South Sudan: Recent Development & Implications for Growth

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Overview

• I will focus on: growing out of conflict – prioritisation and implementation.

• Basic facts:
  – Landmass as large as France;
  – 51% of population live below the national poverty line;
  – No more than 200 km of paved roads;
  – No exports, except oil!

Source: http://www.tearfund.org/en/what_we_do_and_where/countries/east_and_central_africa/south_sudan/
Background

• Before the CPA there was conflict, no investment, no planning, no government oversight in South Sudan;
• The CPA created an environment economic growth. And South Sudan became independent!
• We’re starting from a very low base – little production rapid urbanisation, huge numbers of returnees.

Key Facts
• $1,546 GDP per capita;
• $984 GNI per capita;
• 32% population under 5 and 68% under 30;
• Only 40% literate between 15-24;
• Infant Mortality Rate 75 per 1,000 live births;
• Under-5 Mortality Rate 105 per 1,000 live births;
• 84% business employ less than 3 people;
Finding a focus for growth?

• Growing out of conflict is hard. You have to start from scratch – from nothing.

• After the CPA there was the JAM – the road map for South Sudan. It was a large, complex document, targeting stability first and then development.

• It was too much, too fast. Not enough prioritisation and thinking on the how to.
Focusing on growth

- Shocks to Government revenue, lead to a change in thinking.
  - The 2009 oil price shock;
  - Negotiations with the North, and;
  - Increasing global price volatility.

- Need to think differently – begin to develop narrative of economic independence.

- Culminated in the SSDP
Prioritising our policies

Policies - yes

- These policies (SSDP, SPLM Economic Strategy, etc.) identify key constraints to growth.
- The SSDP focuses on key sectors – minerals, agriculture & livestock, and private sector investment.

But which one?

- Prioritising policies is a challenge.
  - How do you deal with insecurity?
  - AfDB estimates that connecting each State will cost $10 bn.
  - Improving access finance has been limited.
Our Challenge: policy to action

The Challenge

• Our challenge: taking policy, prioritising it and turning it into action.

• Have to overcome three constraints to action:
  – Prioritisation
  – Capacity
  – Complexity
From policy to action

Our successes

<table>
<thead>
<tr>
<th>Harmonising Taxes</th>
<th>Improving the business environment</th>
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<tr>
<td>Infrastructure development</td>
<td>Expanding access to education</td>
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Lessons

1. Prioritise.
2. Be sensitive to political realities.
3. Take your time: need to build consensus amongst the key actors involved.
4. Have a road map.
Conclusions

• Started from small base, but with significant potential.
• Turning policy to action is challenging, you need a strategy – a road map.
• Questions for you?
  – What policies do you think should be priorities to achieve the key outputs. We cannot do it all, so what should we do?
• How should these policies be determined and how have they been implemented elsewhere?
• What sort of evidence should we be looking for?
Thank you