



NATIONAL ECONOMIC CONFERENCE

Towards a Diversified, Inclusive and Sustainable Economic Growth

JUBA, REPUBLIC OF SOUTH SUDAN

4th – 10th September 2023

COMMUNIQUE OF THE FIRST NATIONAL ECONOMIC CONFERENCE

BACKGROUND

South Sudan is recovering from a decade of conflict and fragility that devastated the country following independence in 2011. After the signing of the Revitalized Peace Agreement in 2018, development outcomes were also adversely impacted by numerous shocks, including climate disasters (i.e., record-level flooding), the COVID-19 pandemic, the Russian war against Ukraine, and the sluggishness of the global economy.

As part of its efforts to promote economic recovery and resilience, South Sudan in recent years undertook several reform measures. These include the expansion of domestic revenue mobilization, the enhancement of Public Financial Management policies and procedures, the strengthening of the public procurement system, and harmonization of the exchange rate.

South Sudan has also been working with development partners, including international financial institutions (World Bank, IMF and AFDB) and UN agencies to rollout a number of programs that are aimed at laying the foundations for improving economic growth and development outcomes over the medium-term. While many challenges remain, South Sudan is determined to chart out a new development trajectory built on these development gains, its development partnerships, and its immense natural assets.

Recognizing that the economic challenges faced by South Sudan require a multisector, multifaceted approach, H.E. President Salva Kiir Mayardit, in his address at the reopening of the Transitional National Legislative Assembly (or Parliament) following recess, directed the then Minister of Finance and Planning, **Hon. Dr. Dier Tong Ngor** and subsequently **Hon. Dr. Bak Barnaba Chol**, to organize the first National Economic Conference (NEC) that would complement the ongoing Public Financial Management reform efforts. The President envisioned that the Conference shall bring together all stakeholders, including development partners, to deliberate on and address the fundamental economic challenges facing the country.

The Conference, convened between September 4th and 10th, 2023, presented a great opportunity to promote policy dialogue aimed at enhancing macroeconomic stability, sustainable financial resource

mobilization, effective planning and budgeting, prudent resource allocation and government spending, human capital development, poverty reduction, organizational capacity strengthening, and overall inter-governmental fiscal discipline and business environment enabling. Similarly, the Conference was an opportunity for the country to reiterate its commitment to protecting investors' operations and rebuilding confidence in the economy.

The Conference brought together all stakeholders (State Ministers of Finance, academia and think tanks, trade unions, National Economic Cluster Ministries, the business community, experts and development partners) from around the world/country for a 6-day deliberation and produced the following communique and resolutions.

PREAMBLE

The 1st NEC, organized under the theme ***Towards a diversified, inclusive, and sustainable economic growth***, and convened between 4th and 10th September 2023, brought together stakeholders from around the country/world to analyze, debate, and offer policy ideas on how to stabilize and diversify the country's economy, and how to improve development outcomes over the medium-term.

Thus, the Conferees:

Appreciate H.E. Gen. Salva Kiiir Mayardit, President of the Republic of South Sudan, for initiating the 1st NEC and commissioning the Ministry of Finance and Planning to organize it;

Thank and congratulate both Hon. Dr. Dier Tong Ngor and Hon. Dr. Bak Barnaba Chol and the staff of the Ministry of Finance and Planning (MoFP); The Ebony Center for Strategic Studies, The University of Juba and the contributing partners – the World Bank, United Nations Development Programme (UNDP) and the African Development Bank (AfDB) for a successful organization of the NEC;

Appreciate and congratulate Honorable Ministers; Honorable Governors of 10 States and 3 Chief Administrators; Members of the TNLA and all the Delegates of the NEC for their commitment, attendance, and contributions to the discussions and recommendations of the 1st NEC;

Appreciate the efforts of H.E. Dr. Riek Machar Teny, First Vice President and Chair of the Governance Cluster; H.E. Dr. James Wani Igga, Vice President and Chair of Economic Cluster; H.E. Gen. Taban Deng Gai, Vice President and Chair of the Infrastructure Cluster; H.E. Hussein Abdelbagi Akol, Vice President and Chair of the Service Cluster in overseeing the deliberations of the NEC, and chairing its various sessions;

Deeply concerned by the status of development in South Sudan that continues to impact the lives and livelihoods of households and communities across the country;

Recognize and appreciate the participation and contributions of our development and diplomatic partners who gave their efforts to make the NEC a success;

Recognize the importance of clear and pragmatic vision, policies, and legal frameworks to grow and manage a vibrant and resilient economy;

Recognize the importance of instituting robust and realistic economic plans and actionable goals to improve development outcomes to promote diversified, inclusive and sustainable economy in the Republic of South Sudan;

Assert that the 1st NEC was a timely opportunity to discuss the key economic reform priorities of the country;

Realize the importance of collective thoughts and concerted actions to change the course and the trajectory of our national economy, and

Validate and commit to the resolutions and recommendations (**immediate and medium-term**) of the 1st NEC, conducted between 4th-10th September 2023 as follows.

A. GOVERNANCE CLUSTER

- 1) Urge for greater tenure stability and less politically motivated turnover among the key members of the country's national economic policy making team (Ministers of Finance, Governors of BOSS, Undersecretaries of Ministries of Finance and Planning).
- 2) Urge the government to immediately institute e-government plans to promote efficiency and accountability in the public sector.
- 3) Urge the government to define and implement a credible action plan for the immediate removal of check points country-wide to reduce transaction costs.
- 4) Demand for an immediate and efficient implementation of the R-ARCSS, policies, regulations and laws to enable greater economic activity.
- 5) Call on the government, private sector, and regional and international stakeholders to strengthen the country's data capacity by investing more resources in the National Bureau of Statistics (**inter-institutional**).
- 6) Call for an immediate decision to advance regional integration by finalizing pending EAC protocols, including customs management and movement of labor and capital among the member states (**inter-institutional**).
- 7) Call for a robustly coordinated, comprehensive disarmament of civilians and unauthorized persons.
- 8) Call on the government to immediately enact laws that govern insurance companies, micro-finance organizations, and real estate businesses (**inter-institutional**).
- 9) Call for greater judicial independence and respect for the rule of law to combat crimes (i.e., economic), protect rights, and promote greater economic activity.
- 10) Call on the government to encourage community policing, enlisting communities' participation in maintaining peace and promoting economic growth.
- 11) Call on the Council of Ministers and National Parliament to legalize these resolutions.

B. ECONOMIC CLUSTER

a) Agriculture and Food Security

- 12) Call on the government to boost the economy by investing a significant share of oil revenues in agriculture, diversifying the economy, and creating more rewarding jobs.

- 13) Urge the government to adopt the CAADP Maputo Declaration and Malabo Commitment of the Heads of State and Government to allocate at least 10% of national budget to agriculture in the next three years and beyond.
- 14) Urge the government to review taxes on agricultural equipment for farmers to cheaply import agricultural technologies and equipment required for improving productivity.
- 15) Urge South Sudanese farmers to form cooperatives to collectively access agricultural credit, seeds, and to benefit from marketing and trade opportunities, both locally and regionally.
- 16) Call for an immediate establishment of 13 model farms in the 10 states and 3 administrative areas to lead the way in agricultural sector transformation and to help local farmers learn and adapt new ways of farming for both subsistence and commercial purposes.
- 17) Call for the establishment of agricultural extensions nationwide to enhance farming.
- 18) Urge the government to restore all historical agricultural schemes nationwide.
- 19) Urge the government to improve food storage facilities and food preservation to reduce food wastage. In line with this recommendation, the conferees further call for the establishment of the Food Preservation Authority (FPA)—to ensure food safety and availability.
- 20) Call for the adoption of an appropriate mechanization, especially encouraging the use of ox-ploughs, low-skills and low-cost irrigation systems, and tilling equipment in rural South Sudan.

b) Livestock and Fisheries

- 21) Call on the government to attract the private sector to commercialize the abundant livestock resources to generate revenues to enhance service delivery and development.
- 22) Call for an introduction of animal health and traceability system to increase marketability, and to ensure consumer safety, security, and confidence.
- 23) Call on the government and private sector to introduce new animal breeds that produce more milk and meat.
- 24) Call on the government and private sector to support the fishing communities with modern equipment to improve fishing, handling, processing, and marketing.
- 25) Call on the government and private sector to strengthen veterinary medicine to improve livestock health.

c) Finance and Planning/NRA and Bank of South Sudan

- 26) Call on the government to immediately establish a Treasury Single Account (TSA) to ensure government revenues are pooled and administered in a single account.
- 27) Urge the government to fully integrate and mainstream the Oil for Roads program and other out of budget funds into the budgetary processes of the MOFP.
- 28) Call on the government to increase allocations of the National Bureau of Statistics (NBS) and South Sudan Bureau of Standards (BS) to generate data for evidence-based policy, and to better control quality and standard of locally produced goods and imports.
- 29) Urge the government to streamline the tax system to prevent leakages and improve revenue collection, including implementing tax digitalization.
- 30) Urge the government to establish a fund that targets and supports microfinance institutions and SMEs countywide to boost economic activity.
- 31) To expand tax base, call on the government to review tax laws governing subcontractors operating under SOFA/EPsAs.

- 32) Call for the establishment of Tax and Commercial and Trading Dispute Resolution Courts across the country to ensure investors are treated fairly.
- 33) Urge the government to have the oil revenues remitted to BoSS to build foreign reserves and to facilitate International Payment System through the BIS and corresponding banks supporting South Sudanese Commercial Banks and other suppliers.
- 34) Urge the citizens to transact using South Sudan Pound to reduce dollarization of the economy.
- 35) Call for the government to enact laws (including establishing a regulatory agency) that govern insurance companies, microfinance organizations, and real estate businesses.
- 36) Call on the government and commercial banks operating within South Sudan to design and facilitate access to business loans to people/entities with promising business plans.
- 37) Urge the government to conduct a study on inflation dynamics in South Sudan, to help inform policy community and all economic actors operating/those with interest to invest in South Sudan.
- 38) Call on the government to uphold BoSS's independence as envisaged in the Bank's Act, 2011.
- 39) Call on the government to routinely monitor and evaluate public investments (i.e., infrastructure) and milestones to provide evidence on the value for money.
- 40) Call for the strengthening of National Development Planning functions within the MoFP to advance a renewed social contract between the South Sudanese citizenry and their State by restoring investment programs in the people through more inclusive economic development.
- 41) Call on the government to implement measures to improve transparency on debt and procurement processes (i.e., loans and state contracts).
- 42) Urge the government to strengthen a Debt Management Committee (now established and headed by Deputy Minister of Finance and Planning) to guide and advise the government.
- 43) Call on the government to restore the Petroleum Revenues Gazette, which issues public reports annually regarding production and sales of oil to ensure transparency and accountability in the petroleum sector.
- 44) Call on the government to implement the Sovereign Wealth Fund according to the Petroleum Act, 2012.
- 45) Urge the government to invest in an alternative pipeline and to construct a refinery for local and regional markets.
- 46) Urge the government to enhance the capacity of trainable, coachable, and tradeable petroleum sector workers.
- 47) Urge the government to review the petroleum laws, including exploration and production sharing agreements (EPSAs).
- 48) Call for the review of the Revised National Development Strategy (R-NDS) to properly situate the NEC's recommendations.
- 49) Call for the privatization of oil sector holdings and business activities to maximize value for local businesses and engender economic growth.

d) Wildlife Conservation and Tourism

- 50) Call for the classification of all the existing hotels and restaurants in the country to determine the different types of services and their scale.
- 51) Call for the establishment, review, and enforcement of the Tourism Sector laws, policies and regulations to enhance investment and utilization of the tourism economic opportunities.
- 52) Call on the government at all levels to enact Wildlife and Tourism laws, policies, and regulations for the protected areas, including deploying the necessary unified force with immediate effect to prevent poaching and unlawful activities in the wildlife and tourism designated sites across the country.

e) Trade and Industry

- 53)** Urge the government to ensure all trade transactions are channeled through the BoSS to adhere to international standard practices.
- 54)** Urge the government to strengthen capacity for trade and industry sector by investing more resources in trade and industry technical training institutes across the nation.

f) Investment

- 55)** Call for the establishment of an investment body that arbitrates investment related conflicts and disputes.
- 56)** Call for the enactment of laws and policies that protect intellectual property rights.
- 57)** Call on the government to allocate investment land across states and administrative areas.
- 58)** Call on the government to create special economic zones to enhance economic activity across the country.

C. SERVICE CLUSTER

- 59)** Call on the government to increase budget allocation and real public expenditure on human capital development by investing more in health and education. A financing target of 4% or more of GDP or 15% or more of government budgets allocated to the education sector, according to the UN, is recommended.
- 60)** Call for efficient and unhindered delivery of basic services across the country by increasing management capacity and allocating more resources to states and administrative areas, including investing in technology (i.e., providing one computer for each household nationally).
- 61)** Urge the government to cleanse the payroll of ghost workers and to institute a biometric payroll system to reduce/curtail leakages.
- 62)** Call on the government to develop an educational system (i.e., learning/competency, not schooling-based) that is more responsive to the country's economic challenges.
- 63)** Urge the government to develop and strictly enforce a merit-based public service cadres recruitment process country-wide.
- 64)** Urge the government to develop and enforce policies that promote hard work and honesty, recognize and appreciate capability, promote talent, and reward performance.
- 65)** Call for an increase of the wages and salaries of the civil servants and organized forces to reduce economic crimes and strengthen public service.
- 66)** Urge the government to mobilize sufficient resources to retire with dignity the pension-bound personnel, opening up employment opportunities for qualified youth.

D. INFRASTRUCTURE CLUSTER

- 67)** Call on the government and private sector to invest in hydro-power and solar energy for sustainable industrialization, including immediately implementing the Grand Fulla Falls Project.
- 68)** Urge the government to fast-track the construction of Juba-Malakal, Juba-Wau, Juba-Kenya border and Pagak-Malakal roads to enhance transport, movement of commercial goods and people, and to strengthen trade among South Sudanese and with their neighbors.

- 69) Urge the government to build technology infrastructure (i.e., fiber optic), establish broadband connectivity to enhance knowledge sharing, and establish data centers to inform policy, educational, and commercial purposes.
- 70) Urge the government to construct an alternative oil pipeline through Pagak to Ethiopia and to Djibouti Port.
- 71) Call on the government to restore or construct river ports.
- 72) Call on the government to construct feeder roads connecting states, counties, and payams to enhance local trade and cultural exchanges.

E. GENDER AND YOUTH CLUSTER

- 73) Call on the government to initiate development projects that mainstream gender to achieve an inclusive economic empowerment, including expediting the establishment of Women's Enterprise Fund envisaged in the R-ARCSS.
- 74) Urge the government to foster gender-oriented metrics in the public expenditure.
- 75) Urge the government to incentivize school enrolment, attendance, and retention programs for girl-children.
- 76) Urge the government and private sector to grant credit with low interest rates to women and youth run businesses to achieve economic empowerment.
- 77) Urge the government, private sector, and international partners to provide resources to training institutions, such as the National Transformative Leadership Institute, School of Public Service, and related technical and vocational training (TVET) entities across the nation, to enhance capacities for women and youth.
- 78) Urge the government to develop gender and youth agricultural policy to foster a diversified and an inclusive economy.
- 79) Call for an immediate enactment of the Bill for the Youth Enterprise Development Fund.
- 80) Strongly urge the government to formulate policies that encourage microfinance institutions to target/prioritize women and youth.

D. Generally

We resolve to continue a conversation on the economy of South Sudan in an integrated manner. This will happen at national and each of the ten states and three administrative areas, as well as at the counties. This will enable the leadership (both Presidency and Economic Cluster) to continue guiding the nation. As part of this resolution, the Government and Partners will articulate a mechanism or mechanisms that seek for updated evidence to regularly inform these conversations.

We resolve to leverage benchmarking as an essential part of our modus operandi and ensure that what we as a country and local authorities do and how we do it will benefit from the best practice within the region and beyond. This includes, for example, benchmarking of aid management, exchange rate management, and how to set and achieve targets.

We resolve to put in place a mechanism to enable South Sudan to implement the outcomes of this conference in a sequence, at national and state/administrative area, and nurture the right coalition. This will enable the country to leverage the interlinkages across peace and security, transformation in health and education, trade, rule of law and access to justice, efforts for agriculture transformation, and more.

This will ensure ownership and commitment as well as accountability. It will also enable us to put in place the right human resources, ensure their continuous training and remunerate them.

We resolve to turn the challenge of climate change in South Sudan into an opportunity to transform public services, improve food production, appropriately respond to climate-change induced conflicts, and ensure just energy transition.

We also recognize the deleterious impacts of insecurity on the economy, thus calling on the government to fully implement the Roadmap to foster an improved environment for investment.

Finally, we resolve that there be a **National Economic Conference** every three years, creating an opportunity for progress updates every few years.

Signed:

Hon. Dr. Bak Barnaba Chol
Minister of Finance and Planning
Chair of the Steering Committee

Hon. Josephine Lagu
Minister of Agriculture & Food Security
Secretary of the Steering Committee

Mr. Themba Bhebhe
Country Manager
African Development Bank Group

Hon. Benjamin A. Koyongwa
Undersecretary of Planning, MoFP
Chair of the Technical Committee

Dr. Samuel Doe
Resident Representative
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