



Republic of South Sudan
Ministry of Finance and Planning

Concept Note

**South Sudan's 1st National Economic Conference
(NEC)**

4 – 8 September, 2023

A. Introduction and Background

South Sudan is recovering from yearslong conflict that has devastated the country and ebbed economic resilience for many households. The recovery effort has however been derailed by numerous factors, including natural disasters, the current conflict in the Sudan, the lingering impacts of COVID-19 pandemic, the war in Ukraine, and a level of sluggishness in the global economy not seen in more than eight decades. As a result of current global crisis, countries have lost the ability to grow because the global economy has changed characteristics as we have gone from a global economy

that was lacking enough demand to a global economy that is lacking enough supply. Simultaneously, there is an economic deceleration in the three major economies of the US, EU and China. Indeed, this economic crisis is bad for all countries and worse for nations like South Sudan with its unique challenges such lack of adequate local productive capacity, landlocked-ness, and an insufficiently diversified economy.

To cushion itself against these adverse factors, South Sudan undertook a number of economic reform agenda aimed at improving domestic revenue mobilization, enhancing the Public Financial Management Reform to strengthen economic governance and create conducive conditions for economic stability. Additionally, the Ministry of Finance and Planning and the Bank of South Sudan adopted measures to restore fiscal discipline, implementing a rules-based monetary policy framework, and eliminating distortions in the foreign exchange market.

Furthermore, South Sudan has been working with development partners including the World Bank and the International Monetary Fund (IMF) on a number of programs aimed at improving the overall economic performance. In early March 2023, the IMF Executive Board approved a disbursement of \$ 114.8 million for South Sudan under the Food Shock Window of the Rapid Credit Facility (RCF) – a much needed relief for an economy devastated by many factors, some of which are beyond internal control. While many obstacles still abound, the success of Staff Monitored Program (SMP) implemented by IMF and the Ministry of Finance and Planning has been one of the most successful, indicating a great potential for institutional strengthening in South Sudan. The challenge for South Sudan now is to continue on the same path, guided by the Public Financial Management Reform Strategy (PFMRS), which is provided for under Chapter IV of the R-ARCSS and to address the current volatilities in the market.

Recognizing that the economic challenges faced by South Sudan require a more holistic approach that addresses multisector and multifaceted strategies, H.E. President Salva Kiir Mayardit, in his address at the reopening of Parliament following recess, directed Minister of Finance and Planning, **Hon. Dier Tong Ngor** to organize a National Economic Conference that will leapfrogged the ongoing Public Financial

Management Reforms and agree a road map for achieving macroeconomic stability and future sustainable economic growth for the country. The President asserted that the Conference shall bring together all stakeholders, including development partners, to deliberate on and address the fundamental economic challenges the country is faced with.

The said conference shall promote policy dialogue aimed at enhancing macroeconomic stability, sustainable financial resource mobilization, effective planning and budgeting, prudent resource allocation and government spending, organizational capacity strengthening, and overall inter-governmental fiscal discipline and business environment enabling.

Furthermore, the conference shall be an opportunity for South Sudan to showcase its investment opportunities to the world. From investments in energy and transport, to oil and real estate, South Sudan is a fertile ground and a new frontier for proactive businesses to make potentially huge returns on foreign direct investments, and this conference shall be an opportunity for country to reiterate its commitments to protecting investors' properties and rebuild confidence in the economy.

B. Theme of the Conference

The theme of this conference shall be ***"Towards a Diversified, Inclusive, Stable and Sustainable Economy"***.

The overall objective of NEC is to develop a road map for South Sudan' economic development in the medium term. The conference also aims to develop clear policies and measures to increase the competitiveness and flexibility of the South Sudanese economy.

The following are the specific objectives of the NEC

- i) To inform all the economic sectors, stakeholders and development partners about the current status of economic and PFM government reforms, achievements and challenges.
- ii) To allow all the economic sectors, stakeholders and development partners to present their main concerns and challenges on the economic situation in South Sudan, and proposals to address them.
- iii) To identify a limited number of key priority policies to tackle the present and medium-term economy problems and challenges.
- iv) To identify policies to move South Sudan out of dependency on oil revenue to finance the government budget.
- v) To identify right fiscal and monetary policies that MoFP and BOSS can adapt to achieve macroeconomic stability e.g., exchange rate policy, inflation and budget deficits challenges.
- vi) To improve resource mobilization and prudent spending at the states level. Emphasis shall be placed on the establishment of transparent and accountable non-oil revenue-generating systems in the states.
- vii) To ensure better coordination and collaboration mechanisms between the National Ministry of Finance and the State Ministries of Finance.
- viii) To initiate and enhance projects coordination mechanism between the National and State Governments in preparation to moving out from third-party implementation to government-led implementation.
- ix) To evaluate the effectiveness of States allocation frameworks, including the formula used to allocate block and conditional transfers

C. Agenda

The agenda of the conference will focus on four broad tracks including:

- a) macroeconomic policies,
- b) private sector development,
- c) creating a business-friendly environment, and
- d) formulating a roadmap for the priority sectors in the government's work program.

This will be done through a number of interactive sessions that will discuss the visions and ideas of experts on what policies are required to achieve national goals in several priority sectors in the South Sudanese economy and the measures required to overcome the challenges facing those sectors. The conference is expected to close with clear conclusions and recommendations. The conference will also have roundtable sessions with the participation of government representatives as well as economists and representatives of private sector parties.

D. Participants of NEC

This National Economic Conference will bring together a number of participants from national and states/administrative areas government officials, members of parliament, private sector (e.g., Chamber of commerce) Academia and Think Tanks, trade Union, Economic Cluster Ministries, Experts and Development Partners, for a Five-day deliberation on policy issues pertinent to the economic development frameworks. The Technical Committee of the Conference will agree the exact number of participants from each sector. The Committee will also develop the conference LOGO and will launch a dedicated website to solicit ideas of what should be discussed in the conference and to share the discussions and the final conclusions and recommendations of the conference on the said website.

E. Preparation of Inception Phase

The Ministry of Finance shall put in place necessary preparations including catering for the tickets, accommodation, local transportation and Per Diem, for all the stakeholders invited for the conference.

The NEC Organizing Committee shall be established to perform the following duties;

- i. Identify a qualified consultant to provide technical support needed for the conference.

- ii. Identify and invite experts on all thematic, who will present high quality policy papers to initiate discussions at the conference.
- iii. Draft and sign a Memorandum of Understanding with the identified consultant on behalf of the Ministry of Finance and Planning, indicating the obligations, terms and conditions attached to the appointment of the consultant;
- iv. Review all the materials shared by the consultant and/or related to the conference, and approve as the committee sees best fit the objectives of the conference as envisioned by the Ministry of Finance and Planning;
- v. Organize and publish all the materials related to the conference on the conference website;
- vi. Handle all administrative and logistical issues related to the conference; including drafting invitation letters, resource mobilization, advertisement and liaising with vendors among other roles, to ensure the overall success of the conference;

F. Expected Outputs of NEC

This policy engagement conference is expected achieve the following outputs.

- i) A conference report, conclusions, and recommendations, action plan (timelines and responsible).
- ii) A compilation of the proceedings of the conference, incorporating relevant comments and policy deliberations.
- iii) Clear Policy briefs on the right Macroeconomic Parameters.

G. Implementation Mechanism

This National Economic Conference shall be organized by the Ministry of Finance in consultation with relevant authorities including the Economic Cluster Ministries, the

National Revenue Authority, the Bank of South Sudan and the development partners, and convened under the auspices of H.E. President Salva Kiir Mayardit, President of the Republic of South Sudan.

A NEC Organizing Committee comprised of technocrats has been constituted to put together reports and recommendations of NEC. This team shall also help identify experts on specific topics to make informed presentations on given thematic areas.

The conference shall feature presentations by national and international experts on selected areas, and propose policy recommendations meant to enhance macroeconomic performance and make path for sustained socio-economic transformation.

Key stakeholders shall be invited to make a presentation on the state-of-affairs of their institutions in the states and Administration Areas, as well as priority areas for their respective entities. This shall further enrich discussions and improve the overall quality of the Policy Statement as a precursor to national budget preparation processes.

The IMF and the World Bank shall also be invited to make specific suggestions on how best the institutions of government can enhance cooperation to achieve collective outcome.

H. Thematic Areas of Engagement

The Technical Committee shall identify experts, with support of partners to make high quality presentations on the following thematic areas:

- PFM Reform Agenda: Challenges in Implementation and Strategies for Success.
- South Sudan Macroeconomic Overview, achievements, challenges and plans.
- Development Partners Programs
- Banking sector and financial intermediary role (Bank and Non-Bank Institutions), focuses on FCV country experiences.

- Civil Service challenges in SS and international experience in FCV countries.
- Services sector ministries
- Gendering the economic reforms and economic development
- Fiscal Federalism and the role of our states and administrative areas. International experiences.
- Localization of SDGs and Agenda 2063: Implementation of National Development Plan.
- Human capital formation and Education?
- Physical Infrastructure (roads, telecommunication), benefits and economic impact... international examples FCV countries.
- Energy (Hydroelectricity, renewable energy)
- Investment (Agriculture, Industrialization)
- Environment and Climate Change
- International experiences -examples- on failed and successful exit strategies from third-party implementation to government-led implementation.

I. Monitoring and Evaluation Framework

Finally, to ensure a good monitoring mechanism for implementation of resolutions and recommendations adopted from the National Economic Conference, a Policy Working Group should be established to act as a solid overseer of the implementation of the NEC recommendations, and should present an annual account of what has been achieved on various fronts.

J. Identified Potential Partners

- National Ministry of Finance and Planning (MoF&P)
- Relevant government ministries, departments and agencies
- Government Parastatals including NilePet, NCA, SSBC
- Academics, Private sector representatives
- Development partners i.e., World Bank (WB), UNDP, UNICEF, World Food Program (WFP), African Development Bank, Embassies, etc
- Political parties

- Private Banks (EcoBank, Equity, KCB, Stanbic, Cooperative, Afriland First Bank, Nile Commercial Bank, Alpha Bank, Ivory Bank)
- Dar Petroleum Operating Company (DPOC)
- Greater Pioneer Operating Company (GPOC)
- Sudd Petroleum Operating Company (SPOC)
- Trinity Energy
- Telecom Companies (MTN, ZAIN, DIGITEL)
- Ezra Power Company

Proposed NEC Leadership Structure:



Roles:

Body	Composition	Roles
NEC Steering Committee	<ul style="list-style-type: none"> - Chaired by the Minister of Finance - Ministers of the Economic Cluster - Head of Technical Committee to be the Secretary/Hon. Undersecretary 	<ul style="list-style-type: none"> - Provide overall leadership and guidance - Sign official invitation letters for the dignitaries. - Receiving high level dignitaries
Organizing/Technical Committee	<ul style="list-style-type: none"> - Members in the Ministerial order - Co-opted members from key institutions including Presidency, Security Sector, Cabinet Affairs and Foreign Affairs. 	<ul style="list-style-type: none"> - Liaise with consultants and partners - Make necessary preparations prior to the conference including identifying the conference venue. - Make official communications and visibility materials for the conference.

		<ul style="list-style-type: none"> - Review all presentations prepared by experts.
NEC Secretariat	<ul style="list-style-type: none"> - Some members of the organizing Committee - Technical Advisors; UNDP, WBG - Ebony Center 	<ul style="list-style-type: none"> - Liaise with consultant - Documentation, drafting letters, - Compiling the final report.
Sub-committees	<ul style="list-style-type: none"> - Key departments from MoFP 	<ul style="list-style-type: none"> - Provide general support during the conference including handling protocol and other services.