



EBONY POLICY NOTE: 2021-2

February 5, 2021

## Fostering Rural Development Through Community Development Foundations<sup>1</sup>

An earlier Ebony Policy Note drew attention to the absence of governmental attention to thousands of rural villages, and millions of rural residents (Ebony Policy Note 2021-1). Creation of **Regional Growth Nodes** offers an important first step. But more is required.

The government of South Sudan should create a mechanism and a process for addressing severe deficiencies in rural livelihoods. The **Community Development Foundation<sup>2</sup>** (CDF) is a promising innovation in that regard. The purpose of a CDF is to create an arena of purposeful trust between scattered citizens and the central government. This realm of trust is a necessary condition for creating a financial bargain with local communities who need the assistance of the central government in providing essential services within the overall framework of a social contract. It was the unwritten social contract between the SPLM/A and citizens of the marginalized areas of Sudan – Abyei, Funj, Nuba Mountains, and Southern Sudan – that gave birth to the Republic of South Sudan. The strategic objective of the liberation struggle was the establishment of a “New Sudan” in which authority is anchored on good governance underpinned by resilient institutions in pursuit of sustainable peace, economic growth, and poverty eradication.

### How Would it Work?

When members of a local community—village (boma) or payam—recognize the need for specific public services, they would first organize to create a legal entity to manage that process. This would be the Community Development Foundation—a voluntary organization created to bring about development initiatives. The Foundation would be governed by an elected **Board of Directors** of 8-12 individuals—one-half of whom must be women. This Board would be the governing body of the CDF. The central purpose of the Board would be to guide the Foundation as it identifies the most urgent development initiatives as seen by residents of the jurisdiction.

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<sup>2</sup> This is different from the Constituency Development Fund (CDF) of the National Legislature

Once a set of priority development initiatives has been identified by citizens and members of the Foundation, the Board would arrange for technical and financial advice for moving forward on the desired initiatives. At this point the Foundation, with the cooperation of the national, state, and local governments, would create a special **Taxing District** as a legal entity with the capacity to levy a tax against every household in the jurisdiction to help underwrite a portion of the estimated costs of the desired development initiatives. The purpose of the assessment is to signal universal commitment within the District to the desired activities of the CDF. This assessment would then allow the Board to begin discussions and technical consultations concerning the desired set of initiatives.

The purpose of the CDF is two-fold: (1) to motivate local citizens to collaborate in the shared process of identifying much-needed services in the local jurisdiction; and (2) to instill in citizens the importance of collaboration in bringing about enhancement of their shared governance. As local deficiencies are identified and prioritized, and as proposed solutions are discussed, participants will be contributing to a definition of what they believe constitutes important development initiatives. Such initiatives might be improved domestic water supplies, improved sanitation facilities, a new school, a rehabilitated rural health clinic, a cooperative shop, or a new local meeting place.

As the Board of the CDF proceeds in its preparatory work, it may be necessary to draw on experienced facilitators and program-design experts. These skills can be found among members of the international development community currently working in the vicinity. Or, outside experts could be enlisted to help. Once the necessary meetings and discussions have produced a set of desired activities, the CDF Board would endorse the development plan, complete with cost estimates and the share of total costs that would be covered by residents of the taxing district.

Proposals from all CDFs within a specific region would be forwarded to an office of the appropriate **Regional Growth Node** where all proposals for that Region would be evaluated by a specially appointed **Regional Development Commission**. These individual regional submissions would be ranked, and a subset of the best proposals would then be forwarded to a **National Economic Development Commission** (NEDC) consisting of the: (1) Minister of Investment; (2) Minister of General Education and Instruction; (3) Minister of Health; (4) Minister of Public Service and Human Resource Development; and (5) Minister of Youth and Sports. In addition, five qualified members of civil society would serve three-year terms on the NEDC.

The National Economic Development Commission would review all proposals submitted by the Regional Development Commissions and would award financial grants to the most deserving initiatives. At this point the NEDC would enter into financial negotiations with the relevant Community Development Foundations to determine the nature and extent of financial assistance that would be made available by the NEDC. If funding from the NEDC turned out to be less than necessary, the Commission could seek financial assistance from the international donor community so as to implement the most promising initiatives.

Funds made available from the National Economic Development Commission would consist of a share of total oil revenue being placed into the NEDC's account—the **Oil Revenue Development**

**Fund.** As above, those funds would then be made available to each successful CDF project as required. **The Minister of Finance and Planning** would serve as the official **Certification Officer** to maintain quality and accountability of all income and expenditures of the CDF system.

The process is depicted in Figure 1.



**Figure 1. The Community Development Foundation**

**Why Is It Necessary?**

The government of South Sudan lacks the ability to identify high-priority needs across the vast sweep of the country. Only rural residents, faced with a daily struggle to establish plausible livelihoods, understand the problems and impediments that block their urgent aspirations.

The government also lacks the ability—the necessary organizational and institutional capacity—to synthesize and rank all of the disparate needs of the citizenry. The Community Development Foundations, in concert with the regional and national Economic Development Commissions, offer the organizational ability to carry out these essential tasks.

These issues aside, the most important component of this program is the purposeful dedication of oil revenue toward the urgent task of a post-oil economy. The most important

challenge facing the government of South Sudan concerns how to lead the country away from its perilous dependence on oil. Some of this creation of a *real economy* in South Sudan will require the concerted effort of the government in its dealings with the international development community. But a necessary corollary of that national effort is the much more complex task of rectifying years of decay and degradation of rural livelihoods throughout the country. The only way to address that serious problem is with a citizen-driven focus on pressing defects in livelihoods as they are experienced across the entire country. There is no single solution for the range of degraded livelihoods near Akobo or Raga or Tambura. Each region of the country faces its own set of pressing deficiencies. Only the Community Development Foundations and their associated system of regional and national development commissions can bring about promising futures for South Sudan's citizens.