



South Sudan's Financial Sector



Bank of South Sudan (BSS)

Presentation Overview

- Main messages & history/perspectives
- Current state of the industry
- Key issues – regulations, capitalization, skills, diversification, inclusion
- The way forward

“The road is under construction”

Main Messages & History/perspectives

- The history of financial institutions in South Sudan is a short one. Throughout Khartoum rule till the end of civil war in 2005, there were very few commercial banks concentrated in Juba, Wau and Malakal.
- South Sudanese were deliberately excluded from the economic system. As a result 90% of the population in South Sudan were not exposed to banking services . Access to finance was limited to Northern traders operating in Southern Sudan.
- In February 2008, Islamic banks left the South since the Bank of Southern Sudan(BOSS) introduced conventional banking
- However, after the CPA the Bank of Southern Sudan, although a mere branch of the central bank of Sudan took a bold step by licensing local and expatriate banks that took interest to invest in South Sudan.

South Sudan needs a stable, well diversified financial sector providing the right kinds of products and services with a level of intermediation and inclusion to support the country's ambitions



Current State of the Sector

As of November 2013

- 28 Commercial Banks are now operating in South Sudan and more than 70 applications on the pipeline
- 10 Micro Finance Institutions
- 86 Forex Bureaus
- A handful of Insurance companies



Current state of the Sector (2)

- Despite the increased number of financial institutions, competition is still limited and services are mainly concentrated in the urban hubs
- Four main products banks offer consist of basic deposit accounts, foreign exchange, transfer, and remittance services
- A few commercial banks provide loans, trade finance, or saving products
- Most lending in South Sudan is short-term and concentrated in commerce, trade, construction , salaries related loans and hotels in the urban areas



Current state of the Sector (3)

- MFIs are making an effort to reach the rural population with tailored products for agriculture sector but their operation is small
- Given the vastness of South Sudan and limited infrastructure, under 3 percent of the S. Sudanese population has access to financial services. Compared to Kenya and Uganda at 42 and 20 percent respectively
- Informal sector is the main credit provider to majority of South Sudan



Current state of the Sector (4)

- **Institutional capacity in the financial institutions**
- Since its inception in July 2011, BSS in collaboration with donor partners and international financial institutions such as IMF, World Bank, IFC and etc. has developed its organizational structures and capacity building for its staff. The BSS has benefited from technical assistance and unilateral agreement from those partners and government. Commercial banks staff have gone through series of training under sponsorship of IFC and other international financial institutions. Commercial banks have also developed modern payment systems using IT, RTGS, ATM, Credit Cards and electronic transfers. Banks have also been instructed by BSS to comply with AML/CTF rules and regulations.



Current state of the Sector (5)

- Section 58, Bank of South Sudan Act 2011 states clearly that no restrictions shall be imposed by the BSS or other authorities in the making of payment and transfer for international transactions. This goes in line with South Sudan Investment Promotion Act which allows:
 - Repatriation of Capital, profits and dividends
 - Non-Discrimination-Both local and foreign investors can own and operate business in any sector of the economy
 - Special incentives on application to the Board of investments
- BSS encourages also international trade that strengthens export diversification , while encouraging import substitution.



Current state of the Sector (6)

- **Bank of South Sudan monetary policy mandate is to keep prices stable and to maintain confidence in the national currency and one of its supervisory responsibilities is to promote the general safety, stability, efficiency and transparency of the banking and financial system in South Sudan. Therefore, in order to improve the access to finance, the Bank of South Sudan has introduced the following**
 - **Credit and monetary policies that improve the lending environment in South Sudan**
 - **Establishment of Credit Reference Bureau to address a fundamental problem of credit markets and would help to strengthen our country's financial system and will help our people get access to finance.**
 - **Financial leasing project as a core component of our strategy for helping develop financial markets, especially in country like South Sudan that is recovering from conflict.**
 - **In regard to macro-economic, monetary policies and price stability in Republic of South Sudan, the BSS has initiated a dialogue forum where key ministries (Finance, Petroleum, Justice & etc.), commercial banks and local entrepreneurs discuss major concerns/ issues that affect the economic stability in South Sudan.**
 - **Working in collaboration with IFC and Ministry of Justice to introduce a new project called secure transaction and collateral registry to address the issue of moveable and immovable assets**

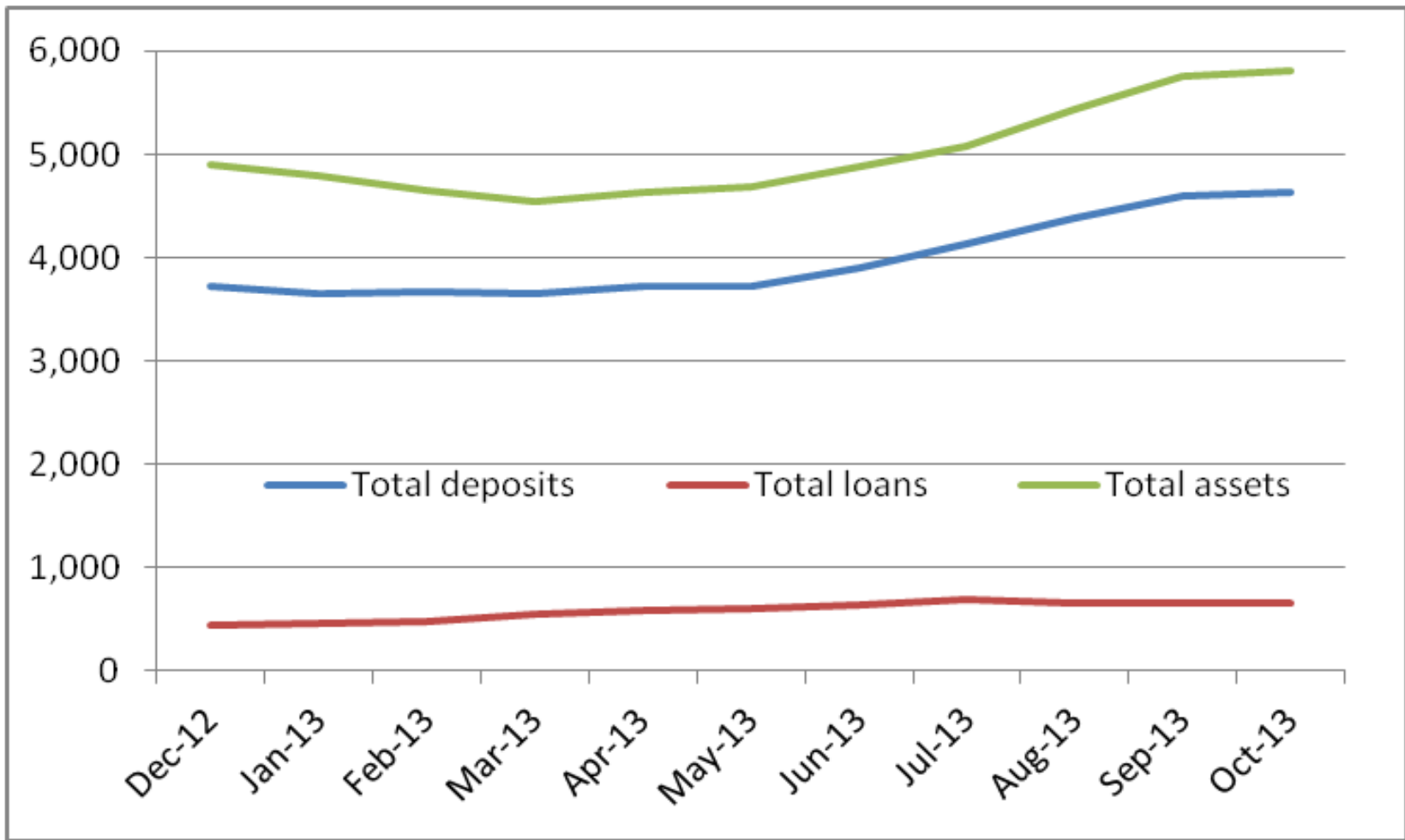


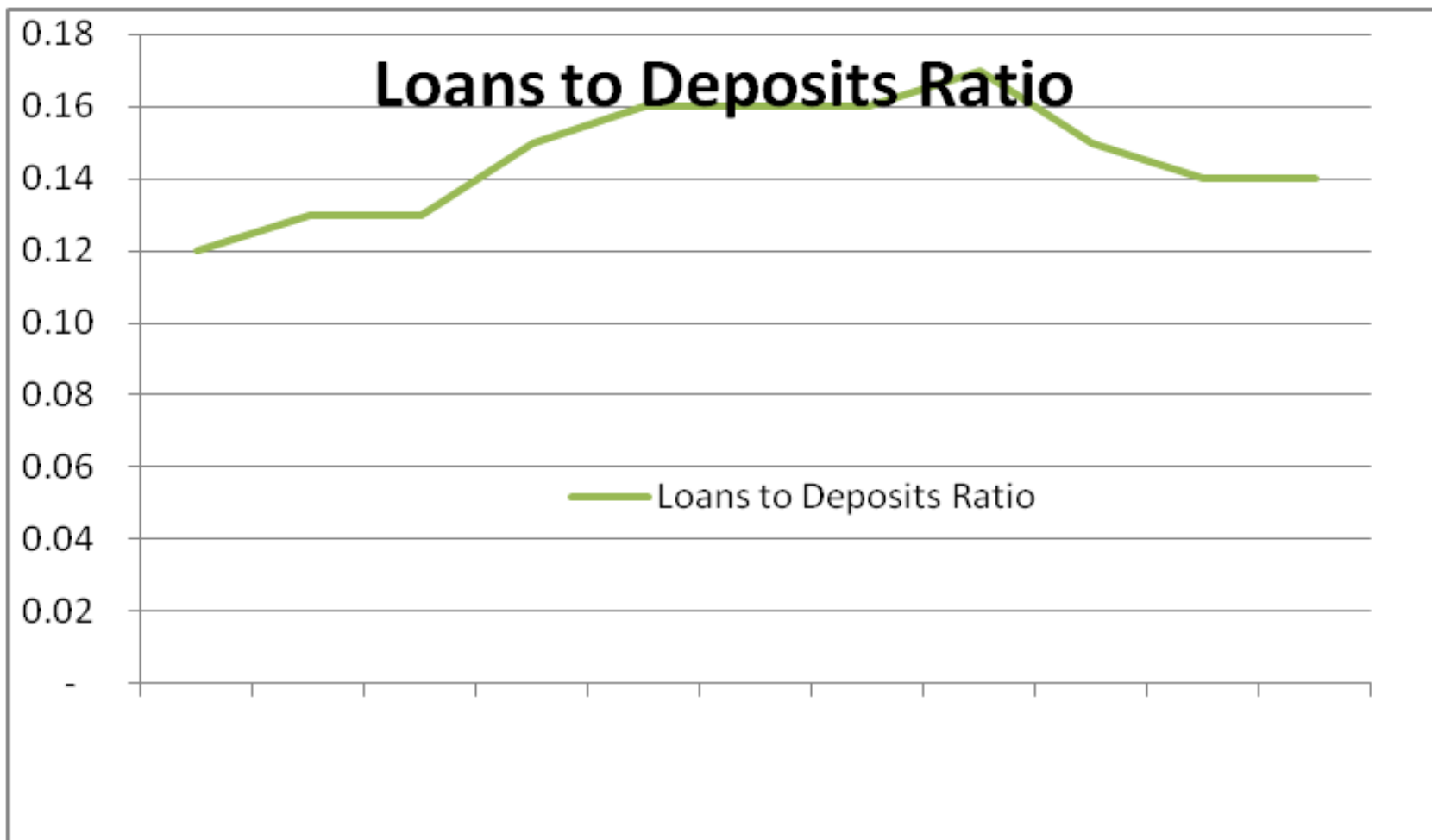
Banking sector

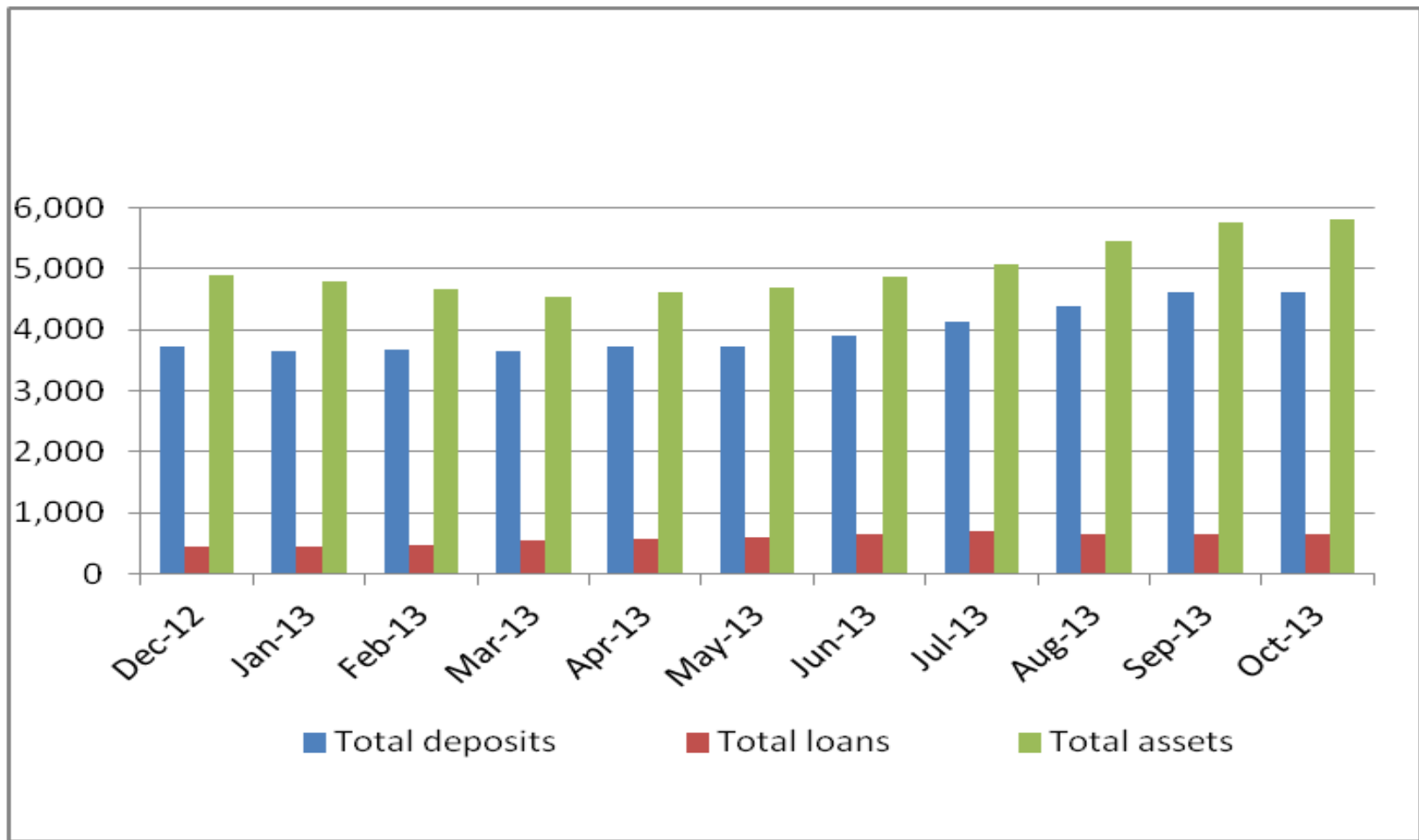
(in millions)

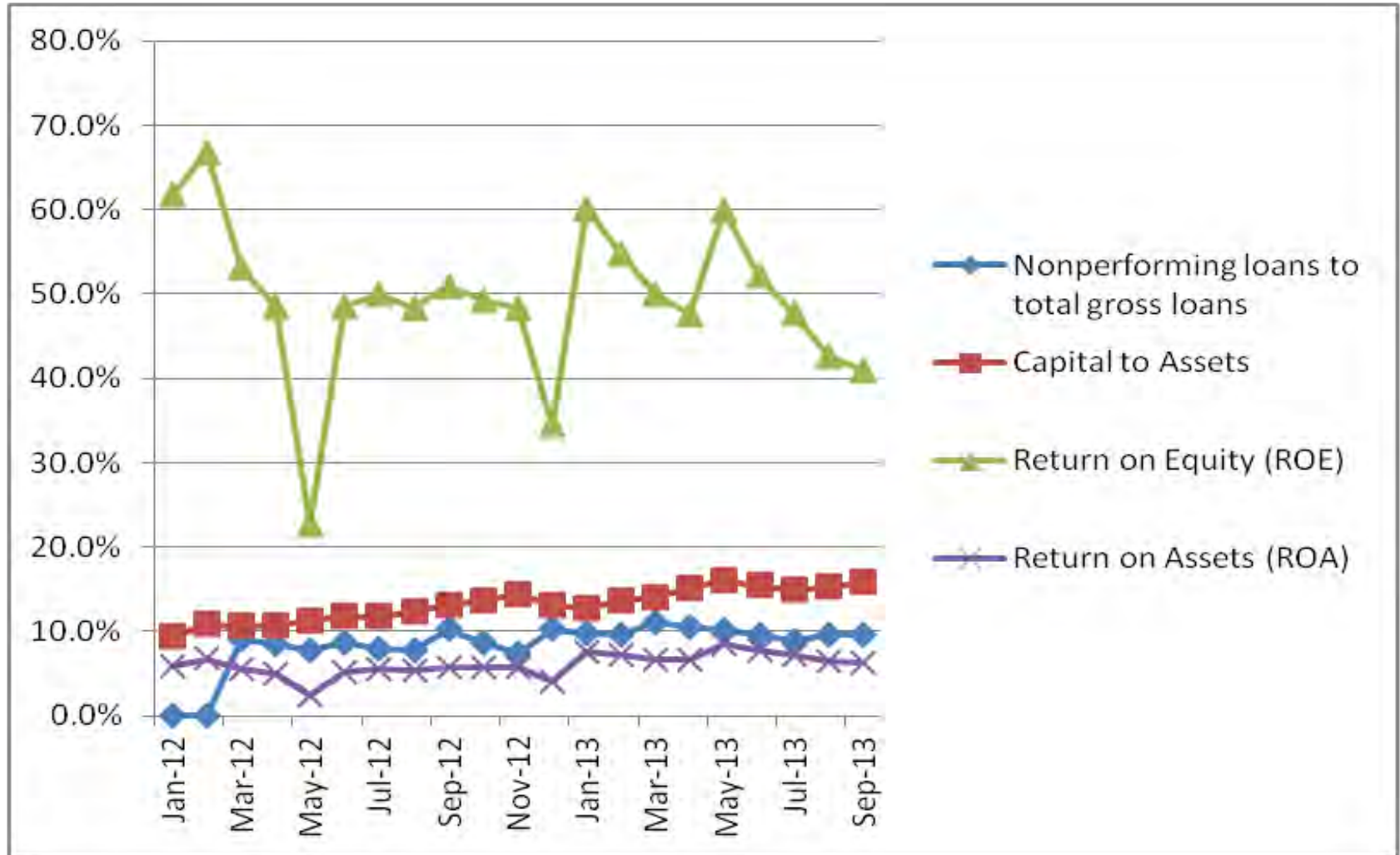
	Dec-11	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13
Total deposits	2,570.00	3,727	3,651	3,678	3,661	3,720	3,719	3,908	4,126	4,383	4,606	4,628
Total loans	251.00	441.00	459.00	474.00	553.00	584.00	602.00	643.00	691.00	656.00	651.00	660.00
Total assets	3,448.00	4,895.00	4,788.00	4,658.00	4,542.00	4,629.00	4,694.00	4,879.00	5,074.00	5,444.00	5,757.00	5,805.00
Loans to Deposits Ratio	0.10	0.12	0.13	0.13	0.15	0.16	0.16	0.16	0.17	0.15	0.14	0.14
Deposits to GDP	0.05	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.08	0.08	0.08	0.09











Key issues

- **Regulatory, supervisory framework are in place**
 - Bank of South Sudan Act 2011,
 - Banking Act 2012, AML/CTF 2012,
 - Forex Exchange Act 2012 plus 15 prudential Regulations
 - **Capitalization:** The Bank of South Sudan has raised minimum capital requirements to encourage stronger banks. Local banks remain undercapitalized
- **Shortage of skills:** The shortage of qualified human resources and the lack of technical capacity is an overarching weakness in the financial sector
- **Diversification:** There is little diversification in the financial products offered by banks. Insurance and MFI need a bigger presence.
- **Inclusion:** Majority of the population are without formal financial services. The characteristics of businesses in South Sudan and low level of financial literacy skills among the population further discourages banks to serve different market segments



The way forward

- **Regulatory, supervisory framework and financial infrastructure**
 - **Legal issues:** some Laws and regulations are needed by financial sector such as Microfinance Act, Leasing Act and etc.
 - **Collateral registries:** Reforming the framework for movable collateral lending will allow businesses—particularly SMEs—to leverage their assets into capital for investment and growth.
 - **Credit Bureau:** Introduce credit Information system through single identity for borrowers, requiring a range of financial institutions and utilities to submit positive and negative information



The way forward (2)

▪ **Skills development:**

- Partner with international training schools, IFC and donors to provide sector-level training to raise standards
- Explore sustainable long-term solution such as banking school in South Sudan

▪ **Diversification:**

- Enact laws that help the introduction of new products such as leasing
- Insurance: Encourage the development of insurance products to cater to needs of wider population e.g. micro insurance

▪ **Inclusion:** Three key areas for improving financial inclusion

1. Develop a national financial inclusion strategy
2. Provide access to range of financial services not just credit
3. Broaden target group of interventions/strategies
 - Focus on the use of new technologies to facilitate transactions
 - Focus on the promotion of financial literacy among the population

The way forward (3)

- **BSS is working aspiring to establish capital and money markets. Capital markets play an increasing role in promoting access to growth and development capital to business either through equity distribution or bond sales. They also prove to be major link to global financial and capital markets for South Sudan . CDS has been established and TB's worth of billions has been purchased by the government. Banks are very liquid which indicates the savings culture of the country, but the lending is still very low**
- **Government is out of direct business with exception of utilities management. Only one bank is owned by the Government, but there are proposals to sell government shares to the public**
- **The macroeconomic situation is encouraging, inflation stands at 10% , exchange rate in parallel market is stable and interest rate is above 18%**
- **There are possibilities of establishing a new bank in South Sudan**



**WE INVITE YOU TO JOIN US IN BUILDING A ROBUST
FINANCIAL SECTOR TO SERVE THE NEEDS
OF ALL SOUTH SUDAN'S PEOPLE!**



THANK YOU



Q&A

South Sudan Beverages Ltd

More Than Just a Brewery

5/12/2013



1116 2 15906



Agenda



- *Background*
- *Why Invest*
- *Timeline*
- *More Just a Brewery*
- *Facts and Figures*
- *FAQ*



Background to the Company



- Part of SABMiller Plc
- Second largest beverage company in the world
- Represented on all continents in the world
- In over 75 countries
- Some 70,000 employees
- Largest beverage company in Africa
- Proudly born in Africa



Why Invest ?



- Find a compelling reason to invest rather than reasons why not to invest
 - All the reasons for not investing have solutions if your compelling reason is sound
 - If you do not have a compelling reason let me give you one which is true for all potential investors
 - “We are able by virtue of our investment in South Sudan to make a meaningful and fundamental difference in the development of the economy of South Sudan and thereby make a difference in the lives of all the people of South Sudan”
- Market was bigger than we anticipated
- Import business would have been difficult to sustain
- Company value that beverages are a “local” industry



Timeline



- First exploratory visits 2006
- Decision to invest in a local production facility Feb 2007
- Acquired land in August 2007
 - Unique agreement with local community
- Started construction on 7 May 2008
- Commenced commercial operation on 1 May 2009
- Initial investment of \$41 M



The Site in 2009





Timeline Contd.



- Expanded operation to include production of Sparkling Soft drinks
- Expanded operation to include bottle drinking water
- Installed state of the art waste water treatment plant
- Investment \$11.2 M



The site in 2010





Timeline Contd.



- Doubled the capacity of the beer production
- Investment \$18.8 Million
- Going Farming



The Site in 2011





More Than Just a Investor A Partner in Development



- **Provide Safe Drinking Water to local communities**
 - Currently provide 5 times more treated water to the community than we sell in bottles
- **Plastic Recycling**
 - We collect PET bottles and shred
 - Shredded plastic is bagged
 - Bagged plastic is exported to Uganda for further export to China
- **Support Education in the country**
 - Built Class room block at neighbouring school



Water Collection Point at Production Site

One of Four





Water Collection Point at Pump Station One of Five Points





Facts and Figures



- Total Investment to-date \$71 million
- Employ 527 permanent employees
 - Local to Expatriate Ratio 93/7%
- Employ 120 contract employees
 - Contract staff that are paid piece work rate for loading and unloading product
- Estimate that our employment multiplier is 10:1 in the distribution and retail of our products
- Since Establishment we have paid SSP82 0770670.00 to the Government in the form of various taxes
 - Currently pay on average SSP 2,500,000.00 to the Government monthly in the form of various taxes



FAQ



- Would we do it again?
- What were the biggest challenges?
- The capacity and capability of the local workforce?

- What keeps me awake at night at present?
 - The biggest issue is the fact that we are unable to source foreign currency to sustain our operational requirements
 - The fact that our business has to renew its incorporation on an annual basis



Multilateral Investment Guarantee Agency

Facilitating Investments in Emerging Economies

1. MIGA in the World Bank Group

2. Typical Risks Faced by Investors and Host Countries
3. MIGA's Value Added
4. MIGA's Performance

Appendix

World Bank Group

IBRD
International Bank
for Reconstruction
and Development

Est. 1945

Role: To promote institutional, legal and regulatory reform

Clients: Governments of member countries with per capita income between \$1,025 and \$6,055.

Products:

- Technical Assistance
- Loans
- Policy Advice

IDA
International
Development
Association

Est. 1960

To promote institutional, legal and regulatory reform

Governments of poorest countries with per capita income of less than \$1,025

- Technical Assistance
- Interest Free Loans
- Policy Advice

IFC
International
Finance
Corporation

Est. 1956

To promote private sector development

Private companies in member countries

- Equity/Quasi-Equity
- Long-term Loans
- Advisory Services

MIGA
Multilateral
Investment
Guarantee Agency

Est. 1988

To promote cross-border investments

Foreign investors in member countries

Credit Enhancement and Political Risk Insurance for Financial Institutions (loans) and Investors (equity & shareholders loans)

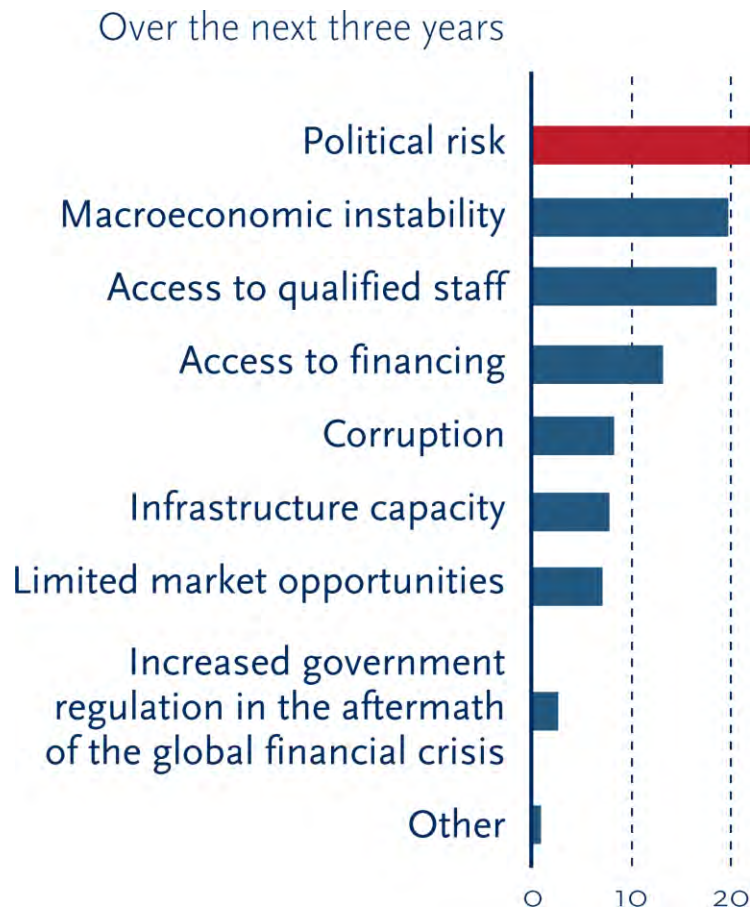
←..... **Shared Mission: “End extreme poverty and build shared prosperity”**→

1. MIGA in the World Bank Group
- 2. Typical Risks Faced by Investors and Host Countries**
3. MIGA's Value Added
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Appendix

Perceived Risks in Emerging Market Investment by Investors

Percent of respondents



Source: MIGA-EIU Political Risk Survey 2012.

Note: Percentages add up to more than 100 percent due to multiple selections.

Typical Risks Faced by Investors

Inability to convert or transfer dividends or loan payments due to FX restrictions

Failure of government to honor obligations under key project documents (e.g. concessions, off take agreements)

Government nationalizes or otherwise makes it impossible to operate the project through discriminatory measures

Destruction or interruption of business due to political violence

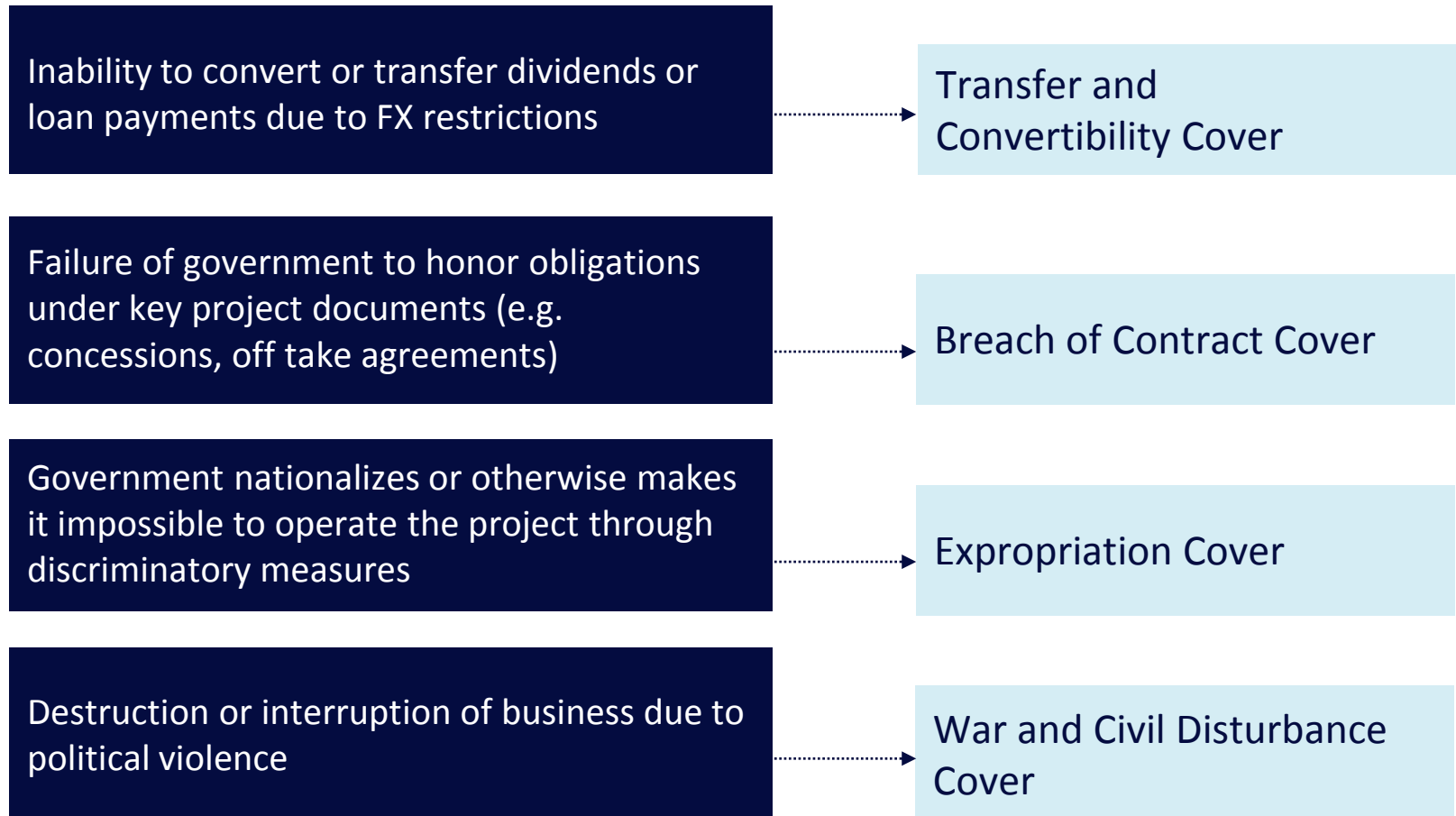
Typical Issues Faced by Host Countries

High funding costs for sovereign and sub-sovereign borrowers

Lack of access to long term financing for sovereign and sub-sovereign borrowers

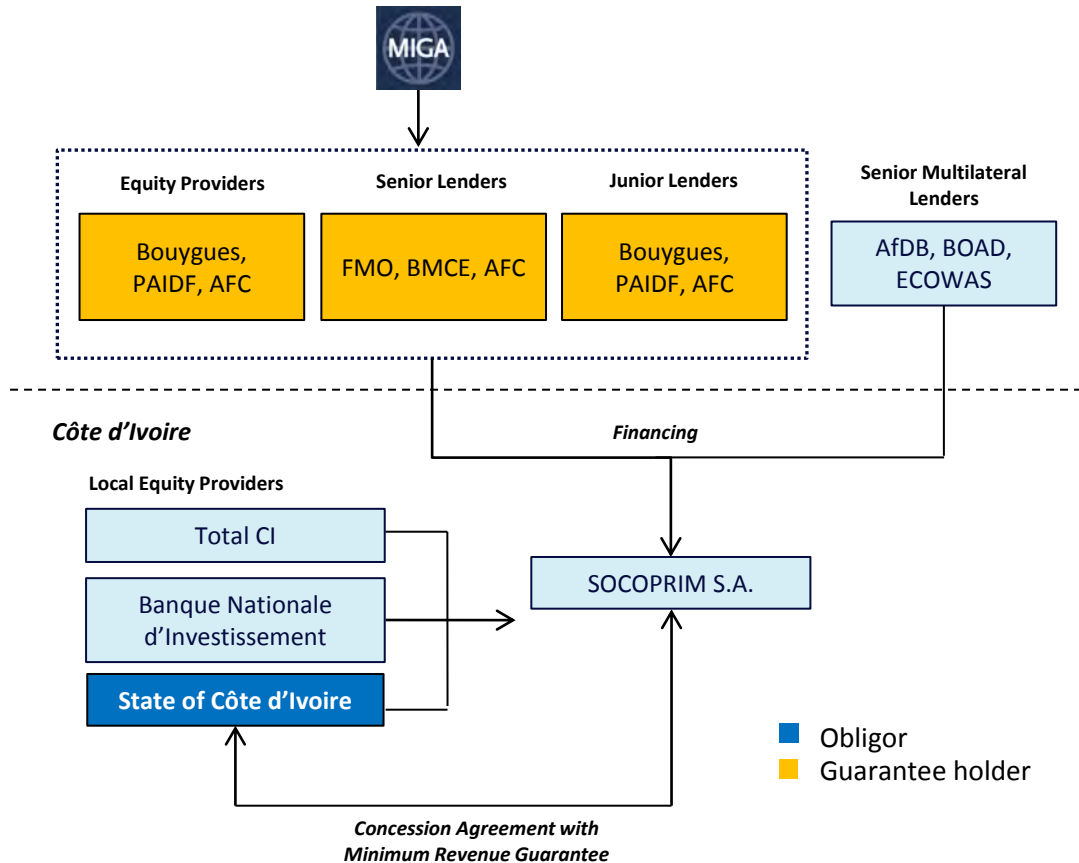
High funding costs and lack of access to long term financing for public entities (SOEs)

Typical Risks Faced by Investors and PRI Solutions



Political Insurance – Exchange Expropriation, Transfer and Convertibility, Breach of Contract, War and Civil Disturbance cover

Konan Bédié Bridge, Abidjan, Côte d’Ivoire

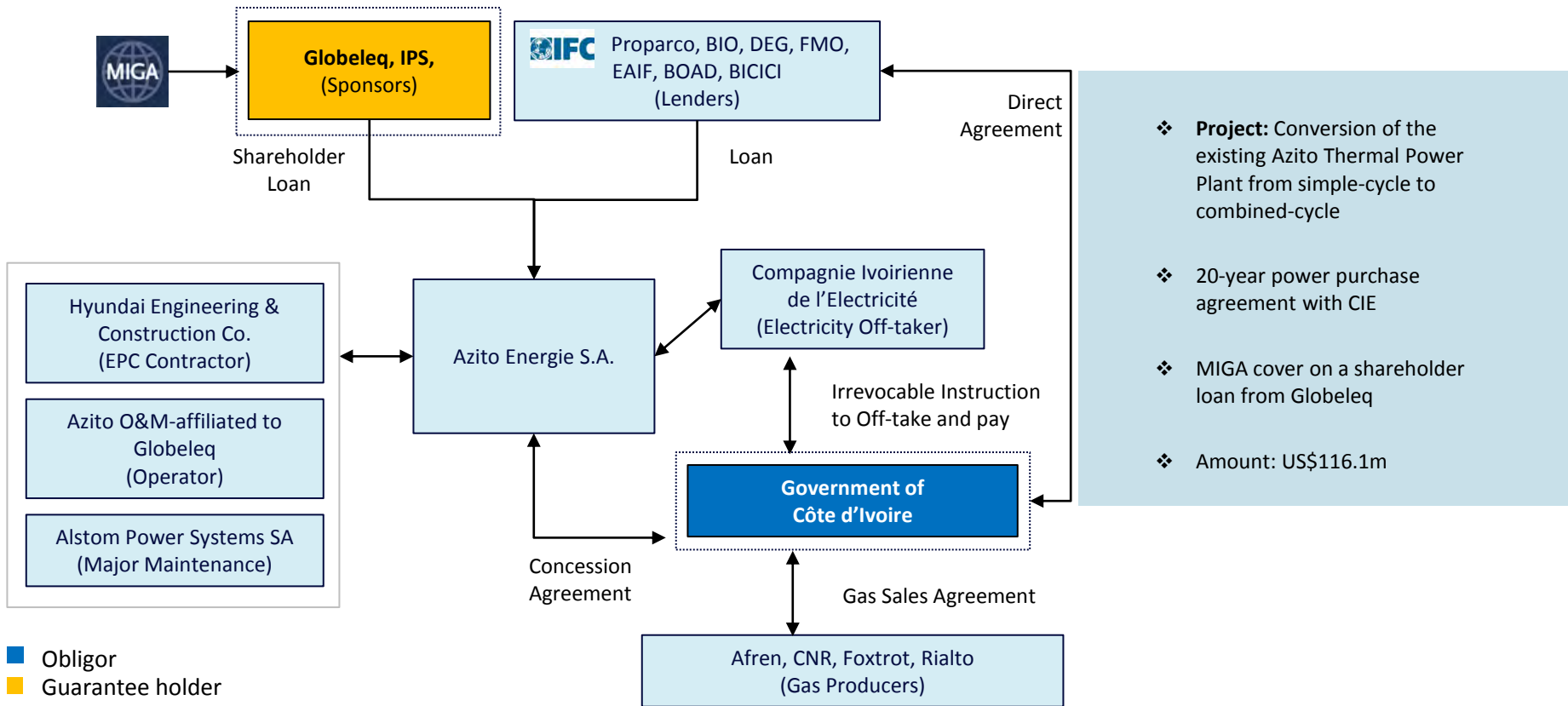


- ❖ **Project:** Design, construction and operation of a toll bridge in Abidjan, Cote d’Ivoire
- ❖ First PPP in Cote d’Ivoire since civil war and one of the first in West Africa
- ❖ MIGA covering all private sector participants in transaction on their equity and subordinated loans
 - Amount : US\$145m
 - Tenor: 10-15 years
 - Cover: Expro, W&CD, TR and BoC (incl. cover on State minimum revenue guarantee)

Note: PAIDF = Pan African Infrastructure Development Fund; AFC = Africa Finance Corporation, FMO = Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.; BMCE = BMCE Bank International Plc

Political Insurance – Breach of Contract Cover

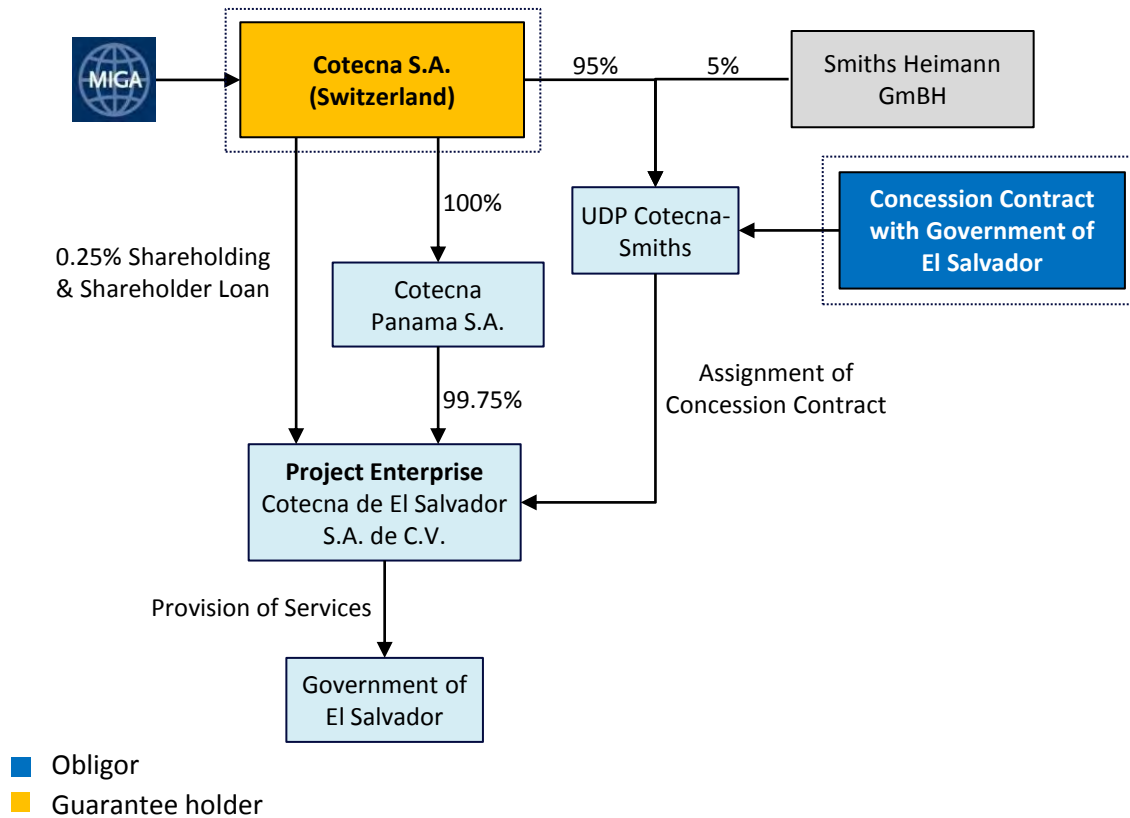
Azito Energie S.A., Côte d'Ivoire



- ❖ **Project:** Conversion of the existing Azito Thermal Power Plant from simple-cycle to combined-cycle
- ❖ 20-year power purchase agreement with CIE
- ❖ MIGA cover on a shareholder loan from Globeleq
- ❖ Amount: US\$116.1m

Political Insurance – Exchange Expropriation, Transfer Convertibility, Breach of Contract, War and Civil Disturbance Cover

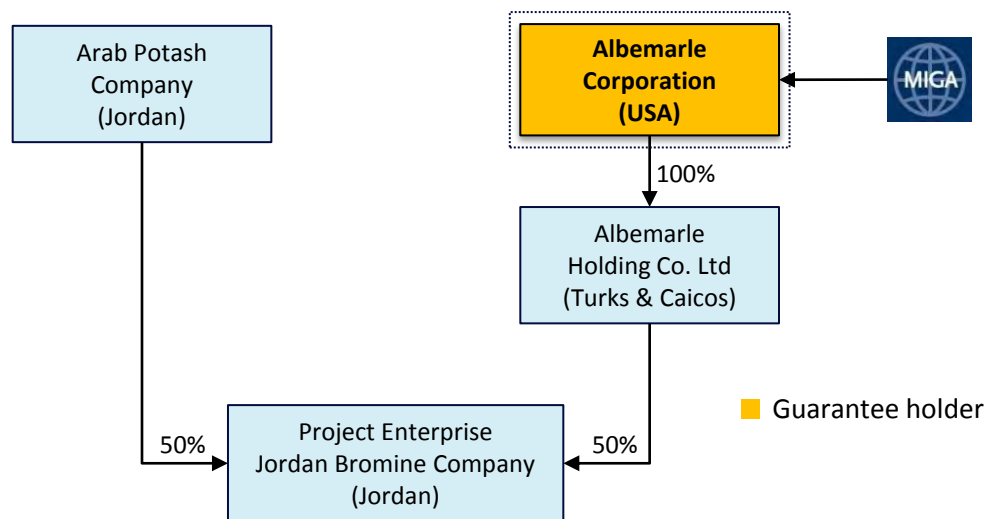
Cotecna de El Salvador S.A. de C.V., El Salvador



- ❖ **Project:** Provision of import and export verification services on behalf of the Government of El Salvador at 8 locations (ports, airports, land borders)
- ❖ 10-year BOT concession; increase import/export efficiency while reducing opportunities for fraud and evasion of tariffs
- ❖ MIGA cover on a shareholder loan to Cotecna El Salvador
 - Amount: US\$23.75m
 - Tenor: 12 years for specific projects

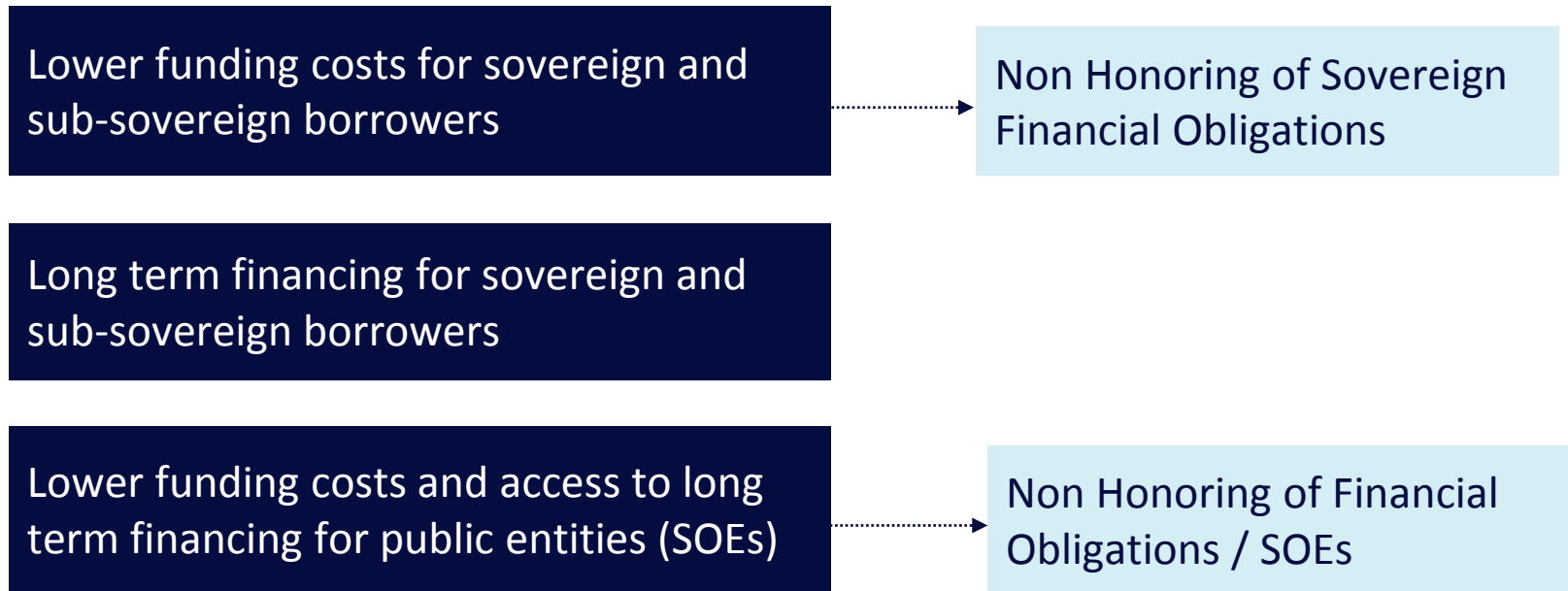
Political Insurance – Expropriation, War and Civil Disturbance Cover

Albemarle and Arab Potash Company, Jordan



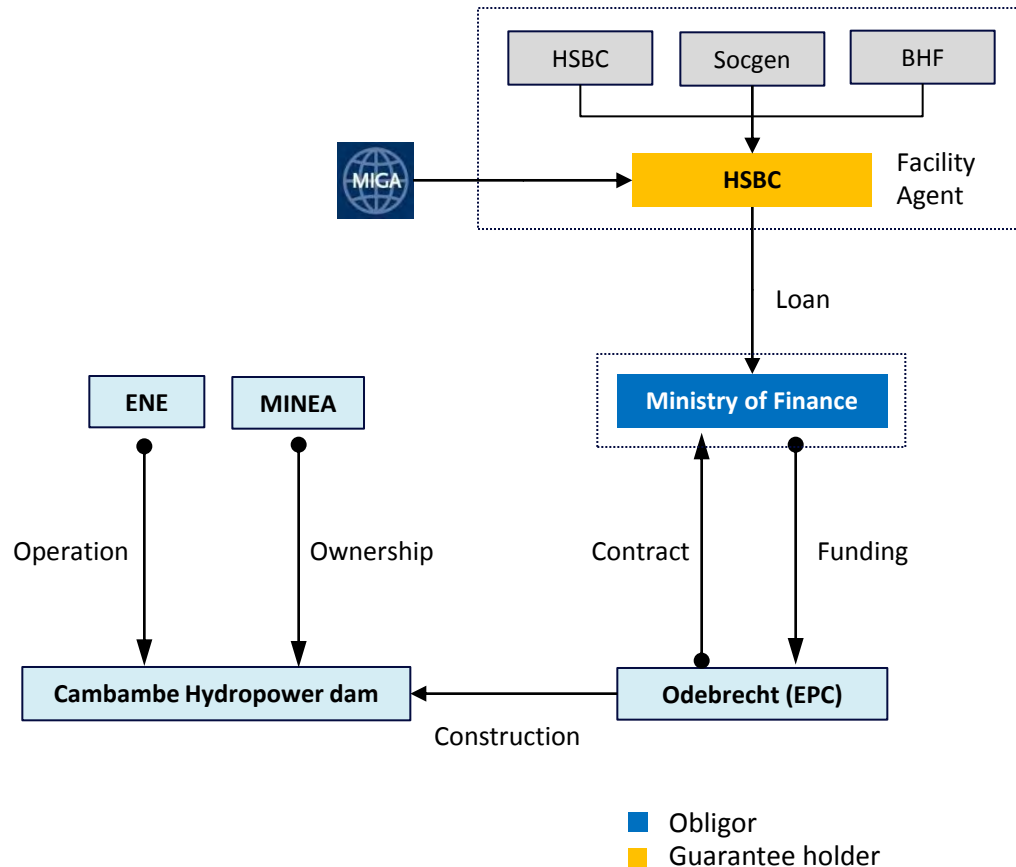
- ❖ **Project:** Expansion and operation of active industrial salt manufacturing plants in Jordan
- ❖ One of largest foreign investments in Jordan post Arab Spring
- ❖ MIGA cover on Albemarle's equity investment and future retained earnings
 - Tenor: 15 years

Credit Enhancement Solutions



Non Honoring of Sovereign Financial Obligations (NHSFO) Coverage

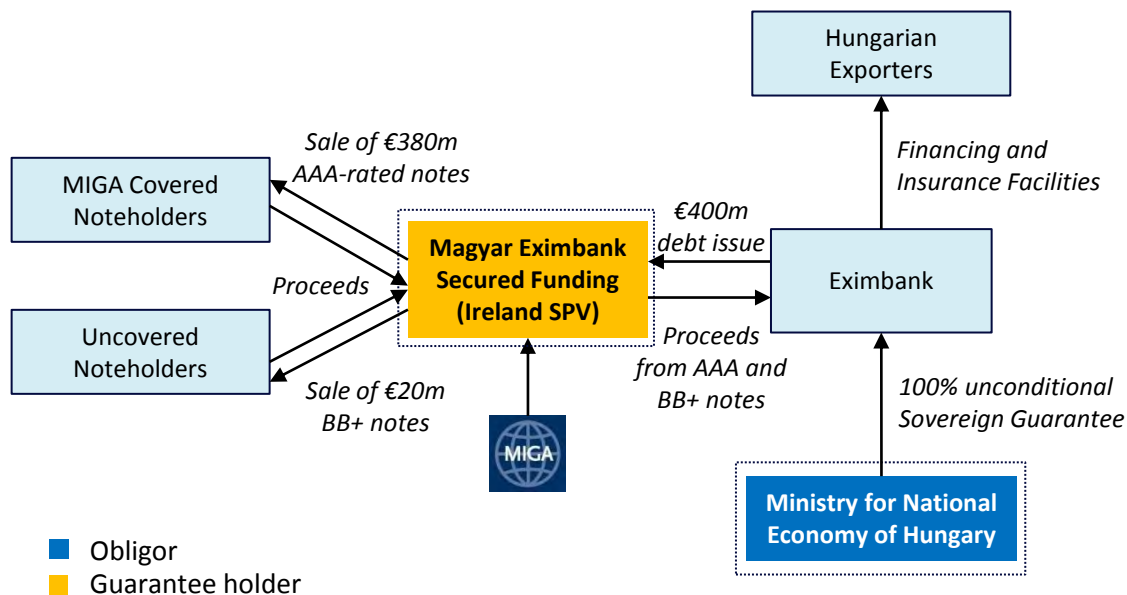
Cambambe Hydropower Plant, Angola



- ❖ **Project:** Expansion of a hydropower dam in Angola
- ❖ **MIGA Cover**
 - NHSFO on a loan provided to the MOF by a consortium of banks, with HSBC acting as Agent
 - Amount: US\$512m, incl. principal & interest
 - Tenor: 13 years

Non Honoring of Sovereign Financial Obligations

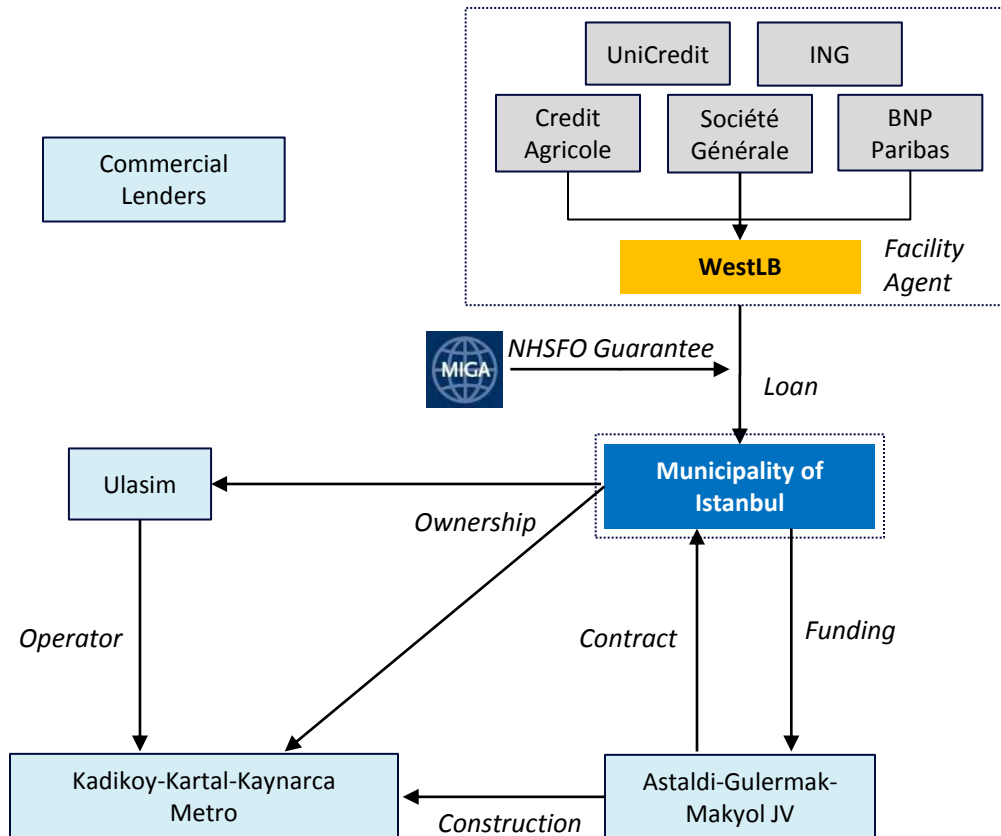
Magyar Export-Import Bank Zrt., Hungary



- ❖ **Project:** Expansion of medium and long-term lending by the Hungarian Export-Import Bank through bond issue
- ❖ **MIGA Cover – NHSFO**
 - Non honoring of Government of Hungary guarantee for Hungary Exim’s €400m debt issue
 - Amount: €424.4m, covering principal & interest
 - Tenor: 5.5 years
- ❖ **Issue rated AAA instead of BB+ (Hungary Sovereign Rating) resulting in:**
 - Lower funding costs
 - Wider investor base

Non Honoring of Sovereign Obligations

Kadikoy-Kartal-Kaynarca Metro, Turkey



- Obligor
- Guarantee holder

- ❖ **Project:** Expansion of underground metro system on Asian side of Istanbul, Turkey
- ❖ **MIGA Cover – NHSFO**
 - NHSFO on a loan provided to MMI by a consortium of banks, with WestLB acting as Facility Agent
 - Amount: €280m, including principal, interest & premium
 - Tenor: 9.5 years

1. MIGA in the World Bank Group
2. Typical Risks Faced by Investors and Host Countries
- 3. MIGA's Value Added**
4. MIGA's Performance

Appendix

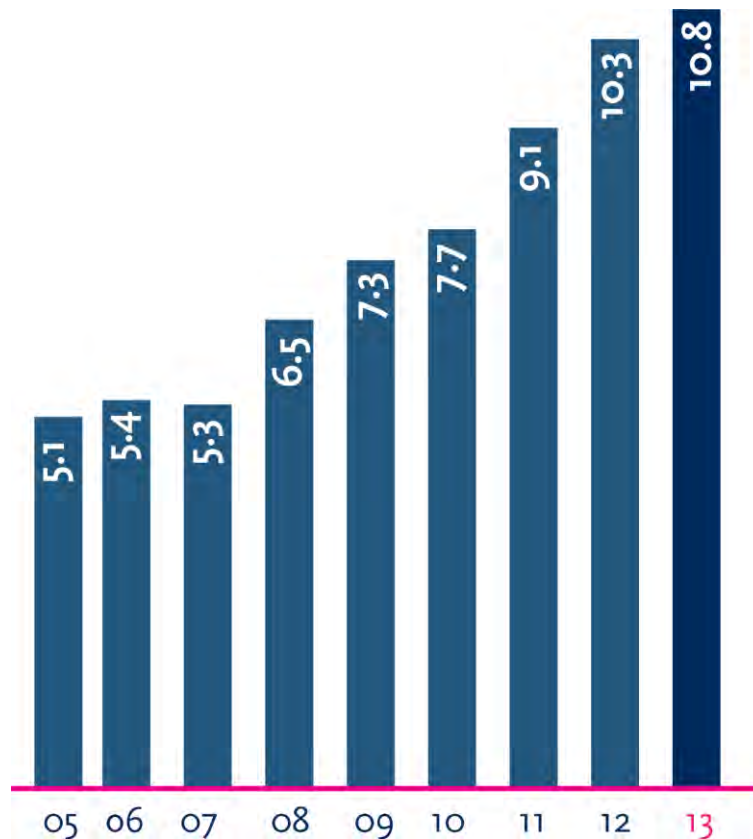
MIGA's Value Added

Strong pre-claim management	<ul style="list-style-type: none">• Management of risks at pre-claim level (100+ pre claims among 700 guarantees -2 claims paid for Expro, 4 for WCD)• Leveraging the World Bank network
Highly rated	Highly rated multilateral by Basel II Committee
Financially stable	<ul style="list-style-type: none">• Strong capital base• Access to secondary markets
Creative risk taker	<ul style="list-style-type: none">• Take different risks in emerging markets• Longer tenors (up to 20 years)
Protects clients' social obligations	Best practices in environmental and social standards

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MIGA's Gross Exposure (US\$ billion)

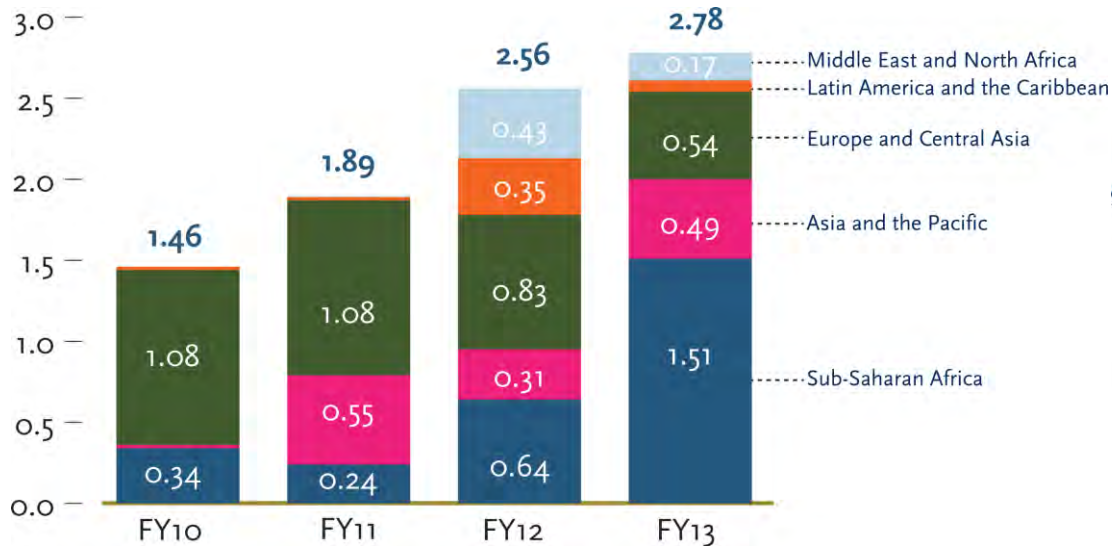


Note: CAGR (05 -13): 9.8%

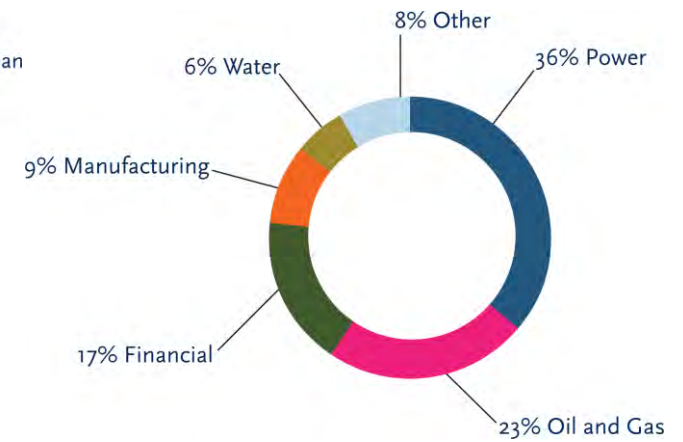
- ❖ Supported more than 750 projects
- ❖ Issued record \$2.8 billion of guarantees in FY13 ended June 30

MIGA's Issuances (US\$ billion)

Total New Issuances – FY13



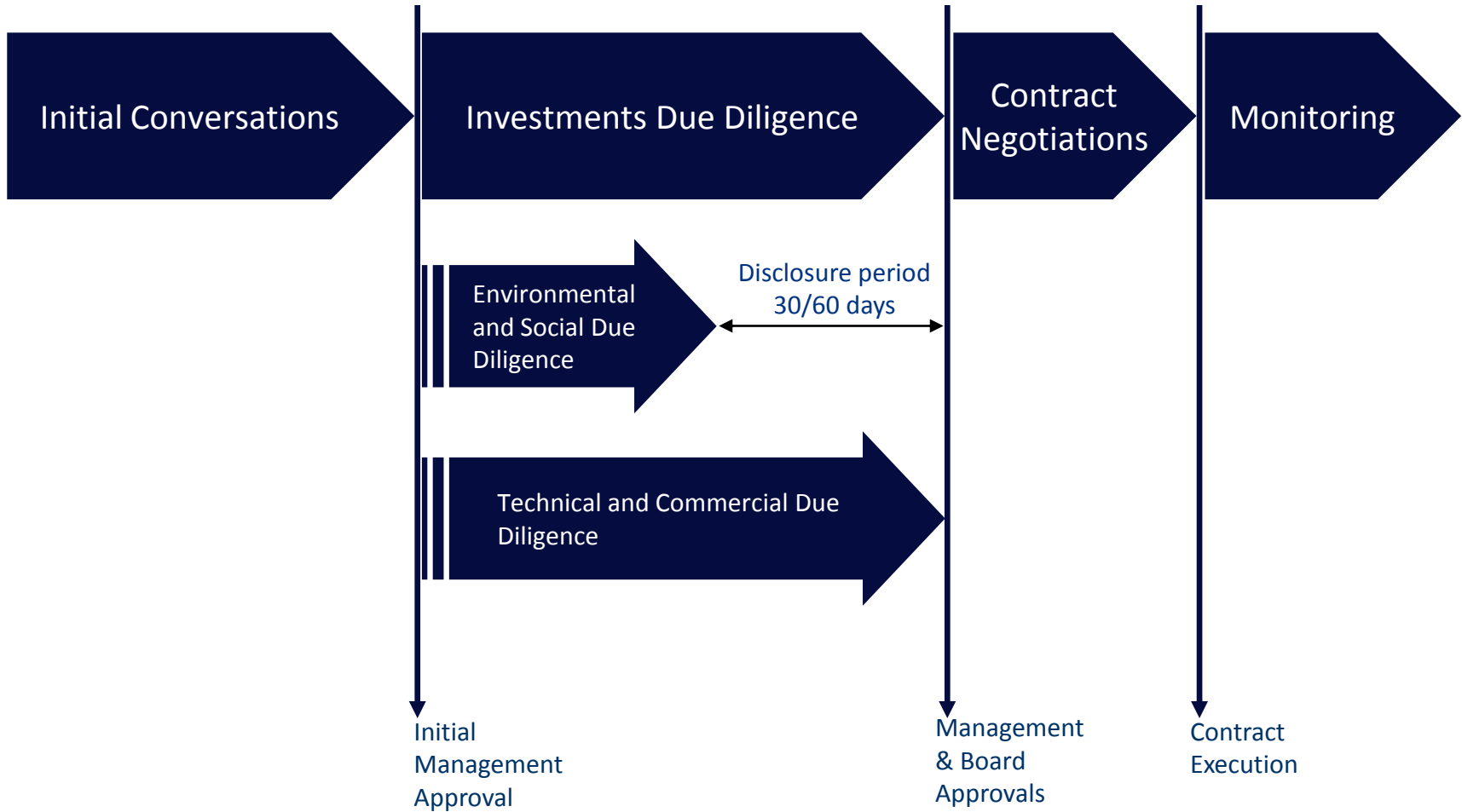
Sector Breakdown – FY13



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Appendix


Underwriting – Process and Timeline



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**Multilateral Investment
Guarantee Agency**
World Bank Group

MULTILATERAL INVESTMENT GUARANTEE AGENCY
WORLD BANK GROUP

MIGA: Bringing Clients Unique Strengths

The Multilateral Investment Guarantee Agency (MIGA) is a member of the World Bank Group. Its mandate is to promote foreign direct investment (FDI) in developing countries by providing guarantees (political risk insurance) to investors and lenders.

MIGA's guarantees protect investments against noncommercial risks and can help investors obtain access to funding sources with improved financial terms and conditions. The agency derives its unique strength from the World Bank Group and from its structure as an international organization whose shareholders include most countries of the world. This enables MIGA to provide an umbrella of deterrence against government actions that could disrupt projects, and assist in the resolution of disputes between investors and governments. MIGA also adds value through its ability to offer clients extensive knowledge of emerging markets and of international best practice in environmental and social management.

The agency works closely with public and private political risk insurance providers to increase insurance capacity. MIGA can act as the arranger for a project's total insurance requirements.

Eligible Clients

MIGA insures investments made by investors in a MIGA member country into a developing member country. In certain cases, the agency may also insure an investment made by a national of the host country, provided the funds originate from outside that country and the host government specifically approves the investment. Corporations or financial institutions are eligible for coverage if they are either incorporated in and have their principal place of business in a member country or if they are majority-owned by nationals of member countries. Investments by state-owned corporations are also eligible if they operate on a commercial basis. Investments by a nonprofit organization may be eligible if it is established that the specific investment will be carried out on a commercial basis.

* *Almost every nation is a member of MIGA. The list of MIGA member countries is available at www.miga.org.*

Eligible Investments

MIGA insures cross-border investments. This includes new investments as well as investments associated with the expansion, modernization, improvement, or enhancement of existing projects, or where the investor demonstrates both the development benefits of, and a long-term commitment to, the project. Acquisitions by new investors, including the privatization of state-owned enterprises, may also be eligible.

MIGA can cover equity investments, shareholder loans, and shareholder loan guaranties, provided the loans have a minimum maturity of more than one year. Non-shareholder loans can also be covered, as long as they relate to a specific investment or project in which some other form of direct investment is present. Other forms of investment, such as technical assistance and management contracts, asset securitizations, capital market bond issues, leasing, services, and franchising and licensing agreements, may also be eligible for coverage.

In keeping with MIGA's objective of promoting economic growth and development, projects supported must be financially and economically viable, environmentally sound, and consistent with the labor standards and development objectives of the country.

Types of Political Risks Covered

CURRENCY INCONVERTIBILITY AND TRANSFER RESTRICTION

Protects against losses arising from an investor's inability to legally convert local currency (capital, interest, principal, profits, royalties, and other remittances) into foreign exchange and/or to transfer local currency or foreign exchange outside the country where such a situation results from a government action or failure to act. Currency depreciation is not covered. In the event of a claim, MIGA pays compensation in the currency specified in the contract of guarantee.

EXPROPRIATION

Protects against losses arising from certain government actions that may reduce or eliminate ownership of, control over, or rights to the insured investment. In addition to outright nationalization and confiscation, "creeping" expropriation—a series of acts that, over time, have an expropriatory effect—is also covered. Coverage is available on a limited basis for partial expropriation (e.g., confiscation of funds or tangible assets).

In the case of total expropriation of equity investments, compensation to the insured party is based on the net book value of the insured investment. For expropriation of funds, MIGA pays the insured portion of the blocked funds. For loans and loan guaranties, MIGA can insure the outstanding principal and any accrued and unpaid interest. Compensation will be paid upon assignment of the investor's interest in the expropriated investment (e.g., equity shares or interest in a loan agreement) to MIGA.

WAR, TERRORISM, AND CIVIL DISTURBANCE

Protects against loss from, damage to, or the destruction or disappearance of, tangible assets or total business interruption (the total inability to conduct operations essential to a project's overall financial viability) caused by politically motivated acts of war or civil disturbance in the country, including revolution, insurrection, coups d'état, sabotage, and terrorism. The cover protects against losses directly attributable to the physical

damage of assets and total business interruption. For total business interruption, compensation would be based on the net book value of the total insured equity investment or the insured portion of the principal and interest payment in default as a direct result of a covered war and civil disturbance event. For tangible asset losses, MIGA will pay the investor's share of the lesser of the book value of the project assets, their replacement cost, and the cost of repair of the damaged assets.

Temporary business interruption may also be included upon a request from the investor and would cover three sources of interruption: damage of assets, forced abandonment, and loss of use. For short-term business interruption, MIGA will pay unavoidable continuing expenses and extraordinary expenses associated with the restart of operations and lost business income or, in the case of loans, missed payments.

This coverage encompasses not only violence in the host country directed against a host country government, but also against foreign governments or foreign investments, including the investor's government or nationality.

BREACH OF CONTRACT

Protects against losses arising from the government's breach or repudiation of a contract with the investor. Breach of contract coverage may be extended to the contractual obligations of state-owned enterprises in certain circumstances. In the event of an alleged breach or repudiation, the investor should invoke a dispute resolution mechanism (e.g., an arbitration) set out in the underlying contract. If, after a specified period of time, the investor has been unable to obtain an award due to the government's frustration of its efforts, or has obtained an award but the investor has not received payment under the award, MIGA will pay compensation. If certain conditions are met, MIGA may, at its discretion, make a provisional payment pending the outcome of the dispute. MIGA may also elect to pay compensation without an award if the investor does not have recourse to a dispute resolution forum, or there is unreasonable government interference with the investor's pursuit of legal rights against the host government.

NON-HONORING OF SOVEREIGN FINANCIAL OBLIGATIONS

Protects against losses resulting from a government's failure to make a payment when due under an unconditional financial payment obligation or guarantee related to an eligible investment. It does not require the investor to obtain an arbitral award. This coverage is applicable in situations when a sovereign's financial payment obligation is unconditional and not subject to defenses.

The coverages described above may be purchased individually or in combination,* but selection of the desired coverages must be made by an investor before MIGA issues its guarantee.

Terms of Coverage^{**}

PRICING

Premium rates are decided on a per-project basis and vary by country, sector, transaction and the type of risk insured. Premiums are due at the beginning of each contract period.

* *Individual risk coverage is not available for guarantees underwritten through the Small Investment Program. The program provides a standardized package of risk coverages, a streamlined approval process, and reduced costs.*

** *This description is only a summary. It does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for complete details of coverage and exclusions. Sample contracts are available at www.miga.org.*

DURATION OF GUARANTEE

MIGA provides coverage for a minimum of three years (more than one year for loans) and a maximum of up to 15 years (and possibly 20 years if justified by the nature of the project). Once a guarantee is issued and effective, MIGA may not terminate the contract unless a default occurs, but the guarantee holder may reduce or cancel coverage without any penalty on any contract anniversary date starting with the third anniversary.

AMOUNT OF COVERAGE

For equity investments, MIGA can guarantee up to 90 percent of the investment, plus up to an additional 500 percent of the investment contribution to cover earnings attributable to, and retained in, the project. For loans and loan guaranties, MIGA generally offers coverage of up to 95 percent of the principal (or higher as determined on a case-by-case basis), plus up to an additional 150 percent of the principal to cover interest that accrues over the term of the loan. For technical assistance contracts and other contractual agreements, MIGA can insure up to 90 percent of the total value of payments due under the insured agreement (up to 95 percent in exceptional circumstances).

Regardless of the nature of the project, an investor is required to remain at risk for a portion of any loss. MIGA can currently issue up to \$220 million of coverage on its own account for a single project, and can cover significantly higher additional amounts through reinsurance arrangements. The agency can also mobilize additional coverage through coinsurance programs with other political risk insurers, including through its Cooperative Underwriting Program. MIGA has no minimum investment amount.

The Small Investment Program (SIP)

MIGA's SIP program is designed to facilitate investment into small and medium-size enterprises (SMEs) involved in the finance, agribusiness, manufacturing, and services sectors.

Investments are eligible for coverage under the SIP if they are related to the establishment of an SME, or made into an existing SME, in a developing member country. In order to qualify as an SME, the project enterprise must fulfill at least two of the following criteria:

- no more than 300 employees
- total assets not more than \$15 million
- total annual sales not more than \$15 million

Investments in the financial sector are eligible under the SIP if they are geared toward providing financial services for SMEs, and at least 50 percent of clients related to the investment are SMEs as defined above.

The SIP offers:

- coverage up to \$10 million (the actual size of the investment may be bigger)
- a guarantee package covering currency transfer restriction, expropriation, and war, terrorism, and civil disturbance*
- no application fee for eligible smaller investors
- a quick approval process

The SIP has no restrictions with respect to the size of the investor. However, the program is specifically designed to assist small and medium-size investors (SMIs). The application fee is waived for SMIs. In order to qualify as an SMI, the company must have no more than 375 employees and fulfill one of the following additional criteria: have no more than \$50 million in assets or \$100 million in annual sales.

* *Breach of contract and non-honoring of sovereign financial obligation coverages are not offered under SIP, but investors requiring these coverages may apply through MIGA's regular guarantee program.*

How to Apply

Applicants seeking MIGA coverage should submit a completed Preliminary Application as soon as practicable. There is no fee charged. Once investment and financing plans are established, applicants submit a Definitive Application along with any relevant project documentation and a processing fee.

Applications may be submitted through MIGA's website, via email, fax, or by post.

MIGA Applications Office

Mail Stop U12-1205

1818 H St., NW

Washington, DC 20433

USA

t. 1.202.458.2538

f. 1.202.522.2630

www.miga.org

migainquiry@worldbank.org

Preliminary Application form for guarantee attached.

INSURING INVESTMENTS ■ ENSURING OPPORTUNITIES



PRELIMINARY APPLICATION FOR GUARANTEE

All fields for investor and investment information must be completed upon submission.

INVESTOR INFORMATION

Company name

Investor's contact Mr./Ms./Mrs./Dr. First Last

Investor's address

Telephone Fax

Email Website

INVESTMENT INFORMATION

Investor country (Investor Country must be different than Host Country)

Is the investing company wholly or majority state owned?

Yes No

If majority public owned, does it operate on a commercial basis?

Yes No

Host country (Where project is located)

Name of project

Brief description of project (Industry/sector)

Estimated total cost of project (in millions) Euro Japanese Yen Pounds Sterling USD

Estimated amount of investment (in millions) Euro Japanese Yen Pounds Sterling USD

Types of investments for which guarantee is requested (in millions):

Equity Euro Japanese Yen Pounds Sterling USD

Shareholder loan Euro Japanese Yen Pounds Sterling USD

Non-shareholder loan (see next page) Euro Japanese Yen Pounds Sterling USD

Loan guarantee Euro Japanese Yen Pounds Sterling USD

Others Euro Japanese Yen Pounds Sterling USD

(If other, please provide details)

Is the investment made through capital markets?

Yes No

Is this application related to a prior guarantee issued by MIGA or to another application filed with MIGA?

Yes No

(If yes, please provide details - contract number or registration number)

Estimated date of investment

BROKER OR INVESTOR REPRESENTATIVE INFORMATION (IF ANY)

If broker or representative is involved, please specify. Broker Representative

Company name

Broker's or investor representative's name Mr./Ms./Mrs./Dr. First Last

Title

Address

Telephone

Fax

Email

Website

How did you hear about MIGA?

- | | | |
|---|--|---|
| <input type="checkbox"/> Agent/Finder* | <input type="checkbox"/> Conference | <input type="checkbox"/> Host Government Official |
| <input type="checkbox"/> IFC* | <input type="checkbox"/> Insurance Broker* | <input type="checkbox"/> Internet Search |
| <input type="checkbox"/> Investment Broker | <input type="checkbox"/> Lenders | <input type="checkbox"/> MIGA News and Publications |
| <input type="checkbox"/> MIGA Staff | <input type="checkbox"/> MIGA's website | <input type="checkbox"/> Newspaper/Magazine |
| <input type="checkbox"/> Other Investment Insurer | <input type="checkbox"/> World Bank Staff | <input type="checkbox"/> Other |

* IFC, insurance brokers, agents and finders may be paid a commission by MIGA

Signature

Date

The purpose of this application is to register interest in a MIGA guarantee. Upon acceptance, a Notice of Registration will be issued. This notice does not constitute a commitment either by MIGA to offer a guarantee or by the applicant to accept such a guarantee. MIGA will treat all information contained in this application as confidential, and will not disclose it outside the agency except with the applicant's consent.

ELIGIBLE INVESTMENTS

The following is a summary of MIGA's rules on eligibility pertaining to investments and applicants. Other types of investments might qualify for MIGA's coverage.

1. TYPE OF INVESTMENT

- New cross-border investments originating in any member country and destined for any developing member country
- New investments or investment contributions associated with the expansion, modernization, improvement, or enhancement of existing projects
- Acquisitions, including privatization of state-owned enterprises
- Existing investments may also be eligible if the investor demonstrates both development benefits and a long-term commitment to the project

2. FORM OF INVESTMENTS

- Equity interests
- Shareholder loans and loan guarantees issued by equity holders, which must have a term of more than one year
- Other investments such as technical assistance, management contracts, franchising and licensing agreements as long as the remuneration of the investor depends on the revenues or production of the investment project and the investment has a term of at least three years
- Non-shareholder loans with a term of more than one year, as long as they relate to a specific investment or project in which some other form of direct investment is present

3. ELIGIBLE APPLICANTS

- Nationals of a member country other than the country in which the investment is to be made (host country)
- Juridical persons if they are either incorporated in and have their principal place of business in a member country other than the host country or if they are majority-owned by nationals of member countries
- State-owned corporations if they operate on a commercial basis
- Nationals of the host country or juridical persons incorporated in said host country or whose capital is majority-owned by its nationals, provided that the invested assets are transferred from outside the host country

MIGA Sanctions Procedures will be applied to sanction corrupt, fraudulent, collusive, coercive, and obstructive practices in connection with projects guaranteed by MIGA.

For more details on MIGA's activities, including its member countries, visit MIGA's website at www.miga.org, or contact MIGA at migainquiry@worldbank.org or by telephone 1.202.458.2538.

Multilateral Investment Guarantee Agency
World Bank Group
Application Office
1818 H Street, NW, Mail Stop U12-1205
Washington, DC 20433, USA

f. +1.202.522.2630

March 2012



Multilateral Investment Guarantee Agency

World Bank Group

1818 H Street, NW

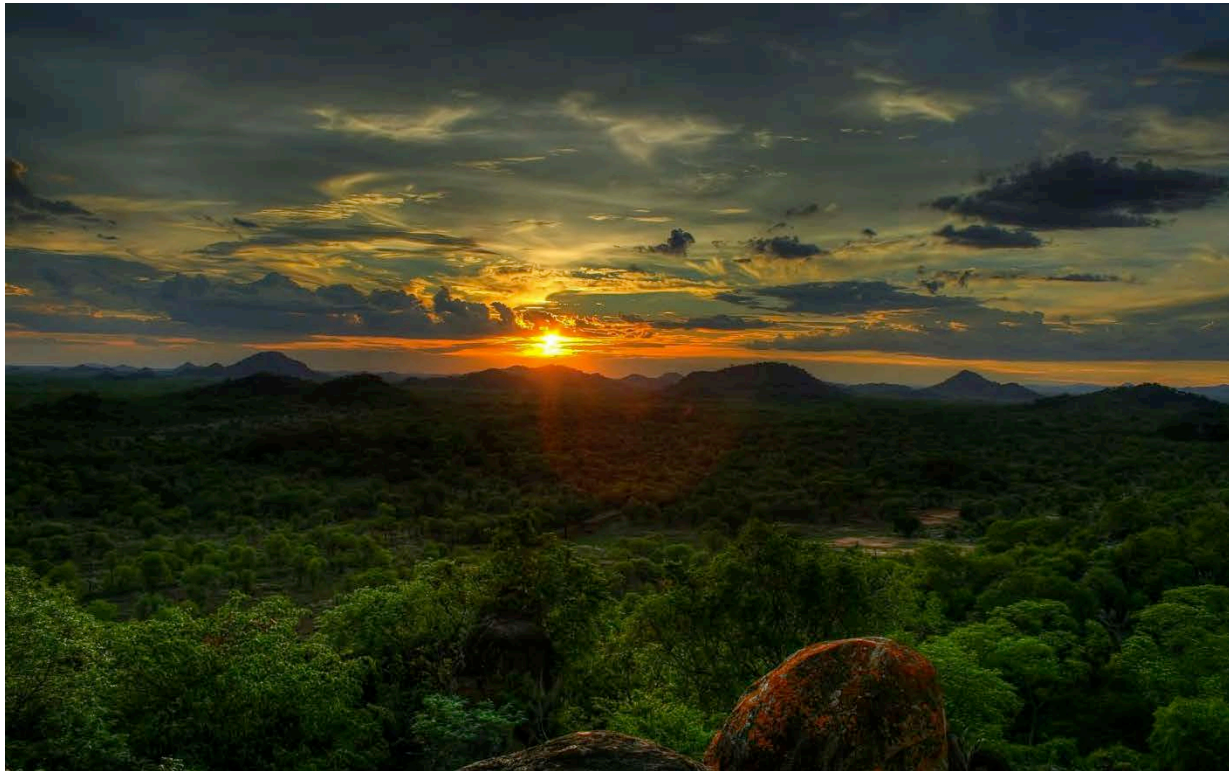
Washington, DC 20433

USA

www.miga.org



South Sudan Investment policies & Legal Framework



Paulino Wanawila Unango
Minister of Justice

South Sudan offers businesses and Investment opportunities key to economic growth

Rich natural resources, including oil, minerals, forests, water, livestock and fertile land

**Legal Framework:
Robust commercial laws**

South Sudan is located in strategic East Africa region which is now one of the fastest growing economy in Africa and the World

**Political Framework:
Stable democratic system with upper and lower house and independent judiciary**

Currently, South Sudan is a growing economy with priority to diversify oil with agriculture ,business services, mining, construction, consumer goods, etc.

Barely two years after independence, South Sudan has made an extraordinary progress

- ✓ Enacted 31 business related laws
- ✓ Updated the tax system
- ✓ Enhanced the capacity of the Business Registry
- ✓ Registered more than 19,000 businesses (from a base of 135)



Positive and Pro-business regulatory environment

Institutional Framework

- ✓ Tax incentives include:
Section 32 of the Investment Promotion Act, 2009
 - Capital allowances: 20%-100%
 - Deductible annual allowances: 20%-40%
 - Other depreciation allowances: 8%-20%
- ✓ Duty exemptions and concessions for imports of machinery, equipment, and agricultural inputs to boost crop production

Favorable Legal Investment Framework

- ✓ Article 28(1)(2) of the Transitional Constitution, 2011
- ✓ Investment Promotion Act, 2009 provides protections in 7 key areas, including:
 - Guarantees against expropriation
 - Protection of intellectual property rights
 - Mechanisms for dispute resolution
- ✓ South Sudan has a priority to develop Public-Private Partnerships to facilitate investment in key sectors



legal framework to support private sector

Key Laws Enacted

- | | |
|---|--|
| <ul style="list-style-type: none">■ Investment Promotion Act■ Companies Act■ Contract Act■ Registration of Business Names Act■ Partnerships Act■ Limited Partnerships Act■ Taxation Act■ Weights and Measures Act■ Anti-Money Laundering & Counter Terrorist Financing Act 2012 | <ul style="list-style-type: none">■ Petroleum Act■ Mining Act■ Banking Act■ Foreign Exchange Act■ Import & Export Regulation Act■ Sale of Goods Act■ Consumer Protection Act■ Anti-Corruption Commission Act■ Insolvency Act |
|---|--|



Legal Framework to protect investor's rights

- **Non-Discrimination:** foreign investors can own and operate businesses in any sector of the economy, except sectors identified as priorities for national investors such as postal services, co-operative services and car hire and taxi operations
- **Guarantees against Expropriation:** no nationalization or enforced sale; if there is overriding public interest that can only be met through expropriation, investors will be entitled to fair and just compensation determined in the courts of law
- **Employment:** investors are entitled to obtain work permits for foreign managers
- **Protection of Intellectual Property Rights:** IPR such as trademarks, copyrights & patents are protected and enforceable in accordance with international conventions
- **Repatriation of Capital, Profits and Dividends:** investors are entitled to repatriate proceeds in convertible currency subject to tax & other obligations
- **Dispute Resolution:** investors have recourse to local courts, alternative dispute resolution mechanisms and/or international arbitration
- **Rights of Access to Public Information:** Investors have direct and open access to all laws and decisions of courts and other bodies, and to any public information



Key Investment Incentives in priority sectors

- Section 32 and schedule II of the Investment Promotion Act, 2009
- Duty exemptions and concessions for **imports of machinery and equipment**
- Duty exemptions for **imports for agricultural projects** aiming to boost food and cash crop production – tools, equipment, machinery and tractors, pharmaceuticals, animal feeds, seeds, etc.
- **Tax incentives** include:
 - Capital allowances ranging from 20% to 100%
 - Deductible annual allowances ranging from 20% to 40%
 - Other depreciation allowances ranging from 8% to 20%
- **Special incentives** may also be granted on application for investments in areas designated as strategic or transformational

To obtain further details, please refer to the Second Schedule of the Investment Promotion Act.



As much as we have the laws, we recognize that investment challenges are still enormous and we are actively **working** to address some of these challenges as follows:

- Need to standardize regulations and processes as we continue to develop our legal framework**
- Need to improve infrastructure – energy, roads, communication networks, etc.**
- Need to further improve security**
- Non- interference of some individuals with investors**
- Address enduring negative perception in international media about our country**
- initiation of land tenure legislation favourable to investors**

We know we must build an investment climate that is competitive, particularly with neighbouring countries.

**WE INVITE YOU TO JOIN US IN BUILDING
THE NEW ECONOMIC POWERHOUSE IN AFRICA!**



THANK YOU

Q&A

Context Sensitive Business Practice: 'Promoting Business and Peace in South Sudan'

www.saferworld.org.uk

Juba. 5th December 2013

Capson Sausi



Agenda

- Introducing Saferworld
- Why is Context Sensitive Business Practice important?
- What is Context Sensitive Business Practice?
- How Saferworld can help your organisation maximise its investment by taking a Context Sensitive approach
- Qs & As



Introducing Saferworld

- Saferworld is a UK-based NGO working to prevent and reduce violent conflict and promote cooperative approaches to security
- Saferworld has programmes in nearly 20 countries and territories across Africa, the Middle East, Asia and Europe.
- Saferworld has been working in South Sudan since 2008, and has programmes in seven states with a country HQ in Juba.
- We are a member of the global DFID-funded Conflict Sensitivity Consortium (CSC) that works to enhance the impact of development, humanitarian assistance and peace-building programming through increased and more effective integration of conflict sensitivity



*Why is Context Sensitive
Business Practice (CSBP)
Important?*



Ask yourself a Question.....

30 years ago would your business have conducted an environmental impact analysis before starting a large project?

How about now?



Why is Context Sensitivity Important For Business Investment?

- Poverty and socio-economic exclusion fuel conflict, while conflict undermines development and entrenches poverty/socio-economic exclusion
- Economic development can help reduce violent conflict by tackling poverty and socio-economic exclusion
- However *in-sensitive* business practices can fuel existing or new conflicts, as valuable resources and opportunities are introduced to communities



Risks of operating in an insensitive manner

- **Financial** – higher insurance, security and transportation costs, higher wages for staff to offset risks, increased cost of raising capital, threat of extortion;
- **Operational** – destruction of property or infrastructure, disruption and delays to the project;
- **Human** – killing, kidnapping and injury, evacuation of staff, recruitment difficulties;
- **Reputational** – domestic protests, international campaigns against the company.



Why is CSBP important in South Sudan?

- There is a lack of strong institutions to deal with land disputes, which can lead to tension and conflict.
- Whole generations missed out on the chance to go to school. Illiteracy is reportedly over 70%.
- High levels of poverty and a lack of employment opportunities in all parts of the country mean people are desperate to see benefits from any company doing business where they live. If they do not see some benefit this can lead to grievances against companies.



Why is CSBP important in South Sudan?

- A developing justice and security sector encourages people to solve grievances themselves, sometimes violently.
- High prevalence of small arms in hand of civilians.
- South Sudan has over 60 different ethnic groups, some with a history of rivalry - if all ethnic groups in the area feel they benefit from the presence of a business they will keep it safe. If a business is *perceived* to favour one group, for example in its recruitment policy, this could result in the business or its staff being targeted.

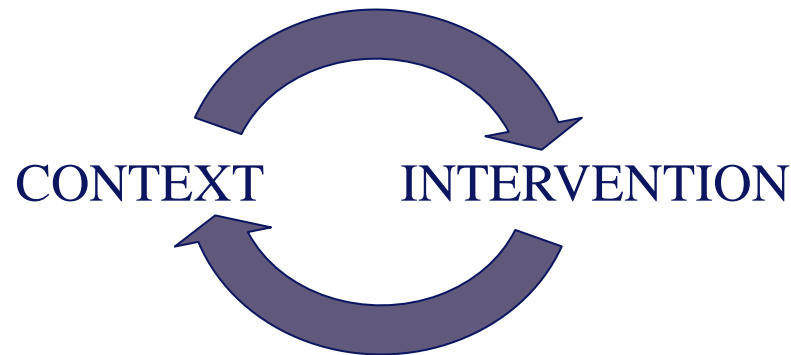


*What is Context
Sensitive Business
Practice?*



What is Context Sensitive Business Practice?

Context sensitive approaches to development refers to a process of applying a set of tools and practices that allows interveners to better understand the context and impact of their interventions.



What is Context Sensitive Business Practice?

Context sensitivity means the ability of an organisation or business to:

- Understand the context in which they operate.
- Understand the interaction between themselves, their activities and this context.
- Act upon their understanding of this interaction so as to avoid negative impacts (e.g. conflict) and maximize positive ones (e.g. peace dividends)



What is Context Sensitive Business Practice?

Key components of a CSA:

- Implement a sector-relevant conflict analysis of your context
- Incorporate your analysis into your programme/business cycle
- Regularly update your analysis and adapt your intervention accordingly
- Assess the impact of your intervention on sector-relevant conflicts



*How Saferworld can help your
organisation maximise its
investment by taking a
Context Sensitive approach*



Saferworld Can Help Your Organisation

- To create sustainable context sensitive practices to allow your business to reduce Financial, Operational, Human and Reputational risks, and maximise your investments.
- For every dollar spent several more are saved.
- We provide high-quality training and technical support to government, civil society, development partners, and the private sector to help them avoid risk and maximise their positive contribution to society
- Saferworld conducts a process of accompaniment, whereby our staff engage with your organisation over a longer period of time to help you put lessons into practice.



Saferworld Can Help Your Organisation

- Sinohydro is a Chinese state-owned hydropower engineering and construction company. Ranked the 14th largest Global Contractor by annual revenue. Saferworld will accompany Sinohydro's Hydropower project located at Kineti next year to help Sinohydro take a context sensitive approach.
- We conduct high quality conflict risk assessments and analysis and provide technical guidance to clients. (find examples at our exhibition table)
- Please come to the Saferworld table if you want to learn more about how Saferworld can help your business take a context sensitive approach when investing in South Sudan



Qs & As



THANK YOU
www.saferworld.org.uk





REPUBLIC OF SOUTH SUDAN



CENTRAL EQUATORIA STATE

**PAPER ON THE JUBA SPECIAL ECONOMIC ZONE (OPPORUNITIES)
PRESENTED
BY
HON. JOSEPH KULANG JOHN**

**THE STATE MINISTER OF COMMERCE, INDUSTRY, MINING AND
INVESTMENT
AT THE SOUTH SUDAN INVESTMENT CONFERENCE
HELD BETWEEN 4TH AND 5TH OF DECEMBER, 2013
AT FREEDOM HALL JUBA.**

BACKGROUND

- ❑ **Concept Initiators**
 - ❑ **The Genesis of these Central Equatoria, Special Economic Zone Formats (CES, SEZ Formats) started Four (4) Years ago and was initiated by the Central State Government (CESG) and Key Private Sector Partners under the Patronage of H.E the Governor of Central Equatoria State and with the blessing of H.E. the President of the Republic of South Sudan.**

 - ❑ **Purpose of Initiating the CES, SEZ Format Concept**
 - ❑ **The CESG and it's Private Sector Partners were seeking to overcome the Traditional need of a Sovereign or Sub-Sovereign Guarantee through the designing of Plug-In Pre-Development Phase Assets that would allow any Private Sector Investor make a Key and Strategic Investment in any Economic Sector in the State within a clearly defined Geographical Area that would in turn generate the necessary Linkages to the rest of the Republic of South Sudan (RSS) Economy.**

 - ❑ **Unique Feature of the CES, SEZ Format Concept**
 - ❑ **The most unique Feature of the CES, SEZ Format Concept is that the entire Pre-Development Phase was delivered entirely Budget Neutral at no Up-Front Cost to the CESG, the National Government or the RSS Taxpayer neither was any form of Sovereign or Sub-Sovereign Guarantee Issued during this Financial spending Phase. A clear System of Mutual Trust was developed and exchange of Intellectual Property was undertaken that saw both sides work together as a Team to overcome the initial challenges.**
-

ABOUT THE JUBA SPECIAL ECONOMIC ZONE

- **What are the Unique Features of the Juba SEZ?**
 - It Is Clearly Defined Geographical Area.
 - It Is an Autonomous Industrial & Housing Township.
 - It Operates Under Its Own Enabling Legislation.
 - It shall operate on a 24 Hour Basis.
 - It Has Well Defined Backward And Forward Economic Linkages to the Rest of The Republic of South Sudan Economy.
 - It In Based on “**Taking Towns To The People**” Paradigm.
 - It Is Designed as One of The Economic Mechanisms To Over the Geography of the Republic of South Sudan.
 - It Is Founded on an All Inclusive Strategy.
 - It Is Designed as an Economic Engine that Creates Jobs, Boosts Economic Activity and Generates Gross Domestic Product (GDP) Output.
 - It's Statutory Functions is Managed By the Special Economic Zones Management Board (SEZMB)
 - It's Laws are Based on International Best Practices.
-

STRATEGIC OVERVIEW 1

- Themes: Partnerships:-**Internal Partnerships**
 - **National Government**
 - The CESG and the National Government's partnership is geared towards ensuring that the CES, SEZ Format investments create deep Linkages with the rest of the RSS Economy.
 - **RSS State Governments**
 - The CESG and all the RSS State Governments partnerships are aimed securing quality Raw Material Supply Chains and skilled Human Resource for the CES, SEZ Format Industries.
 - **Land Owning and Resource Communities**
 - The CESG's Partnership with the Land Owning and Resource Communities is aimed at working closely with them to secure Investment Land and to Unlock the State's Huge Resource Potential for Equitable Economic Exploitation.
-

STRATEGIC OVERVIEW 2

- ❑ Themes: Partnerships:-**External Partnerships**

 - ❑ **Investors**
 - ❑ The CESG has over the last Four (4) Years gained the knowledge and Experience in working very closely with the Private Sector to achieve mutually beneficial results and it intends to use this knowledge to forge deeper working relationships with the Investors and other Development Partners who wish to invest in any CES, SEZ Format.

 - ❑ **Build a Network of Partners**
 - ❑ The CESG is seeking to build a high quality Network of Partners and leverage this Partnership to structure Investment Products and Services that are Globally Competitive.

 - ❑ **Regional Visibility**
 - ❑ The CESG seeks to partner with our regional partners in a bid to leverage the different synergies and create a market for the CES, SEZ Format Products in the combined market in excess of Two Hundred Million People.

 - ❑ **Develop International Relationships**
 - ❑ The CESG recognizes the importance of creating partnerships with experienced International Partners to drive the State's Economy forward.
-

AN INNOVATIVE ENVIRONMENT

- ❑ The CESG and its Partners have created an Innovative and Creative Environment in the RSS and below are some of the innovations.
 - ❑ Product South Sudan Brand Name and Components.
 - ❑ Rapid deployment of Cement Plants within the Juba SEZ to commence early next year.
 - ❑ Rapid Deployment of Steel Center within The Juba SEZ to commence early next year.
 - ❑ Immediate Development and Operation of an Oil and Gas Logistics Support Park within the Juba SEZ with an Oil and Gas Training Facility.
 - ❑ Immediate Development and Operation of an Agricultural Institute in the Agriculture and Agro Processing Park within the Juba SEZ
 - ❑ Development and Operation of the Region's First Dedicated Cargo and Logistics Airport and Air Convergence Hub.
 - ❑ The CESG through the CES, SEZ Formats will be able to identify new markets within the RSS.
 - ❑ All the above mentioned Innovative Developments are designed to create new Local and Regional Distribution Channels to facilitate Direct and Indirect Employment and Business Opportunities
-

TARGETS

- A strong and attractive Investment Service.**
 - To develop an emerging and world class services.**
 - To contribute a sustained economic growth.**
 - Creation of a stable macroeconomic indicators.**
 - Introduction of increased use of modern technology.**
 - Financial strength through improved systems of revenue collection.**
 - Job Creation and Social Welfare opportunities**
 - Creation of Modern Industrial and Housing Townships.**
-

CREATION OF A ONE-STOP SOVEREIGN CENTER (OSSC)

- Under the Product South Sudan component of the Juba Special Economic Zone (Juba SEZ), the State Government in conjunction with the Land Owning Community and the it's Partners developed the Concept in which the National Government and all the State Governments of the Republic of South Sudan shall have their Presence in the Juba SEZ.**
- This shall also enable each State fast track the development of Industries and Manufacturing bases by leveraging the Juba SEZ Infrastructure to create their own Industrial Hubs.**
- The Juba SEZ shall share it's Knowledge, experience, Intellectual Property Rights and Leverage of the Soft Infrastructure Asset (SIA) points to see the States develop these Zones as Minimal Up-Front Pre-Development Cost as the CESG has already proven.**
- The Derivative of the One Stop Sovereign Center shall be the creation of the Republic of South Sudan's first One-Stop Shop Center (OSSCT) for all Investors.**

MAJOR ANCHOR COMPONENTS OF THE JUBA SEZ

- ❑ **Juba Dry Port (JDP)**
- ❑ **Juba International Financial Center (JIFC)**
- ❑ **New Juba River Port and Marina (JRP)**
- ❑ **The LAPSSET Absorption Hub (LAH)**
- ❑ **The Financial Easement Reserves (FER) :- River Lufuro Golf and Country Club and River Lufuro Village**
- ❑ **The Processing Area (Industrial Area) of the Juba SEZ.**
- ❑ **The Non-Processing Area (Estate Area) of the Juba SEZ.**

WORLD CLASS INFRASTRUCTURE AND PERFORMANCE

- ❑ To build strong governance and control.
 - ❑ Ensure compliance with regulatory procedures
 - ❑ Provide Leadership training for the Special Economic Zones Management Board (SEZMB).
 - ❑ Create operational efficiency.
 - ❑ Staff exchange Programs with other Economic Zones.
 - ❑ Recruit a highly qualified initial team.
 - ❑ Develop and Operate world class Industrial and Estate Communal Infrastructure with all CES, SEZ Formats
-

ACHIEVEMENTS

❑ **Securing of Encumbrance Free Land for Investments**

- ❑ The First of its Kind Community Benefits Agreement (CBA) was signed between the CESG and the One (1) of the Land Owning Communities for Allocation of Properly Documented Land for Industrial and Residential Investments Free of any Encumbrances on Long Term Lease Basis. A Derivative of this CBA is that the CESG developed a CES, CBA Format for Land required for Large Scale Investments that shall see both the Investor's, the Land Owning Communities and the CESG's Interests fully protected.

❑ **Groundbreaking of the Juba Special Economic Zone (Juba SEZ)**

- ❑ The Juba SEZ was successfully launched on the 21st of June 2013 with the full support of H.E. Gen.Salva Kiir Mayardit. President of the Republic of South Sudan

❑ **CES, SEZ Format Enabling Legislation**

- ❑ The CES, SEZ Format Regulatory Framework was adopted vide the Governor's Provisional Order No. 33/2013 for the gazetting and operationalization of the CES, SEZ Formats.

❑ **Commencement of the CES, SEZ Formats**

- ❑ Operation officially commenced with key recruitment.

❑ **Confirmed Investments within the Juba SEZ**

- ❑ Agreements have been concluded with some Investors who have taken up the Master Co-Developers (Exempt) Status for Key Projects within the Juba SEZ.

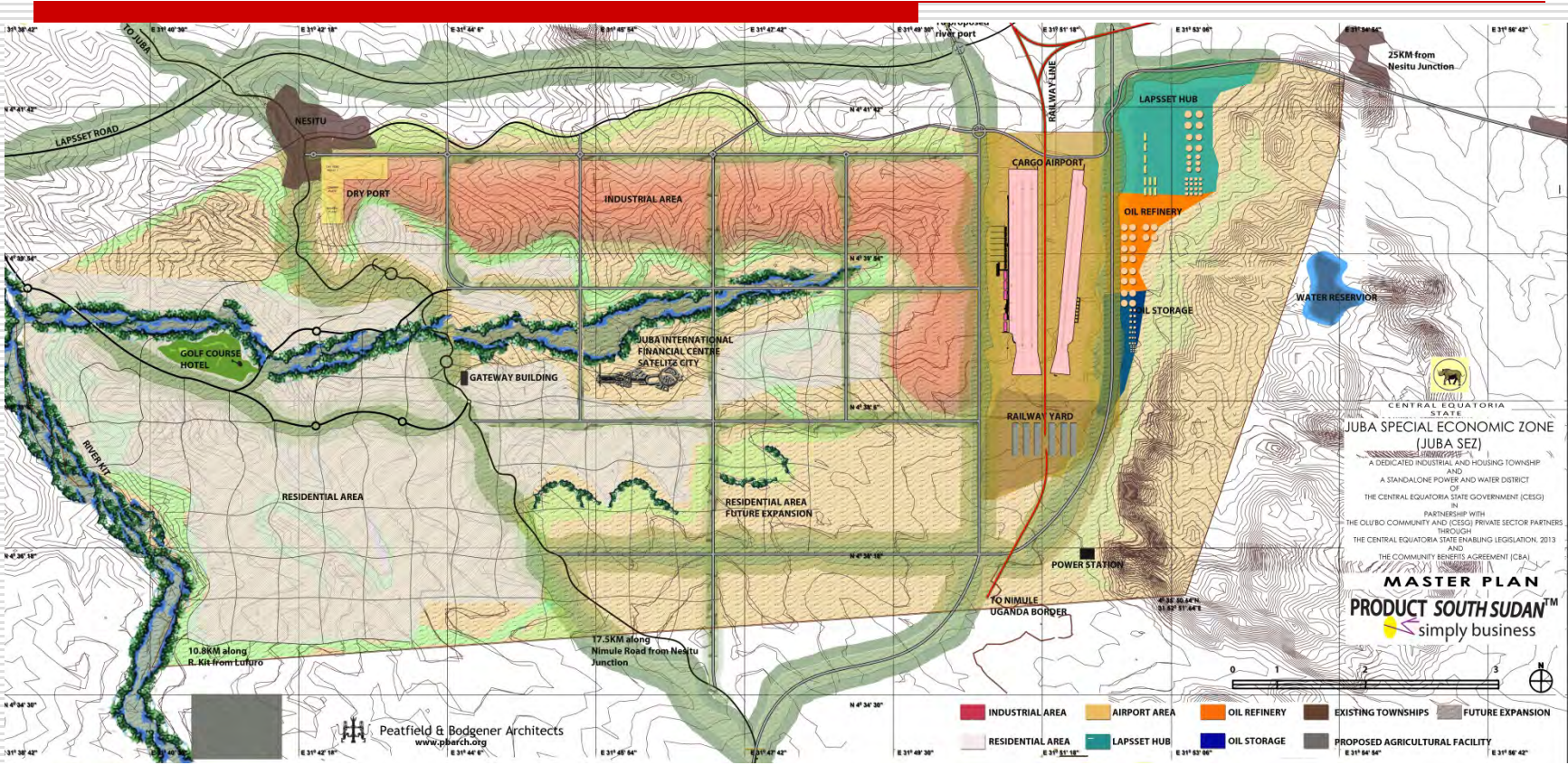
❑ **The CES, SEZ Format Rules**

- ❑ The Process and Procedures designs are complete
-

CHALLENGES

- ❑ Skills Scarcity
 - ❑ Inefficient Institutions
 - ❑ Poor Infrastructure in the Domestic Tariff Area.
 - ❑ Weak Financial Capital Markets
-

MASTER PLAN OF THE JUBA SEZ



Peatfield & Bodgener Architects
www.pbarch.org

THANK YOU

Regional Integration for South Sudan

**Hon. Aggrey Tisa Sabuni,
Minister of Finance, Commerce,
Investment and Economic Planning**

**South Sudan Investment Conference,
December 4th – 5th, 2013, Juba, South Sudan**

Introduction

- Since independence, two years ago, South Sudan has a unique opportunity to return to the Region as an important political and economic player. Regional Integration is a key part of this strategy.
- At the moment South Sudan is the only African country that is not part of any Regional Trade Agreement (RTA). This is not surprising for such as a young country.
- The number of RTAs in the world rose from 20 to 200 over the last 3 decades. This trend has also been prominent in Africa. On average each African country is a Member of two RTAs.
- This shows that Africa, much like the rest of the world, views regional integration as beneficial.

Regional Integration: the Rational

South Sudan embraces Regional Integration

- South Sudan embraces the idea of Africa's economic integration and feels that it is one of the key routes towards prosperity.

RI seeks to promote exports and investment

- Regional Integration will: 1) Improve Market Access for South Sudan's exports; 2) Enhance Investment in the economy; and 3) Improve South Sudan's Business Environment.

Trade Promotes Economic Growth

- International trade represents a powerful avenue to promote economic growth as well as attain poverty alleviation.

Countries well integrated grow faster

- Countries that increased their economic integration into the global economy achieve better economic growth rates, better schooling, and life expectancy.

Why South Sudan engages in Regional Integration:

Some benefits and costs

1. Regional Integration can increase South Sudan's exports.

Lower barriers to trade will make it easier to export from South Sudan.

2. Regional Integration will support the creation of best practice legal framework and improve business environment.

South Sudan will harmonize its legal system with best practice regional standards in areas such as customs, financial regulation, standards etc.

3. South Sudan will be seen as a "credible" place to invest. As a result investments will increase.

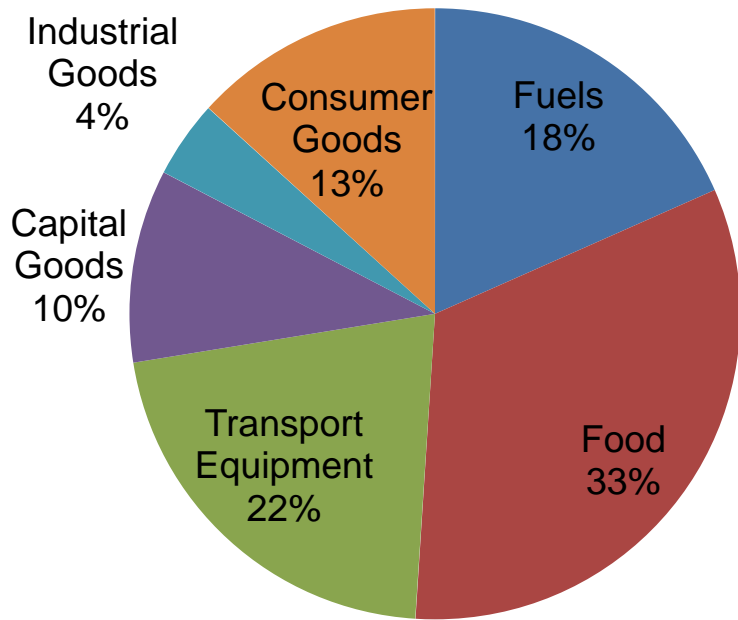
4. Security: Accession to RTAs links countries in a web of positive interactions and interdependency. This will build trust and raise the opportunity cost of conflict.

1. South Sudan's manufacturing and service sectors **may struggle to compete** with imports of goods and services from Regional Partners as these countries have more developed economies.

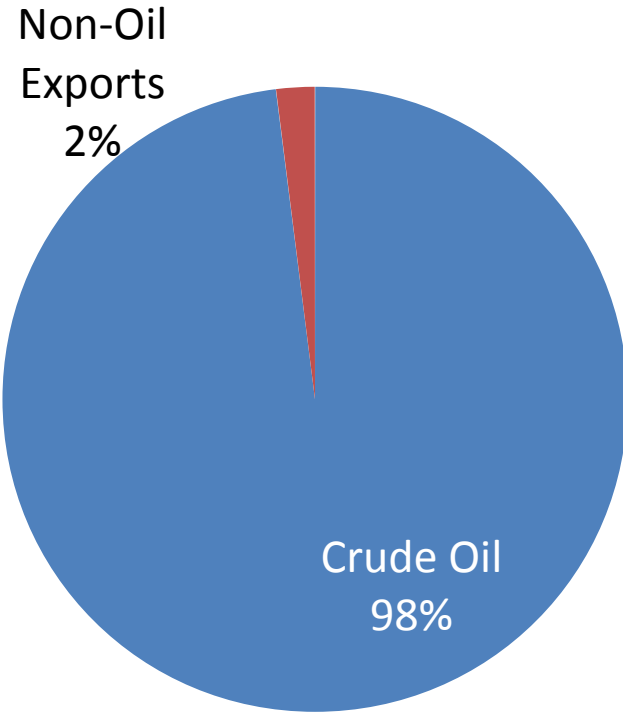
2. Loss of customs revenue: Trade liberalization can decrease government income as a result of lowering custom duties. In South Sudan oil revenue dwarfs non-oil revenue hence the impact on the budget will not be very significant.

3. Limit Government's "policy space": RTAs often contain clauses that prohibit Member States from, for example, increasing tariffs, providing subsidies to enterprises, introducing local content requirements etc. thereby reducing the country's ability to implement trade and industrial policy.

South Sudan Imports Structure*



South Sudan Export Structure*



- South Sudan imports a wide range of goods. Recent estimates show that around half of South Sudan's total imports, worth roughly US\$ 3.5 billion a year, are sourced from our regional partners.
- South Sudan's exports predominantly oil (98% of total exports). These exports are destined almost exclusively to Asian markets, not regionally.
- These trade patterns and low diversification of our economy indicate that in short to medium term scope to increase South Sudan exports is limited.

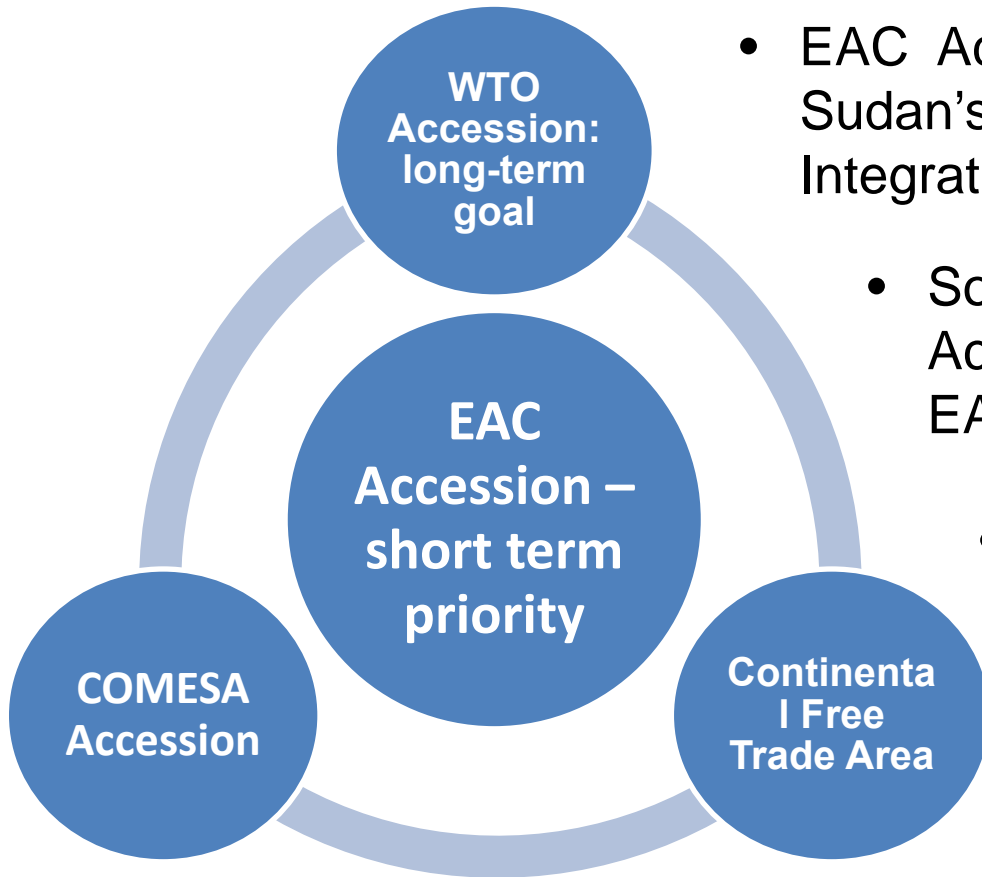
South Sudan's Regional Integration Strategy

- South Sudan needs to ensure that our integration into the global economy is pursued in a manner that supports our economic development.
- While trade among countries may generate growth globally, often aggregate benefits are not equitably distributed among the trading partners.
- Recent experiences of regional integration show that, unless proper policies are in place, economic integration tends to strengthen regions that are already strong economically at the expense of those lagging behind.
- As a post conflict country with underdeveloped industrial and agricultural sectors, in trade negotiations South Sudan will seek to:
 - Retain policy space to support investment in South Sudan and to nurture the development of domestic industrial capacities and advanced agriculture.
 - Devise regional policies that explicitly support the development of regions that have a lower development level than the regional average (akin to EU Structural Funds).

South Sudan's Regional Integration Agenda

- In November, 2011 H.E. Salva Kiir Mayardit, the President of South Sudan signed an Note Verbale applying for Membership in the East African Community (EAC).
- As a Member of the African Union, South Sudan actively participates in discussions aimed to establish Continental Free Trade Area (CFTA). CFTA will include all AU Member States. Once established it will be the largest FTA in the world in terms of the number of countries.
- Prior to Independence South Sudan was part of the Common Market of Eastern and Southern Africa (COMESA). Efforts are made to rejoin this Regional Economic Community.
- We are jointly drafting an Agreement with the Republic of Sudan to re-establish formal trade between our countries.
- In the long-term South Sudan also envisages to become a Member of the World Trade Organization.
- These actions underscore South Sudan's commitment to free trade and to adhere to obligations stemming from membership in regional and multilateral trade agreements.

South Sudan's Regional Integration Strategy



- EAC Accession is foreseen to be South Sudan's anchor for the Regional Integration.
- South Sudan will negotiate Accession to other RTAs only once EAC Negotiations succeed.
- Once we will become an EAC Member we will negotiation any new Trade Agreements as a block within the EAC. This will include Tripartite EAC-COMEAS-SADC FTA and CFTA.

- One of the key problems with Regional Integration is that an average African country is a Member of more than one RTA. Multiple Memberships are problematic as it is difficult to harmonize standards and apply Common External Tariffs with more than one RTA.

South Sudan's EAC Accession: Key Events

Nov
2011

- H.E. the President signed an **Application for South Sudan's Membership in the EAC.**

Apr
2012

- EAC's **Verification Mission** visits South Sudan. The aim of the Mission was:
 - To establish South Sudan's level of conformity with Criteria for Admission of Foreign Countries.
 - The mission concluded that RSS meets **many of the criteria** for Admission.

Aug
2013

- EAC's Council of Ministers resolution formally commences process of negotiations for EAC Accession with South Sudan. The Resolution requires for EAC to constitute a **High-Level Negotiation Team (HLNT)** to be spearheaded by Ministers responsible for EAC Affairs.

Nov
2013

- South Sudan Government Mission to the EAC Secretariat, Arusha, Tanzania was aimed to familiarize Ministers and other officials with the EAC programs.
- As a result of the Mission South Sudan is ready to commence Negotiations for Accession subject to creating relevant Negotiations structures.

Dec-
2013

- South Sudan's Accession to the EAC discussed at the ECA's Council of Ministers.
- Government of South Sudan creates relevant negotiations **structures for the Accession Process.**
- Formal **Process of EAC Accession Negotiations begins.**

Membership in the EAC will make South Sudan a better place to invest!

- South Sudan will adopt EAC Customs regulations and trade facilitation procedures.
- In long-term South Sudan will join the EAC's Common Customs Territory (it will eliminate custom procedure at intra-EAC borders).
- Eliminate custom duties while exporting to EAC Members States making production and exports in South Sudan more attractive
- Eliminate non-tariff barriers to trade (roadblocks, bans, high fees)
- Harmonize a wide range of business regulations with these of the EAC (food hygiene, technical standards etc.)

So come and invest in South Sudan to be the first to take advantage of our Membership in the EAC.

Unilateral Trade Preference Schemes

- Our Regional Integration Agenda is geared towards improving South Sudan as a place to invest, produce and export.
- We therefore seek to attain preferential access for South Sudan exports in regional and international markets.
- Membership in the EAC will give South Sudan duty-free access to a market worth almost US\$ 100 billion right at its doorstep.
- South Sudan is also a part of Unilateral Trade Preference schemes provided by the World's biggest economies which together still account to almost half of global output.
- Under the Everything-but-Arms (EBA) Initiative South Sudan is eligible for duty-free, quota-free access to the European Union market for all goods with the exception of arms.
- African Growth and Opportunities Act, passed by the US Senate in 2001, provides eligible African economies with duty free access for more than 6000 products.
- In recognition of progress in achieving a market economy and rule of law South Sudan became the newest AGOA eligible country in 2012.

Conclusion

- South Sudan embraces the idea of Regional Integration in Africa and views it as a key route for prosperity on the African continent.
- In early 2014, South Sudan will commence negotiations to accede to the East African Community.
- Membership in Regional Economic Communities will improve South Sudan's investment climate and enlarge South Sudan's export markets.
- Recognizing our post-conflict environment and limited development of the productive sectors, South Sudan will seek to retain "policy space" to support its industrial and agricultural sectors and devise regional policies that lower regional imbalances in economic development.
- This is to ensure that benefits from integration are distributed equally among Member States and ultimately the Regional Integration schemes on the Continent are successful.



Thank you for your attention.

Any questions?

South Sudan Investment Conference

Indigenous Infrastructure Construction
Companies

By Peter Atem

Background Info

- ▶ National Contractors Association
 - Comprises of 52 national construction companies who are engaged in various infrastructure development projects
 - Most of the contractors have got intensive on the job capacity building training through funding from the Government, USAID & World Bank .

Capacity Building Activities

- ▶ Crucial to fill the skill gap of national construction companies and build/develop their capacity in relation with Construction
 - Planning
 - Project Management
 - Contract Administration
 - Financial Management and
 - Various Construction Methods such as labor based construction methods
- ▶ Created reliable capacity for national construction companies

Capacity Building Activities

- ▶ Donors and implementing partners like USAID ,World Bank, UNOPS, LBG and the government of South Sudan through MTRB have been instrumental for the success of all the national contractors who are currently supporting the government's strategy for nation building

From wheelbarrow to Machineries

Capacity building brought tangible changes



On the job & class room trainings



GoSS/USAID/UNOPS



Labour Based Construction Methods



GoSS/USAID/UNOPS

Sealed Road Construction



GoSS/USAID/UNOPS

Areas of Engagemnt

- ▶ The national construction companies acquired adequate capacity to engage in various infrastructure projects
 - Water Supply
 - Electricity
 - Roads& Bridges
 - Buildings

Water supply



GoSS/USAID/LBG

Electrification



GoSS/USAID/LBG

Roads & Bridges



GoSS/USAID/World
Bank/UNOPS

Schools, PHCC



GoSS/USAID/UNOPS

Challenges faced by National Contractors

- ▶ Lack of adequate jobs
 - MTRB ,USAID and the World Bank are taking tangible steps towards creating jobs for the local construction companies through restricting bids to national contractors
- ▶ Limited Financial support through
 - Credit facilities
 - KCB has taken appreciable initiative in this regard
 - Advance payment
 - The government, Donors and implementing agencies need to support national contractors through provision of construction advance payment

Thank You!





Investment Opportunities in Agriculture, Forestry, Fisheries and Animal Products





**30 million hectares of arable land
with 5% under traditional cultivation**

**Fast growing
regional markets**



**Ample water, warm climate
ranging from savannah to tropical**



SOUTH SUDAN IS LOCATED IN THE HEART OF AFRICA



Same Size as Texas



- Similar size to Texas or France - approx 640,000 km²
- Population of 10 million
- Surrounded by 6 of the largest economies in Africa
- Part of second fastest growing region in the world

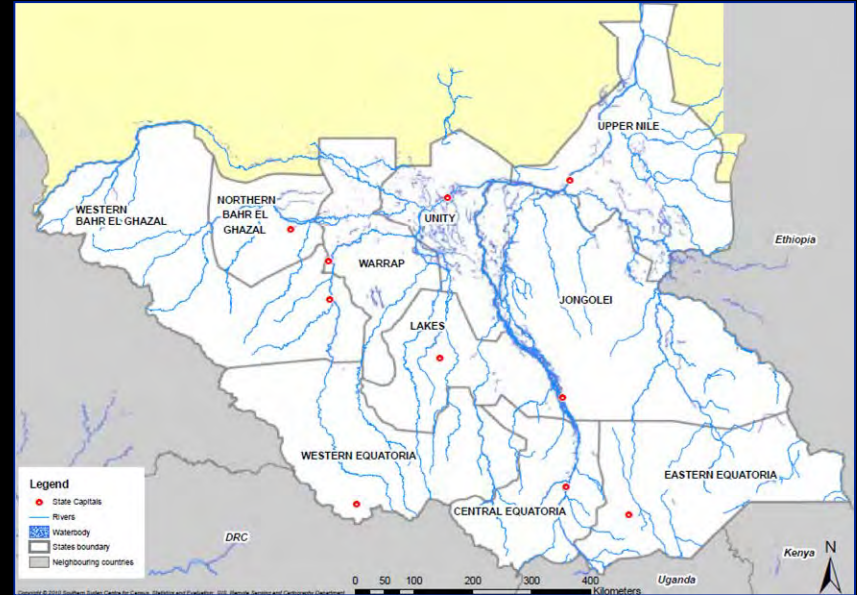


ABUNDANT WATER RESOURCES

- 500-2000mm rainfall per year

(more than most of Europe)

- Rivers, lakes & wetlands
(largest wetland in Africa)



PER CAPITA WATER RESOURCES among the largest in the world

GHANA
2,131 M³

NIGERIA
1,762 M³

SOUTH SUDAN
1,445 M³

ETHIOPIA
1,440 M³

SOUTH AFRICA
1,019 M³

KENYA
738 M³

EGYPT
694 M³

Total renewable water resources per capita, in cubic meters, average from 2008-2012



SOUTH SUDAN' S VISION FOR AGRICULTURE IS CAPTURED IN THE NATIONAL EFFORT FOR AGRICULTURAL TRANSFORMATION (NEAT)

- 1 Improve production to promote food security and regional self-sufficiency**
- 2 Improve health and nutrition across the country**
- 3 Promote agriculture as an alternative economic engine complementing oil**
- 4 Increase incomes for more than 80% of the population**



NEAT WILL ACHIEVE THESE GOALS THROUGH TWO COMPLEMENTARY INITIATIVES

Zonal Effort for Agricultural Transformation (ZEAT)

Comprehensive Agricultural Master Plan (CAMP)

2012 - 2014

- **Prioritized zonal approach**
- **Rapid implementation in 2013 and 2014**
- **Directly targets high-potential, market ready farmers**

2015 - TBD

- **Complete strategy covering agriculture and related sectors**
- **Impacts all states and communities**
- **Guides the country towards food security**



PRIORITY AGRIBUSINESS OPPORTUNITIES

Value Chains

- 1 **Cereals, Oils, Sugar**
– *Maize, Sorghum, Rice, Wheat, Millet, Sugar, Sesame, Groundnuts, Etc.*
- 2 **Non-traditional Crops**
– *Gum Arabic, Honey, Coffee And Tea, Palm Oil*
- 3 **Sustainable Forests**
– *Teak, Eucalyptus, Pine, Mahogany, Sandalwood*
- 4 **Animal Products**
– *Meat, Dairy, Leather, Poultry, Eggs*
- 5 **Sustainable Fisheries**
– *Tilapia, Nile Perch, Catfish*

Adjacent Businesses

- 1 **Equipment Supply & Service**
– *Sales, Service & Parts Business For Tractors, Harvesters, Irrigation, Etc.*
- 2 **Inputs Supply**
– *Seed, Agrochemical Distribution Networks*
- 3 **Storage And Processing**
– *Crop Storage Facilities, Warehouse Receipts, Aggregated Processing*
- 4 **Transport**
– *Road Haulage & River Barge Networks*



LARGE LOCAL & REGIONAL MARKETS

Local Market

- South Sudan imports more than \$400 million in food products per year
- Incomes rising, driven by oil revenues, public spending & economic growth
- High prices due to import costs
- Government & WFP programs targeting local sourcing

Regional Market

- 6 neighbouring countries import more than \$6 billion in food products per year
- With large non-arable areas, Sudan, Ethiopia & Kenya likely to remain net food importers
- South Sudan history as food supplier to neighbouring regions (ancient “Kush”)



REGIONAL AND INTERNATIONAL TRADE AGREEMENTS

East African Community

- Accession talks now formally underway
- Free Trade access to market of 120+ million



COMESA / SADC

- South Sudan will negotiate access to new “tripartite” trade bloc as part of EAC
- Market of over 1 billion



US African Growth & Opportunity Act

- South Sudan granted AGOA status in Dec 2012
- Allows duty-free export of eligible products to the US

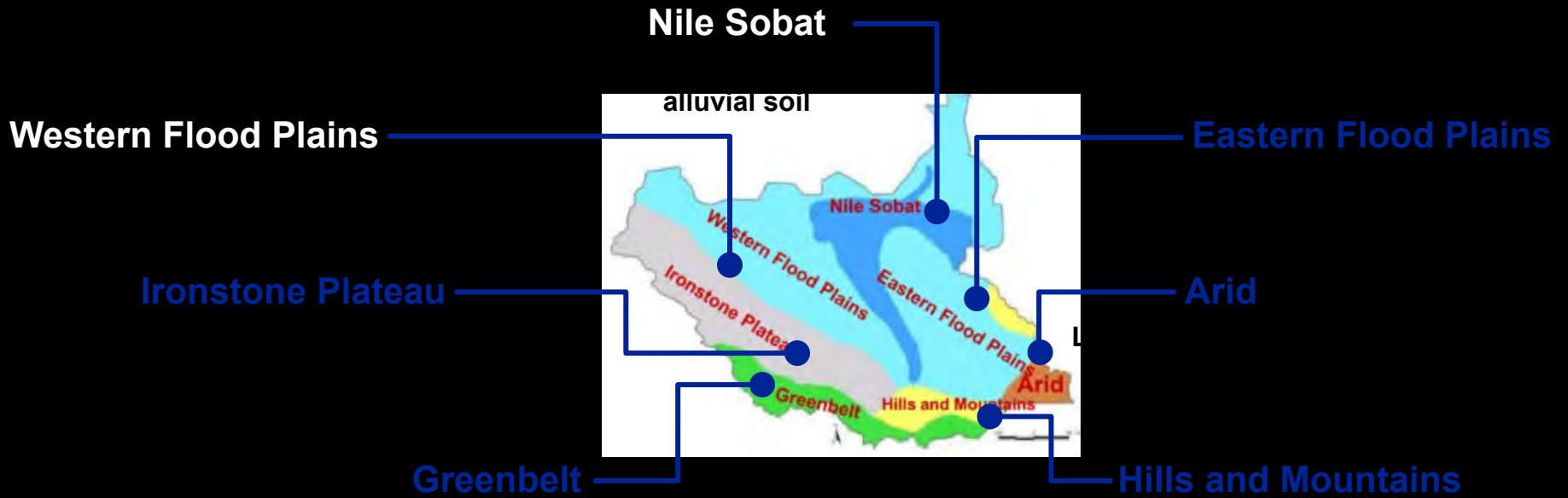


EU “Everything But Arms”

- South Sudan granted EBA status as of January 2013
- Allows duty-free & quota-free access into all countries of EU



SOUTH SUDAN'S SEVEN DISTINCT AGRO-ECOLOGICAL ZONES ARE AMONG THE RICHEST, MOST FERTILE IN AFRICA



Cereals, Sugar

(sorghum, maize/corn, rice, sugar, soy, etc.)

Nearly all zones suitable, with maize and sorghum throughout and rice & sugar in flood plains



Gum Arabic

Flood Plains, Nile Sobat, Arid



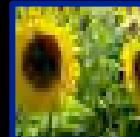
Horticulture

Greenbelt, Hills & Mountains



Forestry

Greenbelt, Hills & Mountains



Oilseeds

Nile Sobat, Flood Plains, Ironstone Plateau



OPPORTUNITIES FOR LARGE-SCALE CEREALS, SUGAR AND OILSEED CULTIVATION

- Unmet local & regional demand
 - South Sudan imports \$200+ million
 - 6 neighbours import \$3+ billion
- Rice in flood plains
- Maize, sorghum, sugar, sesame, groundnut in plains
- Wheat, millet in hills
- Ample water, year-round solar radiation



HIGH PRIORITY OPPORTUNITY: AWEIL RICE IRRIGATION SCHEME

- 4500-hectare irrigated area in flood plain of Lol River
- 1000 hectares rehabilitated since 2008
- Seeking investors to lease & rehabilitate additional basins & install rice & sorghum mills (for own & outgrower use)
- Close to Aweil City with road links to Juba and rail to Khartoum & Port Sudan



HIGH PRIORITY OPPORTUNITY: YIROL OIL MILL & NUCLEUS FARM

- Oil mill in Yirol Town with 2 nucleus farm sites, each 420 hectares
- Feasibility study completed: 35T/day capacity, sesame, groundnut & shea; \$24 million investment with sales rising to \$30 million/year
- To be operated as JV, with minor government stake; formal Request for Eols to be issued in early 2014
- In Yirol Town, adjacent to Lake Yirol, with road links to Juba



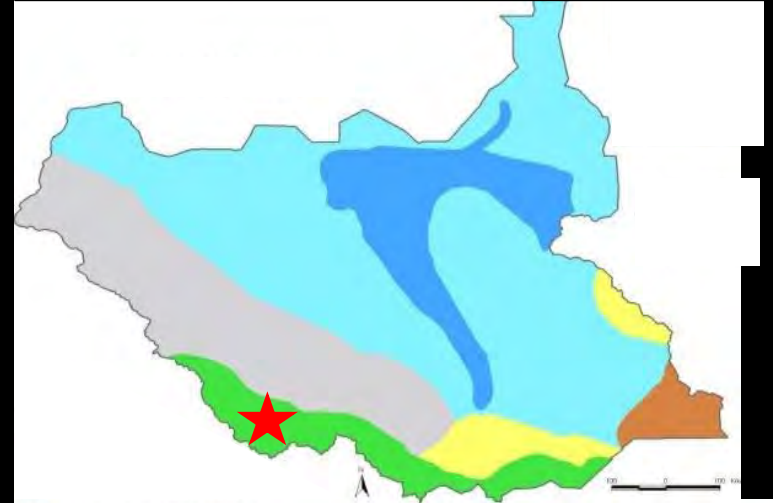
OPPORTUNITIES FOR NON-TRADITIONAL PRODUCTS

- Many opportunities ready for harvesting with limited upfront investment
- Types: gum arabic, honey, coffee & tea, palm oil
- Work with smallholder farmers to aggregate and export through transparent, sustainable value chains



HIGH PRIORITY OPPORTUNITY: NZARA AGRO-INDUSTRIAL COMPLEX

- Former model project with cotton & textile mill, oil mill, soap factory, sugar estate & jaggery mill, saw mill, fruit and coffee orchards, & meat and fish-farms
- 1000-hectare nucleus farm & production site at Nzara; additional sites at Sakure & Ezo
- Seeking investors to lease all or part of complex on long-term basis; open to all proposals
- In Greenbelt with ample rainfall, lush vegetation, good links to Juba



OPPORTUNITIES FOR SUSTAINABLE FORESTRY FOR HIGH VALUE HARDWOODS AND SOFTWOODS

- Teak, Mahogany, Eucalyptus, Sandalwood, Acacia
- 185,000+ hectares of plantations under irrigation &/or in high rainfall areas
 - 15,000 hectares of mature mahogany, eucalyptus & acacia
 - 6,500 hectares of mature teak
- Developed system for concessions
- Potential for value-added products, such as furniture



OPPORTUNITIES FOR ANIMAL HUSBANDRY AND PRODUCTS

- Over 12 million cattle and 25 million sheep and goats
- Potential to generate up to \$2.5 billion/year in meat, hide and dairy sales
- Growing urban/business/tourism demand for quality meat & dairy products
- No modern facilities: opportunities for commercial breeding, ranches, feedlots, abattoirs, meat processing, dairy, poultry and eggs



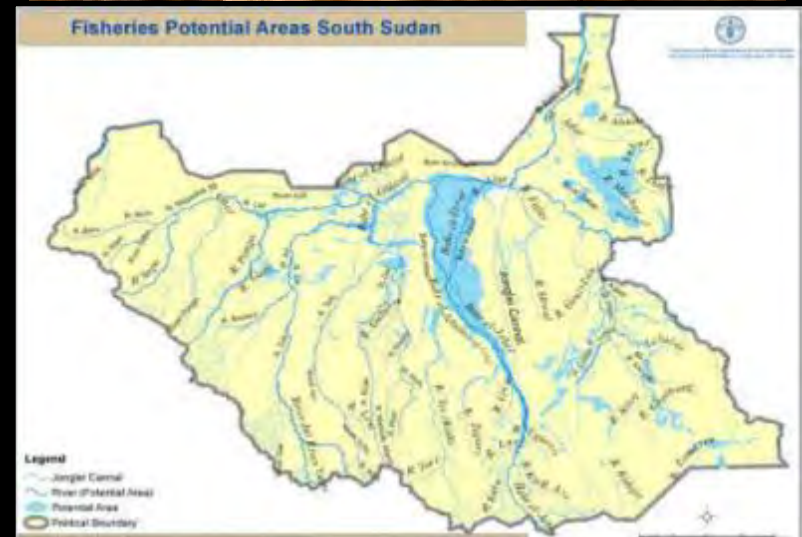
HIGH PRIORITY OPPORTUNITY: MARIAL BAI LIVESTOCK IMPROVEMENT CENTRE

- 10,000-hectare ranch; former World Bank-funded breeding & training centre
- Most buildings already rehabilitated
- Seeking investors to start commercial breeding, fattening ranch, abattoir or dairy operations; JV or lease; open to all proposals
- Close to Wau, beside Jur River; good road links to Juba and rail to Khartoum & Port Sudan



OPPORTUNITIES FOR SUSTAINABLE FISHERIES

- 15+ million hectares suitable for fisheries
- The Sudd (13 million hectares) has potential for sustainable fish harvest up to 300,000t/year; only c.30-40,000t is harvested today
- Tilapia, Nile Perch & Catfish
- Opportunities for fish farms, processing and storage
- Potential for direct airfreight to EU/Middle East markets



SUCCESS STORIES TO DATE



SOUTH SUDAN
BEVERAGES
LIMITED

- Initial investment of \$37m in 2009 and an additional investment of \$15m in 2011
- Captured over 75% of local market share as the only brewery in South Sudan
- Developing innovative smallholder sourcing techniques for cassava







CONCORD
AGRICULTURE

- Purchased 25-year lease on 105,000 hectares in Unity State
- Cultivating 1,000 hectares of sorghum, maize, and oilseed
- Using local labor to supply South Sudan domestic market



TO ENCOURAGE GROWTH, THE GOVERNMENT HAS ADOPTED A NUMBER OF INCENTIVES TO PROMOTE FOREIGN INVESTMENT

-  Legal framework for duty exemptions and concessions
-  Tax incentives and allowances from 8% to 40%
-  Investment-ready tracts of land
-  Public sector guarantees on private investments



GOVERNMENT COMMITMENTS TO FURTHER IMPROVE THE SECTOR DURING THE RECENT SOUTH SUDAN BUSINESS FORUM

Constraint	Government Commitment
Low Public Investment in Agriculture, Lack of Access to Finance	Raise agriculture spend to 8% of national budget – as per Maputo Declaration
	Develop agricultural funding mechanism by finalizing & approving the <i>Rural Finance Policy</i> .
	Finalise & approve <i>South Sudan Private Sector Development Strategy</i> , including creation of a enterprise support fund
	Government to seek concessional financing from external sources & direct it to agricultural exporters
	Establish long term lending relationships with international concessional lenders for on lending to Ag Development Bank
Access to Land, Land Tenure Security	Design, develop & implement relevant legislation & policies
	Build awareness on access to land, land acquisition & utilization issues
	Clarify procedures for land leasing by issuing & publicizing relevant guidelines
Infrastructure	Enhance public investment in rural infrastructure. Increased institutional capacity & budgetary allocation
	Prioritise areas with greatest agricultural potential
	Provide policy incentive for private sector participation in value addition
	Provide incentives for establishment of bulk storage facilities
	Undertake large scale public investment in flood control
	Provide incentives to enable private invest in irrigation
	Seek international consensus on use of Nile waters & cross boundary resources
	Enhance rural access to electricity by improving regulatory framework & capacity
Provide incentives for private investment in rural electricity generation, transmission & supply	
Insecurity	Enhance security overall, prioritize most productive agricultural areas
	Undertake peace building measures through PPD & other modalities
Multiple taxes, licenses, permits & other barriers	Rationalize tax & licensing regime for agricultural products & eliminate intrastate trade barriers
	Eliminate taxes on strategic agricultural exports
	Enhance capacity for effective administration & management of taxes
Poor access to markets	Improve private sector access to market information, especially SMEs
	Enter into bilateral & multilateral trade regimes considered beneficial to South Sudan Interests
Investment climate & business environment	Enhance policy design, implementation & review
	Enhance quality & scope of PPD & all tiers of government for effective policy design & implementation
	Enhance public sector capacity to manage agricultural sector policies & interventions
	Enhance RSS – State coordination with regard to policy implementation

CHALLENGES

BENEFITS

Navigating
new processes

Opportunities across
all sub-sectors

Regional variability
in land tenure

Increasing demand in
local and regional
markets

Limited transport &
energy infrastructure

Business friendly
leadership

Incentives and
concessions

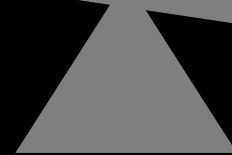
Need to import required
inputs

Abundant
arable land

Plentiful water
resources

Enabling agricultural
development programs

Range of
climactic zones



OPERATING IN SOUTH SUDAN

Do



- Gain trust through open community consultations
- Carry out environmental and social impact assessments
- Understand local land ownership
- Design a visionary long-term business plan
- Commit to creating south sudanese jobs

Don't

- Cut corners in the due diligence process
- Deal with brokers who promise shortcuts
- Entirely outsource workforce and management staff
- Fail to deliver on promises to local communities



**WE INVITE YOU TO JOIN US IN RE-ESTABLISHING
SOUTH SUDAN AS THE BREADBASKET OF THE REGION!**



THANK YOU



Q&A



Economic overview and opportunities for diversification

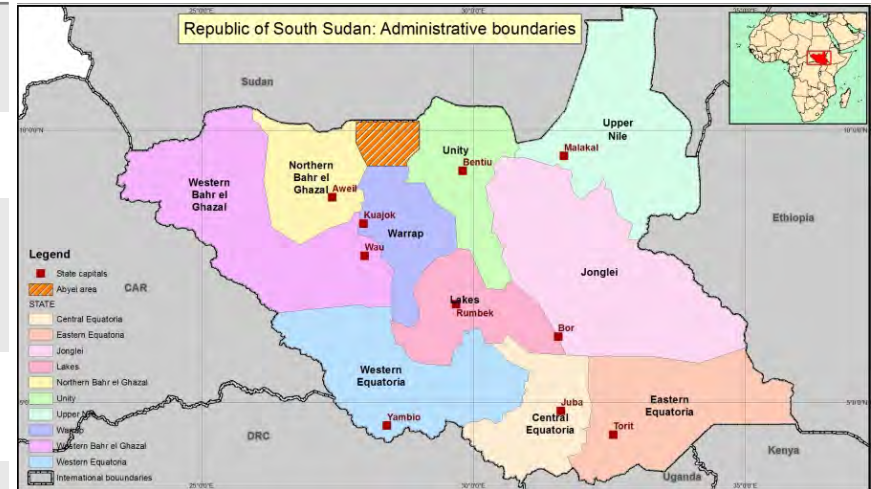


Hon. Mary Jervase Yak
Deputy Minister of Finance,
Commerce, Investment and
Economic Planning

Welcome to South Sudan – The world’s newest investment destination

The Republic of South Sudan was founded on July 9, 2011, following a Comprehensive Peace Agreement (CPA) with Sudan that was signed in 2005.

Official name	The Republic of South Sudan
Capital city	Juba (in Central Equatoria State)
Land area	240,000 sq. miles / 644,000 sq. km¹ (slightly smaller than France or Texas)
Population	10.8 million² (2012 est.) 17% urban / 83% rural¹
Languages	English (official), Juba Arabic, other local languages
Religions	Traditional beliefs; Christianity, Islam
Political leadership	Gen. Salva Kiir Mayardit, President Hon. James Wani Igga, Vice-President



Source: Government of South Sudan
Disclaimer: The names and boundaries on this map do not imply the official endorsement or acceptance by either the Republic of South Sudan or the United Nations.

Sources: 1. Government of South Sudan; 2. World Bank.



South Sudan offers a stable environment for investors

Modern, democratic political system

- Stable, democratic system, with elections every five years (next elections due in 2015)
- Effective legislative system with an upper and lower house (National Legislative Assembly and the Council of States)

Robust, independent legal system

- Directed by rule of law
- Independent judicial system
- Investor-friendly laws relating to commerce, investment and land tenure
- Established regulatory environment

Stable security environment

- Peaceful transition following independence
- Continuing efforts to enhance security
- Isolated disputes in Jonglei have no major impact on overall national security
- Negotiations continue over Sudan / South Sudan border demarcation

Ongoing economic development and diversification

- Growing economy
- Priority to diversify away from oil production revenue
- Member of the African Union (intention to join COMESA and EAC)
- Beneficial export agreements with the USA (African Growth and Opportunity Act) and the EU (Everything-But-Arms)

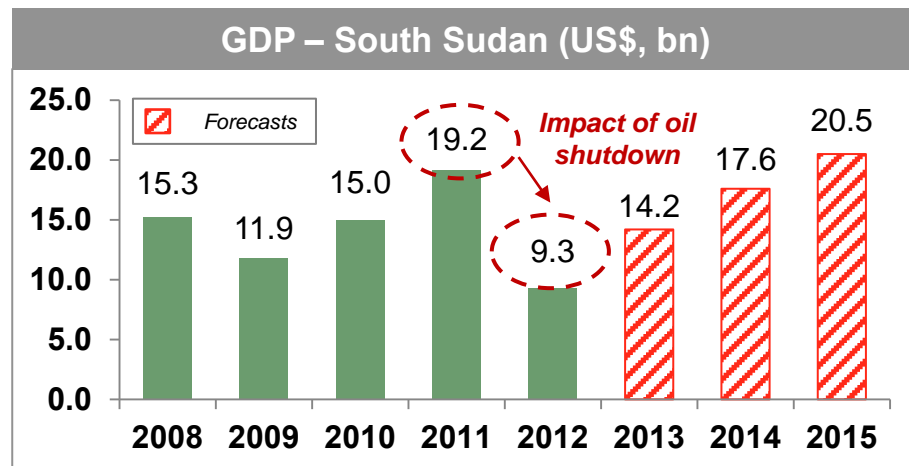
Proactive measures have been taken to improve public financial management, strengthen the economy, and promote growth

Background

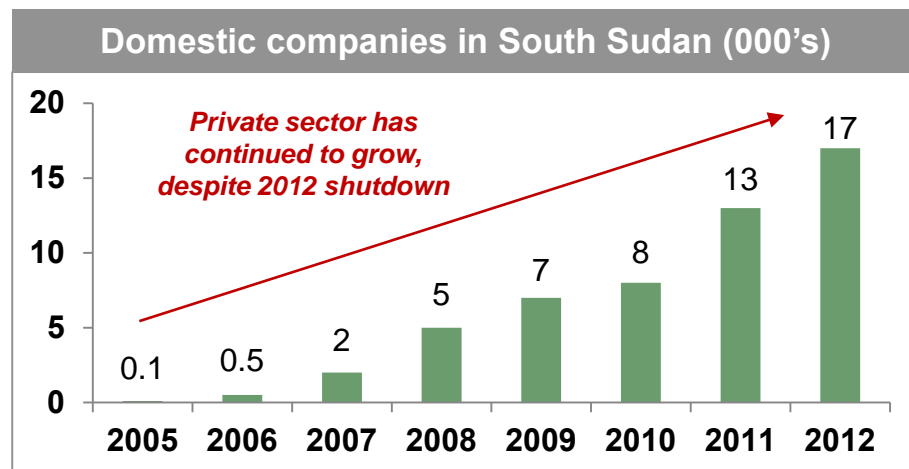
- Oil shutdown in 2012 severely impacted government revenues
- A number of fiscal and monetary measures were implemented in response:
 - Focus on increasing non-oil revenues
 - Improving public financial management
 - Management of inflation

Current policies

- The policies have had the intended result of stabilizing the macro-economy
- Remaining austerity measures are planned to be removed by January 2014
- Oil production resumed in April 2013, and is increasing gradually (currently at 70% of maximum output), helping to bridge the government's financing gap
- Repayment of short-term government debt and economic diversification are now key priorities



Sources: World Bank; BMI (GDP shown at current market prices)



The Government has developed strategies to prioritize future economic development

Short / medium term development

South Sudan Development Plan

- South Sudan's medium term development strategy
- Provides an overarching initial framework for development
- Designed to guide the international community in targeting its support to the Government and the people of South Sudan

Implementation

South Sudan Development Initiative (www.ssdi.co.za)

- Implementation Action Plan for the SSDP, which contains a wide range of projects and programmes derived from the SSDP that have been clearly profiled and costed for easy implementation
- Action plans include:
 - **Infrastructure Development Action Plan**
 - US\$50bn of infrastructure PPPs planned
 - **Agriculture Development Action Plan**
 - US\$6bn projects in agriculture
 - **Capacity Development Implementation Plan**
 - 19 specific projects and programmes to implement the medium-term Capacity Development Strategy

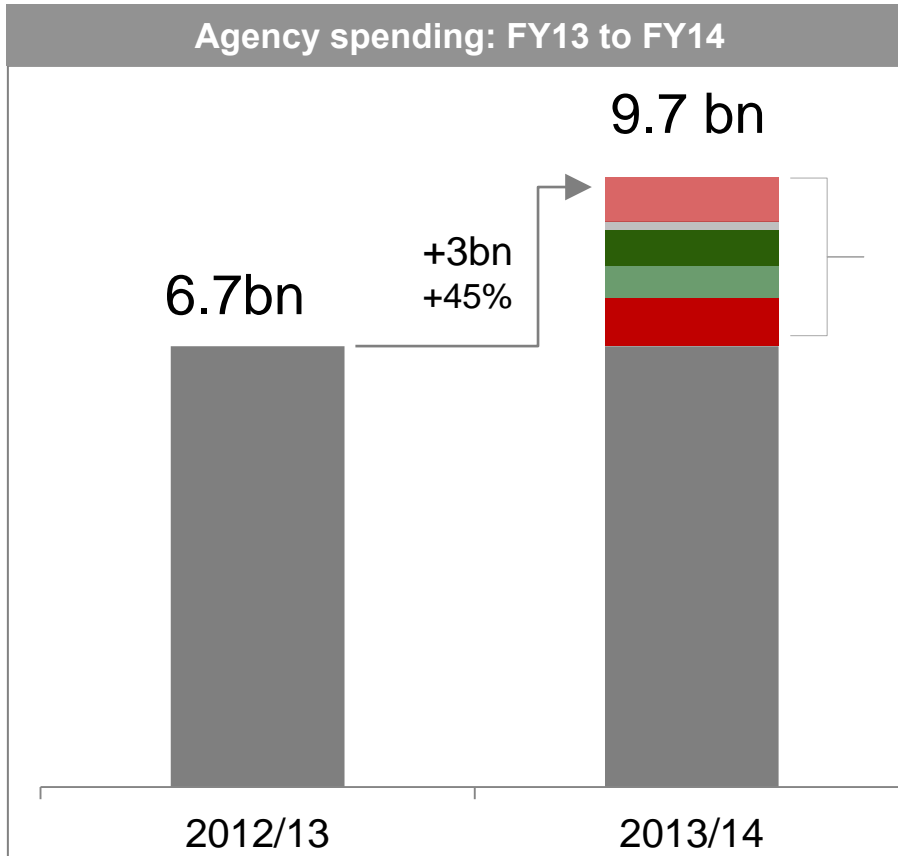
Long term development

Vision 2040

- South Sudan's long term development strategy
- **Mission:**
To establish and build South Sudan as a viable nation which is united, at peace internally and with its neighbours, and with strong human and institutional foundations for inclusive democratic governance and economic, social and rural transformation
- Long term programs focusing on:
 - Governance
 - Conflict prevention and security
 - Economic development
 - Human and social development



Objective of the 2013/14 National Budget is “Boosting social services and economic growth in a prudent and responsible manner”



Source: Ministry of Finance, Commerce, Investment and Economic Planning

Planned SSP 3bn increase in agency spending will go towards the President’s key priorities (which are aligned with the South Sudan Development Plan priorities):

- **SSP 741 m**– to build **infrastructure**, especially roads but also water and power.
- **SSP 585m** - to improve **health, education, water and other social services**, especially in rural areas.
- **SSP 541m** – to reverse selected austerity cuts, including restoration of allowances and **block grants to states**.
- **SSP 300m** – to further boost the agricultural sector
- **SSP 833m** – other priority areas

Planned increase in agency spending will target key social and economic priorities

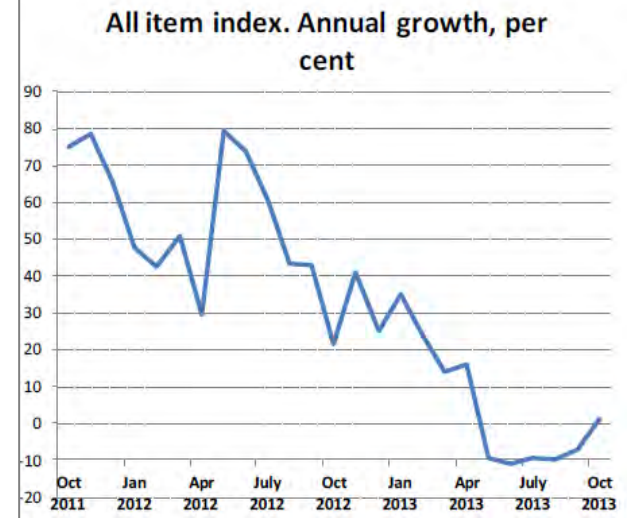


Disciplined actions by the Government have successfully managed inflation following the oil shutdown

Inflation

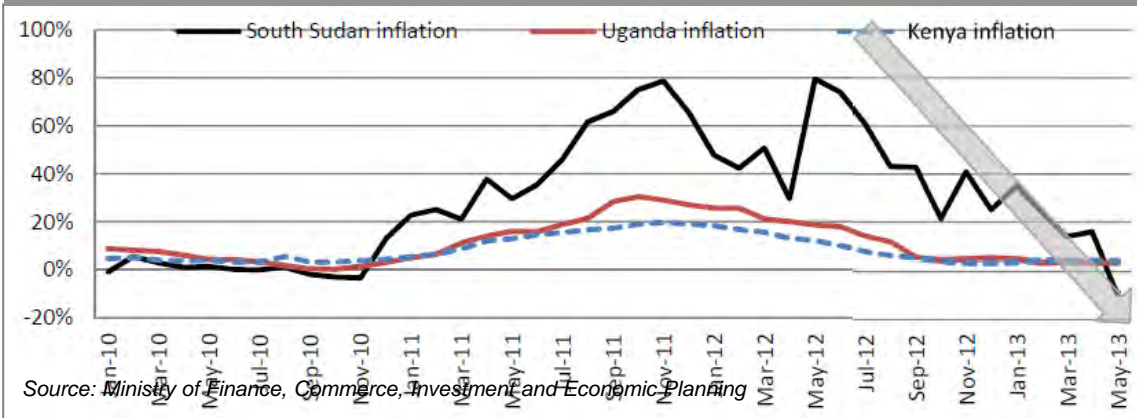
- Inflation rate has declined since the record highs reached in 2012, and is currently at 1.2% (October 2013)
- The Central Bank will continue to monitor and manage inflation, particularly in light of the potential effects from ending austerity measures in January 2014

South Sudan annual inflation (%)



Source: National Bureau of Statistics

Relative inflation rates (12m % price increase)



Source: Ministry of Finance, Commerce, Investment and Economic Planning



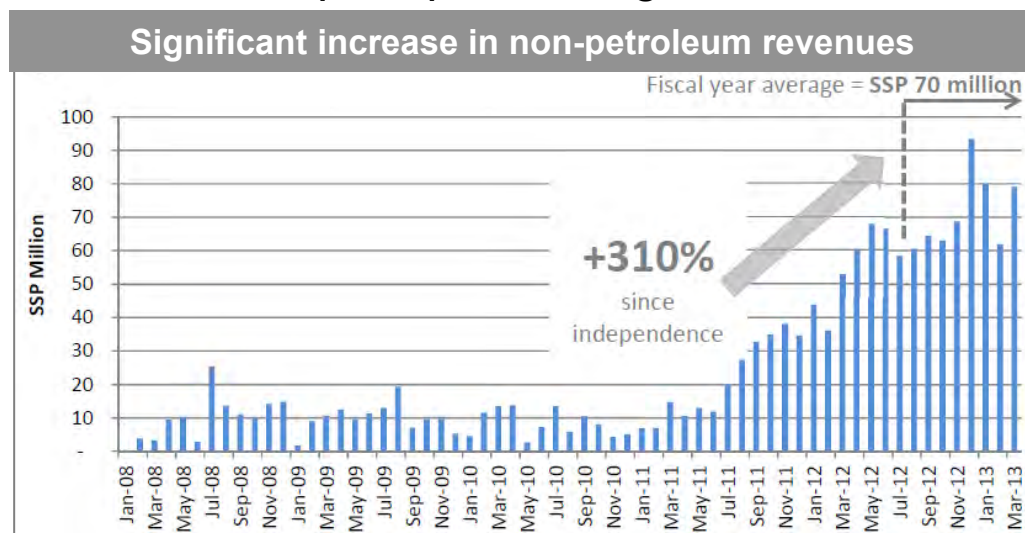
Government revenues expected to recover with the resumption of oil production, and focus on non-oil revenue collection

Petroleum revenues

- Production of Nile and Dar blends resumed in April and May 2013 respectively
- Current production level is about 240,000 barrels per day (expected to increase to approximately 280,000 barrels / day in early 2014)
- Estimated gross petroleum revenues for the FY2013/14 of SSP 10.6 billion (net revenue estimates of SSP 7.5 billion, after transport, processing and transit fees of SSP 3.1 billion)

Non-petroleum revenues

- Considerable effort has been made to improve collection of non-oil revenue
- Plan to increase non-oil tax and customs revenue by more than 50 per cent in fiscal year 2013/14

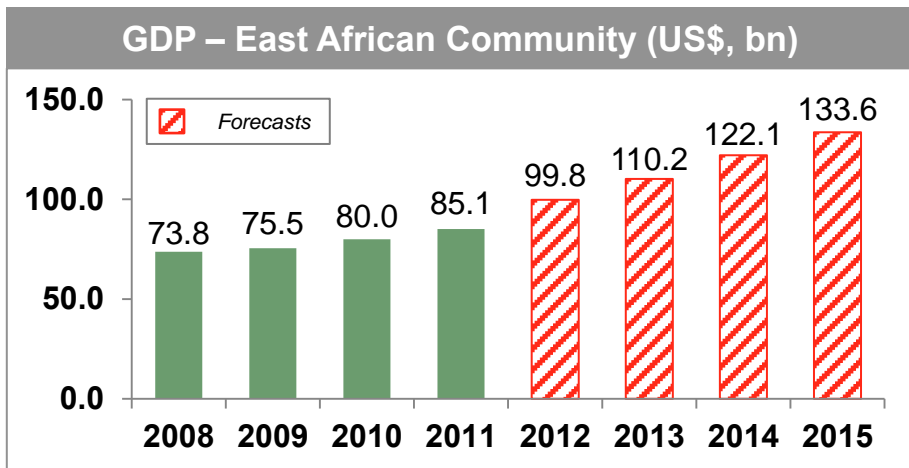


Source: Ministry of Finance, Commerce, Investment and Economic Planning



South Sudan provides investors with exposure to the ongoing growth expected in East Africa

- South Sudan’s application to join the East African Community, one of the world’s fastest growing economic communities, is currently being considered
- South Sudan has strong trade relations with Kenya and Uganda, the EAC’s largest and third-largest member countries
- Trade relations with Sudan are improving
- Improving infrastructure links to neighboring countries



Sources: World Bank; IMF, EAC (GDP shown at current market prices)



Source: The Economist

Disclaimer: The boundaries of South Sudan shown here are as represented by The Economist, and are for illustrative purposes only. Presentation of this map does not imply acceptance or recognition of these boundaries by the Government of South Sudan or the United Nations.



An independent, multi-agency study¹ is identifying current economic constraints, Government actions, and private sector opportunities

Constraint	Government response	Potential for investment
Economy reliant on oil revenues	Development of Sector Investment Plans to focus on diversification	Opportunities in agriculture, tourism, trade and services
Low levels of infrastructure development	Formulated an Infrastructure Development Action Plan	~US\$50bn of public-private partnerships in infrastructure
Limited availability of credit due to strict collateral-based lending	Introduction of the Micro Finance Policy, Micro Finance Facility and Cooperative Bank	Expansion of financial services, incl. insurance and expansion of nationwide banking networks
Shortage of skilled and semi-skilled workers	Formulation of an Education Policy, boards on vocational and higher education, and teacher training institutes	Private education facilities, as well as libraries, bookshops and education materials suppliers
Low institutional capacity (incl. infrastructure, equipment, ICT, professional skills)	Introduction of a Capacity Development Implementation Plan (CDIP) with 19 PPP projects for the public sector	Training centres/institutes, consultancy services, and the provision of equipment

1. Diagnostic Trade Integration Study (DTIS), being prepared by UNDP and the Ministry of Finance, Commerce, Investment and Economic Planning in collaboration with the World Trade Organisation, World Bank, IMF and other organisations. Final report is anticipated to be released in February 2014.



The Government continues to develop an attractive investment regime, supportive of foreign investors

- ✓ Investment Promotion Act 2009 provides for:
 - ✓ **Tax incentives:** investment in priority sectors can allow for certain tax incentives, including favourable capital and depreciation allowances
 - ✓ **Codified areas of investor protection:** including prohibition of discrimination and expropriation; protection of intellectual property rights; access to public information; and ability to repatriate capital, profits and dividends
- ✓ Investor-friendly Taxation Act that provides for low and simple rate structures and liberal deduction and depreciation mechanisms
- ✓ Established the South Sudan Investment Authority and One Stop Shop
- ✓ Attracted more than \$200 million in private investment



Created to offer a centralized support and service centre for investors considering investing or re-investing in South Sudan

<http://www.investsouthsudan.net>



Centre within the SSIA that offers pre-investment advice and counselling, processing of applications for investment certificates and relevant permits, and after-care services to investors

Significant progress has been made since Independence to improve the operating environment for investors

“First-mover” investors are already experiencing commercial success within South Sudan



SOUTH SUDAN
BEVERAGES
LIMITED

South Sudan Beverages, Ltd. (SSBL) employs more than 260 South Sudanese nationals, and provides significant indirect employment and distribution opportunities.



Kenya Commercial Bank (KCB), one of the first to open a branch in South Sudan, now has 15 local branches employing around 380 staff, currently the largest bank network in the country.



Since Vivacell went live 2008, the mobile operator has achieved a total subscriber base close to one million and employs over 300 workers, mostly South Sudanese.



South Sudan's natural resources provide the perfect platform for a range of agribusiness, forestry and food production opportunities

Agriculture, Forestry, Livestock and Fisheries

Opportunity

Minimal land usage (only 4% of arable land currently under cultivation)

High possibility of irrigation to support multiple crop varieties and animal breeds

Considerable space to expand on existing forest plantations of indigenous and exotic tree species

Significant potential for commercial livestock operations

Vast aquatic resources (13 million hectares of inland water resources, capable of supporting a harvest of 150,000+ tons of fish per year)

Constraints

Low levels of public and private sector investment

Limited access to agricultural inputs and low levels of farmer skills (resulting in poor production levels)

Degradation due to uncontrolled exploitation of forests and other natural resources

Lack of processing infrastructure, and reliance on traditional, low-output livestock production systems

Poor infrastructure (lack of cold storage and transport routes), and fishing being perceived as a "low-class" occupation

Government response

US\$6bn Agricultural Development Investment Plan

Formation of agricultural cooperatives and the Cooperative Bank

Forestry Policy formulated, and promotion of Gum Arabic value chain undertaken

Undertaking a value chain assessment of animal exports, and feasibility studies planned for tanneries and slaughterhouses

Planned development of landing sites and cold storage

Formulation of Fisheries Policy



The Government is seeking private sector partners for priority projects in the Infrastructure and Energy sectors

Infrastructure and Energy

Opportunity

- Limited access to electricity
- All power currently supplied by diesel / HFO generators
- No national power grid
- Huge hydropower generation opportunity through the River Nile (pre-feasibility study performed for 4 large scale projects with generation capacity of 2,105MW)
- Opportunities for solar and natural gas power generation and oil exploitation

Constraints

- Weak skills capacity in energy sector
- Significant capital required in order to fund infrastructure projects

Government response

- Construction of the 42 MW Fula Rapids hydroelectric plant is planned to commence in 2014
- A US\$38bn Energy Development Action plan is ready for PPP investments (South Sudan Development Initiative; see: www.ssdi.co.za)



The Tourism and Hospitality sectors have significant potential for development and expansion

Tourism and Hospitality

Opportunity

Untouched savannah and woodland ecosystems (>4,000 elephants, as well as populations of other large game including giraffe and buffalo)

Excellent conditions for adventure tourism (hiking, rafting, ballooning, climbing etc.)

Large potential tourist market (expatriate South Sudanese as well as foreigners)

Significant demand for quality short and long-term accommodation, particularly in Juba

Constraints

Classic leisure tourism products are not yet developed

Adventure tourism products are not yet developed

No operational establishments in the national parks

Low capacity and high turn-over of staff in hotels

Government response

Wildlife protection force

Encouraging investment in the hospitality industry

Formulation of:

- the Wildlife Policy
- the Tourism Development Policy



South Sudan is committed to developing the Mining sector, and improving and expanding investment in the Petroleum sector

Mining

Opportunity

Commercial exploration activity currently limited

Prospects are favourable (geological studies and prospecting have uncovered rich deposits of major metals and minerals)

Constraints

Low capacity in mining due to lack of skilled labour (masons, welders, engineers etc.)

Government response

Government undertaking skills training in mining

Mining Policy is under development

Government is in the process of updating the geological map of the country

Petroleum

Some concession currently underutilised / explored

No refineries operating within South Sudan

Current oil facilities are inadequate for enhanced oil recovery

Lack of adequate infrastructure for transport, storage and distribution of petroleum by-products

New Petroleum Law committing to a high degree of transparency

New oil concessions to be granted in 2014

Adoption of the Extractives Industries Transparency Initiative (EITI)



Grow with us!

- **Once again, welcome to Juba, South Sudan, and to the South Sudan Investor Conference 2013**
- **We are extremely excited to have you with us, and look forward to discussing opportunities for growth and investment over the coming days**
- **Please do not hesitate to speak with staff of the Ministries or the Government of South Sudan**

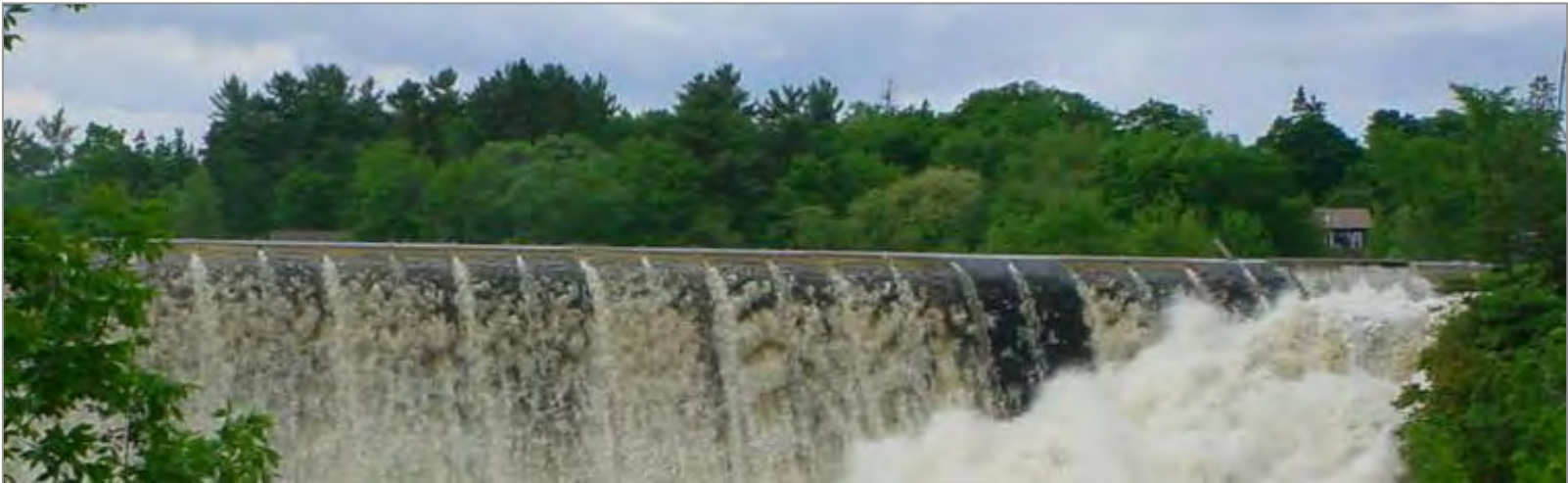
Honorable Mary Jervase Yak

Deputy Minister of Finance, Commerce, Investment and Economic Planning





Investment Opportunities in Infrastructure: Electricity, Water, and Housing



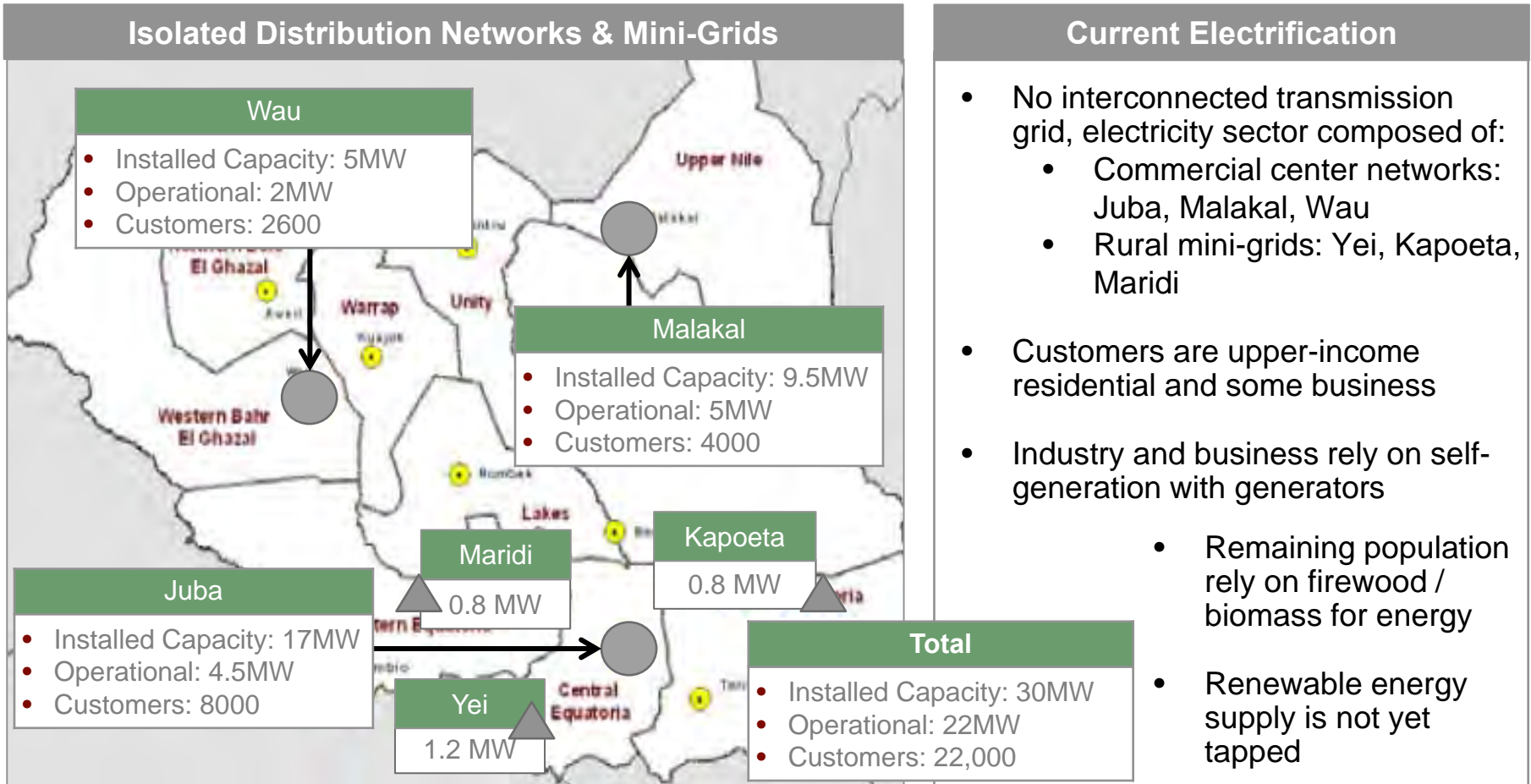
**Hon. Jemma Nunu Kumba (MP)
Minister
Ministry of Electricity, Dams,
Irrigation and Water Resources**

**Hon. Catherine Juan Benaiah
Minister
Ministry of Lands, Housing and
Physical Planning**



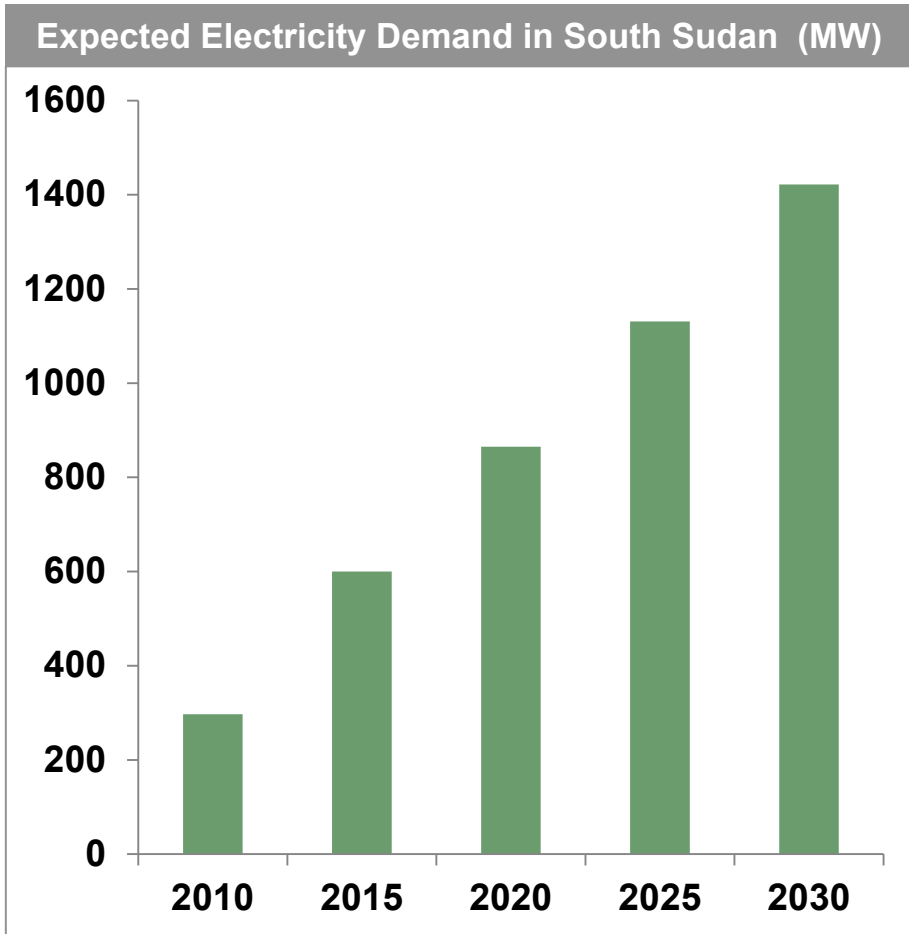
The Electricity Sector

Electricity supply needs improvement – decentralized grids are unreliable and diesel generation is burdensomely expensive



Only 1% of South Sudan's population has access to electricity

Demand for accessible and affordable electricity in South Sudan outstrips supply in major cities and is poised to grow in rural areas



Demand for Access

- Growth of electricity sector suppressed by supply, not demand
- Demand for electricity expected to increase 7-8% per annum based on economic growth rates
- Per capita electricity consumption is 1-3 kWh
- Consideration of tariff increase is underway

Demand for Affordability

Generation Cost
\$0.70/kWh

Current Tariff
\$0.25/kWh
(subsidized)

Demand estimated at 300 MW today is expected to rise to 1400+ MW by 2030

The Government has prioritized the development of power generation and transmission systems

Development Priorities

- ✓ Increase **generation capacity** through implementation of planned projects and proposed new sources of power generation
- ✓ Mobilize **financial resources for electricity** projects, especially those linked to economic activities such as mining and industry
- ✓ Develop, expand, and reinforce generation and **distribution networks** in the state capitals
- ✓ Build new **transmission lines** and substations (National Grid)
- ✓ Invest in regional interconnection, including the **East Africa Power Pool (EAPP)**, to access wider power market
- ✓ Support rural electrification by **off-grid renewable** energy sources



Government priorities will be achieved through effective private sector participation, public private partnerships and public sector initiatives guided by proper master planning

Prioritized Power Generation Projects

Project	Type	Capacity (MW)	Location	Status
State Capitals Electrification	Thermal	60	Aweil, Bentiu, Juba, Torit and Kwajok	Pending Financing
Tharjath	Thermal	240	Unity State	Pending Financing
Paloch	Thermal	250	Upper Nile State	Pending Financing
Sue	Mini Hydro	12	Western Bahr el Ghazal	Pending Financing
Grand Fula	Hydro	890	Eastern Equatoria State	Contract Signed Pending Financing

The Government prioritizes hydropower as the most economical energy source. Feasibility studies have been completed.

Prioritized Transmission Line Projects

Project	Detail	Voltage (kV)	Status
Tharjath - Rumbek	230 km 2 x 60 MVA substation	400	Pending Financing
Juba East – Juba West	13km 2 x 100 MVA substation	220	Pending Financing
Malakal – Ayod – Bor – Juba	500km substations	400	Pending Financing
Grand Fula HPP – Juba East	75km 2 x 150 MVA substation	400	Pending Financing
Rumbek – Ramchiel – Juba	480km 2 X 60 MVA 2 X 100 MVA substations	400	Pending Financing



The government is committed to developing the network infrastructure to support investment. Most recently, the African Development Bank has pledged to finance the rehabilitation and expansion of the Juba Distribution Grid, with expected completion in 2016.

Off-Grid and Renewable Energy Opportunities



- The Government encourages the use of solar power in rural areas
- South Sudan experiences approximately 12 hours of sunshine per day all year round
- Solar radiation 5.5 – 6.0 KWh/m²/day
- Potential for small-scale PV installations to serve schools, health clinics, irrigation projects and commercial customers
- Potential for larger scale solar thermal power plants
- Given significant food imports, ample land and ideal climactic conditions, there is significant potential for combined food production and biomass-based power generation projects in various parts of the country
- The Government is hoping to attract investors to restart 2 large-scale sugar and co-gen projects at Melut and Mangala and a large-scale oil-palm mill and co-gen plant at Nzara
- The Government is also interested in proposals for urban waste-to-power projects in Juba and other major towns

The Ministry plans to investigate energy diversification, specifically renewable energy to supplement thermal power generation.

Fula Rapids Hydro Project

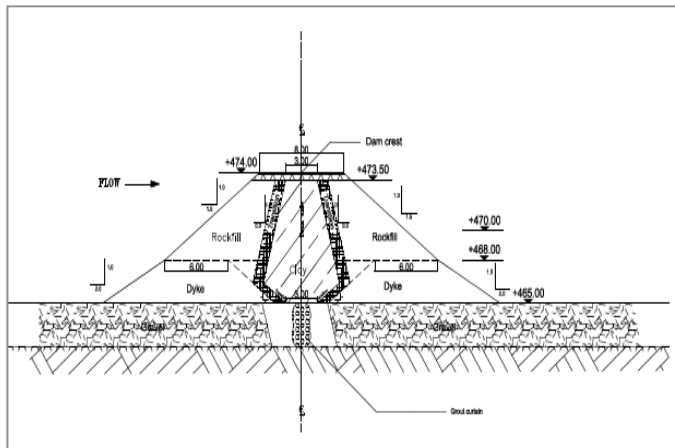
Overview

- The Government of South Sudan, Norfund and Aldwych International are developing a 42MW run-of-the-river hydropower facility and a 132kV transmission line on a PPP basis
- Approximately \$150 million project to generate electricity supply for Juba
- Structured as a 25 year Public-Private Partnership – Build, Own, Operate and Transfer agreement
- Targeting mid-2014 commencement of construction, and completion in 2016
- Located at Fula Rapids, 7km north of Nimule, South Sudan (approx. 160km south of Juba)



The Fula Rapids Hydro Project demonstrates the readiness of the government to enter into public private partnerships

To encourage investment, the Government is finalizing legal, regulatory, and institutional frameworks



- ✓ Finalize the legal, regulatory and institutional bodies and frameworks, including Electricity Act
- ✓ Develop energy sector institutional capacity
- ✓ Integrate energy development with national development plans
- ✓ Establish the South Sudan Electricity Corporation (SSEC) as an autonomous national utility
- ✓ Establish State Electricity Distribution Companies (SEDC) to manage local electric power distribution, licensed by the Ministry
- ✓ Promote regulations for private sector investment, including feed-in tariffs (FITs) and Power Purchase Agreements (PPAs)

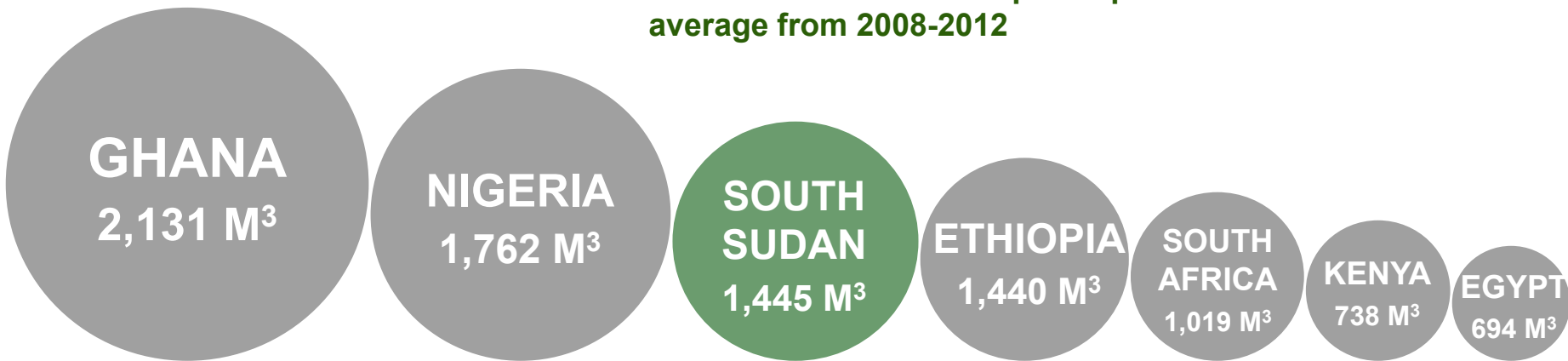
This regulatory environment encourages private sector participation in the electricity sector.



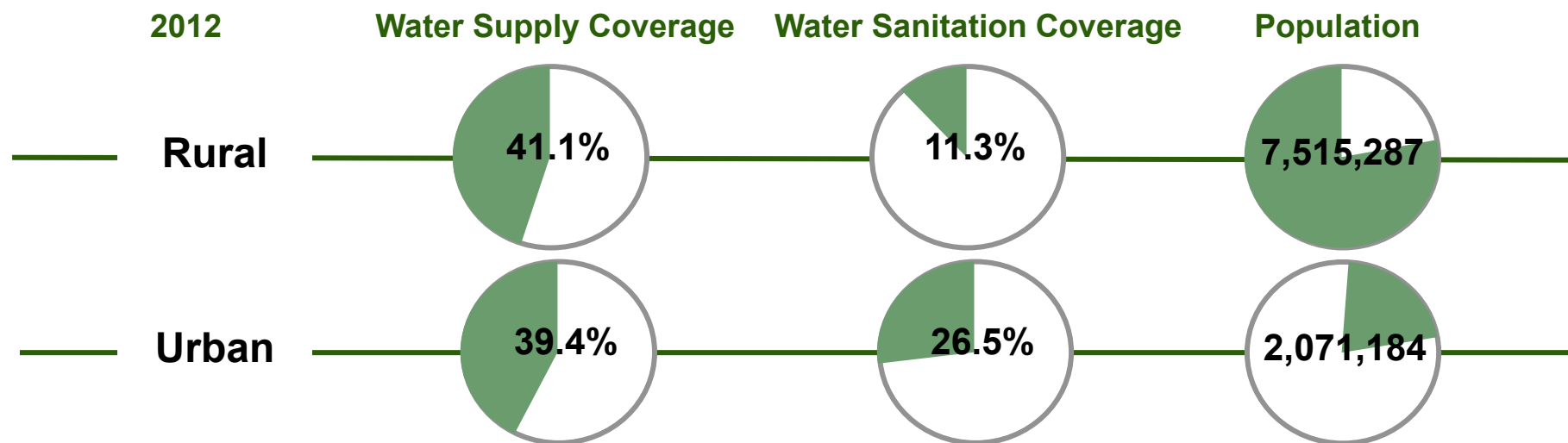
The Water Sector

South Sudan has abundant water resources

Total Renewable Water Resources per Capita
average from 2008-2012



Access to safe water and improved sanitation is low¹, despite a high willingness to pay²



Willingness to Pay and Current Cost

Water Supply Service Level	Willingness to Pay (SSP/household/month)
1. For water supply under current condition	80
2. For satisfied water supply service (clean, safe and enough amount)	110
3. For satisfied continuous water supply service (clean, safe and enough amount of water through pipe for 24 hours)	134
4. Average current water cost (actual)	132

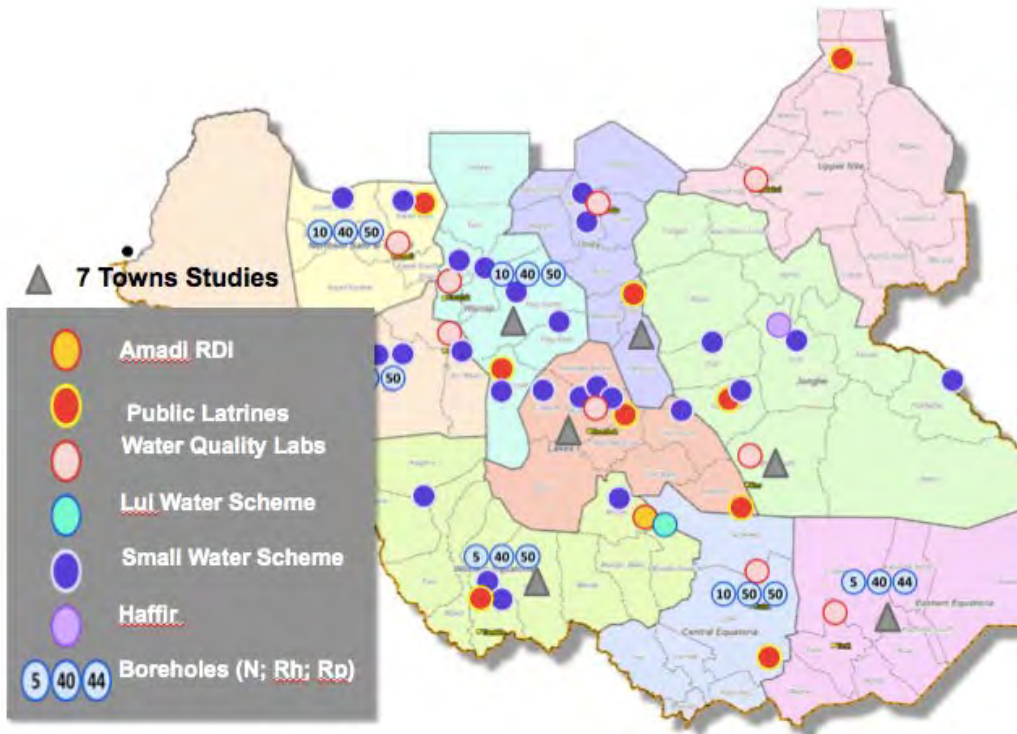
(1) Water, Sanitation and Hygiene (WASH) Investment, Action and Implementation Plans

(2) Juba Urban Water Supply Master Plan by JICA (May 2013)



Existing infrastructure reveals many opportunities for growth

Current Infrastructure



Note: Few maps are available on water supply and sanitation facilities, such as the above Water Supply and Sanitation Facilities Locations Map, created under the MDTF

Current Situation

- Urban population mostly relies on water tanks or boreholes from informal sector distributors
- South Sudan Urban Water Corporation (SSUWC) manages small water treatment facilities in only 6 towns (Juba, Malakal, Wau, Renk, Bor and Maridi), with little storage and inadequate distribution networks
- Development partners support implementation and management of water supply and sanitation facilities in rural areas and some small towns, to complement the government efforts
- More efforts are being put in place to strengthen cost recovery mechanism
- O&M is weak due to inadequate skills, experience, inexistence of supply chain (spare parts) and irregular cash flows

The government has initiated various water projects in collaboration with development partners and potential investors

Feasibility

- ✓ Completed feasibility studies for 8 state capitals' water supply and sanitation systems
- ✓ Ongoing process for feasibility studies pertaining to water and sanitation delivery infrastructure projects in 11 emerging towns, with support of African Development Bank

Pending Financing

- ✓ State capital water infrastructure, for 8 capitals, estimated total cost of USD \$739 million
- ✓ Wau water supply distribution network
- ✓ Central Laboratory for Water Quality
- ✓ Containerized Water Treatment Plants and Elevated Distribution Sites

Financed

- ✓ Implementation of the Juba Water Master Plan Phase I, including expansion of Juba water supply, water treatment plant (10,800m³/day), 120 kiosks, and 8 tankers by JICA at USD \$48 million
- ✓ Upgrade and expansion (additional 4,000 m³/day) urban water supply system in Wau by USAID
- ✓ Initiation of master plan study and installation of pilot water treatment supply system (150m³/day) in Malakal by JICA
- ✓ Establishment of urban water and sanitation services in Yei by GIZ and KfW
- ✓ Launch of Water Supply and Sanitation Project in rural areas of Northern Bahr el-Ghazal by the Swiss Development Cooperation
- ✓ Kajo-Keji and Nimule Water Distribution Systems through PPP arrangement with support of the IFC

The Government seeks private investment alongside government and donor financing in the following towns

Sample Projects				
Project	Type	Capacity (m ³ /d)	Cost (Million USD)	Components
Juba West (Tokiman Phase II)	Water Supply	189,000	144.4	<ul style="list-style-type: none"> • Construction/Expansion of water treatment plants and sanitation systems • Pumping stations • Distribution mains • Parts provision – valves, pipes, fittings • Equipment – tankers, meters, vehicles • Surveying • IT – software, telemetry • Consulting – network planning, Geographic Information Systems, hydraulic modeling • Engineering
Juba East (Gumbo Phase III)	Water Supply	34,000	178.9	
Rumbek	Water Supply & Sanitation	27,000	35	
Bentiu	Water Supply & Sanitation	22,000	32	
Yambio	Water Supply & Sanitation	28,000	55	
Bor	Water Supply & Sanitation	20,000	33	
Aweil	Water Supply & Sanitation	27,000	46	
Kuajok	Water Supply & Sanitation	14,000	22	
Torit	Water Supply & Sanitation	12,000	51	

► Feasibility studies and detailed design have been completed for the above projects.

A regulatory framework is being put in place to attract investment, guide development, and enhance collaboration with the private sector in the water sector

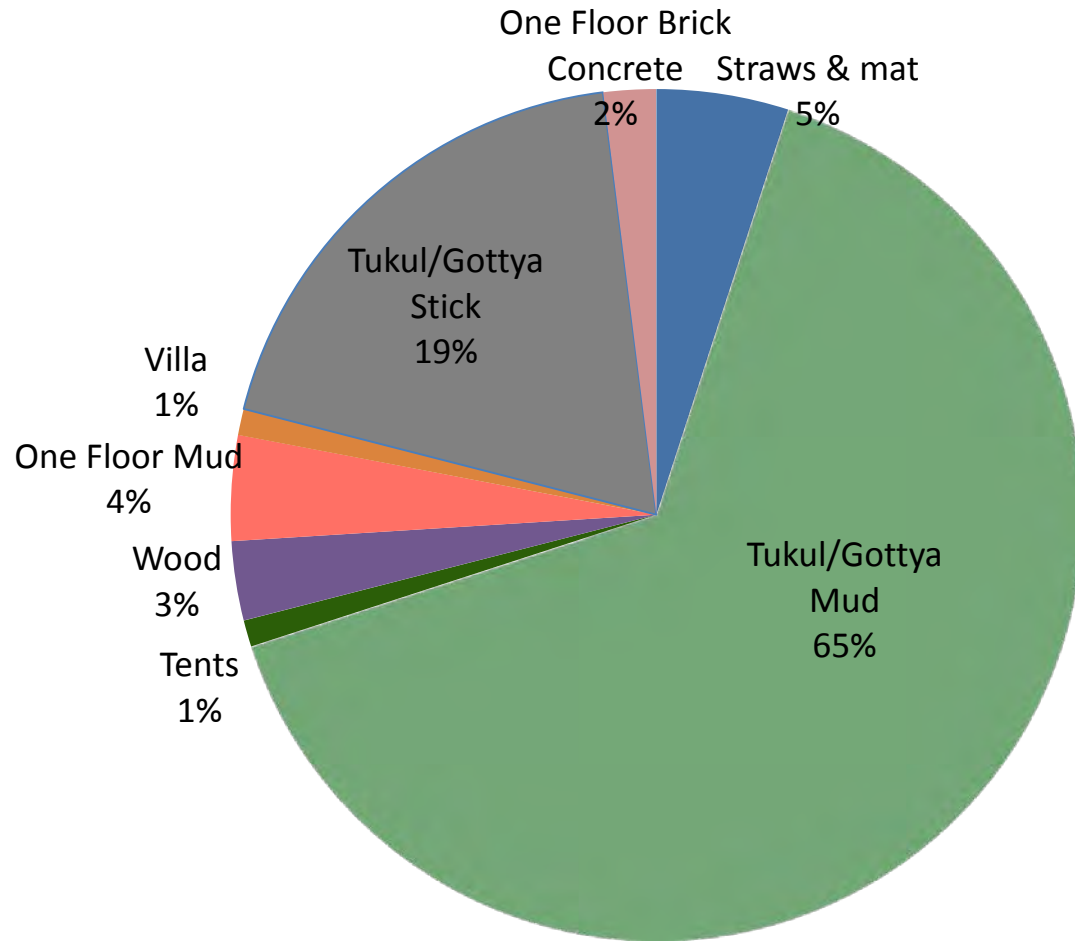
- ✓ Water Policy 2007
- ✓ WASH Strategic Framework 2011
- ✓ Reformed legislation, including the enactment of the Water Act (expected for 2014), to regulate the development and management of water resources, service delivery, and the involvement of the private sector. The new regulatory framework will include:
 - ✓ Protection of water resources
 - ✓ Equitable and cost effective growth of service delivery
 - ✓ Protection of consumers
 - ✓ Sustainability of the sector via strategic sector development and investments

The private sector is encouraged to invest in and manage small infrastructure projects, develop supply chain franchises, and propose contracts through PPPs and BOOTs. The required needs have already been identified in the Ministry's Investment Plans for the water sector.

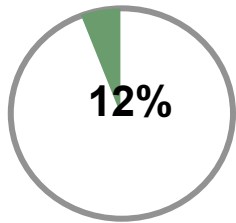


The Housing Sector

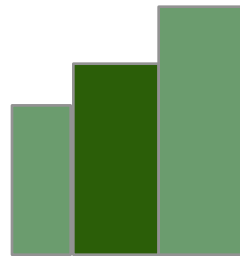
The current housing situation



There is unmet demand for adequate housing



Only 12% of South Sudanese population live in serviced housing



The Urbanization Growth is estimated at 4 – 6.3%



The population of Juba alone has grown from about 200,000 (2005) to 1.5 million (2013)

An enabling environment for the development and maintenance of the housing sector

- ✓ National Strategic Plan 2013 - 2018
- ✓ Land Policy
 - Government mandate for the provision of land plots
 - Establishment of Community Land Act for land usage
- ✓ National Housing Policy
 - Institutional arrangements – creation of Housing Finance Company/Bank and National Housing Corporation
 - New funding mechanism – establishment of national housing fund, banking and insurance services to be tailored to harmonize with this national housing policy
 - New regulatory framework – new rules and regulations are introduced to facilitate this policy implementation at all levels



Government priorities adopted for sector development

Government Priorities

- Construction of affordable housing
- Slum upgrading in towns and cities across the ten States.
- Building of government ministries, commissions and agencies
- Waste management plants
- Preparation of Master Plan for Ramciel, the proposed Capital City, and the ten states



Private Sector Opportunities

- Joint venture with the government for **large-scale housing schemes** – up to 500,000 units in the ten States within five years
- Domestic manufacturing and supply of **building materials**, i.e. cement, iron, wood
- Construction and management of **residential and office** units
- **Financing** schemes needed for housing projects
- Establishment of **urban sanitation services**, i.e. solid waste, liquid waste management and sewer network system, and **recycling services**
- Tools and training for **Geographical Information Systems (GIS)** for land administration and surveying
- **Commercial development**, i.e. retail shops, wholesale markets, shopping malls and industrial parks



The Ministry encourages public-private partnerships aimed at addressing the needs within the electricity, water, and housing sectors

1. The Electricity, Water, and Housing sectors are **capital intensive sectors** with major investment requirements from both the Government, Development Partners, and Private Sector.
2. The development of the necessary infrastructure basis of the sector **takes time** to establish and the operation & maintenance requires **continuous cash flow**.
3. The Ministry is endeavoring to provide **short to medium term solutions** to meet the immediate needs of the people of South Sudan, whilst also exerting effort to provide **long-term solutions** through soliciting of loans, grants, government budgetary allocation, and private investment.
4. The Government therefore wishes to **extend invitation to potential investors** who are exploring investment opportunities within these sectors. Appropriate **tax incentives** are in place for the deployment of Foreign Direct Investments (FDIs) in key sectors of the economy alongside the creation of an **enabling business environment**.

We look forward to partnering with local and international investors to establish power generation and transmission, water supply and sanitation systems, and affordable housing schemes.

Points of Contact

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Expert Panel Q&A



INVESTMENT OPPORTUNITIES IN INFRASTRUCTURE:

Transport, Roads and Bridges

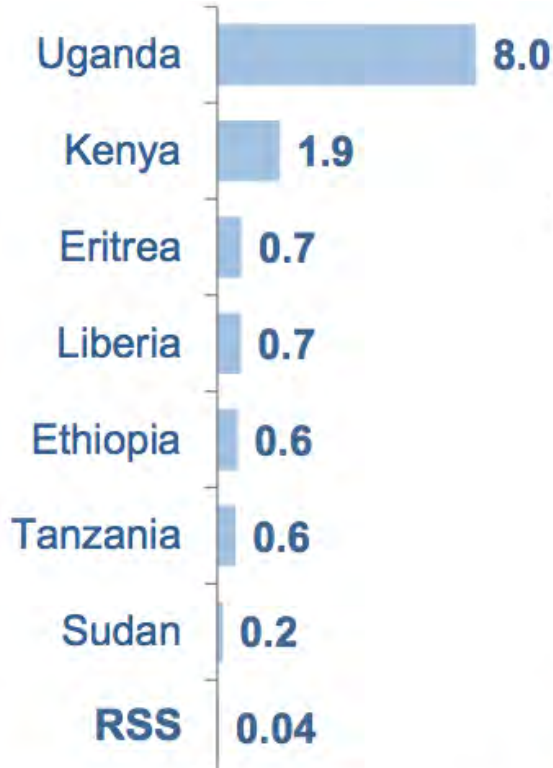


Hon. Kwong Danhier Gatluak
Minister,
Ministry of Transport, Roads and Bridges

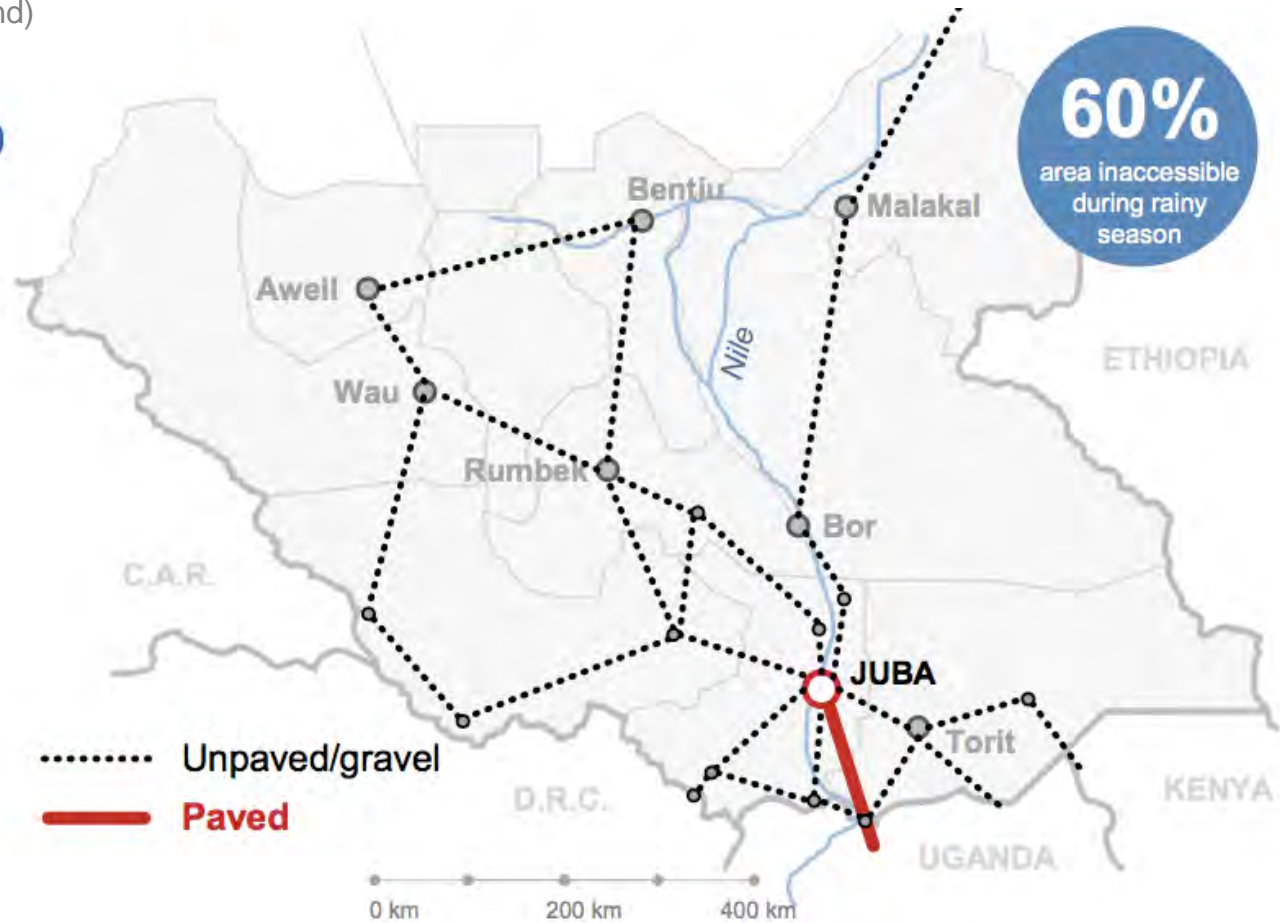
Huge need for investment in South Sudan's transport infrastructure

Paved Road Density

(km of paved road / 100 Km² land)

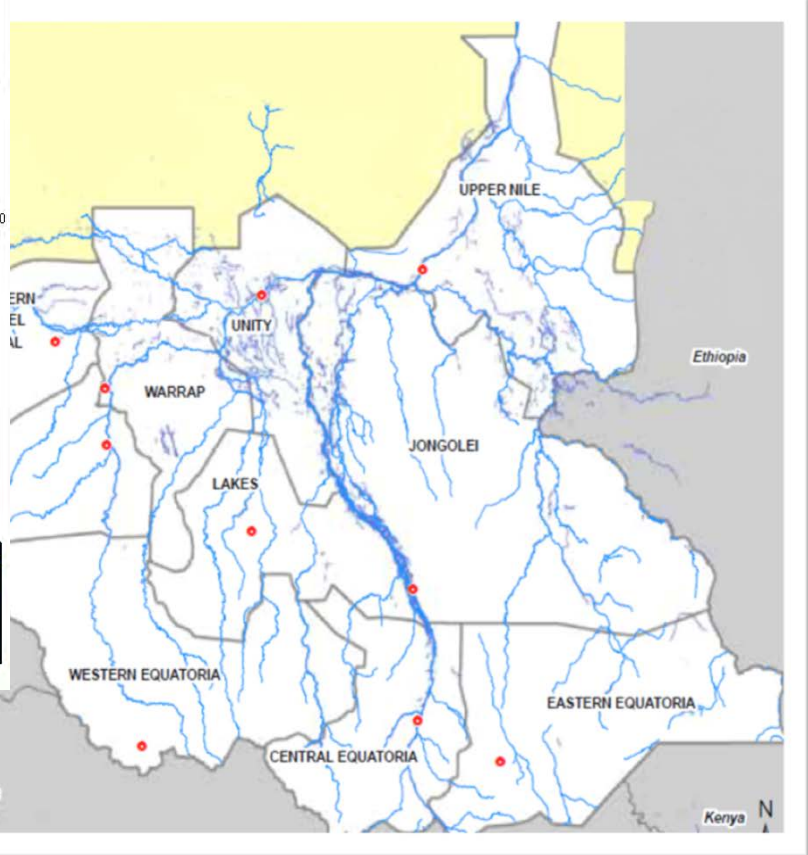
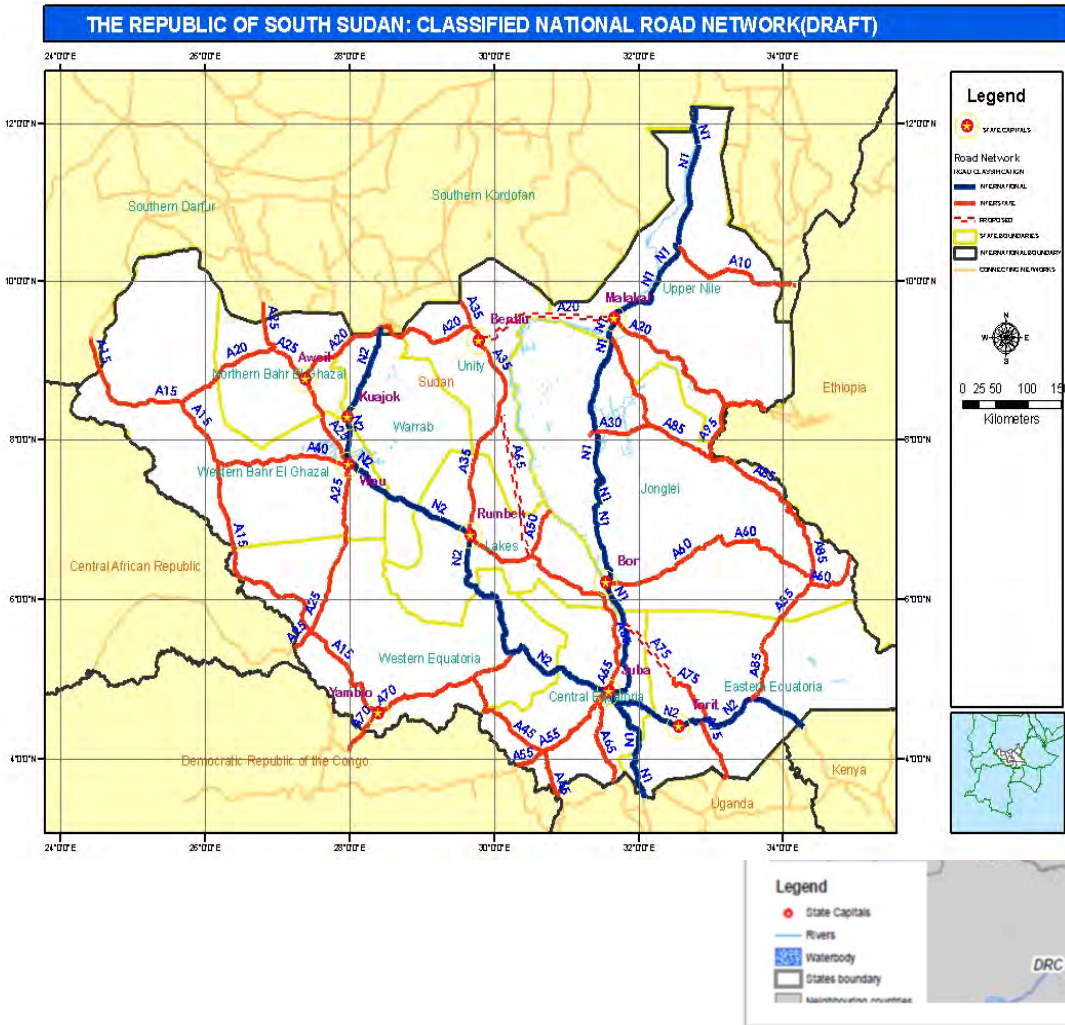


Main Axes for Population and Producers



An efficient transport network is essential for the development of productive sectors of the economy, and for the development of trade, social services and security

The Ministry is developing a National Transport Master Plan for road, river, air and rail development



And is now focused on priority areas of transport infrastructure

Current Situation

- **Roads** – Dominant mode of transport; with donor support, 750km of this network are already under construction and upgrading of an additional 1000km of high priority roads to all weather gravel standard.
- **River** – Operational but requires improvement in navigational and port handling facilities
- **Air** – Operational internally and internationally; All airports currently government owned and operated; 3 IATA-standard airports at Juba, Malakal and Wau, and 7 additional States' air-strips
- **Rail** – Wau-Babanusa is the only link; hampered by lack of maintenance

Priority Actions

- **Maintain** high priority gravel roads
- **Upgrade** 2,000 km of feeder and trunk roads to improve links to markets and populations in need
- Construct main north-south axes to the east and west of the Nile and construct additional Nile bridges
- **Dredge the river Nile** where necessary and improve ports
- **Finalize** construction of Juba airport, potentially through a PPP

Roads & Bridges present opportunities for implementing contractors

Project	Length	Cost (USD million)	Progress
Juba – Terekeka – Yirol – Rumbek – Bentiu – Jau	850 Km	1,800	<ul style="list-style-type: none"> Sections of the road length are under periodic maintenance and pre-feasibility studies have been conducted from Juba – Terekeka – Yirol - Rumbek
Juba – Bor – Malakal - Renk	985 km	1,800	<ul style="list-style-type: none"> Malakal – Renk is under negotiations for upgrading Juba – Bor – Malakal to be studied
Nadapal - Torit - Juba	340 km	1,000	<ul style="list-style-type: none"> Feasibility studies and Detail design done (MDTF funding) Construction to commence by mid next year with support from the World Bank, African Development Bank and Exim Bank
Juba – Mundri – Rumbek – Wau - Kuacjok - Abyei	1,000 km	1,200	<ul style="list-style-type: none"> Feasibility studies and detailed engineering design to commence mid next year, 2014.
Kaya – Yei - Juba	245 km	1,000	<ul style="list-style-type: none"> Feasibility studies and detail design done (MDTF)
Yei – Faraksika – Mambe –Maridi – Yambio – Tambura – Wau – Aweil – Meiram	1,172 km	1,400	<ul style="list-style-type: none"> Road sections are planned for maintenance, 2013/2014 Preparations are ongoing to conduct road studies.
Pariak Bridge	2.5 km	250/m	<ul style="list-style-type: none"> Studies to be conducted
Malakal Nile Bridge	0.5 km	100/m	<ul style="list-style-type: none"> Studies to be conducted
Sobat Bridge	0.2 km	0.15/m	<ul style="list-style-type: none"> To be constructed under the project of upgrading Malakal – Renk to bituminous standard.

The total investment cost to improve these and other priority projects for roads is US\$8.82 billion, and US \$415 million for bridges.



Substantial opportunity for private investment in River Transport

Current

- **Expansion of Juba River Port** – Government of Japan will provide new additional piers, large handling Machines, forklifts, or warehouse for Juba Port.
- **Jetty and passenger facilities at Malakal River Port** – Detailed design is already completed and construction works has started with installation of fence.
- **Juba shipyard facility** – Completed in March, 2011 by Damen. The shipyard will be used for launching ships or vessels from building site and also for the maintenance of old vessels.

Opportunities

- **Port development** – equipped with cargo handling and warehouses at Bor, Renk, Jouda, Adok, Mangalla, Shambe, Malakal, and Melut
- Provision of **tugboats and barges** for cargo and petroleum products
- **Passenger vessels** and special boats for tourism
- **Dredging** – For river channels and seasonal rivers including Juba to Gemeiza, Renk to Wadokona, Lake No-Bentiu, Nassir to Akobo, and Nassir to Gambella
- Establishment of **River Transport Maritime Institute**

▶ **The Directorate of River Transport is developing a comprehensive and modern legal regime based on international standards. The River Port Act as part of the River Transport Bill is under review.**

Opportunities for Public Private Partnerships to develop Air Transport

- **Rehabilitation and management** – Aweil, Yambio, Torit, Bor, and Rumbek
- **Fencing** of airports
- **Renovation** of airport towers

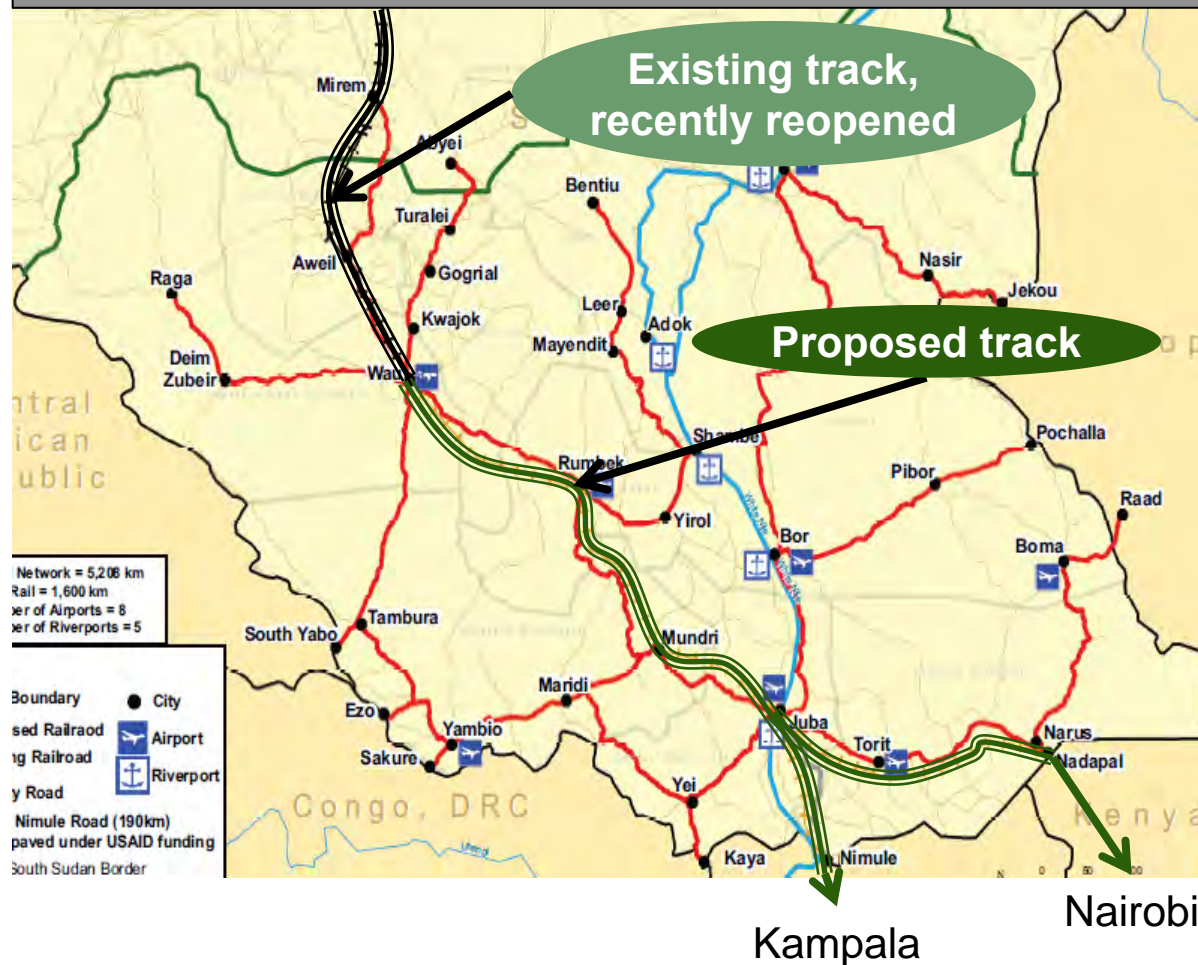


The government is open to proposals from investors interested in upgrading and operating any airport

Airport	IATA	Runway	Condition	Customs	IFR
Juba	JUB	7800 ft	Paved	Yes	Yes
Malakal	MAK	6000 ft	Paved	No	No
Wau	WUU	7800 ft	Paved	Yes	No
Aweil		2900 ft	Unpaved	No	No
Bor		4100 ft	Unpaved	No	No
Bentiu		3000 ft	Unpaved	No	No
Kuacjok		3500 ft	Unpaved	No	No
Rumbek		2800 ft	Unpaved	No	No
Torit		3500 ft	Unpaved	No	No
Yambio		3900 ft	Unpaved	No	No

Opportunity for private sector to invest in and develop Rail Transport

Proposed Railway Network



- Existing line in South Sudan connects Wau to Babanusa and then on to Khartoum
- Newly proposed links:
 - Wau – Rumbek – Juba
 - Juba – Nimule – Gulu (Uganda), joining the East Africa Railway
 - Juab – Torit – Kapoeta – Nadapal – Eldoret (Kenya)
- Prefeasibility and feasibility studies needed
- High demand for skills in construction and engineering of railway systems

Points of Contact

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Ministry of Transports, Roads and Bridges

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Expert Panel Q&A



Investment Opportunities in the Petroleum and Mining Sectors



**Hon Stephen Dhieu Dau
Minister
Ministry of Petroleum, Mining and Industry**

Introduction

South Sudan is rich in natural resources— with over 1.1 billion barrels of proven oil reserves in addition to deposits of gold, diamonds, rare earth minerals, uranium and more...

...we are establishing a legal and regulatory environment which includes competitive and open bidding, new licensing frameworks, EITI principles, and HSE assessments, among other components...

... allowing the private sector to embark on greenfield opportunities and service existing operations in South Sudan's natural resources frontier.

Recent Developments



Petroleum Updates

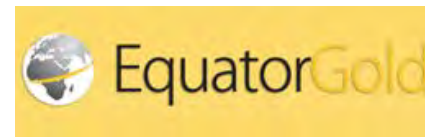
- Petroleum production is increasing since it resumed in **April 2013**
- Extensions to **existing production agreements** have been finalized
- Implementing the **Petroleum Act of 2012 and Petroleum Policy**
- Focus on **HSE regulation** implementation and enforcement
- Export **pipeline feasibility study** completed
- **Refinery construction** in progress



Mining Updates

- Implementing the **Mining Act 2012**
- **“Mining” Mineral Titles 2013** enactment is imminent
- Establishment of **mining license cadastre system** based on international standards
- **Licensing** of Mineral Titles to commence in December 2013
- Two grandfather licenses signed and 53 companies have shown interest in **reconnaissance / exploration licenses**

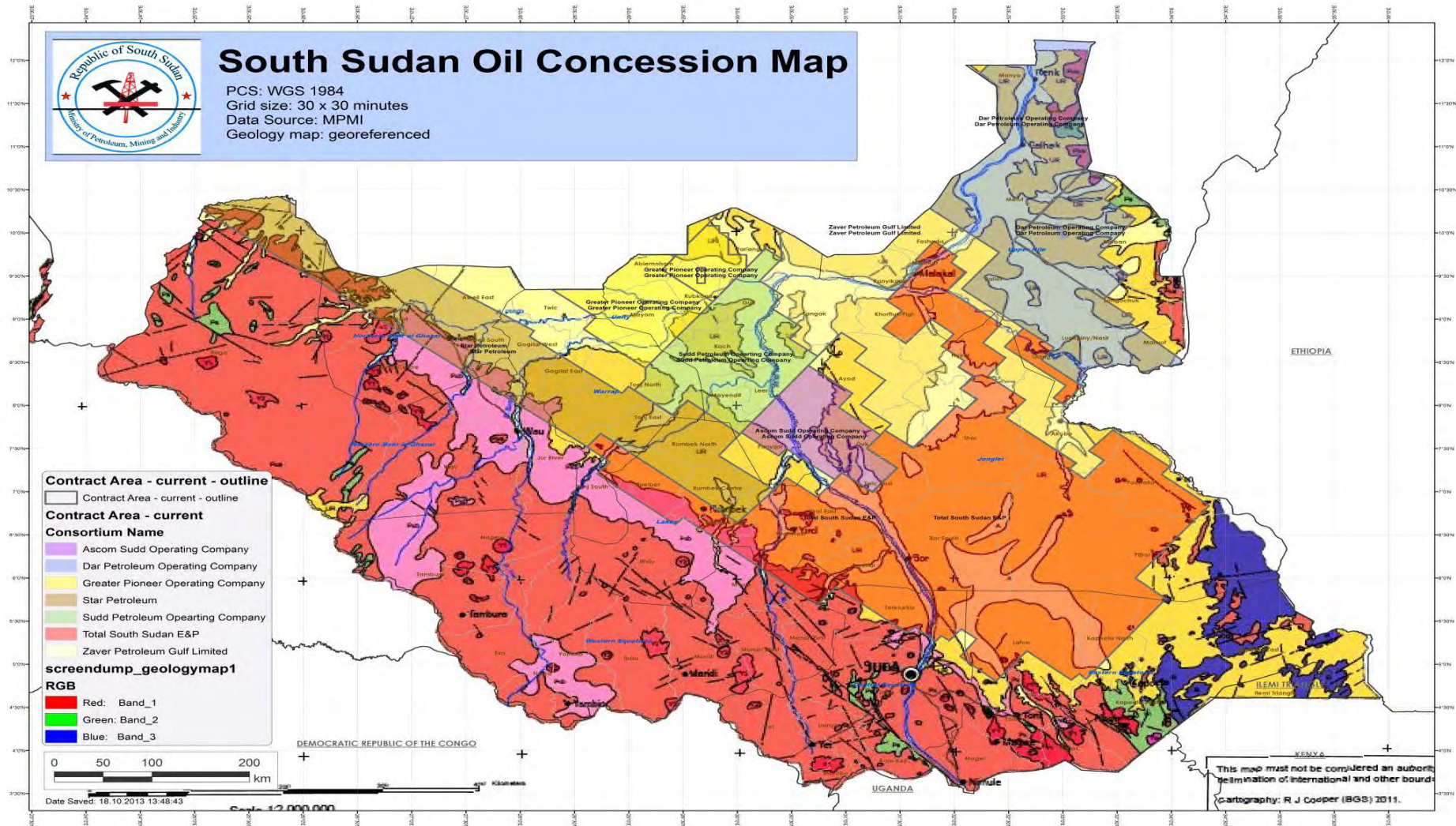
Join other prestigious foreign investors servicing and exploring our natural resources frontier!





The Petroleum Sector

South Sudan has tremendous potential in its unexplored areas



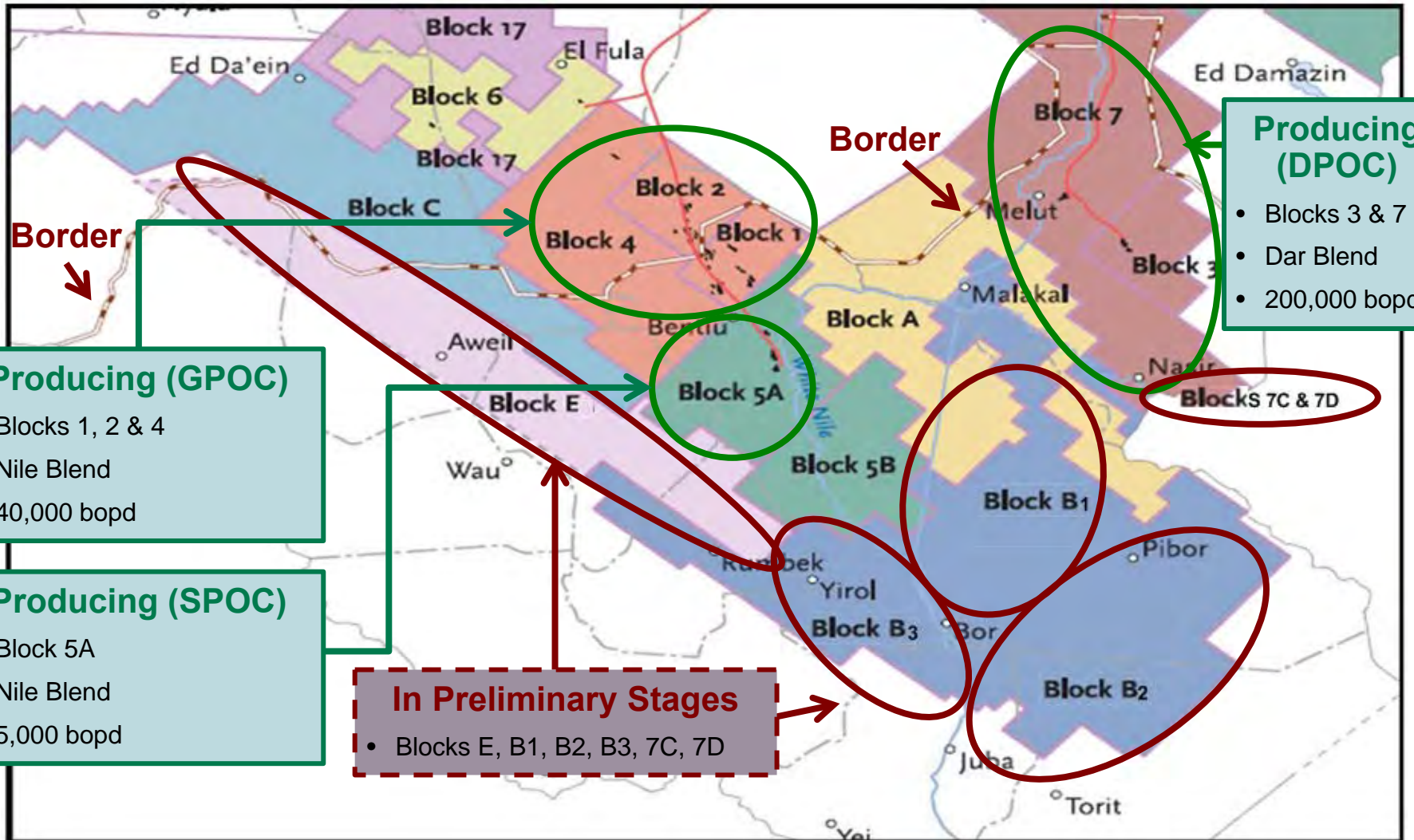
The *Petroleum Policy* and the *Petroleum Act of 2012* provide a robust framework for private investment

- ✓ Ownership of petroleum vested with Government on behalf of people
- ✓ Exploration and production based on petroleum agreement (EPSA) and the law
- ✓ Open, fair and competitive tenders between qualified bidders with technical competence, adequate experiences, compliance history and sufficient financial strength
- ✓ Environmental Impact Assessments (EIAs) prior to starting major activities
- ✓ Public access to information and high level of contract transparency
- ✓ Implementing the Extractive Industries Transparency Initiative (EITI) principles
- ✓ Zero tolerance of corruption
- ✓ Petroleum Act

2012: <http://www.mojss.org/Acts/2012/Petroleum%20Act,%202012/index.html>

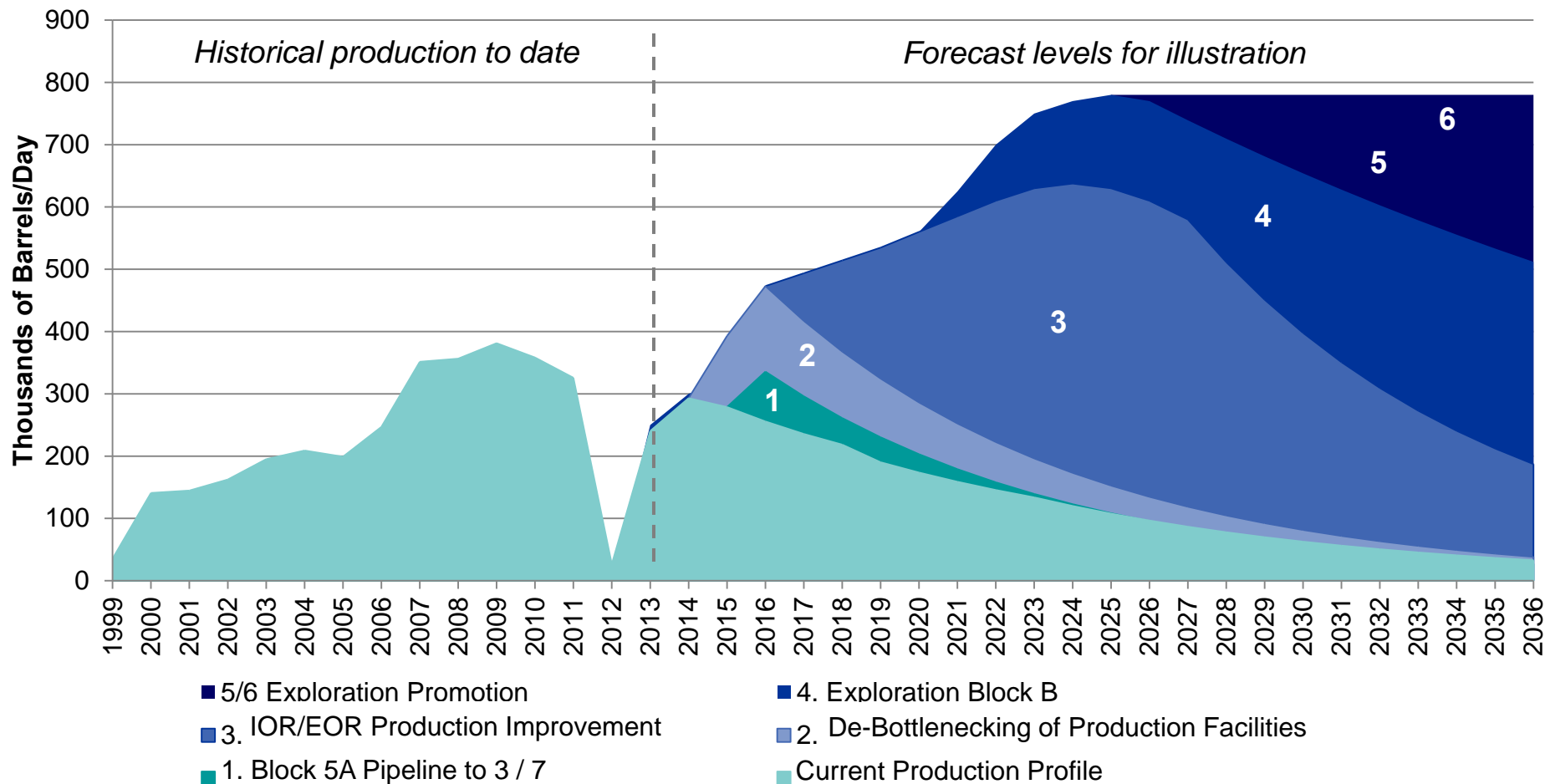


Current oil production has reached 245,000 barrels of oil per day



Planned activities to recover existing reserves and explore our untapped resources

Future Production of Reserves



Opportunity: Production and Support Services



Challenges

- Existing oil fields past peak production and in decline
- Low primary recovery factor of producing fields
- Unresolved health, social, and environmental issues
 - Produced water disposal
 - Pollution
 - Social issues

Opportunities

- IOR/EOR and water handling
- Environmental assessment
- Equipment servicing
- Skill and training deployment
- Reserve assessments
- Community development

The Ministry of Petroleum, Mining and Industry supports competitive bidding for services to existing contracts as part of its commitment to an open and transparent regulatory environment.



Opportunity: Pipeline Infrastructure



Current

- Two export pipelines for South Sudan's crude, both through Republic of Sudan:
 - GNPOC – Nile Blend to Port Sudan
 - Petrodar – Dar Blend to Port Sudan
- Alternative export pipeline feasibility study undertaken in 2013

Challenges

- Production constrained by bottlenecks in current infrastructure
- Transportation agreement with Republic of Sudan through 2016 will need extension

Opportunities

- Internal pipeline between production blocks to transport oil is in early-stage
- Facility throughput improvements
- Export pipelines need to be developed

Opportunity: Domestic Refined Market

Current

- All domestic refined product supply is imported, despite our oil production
- Five sites for new refineries have been identified within South Sudan
- Two sites have begun initial construction preparations and feasibility studies are in progress for a third site

Opportunities

- Support systems for refinery operations
- Transportation and storage of refined products
- Usage and disposition of residual heavy fuel oil through export and internal consumption
- Power plants
- Storage depots at strategic locations throughout South Sudan
- Product distribution systems and retail



Together we can capture the potential of South Sudan's petroleum sector

Government Priorities

- Promoting enhanced **oil recovery**
- Improving produced **water handling** and disposition
- Developing new **licensing framework** to facilitate new exploration
- Exploring **alternative pipeline** arrangements
- Supporting construction of **new refineries, storage depots, and distribution**
- Launching a **geological mapping** and survey initiative
- Supporting open and **competitive bidding** for awards
- Planning for **HSE** and social issues
- Investing in **university and vocational training**

Private Sector Opportunities

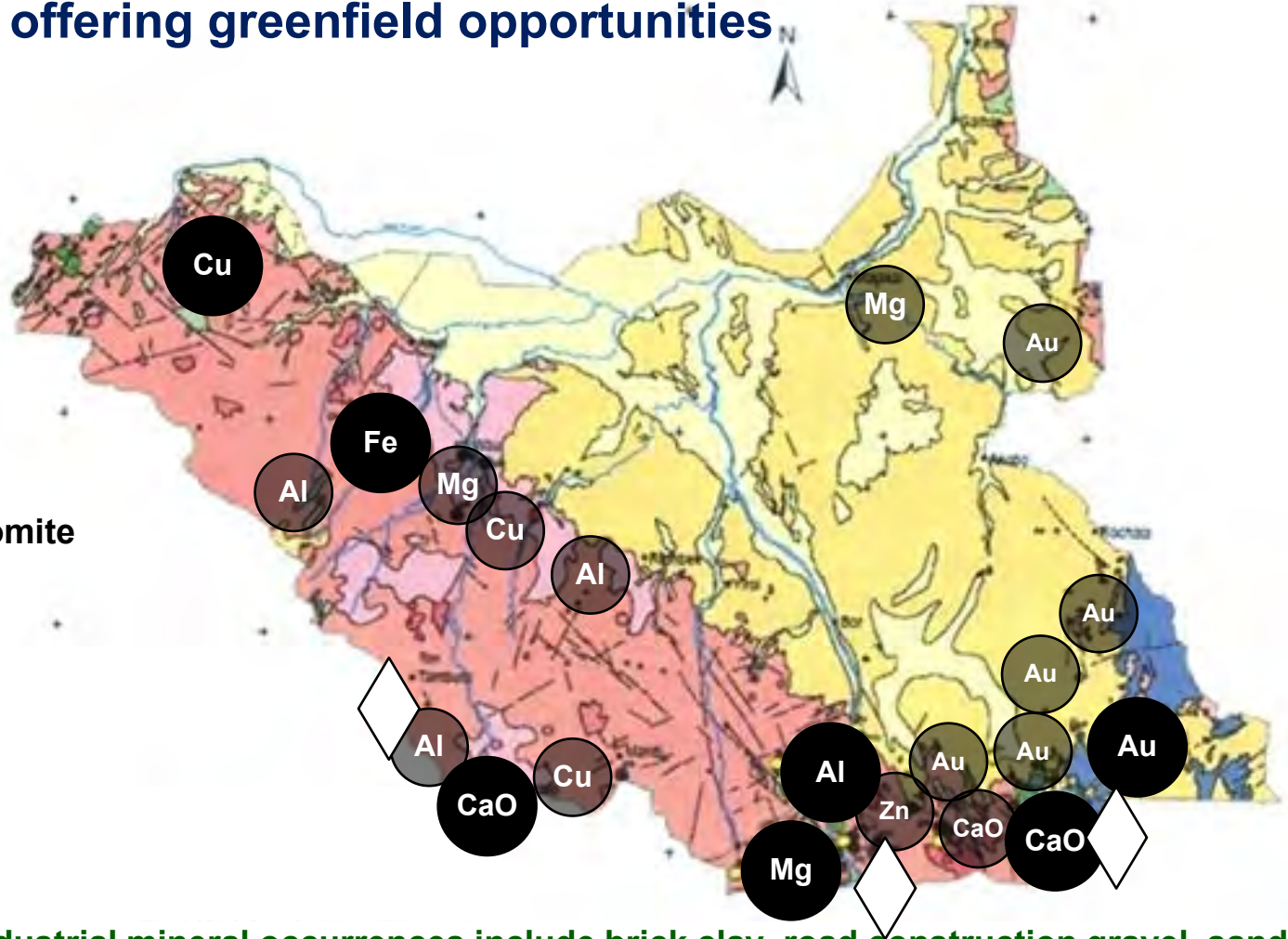
- **Production:** Servicing existing production contracts with IOR/EOR, inventory warehousing, equipment, trucking, etc.
- **Pipelines and Refineries:** Providing infrastructure support
- **Support Services:** Providing HSE audit, environmental assessments, HSE and social responses, laboratories, data management, IT support, technical training and schools, etc.
- **Exploration:** Participating in licensing rounds, as new areas are identified by the government
- **Enabling Infrastructure:** Investing in storage depots, power plants, transport and fiber optics





The Mining Sector

The mineral wealth of South Sudan is in the very early stages of exploration, offering greenfield opportunities



Al: Aluminum

Au: Gold

CaO: Marble/Dolomite

Cu: Copper

Fe: Iron

Mg: Manganese

Zn: Zinc

◇: Gemstones

► Additional industrial mineral occurrences include brick clay, road construction gravel, sand, kaolin, and talc. Other minerals include rare earth minerals, tin & tungsten, nickel, niobium, uranium, and iron ore.



Implementation of the Mining Act of 2012 and subsequent regulations create the environment for private investment

- ✓ Establishment of mining license cadastre system based on international standards
- ✓ Establishment that an Exploration License Title Holder with an economic find has the exclusive right to apply for a Mining License (Security of Tenure)
- ✓ Provision of one of the lowest tax jurisdictions in sub-Saharan Africa with a maximum statutory rate of 20%, simple and transparent depreciation for capital investment, and 5-year loss carry-forwards
- ✓ Option equity for the Government of South Sudan, up to 15% stake in large scale mining operations
- ✓ Relinquishment or formalization of illegal operations
- ✓ Implementation of the Extractive Industry Transparency Initiative (EATI)

Range of mining licenses are now available

License	Planned	Duration	Area	Extension
Reconnaissance	26	2 years	Maximum of 25,000 sq. km and Minimum of 10 sq. km	Not extendable
Exploration	94	5 years	Maximum of 2,500 sq. km and Minimum of 10 sq. km	Renewable for 2 terms of 5 years each
Large Scale Mining	2	25 years	As required by the Mining Operation	Extendable terms of 20 years
Small Scale Mining	215	10 years	1 sq. km	Renewable for 10 years
Artisanal Mining License	200	1 year	1 sq. km	Must be renewed annually

Operating in South Sudan also provides market access to Common Market for East and Southern Africa (COMESA) and international markets of European Union (EU), General Systems Preference (GSP), and American Growth and Opportunity Act (AGOA)



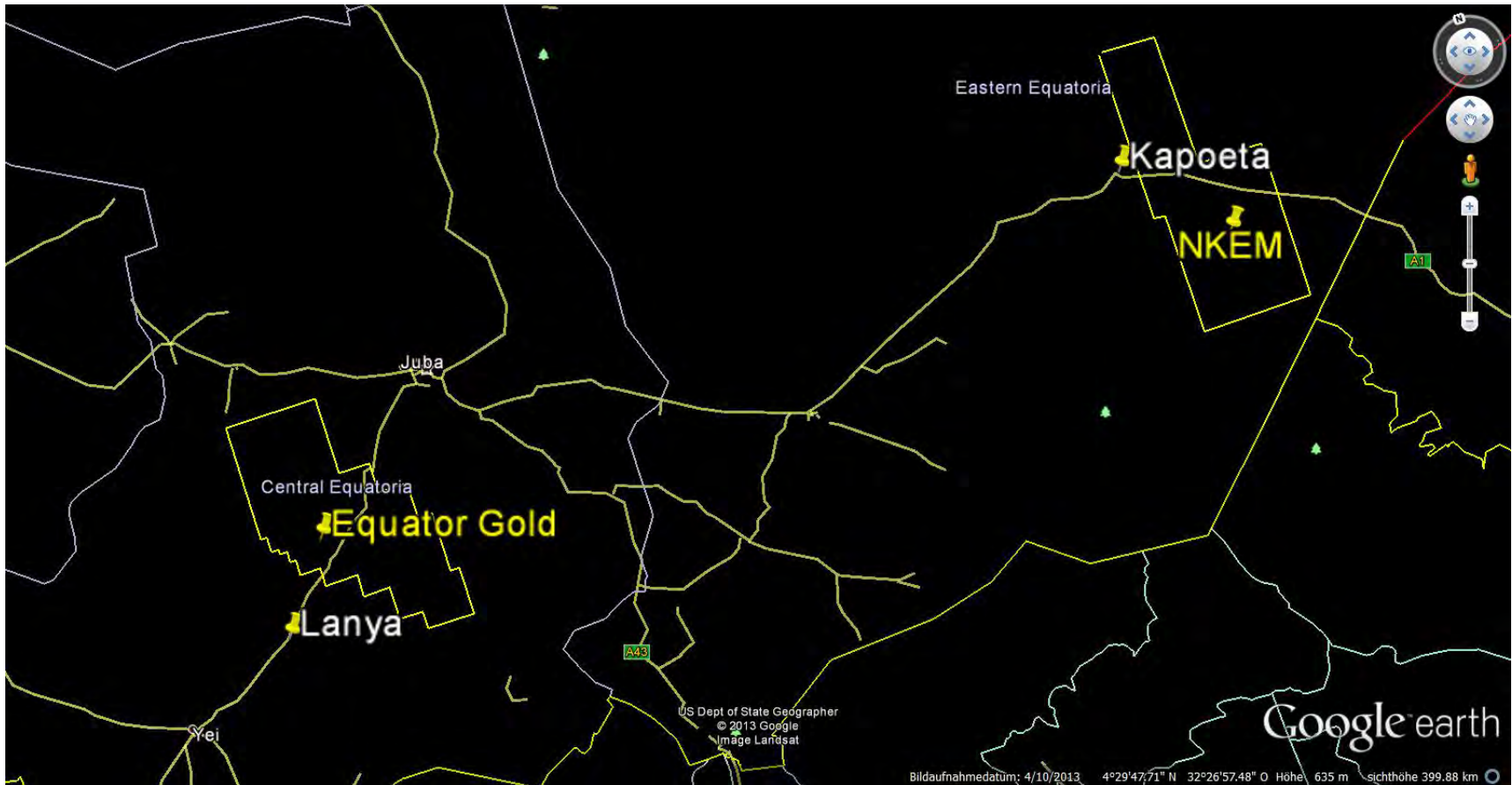
There are a number of opportunities to invest in South Sudan's mining sector, many to support development of other industries

- **Gold mining**, both in the form of artisanal and small scale operations for job creation and of industrial scale, commercial operations, based on identification of world-class underground deposits.
- **Massive scale of Industrial mineral quarrying** for building and road construction (>100 million m³)
- Opening of **lime quarries** and the **construction of kilns** for the manufacture of cement
- Opening quarries and the associated **rough stone cutting installations** for marble/decorative stones. Finish cutting and polishing facilities can be added as a follow-on phase
- **Gemstone** mine – diamonds
- Enabling infrastructure of **power** and water management
- Provision of required infrastructure **equipment and experience** for the Mining Directorate:
 - Development and implementation of a digital mining cadaster
 - Capacity building for its staff
 - Working with partners for practical experience
 - Laboratories and IT systems

The Ministry of Petroleum, Mining and Industry is working with the donor community to embark on a \$150 million aerial survey and mapping exercise



NKEM and Equator Gold exploring since 2007 and have been granted Grandfather Licences in January 2013 under the new Mining Act 2012



▶ In the very near term, pursuit of high value – low volume minerals is promising

New Kush Exploration & Mining (NKEM) has planned a \$10 to 20 million investment in Eastern Equatoria over the next two years

- Large-scale mining license by Q4 2015
- NKEM has already committed its own capital in excess of US \$2 million to the high risk exploration phase
- Pursuit of gold and associated minerals near Kapoeta on the road to Kenya
- Eluvial & alluvial samples average 6.5 g/m³ and 2.3 g/m³ respectively. Rock samples of the graphitic gneiss grade have yielded an average of 4 g/t according to previous Belgian surveys.
- Intention to list the first South Sudan gold company on an international stock exchange



Points of Contact

Honorable Stephen Dhieu Dau
Minister for Petroleum, Mining and Industry

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Expert Panel Q&A



Investment Opportunities in Tourism and Hospitality



**Hon. Lily Albino Akol Akol
Deputy Minister
Ministry of Agriculture, Forestry, Tourism, Animal Resources, Fisheries,
Cooperatives and Rural Development**



**Reconstruction & investment influx
drives demand for business hotels**

**Visitors & growing middle-class
looking for entertainment & services**

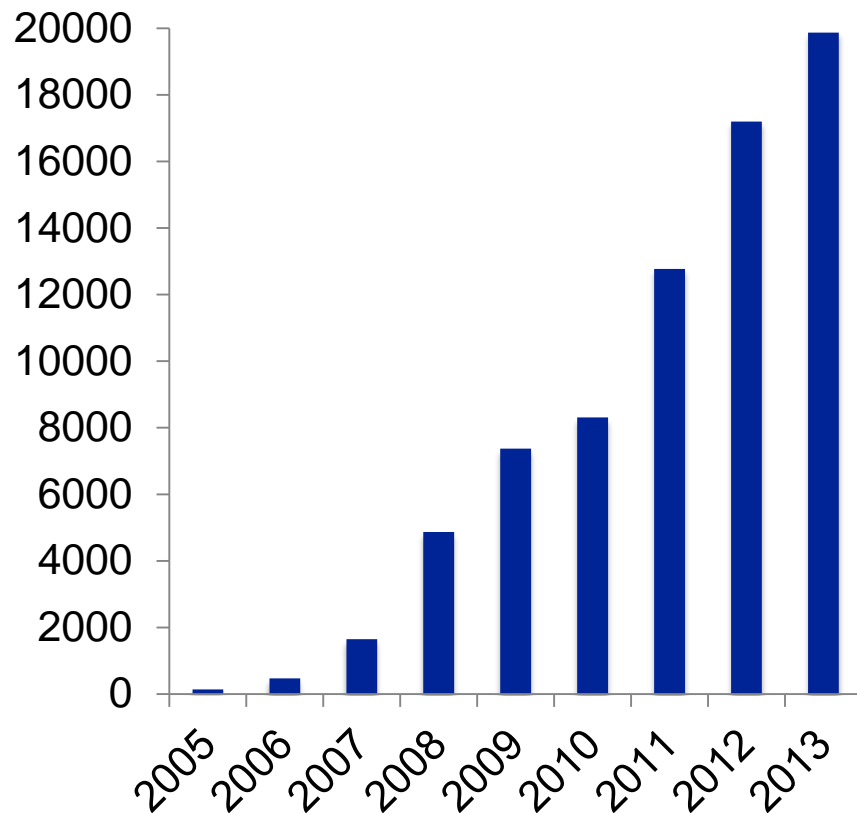


**Incredible scenery, wildlife & culture
for leisure tourism**



BUSINESS ACTIVITY IN SOUTH SUDAN IS BOOMING, DRIVING DEMAND FOR BUSINESS TOURISM FACILITIES

Cumulative Company Registrations



- Estimated reserves of 5 billion barrels of crude oil, driving investment in exploration, production & services
- Massive investments expected in mining (gold, iron, etc.), infrastructure (dams, roads, airports, etc.) and agriculture (cereal farms, sugar mills, oil mills, etc.)
- Fast-growing population swelled by:
 - 300,000 diaspora returning with education, know-how and capital

INFRASTRUCTURE AND ACCESS IS FAST IMPROVING

Major Road Projects



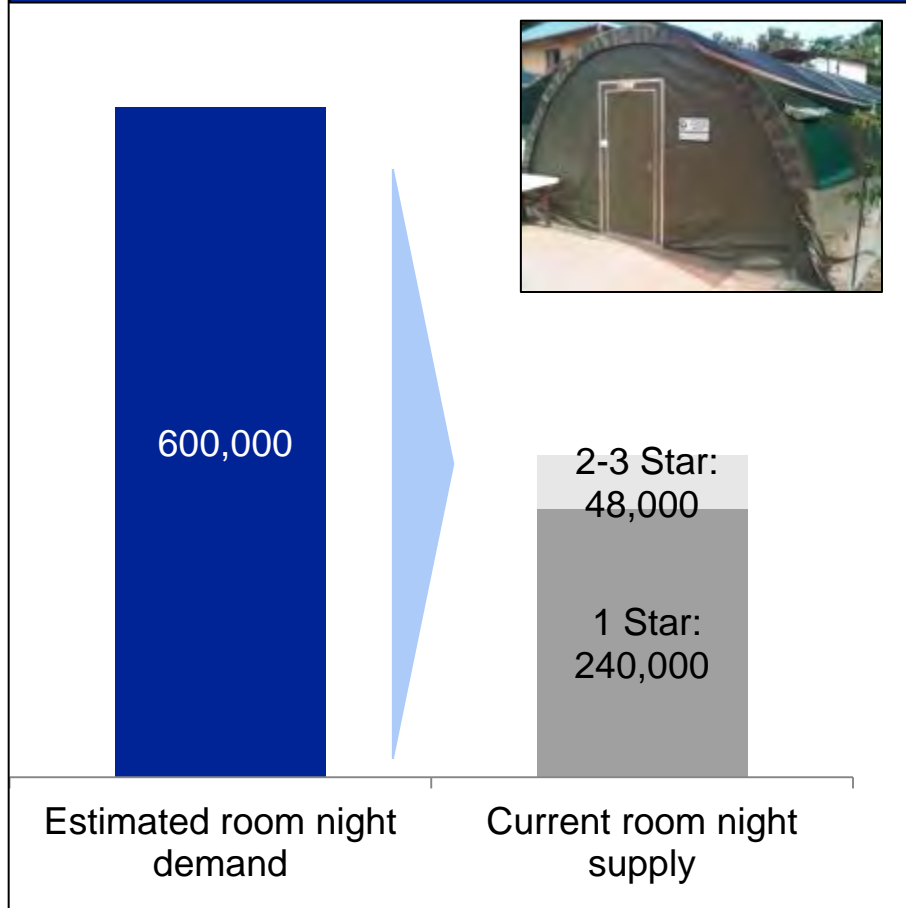
- More than 5000km of roads constructed or rehabilitated
- 3 new power plants
- New airport terminal
- More than 30 airlines and charters now flying to Juba
- 4 international telecom companies
- Water supply and treatment plants constructed/renovated in 5 cities
- Numerous banks and financial institutions

CHANGES ON THE GROUND ARE REMARKABLE



DEMAND FOR ACCOMMODATION FAR OUTSTRIPS SUPPLY

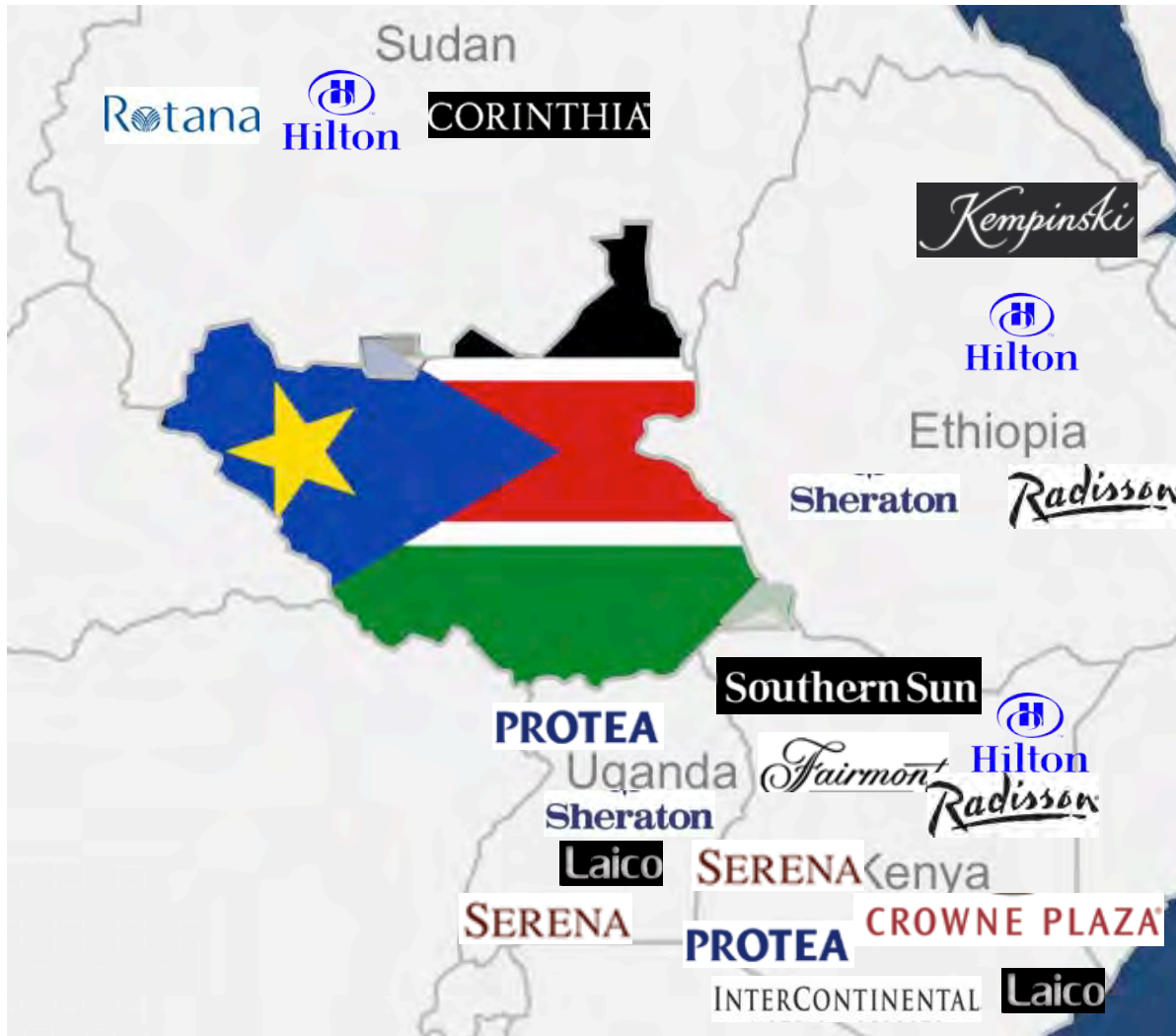
Rough estimates of room demand vs. supply, Juba, 2013



- More than 200 + hotels and guesthouses opened in the last 5 years, mostly by local and regional entrepreneurs
- Vast majority are very basic and none are 4 or 5-star
- Better properties are booked solidly, and prices for 2-3 star properties average \$200 per night
- Outside Juba, there are virtually no hotels of any description



JUBA IS ONLY MAJOR CITY IN THE REGION WITHOUT SEVERAL INTERNATIONAL HOTEL BRANDS





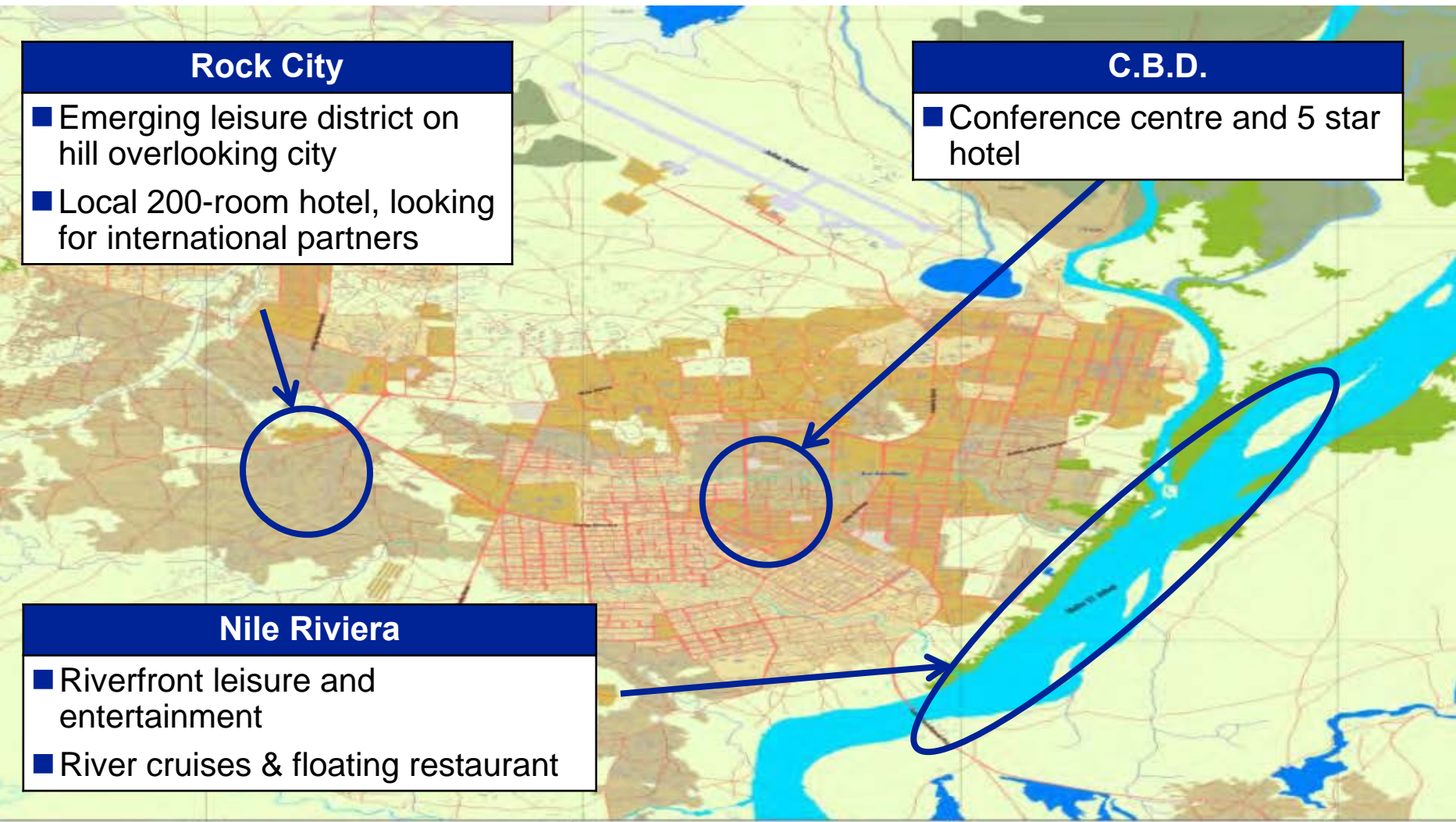
IMMEDIATE JUBA HOTEL & LEISURE OPPORTUNITIES

Rock City

- Emerging leisure district on hill overlooking city
- Local 200-room hotel, looking for international partners

C.B.D.

- Conference centre and 5 star hotel



Nile Riviera

- Riverfront leisure and entertainment
- River cruises & floating restaurant

Also demand for basic business hotels in major provincial towns: Wau, Malakal, etc.



Types of tourism in South Sudan identified as having significant potential

1. Nature-based and wildlife tourism focusing on South Sudan's protected areas;
2. Urban tourism focusing primarily on major capital cities
3. Cultural tourism, focusing on South Sudan's fascinating tribal cultures (*this will often be combined with wildlife tourism*).

FIVE STAR HOTEL IN MAJOR CAPITAL CITIES

- **Objective:** develop and operate international standard 5-star hotel in capital and other major cities
- **Key features**
 - 200-room hotel and 1500-seat International Conference Centre
 - World class catering with a selection of restaurant/ dining options
 - Well trained, multi-lingual staff
 - Full business and recreational facilities, eg. spa, pool, sports, etc.
 - Low ecological foot print in compliance with responsible environmental practice
- **Investment Analysis**
 - Juba is a fast-growing, secure environment in which to conduct business
 - Current occupancy rates of 70-80%, 10-20% above international average
 - Demand for high quality accommodation expected to double in next 5 years
 - Capital requirement of US\$60-\$80 million subject to design and capacity
- **Next steps**
 - Ministry to identify piece of land (75-100 acres)
 - Drafting of detailed specifications of hotel facility
 - Tendering of site to investors; selection based on proposals and financing plans
 - Review and approval of architectural and construction plans



FLOATING RESTAURANT ON THE RIVER NILE

- **Objective:** develop and operate floating restaurant on Nile river at Juba, offering high-quality international cuisine and imaginative alternative to existing restaurants, with particular focus on show-casing the natural beauty of the Nile
- **Key features**
 - Tastefully designed floating restaurant moored in secluded spot on the Nile with easy access to Juba (ideally within the city limits)
 - Catering for up to 200 diners and open throughout the year
 - Choice of cuisine according to market potential, with strong emphasis on local, sustainably harvested produce
 - Work in partnership with the wider hotel trade in Juba
 - Strong understanding of natural environment of Nile; low ecological foot print
- **Investment Analysis**
 - Limited dining & entertainment options; demand for high quality restaurants expected to double in next 5 years
 - Capital requirement estimated at US\$0.8-1.2 million according to design
- **Next steps**
 - Drafting of detailed specifications
 - Tendering of site to investors



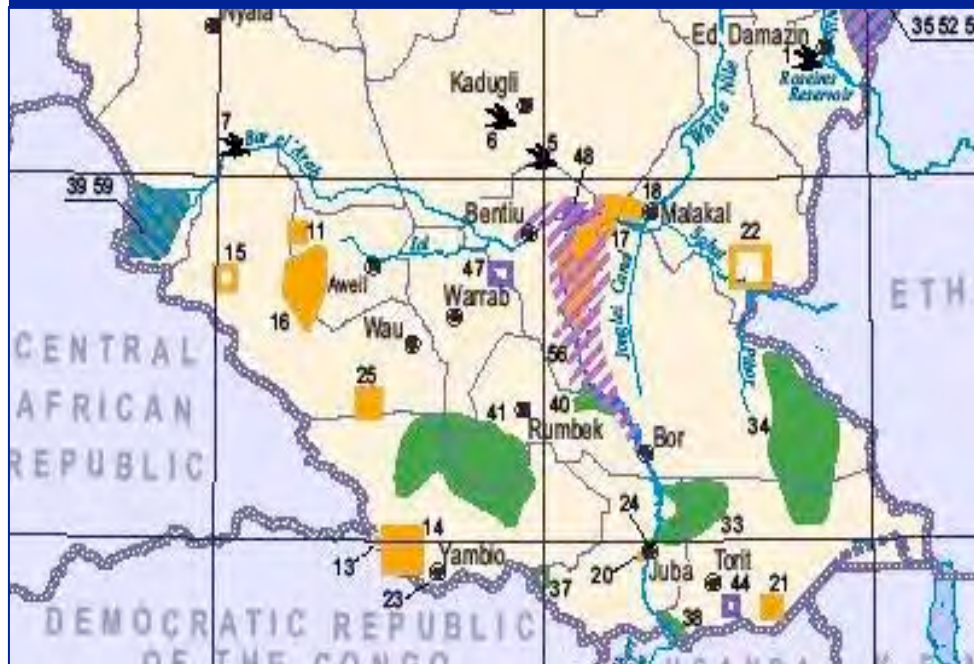
CRUISE BOAT ON THE RIVER NILE

- **Objective:** develop and operate cruise boat experience on the River Nile, offering high-quality accommodation and cuisine, showcasing the natural beauty of the River and the communities living along its banks
- **Key features**
 - Based on Nile close to Juba, with mooring sites along designated route
 - Accommodation for 10-50 guests – according to operator objectives
 - Cuisine with strong emphasis on local, sustainably harvested produce
 - Work in partnership with wider international travel trade
 - Strong understanding of natural environment of the Nile; low ecological footprint and compliance with international safety standards
- **Investment Analysis**
 - Opportunity to be 1st such operation in South Sudan, within a tourism sector which is expected to grow significantly in the next 10 years
 - Long term investment outlook essential; capital requirement of US\$2-3 million
- **Next steps**
 - Ministry to identify appropriate section of the Nile river and detailed brief
 - Tendering of site to investors; selection based on proposals and financing plans



EMERGING LEISURE TOURISM POTENTIAL

National Parks and Protected Areas



- There are 18 protected areas, 6 National Parks, and 12 Games Reserves
- Bird sanctuaries and other protected areas, covering more than 1 million hectares
- 2010 census estimated total number of migratory animals at 1.3 million – similar to Serengeti migration
- Excellent bird-watching potential in Sudd wetlands
- Excellent conditions for adventure tourism: ballooning, rafting, kayaking, climbing, hiking, etc.
- Fascinating cultural traditions and historic sites



NIMULE NATIONAL PARK LODGE

- **Objective:** refurbish and operate existing wildlife lodge in Nimule National Park
- **Key features**
 - Tasteful refurbishment of existing tourism facility in Nimule NP
 - Develop most appropriate market opportunities for the facility
 - Work in partnership with global eco-/nature-based tourism operators
 - Strong understanding of natural environment; low ecological foot print, including energy conservation, waste recycling, noise reduction & visual pollution
- **Investment Analysis**
 - Area around Nimule is one of the most secured in South Sudan
 - Proximity to Uganda enables access to the growing Ugandan tourism market
 - 170km tarmac road from Juba allows access for weekend visitors and international workers
 - Demand for eco-oriented travel experiences growing at 3x conventional tourism
 - Capital requirement estimated at US\$250,000-400,000 subject to design
- **Next steps**
 - Drafting of parameters / specifications for refurbishment
 - Tendering of site to investors; selection based on proposals and financing
 - Review and approval of architectural and construction plans



RAFTING OPERATION ON NILE RIVER

- **Objective:** develop a high-quality white water rafting operation on the Nile River between Nimule and Juba, with a series of 1-4 day itineraries
- **Key features**
 - 4 to 6 raft operation with modern, safety-compliant equipment
 - Recruitment of internationally qualified and experienced rafting guides
 - Work in partnership with adventure travel operators worldwide
 - Strong understanding of the natural environment of the Nile region and a commitment to sustainable tourism and conservation
- **Investment Analysis**
 - Demand for eco-oriented travel experiences growing at 3x conventional tourism
 - Particular demand for Nimule-Juba rafting experience, widely regarded as the most scenic section of the entire river
 - Region between Nimule and Juba is very secured
 - Capital requirement estimated at US\$250,000-400,000 subject to design
- **Next steps**
 - Ministry to identify locations appropriate for put-in points and overnight camping facilities; and to safeguard the same in a pristine natural state
 - Drafting of detailed specifications of desired operation
 - Tendering of site to investors; selection based on proposals and financing



LEGAL AND REGULATORY FRAMEWORK

■ Tourism Bill

- Provides legal framework for regulation and support for tourism
- Establish powers for line Ministry and new Tourism Authority
- ✓ **Draft produced in March 2013**
- ✓ **Reviewed at stakeholder consultation in July 2013**
 - ✓ **Hosted by Ministry of Parliamentary Affairs**
- ✓ **Updated draft submitted to Economic Cluster of the Council of Ministers**

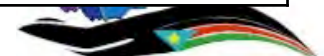
■ Tourism Regulations

- Provide detailed guidance on implementation of Tourism Law. The following regulations drafted in July 2013 and under review:
 - ✓ **Tourism in Protected Areas Regulations**
 - ✓ **Hotel Standards and Tourism Business Licensing Regulations**
 - ✓ **South Sudan Tourism Training College Regulations**



GOVERNMENT COMMITMENTS TO FURTHER IMPROVE THE SECTOR DURING THE RECENT SOUTH SUDAN BUSINESS FORUM

Constraint	Government Commitment
Regulatory & legal framework	Implement South Sudan Tourism Policy; Secure approval for draft national tourism strategy, tourism law & regulations
	Implement national tourism strategy & law tourism law; Implement tourism regulations
	Improve coordination among government agencies, at RSS & State level, to eliminate incidence of regulatory overlap
	Clarify regulatory & licensing roles & mandates across all levels of government
	Establish mechanisms for effective coordination; Establish Public Private Dialogue platform for consultation on policies
Taxation & Licensing	Urgently streamline sector licensing & taxation by clarifying institutional roles & mandates
	Promote dialogue with communities to avoid incidences where tourists cannot access sites after obtaining licenses
	Clarify appropriate regulatory mandates for Ministries & agencies at RSS & state levels
Human Resources	Establish & strengthen national tourism training institution & support institutions at state level
	Develop training curricula with input from the private sector
Management of Tourism Resources	Enhance the capacity of institutions responsible for wildlife management
	Establish & build capacity of proposed Tourism Development Authority
	Identify & gazette all tourism & heritage sites. Identify & document key tourism attractions for public access & investment
	Develop tourism products specific to South Sudan context; Develop & disseminate tourism information
Infrastructure	Promote investment in roads, marine & aviation infrastructure to enable access to prime tourism sites & game management areas; Allocate more resources to enable greater public investment in key tourism infrastructure
	Promote investment in hotels accommodation close to prime tourism sites, national parks & game management areas; Provide fiscal & other investment incentives
	Establish a regime for classification & grading of all hotels
	Clarify land tenure issues to encourage investment
	Establish & strengthen agencies responsible for developing & maintaining monuments, museums & heritage sites
Benefits to Local Communities	Encourage joint business ventures with local communities
	RSS & States to mobilize funding for development of cultural centers, cultural events, art performances & festivals
	Encourage local population to participate in management of tourism resources
	Sensitize local population regarding benefits of tourism by establishing & strengthening lead RSS & state institutions
Security	Strengthen measures to enhance security especially in game management areas; Enhance cross border cooperation to address trans-boundary security challenges
Utilization of natural resources	Promote eco-tourism & other forms of tourism with limited environmental impact; Target cultural tourism visitors
	Require preparation & approval of Environmental Impact Assessments (EIAs) for all developments in protected areas
	Promote community participation in tourism as an incentive for local conservation & safeguard of tourism attractions



WE INVITE YOU TO JOIN US IN BUILDING TOURISM IN ONE OF THE WORLD'S UNTOUCHED PARADISES!



Cont.



© WCS South Sudan





WhiteEaredKob – Migration Boma National Park



© F



Tiang Migration – Badingilo National





Buffalo – Zeraf





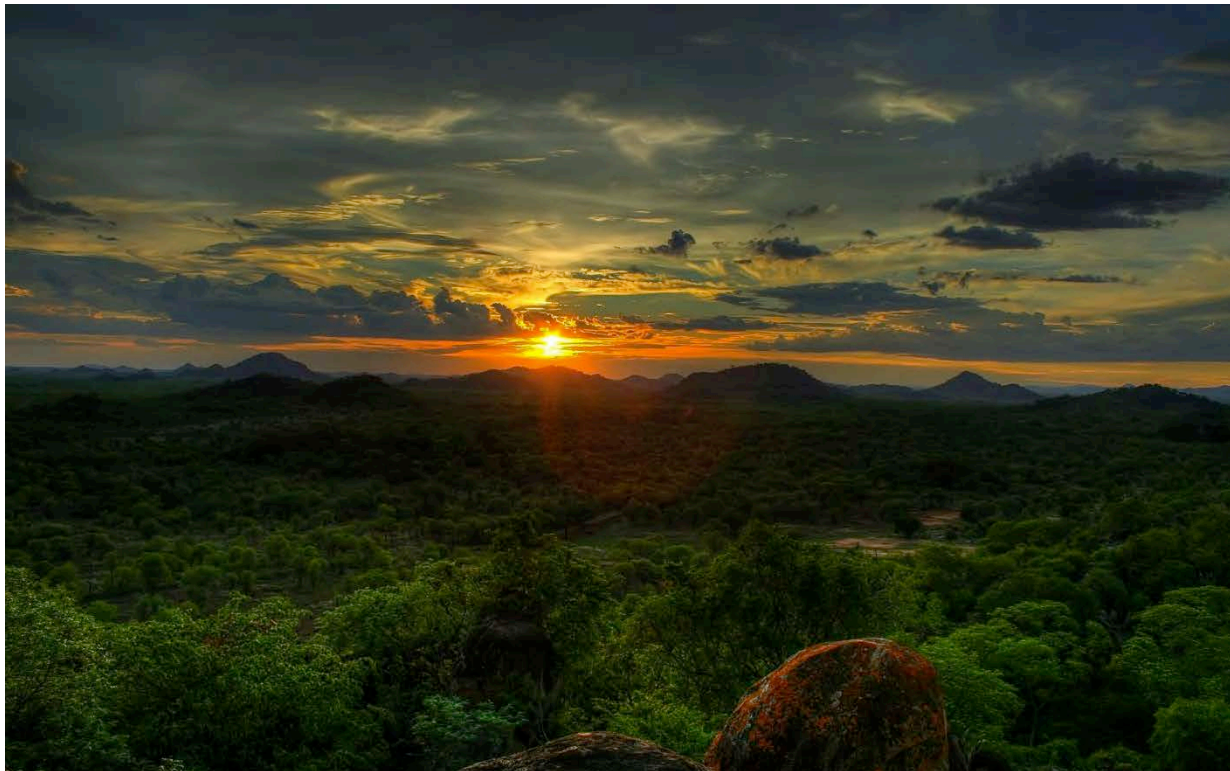
Giraffe - Boma



Thank you!



South Sudan's investment policies, business laws and regulatory framework



**Paulino Wanawila Onango
Minister of Justice**

South Sudan offers businesses the key building blocks to drive economic growth and investment opportunities

Rich natural resources, including oil, minerals, forests, water, livestock and fertile agriculture

**Legal Framework:
Robust commercial laws**

Strategic location in East Africa, one of the fastest growing regions in the world

**Political Framework:
Stable democratic system with upper and lower house, and independent judiciary**

Growing Economy: priority to diversify away from oil; subsistence farming and herding are main employment; business services, mining, construction, consumer goods, etc. all growing

Barely two years after independence, the Republic of South Sudan has made extraordinary progress:

- ✓ Enacted 31 laws
- ✓ Updated the tax system
- ✓ Enhanced the Business Registry
- ✓ Registered more than 19,000 businesses (from a base of 135)



A positive, pro-business regulatory environment

Political and Institutional Framework

- ✓ Tax incentives include:
 - Capital allowances: 20%-100%
 - Deductible annual allowances: 20%-40%
 - Other depreciation allowances: 8%-20%
- ✓ Duty exemptions and concessions for imports of machinery, equipment, and agricultural inputs to boost crop production
- ✓ Favorable land tenure policies

Favorable Investment Promotion Policies

- ✓ Investment Promotion Act 2009 provides protections in 7 key areas, including:
 - Guarantees against expropriation
 - Protection of intellectual property rights
 - Mechanisms for dispute resolution
- ✓ South Sudan has a priority to develop Public-Private Partnerships to facilitate investment in key sectors

A strong legal framework to support the private sector

Key Laws Enacted

- | | |
|--|--|
| <ul style="list-style-type: none">■ Investment Promotion Act■ Companies Act■ Contract Act■ Registration of Business Names Act■ Partnerships Act■ Limited Partnerships Act■ Land Act■ Taxation Act■ Personal Income Tax Act | <ul style="list-style-type: none">■ Petroleum Act■ Mining Act■ Banking Act■ Foreign Exchange Act■ Import & Export Regulation Act■ Sale of Goods Act■ Consumer Protection Act■ Anti-Corruption Commission Act■ Insolvency Act |
|--|--|

Investment Promotion Act protects investor rights

1. **Non-Discrimination:** foreign investors can own and operate businesses in any sector of the economy, except sectors identified as priorities for national investors such as postal services, co-operative services and car hire and taxi operations
2. **Guarantees against Expropriation:** no nationalization or enforced sale; if there is overriding public interest that can only be met through expropriation, investors will be entitled to fair and just compensation determined in the courts of law
3. **Employment:** investors are entitled to obtain work permits for foreign managers
4. **Protection of Intellectual Property Rights:** IPR such as trademarks, copyrights & patents are protected and enforceable in accordance with international conventions
5. **Repatriation of Capital, Profits and Dividends:** investors are entitled to repatriate proceeds in convertible currency subject to tax & other obligations
6. **Dispute Resolution:** investors have recourse to local courts, alternative dispute resolution mechanisms and/or international arbitration
7. **Rights of Access to Public Information:** Investors have direct and open access to all laws and decisions of courts and other bodies, and to any public information



Investors in priority sectors are entitled to several incentives

Key Investment Incentives and Concessions

- Duty exemptions and concessions for **imports of machinery and equipment**
- Duty exemptions for **imports for agricultural projects** aiming to boost food and cash crop production – tools, equipment, machinery and tractors, pharmaceuticals, animal feeds, seeds, etc.
- Potential for **allocation of land** by the National and/or State Governments
- **Tax incentives** include:
 - Capital allowances ranging from 20% to 100%
 - Deductible annual allowances ranging from 20% to 40%
 - Other depreciation allowances ranging from 8% to 20%
- **Special incentives** may also be granted on application for investments in areas designated as strategic or transformational

To obtain further details, please refer to the Second Schedule of the Investment Promotion Act 2011 of South Sudan



As much as we have the laws, we recognize that investment challenges remain and we are actively working to address these issues

- Need to standardize regulations and processes as we continue to develop our legal framework**

- Need to improve infrastructure – energy, roads, communication networks, etc.**

- Need to further improve security**

- Stop interference of some individuals with investors**

- Address enduring negative perception in international media**

We know we must build an investment climate that is competitive, particularly with neighbouring countries

**WE INVITE YOU TO JOIN US IN BUILDING
THE NEW ECONOMIC POWERHOUSE IN AFRICA!**



THANK YOU

Q&A