



South Sudan

Population ¹	10,975,920
Area (km ²) ¹	633,906
GDP per capita (USD) ¹	N/A
TES (Mtoe) ²	0.62
Energy intensity (toe/10 ³ 2015 USD) ²	0.06
CO ₂ emissions - energy (MtCO ₂) ³	1.4

There is no data by Orbis Crossborder Investment on completed energy projects and deals from 2015-2021

Sources:

1. The World Bank 2018
2. ©IEA (2021), World Energy Balances (<https://www.iea.org/data-and-statistics>). All rights reserved.
3. ©IEA (2021), CO₂ Emissions from Fuel Combustion (<https://www.iea.org/data-and-statistics>). All rights reserved.

South Sudan’s overall risk level against the assessed areas is **moderate**.

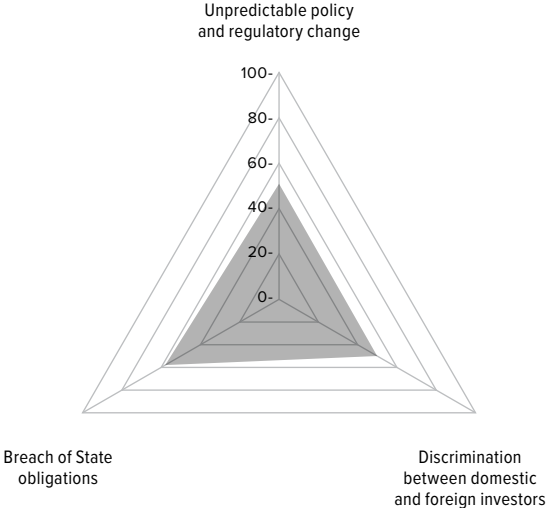
Of the three risks assessed in EIRA, *discrimination between domestic and foreign investors* is lower compared to *unpredictable policy and regulatory change* and *breach of State obligations*.

South Sudan has a good performance on one indicator, a moderate performance on two indicators, and a low performance on one. It has the highest score on the indicator *management of decision-making processes* (65). On the indicators *regulatory environment and investment conditions* and *rule of law*, it has received a score of 42 each. Its score on *foresight of policy and regulatory change* stands at 40.

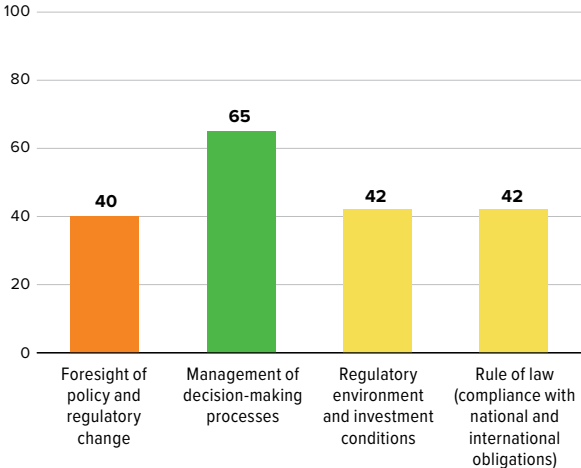
On a more detailed level, South Sudan’s overall sub-indicator performance is moderate. The highest-scoring sub-indicator is *institutional governance* at 69. On the sub-indicator *transparency* it has scored 61, followed by *restrictions on FDI* and *management and settlement of investor-State disputes*, both at 50. It has a score of 43 on the sub-indicator *communication of vision and policies*. Its score is 38 on *robustness of policy goals and commitments*. The lowest-scoring sub-indicators are *regulatory effectiveness* and *respect for property rights*, both at 33.

While there are some policies and measures in place, more concrete steps must be taken to strengthen South Sudan’s performance across all indicators and underlying sub-indicators. Particular attention should be given to improving regulatory effectiveness and reinforcing the respect for property rights.

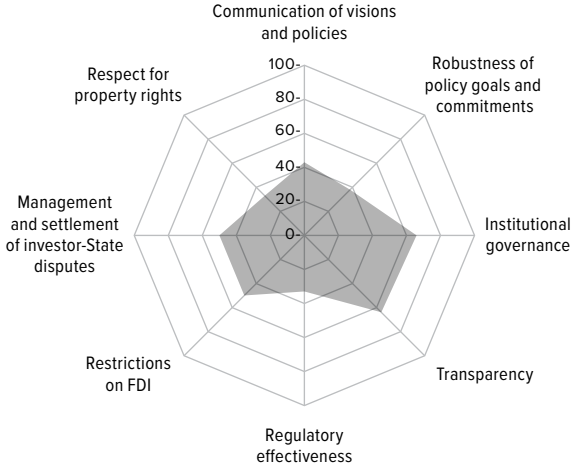
RISK LEVEL



INDICATOR PERFORMANCE



SUB-INDICATOR PERFORMANCE



Foresight of policy and regulatory change

QUICK FACTS

The main strategy documents of South Sudan are the National Development Strategy 2018-2021 (NDS) and the National Environment Policy 2015-2025 (NEP 2015-2025).

The South Sudan Electricity Corporation (SSEC) estimates the country's current electricity needs to be 300 MW and foresees that it will grow to 1450 MW by 2040.

South Sudan is a party to the Paris Agreement and submitted its first NDC in 2016.

STRENGTHS

One of South Sudan's key priorities is to ensure grid-based electricity access for 75% of urban households by 2025. To this end, the Government is constructing large and medium-sized power plants, such as the 890 MW Grand Fula HPP and 100 MW Ezra thermal power plant. Another significant project is the construction of a 382 km (400 kV) Uganda-South Sudan transmission line that will allow the country's further integration in the regional power exchange schemes through the East Africa Power Pool. Moreover, the NEP 2015-2025 underlines the importance of expanding renewable and alternative energy sources and promoting energy-efficient and sustainable technologies in all production sectors.

The NDS 2018-2021 contains a results and implementation framework with quantifiable outcomes, SDG-related indicators, baselines, three-year targets and means of verification. The NDS Secretariat, hosted by the Ministry of Finance and Planning, coordinates the implementation of the NDS 2018-2021. It is composed of various stakeholders, including the NDS cluster and working group chairpersons, the Undersecretary of the Ministry of Finance and Planning, the Office of the President, the Ministry of Cabinet Affairs, the NGO forum, the South Sudan Business Forum and academia. The NDS Secretariat collects updated implementation plans and quarterly implementation reports from the State institutions. It then evaluates the progress, prepares summary reports highlighting delays or impediments in implementation and submits these to the NDS Steering Committee.

AREAS FOR IMPROVEMENT

The Government should adopt a comprehensive energy sector rehabilitation strategy that outlines the country's short- and long-term national energy priorities in the post-conflict period. This strategy should set quantifiable targets and implementation measures to expand the energy infrastructure, increase electricity access, reduce energy poverty, improve power reliability, and reduce electricity network losses. A legal and regulatory framework should complement the strategy to incentivise private sector participation in these activities. The policy should focus on the petroleum industry to balance the interests of communities and investors, maximise Government benefits and meet the national needs by rational utilisation of revenues.

Management of decision-making processes

QUICK FACTS

South Sudan has a presidential system of Government. It has a bicameral legislative body consisting of the National Legislative Assembly and the Council of States.

The Ministry of Energy and Dams develops and implements electricity policies, projects and programmes.

The Ministry of Investment frames the national investment strategies, policies, and programmes.

STRENGTHS

Following the end of a six-year civil war, in February 2020, the political elites of South Sudan established a coalition and formed a Revitalised Transitional Government of National Unity. The new Government of South Sudan, comprising 34 ministries, has initiated reforms in the public governance sector to stabilise the post-war situation in the country. In March 2020, the Ministry of Investment was established as part of the new Government structure. It integrates the former South Sudan Investment Authority and currently acts as a one-stop shop that offers guidance on investment procedures, delivers pre-investment advisory services, and processes applications for investment certificates and permits.

The NDS (2018-2021) aims to eliminate corruption by establishing strategic sectoral partnerships and promoting citizen engagement and participation. The National Budget Plan for the fiscal year 2020/2021 also reflects these objectives. It outlines some critical actions in this respect, such as promoting ethical conduct in public service, building the capacity of the Anti-corruption Commission, and conducting education and awareness campaigns on corruption prevention among Government officials, private sector, civil society, and citizens. The Investment Protection Act of 2009 grants investors access to investment-related information held by public authorities, including legal information and decisions of domestic courts. The Ministry of Petroleum provides key data on oil and gas production blocks on its website and publishes its annual report containing financial data and other relevant statistics.

AREAS FOR IMPROVEMENT

The citizens and business community will benefit if the State-owned funds and enterprises publish annual reports that summarise the activities completed in the previous years and contain information on financial flows and revenues. In particular, the Sovereign Wealth Fund, established in 2013 to allocate percentages of oil revenues to the Oil Revenue Stabilisation Account and the Future Generations Fund, should make financial disclosures to improve public accountability. Similarly, the State-owned company Nile Petroleum Corporation, involved in the oil production and the distribution of oil refinery products, should make all the relevant financial disclosures.

Regulatory environment and investment conditions

QUICK FACTS

The Ministry of Energy and Dams regulates the power sector and issues licences for electricity activities.

The Ministry of Petroleum manages the country's petroleum resources.

STRENGTHS

The Government is making efforts to improve the oil and gas sector's regulation and attract investments to increase oil production. While previously the Government directly awarded concessions for operating petroleum projects, it has recently changed its approach and will introduce a competitive bidding process to increase transparency. The Government also announced its plans to split the existing concessions into smaller blocks to boost the interest of a diverse group of investors. In 2021, the Ministry of Petroleum announced plans to launch the licensing round for 14 new oil production blocks. This expansion will allow the Government to increase oil production to 300,000 barrels per day by 2023, which will exceed the post-independence peak for daily oil production of 270,000 barrels.

The Investment Protection Act of 2009 protects foreign investors from discrimination based on their country of origin or nationality. To promote the local workforce and goods, South Sudan implements a local content policy requiring the investors operating on community lands to hire a certain number of local employees and invest in the development of the community. The Government is making efforts to increase donor funding in the energy sector, attract foreign investment and expand the pool of PPP projects. For instance, after receiving a USD 25 million grant from the African Development Bank Group, the Juba Power Distribution System Rehabilitation and Expansion Project was launched in 2017. The project, which is expected to be completed by the end of 2022, will enhance the capital city's distribution networks and increase power reliability. To boost private sector participation in the energy sector, the Ethiopian-based Ezra Power invested USD 289 million to install a 100 MW thermal power plant on a Build-Own-Operate-Transfer basis. In 2020, the SSEC also finalised the technical evaluation of a combined project to install a 20 MW solar power plant and a 35 MWh battery storage system near Juba.

AREAS FOR IMPROVEMENT

Building on the successful implementation of energy projects based on the PPP principle, such as the 17 MW Juba thermal power plant, the Government may benefit from a legal framework to implement more PPP projects. The relevant legislation could set procedures for selecting PPP-based projects, define the types and nature of the State support, and regulate relations between the State and private investors, such as the rights, responsibilities, liabilities, and risks for the parties.

Rule of law

QUICK FACTS

The legal system of South Sudan is a combination of statutory and customary laws.

South Sudan ratified the Convention on the Settlement of Investment Disputes between States and Nationals of Other States in 2012.

STRENGTHS

Investors can choose between different fora and mechanisms to address a dispute with the State, such as national courts, domestic arbitration or international arbitration based on the ICSID rules and procedures or based on applicable provisions of bilateral or multilateral agreements on investment protection. The exhaustion of local remedies before recourse to international arbitration is not compulsory. As a party to the Treaty for the Establishment of the East African Community, South Sudan falls within the jurisdiction of the East African Court of Justice that also covers investment matters. This provides the investors from East African Community Partner States with more predictability and confidence in the State regarding the protection of their rights.

The Investment Promotion Act of 2009 specifies that the property and assets of investors can be expropriated only in the national interest, for a public purpose, on a non-discriminatory basis, and accompanied by fair and adequate compensation. The Act guarantees access to courts to determine the investor's rights or the compensation amount. While land ownership is restricted for foreigners by the Land Act of 2009, both citizens and foreigners can lease land for investment purposes. The Land Act stipulates that if the compensation payment for expropriation is not paid within 60 days, the affected person must receive interest until the compensation is paid in full.

AREAS FOR IMPROVEMENT

South Sudan's ratification of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards will send a strong signal to foreign investors that it is committed to promoting dispute resolution through international arbitration and that it will support the enforcement and recognition of foreign awards within its territory.