

Preliminary Narrative Report on the Utilization of RCF 2 Funds

June 15th, 2021

1. The RCF utilization for the payments of salary arrears continued during the month of May 2021. We were able to pay three months of salary arrears (Oct – Dec 2020) based on the arrangement with the Bank of South Sudan (BoSS) to pay the salary arrears after every two weeks to enable the bank to stabilize the money supply.

Table 1: Utilization for the Month of May - 2021

| | | Oct-20 | Nov-20 | Dec-20 | Total Payments |
|----------|--|-------------------------|-------------------------|-------------------------|--------------------------|
| 1 | Opening Balance 1st May 2021 | | | | 15,305,429,501.29 |
| | Central Government (Organized Forces) | 1,195,824,575.57 | 1,178,651,549.53 | 1,187,042,028.23 | 3,561,518,153.33 |
| | Central Government (Civil Servants) | 1,282,239,571.18 | 1,295,327,776.22 | 1,203,375,253.44 | 3,780,942,600.84 |
| | States Transfers | 1,263,564,768.49 | 1,301,747,611.49 | 0.00 | 2,565,312,379.98 |
| 2 | Total Payment for Salary Arrears (Oct - Dec 2020) | 3,741,628,915.24 | 3,775,726,937.24 | 2,390,417,281.67 | 9,907,773,134.15 |
| | | | | | |
| 3 | Add Bank Charges | | | | 9,544,117.10 |
| | Total Payments (including bank charges) | 3,741,628,915.24 | 3,775,726,937.24 | 2,390,417,281.67 | 9,917,317,251.25 |
| | | | | | |
| 4 | Closing Balance as May 31st 2021 (1 - (2+3)) | | | | 5,388,112,250.04 |

Fig 1: Bar Charts for payment of salary arrears during May -2021 (Oct – Dec 2020)

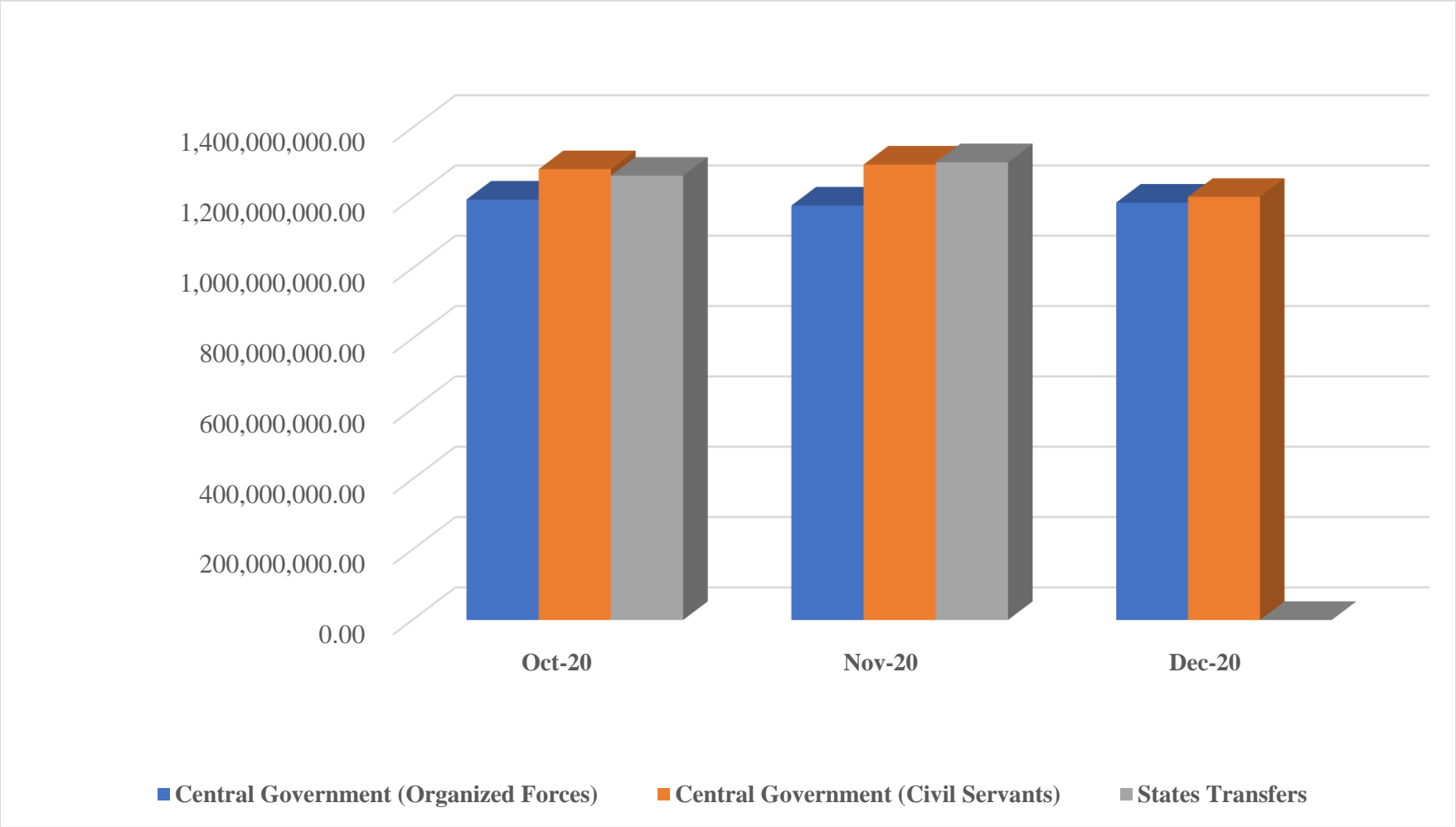
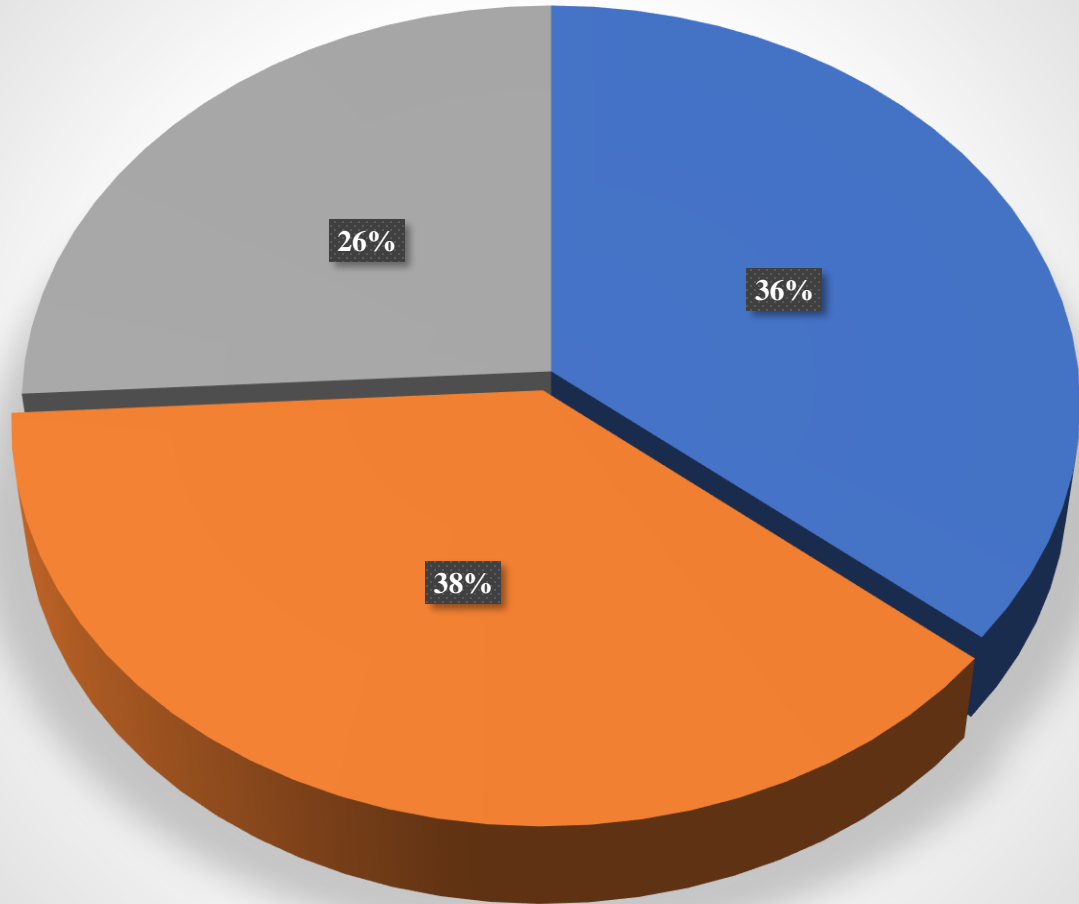


Fig 2: Share of RCF funds (Oct - Dec 2020)



■ Central Government (Organized Forces) ■ Central Government (Civil Servants) ■ States Transfers

Table 2: Summary of total payment of Salary Arrears in May - 2021

| | | |
|---------------------------------------|-------------------------|-------------|
| Central Government (Organized Forces) | 3,561,518,153.33 | 36% |
| Central Government (Civil Servants) | 3,780,942,600.84 | 38% |
| States Transfers | 2,565,312,379.98 | 26% |
| Total payment for May - 2021 | 9,907,773,134.15 | 100% |

During the month of May 2021, we paid about **SSP 9.908 billion** of Salary Arrears for three months (Oct – Dec 2020). Of which about **SSP 3.562 billion** was used for paying Organized Forces for three months of Salary Arrears (Oct – Dec 2020) which constitutes **36%** of the total amount paid out in May 2021.

Civil Servants received an amount of **SSP 3.781 billion** also for three months (Oct – Dec 2020) and constitutes **38%** of the total amount paid out in May 2021.

States Transfers were paid only two months (Oct & Nov 2020) amounting to **SSP 2.565 billion** of the total amount and constitutes **26%**. It is to be noted here that States Transfer for Dec-2020 was paid in June 2021 and will appear with June 2021 reports.

2. The details on Civil Servants by Sectors and Organized Forces by agencies and States Transfers will follow this narrative.

Table 3: Payment of Salary Arrears by Sectors on RCF (Oct – Dec 2020) in May-2021

| Sectors | Oct | Nov | Dec | Total |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Accountability Sector | 7,701,931.00 | 7,890,943.00 | 7,704,692.00 | 23,297,566.00 |
| Economic Function Sector | 14,386,483.00 | 19,035,561.86 | 14,462,177.00 | 47,884,221.86 |
| Education Sector | 1,218,993,001.18 | 1,222,958,216.01 | 1,226,867,819.16 | 3,668,819,036.35 |
| Health Sector | 10,550,789.00 | 11,320,601.26 | 10,620,785.00 | 32,492,175.26 |
| Infrastructure Sector | 4,129,715.00 | 4,888,930.19 | 4,120,362.00 | 13,139,007.19 |
| Natural Resources Sector | 4,740,106.00 | 4,740,545.00 | 4,829,729.00 | 14,310,380.00 |
| Public Administration Sector | 14,604,613.00 | 17,347,680.90 | 14,666,811.00 | 46,619,104.90 |
| Rule of Law Sector | 1,934,905.00 | 1,934,905.00 | 1,936,803.00 | 5,806,613.00 |
| Security Sector (Mine Action and DDR) | 843,490.00 | 843,490.00 | 843,490.00 | 2,530,470.00 |
| Social and Humanitarian Sector | 4,353,478.00 | 4,366,903.00 | 4,366,903.00 | 13,087,284.00 |
| Total | 1,282,238,511.18 | 1,295,327,776.22 | 1,290,419,571.16 | 3,867,985,858.56 |

The above table shows total payment of salary arrears for three months (Oct – Dec 2020) paid out in May 2021 amounted to **SSP 3.868**. Education sector took the highest share amounting to about **SSP 3.669 billion** constituting **95%**. This was followed Economic Function and Public Administration sectors of which both took about **SSP 47 million** and about **1.2% each**. The rest all received below **1%**.

Fig 3: Share of Salary Arrears by Sectors - May 2021

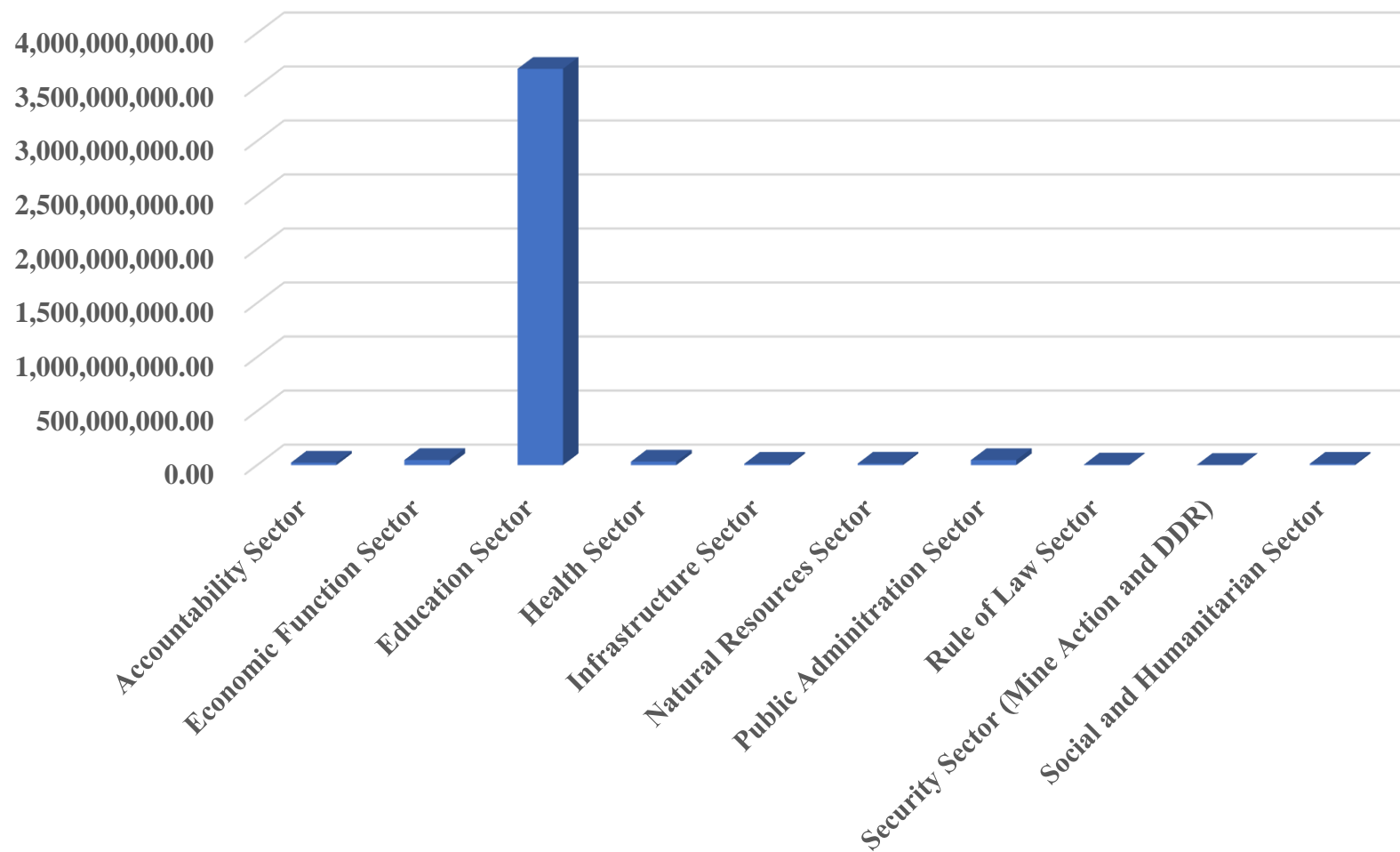
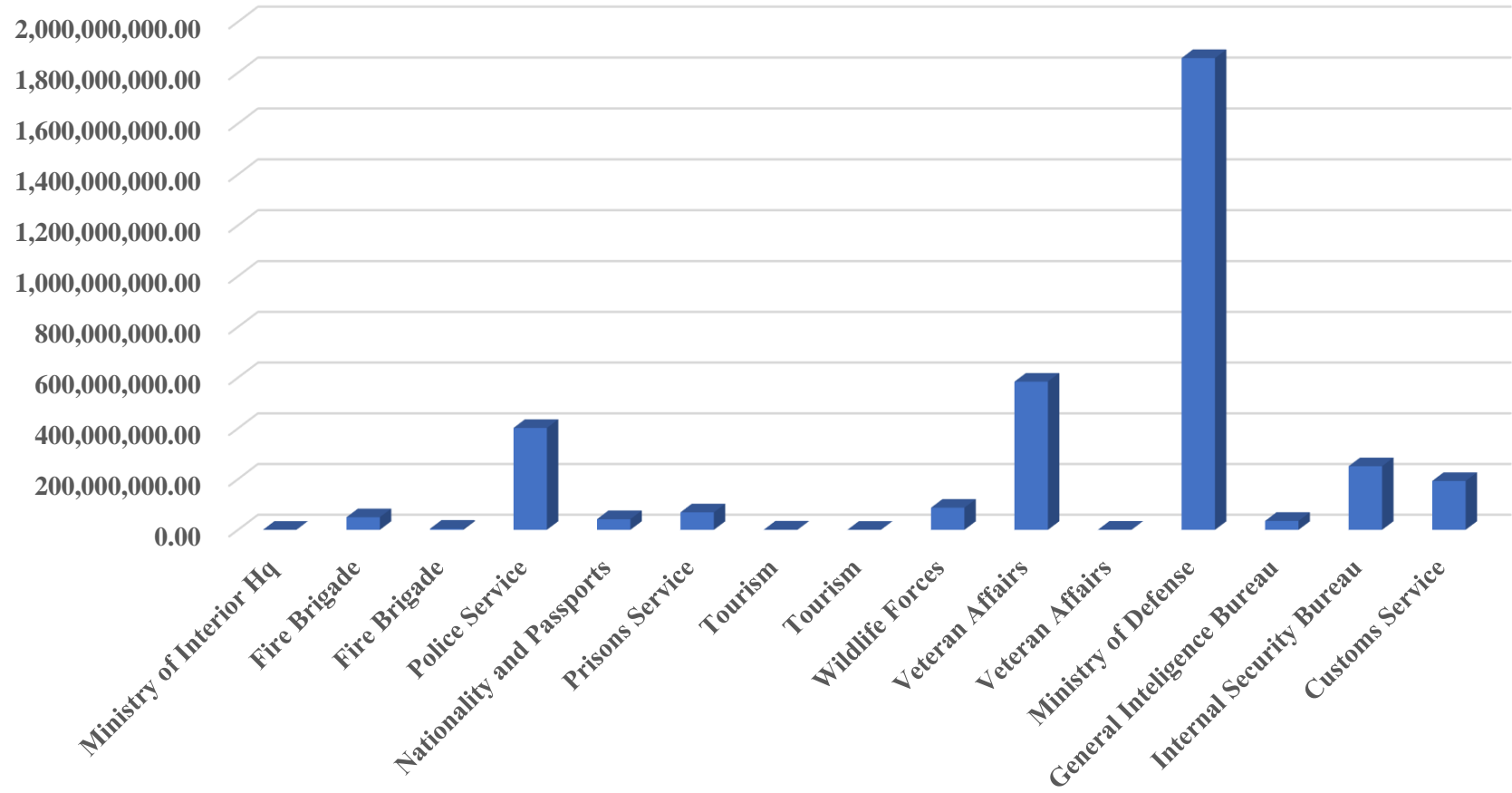


Table 4: Payment of Salary Arrears for Organized Forces by Agencies (Oct – Dec 2020) in May 2021

| Agency | Oct | Nov | Dec | Total |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Ministry of Interior Hq | 144,625.21 | 144,625.21 | 144,625.21 | 433,875.63 |
| Fire Brigade | 16,618,368.00 | 16,618,368.00 | 16,618,346.00 | 49,855,082.00 |
| Fire Brigade | 1,489,043.00 | 1,489,043.00 | 1,489,043.00 | 4,467,129.00 |
| Police Service | 133,778,164.36 | 134,004,214.32 | 134,004,179.02 | 401,786,557.70 |
| Nationality and Passports | 14,061,479.00 | 14,100,901.00 | 14,113,474.00 | 42,275,854.00 |
| Prisons Service | 25,541,427.00 | 25,799,714.00 | 17,703,380.00 | 69,044,521.00 |
| Tourism | 372,694.00 | 372,694.00 | 372,694.00 | 1,118,082.00 |
| Tourism | 103,047.00 | 103,047.00 | 103,047.00 | 309,141.00 |
| Wildlife Forces | 29,928,176.00 | 28,705,688.00 | 28,705,688.00 | 87,339,552.00 |
| Veteran Affairs | 194,821,776.00 | 194,821,776.00 | 194,821,776.00 | 584,465,328.00 |
| Veteran Affairs | 241,611.00 | 241,611.00 | 241,611.00 | 724,833.00 |
| Ministry of Defense | 619,117,047.00 | 619,117,047.00 | 619,117,047.00 | 1,857,351,141.00 |
| General Intelligence Bureau | 11,775,957.00 | 11,775,957.00 | 11,775,957.00 | 35,327,871.00 |
| Internal Security Bureau | 83,623,325.00 | 83,623,325.00 | 83,623,325.00 | 250,869,975.00 |
| Customs Service | 64,207,836.00 | 64,207,836.00 | 64,207,836.00 | 192,623,508.00 |
| Total | 1,195,824,575.57 | 1,195,125,846.53 | 1,187,042,028.23 | 3,577,992,450.33 |

The total payment for three months of salary arrears (Oct – Dec 2020) to Organized Forces amounted to about **SSP 3.578 billion**. Of which defense received the largest share of about **SSP 1.857 billion** which constitutes about **52%**. This was followed by Veteran Affairs which received about **SSP 584 million** and constitutes about **16%** Third was Police Service with about **SSP 402 million** which constitute about **11%**. The rest all received a share of below **10%**.

Fig 4: Distribution of Salary Arrears to Organized Forces by Agencies - May 2021



3. States Transfers

Table5: Summary of Arrears States Transfers payments by Agencies on RCF in May-2021

| | Oct | Nov | Total | |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------|
| States Ministry of Finance | 775,758,834.49 | 737,575,991.49 | 1,513,334,825.98 | 59% |
| Education Conditional Transfers | 228,122,663.00 | 228,122,663.00 | 456,245,326.00 | 18% |
| Health Conditional Transfers | 39,243,552.00 | 39,243,552.00 | 78,487,104.00 | 3% |
| Health Institutes | 7,786,570.00 | 7,786,570.00 | 15,573,140.00 | 1% |
| Water Conditional Transfers | 10,072,867.00 | 10,072,867.00 | 20,145,734.00 | 1% |
| Police Service | 106,377,896.00 | 106,377,896.00 | 212,755,792.00 | 8% |
| Prisons Service | 67,170,496.00 | 67,170,496.00 | 134,340,992.00 | 5% |
| Civil Defense | 27,505,546.00 | 27,505,546.00 | 55,011,092.00 | 2% |
| Wildlife Forces | 39,709,187.00 | 39,709,187.00 | 79,418,374.00 | 3% |
| Total | 1,301,747,611.49 | 1,263,564,768.49 | 2,565,312,379.98 | 100% |

The total payment for states transfers arrears for two months (Oct – Nov 2020) amounted to **SSP 2.565 billion**. Of which States Ministry of Finance received the largest share amounting to **SSP 1.513 billion** which constitutes **59%** of the total amount paid out in two months. This was followed by Education Conditional Transfers about **SSP 456 million** constituting **18%**. Third was Police Service amounting to about **SSP 212 million** which is about **8%** and the rest were all **5%** and below.

Fig 5: States Transfer payments by Agencies in May - 2021

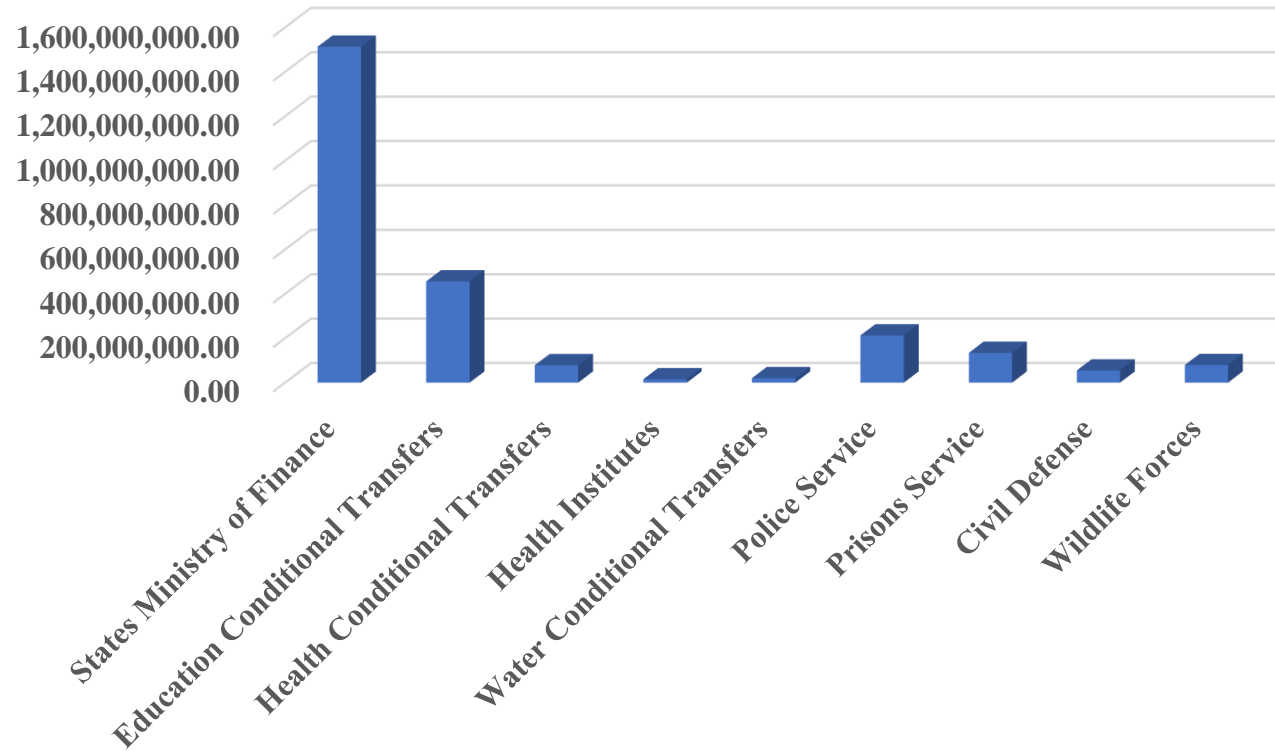
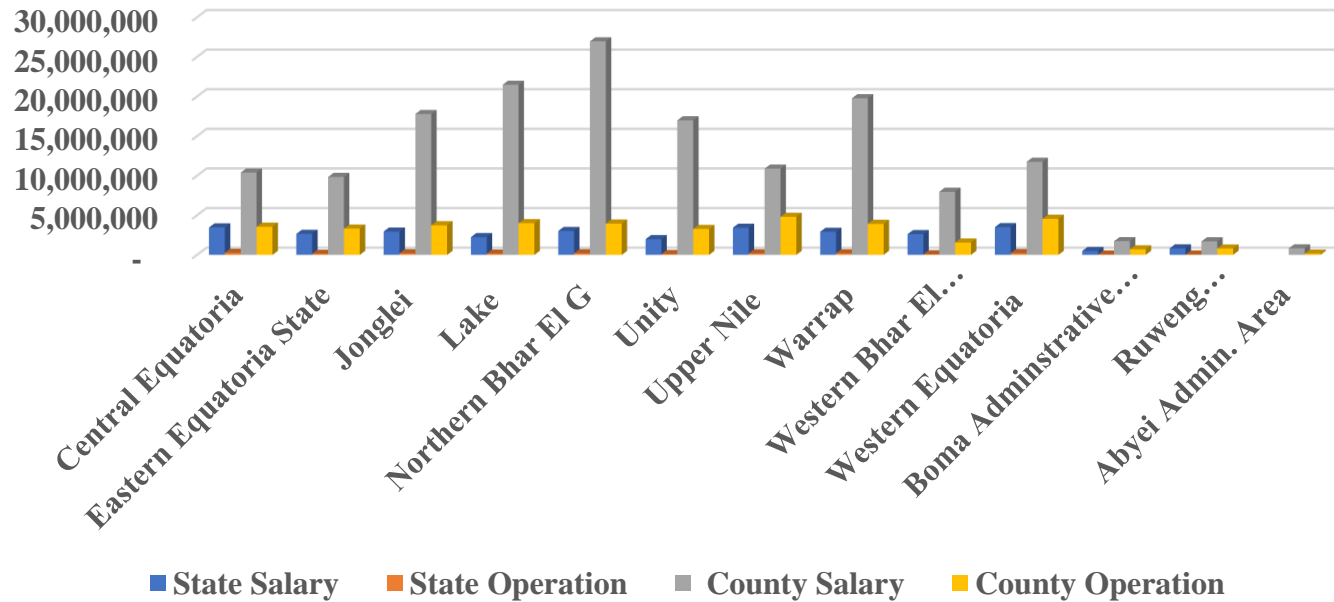
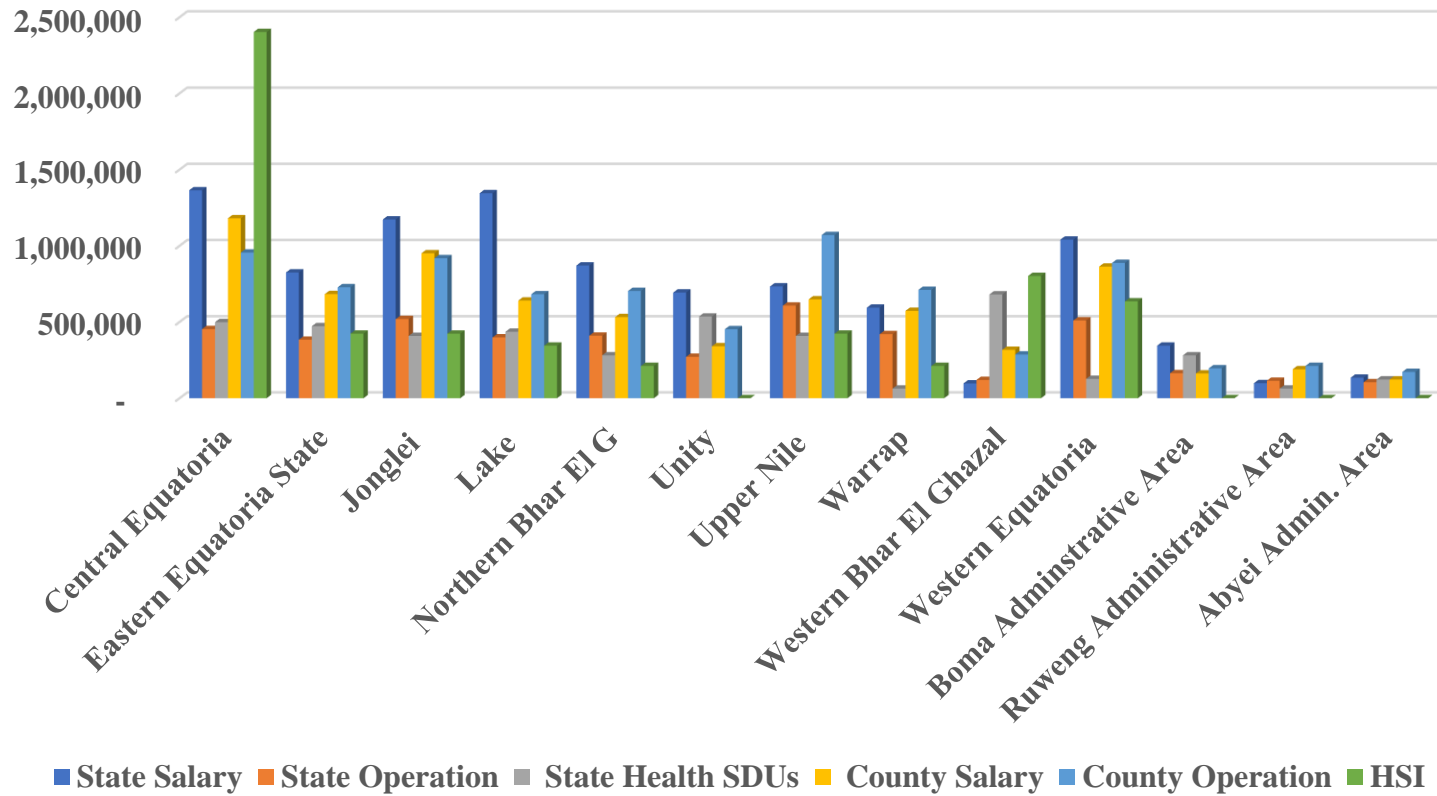


Fig 6: Education Conditional Transfers by States (May-2021)



The conditional transfers for Education have put more funds to the counties as more teachers are relocated at the counties level than at the States level. Northern Bahr El Ghazal received the largest share of Education monthly conditional transfers about **15%** of the total monthly conditional transfers of SSP **228,122,663 million**. This is followed by Lakes State and Warrap which received **12%** each of the total monthly conditional transfers.

Fig 7: Health Conditional Transfers by States (May-2021)



The health conditional transfers have put more funds to Health Science Institutes and salaries at the States level than at the counties level. This based on the conditionalities set by the Ministry of Health. Central Equatoria received the largest share about **17%** of monthly health conditional transfers. The is followed by Jonglei state with **11%** and third is Lakes, Upper Nile and Western Equatoria with **10%** each of the total monthly Health conditional transfers.

Fig 8: Water & Irrig Conditional Transfers by States (May - 2021)



Of the total monthly conditional transfers for water **15%** of these transfers went to Upper Nile, followed by Western Equatoria which received **12%** of the total monthly conditional transfers for water. Jonglei was the third with **11%**

4. Concluding Remarks:

In conclusion, the utilization of RCF two will continue in June 2021 to clear the remaining months of Salary Arrears.

After clearing the remaining months of salary arrears (April & May 2021) by end June 2021, MoFP will write to the National Audit Chamber to come and conduct the audit on the RCF 2 utilization in FY 2020/2021. MoFP will publish the reports on MoFP website.