

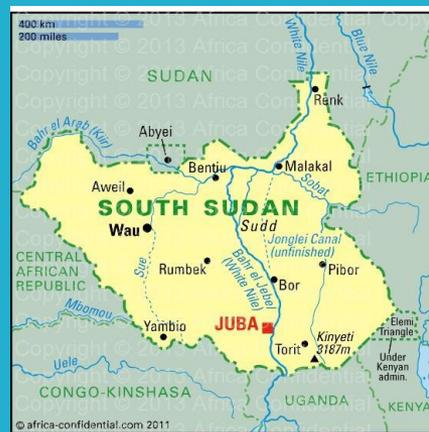
Exploiting Africa's Resources: Dangers, Opportunities, and Learning from Success.

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Historical Background of oil Industry in South Sudan



- ▶ Oil was discovered in Muglad Basin in Western Upper Nile State , South Sudan in 1978, and in 1981 in Adar Yale in Melut Basin, in 1982 in Heglig {Pan thou} 70km North of Unity State, but production started in 1999.
- ▶ Oil was transported by truck to Melut and from there by boat to Khartoum .
- ▶ In 1997, 1,540km oil pipeline from the oilfields to a marine export terminal on the Red Sea was constructed.



- ▶ South Sudan exploited their natural resources to obtain funds for sustainable socio economic development.
- ▶ The government entered into EPSA and contracts with foreign companies to develop, explore and produce oil.
- ▶ The essential opportunities in the exploitation of the resources to protect the public interest are:
 1. Ownership and management of natural resources by its people.
 2. Maximize oil revenue .
 3. Socio economic development and local content.
 4. Protection of environment.
 5. Promotion of transparency and accountability.



Dangers in Exploiting Resources

Lesson learned in the oil industry are:

- ❖ Fear of corruption in the oil contracts and operations.
- ❖ Political instability and border dispute.
- ❖ Environmental pollution.
- ❖ Displacement of local people.
- ❖ Lack of human and institution capacities.



- Learning from Success:
 - Political Integration with regional Initiatives.
 - Gender equality and women economic empowerment.
 - Joining EITI{Extractive Industries Transparency Initiative}.
 - Compensation and environmental and social impact assessment.
 - New laws, policies and regulations in the oil industry.
 - Human and institution capacity development.
 - Improvement of royalties and taxes.

Conclusions

- ▶ South Sudan is a post conflict African country, and a potential area with various natural resources.
- In its exploitation of oil , the following must be considered for the best interest of its nation:
 1. Increase of oil production by EOR/IOR.
 2. Environmental governance.
 3. Corporate social responsibility.
 4. Partnership and support for administrative, human and regulatory capacity development.

THANK YOU FOR LISTENING AND
PAYING ATTENTION

