018. Numerous ceasefires were negotiated by the international mediators and were subsequently broken, including the 2016 peace agreement.

After significant delay of more than 9 months, the Revitalised – Transitional Government of National Unity was formed on 22 February 2020. It has officially activated the transition envisaged in the peace agreement of September 2018.

Challenging issues remain to be addressed, including security sector reform, transparency and accountability on the management of the country's economy and resources. Security issues and the weak humanitarian and human rights protection systems continue to make South Sudan a challenging operating environment.

Displaced civilians are still at imminent risk of gross human rights violations, inter-ethnic violence and subsequent migration wave. This risk is higher for women considering sexual and gender-based violence has been aggravated both by conflict and poor shelters. A pervasive culture of impunity has fuelled recurring cycles of armed violence in South Sudan exacerbating the political, tribal and ethnic drivers of the war.

South Sudan is a landlocked least developed (LLDC) nation that has a population of about 11.7 million in 2019¹, with an estimated labour force of 5.7 million as of July 2018². 76% of the population is below the age of 35 and 45% is estimated to be dependent on the remaining 55% of the population. Regardless of its abundant natural resources and substantial reserves

https://reliefweb.int/report/south-sudan/south-sudan-humanitarian-needs-overview-2020-november-2019

² ILOSTAT, International Labour Organisation, accessible at: https://ilostat.ilo.org/about/

of oil, South Sudan remains one of the poorest countries in the world. Decades of civil conflict left South Sudan with virtually no economic and social infrastructure and only a rudimentary public administration system. Persistent insecurity and armed conflict have disrupted livelihood activities, affected market functionality and limited physical access to markets. The worsening economic crises have resulted in high food prices, local currency devaluation and hyperinflation, which in turn eroded household purchasing power. Furthermore, it was recently reported³ that starvation was being used as a weapon of war, and that women and children are the most affected by food insecurity.

Only around 7 % of the national budget is dedicated to education and health. Oil production accounted for 99% of exports, 95% of government revenue, and about half of GDP. In the recent years South Sudan GDP has been severely affected by the fall of international oil prices. The subsequent decrease in the public revenues have caused the late payment of public sector wages (nearly six months arrears), and the recourse to central bank borrowing has triggered high inflation and a rapid depreciation of the currency during the last years.

Despite the positive developments in the country over the last year, the COVID - 19 health and socio-economic crises and the drop of oil price would impact considerably the economic and humanitarian situation in South Sudan. Budget execution is almost entirely dependent on oil revenues and so is the access to foreign currency.

2.2.2. *Sector context: policies and challenges*

Rural livelihoods are mainly concentrated in low productive agriculture and pastoralism. Agriculture, manufacturing and services together contribute to about 23% of the economy⁴. The agricultural sector accounts for about 10% of South Sudan's GDP in 2017⁵.

The agricultural sector, which provides employment for about 70% of the country's labour force, has also been significantly affected by conflict, low-level agricultural production⁶, the external and internal displacement of millions of South Sudanese.⁷

In view of this, the Agriculture Sector Policy Framework (ASPF) 2012-2017 purports that *a broad-based economic growth in the country must be based on accelerating food and agricultural productivity and production.* The Framework also considers that *agricultural growth based on productivity improvement is a necessary condition for food security.* Taking into consideration the policy emphasis and the objectives of agricultural development contained in both the ASPF 2012 and the CAMP 2016, this project will provide support to one or more selected agricultural subsectors such as: a) gum Arabic, b) shea butter, c) honey, fruits and vegetables, and e) hides and skins with a view to transform and enhance capacities, develop value chains and improve competitiveness that will contribute to the generation of more employment, income and economic growth in South Sudan.

United Nations Commission on Human Rights in South Sudan Report, 20/February/2020, https://www.ohchr.org/EN/HRBodies/HRC/CoHSouthSudan/Pages/Index.aspx

⁴ World Bank, Overview of South Sudan, https://www.worldbank.org/en/country/southsudan/overview

⁵ African Economic Outlook 2019, African Development Bank, 2019

⁶ South Sudan Update of the Extended Interim Country Strategy Paper (2012-2021) and Country Portfolio Performance Review, East Africa Regional Development and Business Delivery Office, African Development Bank Group, April 2019

⁷ Bank of South Sudan: Macroeconomic Review, Fourth Quarter Report, December 2018

 $^{^8}$ Agriculture Sector Policy Framework 2012-2017, Republic of South Sudan, August 2012

South Sudan's export sector has been highly concentrated, petroleum oil accounting on average for about 99% of yearly export revenue. Other important export products include Alfalfa meal and pellets (0.28%), Cotton (0.13%), Gold (0.11%), Chickpeas (0.10%), Sesame seeds (0.07%), Flours and meal of oil seeds (0.07%), Hides and skins (0.06%), Peas (0.03%), Meat (0.02%), Groundnuts (0.01%), Gum Arabic (0.01%), Other natural gums (0.01%), Wood charcoal (0.01%), and Onion (0.002%). Exports of Alfalfa and Gold were recorded only in 2018, contributing 1.9% and 0.75% of export the revenue for the year respectively.

Aggravated by the conflict and displacement, **youth unemployment** is a major concern. A study of the African Development Bank identified a number of factors that has led to high youth unemployment rate, these include: *skills mismatch, lack of employment opportunities, lack of access to financial services, land, markets, insufficient labour demand, lack of skilled labour supply, economic and political exclusion of youths, absence of solid legal and regulatory framework and coherent policy*. This in turn is believed to have contributed to increased number of youth criminal activities and rebellion. According to the latest data estimate of the United Nations Population Fund, there are about 4.6 million young people between the ages of 15 and 34, accounting for about 35% of the population. Young people of 15 to 24 years of age represent 20% of the population, and the labour force aged 15 years and above is estimated at 5.7 million.

Women face additional challenges when entering the workforce considering they have unequal access to productive assets such as land, financial loans, skills and capacity. The conflicts actually opened an opportunity for women to start engaging in other professional sectors such as petty trade and construction in a visible shift in the gender division of labour⁹. However, women still work predominantly in subsistence agriculture and the underdeveloped and low-paid informal sector¹⁰. Lower wages result in women being more affected by poverty and related consequences, particularly food insecurity. Sexual and gender based violence in South Sudan are a major and widespread problem. Recent studies indicate that some 65% of women and girls have experienced physical and/or sexual violence in their lifetime, and some 51% have suffered intimate partner violence (IPV). Some 33% of women have experienced sexual violence from a non-partner, primarily during attacks or raids. The majority of girls and women experience sexual violence for the first time under the age of 18. The risk remains constant due to conflict and the country's economic situation and harmful social norms that perpetuate issues of gender-based violence¹¹

2.2.3. *Justification for the use of EUTF funds for this action*

South Sudan does not have access to programmable bilateral resources from the 11th European Development Fund (EDF) as it is not amongst the signatories of the Cotonou Agreement, and hence there is reliance on other sources of funding, such as the EUTF Africa. The EUTF funds allocated to South Sudan aligns with the EUTF strategic objectives, and this action addresses one of the key priorities set for the EUTF Horn of Africa window by the EUTF Strategic Board in April 2018: essential stabilisation in South Sudan, the lack of which is a root cause for displacement and irregular migration.

⁹ EU/OXFAM (2017) South Sudan Gender Analysis https://reliefweb.int/sites/reliefweb.int/files/resources/rr south-sudan-gender-analysis-060317-en.odf

¹⁰ SIGI Index South Sudan 2019, https://www.genderindex.org/wp-content/uploads/files/datasheets/2019/SS.pdf

https://www.unicef.org/southsudan/media/2071/file/UNICEF-South-Sudan-GBV-Briefing-Note-May-2019.pdf

The use of EUTF Africa funds for this action is justified by the aggravated economic situation that requires immediate response to help alleviate the consequences of extreme poverty in the country caused to a bigger extent by the recent armed conflicts in the country.

2.3. Lessons learnt

This action will benefit from lessons listed below that are drawn from a number of relevant projects implemented in South Sudan and elsewhere.

The following are lessons learned drawn from EU funded projects in South Sudan:

- Need to promote primary production (for agri entrepreneurs): Robust market assessments and sharing of key market information (including buying prices and volume requirements) can incentivise and trigger smallholders to produce beyond subsistence levels. The EU is currently supporting a Value Addition and Value Chain Development project under the ZEAT BEAD programme and implemented by UNIDO. Under this project it has become increasingly clear that increase in primary production forms the basis for any future added value and subsequent access to niche and formal markets.
- Importance of physical infrastructure, including feeder roads and processing centres: Infrastructure improvements create an enabling environment for value chain development. The EU has made significant investments towards this sector under the current ZEAT-BEAD and SORUDEV Programmes as this is necessary to connect both primary production and processing to markets.
- **Technology in value chains:** Technology is an enabler for youth engagement and participation in value chains. Where possible programmes should embrace technology such as use of digital platforms to share market information and any technical support to the value chain actors.

Lessons from the United Nations (UN) Joint Programme on creating opportunities for youth employment in South Sudan, March 2010 – December 2012, will be used by action to build on innovative approaches developed and deployed under the UN Joint Programme which include: a) linking vocational and enterprise training to targeted skills and market opportunities assessments, b) The Youth Peer Education Network, c) Mobile training, d) Farmer Field Schools, e) functional literacy, f) the development of a youth volunteer service (Payam Youth Service) linked to the national development plan, and g) the Cattle Camp Initiative to provide mobile training in excluded areas and to reach the pastoralist youth.

Lessons from the implementation the South Sudan's Interim Country Strategy Paper 2016-2018 of the African Development Bank Group:

- Giving greater attention to the root causes of fragility, notably with regard to natural resource management and job creation is imperative.
- The need to conduct a closer and frequent supervision of project interventions and implementation progress and processes.

2.4. Complementary actions and synergies

The Action will capitalise upon the achievements and assets delivered under the **EU funded ZEAT- BEAD programme** (notably feeder roads, market places, slaughterhouses and agro-

processing centers) through various projects (Agricultural Marketing and transformation investment programme / GIZ, Feeder road construction in support of trade and market development in South Sudan / UNOPS, Farm Enterprise Development through Inputs and Services (FEDIS) / VSF-Germany, Enhanced local value addition and strengthening value chains / UNIDO) - see further below.

The programme will capitalise and scale up on efforts put on the ground in terms of youth capacity building through technical and vocational training and education initiatives that are being implemented under the different education programmes funded by the European Union in South Sudan including the **EMPOWER Project** (7 000 000 EUR). The EMPOWER project aims to increase youth employment and self-reliance. It intends to provide vocational training, education and small-scale support to about 4,400 young women and men in a number of economic sectors including construction, agriculture, dressmaking, hospitality, and auto mechanics. It also aims to support youth businesses through proving funding and mentoring. The project is being implemented with the participation of different institutions and nongovernmental organisations including the Norwegian Refugee Council, ACROSS, BBC Media, Finn Church Aid, Nile Hope, and Vocational Skills Development Organisation (VOSDO). Partnership will be forged to identify and create synergies with this project with a view to expand technical support, multiply good practices and reach out large number of youth in different geographical regions of the country. The mid-term evaluation of the EMPOWER project indicates: "The challenges facing South Sudanese youth are still present and the EMPOWER project is addressing them in an appropriate manner. The project is even more relevant at the time of writing than when it was designed because the political situation is improving.

The hereby proposed project for job creation and trade development will scale up the EU's efforts in supporting activities that give the South Sudanese youth and women prospects for jobs and that enhances the South Sudanese economy to diversity. This is all the more important in light of the current threat of the Coronavirus that poses a concrete obstacles to most jobs, due to the government-imposed lockdown and movement limitations, which need to be taken into account.

The programme is also complementary to the EU's project feeder roads to strengthen the livelihoods and resilience of rural communities (16 000 000 EUR financed through the EUTF). The latter project aims at improving the feeder road networks and infrastructure in rural areas with agricultural potential (Northern and Western Bahr El Ghazal - BEG) and as a driver of social and economic development. Enhanced connectivity generates multiplier effects that trigger increase in private sector presence and access to markets, thereby spurring smallholders to produce and to sell. The existing poor infrastructure, mainly as a result of decades of war and under investment, has been identified as the most binding constraint for economic diversification and inclusive private sector-led growth and productive employment. Therefore, the EU feeder roads project targets interventions that connect rural communities with markets and services, improve decent employment opportunities for youth, women, and other target groups.

The hereby **proposed project for job creation and trade development,** amongst others through the development of value chains, **builds upon the EU's prior and ongoing support in the field of connecting infrastructure.**

The programme will build on and replicate good practices and results gained in the implementation of previous similar projects, such as the UN Joint Programme on creating opportunities for youth employment in South Sudan (2010-2012), financed under the MDG Achievement Fund as well as the South Sudan Livelihoods Development Project (SSLDP)

(2008-2015) financed through the contributions of the International Fund for Agricultural Development, the Government of the Netherlands and the Government of South Sudan.

In November 2018, the United Nations Development Fund (UNDP) in collaboration with the Netherlands launched a youth employment and empowerment across South Sudan project with a total of USD 9.4 million for implementation until December 2022. The UNDP project focusses on enhancing vocational, technical and soft skills, and an entrepreneurship culture for South Sudanese youth to improve employment opportunities and their participation in market-linked economic activities. In this regard, it intends at increasing the productivity of business and labour- focused local institutions.

UNDP in collaboration with the Ministry of Trade, Industry and East African Affairs (MTIEACA) is implementing an institutional capacity-building project aimed at enhancing capacities of South Sudan to formulate and implement trade related policies and integration. Launched in October 2018, the project runs for a period of three years. Specifically, the project aims to build human resource capacities, update the Diagnostic Trade Integrated Study (DTIS) for South Sudan, and facilitate the mainstreaming of South Sudan's trade actions, as well as provide a public private dialogue platform to facilitate trade and related matters.

Concerning the Humanitarian Development Peace nexus, this intervention will explore likely added values and benefit from complementarity/synergies between on-going emergency and peace interventions of supported by European Union or other donors present in South Sudan.

2.5 Donor coordination

To enhance the visibility, efficiency, effectiveness and synergy under the programme, but also to avoid duplication, some of the existing donor coordination mechanism will be used. In this regard, identification and mapping of potential and actual development partners and existing coordination mechanisms will be undertaken. The Programme Steering Committee that will be established during the inception phase will be an important platform through which donor coordination will be undertaken at the technical level. Existing donor platforms, such as the Agriculture and Livelihoods Donor Working Group co-chaired by JICA and EU, will also be used to interact, discuss and convey developments in the programme and promote programme results and opportunities for scaling up intervention and resources as appropriate.

3. DETAILED DESCRIPTION

3.1. Objectives and expected outputs

The **overall objective** of this action is to improve the livelihoods of the targeted populations (with a special focus on youth and women) through jobs creation, better employment opportunities and income.

The **Specific Objective** are:

- 1. to develop the sector and enterprise competitiveness along selected value chains to improve the competitiveness of micro, small and medium- sized enterprises;
- 2. to improve capacity, employability and entrepreneurial opportunities for South Sudanese labour force, focusing on youth and women;

The **expected outputs** are listed below.

OUTPUT 1. INCREASED SECTOR AND ENTERPRISE COMPETITIVENESS ALONG SELECTED VALUE CHAINS

Under this result area, efforts will be geared toward improving competitiveness of the selected agricultural products (gum Arabic, honey, shea butter, fruits and vegetables, and hides and skins) and of related micro, small and medium sized enterprises (MSMEs) engaged therein. The interventions of the project in terms of increasing sector and enterprise competitiveness aim at delivering a number of sub-results including:

OUTPUT1.1 MSME Competitiveness assessment and sector specific strategies and action plans developed for targeted products

Identifying the status and potential of competitiveness of MSMEs is critical to define appropriate solutions to the challenges and constraints MSMEs face in the business ecosystem. An assessment of MSME competitiveness at the initial stage of the project's implementation will help identify key constraints that hamper MSME performance and opportunities for MSME development. Participatory consultative approaches will be deployed to engage with public and private sector stakeholders in order to design sector specific roadmaps. The sector strategies will provide specific, market-based solutions to South Sudan's competitiveness constraints in the identified product sectors. The strategies assist the Government and private sector in building coordinated responses to economic and competitiveness opportunities. The process of formulating the strategies will involve broad participation of direct target groups including enterprises (particularly MSMEs), youth and women organizations, technical and vocational education training institutions (TVET), business services providers, trade support institutions and policy makers.

Output 1.2 Improved productive capacities and compliance to standards for MSMEs engaged in targeted product sectors

The capacities and needs of MSMEs engaged in the selected product sectors will be assessed. Key activities are intended to substantively address issues related to production capacity and processes, business management capacities, technology transfer and adoption as well as investment in the selected product sectors.

Output 1.3 Increased market linkages for MSMEs in the targeted product sectors

The project will implement activities, in particular for fruit and vegetables products that help creating market linkages and expand business for MSMEs. The main interventions will include the identification of markets, creation of business relationship, building marketing skills and enabling access to up-to-date market information by MSMEs for improved market and business decision-making. The specific activities are elaborated below.

OUTPUT2. IMPROVED CAPACITY, EMPLOYABILITY AND ENTREPRENEURSHIP OPPORTUNITIES FOR SOUTH SUDANESE LABOUR FORCE, FOCUSSING ON YOUTH AND WOMEN

This result area particularly aims to ensure the participation of the South Sudanese youth and women in economic activities and jobs that will be created in the various target sectors under Result area 1 by enhancing their vocational, technical and entrepreneurship skills, knowledge and capacities. Accordingly, youth and women focussed capacity building training and coaching programmes will be designed in alignment with ongoing technical and vocational

education and training initiatives run by the Government as well as supported by projects of different development partners. The chosen TVET sectors will avoid occupational segregation by gender to open the opportunity for women to have access to diverse career paths. Learning and development tools will be deployed to deliver specific and tailored training courses in entrepreneurship and business management to young people and women targeted under the value chains selected for development. Capacity building interventions will be offered using a variety of methods and means that ensure ease of accessibility of the lessons to the target audience, including for young people with disabilities and by ensuring a gender-sensitive learning environment. Practical coaching and mentoring programmes will also be designed to instil learning by practice.

3.2. Main activities

The activities listed below are wide-ranging and indicative. They will be redefined and scaled down further during the inception period. This approach will ensure that activities contributing most to the attainment of the set objectives are given priority. A cost efficiency approach in selecting the activities and their overall weight in the mix will also be applied.

3.2.1. Activities under Output 1

Activities under Output 1.1

- Conduct competitiveness assessment for MSMEs engaged in the target product sectors, in particular in fruit and vegetables products. SME Competitiveness Benchmarking will be used to assess the international competitiveness of enterprises in South Sudan. The tool will identify major constraints of firms at national level that need to be addressed in order to ensure SME's success in export markets, increase the Country's trade competitiveness and growth of the gross domestic product.
- Develop sector specific strategies and plan of action for target product sectors

Sector specific strategies will be designed to assist stakeholders along the value chains of the target products to engage actively in assessing business opportunities to identify skill gaps and reinforce relevant education and training institutions. The strategies will provide specific, market-based solutions to the constraints South Sudan's competitiveness. Based on the strategies, a five-year detailed action plan will be developed setting out activities that address identified constraints to export development and competitiveness and opportunities. The Plan of Action will provide the Government of South Sudan and the private sector with the specific clear objectives, highlighting activities required to achieve them, identifying organizations responsible for implementing the actions in a given timeframe, and recommending allocation of resources for the implementation of the sector strategies.

Activities under Output 1.2

• Improve production and processing methods for MSMEs

Through the provision of technical and equipment support to micro, small and medium-sized enterprises and small-scale growers, and strengthening extension services, production and processing techniques will be upgraded for producers or enterprises engaged in the production or processing of selected commodities. Depending on the choice of target products, efforts will be made to ensure good practices on production and harvesting techniques will be identified and deployed. Adequate equipment will be identified and provided to increase

production and harvest of the target commodity. Processing centres will be established to improve value addition and efficient processing techniques and quality control systems will be developed to improve agricultural processing. In addition, efforts will be made to support the establishment or adoption of standard grading and certification systems, and appropriate technologies will be introduced to aid value addition in the target product sectors. Skills enhancing trainings and coaching will be provided to ensure the effective application of the new techniques of production, processing and equipment to be deployed through the project. Specifically, trainings focusing on improved production or harvesting techniques and processing of selected products will be provided.

• Improve post-harvest handling practices for the target value chains

The project will provide support to develop better methods and facilities for cleaning, sorting, packing and storing products, and to improve quality control systems and environmental management. Climate resilient and good agricultural practices will be introduced to reduce postharvest wastage. Targeted trainings will be provided to enhance capacities of producers/MSMEs in post-harvest practices, and collaboration will be fostered between value chain actors to share experience and transfer knowhow in post-harvest practices. Also, support will be provided to improve packaging along the value chains and to establish suitable storage facilities for the various products.

• Improve MSMEs' business management capacities

Training courses will be designed and offered to enhance the business management capabilities of producers, processers and leaders of cooperatives of the value chains under consideration. The training will focus on small business management fundamentals covering different thematic areas, including management of human resources, financial management, resources planning, acquiring and management (such equipment, infrastructure, facilities and technology).

• Support the formation or strengthening of producer cooperatives

To improve production and supply capacities within the target value chains of the project and thereby enable MSMEs or producers to obtain higher returns, relevant sector cooperatives will be identified and strengthened while support will be provided to establish new ones as the case may be. Target cooperatives will be capacitated to enable them offer hands on training, resources and technical support to their members. Depending on the feasibility of the circumstances, selected cooperatives will also be organised to facilitate access to processing, packaging and storage facilities to their members as well as non-member producers or MSMEs.

Sensitize enterprises on quality and food safety issues related business opportunities

The implementing partner will provide technical assistance and develops cost sharing schemes for MSMEs to access resources for implementing international standards and reach third-party certification. Cooperation is fostered with the national standards body and the technical regulatory bodies in the area of standards, quality, SPS measures and consumer protection and safety. The implementing partner will prepare together with business support organisations and the South Sudan National Bureau of Standards (SSNBS) sensitization campaigns and materials informing of market opportunities and requirements for exports related food safety and quality. To reach youth entrepreneurs also in the rural areas, part of

the dissemination can be done through the business hubs and youth centres run by the local youth organisations and youth councils.

• Create and train networks of certified advisers in food safety related issues

The implementing partner will build a network of quality and food safety advisors who can assist MSMEs in quality compliance and ensures viable business model for them. Trainers cum Counsellors (TcCs) will be trained and a viable business model for their services will be ensured. The pool of trainers, if available, in the country will be used and international experts will be brought in the country to support the trainers. The trainings are conducted parallel with the training and coaching programme for the MSMEs.

• Build capacities for MSMEs to comply with food safety requirements

This activity builds the capacity of MSMEs in the different sectors targeted by the project to comply with pre-requisites programmes and other quality-related market requirements, standards, technical regulations and SPS measures through quality compliance methodology (e.g. Good Agricultural Practices, Good Hygienic Practices, Good Manufacturing Practices, HACCP, ISO 22000). A yearly HACCP compliance and related other programmes will be organised to enable MSMEs to comply with international quality standards. As appropriate, the project will also support the process and certification cost of targeted enterprises.

Activities under Ouput 1.3

• Identify and develop market opportunities for target products of the project

Efforts will be made to identify and assess potential domestic, regional and global markets for the products targeted by the project, in particular for the fruits and vegetables products. This will involve the assessment of domestic, regional and international demands for the products along with supply and competitor analysis, identifying existing players in the market that compete with South Sudan. Market entry strategies will be developed to facilitate the linkage of MSMEs with market players both domestically and globally.

• Conduct business matchmaking for target MSMEs

Using business matchmaking, MSMEs will be connected with local traders and large firms and international buyers provided they are compliant with international human rights standards. To this effect, buyer-seller meetings, trade fairs and exhibitions as well as inward trade missions will be organised to promote MSMEs and increased business networking between buyers and suppliers. Contractual arrangements, including out-grower relationships, will be facilitated to enable MSMEs sell their products to large and established firms or hotels and restaurants as appropriate. Support will be provided to the South Sudan Chamber of Commerce, Industry & Agriculture (SSCCIA) to enable the Chamber to provide market linkage services.

• Train MSMEs in market identification, negotiation and marketing

Training will be provided to enhance the market and buyer identification, marketing approach and business negotiation skills of relevant candidates from target MSMEs. Awareness creation events will be organised to expose MSMEs to market opportunities, challenges, buyer requirements and terms of business.

• Establish linkages with market information systems

The action will promote the use of data from existing market information systems ¹². Information relevant to the project activities will be researched under existing systems and if necessary complemented.

3.2.2. Activities under Output 2

• Develop and provide training on business management and entrepreneurship

To provide better employment and self-employment opportunities for the youth and women in the target value chains of the project, training programmes on business management, entrepreneurship, and soft skills development will be developed and implemented.

• Provide mentorship and incubation facilities for entrepreneurship

The project aims at building entrepreneurship capacities of young people and women engaged in the value chains under consideration. Under this activity, entrepreneurship boost camps, business planning and innovation clinics, as well as incubation and mentorships will be organised for potential young and women entrepreneurs, ensuring an accessible to all and gender-sensitive learning environment. Technical assistance to entrepreneurs includes preparation of business plans and bankable proposals, and coaching and mentoring on access to finance. Efforts will be made to create entrepreneurship opportunities in agricultural services such as logistics, sorting, harvesting and develop rural agricultural incubation facilities.

• Implement schemes to facilitate access to finance for youth entrepreneurs and youthowned businesses

Existing financial services for youth and women-owned businesses will be mapped and the scope for improved opportunities will be analysed. Innovative financing mechanisms will be created to complement existing services. An assessment will be made to explore the use of crowdfunding, matching grant schemes and microloans. The project will focus on leveraging existing mechanisms that help youth and women access finance including credit lines and credit guarantee schemes and different forms of collaterals of young and women entrepreneurs. The activity will also focus on providing financial sensitization and education for youth and women (e.g. setting up budgets, managing personal and commercial accounts and loans). Support to financial institutions will be provided to improve the offering of services and products for entrepreneurs.

3.2.4. Target groups and final beneficiaries

Different government and private sector stakeholders will be identified as target groups to collaborate on implementation as well as benefit from the project.

The immediate target groups for the project will be:

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¹² For example: South Sudan Joint Market Monitoring Initiative (JMMI) - https://reliefweb.int/report/south-sudan/south-sudan-joint-market-monitoring-initiative-jmmi-1-7-november-2019

• Micro, small and medium sized enterprises

The project will support micro, small and medium sized enterprises that operate businesses in product subsectors, in particular for the fruit and vegetables sector that will be selected for the project. A survey of these enterprises will be undertaken at the early stages of the project in order to identify relevant enterprises that would receive support under the project. Enterprises in both rural and urban areas will be benefiting from the project's intervention. Large enterprises will also be strategically targeted through the project to create collaboration and facilitate various opportunities such as on-the-job learning for the youth, and market linkages for MSMEs. Relevant large enterprises will also be engaged as market providers for value chain services, offtakers for the products of the smallholder farmers, service providers and developers of new ideas and concepts.

The selection of the enterprises involved will ensure private sector partners fully respect human rights, particularly by not being complicit in human rights abuses, including forced and child labor, are non-discriminatory and promote decent job conditions.

South Sudanese youth and women population (both rural and urban) for whom jobs,
 employment and entrepreneurship opportunities will be created

The project targets the South Sudanese labour force focusing on youth and women as final beneficiaries. In particular, youth between 15 and 34 years of age will be primary beneficiaries. Specific criteria will be developed during the inception phase to more concretely determine the size, demography and location of the target youth and women that will be supported under the project.

In that context particular attention shall be put on protection of women against Sexual and Gender Based Violence (see point 3.4).

In general, during the inception phase, a conflict sensitivity assessment will be undertaken to select the targeted final beneficiaries across different ethnic groups.

3.3. Risks and assumptions

Risk	Level Of Risk	Mitigating Measures
Possibility of renewed conflict, political instability, and insecurity may hamper access to project sites and target groups.	High	 Efforts will be made throughout the life cycle of the project (design to implementation) to ensure that project interventions contribute to the amelioration of sources of conflict. In particular, vulnerable youth groups will be targeted as primary beneficiaries of the project. The project management follows closely the political situation in the country and maintains close relationships with the local government and ministries to monitor and

		take quick mitigative actions.
The vulnerability of the targeted agricultural products to climate change, including floods and drought may affect production.	High	 Efforts will be made to create partnership with the meteorological and relevant agricultural institutions to ensure an early warning system using geographic information helps predicting incidences of floods and droughts to projects' related activities before they happen, and to take appropriate measures beforehand. Collaborative partnerships will be forged with different stakeholders and government ministries to ensure enhanced water storage in project regions that may be prone to draught.
Crop diseases, locust invasion, or pests	High	The project will build capacities and measures to ensure good agricultural practices aimed at monitoring and preventing crop diseases and pests.
Public health emergencies, such as the Ebola epidemic and the Coronavirus disease (COVID-19) pandemic	High	 These risks are not peculiar to the project as such, but have far-reaching implications, causing public health emergencies leading to national, regional and global crisis. The ongoing COVID-19 pandemic is a vivid example of the extent of the risks not only to the project but also to global activities. Although these risks are not directly controllable by the project, appropriate monitoring mechanisms will be put in place to track and compile information of public health risks and emergencies to enable the development and deployment of mitigative actions at the project level, including business continuity plans that will guide and enable critical activities at times of such public health emergencies.
Resistance to gender responsive activities with public institutions and private sector, and lack of shared gender data and information	Medium	■ The project will contribute to support both public institutions and private sector in considering the specific needs and interests of women in the implementation of activities and in the gathering and analysis

		of data.
Limited project management and implementation capacities of government and support institutions may delay delivery of the project	Medium	 The implementing partner will establish a field project office which will be instrumental not only for closer follow up and management of the project but also in transferring knowledge and experience and instilling project management culture and excellence. The project will integrate initiatives aimed at building programme and project management, monitoring and reporting capacities for relevant institutions to ensure the smooth implementation of the project.

Assumptions

- Government partners and private sector stakeholders remain committed and support project implementation and sustainability with effective participation in accordance to the set timeline
- Government's commitment to the development of the agricultural sector and youth empowerment remains at high level.

3.4. Mainstreaming

The programme will directly or indirectly address three cross cutting issues, namely poverty, human rights, gender and environment.

Poverty

According to the Global Multidimensional Poverty Index 201958, 91.9% of the South Sudanese population are multidimensionality poor. The vast majority of the population lives under the international poverty line of less than 2 dollars per day. This is the result of long years of conflict and economic crisis. According to the reports of UNHCR and OCHA, about 7 million people, representing more than 50 % of the population, are presently severely food insecure. As the large proportion of the population lives in rural areas, poverty is primarily rural in the country, characterized by a general lack of economic opportunities and access to basic services. This programme will contribute to improve the livelihoods of young people and women to access economic opportunities through improved employability and entrepreneurship opportunities for self-employment. This is expected to improve incomes of households and individuals and thereby contribute to poverty reduction.

Human rights

Human rights, resilience and conflict sensitivity are at the core of the action as the key response to current political and economic challenges in South Sudan. Human rights issues are mainstreamed throughout by dedicating a special attention to women, to vulnerable communities and youth' participation. The identification of activities will be designed to address opportunities for people including from rural and more remote areas. Accessibility of

the activities, including trainings and entrepreneurial support, will be ensured to all including persons with disabilities.

Also, in the articulation with the private sector, the action will support businesses in ensuring their full respect for human rights, including by not being complicit in human rights abuses, forced and child labor, and to contribute to the elimination of discrimination in respect of employment and occupation¹³.

Gender

During the conflict where men have been involved in the armed forces, women in the country have been producing food, managing households and feeding the soldiers. However, the gender disparity in South Sudan has been high. There is high gap in access to education between the male and female. According to UNDP Gender Development Index, South Sudan is part of tier 5, among the countries with the highest gender disparity. According to UNESCO, female literacy rate is 19.2% compared to the male literacy rate of 34.8%. The support of women under this programme is inherent. The programme will provide opportunities to both young girls and women to improve their skills through vocational and technical training and better position their status in the community in terms of their access to economic opportunities, education and employment. The implementing partner will be requested to collect and present sex-disaggregated data of the action target groups where possible.

This action will take into consideration the Sexual and Gender Based Violence in South Sudan (that is among the highest in the world) while planning and implementing activities.

Given the specific focus on women within this action, a gender protection component will be mainstreamed throughout the activities, and especially in case of activities under Output 2.

Environment

According to the African Development Bank Country Strategy Paper, environmental degradation and volatile seasonal rainfall trends affect South Sudan and these environmental factors are causing serious losses in forest cover, biodiversity and wildlife and fertile soil resources. Droughts and floods cause up to 70% of variability in food production. This programme is not intended to directly implement environmental strategies. However, it will aim at analysing the environmental impact of all its operations and incorporate methods to enhance the awareness of target MSMEs and youth groups of the benefits of climate resilient and sustainable business practices and better know-how on their implementation. Additionally, the action might consider including sensitisation on green aspects such as local production, sustainable agricultural methods, sustainable crops, alternatives to palm oil etc.

3.5 Stakeholder analysis

The main stakeholder of the programme is the Government of South Sudan represented by various relevant Ministries, including the Ministry of Gender, Child and Social Welfare and agencies, civil society organizations representing specific groups including women, youth, and small farmers, and the private sector. The contact in the government for this programme will be the Ministry of Trade, Industry and East African Community Affairs.

In line with the UN Guiding Principles on Business and Human Rights, https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

An exhaustive list of programme stakeholders, based on a participatory stakeholder analysis and capacity gaps analysis, will be identified during the inception phase of the programme, including with a focus on groups in more vulnerable conditions.

The envisioned capacity gap analysis will assess and recommend how the action can support the capacity building of state institutions to better fulfil their mandate in a participatory, transparent and accountable way, with no discrimination. It will also assess and recommend how the action will build the capacity of youth, women, and other groups to better know, claim and exercise their human rights, including the right to a decent job and the right to an adequate living standard.

The implementing partner will collaborate with government ministries and agencies, the South Sudanese business community, policymakers, development agencies, civil society organizations representing the interests of different groups, trade and investment support institutions and as appropriate with international and regional organizations.

The range of stakeholders envisaged for partnership include: private sector companies and institutions, non-governmental organisations, financial institutions and associations, and international development partners.

Given the large portion of the population living in rural areas, most of the programme's intervention will target rural areas.

Governance structure

A Programme Steering Committee (PSC) will be created to regularly review progress, advice on future orientation and provide guidance at critical junctures. The PSC will meet officially twice a year in the Juba. The PSC is the highest management organ of the programme. It will consist of representatives of the programme participating organisations that will be composed of the Government, sector associations, private sector institutions, representatives of MSMEs, non-governmental organisations (NGOs) and civil society (including women organizations), the EU Delegation to South Sudan and implementing partner.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement, if relevant

Not applicable.

4.2. Indicative operational implementation period

The implementation period will begin from the date of signature by the last party of the first contract implementing this Action, or from the earliest starting date of implementation period at contract level in case of retroactive financing, whichever occurs first, and will last until the 31/12/2025.

This operational implementation period will be followed by a liquidation period of 18 months which will end on the 30/06/2027.

4.3. Implementation modalities

This action will be implemented in indirect management with pillar assessed entities which will be selected by using the following selection criteria:

a. technical competence in the sector and leverage for policy dialogue, including

technical expertise in business support services, small and medium enterprises (SME) development, trade education and/or training, human rights and gender;

- b. administrative capability and the experience to implement this type of intervention due to their mandate and expertise;
- c. extensive network of national and international partners, which can be drawn on;
- d. demonstrated capacity to coordinate with various stakeholders.

The implementation by these entities entails the design, monitoring and implementation (directly or through implementing partners) of actions to achieve the results mentioned under 3.2.

In case of exceptional circumstances which will render impossible the implementation of all or part of the action in indirect management, the action will be fully or partially implemented in direct management through the procurement of services or the award of grants according to established EC rules and procedures.

All actions financed under the EU Trust Fund for Africa are covered by a crisis declaration allowing for the application of flexible procedures.

Moreover, following the renewal of the declaration of crises situation in South Sudan, the application of flexible procedures in South Sudan remains possible. Event to be reported 20.b (Use of direct award for grants without call for proposals "for the purpose of humanitarian aid and civil protection operations, emergency assistance (EDF) or crisis situation (following declaration of crisis situation by the DG)" along with event to be reported 21 (full financing of grant contract) are applicable; as well as 25a2) (services: negotiated procedure instead of call for tenders, "emergency assistance or crisis situation following declaration of crisis situation by DG) as per section 8.5.1 of the DEVCO Companion.

4.4. Indicative budget

Component	Amount EUR	
Overall Objective: to improve the livelihoods of the targeted populations (with a special focus on youth and women) through jobs creation, better employment opportunities and income.	4 825 000	
Communication and visibility (direct management)	25 000	
Monitoring, evaluation and audit (direct management)	150 000	
Total	5 000 000	

4.5. Monitoring and reporting

The implementing partner must establish a permanent internal, technical and financial monitoring system for the action and prepare regular progress reports and final reports. In particular, all monitoring and reporting shall assess how the action is improving the human rights of the people it is targeting, as well as how the action is contributing to gender equality and women's empowerment, for which SDGs and GAP II indicators will be privileged. It will also ensure the meaningful participation of relevant stakeholders, including the targeted groups (right-holders) and respective civil society representatives.

In the initial phase, the indicative logical framework agreed in contract and / or the agreement signed with the implementing partner must be complemented by benchmarks and targets for each indicator. Progress reports provided by the implementing partner should contain the most recent version of the logical framework agreed by the parties and showing the current values for each indicator. The final report should complete the logical framework with reference points and final values for each indicator.

The final report, financial and descriptive, will cover the entire period of the implementation of the action.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The implementing partner(s) will report on a number of common EUTF indicators of the selected results for this Action (see list in English/French published on the EUTF¹⁴ web site).

Project Implementing Partners will be required to provide regular data, including the evolution of the actual values of the indicators (at least every three months) to the contracting authority, in a format which is to be indicated during the contract negotiation phase. The evolution of the indicators will be accessible to the public through the EUTF website and the Akvo RSR platform (https://eutf.akvoapp.org/en/projects/).

4.6. Evaluation and audit

If necessary, ad hoc audits or expenditure verification assignments could be contracted by the European Commission for one or several contracts or agreements.

Audits and expenditure verification assignments will be carried out in conformity with the risk analysis in the frame of the yearly Audit Plan exercise conducted by the European Commission. The amount allocated for external evaluation and audit purposes should be shown in EUR. Evaluation and audit assignments will be implemented through service contracts, making use of one of the Commission's dedicated framework contracts or alternatively through the competitive negotiated procedure or the single tender procedure. During evaluations attention will be given to the human rights and gender equality issues (effects and impacts).

4.7. Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, which will be developed early in the implementation. The measures are implemented by the Commission, the partner country, the contractors, the beneficiaries and / or the entities responsible in terms of legal obligations regarding communication and visibility. Appropriate contractual obligations will be included in the financing agreement, purchase and grant agreements and delegation agreements.

Communication and visibility requirements for the European Union are used to establish the communication and visibility plan for the action and the relevant contractual obligations.

FR: https://ec.europa.eu/trustfundforafrica/sites/euetfa/files/eutf_results_indicators_41_fr.pdf

 $^{^{14}\,}EN: \underline{https://ec.europa.eu/trustfundforafrica/sites/euetfa/files/\underline{eutf_results_indicators_41.pdf}}$

List of acronyms

AfDB African Development Bank

ASPF Agriculture Sector Policy Framework

BSO Business Support Organisation

CAMP Comprehensive Agriculture Master Plan

DTIS Diagnostic Trade Integration Study
EIF Enhanced Integrated Framework

EU European Union
FIs Financial Institutions

FMC Financial Management Counsellor

GDP Gross Domestic Product

HACCP Hazard Analysis and Critical Control Point ICT Information and Communication Technology

IDP Internally Displace Person

ILO International Labour OrganisationLLDC Landlocked Least Developed CountryLPCU Local Project Coordination Unit

MSME Micro, Small and Medium Sized Enterprise

MTIEACA Ministry of Trade, Industry and East African Community

Affairs

NAF National Advisory Forum

NDS National Development Strategy NGO Non-governmental Organisation

PCU Project Coordination Unit
PMU Project Management Unit
PSC Project Steering Committee

SME Small and Medium sized Enterprise SPS Sanitary and Phytosanitary Measures

SSDP South Sudan Development Plan

SSNBS South Sudan National Bureau of Standards
TISIs Trade and Investment Support Institutions
TVET Technical Vocational Education and Training

UN United Nations

UNDP United National Development Programme

UNHCR United Nations High Commissioner for Refugees
VOSDO Vocational Skills Development Organisation

VOSDO VOCALIONAL SKINS DEVElopment Organisa

WFP World Food Programme

Annex: Indicative Logical Framework Matrix

Additional note: The term "results" refers to the outputs, outcome(s) and impact of the Action (OECD DAC definition).

Results	Project Indicators	Baseline	Targets	Sources of verification	Assumptions
Impact: To improve the livelihoods of the targeted populations (with a special focus on youth and women) through jobs creation, better employment opportunities and income.	 Increases in average household and/or individual income of people (youth and women) employed in the target product sectors of the project (data disaggregated by sex and age) Number and percentage of target people with improved real income as a result of the project (disaggregated by sex and age) Employment to population ratio (EPR) by gender and age group (15-64) (SDG 8.5) in the areas targeted 	TBD on the basis of baseline survey	TBD	Survey reports on the livelihood status of target beneficiaries (reports from relevant government ministries and agencies involved in the project) Implementing partner own project results' monitoring survey	The Government will ensure the implementation of a comprehensive set of actions for conflict prevention, protection of citizens and maintain stability and security. The signed Revitalized Peace Agreement will continue hold and its implementation will solidify peace in the
Outcome: To develop the sector and enterprise competitiveness along selected value chains to improve the competitiveness of micro, small and medium- sized enterprises; and improve the capacity, employability and entrepreneurial opportunities for South Sudanese labour force (with a focus on youth and women).	 Increases in the volume and value of trade in the target product sectors of the project Number of newly employed people (youth and women), including self-employment, in the target product sectors of the project (disaggregated by sex and age) Number of new entrepreneurs (youth and women) engaged in the target product sectors of the project (disaggregated by sex and age) Number of MSMEs that reported increased international transactions 	TBD on the basis of baseline survey	TBD	Data records and reports produced by relevant government ministries and agencies involved in the project Survey reports on employment opportunities created in the product and service sectors targeted by the project Implementing partner own project results' monitoring survey	Government partners and private sector stakeholders remain committed and support project implementation and sustainability with effective participation in accordance to the set timeline

Output1. Increased capacity of MSMEs along selected value chains Output1.1 MSME Competitiveness assessment and sector specific strategies and action plans developed for targeted products Output 1.2 Improved productive capacities and compliance to standards for MSMEs engaged in targeted product sectors Output 1.3 Increased market linkages for MSMEs in the targeted product sectors	 Number of MSMEs that reported improved business practices and performance (production, sales, and networks) Increases in output capacity per year of MSMEs engaged in the target product sectors of the project Number of MSMEs with improved compliance to market requirements and/or certified in quality and related programmes 	TBD on the basis of baseline survey	TBD	Project activity and progress reports Implementing partner own project results' monitoring survey National annual Wildlife and Tourism Reports of South Sudan	Government's commitment to the development of the agricultural sector and youth empowerment remains at high level. Absence/insignificant occurrence of negative external factors (such as floods, drought, unfavourable climate variability, disease and
Output 2. Improved employability and entrepreneurship capacity for South Sudanese labour force, focussing on youth and women	 Number of youth and women with improved business management skills Number of youth and women that establish their own business as a result of the project Number of youth and women benefiting from entrepreneurship and business advisory services and support 	TBD on the basis of baseline survey	TBD	Project activity and progress reports Implementing partner own project results' monitoring survey Results of skills testing after training, coaching and incubation of target trainees.	pests, public health emergencies, etc.) that may have major repercussion on socio- economic development.