

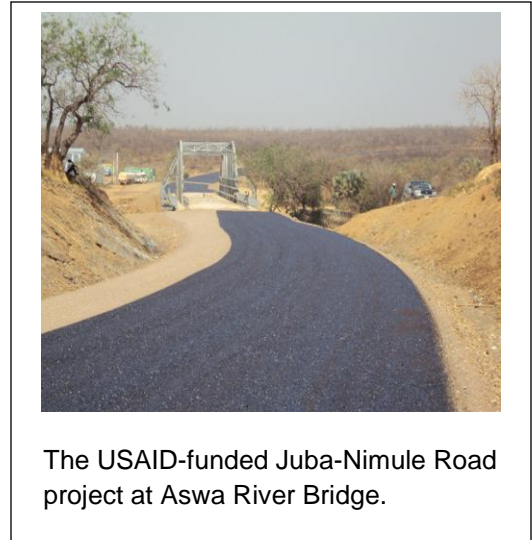


ECONOMIC GROWTH

OVERVIEW

The people of South Sudan are among the world's poorest, with more than half the population living on less than one dollar per day. While South Sudan has abundant natural resources, it is heavily dependent on oil extraction, which provides 98 percent of government revenue.

Agricultural development is seen as the engine that will not only diversify the economy, but also reduce poverty and food insecurity. Nearly 87 percent of the population depends on agriculture, livestock, or forestry for their livelihood. Yet the sector provides less than 30 percent of gross domestic product and the incidence of poverty in rural areas is double that of urban areas, while large fertile areas remain untouched. Furthermore, food imports are the mainstay of South Sudan's urban markets, as opposed to locally produced foodstuffs, which are often too expensive for many due to high transport costs caused by an acute lack of infrastructure throughout South Sudan.



The USAID-funded Juba-Nimule Road project at Aswa River Bridge.

USAID is taking a holistic approach to spurring agricultural development, improving inputs for farmers (seeds and fertilizer), strengthening market linkages, improving the conditions that promote private sector investment, and improving infrastructure to facilitate trade.

STRATEGY

USAID supports sustained and inclusive agriculture-led growth to improve economic opportunities in South Sudan. Increasing household productivity, linking communities to markets, and building strategic partnerships will better enable South Sudanese to capture market opportunities, and thereby raise household incomes and reduce poverty. USAID works with core government institutions on policies and systems to improve agricultural productivity and investment. Investments in infrastructure, such as feeder roads, are expanding economic activity.

INVESTMENTS

INCREASING HOUSEHOLD AGRICULTURAL PRODUCTIVITY, IMPROVING RESILIENCY

- **Food, Agribusiness, and Rural Markets (FARM):** USAID assists the Government of the Republic of South Sudan in achieving its agricultural development and food security goals by improving agricultural productivity and strengthening the capacity of the private and public sectors to support market-led agriculture. Improved competitiveness of selected value chains will facilitate further transformation of the agriculture sector and lead to higher rural incomes, improved food security, and better economic opportunities for the poor.
- **Seeds for Development:** The development of a commercial agriculture sector, including a domestic seed industry, is critical. Technical assistance will develop capacity in research and marketing of seeds that are highly adapted to domestic agro-climatic conditions. The program will also develop market linkages across the agricultural value chain in order to create a more commercially oriented agriculture sector. This will include: demonstration farms; a voucher program for commercial agriculture; development of agribusiness clusters and market linkages; and facilitation of private and public investments.

- **Rebuilding of Higher Education in Agriculture to Support Food Security, Economic Growth, and Peace Efforts in Post-Conflict South Sudan:** USAID is supporting several partnerships between South Sudan universities and their counterparts in the United States. This includes a collaborative effort between the University of Juba, the Catholic University of Sudan, and Virginia Tech; and between John Garang Memorial University of Science and Technology and Texas A&M University. The partnership promotes food security, sustainable economic growth, human capital development, and lasting peace in South Sudan. The objective is to strengthen higher education in teaching, research, and outreach in agriculture and natural resource management by building on the expertise and experience of partner institutions.

DEVELOPING AGRICULTURAL MARKETS

To secure a foundation for sustainable agricultural development, small-scale farmers and businesses will need to identify and capture market opportunities. This entails expanded business capacities at both the household and firm level, such as understanding how to meet market standards and demand, forming functional businesses units, and building relationships with input suppliers, processors, consolidators, and wholesalers. Lack of infrastructure also remains a significant constraint to market development in South Sudan.

INFRASTRUCTURE TO FACILITATE AGRICULTURAL TRADE

USAID is rehabilitating hundreds of kilometers of roads and building bridges across South Sudan, including the major transport route from Juba to Nimule, the Ugandan border crossing, and a major trade corridor in the country's southwestern "breadbasket." By May 2011, eight permanent bridges were completed along the Juba-Nimule road, and the entire road was all-weather accessible. This will be South Sudan's only paved road outside urban areas, and it is expected to facilitate economic development by significantly reducing transport costs. A USAID program is also training staff at the Ministry of Roads and Bridges, assisted in the formation of the South Sudan Roads Authority, and is now helping to operationalize the Roads Authority. In tandem with construction, USAID is implementing a road safety program to educate road users. In the coming years, USAID expects to fund the improvement of feeder roads linked to agricultural development objectives and other strategic small-scale infrastructure projects.

POLICIES AND TRAINING

To increase household production and enable agribusiness development, national and state-level policies will need to be developed and implemented in a manner that catalyzes economic development while protecting the environment and natural resources. USAID is supporting these efforts.

- **Land Security:** Insecurity of land tenure is a major impediment to investment and economic growth. South Sudan's first comprehensive land policy, drafted with USAID assistance, awaits Government of the Republic of South Sudan review and, if enacted, will be implemented with USAID assistance. Meanwhile, USAID is assisting local government authorities in Jonglei, Western Equatoria, and Central Equatoria states to address critical land policy issues affecting selected counties within their states.
- **Wildlife Conservation:** USAID investments in protected areas and wildlife conservation support natural resource and conflict mitigation objectives. This program is targeted to ensure sustainable management of livestock while protecting wildlife. Rural communities and groups, especially young pastoralist men, susceptible to involvement in unrest, stand to benefit most. The program's engagement with communities and government is helping to improve land use planning and zoning processing. This interaction also assists in identifying potential flashpoints for conflict, including disputes over grazing areas or land encroachment.