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# **South Sudan's Capability Trap: Building a State with Disruptive Innovation**

Faculty Research Working Paper Series

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**October 2013**  
**RWP13-041**

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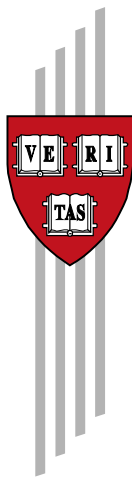
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CID Working Paper No. 268  
October 2013

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## Working Papers

Center for International Development  
at Harvard University

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## **Abstract**

The prevailing aid orthodoxy works well enough in stable environments, but is ill-equipped to navigate contexts of volatility and fragility. The orthodox approach is adept at solving straightforward technical or logistical problems (paving roads, building schools, immunizing children), but often struggles or outright fails when faced with complex, adaptive challenges (fighting corruption, upholding the rule of law, establishing democratic institutions). South Sudan, the world's newest country, presents a post-conflict environment full of complex, adaptive challenges. Prior to the signing of the Comprehensive Peace Agreement (CPA) in 2005 South Sudan had no formal institutions of self-governance. During the CPA period and after independence in 2011, foreign development agencies have contributed billions of dollars of aid and technical assistance to "build capacity" in the nascent Government of South Sudan (GoSS). The donors utilized approaches and mechanisms of support that at least nominally reflect the prevailing aid orthodoxy. We argue that orthodox state building and capacity building more or less failed in South Sudan, leaving the world's newest country mired in a "capability trap" (Andrews et al 2012). Despite countless trainings, workshops, reforms, and a large corps of foreign technical assistants embedded within state ministries, there is an absence of real change, and GoSS now "looks like a state" but performs as anything but. The challenges presented by this new, complicated, post-conflict country demand innovative approaches to building state capability which go beyond importing "best practice" solutions while feigning "client ownership." We explore one such approach to disruptive innovation that has emerged: Problem Driven Iterative Adaptation (PDIA). To escape from the world's newest capability trap, South Sudan's government and its international donors must challenge themselves to imagine innovative paths to state building, which diverge from "business as usual" and attempt to create something that lasts.

**JEL:** O2, H4, K4, L3

**Acknowledgments:** The authors thank Michael Woolcock, Matt Andrews, Ryan Sheely, and Zechariah Manyok Biar for their comments on an early draft of this paper, and Salimah Samji for her assistance on the final draft. We would like to thank all interviewees for their time and thoughtful contributions to this research as well as the Harvard Kennedy School’s Carr Center for Human Rights, Center for International Development, and Mossavar-Rahmani Center for Business & Government for their support.

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This study has been prepared within the UNU-WIDER project ‘ReCom–Foreign Aid: Research and Communication’, directed by Tony Addison and Finn Tarp.

## 1 Introduction

Everything in South Sudan is new. As the world's newest country, its national sovereignty is just two years old. The relative peace between South Sudan and its northern neighbor Sudan is eight years old; before that, the two were embroiled in bloody civil war for half a century—a conflict that between 1983 and 2005 alone claimed an estimated 2 million lives and resulted in the displacement of over 4 million. Across South Sudan, students attend newly-constructed schools where before there were none; women give birth to newborns in new rural health clinics; the youth browse outdoor markets for new mobile phones. In Juba, the new nation's capital, the new Government of South Sudan (GoSS) works in new ministry buildings, connected by new roads illuminated by new solar-powered street-lamps. Self-governance, itself, is new in South Sudan; most ministers spent the majority of their adult lives fighting in the war for independence and had no formal government experience before peace came, when they traded in their military uniforms for new business suits, and their battle plans for new public sector budgets—funded by new revenue that South Sudan now receives from its oil fields.

And yet, as the new country struggles with corruption, insecurity, and political instability, many things about South Sudan are not new, and the young country often seems to be falling into the same age-old traps that have beset countless other post-conflict, resource-rich developing countries. South Sudan's first years as a sovereign state have been marked by renewed threats of war with Sudan; a proliferation of militias along the border; humanitarian crises in Upper Nile and Unity states, where overwhelmed camps of internally-displaced people suffer from food insecurity; inter-communal violence within South Sudan, notably in Jonglei State; corruption scandals involving public officials from the highest levels of government; an economic near-meltdown when the government shut down oil production; and, most recently (August 2013), a political crisis when President Kiir fired his vice president and nearly all of his cabinet.

But everything new endures growing pains, and such failings are not for want of trying. Since the Comprehensive Peace Agreement (CPA) in 2005 ended Africa's longest-running civil war, South Sudan has experienced one of the most vigorous international efforts for post-conflict development in modern history, including billions of dollars of bilateral and multilateral aid. A large focus of this development effort was to build capacity of the nascent government; in a region with no history of self-governance and no existing formal institutions, everything needed to be built "from scratch." During the interim period between war and independence from 2005-2011, the international donor community led the charge to quickly lay the foundations of governing institutions. While data is incomplete, estimates suggest that South Sudan received approximately one billion US dollars of international assistance on an annual basis between 2006 and 2010.<sup>1</sup> Development assistance ranged from relief to development programs—with particular international investment in health and education systems, as well as infrastructure development. The US was the leading donor during the CPA period, followed by the UK and Norway—a group collectively referred to as the "Sudan Troika." Dozens of other donors joined the effort: by the time of independence in 2011, South Sudan was receiving development assistance from thirteen bilateral donors and eight multilaterals. The total aid allocations for the first year after independence totaled USD \$1.4 billion.

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<sup>1</sup> Ministry of Finance and Economic Planning (2011).

Unfortunately, despite gargantuan levels of donor aid, South Sudan today exhibits persistent and daunting lack of governance capacity. The state building effort reflects many of the common pitfalls of the “business as usual” approach to institution building in fragile states. It is no surprise that in 2013, the “Failed State Index” ranked South Sudan as the fourth worst—ahead of only Sudan, Somalia, and the DRC and behind Yemen and Afghanistan.

This paper asks a new question for the world’s newest country: Can it be a “disruptive innovator” in state building? Given that “business as usual” has failed to establish the roots of good governance thus far, might South Sudan try something different? To explore these questions, the paper utilizes a new framework called Problem Driven Iterative Adaptation (PDIA), developed by Lant Pritchett, Michael Woolcock, and Matt Andrews—building on their previous work on “capability traps” in development.<sup>2</sup> Since South Sudan is perhaps the most contemporary archetype of a country stuck in a capability trap, the paper asks whether PDIA might be a useful framework for helping the new country escape it.

The paper has five sections and a conclusion. Section two introduces the context of South Sudan and the donor-led state building effort to build government capacity. Section three employs two frameworks from the academic literature: first, Francis Fukuyama and Brian Levy’s “development sequencing,” and then Pritchett, Woolcock, and Andrews’s framework for “capability traps.” Section four evaluates South Sudan’s development experience through the lens of these two frameworks, using findings from in-country interviews with key officials from government and the development community.<sup>3</sup> Section five explains PDIA, and imagines what an innovative PDIA approach to building state capability might look like in South Sudan; the final section concludes.

## 2 Context

While South Sudan’s long road to independence is an inspirational narrative, the challenges the region faced when the CPA was signed in 2005—and still faces today as an independent nation—cannot be overstated. Recovering from Africa’s longest and most devastating civil war, and building the foundations for good governance in the world’s newest and perhaps least-developed country, will of course require many years and great effort. The leaders of this new state continue to face perhaps the world’s greatest development challenge: how to create a nation-state essentially from scratch?

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<sup>2</sup> Andrews et al (2012).

<sup>3</sup> More than forty interviews were conducted in Juba, South Sudan during July/August 2012 and January 2013 with a broad range of respondents comprising donors, consultants, technical assistants, ministers, mid-level bureaucrats, presidential advisors, and local academics. Participants in this research include representatives from bilateral donor agencies (USAID, DFID, JDT); multilateral agencies (World Bank, UNDP, UNHCR, UNICEF, IOM, WFP); implementing partners (Deloitte, AECOM, Chemonix, ODI, IRI, NDI); local think tanks (Sudd Institute, Ebony Institute, Center for Strategic Analyses and Research); state government offices (governors, ministers, bureaucrats); national commissions (Anti-Corruption Commission, Relief and Rehabilitation Commission); and national government offices in Juba (Ministry of Culture, Youth, and Sports, Ministry of Finance and Economic Planning, Ministry of Foreign Affairs and International Cooperation, Ministry of Gender, Child, and Social Welfare, Ministry of Labour, Public Service, and Human Resource Development, Ministry of Transport, Roads, and Bridges, and the National Bureau of Statistics).

## 2.1 Historical context

South Sudan is a historically marginalized and neglected region—a predominantly rural area the size of Afghanistan or France that saw little or no development throughout its history, with no roads or electricity, paltry few functional schools, even fewer health facilities, and essentially no formal system of self-governance until 2005. During colonialism, most British resources for development were allocated to northern Sudan; the colonial center of public administration was based in Khartoum, while the South was left to a system of “indirect rule,” entrusting public administration to tribal authority structures rather than deploying British civil servants to set up colonial offices. Thus, even through the intervention of colonialism, there were no substantial establishments of any state apparatus or governing institutions in the region. And yet, the departure of the British did not improve the South’s fortunes. Initially, the British considered officially separating the south from northern Sudan, as its people had more in common ethnically, culturally, and religiously with the black, Christian and animist East African peoples than with the Islamic and Arab people of northern Sudan; but ultimately, the British left Sudan united, and power was transferred in 1956 to an ethnically-Arab elite in Khartoum that viewed black-African southern tribes as grossly inferior. For decades, successive Khartoum-based regimes subjugated the Southerners under cultural hegemony and political and economic marginalization.<sup>4</sup>

What negligible infrastructure did exist prior to the British departure in 1956 was devastated by a half-century of war, displacement, and loss of human life. Today, South Sudan is one of the most undeveloped regions in the world, with roughly 51 percent of South Sudanese living in extreme poverty, and an estimated 80 percent depending on subsistence agriculture and/or animal husbandry as their main sources of livelihood.<sup>5</sup>

The CPA thus marked an incredible turning point in the region’s long, turbulent history of destruction and development neglect: with a fragile peace and an unprecedented degree of autonomy, political power, and access to economic resources, South Sudan could begin to rebuild. In creating peace, the CPA also named a new entity to help maintain it. The document declares “there shall be a Government of Southern Sudan” with full rights and power to govern the region’s ten states.<sup>6</sup> The CPA articulated the general structure of GoSS, calling for the creation of legislative, executive, and judicial branches, and for the writing of an interim constitution. In practice, the CPA meant that the revolutionary army and its political wing that had fought for independence for decades—the “Sudan People’s Liberation Movement/Army” (SPLM/A)—could now legitimize itself as a semi-sovereign government. Dr. John Garang de Mabior would become the semi-autonomous region’s first president. The CPA also noted, crucially, that GoSS would be entitled to 50 percent of Sudan’s considerable oil revenues; this meant that the new governing body had substantial new resources. In 2004, total revenue managed by the SPLM Ministry of Finance was approximately \$120,000; after the signing of the CPA and commencement of oil wealth sharing with Sudan, GoSS revenue rose to \$1.7 billion by 2006. This was equivalent to a per capita income of \$188, which technically ranked the semi-

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<sup>4</sup> See Johnson (2003), Collins (2008) among many others.

<sup>5</sup> World Bank (2012).

<sup>6</sup> Comprehensive Peace Agreement (2005).

autonomous and highly under-developed region of South Sudan as having higher income than its neighbors in Kenya and Uganda.<sup>7</sup>

In addition to the challenges of managing the oil windfall and developing a modern economy “from scratch,” the nascent GoSS would contend with a host of other issues during the interim period, from security concerns of resumed conflict with Sudan to internal political and ethnic strife. Yet underlying and compounding such vexations was a serious lack of governance capacity. Until 2005, the region of South Sudan had never known meaningful self-governance. The remnants of what civil service did exist—namely, the employees of the Civil Authority of New Sudan (CANS), a loose and rural public administration organized by John Garang during wartime to manage SPLA-held territories—lacked the capabilities necessary for a massive state building project.<sup>8</sup> Nearly all of the initial GoSS leadership was drawn from the ranks of the SPLA, with very limited non-military experience or relevant education. Such pervasive lack of bureaucratic experience was matched by the non-existence of public institutions, which needed to be built simultaneously.

South Sudan’s state building challenges in 2005 were thus manifold, multidimensional, and toweringly complex. Among myriad demands, GoSS would be responsible for preserving a fragile peace, managing ethnic rivalries, and attempting to improve livelihoods for its war-weary population. Simultaneously, its ministers and their deputies would need to develop governing capabilities through a process of on-the-job training—all while overseeing hundreds of infrastructure projects, such as building the region’s first paved roads in the new capital of Juba, or designing the semi-autonomous government’s new ministries complex. The task was colossal. Perhaps the only suitable metaphor for South Sudan’s challenge of establishing a government from scratch is “building a plane while flying it.”

## **2.2 The “capacity-building” enterprise**

In 2005 the world’s leading donor agencies arrived in Juba, carrying with them the metaphorical tools, materials, and blueprints to build South Sudan’s plane. Notwithstanding major military interventions such as those in Iraq and Afghanistan, there is no contemporary equivalent example of foreign-aided state building. Historically comparative interventions would include Timor-Leste after its separation from Indonesia, Mozambique post-conflict in 1987, and Botswana in 1966. However, as an analysis by the United States Agency for International Development (USAID) makes clear, the challenges faced by South Sudan were considerably more substantial than these other contexts, in terms of baseline statistics such as population, human capacity, and extant government structures or physical infrastructure.

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<sup>7</sup> World Bank (2010).

<sup>8</sup> World Bank (2010).



Table 1: South Sudan’s “capacity gap” compared to other contexts of post-conflict reconstruction

	<b>Botswana</b>	<b>Mozambique</b>	<b>Timor-Leste</b>	<b>South Sudan</b>
<b>Year</b>	1966	1987	2002	2005
<b>Area (sq km)</b>	281,730	799,380	14,874	640,000
<b>Population</b>	546,000	12,895,000 ('87)	953,000	8,200,000
<b>Adult literacy</b>	40%	28% (1982)	50% (2004)	15%
<b>Governmental structures/ experience</b>	Administrative structures in place	Structures rebuilt on socialist models	Native administration only	Poor structures and processes, little experience
<b>Infrastructure</b>	Limited	3 large ports, 3 railways, 75% roads impassable during rains	70% destroyed	Very limited, much cut off during rains
<b>Assistance Strength (pax)</b>	3,000	5,000 by 1990; 1,000 remain	2,000 UN 1999-2002; 300 remain	150
<b>Length of intervention</b>	20-25 years	20-25 years, ongoing	Ongoing	TBD

Source: USAID, 2009.

One of the major goals for international organizations and donor agencies operating in South Sudan was to begin to fill the GoSS “capacity gap.” Of course, the utmost concern was to solidify peace through CPA implementation, and to undertake priority development projects; but all parties understood that the long-term viability of South Sudan, whether as a region of a unified Sudan or as an independent nation, would depend on the development of a capable government. When the 2004 Joint Assessment Mission (JAM)—a collaborative needs assessment conducted by the SPLM/A, the Government of Sudan (GoS), and the World Bank to prepare for the impending peace—laid out the top five development priorities for the soon-to-be-semi-autonomous region, it was understood that no real progress on the first four goals would be sustainable without attainment of the document’s fifth and final aim: “Developing institutional infrastructure for better governance.”

But as will be seen, the objectives of the capacity-building enterprise in South Sudan were never clearly articulated. Indeed, capacity and capacity-building are generally ill-defined concepts within the prevailing aid orthodoxy; the term itself is applied to so many diverse contexts—from the level of individuals, to the institutional level of governments, businesses, and organizations, to the social level of community capacity-building—that any unitary definition is quite unspecific. Such semantic ambiguity leads to profound implementation problems. This issue extends beyond fragile contexts like South Sudan; according to a World Bank evaluation in 2005 of all capacity-building efforts across Africa: “Capacity building lacks a fully articulated framework for assessing capacity needs, designing and sequencing appropriate interventions, and determining results.”<sup>9</sup> The phrase itself seems to have become just another catchall expression of development jargon. For the purpose of this paper, the following definition of capacity building—borrowed from the United Nations Development Programme (UNDP) as well as GTZ, Germany’s aid agency—will be used: “Capacity-building is the creation, retention, and utilization of capacity; it is the process by which individuals, organizations, and societies

<sup>9</sup> World Bank (2005).

develop abilities to perform functions, solve problems, make effective use of resources, and set and achieve their own goals on a sustainable basis.”

This paper is certainly not the first to analyze the capacity-building, state building, and institutional development processes in South Sudan. The analysis provided herein is part of an ongoing dialogue, and the conclusions presented may not be surprising to those who are familiar with South Sudan’s development experience. But this paper seeks to reach beyond observing history and to delve into the underlying motivations and development processes at play.

Recently, GoSS conducted its own self-analysis—an internal, confidential “Comprehensive Evaluation” of the state, commissioned by President Kiir himself and conducted without any foreign involvement by independent South Sudanese experts from outside the government. While the report was not published, its main findings were that GoSS’s institutional development is still very incomplete; decentralization is weak; and the civil service is incapable of performing their job responsibilities.<sup>10</sup> Dr. Priscilla Kuch, the “Minister without Portfolio” in the Office of the President who oversaw the Comprehensive Evaluation, remarked that it includes “more than three hundred pages” specifically about the donor engagement in South Sudan. Asked about the donor-driven capacity-building enterprise, Dr. Kuch took a moment for consideration. Indeed, she said, the evaluation team had analyzed this subject in great detail; all facets and depths of donor capacity-building efforts were evaluated.

“And do we think it worked?” says Dr. Kuch, before dismissing the rhetorical question with a firm answer. “No, it didn’t work.”<sup>11</sup>

### **3 Frameworks**

The international donor community’s development approach to South Sudan both during its pre-independence “interim period” from 2005-2011 and since independence can essentially be termed the status quo or “business as usual” approach. While the donors certainly achieved a great deal, especially in terms of technical infrastructure and humanitarian assistance—from building roads and schools throughout the region, to reducing poverty and mortality rates—the achievements towards state building are less readily apparent. The status quo approach sought to “develop institutional infrastructure for better governance” over the six-year interim period, as manifested in the GoSS capacity-building enterprise. But as we will see throughout this paper, when applied to the fragile context of South Sudan, the “business as usual” state building approach was at best a dubious and problematic process, at worst an abject failure. As we will see, the principles of “aid effectiveness” were in name only, and the gargantuan state building effort did not result in strong institutional foundations.

So what was really going on? If GoSS “ownership” of the development process was only notional and the donors were in fact setting development strategy, what were the impacts of this process? Contemporary development theories are helpful in answering these questions. This third section introduces two contemporary academic development theories pertaining to issues of

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<sup>10</sup> Interview (2013).

<sup>11</sup> Ibid.

governance, state building, and capacity building in complex development environments; in the fourth section, we apply these frameworks to our research findings from South Sudan.

The first framework is Francis Fukuyama and Brian Levy’s integrated theories about economic growth and institutional governance.<sup>12</sup> Underscoring the inadequacy of the “best practice” approach and the highly heterogeneous nature of local contexts, they suggest that development strategies must take into consideration the complex interplay of economic, political, and social dynamics. Fukuyama and Levy stress that the unique interaction of these different dimensions in any given country create unique constraints for development strategy; practitioners are thus well advised to identify the most locally-suitable “entry points” for intervention, and different entry points entail different “sequences” for development. Fukuyama and Levy posit four potential development sequences, each defined by its initial entry point: state capacity building; transformational governance; ‘just enough’ governance; and bottom-up development through civil society. The ideal entry point and sequence will be the one that is “capable of breaking a low-growth logjam, and initiating a virtuous spiral of cumulative change.”<sup>13</sup>

As this paper argues, context was largely overlooked during South Sudan’s crucial interim period and after independence, in order to pursue the international donors’ preferred state building agenda. Without any history of South Sudanese self-governance, no predecessor institutions, and starting essentially from scratch, the temptation to transplant “best practices” was hard to resist. Development strategies were designed and implemented primarily by donors, with limited South Sudanese “ownership” and only notional adherence to principles of “aid effectiveness.” The robust state capacity-building intervention has not resulted in high levels of success; the amount of capacity transference to GoSS during the interim period was minimal, and the region achieved independence amid serious capacity concerns and predictions of state failure.

The second academic framework utilized in this paper—Pritchett, Woolcock, and Andrews’s work on “capability traps” in development—helps understand the nature of the particular failures observed in South Sudan. The authors show that developing countries—with significant aid from donor partners for state capacity building—are acquiring state capability at a remarkably slow pace. At the current rate, it will take centuries or even millennia for today’s fragile states to reach high levels of state capability.<sup>14</sup> The capability traps framework was developed to explain the nature of this failure—of this constant, significant, global *capacity-building* enterprise that rarely builds any effective *capabilities*. In the authors’ words: “How do governments manage to persistently fail to acquire the capability to implement while at the same time engaging for decades in the domestic and international logics of development and its rhetoric of ‘progress’?”<sup>15</sup> Going beyond “capacity building” to consider the cumulative *capabilities* of a given state government for public sector performance, the “capability traps” framework is based on two core concepts:<sup>16</sup>

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<sup>12</sup> Levy and Fukuyama (2010).

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

<sup>16</sup> Pritchett et al (2012).

- *Isomorphic mimicry*: “the ability of organizations to sustain legitimacy through the imitation of the forms of modern institutions but without functionality.”
- *Pre-mature load bearing*: “external engagement can actively hinder the emergence of domestic, organically-evolved functional organizations, paradoxically, by pushing too hard so that stresses exceed capability.”

Such “techniques of failure” and the capability traps they produce might be overcome, through the approach of PDIA. The latter sections of this paper speculate what “disruptive innovation” in state building might look like, applying the PDIA approach to South Sudan. First, we utilize the two academic frameworks in order to better understand the nature of South Sudan’s recent development experience.

### 3.1 “Development sequencing”

Which development sequence in the Fukuyama-Levy framework has been pursued by the donors in South Sudan? With the benefit of historical hindsight, a better way to ask this question might be: Which development sequence *should* have been pursued at the start of the state building effort in Southern Sudan (as the region was called in 2005)? Taking context into account—a government creating itself “from scratch” amid an unstable post-conflict environment—each and every “entry point” poses significant challenges. GoSS priorities were firmly focused on solidifying peace, securing their region from further conflict, and implementing the CPA. What path should the donors have taken?

Given such a complex and challenging context, the ideal development strategy would have been to start small and focus on achievable, incremental outcomes. Thus, the most ideal development sequence in Southern Sudan would have been to start with “just enough governance.” This sequence focuses on initiating economic growth itself as entry point, rather than seeking to reform a country’s entire institutional environment. Moderate changes are advocated to kick start growth; from that point, any capacity and institutional constraints can be addressed on an as-needed basis when they become binding to growth. As an economy grows, a rise in corruption may need to be addressed; or more sophisticated laws and regulatory institutions may need to be developed; or public infrastructure may need to be improved to fit the needs of growing markets. In this way, growth by necessity leads to institutional development and capacity building. In their explication of this sequence, Fukuyama and Levy rely on empirical work supporting correlations between institutional reform and growth acceleration, citing economists such as Dani Rodrik: “Once growth is set into motion, it becomes easier to maintain a virtuous cycle with high growth and institutional transformation feeding on each other.”<sup>17</sup> Bangladesh is cited as an example that achieved sustained accelerated growth, while remaining one of the world’s most corrupt countries.

In the context of Southern Sudan’s interim period, rather than attempt to create, reform, and perfect all the institutions that donor countries deemed to be necessary for a “modern” nation-state, reforms should have been limited to the most urgent institutions that would have contributed to unlocking a “virtuous cycle of confidence-building and institutional

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<sup>17</sup> Levy and Fukuyama (2010).

transformation” in the semi-autonomous region. The Southern Sudanese economy in 2005 was extremely underdeveloped, including many areas with considerable unlocked potential, such as the agricultural sector; as an entry point, donors could have assisted GoSS in building the basic essential infrastructure to connect areas of surplus agricultural production to urban areas and provide much needed agricultural tools and training to jump-start nascent economic growth cycles to wean the region off of an over-reliance on oil. These efforts could then have been followed by targeted skill development aimed at building entrepreneurship and increasing activities of the private sector with complementary institutional reforms.

The process would not have been easy—no development path in South Sudan would ever be easy. But starting with “just enough governance” could have created a fertile environment for the other desirable development sequences of capacity-building, transformational governance, and civil society development. By starting small and focusing on achievable outcomes for institutional reform, the donors and GoSS could have gradually expanded their development efforts, as positive reform successes led from one to another.

As it happened, the donors arrived in Southern Sudan with a pre-formulated strategy: to start with a huge focus on capacity-building, while simultaneously attempting to create, strengthen, and reform all government and political institutions at once. In Fukuyama and Levy’s framework, this reflects a dual effort of “state capacity-building” and “transformational governance” sequences occurring together. “State capacity-building” is meant for country contexts where “government doesn’t work,” with failed infrastructure and a dysfunctional state apparatus overseen by inept and/or corrupt rent-seeking leaders—resulting in diminished credibility for risk-averse investors, lack of productive investment, and a cycle of low growth. This development sequence seeks first to “build the capacities needed to transform state dysfunction into state effectiveness” by improving a country’s public sector performance. The thinking goes that if government capacity is upgraded, it will eventually achieve enhanced credibility for investors, resulting in a chained acceleration of economic growth. “Transformational Governance,” meanwhile, is meant to address a lack of credible, legitimate political leadership in a given country context. As a region emerging from war into semi-autonomy, Southern Sudan had strong leadership through its military but very feeble political institutions. This has arguably led to some of South Sudan’s worst and most entrenched problems, such as corruption at the very highest levels of government. As an entry point, “transformational governance” seeks to transform political institutions either by a move to representative democracy, a strengthening of the rule of law, or both. If institutional changes enhance accountability by creating checks on leadership, then improvements in state functioning and accelerated economic growth could follow.

This sequencing in Southern Sudan, of course, was logical. There was an enormous capacity gap, and no governance or political institutions existed. It “made sense,” so to speak, that the donors would attempt to help build a functional government and all the adjoining institutional structures. Donors always seem to see capacity building and broad institutional development as an “attractive and obvious response” in low-capacity development contexts.<sup>18</sup> Starting in 2005, an army of capacity-builders arrived in Southern Sudan—technical advisors, consultants, trainers, trainers-of-the-trainers, and many others. Many of GoSS’s core functions

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<sup>18</sup> Andrews et al (2012).

were outsourced to technical assistants; still today, key line ministries like the Ministry of Finance and Economic Planning (MoFEP) have dozens of foreign advisors embedded within them, undertaking a range of functions. As we will see, however, the imagined transformation from “state dysfunction into state effectiveness” has not yet been realized in South Sudan.

Assessing the difficulty of each development sequence given Southern Sudan’s fragile post-conflict context in 2005, the figure below shows that the sequence chosen by donors is essentially the reverse of what we argue was the appropriate sequence. Notably, the “bottom-up development” sequence in the Fukuyama-Levy framework has been less emphasized in the South Sudanese development strategies to date. This sequence sees the mobilization of civil society as an entry point for development in countries where all other channels are blocked—where there is limited economic growth, insufficient state capacity, government corruption, and a lack of democracy and rule of law. Arguably, “bottom-up development” could be effective in South Sudan, where the local population has high expectations for a “peace dividend” to be delivered by the state. By focusing initially on civil society, this sequence increases in-country demand for democracy, rule of law, and state capacity for the delivery of public services. As a long-term result, a mobilized civil society can bring about the changes necessary to unlock economic growth.

Table 2: Fukuyama & Levy’s “development sequencing” applied to South Sudan

<b>FUKUYAMA &amp; LEVY FRAMEWORK</b>			
	<b>Current sequence</b>	<b>Ideal Sequence</b>	<b>Difficulty in context</b>
State capacity building	1a	3	•••
Transformational governance	1b	4	••••
“Just enough governance”	4	1	•
Bottom-up development	3	2	••

Source: Authors.

### 3.1 “Capability traps”

The very mechanisms utilized by governments and development partners to build capacity—the status quo approach, such as that seen in South Sudan—are a major component to the enterprise’s failure. The “business of development” is a “loosely linked movement/industry structured to disseminate standardized solutions.” The state capacity-building enterprise undertaken by development agencies is thus “underpinned by a theory of change... that seeks to modernize institutions by intensifying a process of reform via the importing of methods and designs deemed effective elsewhere.”<sup>19</sup> This is a suitable characterization of the processes observed in South Sudan, both during its interim period as a semi-autonomous region and since its independence.

This theory of change—“accelerated modernization via transplanted best practice”—can be effective for development problems that require technical solutions, such as constructing

<sup>19</sup> Andrews et al (2012).

roads or establishing schools or immunizing children. However, the approach of “cut-and-paste borrowing” is not effective for the more complex task of state capacity-building through political, administrative, and legal institutional reform; and certainly, these efforts are made all the more complex and challenging in fragile post-conflict environments like South Sudan. The orthodox capacity-building enterprise “conspires against serious engagement with complex implementation issues”; in other words, it works in theory but not in practice. The result is failure of capacity transference (as seen in South Sudan), and persistent “capability traps” that mire countries in development stagnation. Donors, however, continue to prefer universal technical answers.

Isomorphic mimicry is a “technique of failure” in which state governments “successfully camouflage their persistent failure by adopting the visible forms of success without achieving functional success.” Capacity-building efforts often produce changes in *form* but not in *function*; countries end up “looking like a state” without actually performing like one. Again, this could be an apt description of the past eight years of state building efforts in South Sudan. Aid recipient countries and the aid agencies supplying aid—both practicing isomorphic mimicry—allow the countries to “buy time,” gaining legitimacy and sustaining the flow of aid by adopting international best practices, without actually absorbing capacities or improving state capability. These “notional policies” allow donor countries to claim success without actually having achieved any.

This process results from a “pressure to mimic”—when countries “face ambiguous goals,” are “uncertain about the means to achieve them,” and are “dependent to varying degrees on external bodies.” These external bodies have “defined and codified” best practice solutions, which they either implicitly or explicitly compel recipient countries to copy, often by rewarding them each time they copy a new one. The process can compound upon itself, eventually making failing states immune and resistant to any real change: “the more things change the more they stay the same.” Donor countries provide “best practice change scripts” and the recipient countries comply, putting on the appearance of change without changing. Such “carbon-copy” states are then expected to function like real states. They are “asked to perform tasks that are too complex and too burdensome, too soon too often.” Pritchett, Woolcock, and Andrews call this process premature load-bearing.

## 4 South Sudan's capability trap

*“You want to build a car, but the guys who make the carburetor only care about making the carburetor work really well, and the guys who make the tires only care about perfecting the tire—and so you end up with a very weirdly-made car.”*

*—American consultant, Juba*

Both isomorphic mimicry and premature load-bearing have contributed to South Sudan's less-than-successful recent development experiences. Despite six years of capacity building and state building efforts by the international community, the country's independence in 2011 was tempered by massive concerns of state failure. Why was there not more evidence of capacity transference? Why did the donor-supported state of South Sudan exhibit such low capability and institutional effectiveness?

### 4.1 Capacity-builders: Not enough, or too many?

Donor officials, generally believing in the potential for capacity transference, often suggest that the capacity-building effort in South Sudan is still just too small. It is demand-driven, in that ministries are supposed to officially request technical assistants (TAs), and some donors believe that GoSS needs many more capacity-builders across all line ministries in order to achieve success in decreasing the capacity gap.<sup>20</sup> A report by USAID in late 2009 recommended that the capacity-building effort be “significantly bolstered,” noting:

“Other post-conflict reconstructions of similar magnitude have benefited from support to the civil service via 3,000-5,000 expatriates. By contrast, even four years into Southern Sudan's reconstruction, there are only 150 persons providing this kind of support to the government.”<sup>21</sup>

The report recommends providing short-term (2-3 years) technical assistance to non-core units of government, long-term (10+ years) “functional assistance” to core units at national, state, and local levels, and long-term “social service providers” to deliver public services in South Sudan's rural areas for as long as necessary. Notably, the underlying goal of the report is to establish high-performing state functions—which might be capable of achieving widespread and rapid development progress—as soon as possible, regardless of whether those functions are performed by South Sudanese civil service or foreign personnel. Building local and sustainable capabilities is not the report's primary concern.

Of course donor agencies like USAID, while funding the capacity-building enterprise, are not its principal practitioners; that work is contracted out to implementing partners. In South Sudan, the implementing partner with the most experience in capacity-building is Deloitte Consulting, which began operating in Juba in 2006 and whose presence continues to grow. Deloitte was awarded a large USAID contract for governance development from 2006-2011. They installed technical advisors in three “economic” ministries and three “governing” ministries: the Ministry of Finance and Economic Planning (MoFEP), the Central Bank, the

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<sup>20</sup> Interview with donor official (2013).

<sup>21</sup> USAID (2009).



Ministry of Petroleum (MoP), the Ministry of Justice (MoJ), the Ministry of Cabinet Affairs (MoCA), and the Office of the President (OoP).<sup>22</sup> In 2013, Deloitte’s contract was renewed and expanded to at least three more government units: the Ministry of Labor (MoL), the Ministry of Parliamentary Affairs (MoPA), and the National Legislative Assembly (NLA).

After seven years of working with GoSS, Deloitte has an established presence in Juba and arguably stronger relationships with government officials than most donors. In the words of Kosti Manibe, South Sudan’s former Minister of Finance:

“Normally, other consultants give advice and stand aside. If something goes wrong, they just dissociate themselves. With Deloitte, I see advisors who are on the inside. They are in the action, and our staff members learn from them.”<sup>23</sup>

Many government officials, meanwhile, believe that the capacity-building enterprise has simply grown too vast—that there are too many TAs doing too many things, and that this is the reason for low capacity transference. In MoFEP alone, there are more than forty TAs representing more than four implementing partners and funded by several different donors—each with overlapping mandates and program agendas.<sup>24</sup> In 2011, the Joint Donor Team (JDT), which manages the development activities of the Netherlands, Norway, Sweden, UK, Denmark, and Canada, elected not to renew a project providing TAs to MoFEP because “too many were already there.”<sup>25</sup>

When Deloitte started work in the MoCA, several other consulting firms were working alongside it—Adam Smith International, Max Planck, UNDP, Conflict Dynamics, and advisors from the Government of Kenya.<sup>26</sup> Deloitte concedes that the donors’ capacity-building efforts may, at times, overwhelm GoSS. In its engagement with the MoJ, which is overseeing the writing of South Sudan’s first constitution, there are approximately twenty other agencies supporting the constitutional process. Such high levels of involvement can neither be coordinated nor “owned” by MoJ; but the writing of South Sudan’s constitutions is an irresistible process for donors; everyone wants to engage with the world’s newest country’s first constitution.<sup>27</sup> GoSS initially established a National Constitutional Review Commission (NCRC) to manage the process, but UNDP subsequently set up additional structures to coordinate the increased donor involvement. As one South Sudanese government minister says of foreign advisors: “Too many cooks can spoil the broth.”<sup>28</sup>

The TAs themselves often remark that their broad and protracted presence can sometimes undermine their own effectiveness; this recalls the notion of premature load-bearing. When a consulting contract lasts several years, there is a difficulty of staying relevant to the host ministry. Or as one consultant memorably put it: “After awhile, you can become a part of the furniture.”<sup>29</sup>

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<sup>22</sup> Interview with Deloitte (2013).

<sup>23</sup> Deloitte (2010).

<sup>24</sup> Interview with TA (2013).

<sup>25</sup> Interview with donor official (2013).

<sup>26</sup> Interview with Deloitte (2013).

<sup>27</sup> Ibid.

<sup>28</sup> Interview with minister (2013).

<sup>29</sup> Interview with consultant (2013).

## 4.2 Giving men fish: “Results vs. capacity”

Beyond quantity of TAs and the magnitude of the capacity-building enterprise, the issue of poor donor coordination is a central concern among both donors and government officials. One deputy minister expressed a general government concern that “capacity-building is randomly done, with overlapping protocols, different priorities between everyone involved, and a lack of coordination.”<sup>30</sup> An under-secretary in another ministry echoed this sentiment: “Technical assistance is not used strategically, and there is no structure to ‘skills development.’”<sup>31</sup> Neither donors nor GoSS have set guidelines for capacity building; it is a generic goal, a rudderless yet omnipresent pursuit.

Donors are aware of this problem. One donor representative characterized the capacity-building enterprise as “a ship going in uncharted directions”—a process lacking a plan.<sup>32</sup> A high-ranking official with the UN agreed: “There is no formula for capacity building; it depends on what other donors are doing—it is all handled through individual donor project plans.”<sup>33</sup> These project plans, as has been noted, tend to proliferate and become fragmented.

A larger issue, perhaps, is the growing consensus—on both donor and government sides—that the capacity building enterprise just isn’t working, has never worked, and will never work. The technical advisors themselves seem to be keenly aware of their own role’s shortcomings; the majority of the TAs interviewed lamented the fact that their role is to perform functions rather than transfer capacities. Actual “capacity building activities” such as teaching mid-level ministry officials how to better perform their job functions are surprisingly absent from the day-to-day job responsibilities of a TA in South Sudan. Donors allow each individual TA to determine whether or not they conduct special trainings, but most of the time TAs are so busy with their functional responsibilities that they don’t have time for capacity-building. “We end up helping them with menial tasks,” says one, “like setting up their email, or teaching them Excel.”<sup>34</sup> Multiple TAs recall writing speeches for ministers and even for President Kiir on topics completely unrelated to their TA roles, simply because their native English speaking skills were valued by the leaders. There is no broad program for capacity building, only—in the words of another TA—“these tiny bits of piecemeal training.”<sup>35</sup>

Other than ad hoc one-on-one training conducted by TAs who are generous with their time, a central aspect of the donors’ capacity-building enterprise is to conduct workshops for South Sudanese government workers to upgrade their professional skills and knowledge. On a continual basis in South Sudan there are, in the words of a TA, “so many bloody workshops.” The effectiveness of workshops is widely questioned, both by donor partners and government officials. For many South Sudanese public servants, workshops are nothing more than “a day off, a free lunch, and travel.”<sup>36</sup> In the recent GoSS Comprehensive Evaluation, workshops were

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<sup>30</sup> Interview with deputy minister (2013).

<sup>31</sup> Interview with under-secretary (2013).

<sup>32</sup> Interview with donor representative (2013).

<sup>33</sup> Interview with UN official (2013).

<sup>34</sup> Interview with technical assistant (2013).

<sup>35</sup> Ibid.

<sup>36</sup> Interview with donor representative (2013).

harshly scrutinized. According to a high-ranking government official that worked on the Comprehensive Evaluation, all of the trainings from 2005-2009 that involved travel by GoSS employees were evaluated. The evaluators compared the purpose of the training workshop to the impact in terms of the employee's output after the training. "They would travel to learn about reports, outlines, annual reports, and strategic planning," the official said, "but after the training, they exhibited no increased output of reports, outlines, annual reports, or strategic plans!"<sup>37</sup>

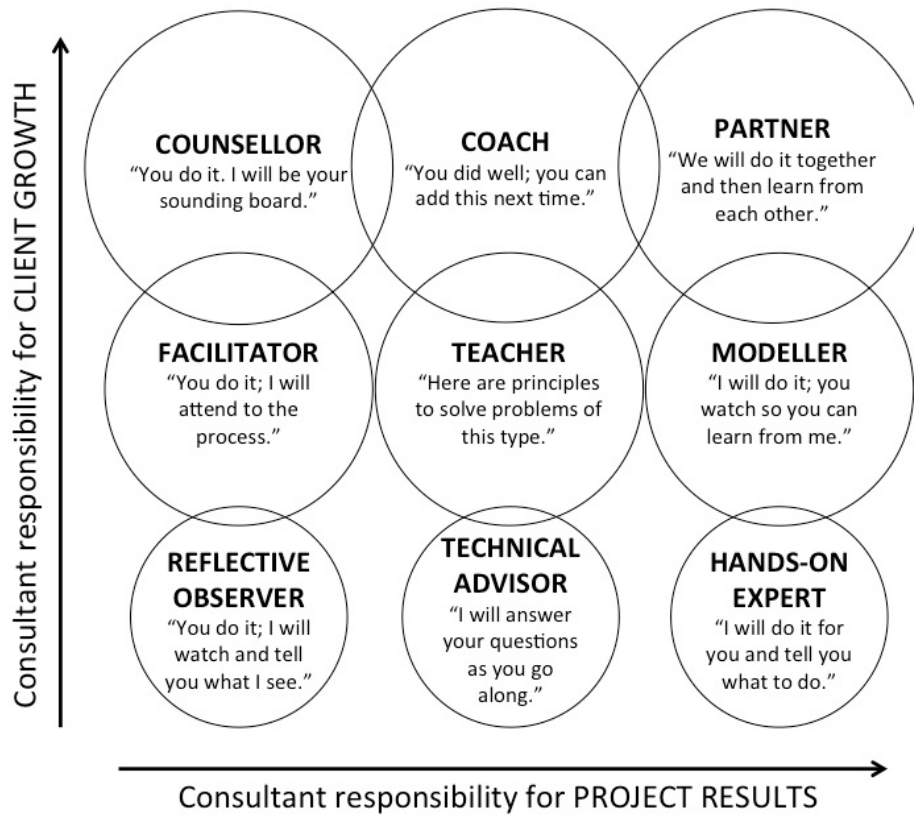
Since most TAs are responsible for performing specific ministerial functions, with "capacity transference" as a secondary ad hoc concern, the focus is normally on completing their job tasks effectively rather than helping their counterparts learn. Many of those interviewed mentioned this "tradeoff between results and capacity building."<sup>38</sup> There is a subgenre of the management consulting literature that provides a helpful schema for understanding this tradeoff. Developed by Champion, Kiel, and McLendon, the "consulting role grid" represents the expectations and dynamics between a technical advisor ("consultant") and the government receiving the assistance ("client"). The x-axis represents the extent to which the technical advisor is responsible for delivering the results of the government agency; the y-axis represents the extent to which the technical advisor is responsible for helping the agency grow in its capacity to produce the results without assistance. The nine roles represent the options a consultant has in a given situation; in the "counselor" role, the consultant's concern is almost entirely to build capacity in the client, whereas in the "hands-on expert" role the concern is producing good results and the consultant actually undertakes the task on behalf of the client.

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<sup>37</sup> Interview with government official (2013).

<sup>38</sup> Interview with World Bank representative (2013).

Table 3: The consulting role grid with typical role statements



Source: Adapted from Champion, Kiel, and McLendon (1985).

With a few notable exceptions, the capacity building enterprise in South Sudan can be mostly characterized as the “hands-on expert” mode of consulting, with TAs performing government functions without significant cooperation from South Sudanese civil servants. Given GoSS’s low levels of capacity, this is not surprising—and in fact, it was deliberate. As noted in the USAID report, a driving goal of the donor agenda in South Sudan is to establish state functions as soon as possible, regardless of whether those functions are performed by South Sudanese. The technical assistance apparatus provides functional experts—not teachers, coaches, facilitators, modelers, partners, or counselors. There is a deep sense of irony in the fact that the “capacity building” effort in South Sudan, on closer inspection, is not actually designed to produce “client growth.”

The Comprehensive Evaluation considered other facets of the capacity building enterprise, as well. Of particular concern to GoSS, in terms of donors’ failure to transfer capacity, were:

- Parallel systems: by bypassing government systems entirely, the opportunity for capacity transference through donor-funded development projects (“learning-by-doing”) is cut short.

- “Poaching” of human resources: by recruiting quality South Sudanese employees away from the public sector to higher-paying jobs (“capacity extraction”), the donors and foreign NGOs themselves contribute to undermining the capacity-building enterprise.
- Tenure: expatriate employees arrive in South Sudan without adequate understanding of local context, and the average posting is only two years; very few donor representatives have an institutional memory for the work they are doing. In the words of a veteran post-conflict consultant who has lived in Juba for six and a half years: “Longevity is a virtue in and of itself; I’m shown respect because I’m *still here*.”<sup>39</sup>

As one World Bank associate noted, the donors have not established any formal strategies, benchmarks, or agreed-upon methodologies for capacity building: “Capacity building is not effective; there is no adequate transfer of knowledge and skills. Very few donors are willing to actually transfer.”<sup>40</sup> Of course, truly transferring capacity would make the capacity-builders redundant. Are there even adequate incentives for the donors to “build” as opposed to “perform” capacity?

### 4.3 Juba’s isomorphic mimicry

*“There is this word I learned once: chaordic. It means chaos and order at the same time. To be chaordic is to be something bad that still functions. The abnormal becomes the normal. What we have in South Sudan is chaordic.”*

—Deputy Minister in GoSS

The anecdotes and vignettes above, in characterizing the capacity-building enterprise in South Sudan, reflect the “technique of failure” as isomorphic mimicry. Starting in 2005, the project to transfer capacity from an army of technical advisors and other donor agency representatives to the nascent GoSS—through a variety of modes and mechanisms—was the realization of a dominant orthodox theory of institutional change: “accelerated modernization via transplanted best practice.”<sup>41</sup> While the donors noted that South Sudan’s complex post-conflict environment posed risks to the success of development efforts, they nonetheless proceeded with a process of “institutional monocropping”—a project to import “global best practices” to create in South Sudan “the Weberian ideal of a professionalized bureaucracy.”<sup>42</sup>

As shown through these vignettes, however, the implementation of the capacity-building enterprise in South Sudan did not achieve the expected results. The transference of the functional skills necessary for running a state went largely unfulfilled for the six years of the interim period, and such lackluster results have persisted into independence (as the theory of change itself also persists). While an enormous capacity-building effort was established—including the corps of technical advisors that fanned out across most line ministries—the actual amount of capacity transference did not come close to meeting expectations.

<sup>39</sup> Interview with consultant (2013).

<sup>40</sup> Interview with World Bank representative (2013).

<sup>41</sup> Pritchett et al (2012).

<sup>42</sup> Ibid.

The path dependency of donors, their dependence on continual “progress,” and their tendency to respond to failure by “doubling down” rather than reforming all “play a strong role in generating and sustaining failure.” In South Sudan, all the development agencies post annual results that on first blush seem to reflect enormous achievements. On USAID’s “Dollars to Results” website, for instance, it reports that of the \$277.6 million spent on projects in South Sudan during 2011, approximately \$23.4 million was spent on “Good Governance.” It lists a string of impressive metrics as results in this effort: 190 government officials received anti-corruption training; 2,004 South Sudanese executive branch personnel trained; 1,399 people trained in fiscal and management skills; 10 reconstructed national governing institutions and systems assisted to incorporate principles of democracy and government legitimacy; and so forth.<sup>43</sup> These activities may very well have contributed to improving good governance in South Sudan—but are these metrics the proof? Does providing “anti-corruption training” to 190 officials have any impact on corruption?

As this paper illustrates, the donors have not developed adequate evaluation techniques to actually measure capacity *transferred*, and these simplistic inputs and outputs of “people trained” or “operations supported” convey very little about the true outcomes and impacts of USAID programming on good governance in South Sudan.

“It is much more attractive for donors to measure their success as either inputs provided, training sessions held, or ‘reforms’ undertaken and in process-compliance in project implementation; all of these are laudable activities that can be readily justified and attractively presented at year’s end, yet can lead to zero actual improvement in a system’s demonstrated performance.”<sup>44</sup>

The extremely difficult contextual environment in South Sudan created the perception of a high likelihood of failure; the donors responded by creating parallel systems and delegating government functionality to TAs, in an attempting to preserve the success of donor-funded projects. This “cocooning,” allows donors “to ensure *their* project succeeds in a low capability environment.” The longer-term, systemic problem with cocooning is that it forecloses the opportunity for scaling or for actual capacity transference: “cocooning is a valuable technique of persistent failure as one can have long strings of demonstrably successful projects while a sector itself never improves.”<sup>45</sup>

Interview respondents frequently cited examples that reflected these processes of isomorphic mimicry in South Sudan. For example, an under-secretary from one line ministry defined the early years of the GoSS-donor relationship as “all rhetoric but no action.” Key accountability institutions, such as the Anti-Corruption Commission, are described as “physically there, but not functioning.”<sup>46</sup>

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<sup>43</sup> USAID website.

<sup>44</sup> Pritchett et al (2012).

<sup>45</sup> Ibid.

<sup>46</sup> Interview with under-secretary (2013).

### 4.3.1 Responses to isomorphic mimicry

What institutions and behaviors result from such an untenable dynamic? Often, donor-designed structures and formal processes are undermined or circumvented by local adaptations. One donor official distinguished between the “Real Ministry of Finance” and the “Fake Ministry of Finance.” The “Fake Ministry” is the one working with the donors and technical advisors on budget allocations, promoting the outward appearance of high functionality, while the “Real Ministry” is operated through backdoor dealings between South Sudanese officials, concealed from donor view. As the donor official says: “The technical advisors help prepare budget allocations, but then the army generals wheel into the minister’s office, and they make the real allocations.”<sup>47</sup> While budget allocations are readily and publically available from MoFEP, the budget expenditures are only rarely (and then, only partially) shared.<sup>48</sup> The internal Comprehensive Evaluation of GoSS discovered “extreme over-expenditures” that “couldn’t be explained or justified” by MoFEP. In the words of one of the evaluators: “There were problems; procedures were not followed; money was paid before contracts were delivered. So, what were the technical advisors doing? Nobody talked to them.”<sup>49</sup>

Indeed, there are multiple levels of communication breakdown between donor representatives and South Sudanese government officials. Often, TAs feel that they are operating in a vacuum. When a TA, funded by the UK’s Department for International Development (DFID), is embedded in MoFEP, s/he is not necessarily reporting to or taking guidance from DFID, and is more or less on her/his own—to decide her/his day-to-day activities, to pursue additional projects at her/his own choosing, and to follow whatever strategy s/he comes up with.<sup>50</sup> A donor official sums up the situation with an anecdote about the Minister of Justice sending a letter to the Minister of Finance and Economic Planning:

“A consultant in the MoJ writes the letter and gets it signed by the minister; it’s sent to MoFEP, where another consultant reads it, drafts a response, and gets it signed by his minister; it’s sent back to the MoJ, where the first consultant reads it and drafts the minister’s response. We’re talking to ourselves!”<sup>51</sup>

The disconnect between donor-designed solutions and local needs is stark across all sectors. The aforementioned veteran post-conflict consultant, who has been working in South Sudan for more than six years, describes isomorphic mimicry in the donor-led project during the interim period that modernized the SPLA, using the same techniques and methods that achieved success in training the Army of Afghanistan: “When you take what worked in Afghanistan, it tends not to work in South Sudan—no surprise, because these people aren’t Afghans!”<sup>52</sup>

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<sup>47</sup> Interview with donor representative (2013).

<sup>48</sup> Interview with World Bank representative (2013).

<sup>49</sup> Interview with government official (2013).

<sup>50</sup> Interview with donor representative (2013).

<sup>51</sup> Interview with donor representative (2013).

<sup>52</sup> Interview with consultant (2013).

### 4.3.2 Institutional development and political power

The consequences of such processes in South Sudan are only now beginning to become clear. A major consequence, which is beyond the scope of this paper but will be mentioned briefly, has been the uneven expansion of intra-ministerial power within GoSS—what many call “turf wars” between ministries and “empire building” by specific government officials and politicians.<sup>53</sup> Certain institutions and ministries, dominated by strong leaders at their helm, have managed to secure large amounts of power and influence within the institutional landscape of GoSS. The donors could have unwittingly assisted such political shifts within Juba power circles; as Ferguson articulated, the apolitical nature of development efforts can often strengthen bureaucratic power unevenly and “de-politicize” issues of resource allocation.<sup>54</sup>

One possible example of this occurring in South Sudan is perceived institutional ambiguities concerning the legislative process. Perhaps stemming from the lack of constitutional frameworks and lack of capacity among parliament members in the drafting of legislation, there is no clear procedure or timeline for how laws should circulate through the branches of government, and as a result, it appears that draft laws can often “get stuck” in the Ministry of Justice. According to one World Bank representative, for example, the National Legislative Authority “fears tension” with the MoJ over the Anti-Corruption Commission (ACC) legislation—a law that has remained in existence for years without being passed. As a result, the ACC is left in limbo, formally existing but without any prosecutorial power.<sup>55</sup> Corruption cases therefore have no teeth under the current state of affairs. A similar problem is occurring with the Procurement and Public Financial Management (PFM) Law, which existed during the interim period but is now not being followed.<sup>56</sup> In response, GoSS has established a “Director General of Procurement” within MoFEP, and USAID is supporting with a technical advisor from Deloitte. Nonetheless, the World Bank procurement expert is not optimistic that these nominal formal steps—“meaningless acts”—will result in functional procurement compliance, given the “lack of modern legal systems in the South Sudanese culture.”<sup>57</sup>

Considered within the framework of isomorphic mimicry, these examples represent a situation where institutional forms are established, but they lack functionality and are thus not effective as legitimate rules systems. A researcher from a local think-tank calls these the “institutional loopholes” inherent in GoSS.<sup>58</sup> This leaves open the possibility that political power players can exploit the confusion in order to expand their own power within the ever-growing state. The natural consequences of this process can lead to endemic corruption as well as ethnic imbalances within government; indeed, many in South Sudan refer to “ethnic enclaves in certain ministries,” and there is a general concern that some tribes are growing comparatively more powerful through their dominance of many state institutions. These effects are at odds with donors’ efforts to de-politicize the state capacity-building enterprise, treating it solely as an administrative process.<sup>59</sup>

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<sup>53</sup> Interview with donor representative (2013).

<sup>54</sup> Ferguson (1990).

<sup>55</sup> Interview with World Bank representative (2013).

<sup>56</sup> *Ibid.*

<sup>57</sup> *Ibid.*

<sup>58</sup> Interview with think tank (2013).

<sup>59</sup> Whitfield (2009).



#### 4.4 The elusive meritocracy

Ultimately, the capacity of GoSS is determined by the individual capabilities of its public servants; this is understood both by donors and government officials. “It’s a process that is personality-driven,” says one high-ranking donor official; “some ministers are asleep on the job, but their deputies are good.”<sup>60</sup> These “pockets of capacity,” however, are often counteracted by “authority bottlenecks” produced through South Sudan’s rigid system of traditional hierarchy and deference to authority. Ministers are on average a decade or two older than their deputies; younger, highly-educated, qualified and effective deputies are often seen as threats and are thus stifled by their older, less-effective, often uneducated and untrained bosses. These deputies are often the ones most receptive to “absorbing” capacity-building efforts such as workshops, whereas older ministers (many of whom did not receive formal secondary or tertiary education) are often uninterested in professional development, hostile to the idea of technical assistance, resistant to institutional change, and potentially more rent-seeking due to their older age and increased family demands.

Indeed, the entire effort of institutional development in South Sudan suffers from these human resource bottlenecks. Referring to the National Constitutional Review Commission, a donor cited examples of younger civil servants tirelessly working to prepare legislation, only to have the laws “languish on the desks” of their bosses for years at a time.<sup>61</sup> But addressing such bottlenecks is difficult due to cultural sensitivities and the complex political economy of GoSS. As one GoSS official remarked of the ministers who were appointed in 2005: “Some were rusty. A brigadier would become a director general... But in our culture, we cannot say to a brigadier, ‘You don’t know how to do it.’ So he would just sit at his desk. Some agencies still suffer from this.”<sup>62</sup>

Many donors and implementers interviewed cited that identifying and working through highly-effective “champions” within government is their informal strategy for achieving success in their reform projects. A representative from one donor agency characterized it as a question that donors ask when identifying potential champions within a given ministry: “What might they be able to squeeze out of their institution?”<sup>63</sup> But even this is not a long-term solution for success; given the highly-capricious nature of South Sudan’s largely patrimonial political system, “champions” can at any point be sacked. Donors often express their desire for more champions throughout GoSS. “Appointment positions are luck of the draw,” says one donor. “If only all the George Washingtons of this country were serving in government.”<sup>64</sup>

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<sup>60</sup> Interview with donor official (2013).

<sup>61</sup> Ibid.

<sup>62</sup> Interview with government official (2013).

<sup>63</sup> Interview with donor representative (2013).

<sup>64</sup> Interview with donor representative (2013).

#### 4.5 Assessing the capability trap

Under the theoretical framework of isomorphic mimicry, this state of affairs can be rightly characterized as reflecting all the forms of bureaucracy but none of its functions. Given that meritocratic hiring processes have not yet been adopted by GoSS, human resource functionality is in appearance only. GoSS had until recently three dozen ministries, each with countless deputies and under-secretaries; but on an individual-by-individual basis, there is very little understanding among public servants for what exactly they are to be doing. Some lack capacity; others lack direction; all lack experience serving functional roles within a “modern” public sector. Throughout the bureaucratic hierarchy, there is very little accountability for work processes. Appointed ministerial posts are often just empty titles or mimicked roles of authority; functionality exists only by the luck of the draw, on a person-by-person basis.

The capacity building enterprise was conceived with a noble goal: to prepare GoSS for independence. However, due to the countervailing effects of isomorphic mimicry and premature load-bearing, there were very limited levels of capacity transference.

“...if the organization is under excessive stress due to the attempt to implement over-ambitious policies, the achievable increments to ideal capability may neither (i) augment the ‘robustness’ of the organization and hence be irrelevant in practice, nor (ii) shift the entire capacity frontier outward far enough to actually avoid the low level equilibrium.”<sup>65</sup>

In 2005, the newborn GoSS represented an organization highly unprepared for the “excessive stress” of the donor-led capacity-building enterprise, and unable to absorb what capacity-building resources were on offer. Coupled with contextual factors—the threat of renewed war, as well as internal ethnic strife—the government was merely striving to keep its head above water; the capacity-building enterprise, designed without these concerns, resulted in achieving less than hoped.

Table 4: Capability traps framework applied to South Sudan

<b>PRITCHETT, WOOLCOCK, &amp; ANDREWS FRAMEWORK</b>					
	<b>Present?</b>	<b>Responsible agents</b>	<b>Acknowledged by donors?</b>	<b>Ack'd by implementers?</b>	<b>Ack'd by GoSS</b>
<b>Isomorphic mimicry</b>	×	Donors Implementers <u>GoSS</u>		×	×
<b>Premature load-bearing</b>	×	Donors Implementers			×

Source: Authors.

Only time will tell whether GoSS develops into a functional self-sustaining state. The political shifts mentioned above, however—combined with continued allegations against GoSS

<sup>65</sup> Pritchett et al (2012).

of civil rights violations—lend credence to concerns that the capacity-building enterprise is not only an instance of isomorphic mimicry, but a process that is disguising more problematic undercurrents. In their analysis of the “state capacity building” development sequence, Fukuyama and Levy also highlight the danger of governments “mimicking” positive institutional development only to conceal less positive political power maneuvering, especially in nascent government administrations:

“[I]t can be difficult to tell whether a seeming commitment to ‘developmentalism’ and associated state capacity building is real, or simply a useful cover for the perpetuation of longstanding patterns of corrupt, patrimonial rule... From Moi in Kenya, to Suharto in Indonesia and Marcos in the Philippines, recent history is replete with leaders who have touted themselves as ‘developmental’... only to have their reigns end in recrimination, corruption and disgrace. Such regimes often use the rhetoric of ‘state capacity building’ as a key part of their program: it has the virtue of being long on ambition and fine-sounding objectives, but sufficiently ‘soft’ and supposedly ‘long-term’ in its impact that busy work can proceed for long periods of time before it becomes evident that nothing much is being achieved.”<sup>66</sup>

#### **4.6 Post-independence disappointments**

While there are significant signs that warrant uneasiness, there is certainly no definitive indication that South Sudan is headed in such a direction; however, donor representatives cite lack of accountability and government compliance with oversight regulations as one of the biggest threats to GoSS legitimacy. Indeed, the donor-led efforts at institutional development in South Sudan have been repeatedly disappointed by allegations of corruption and other governance issues that, around the middle of the interim period, began to somewhat sully GoSS’s reputation.

A massive grain scandal occurred in 2009, when MoFEP asked contractors to build 132 emergency grain stores and supply grain at a reported cost of 2.2 billion Sudanese Pounds—but only 46 grain stores were built, not all of the grain was delivered, and much of the money was misappropriated or embezzled.<sup>67</sup> Another corruption scandal broke out just before the first anniversary of independence in 2012; President Kiir sent a letter to seventy-five current and former government officials, asking them to return “an estimated \$4 billion” that was “unaccounted for or, simply put, stolen” by public servants.<sup>68</sup> That figure was approximately equivalent to about one third of the estimated oil receipts received by South Sudan during the entire interim period (2005-2011). Accountability mechanisms have been slow to develop; while government officials must submit financial transparency forms, there is no penalty for failure to comply; additionally, South Sudan has no law for providing public access to government information.<sup>69</sup>

Donor representatives considered the 2011 independence a “pinnacle of coordination”

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<sup>66</sup> Levy and Fukuyama (2010).

<sup>67</sup> Aleu (2011).

<sup>68</sup> Holland (2012).

<sup>69</sup> US State Department (2012).

between GoSS and the donors; after independence, the relationship began “entering into a time of disappointment.”<sup>70</sup> There is a pervasive sense of disappointment that after six years of intense effort and substantial amounts of foreign aid, GoSS does not reflect better governance. Likewise, there is a disappointment among many GoSS officials that the donor community operates in a way that is counter to many of their core needs. According to many, GoSS itself feels marginalized in its own country by the donor community.<sup>71</sup> The most major point of alienation between donors and GoSS occurred in January 2012, when GoSS decided to shut down the production of oil in order to put extreme pressure on Khartoum over a disagreement on transit fees. (At the time of shutdown, oil revenues accounted for over 98% of government expenditures, 99% of foreign exchange earnings, and over 70% of South Sudan’s GDP.<sup>72</sup>) The donors were not consulted prior to this decision, and significant amounts of trust were broken as a result. Leaked memos from the World Bank revealed that the donors predicted South Sudan would become a failed state within six months; the British ambassador to South Sudan was very unhappy, and expressed DFID’s displeasure with “committing British taxpayer money when GoSS cannot manage their own finances.”<sup>73</sup>

## 5 PDIA & South Sudan: Disruptive innovation?

The big-picture conclusion drawn by this paper is that the current aid orthodoxy is insufficient for effectively addressing the needs of highly fragile post-conflict contexts like that of South Sudan. The shortcomings of the donor-driven capacity-building enterprise in South Sudan reflect an over-arching failure of the “business as usual” approach, which seeks to achieve rapid development through transplantation of “best practices.” The point of this paper is not to attack the prevailing orthodoxy, but to draw attention to the impossibility of its implementation in certain challenging environments. “The problem of aid effectiveness is not a problem that can be solved without a new theory of change.”<sup>74</sup>

Of course, as the world’s newest country, South Sudan also offers an opportunity to try something new—a chance to innovate beyond the status quo. Despite its challenges, GoSS has been able to articulate a relatively sophisticated aid strategy at a very early point in its experience as an aid recipient country. More than any new state before it, South Sudan has access to a wealth of intellectual expertise about development; and importantly, GoSS seems to understand the challenges of development in post-conflict fragile contexts, and the linkages between aid and institutional development.<sup>75</sup>

What would innovation look like in terms of state building in South Sudan? The final section of this paper explores this question by drawing upon PDIA, as a response to the problems of capability traps, isomorphic mimicry, and premature load-bearing. Rather than importing international best practice solutions which have the tendency to exclude local agents from the

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<sup>70</sup> Interview with donor official (2013).

<sup>71</sup> Interview with consultant (2013).

<sup>72</sup> Ajak (2012).

<sup>73</sup> Interview with donor representative (2013).

<sup>74</sup> Pritchett et al (2012).

<sup>75</sup> South Sudan has shown itself to be an early and quick learner as well as an innovator of the post-Paris Declaration contemporary aid orthodoxy, as demonstrated by its leadership in the g7+ consortium of fragile states.

process of building their own states, PDIA seeks to harness the value-creating ideas of local leaders and front line workers. It is a practical approach for building state capability—not another “best practice” solution, but an innovative process and methodology for approaching capability trap scenarios in the hopes of bringing about a greater possibility for success. There are four broad and sequential elements to the PDIA approach:<sup>76</sup>

- (i) *Local Solutions for Local Problems.* Transitioning from promoting solutions (pre-determined by external experts) to allowing the local nomination and articulation of concrete problems to be solved.
- (ii) *Pushing Problem Driven Positive Deviance.* Creating environments within and across organizations that encourage experimentation and positive deviance, accompanied by enhanced accountability for performance in problem solving.
- (iii) *Try, Learn, Iterate, Adapt.* Promoting active experiential (and experimental) learning with evidence-driven feedback built into regular management and project decision making, in ways that allow for real-time adaptation.
- (iv) *Scale through Diffusion.* Engaging champions across sectors and organizations who ensure reforms are viable, legitimate and relevant.

In layman’s terms, PDIA is a development approach that seeks to empower both donors and host governments to be more flexible and to learn from their own failures—to solve locally-defined problems through an honest process of trial-and-error that incentivizes innovation and is more responsive to real-time evaluation of outcomes and results. This approach seeks to reverse the process of isomorphic mimicry and to avoid the pitfalls of premature load-bearing by being more sensitive to context and how that context reacts to a development intervention. The authors suggest rewarding experimentation, creating strong feedback loops, and expecting an iterative process of gradual change “via whatever means enjoys domestic political legitimacy and cultural resonance.”<sup>77</sup> The table below shows how PDIA differs from standard development approaches, suggesting that PDIA might be a “disruptive innovation” to the “best practice” norm.

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<sup>76</sup> Andrews et al (2012).

<sup>77</sup> Ibid.

Table 5: How PDIA differs from standard approaches

<b>Elements of Approach</b>	<b>Mainstream Development Projects/Policies/Programs</b>	<b>Problem Driven Iterative Adaption</b>
What drives action?	Externally nominated problems or “solutions” in which deviation from “best practice” forms is itself defined as the problem	Locally Problem Driven - looking to solve particular problems
Planning for action?	Lots of advance planning, articulating a plan of action, with implementation regarded as following the planned script	“Muddling through” with the authorization of positive deviance and a purposive crawl of the available design space
Feedback loops	Monitoring (short loops, focused on disbursement and proces compliance) and Evalulation (long feedback loop on outputs, maybe outcomes)	Tight feedback loops based on the problem and experimentation with information loops integrated with decisions
Plans for scaling up and diffusion of learning	Top-down - the head learns and leads, the rest listen and follow	Diffusion of feasible practice across organizations and communities of practitioners

Source: Andrews et al (2012).

PDIA calls for an “ongoing process of discovering and encouraging which of the diverse context-specific institutional forms will lead to higher functionality.”<sup>78</sup> Theoretically, a PDIA approach in Southern Sudan during the interim period would, for example, not have acted so quickly to establish each and every governing institution immediately. In terms of capacity-building, in theory the PDIA approach would have observed the lack of capacity transference earlier. It would have experimented with alternative, innovative techniques while being more sensitive to feedback from GoSS in order to evaluate effectiveness in real-time.

To get a more specific sense of how PDIA would hypothetically be applied in a post-conflict environment such as South Sudan, consider two countervailing examples: one example of a recent failure in South Sudan’s state building effort, and an example of a new indigenous effort to build local governance capacity that shows early promise for innovation and illustrates the core elements of the PDIA approach.

### **5.1 Bad example: Multi-Donor Trust Fund (MDTF)**

Most donors operating in South Sudan (though not the majority of donor funds) use pooled funds as their primary mechanism for aid delivery. Pooled funds are meant to enhance aid coordination, align development assistance with government priorities, and prevent fragmentation; rather than having ten donors each operating ten programs through their own

<sup>78</sup> Ibid.

implementing partners, pooled funds can centrally manage all one hundred projects, and work through centralized implementing partners.

There were five pooled funds during the interim period, but the MDTF was established in 2005 as the main channel for quick-impact development programs, capacity-building and institutional strengthening efforts.<sup>79</sup> The MDTF was administered by the World Bank, serving as major impetus for the multilateral agency's early involvement in the region. Other donors, particularly the US, did not participate in the MDTF and other pooled funds, choosing instead to manage their aid to South Sudan independently, as a way of enhancing their oversight of donor projects.<sup>80</sup>

Despite the pooled funds' stated purpose of making resources flow more effectively, the pace of aid delivery did not meet expectations or needs. The MDTF experienced an extremely slow rate of disbursement; the World Bank's fiduciary and contracting procedures were so strict that the South Sudanese government was unable to meet the requirements. The World Bank and the JDT assert that the weak institutional environment in South Sudan resulted in slow disbursement; the existing legal and fiscal procedures were incompatible with the World Bank's prerequisites, and extreme delays resulted. PFM capacity building efforts at MoFEP and other ministries continued to lag behind; but rather than relax the requirements, the World Bank simply refused to disburse funds until PFM capacity met its minimum standards.<sup>81</sup>

By 2008 or so, with a slate of unfunded projects awaiting MDTF disbursement, most government officials and development partners in South Sudan considered the MDTF to be a relative failure. While the fund had been established with a 2011 deadline for complete disbursement, the JDT expressed concern in early 2010 that the World Bank may not be able to disburse the remainder of the funding before the deadline ran out (given the amount of time it took to follow the Bank's disbursement protocols). But rather than adapting the MDTF or loosening the procurement policies, the World Bank and the JDT's response to this failure was to extend the MDTF's mandate, from 2011 to 2013.<sup>82</sup>

"There was no attempt to make any changes or to compromise," says one World Bank representative, characterizing the development strategy behind the MDTF as: "...not a very mindful process. There was not much design or planning. Sure, the context was emergency—but it's like Nike: 'Just Do It' is not always best."<sup>83</sup> The scenario of "doubling down" in response to failure reflects another component of isomorphic mimicry. In the status quo approach, it is "hard

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<sup>79</sup> The other pooled funds were the Basic Services Fund (BSF), the Capacity Building Trust Fund (CBTF), the Sudan Recovery Fund (SRF) and the Common Humanitarian Fund (CHF)—all pooled funds were placed under central management by the JDT.

<sup>80</sup> This involved keeping a relatively large number of donor agency staff on the ground in Juba. Bilateral aid was usually implemented through third-party contractors of the bilateral donor's choosing. (In the case of USAID, many of the large contracts were awarded to American companies; as a result, there are many American consulting firms operating in Juba on USAID contracts, which has been a point of contention for South Sudanese officials who believe that this form of aid expenditure does not build indigenous capacity.) According to independent analysts, bilateral approaches provided the most effective support to service delivery in Southern Sudan. See Pantuliano et al (2010).

<sup>81</sup> World Bank (2010).

<sup>82</sup> Interview with donor representative (2013).

<sup>83</sup> Interview with World Bank representative (2013).

to not believe that simply applying more resources to achieve good goals by implementing good policies through good organizations is not the obvious, if not only, strategy.”<sup>84</sup> Quite simply, in such situations, the international community just can’t help itself.

Indeed, South Sudan is not alone in its experience of a pooled funding mechanism failing to achieve its objectives. Similar outcomes have occurred with multi-donor funds in other post-conflict countries. A 2010 evaluation of DFID’s programming in South Sudan criticized the agency for disbursing such a large share of British aid through funds like the MDTF “without sufficient questioning of whether the instrument, as designed, actually advances aid effectiveness objectives.” Meanwhile, an evaluation by the Overseas Development Institute (ODI) of the multi-donor process in South Sudan concluded: “...this begs the question as to why crucial lessons are not being learned.”<sup>85</sup>

The example of South Sudan’s MDTF is a classic illustration of the “business as usual” approach to institutional reform in development. Under a PDIA approach, tight feedback loops would have allowed the donor agencies to recognize the failure of the MDTF’s disbursement early on. Work-around solutions could have been designed through experimentation and adaptation, to ensure that quick-impact projects were funded despite GoSS’s low capacity for procurement compliance.

More likely, a PDIA approach would never have applied the World Bank’s strict procurement requirements to a vital funding mechanism like the MDTF. So how would PDIA approach procurement generally? Unlike the World Bank, a PDIA approach would define procurement as the capability to carry out a function, rather than the capability to carry out a function *in a certain way*, or by following a specific and uniform set of process compliance controls. In the most obvious sense, procurement capability merely means that a government is able to *buy stuff*. World Bank procurement procedures are designed to show that the government can buy stuff *while avoiding corruption*. But who is to say that the World Bank’s methodology for avoiding corruption is the best fit for South Sudan? The PDIA approach would search for and experiment with local solutions to procurement; the end result might look very similar to the World Bank’s procurement systems, but it would be generated through an indigenous process of problem-solving. South Sudan would adapt procurement policies that work for their local context, given their current capabilities.

## **5.2 Potential PDIA model: Building local government capability**

Even in an overall difficult environment some things succeed and it is good to examine those in search of how they escaped the problems that bedeviled other efforts. Three successes in South Sudan illustrate how an approach that focuses on specific problems can both lead to results and build lasting capability.

- The GoSS Ministry of Health’s cold chain project, implemented in partnership with the UN, through which “learning-by-doing” technical assistance resulted in the successful adoption of a temperature-controlled supply chain to deliver life-saving drugs across rural

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<sup>84</sup> Pritchett et al (2012).

<sup>85</sup> Pantuliano et al (2010).



South Sudan.<sup>86</sup>

- The Ministry of Labor’s Electronic Payroll System, implemented through technical assistance provided by the JDT and Charlie Goldsmith Associates; this project successfully instituted a context-specific national payroll system for South Sudan’s civil servants that was designed to fit the country’s unique needs and capacity gaps. When local public servants struggled to learn new payroll processing techniques using an upgraded, modern, and donor-designed payroll form, Goldsmith worked with South Sudanese officials to design a custom payroll form that was more suitable to civil servants’ needs and experiences in the pre-2005 bureaucracy. Roll-out was significantly expedited and all civil servants across the ten states of South Sudan now use Goldsmith’s custom- and indigenously-designed form to electronically submit payroll data.<sup>87</sup>
- The National Bureau of Statistics (NBS) technical assistance program, funded by StatsNorway and the World Bank; due to the relative political neutrality of NBS, this locally-owned program of capacity building has achieved high levels of transference. Additionally, the innovative “High Frequency Survey” project with NBS, which uses tablet computers to conduct real-time household surveys and daily consumer price index surveys, achieved rapid success. Funded by a World Bank innovation fund, the project’s success is attributed to the flexibility in its design, the freedom for on-the-fly modification, and the collaborative and creative management style of the World Bank manager and his local staff; in response to these results, DFID is funding a rapid expansion and scale-up of the “High Frequency Survey” pilot.<sup>88</sup>

More broadly and beyond such instances of success, how would PDIA approach the entire effort to build state capability in South Sudan? Rather than imagine a hypothetical program, we will examine a new organization, founded by South Sudanese, that happens to embody the PDIA approach. The organization, called the “Red Army Foundation,” has designed its own plan for governance capacity-building that is currently being considered for funding by GoSS. The innovative project proposal is called “Seeds of the Nation,” and it unwittingly manifests many of the central components of PDIA.

First, a bit of back story is necessary. During Sudan’s Second Civil War, thousands of young South Sudanese fled from conflict to refugee camps in Ethiopia, Kenya, and Uganda—this group, numbering in the tens of thousands, has become known as the “lost boys” of Sudan. In the early 1980s, the Sudan People’s Liberation Army (SPLA) recruited and began training the boys of this group. These young soldiers were called the “Red Army”—a vague allusion to the Bolsheviks, since at the time the SPLA was funded through support from Communist Ethiopia (and the name survived the 1991 fall of Mengitsu, at which point the SPLA’s Communist ties faded and they eventually formed alliances with the US, Norway, and other western democracies).

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<sup>86</sup> Interview with UN representative (2013).

<sup>87</sup> Interview with consultant (2013).

<sup>88</sup> Interviews with ODI, NBS, and World Bank (2013).

Some foreigners have criticized the practice of recruiting youths; however, inside South Sudan, the mythic history of the Red Army is a powerful symbol of honor and nationalism for the new country. The Red Army youths were called “seeds of the nation,” a term coined by John Garang. The immediate rationale was to train future soldiers for a war that would last decades, but the long-term symbolism of their nickname—as a generation raised through war as the future custodian of Garang’s vision—was not lost on the young recruits. And now, those recruits have grown up. Over the course of the war, the members of the Red Army were dispersed throughout South Sudan, East Africa, and to foreign countries of resettlement like the US, Canada, Europe, and Australia. Today, the Red Army veteran diaspora includes tens of thousands of South Sudanese adults. Many of them have gone on to achieve high-caliber university educations, advanced degrees, and professional experiences in various sectors—constituting a critical human resource for the nation. The majority of them, both inside and outside South Sudan, have the deeply-held desire to give back to their newly-independent homeland—a desire and a willingness to contribute to South Sudan’s state building and development efforts.

The Red Army Foundation (RAF) was established in Juba in 2012 as a non-profit organization to unite, serve, organize, and harness the energies of this South Sudanese diaspora. The RAF’s founding documents explain its central aim to “uphold the empowerment of South Sudanese Red Army and youth and to promote sound participation of the youth in peace building and development of our Nation.” Certainly, the same objective has been shared by countless development initiative pursued over the last eight years by the UN, USAID, and other donor agencies; what distinguishes RAF, of course—and what embodies the PDIA approach—is that the RAF is homegrown.

In and of itself, establishing the RAF required capacity building: initially overseen by an interim board composed of sixteen members, the group held elections through which candidates campaigned for the jobs of chairman, vice-chairman, and secretary—giving speeches, debating, and discussing platforms during a weekend conference in Juba. More than six hundred Red Army members voted, and the inaugural RAF cabinet was elected for two-year terms. The group’s initial ambitions have been grand: the RAF would become the “Peace Corps of South Sudan,” bringing back thousands of young, educated, highly-capable South Sudanese to serve as teachers, mentors, farmers, builders, and more—even TAs to GoSS. The RAF would build monuments and establish history museums. The RAF would run massive, collectivized farms. The RAF would train teachers and work with school headmasters to reform the education system. Inspiring goals aside, the RAF is currently designing three key programs: “Red Army Investment and Social Enterprise” (RAISE); Red Army Big Brothers for mentoring youth; and “Seeds of the Nation,” a capacity building program for local governance. Importantly, these programs seek to address locally-identified problems that have been nominated and prioritized through indigenous processes (an important component of the PDIA approach).

### **5.2.1 “Seeds of the Nation”**

The motivating idea behind “Seeds of the Nation” actually comes from a little-known detail in South Sudan’s history. During the war, as the SPLA seized territory across the region, they established the aforementioned CANS as a basic apparatus for local government. The CANS certainly lacked capacity; and throughout the war, as the feeble local governing system

encountered challenges, they often received assistance from young people. In this way, helping improve the implementation efforts of CANS, the Red Army was South Sudan's first form of capacity-building technical assistance. Thus, RAF's program, "Seeds of the Nation," seeks to revitalize this wartime tradition that many of its members can still recall.

The problem that "Seeds of the Nation" seeks to address, however, is a very contemporary problem: GoSS governance capability at the subnational level. This problem was recently characterized in the Comprehensive Evaluation, which identified:

- Unclear linkages across the tiers of government: While South Sudan's system of governance is supposedly decentralized, the de facto operation of government suggests otherwise. Governance institutions at the level of counties, *payams*, and *bomas* are often nonexistent, or nascent at best. The lower tiers of government lack financial resources and organizational capability to enact authority and provide services.
- Overly centralized government: Based on actual expenditures, nearly half of government revenues are spent on civil servants and constitutional post-holders based in Juba; transfers to the states account for less than 15 percent of total revenues. As a result of such resource stabilization, South Sudan has seen rapid urbanization. Effective decentralization lacks political will at the national level.
- Outsized civil service with limited capability: The size of the government in proportion to the size of the economy is too large, with significant redundancies. The bureaucratic capabilities of the civil service are nascent, due to lack of capacity (the Comprehensive Evaluation found that 60 percent of government employees were unqualified for their positions), lack of experience, and non-meritocratic hiring.

In response to this report (which echoes the findings of this paper), the RAF sought to initiate discussions on how South Sudan should improve its own governance capabilities. Crucially, the problem-identification and solution-generation processes were organic, open, and locally-owned. (Step 1 of PDIA: "Local Solutions for Local Problems," allowing the local nomination and articulation of concrete problems to be solved.)

The objectives of the program include: a) To build strong local governance capability; b) To ensure an effective and efficient delivery of services; c) To improve planning, execution, and supervision of government developmental efforts; d) To increase employment, productivity, and participatory development process led by youth; and e) To lay down a robust mechanism for development of capable future leaders of South Sudan. At the national and state levels, similar projects have been undertaken by major development partners; the RAF, rather, seeks to address the problem of governance at the most local level possible—the level where most ordinary South Sudanese most frequently engage with their country's governing institutions. As an innovative approach to capacity-building, the "Seeds of the Nation" program seeks to remedy the shortcomings that have been experienced by the South Sudanese government over more than eight years of donor-driven capacity-building—the same type of shortcomings and ineffective policies that have been addressed throughout this paper.

Programmatically, RAF envisions three phases for “Seeds of the Nation.” The first phase, recruitment, will solicit all South Sudanese both inside the country and throughout the diaspora to apply. Recruitment will be coordinated with college and university systems in South Sudan and throughout the major diaspora communities, as well as with the think tanks and larger academic communities, in order to recruit the highest-caliber South Sudanese candidates. As the project is sponsored by GoSS (as opposed to a foreign donor agency), recruitment efforts will feature local languages in addition to English, and will serve as a large-scale, grassroots “call to civic action” for South Sudanese to engage in public service. To evaluate the applicants, the RAF will develop meritocratic admission policies in coordination with an independent, international evaluator, while being sensitive to tribal considerations. (The RAF has already established the policy that participants in “Seeds of the Nation” will not be allowed to serve in their states of origin, as a way of encouraging nationalism and inter-ethnic interactions between South Sudanese youth.

After the initial corps is admitted to the program, the second phase is a rigorous, three-month training course to provide the corps with an understanding of the core functions of GoSS at the state and local levels. The content of this training will be designed in coordination with think tanks, academic institutions, and GoSS officials to reflect the practical functional priorities of government capability. Key skills to be emphasized in the orientation course will include strategic planning and budgeting, public financial management, and mobilization and management of human resources—in essence, the RAF seeks to educate and train their own corps of indigenously-trained TAs. (As RAF explains in the project proposal: “South Sudan would benefit much more from the deployment of its own nationals rather than expatriates. Such a strategy will allow for local-organic institutions to emerge.”<sup>89</sup>) Emphasis in the orientation course will also be placed on a capacity-building methodology that aims to produce teachers, counselors, and modelers rather than mere technical experts who are not able to transfer their skills and knowledge.

The third and final phase of the program is deployment; once trained, the corps will be deployed to local government offices across South Sudan at the county, payam (city), or boma (neighborhood) levels. The type of technical and strategic support provided to each local government office will vary, depending on the problems that the office itself has identified as most needing support. Critically, the “Seeds of the Nation” participants will not simply perform functional responsibilities; emphasis will be placed on capacity transference, and on helping the local government office build sustainable capabilities for project implementation. Participants and government officials will be encouraged to work together to find capacity-building modalities that are effective for all stakeholders in the office. Rather than importing “best practices” by outsourcing government functions, RAF will make a conscious effort to experiment with “learning-by-doing,” to provide local government agents with hands-on, on-the-job training. (Step 2 of PDIA: “Pushing Problem Driven Positive Deviance,” creating

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<sup>89</sup> To date, some partial efforts have been made by USAID and other development partners to establish a database of highly-educated members of the South Sudanese diaspora who are interested and willing to return to South Sudan to contribute to their native country’s state-building process. In Ethiopia, the innovative Agricultural Transformation Agency—which recruits Ethiopian management consultants from around the world to serve as long-term capacity-building consultants in the Ethiopian Ministry of Agriculture—has proven to be an effective model of diaspora-assisted capacity transference.

environments within and across organizations that encourage experimentation and positive deviance, accompanied by enhanced accountability for performance in problem solving.)

RAF envisions piloting the program in 20 counties across South Sudan, which will allow for tight feedback loops during the pilot to get a detailed understanding of the program's successes and shortcomings (Step 3 of PDIA: "Try, Learn, Iterate, Adapt," promoting active experiential learning with evidence-driven feedback built into regular management and project decision making, in ways that allow for real-time adaptation.) Efforts will be made to establish new types of evaluation protocols which can actually assess capacity transferred; RAF aims to establish program metrics based on learning and retention rather than just numbers trained.

"Seeds of the Nation" will be implemented with key oversight and collaboration from the Ministry of Labour, Public Service, and Human Resource Development (MoLPSHRD). In particular, the RAF will work with the "Capacity-Building Unit" of MoLPSHRD to strengthen capacity-building efforts at the state and local levels of government.<sup>90</sup> The program is designed to be "bottom-up" in its local implementation methodology and "top-down" in its coordination with the national government. Based on the success and evaluations of the pilot program, "Seeds of the Nation" can be rolled out as the government's national capacity-building program to all counties.<sup>91</sup> The development partners will also play crucial role in the national implementation of the program. (Step 4 of PDIA: "Scale through Diffusion," engaging champions across sectors and organizations who ensure reforms are viable, legitimate and relevant.) As a pilot model for building governance capability through sustainable and locally-supported efforts, "Seeds of a Nation" offers a break from the status quo, and an opportunity for innovation that could create new value in South Sudan's state building project.

## 6 Conclusion

This paper has examined the international efforts at building state capability in South Sudan from the CPA and provisional GoSS in 2005 through independence in 2011 to today. The often unstated but widely held "theory of change" is that state building comprises just the legal adoption of "best practice" forms of organizations and agencies, the installation of administrative procedures, and the training of individuals to follow those procedures. The limitations and perils of "isomorphic mimicry" and "premature load bearing" in this approach are amply illustrated in the South Sudanese experience, where an enormous donor-driven effort to "fill the capacity gap" through a variety of orthodox mechanisms has not resulted in widespread success. This effort, characterized by unrealistic expectations stemming from an under-appreciation of South Sudan's fragile post-conflict context, has resulted in the world's newest capability trap. GoSS continues to suffer from extremely limited state capability, and is improving at a very slow rate that is hampered by persistent dysfunction in the "capacity building" process. We explore an alternative path of disruptive innovation in state building through the PDIA approach, which builds on the capabilities that South Sudan does have—in order to build towards lasting capability, and a government that works in and for South Sudan.

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<sup>90</sup> Currently, the Capacity Building Unit is in charge of a directorate with limited mandate or agenda—as an institution, it lacks the resources and (ironically) capacity to perform its own function.

<sup>91</sup> Red Army Foundation document (2013).

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