South Sudan
Assessing and Strengthening Local Governance for Inclusive Development

United Nations Development Programme
South Sudan
2024
South Sudan: Assessing and Strengthening Local Governance for Inclusive Development

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<tr>
<td>ARCSS</td>
<td>Agreement on the Resolution of the Conflict in South Sudan</td>
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<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
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<td>ICT</td>
<td>Information and communications technology</td>
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<td>IOM</td>
<td>International Organization for Migration</td>
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<td>NORMA</td>
<td>Non-oil Revenue Mobilization and Accountability</td>
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<td>R-ARCSS</td>
<td>Revitalized Agreement on the Resolution of the Conflict in South Sudan</td>
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<td>SDG</td>
<td>Sustainable Development Goal</td>
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<td>SPACE</td>
<td>Strategy, Policy and Capacities for Economic Management</td>
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<td>SPLM-IG</td>
<td>Sudan People’s Liberation Movement in Government</td>
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<td>SSP</td>
<td>South Sudan pound</td>
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<td>UNDP</td>
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<td>UNOPS</td>
<td>United Nations Office for Project Services</td>
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<td>WASH</td>
<td>Water, sanitation and hygiene</td>
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PREFACE

Economic development cannot be achieved without sound economic governance systems in the states and administrative areas of South Sudan to complement national efforts. Strengthening economic institutions to produce quality economic outcomes is an essential element of the support the United Nations Development Programme (UNDP) has been providing to foster economic progress in South Sudan, particularly in implementing the Revised National Development Strategy and Sustainable Development Goal frameworks.

In line with the government’s commitment to implementing public financial management reforms, this study sheds light on economic governance processes in the states and administrative areas of South Sudan to enhance good economic decision-making. Focusing on the roles of finance ministries, revenue authorities and legislative assemblies and highlighting economic governance and development partnerships, this study provides a detailed assessment of the status of economic governance, the extant challenges and the pathways forward.

This study also reviews legal frameworks, reports, interviews and witness accounts to decipher gaps and recommend ways forward. As such, it can be useful to governments, development partners, donors and civil society organizations in strengthening systems and bolstering the coordination and capacity of economic governance institutions at the state level.

I express my gratitude to UNDP’s economic governance analysts and to the leadership of the UNDP Strategy, Policy and Capacities for Economic Management unit, all of whom have made countless efforts to provide the insights that will inform policies and programmes for years to come.

I hope this study catalyses a debate among stakeholders on economic governance at various levels.

Dominic Sam
Resident Representative, a.i.
UNDP – South Sudan
ACKNOWLEDGEMENTS

This report was made possible by the efforts of United Nations Development Programme (UNDP) staff in the Strategy, Policy and Capacities for Economic Management (SPACE) unit. UNDP appreciates the many economic governance analysts who made this report come true. UNDP thanks Ligane Sene, Economic Adviser and Head of the SPACE unit; Gabriel Garang, National Economist and former officer in charge for the SPACE unit; Theophilus Addey, UNDP Economic Specialist based at the national Ministry of Finance and Planning; Joyce Makuei, the Juba-based Economic Governance Analyst who coordinates the work of field-based economic governance analysts; and Godfrey Oci, project associate.

UNDP recognizes the special roles played by relevant senior government officers in the state revenue authorities, ministries of finance, legislative assemblies and administrative areas. UNDP is grateful to the economic governance analysts who collected data and wrote sections of the report: Chol Peter (Abyei special administrative area), Gai Gom (Upper Nile state), Michael Panchol (Greater Pibor administrative area), Jacob Deng (Western Bahr el Ghazal state), Dhieu Manyuon (Warrap state), Kenyi Lukolo (Unity state), James Lukano (Ruweng administrative area), Johnstone Anyang Mabior (Central Equatoria state), Magok Chuol (Jonglei state), Josephine Abalang (Western Equatoria state), Ayuen Michael (Eastern Equatoria state), Stanley Rokani (Northern Bahr el Ghazal state), and Matiop Aguek (Lakes state).

We are grateful to the African Development Bank for its financial support. Finally, yet importantly, we commend UNDP senior management for the production of this report, including Samuel Doe, former UNDP Resident Representative in South Sudan; Dominic Sam, UNDP Resident Representative, a.i.; and Titus Osundina, Deputy Resident Representative for Programmes in South Sudan. We also offer our thanks to Matthew Anderson for editing and designing the final document.
EXECUTIVE SUMMARY

The conflicts in South Sudan in 2013 and 2016 eroded gains made in building economic governance systems, both at the national and state levels, immediately after the country gained independence in 2011. To rebuild economic governance, the national Ministry of Finance and Planning requested that the United Nations Development Programme (UNDP) deploy an economic governance analyst to each state and administrative area of South Sudan through the Institutional Support Project for Strengthening Economic Governance in South Sudan, funded by the African Development Bank (African Development Bank, 2024).

Prepared in line with the requirement stipulated under the Revitalized Agreement on the Resolution of the Conflict in South Sudan (R-ARCSS), this report aims to examine technical institutional gaps in economic governance at the subnational level. It covers the status and challenges and suggests a way forward in all 10 states and three administrative areas of South Sudan. It examines the legal framework, systems and capacities of the state revenue authorities and ministries of finance and planning, the oversight functions of state parliaments, and the existing coordination and partnerships around economic governance.

The report relies heavily on key informant interviews, discussions among economic governance analysts and senior government officials, reviews of reports and legal frameworks, and eyewitness accounts. One key finding of the study is that the country is plagued by numerous challenges, including:

- ineffective legal and regulatory environment for revenue mobilization
- weak human and institutional capacity
- weak intergovernmental fiscal relations
- inadequate infrastructure
- inadequate legislative oversight
- complex operational environment
- weak partnerships on economic governance

Some key recommendations of the reports include:

- Support legislative and other oversight bodies.
- Strengthen the legal environment for revenue mobilization and the harmonization of tax management among various levels of government.
- Improve the regulatory and policy environment for private sector growth.
- Upgrade institutional and staff capacity in state ministries of finance and revenue authorities.
- Improve intergovernmental fiscal relations.
- Improve economic and socio-economic statistical systems.
- Improve stakeholder engagement.

This report contains a compilation of policy-relevant information that can be used by governments at all levels and by donors, development partners, private sector actors and civil society organizations to fill capacities, systems, linkages and institutional gaps in economic governance – particularly at state and administrative levels.
CHAPTER ONE: INTRODUCTION

South Sudan has faced myriad political, institutional and socio-economic challenges since gaining its independence in 2011. The country's journey has been marked by civil unrest in 2013 and 2016 and by economic instability and institutional weaknesses, all of which have significantly impacted its development trajectory and weakened the social fabric of its communities. As a young nation, South Sudan has faced numerous challenges in establishing effective governance systems and fostering economic development at all levels.

The signing of the Revitalized Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS) in September 2018 (Intergovernmental Authority on Development, 2018) marked a significant milestone in the country's quest for peace and stability and presents a unique opportunity to lay the foundation for inclusive economic governance. Chapter IV of the R-ARCSS underscores the crucial role of economic reforms in promoting stability and sustainable development, highlighting the need for comprehensive economic governance reforms at both national and subnational levels. The economic reforms stipulated in the chapter address the structural, political and institutional factors influencing policy processes and economic choices and are expected to contribute to state-building objectives, including the transparent management of public finances, the regular payment of civil servant salaries, improved service delivery to citizens, and better resource allocation for reconstruction priorities.

The improvement of public financial management systems is essential for effective resource management, transparency and accountability. The Government of South Sudan has made commendable efforts in this regard, undertaking public financial management reforms to enhance financial accountability, budget execution and revenue mobilization. These reforms aim to establish a solid foundation for sustainable economic governance and create an enabling environment for development initiatives.

The roll-out of public financial management reforms is indeed timely, considering that South Sudan is one of the most oil-dependent countries in Africa, with oil exports accounting for almost all its exports of goods and services and about 90 percent of its total revenue (International Monetary Fund, 2022).

The country is also heavily dependent on imports, especially of food and fuel. As such, the multiple recent and ongoing crises – including the COVID-19 pandemic, the wars in Ukraine and Sudan, the drop in global oil prices, and devastating floods in several parts of the country – have had significant negative socio-economic and humanitarian impacts in South Sudan. This might cause significant setbacks in achieving the Sustainable Development Goals (SDGs) at local and national levels. The recent outbreak of war in Israel and Palestine and current geopolitical tensions may further drive up petroleum and food prices globally.

The multifaceted nature of these crises has led to a depressed fiscal space and has severely undermined the capacity of national and state
governments to provide services to the citizens of South Sudan.

The 2011 Transitional Constitution of the Republic of South Sudan (2011a) established three levels of devolution: national, state and local. Recognizing the importance of economic governance in achieving peace and prosperity, UNDP has been actively engaged in supporting institutional capacity development in South Sudan.

This support has focused specifically on strengthening economic governance in the states and areas, where critical decisions and policy implementation take place. Through partnerships with ministries of finance and planning, revenue authorities, legislative assemblies and coordination mechanisms, UNDP has contributed to enhancing economic governance and public financial management systems.

This report is an in-depth and on-the-ground assessment of economic governance in the 10 states and three administrative areas by economic governance analysts deployed by UNDP. In each state or administrative area, the economic governance analyst sits in the finance ministry but supports all economic governance institutions.

The methodology used in this report includes interviews with stakeholders; reviews of reports, records and legislation; and interactions among economic governance analysts and other stakeholders in the revenue authorities, ministries of finance and planning, legislative assemblies and other areas of economic governance.

Overall, this study aims to analyse and synthesize the status of economic governance in the states and administrative areas to inform policy recommendations and identify priority areas of support.
CHAPTER TWO:  
THE STATUS OF ECONOMIC GOVERNANCE

According to Simson, Sharma and Aziz (2011), public financial management encompasses all activities of the government and involves the mobilization of resources (revenue) and the allocation of these mobilized funds to various government sectors. It also involves expenditures and being accountable to the utilization of disbursed funds. Public financial management encompasses a cycle of six phases, commonly referred to as the public financial management cycle: policy, budget formulation, budget approval, budget execution, accounting and external audit/evaluation.

As suggested by Lawson (2015), the cycle involves many actors playing various roles at different stages to ensure that everything operates in an effective, transparent and accountable manner. The key players in each phase are the following:

- Policy phase: civil society, political parties, academia and research bodies
- Budget formulation phase: Ministry of Finance and local governments
- Budget approval phase: civil society, the legislature and political parties
- Budget execution phase: internal audit departments and procurement boards in the Ministry of Finance and Planning
- Accounting phase: accounts departments in the various ministries and local governments
- External audit phase: auditor general, legislature and civil society

Lawson (2015) states that a good public financial management system should be able to realize several key objectives:

- Maintain fiscal discipline by ensuring that aggregate levels of tax collection and public expenditures are consistent with targets of fiscal deficit and do not generate unsustainable public borrowing.
- Ensure that public resources are allocated to agreed-upon strategic priorities or in a manner that allocative efficiency is attained.
- Ensure that operational efficiency is achieved in terms of realizing maximum value for money during service delivery.
- Adhere to and comply with due process by being transparent in a way that ensures information is accessible to the public and democratic checks and balances are applied to ensure accountability, in light of the approval by the Council of Ministers of the Public Finance Management Performance Strategy. The strategy stipulates that public financial management is critical in supporting good governance and accountability and is an effective and efficient tool in the delivery of essential goods and services to citizens.
Assessing and Strengthening Local Governance for Inclusive Development

History of public financial management in South Sudan

UNDP revenue specialists have supported non-oil-revenue-generating systems and human resource capacity-building in the subnational governments of South Sudan since 2011. These specialists also have provided technical support to the members of the Public Account Committees of the state legislative assemblies on resource accountability and budget execution. UNDP has been supporting the Government of South Sudan through various interventions to strengthen its public financial management and to reduce its fragility as a nation heavily reliant on oil revenue.

A Joint Assessment Mission conducted in 2005 provided several recommendations, including strengthening public service to provide essential services to the citizens of South Sudan. To address the capacity constraints at that time, various international development partners provided training for key public financial management functions for the initial year. Sound public financial management institutional foundations were laid in terms of legal frameworks, procedures and processes. While these arrangements did not create national ownership of the public financial management function, they did at least place the country on the path towards building sound financial systems.

Under the R-ARCSS, oversight and technical committees for public financial management and a public financial management secretariat were established to oversee and support reforms, several of which have been initiated. The role of the oversight committee is to ensure transparency and accountability in the management of resources, while the technical committee supports the deliberations of the oversight committee and the secretariat, which undertakes day-to-day project management and coordination activities. These structures were established to align and implement the government’s strategic vision for public financial management, currently centred around the 13 key public financial management reform priorities, as outlined in a road map issued by the oversight committee.

The Non-oil Revenue Mobilization and Accountability (NORMA) public finance project was developed to build capacity, modernize revenue collection and strengthen public financial management processes, mostly at the state level in South Sudan. The NORMA project utilized funding from the African Development Bank, Norway, Japan and UNDP’s core resources to support public financial management at the state level. The project implemented a variety of activities, including training state and national tax officers, training civil servants and parliamentarians, and providing modernization equipment to State Revenue Authority officials (such as computers, Internet access and solar power for electricity supply).

Despite the existence of federalism, the administration remains centralized. In the R-ARCSS and with the absence of political elections, all state high officials are appointed by the presidency. This affects public financial management reforms and decisions in the states, because decisions might be based on a political rather than a technical orientation. Public financial management laws in the states have not been developed, and past attempts to do so were disrupted by the changes in the state structure from 2015 to 2018, when the country
moved from 10 states to 32 and then back to 10. This has created a situation in which existing state laws are not aligned with current state structures. The states, therefore, operate by applying national laws as defaults in the absence of their own laws.

Capacity gaps also exist in terms of staff training and development. Public financial management activities should be carried out by well-trained staff.

Revenue mobilization

Revenue mobilization is a critical aspect of public financial management, as it ensures that governments have adequate resources to finance development activities.

The amount of revenue mobilized varies by country and region. However, in general, many countries experienced a decline in revenue due to the economic impact of the COVID-19 pandemic, which led to reduced economic activity and, in turn, lower tax revenues. Governments responded by increasing borrowing and reallocating resources to finance COVID-19 pandemic response activities. Numerous reports on revenue mobilization published by international organizations such as the World Bank and the International Monetary Fund provide analysis, benchmarks and recommendations for improving revenue mobilization. Most of these reports highlight the importance of improving tax administration, tackling tax evasion and strengthening legal and regulatory frameworks around taxation.

Revenue mobilization in South Sudan typically encounters several challenges, including inadequate legal and regulatory frameworks, perverse corruption and the limited capacity of tax authorities. That said, the government must tackle these challenges to improve revenue mobilization, which will in turn enhance service delivery and progress towards sustainable development.

Responses and solutions to the challenges of revenue mobilization vary by country, including efforts to improve tax administration, increase
transparency and accountability, strengthen legal and regulatory frameworks, enhance taxpayer education and adopt international best practices in tax policy and administration.

Interlinkages in public finance among counties and national governments are critical to promoting coordinated and effective resource mobilization. Meanwhile, revenue-sharing formulas, which outline the criteria for sharing revenues between the State Government and counties, are critical to these interlinkages. In Kenya, for example, the revenue-sharing formula allocates revenue between the national government and counties based on the population and poverty levels of each county.

In South Sudan, both state governments and counties have mandates to mobilize resources to finance service delivery in their jurisdictions. Counties mobilize revenue through local taxes, fees and levies, while state governments mobilize revenue through taxation, borrowing and partnerships, as stipulated in the Taxation Act. Interlinkages in revenue mobilization involve coordinated efforts to collect revenue to finance development activities.

The national government provides conditional grants to counties to finance specific development projects and programmes. Conditional grants provide a useful mechanism for interlinkages in public finance, since they ensure that counties align their development plans with state and national priorities. Planning is a crucial aspect of public finance interlinkages; counties need to align their development plans with national priorities outlined in the state development plans.

Planning also helps ensure that county and state governments can mobilize financial resources in a coordinated manner to move towards the same development objectives. County and state governments must maintain efficient systems for financial management, budgeting and expenditure tracking. This is vital in promoting transparency, accountability and the efficient use of public resources.
Western Equatoria state borders Lakes state and Western Bahr el Ghazal state to the north and Central Equatoria state to the east. It also borders the Central African Republic to the west and the Democratic Republic of the Congo to the south.

The total land area of Western Equatoria state is approximately 79,350 sq. km. Yambio, the state capital, is located near the southern border.

In 2015, South Sudan expanded its 10 states to 28 states and later to 32 states. Western Equatoria state was divided into four states. In February 2021, South Sudan reverted to 10 states, as stipulated in the 2018 Agreement on the Resolution of the Conflict in South Sudan (ARCSS).

State Revenue Authority

The Western Equatoria State Revenue Authority was established in 2011, according to discussions held with the executive director of the authority.

A separate meeting held with the chairperson of finance and economy of the revitalized Transitional Legislative Parliament noted that the State Revenue Authority Bill, passed in 2014, has become the act that guides the authority’s mandate.

The defunct Gbudue state, one of the four states created from the former Western Equatoria state, developed its Revenue Authority Act in 2017, passed by both the Council of Ministers and the State Legislative Assembly. The 2017 Revenue Act for the former Gbudue state is what is still being used in the unified Western Equatoria state currently.

In essence, and in the present unified context of Western Equatoria state, the State Revenue Authority should have resorted to using the 2014 State Revenue Act for Western Equatoria state because it caters to the whole of the state and not the former Gbudue state. Thus, a legal loophole needs to be filled for the effective operation of the State Revenue Authority in Western Equatoria state. Nonetheless, the 2011 Western Equatoria State Constitution gives powers to the state to collect its local revenue.

The Gbudue State Revenue Authority, which forms the nucleus of the current Western Equatoria State Revenue Authority, relies exclusively on support from donors, given the devastating impact of the 2013 and 2016 conflicts on the nascent institutions in the state. Through the support of the African Development Bank and the Sustainable Development Goal Secretariat, UNDP has provided institutional and capacity-building support to the State Revenue Authority, including the renovation of the State Revenue Authority offices, the installation of a solar system, the training of tax officers, and the provision of information and communications technology (ICT) equipment. Despite these supports, the State Revenue Authority continues to yearn for more institutional and capacity-building support from donors and development partners.
The authority is headed by an executive director, and a board of directors provides an oversight role. According to the State Revenue Authority Act of defunct Gbudue state, the board must include the chairperson, a representative from the state Ministry of Finance, a representative from the Bank of South Sudan, a private citizen, a woman, a commissioner of the State Revenue Authority, an economist, and a senior policy expert. However, the board had not yet been constituted as of the discussion between the economic governance analyst and the State Revenue Authority. This leaves an oversight gap in the operation of the State Revenue Authority of Western Equatoria state.

As stated above, the Gbudue State Revenue Authority Act of 2017, inherited by the Western Equatoria State Revenue Authority, empowers the authority to collect state revenues as per section 7, article 1. According to the executive director, after the formation of the State Revenue Authority, revenue collection in the state improved from approximately SSP 5 million monthly to SSP 10 million monthly. However, publicly available information on the collection remains scant.

Efforts to build institutional capacity in Western Equatoria state have been supported by UNDP under a project to boost public financial management. This project facilitated the establishment of the State Revenue Authority, led to a revised 2022 tax schedule and contributed to oversight processes through the introduction of consolidated accounts to reduce cash management by State Revenue Authority staff.

Key taxes collected by the State Revenue Authority include personal income tax, presumptive tax (small business), rental income and property income tax, capital gains tax, stamp duty tax, exercise tax and commercial passenger vehicle income tax. Numerous consultations and forums, such as the Governors’ Forum resolutions of 2021 and 2022, discussed tax jurisdictional issues – particularly the personal income tax, which remains a key challenge among different levels of governance.

State Ministry of Finance

The Ministry of Finance in Western Equatoria state was established in 2006, and its role is stipulated in the amended 2012 Western Equatoria State Constitution. The ministry, mandated to manage public financial resources and the state economy, prepares the annual budget and appropriation bill table before the State Legislature to guide the line of budget expenditures during execution.

The state Ministry of Finance has not developed annual budgets for the fiscal years 2020/21, 2021/22 and 2022/23, and this undermines its mandate. In the absence of an approved budget, all other budget processes and accountability are greatly undermined. Furthermore, ad hoc procurement processes and the non-functioning of the FreeBalance public financial management software continue to exacerbate the challenging public financial management environment in the state. The UNDP’s deployment of an economic governance analyst helps the state prepare its budget and build capacity for a better public financial management system. The 2023/24 budget preparation is ongoing.

The Ministry of Finance is made up of five departments: Administration and Finance, Accounts, Budget, Planning, and Procurement. Meetings held by the UNDP economic governance analyst with the Ministry of Finance indicate that, before 2013 and 2016, ministry staff alluded that the ministry had effective capacity in developing the state budget by managing monthly, quarterly and annual bank reconciliations and producing monthly accountability reports. The conflicts of 2013 and 2016, the 2015 division of Western Equatoria state into four states, and the COVID-19 pandemic reduced the ministry’s capacity to effectively deliver on its mandate. The capacity issue is exacerbated by poor pay, which has caused many capable senior and mid-level technical staff of the ministry leave for United Nations and non-governmental organization jobs.

The public financial management challenges are interdependent. Revenue from the national government – e.g. block transfers of revenues for salaries, operation funds, education conditional transfers and county conditional transfers – does not come monthly from the national Ministry of Finance and Planning. There often are delays in county conditional transfers, undermining service delivery and the social contract between the people and the government. Unless intergovernmental transfers are done in a timely manner, it is difficult for state governments to continue implementing their plans. Moreover, due to a lack of funds, the
ministry’s building is in dilapidated condition and may collapse at any time.

**State Development Plan**

UNDP has supported the Revitalized National Development Strategy and, at the state level, the formulation of the Western Equatoria State Development Plan for 2021–2024, which links priorities to action and to national and global commitments such as the SDGs. However, in the absence of a state budget that captures and prioritizes the voices of key stakeholders (including women, youth, traditional leaders and opinion leaders), a development plan is less effective. The launch of the plan remains a critical platform for awareness, but the lack of a robust financial management system undermines both the budget and the plan itself.

**State Legislative Assembly**

The State Parliament of Western Equatoria state was established in 2006 when South Sudan was still part of Sudan. The 2011 Western Equatoria State Constitution, which was amended in 2012, is the legal framework that guides the mandate of the Parliament. The Parliament runs its daily business based on the 2012 Conduct of Business Act. According to discussions held by the UNDP economic governance analyst and the chairperson of the Specialized Committee on Finance and Economy, the Constitution stipulates the mandate of the State Parliament, including legislating policies, addressing issues arising from members’ constituencies, and providing oversight functions on the work of the executive, including oversight over the state budget as per priorities identified in the State Development Plan. The Parliament is headed by a speaker and deputy speaker, the political heads of Parliament. The administrative component of the Parliament is managed by the clerk. The State Parliament is currently made up of 100 members of Parliament and 23 specialized committees. Forty members of Parliament were elected after the 2010 general election, before the 2016 conflicts and the coming into existence of the R-ARCSS. An additional 60 members were added as required under the R-ARCSS.

According to the discussion held between the UNDP economic governance analyst and the chairperson of the Specialized Committee on Finance and Economy, the State Parliament has a capacity gap that hinders it from effectively exercising its oversight function on the state budget in terms of approving the annual budget and holding the state Ministry of Finance accountable for financial reports. From 2011 to 2020, the state budget was tabled in Parliament, and annual financial reports were presented to Parliament. When there was a need for a supplementary budget, the ministry prepared and presented it to the Parliament for discussion and approval.

Since 2020, the current Parliament ushered in by the R-ARCSS has not conducted its state budget oversight role because no budget has been brought before it for discussion. The chairperson of the Specialized Committee on Finance and Economy suggests that the reason for the absence of a state budget for the past three years is the lack of cooperation between the executive and the legislature. Besides, all ministries – including the State Parliament and county governments – have not been receiving operation funds from the Ministry of Finance, which hinders the ability of state institutions to prepare their institutional budgets for submission to the ministry.

However, the state is gradually returning to accountability processes. In February 2023, the State Parliament requested that the Western Equatoria State Revenue Authority present revenue performance for fiscal year 2022/23, including an accountability report. However, the authority’s executive director was unavailable to take this request forward. This indicates limited scrutiny among state institutions in Western Equatoria state. Moreover, the additional 60 members of Parliament required by the R-ARCSS diluted the technical capacity of the Parliament, as many who joined lacked capacity. This lack of capacity and political division within Parliament undermines the effectiveness of oversight.

During a discussion with members of Parliament, the UNDP economic governance analyst was made aware that most members of Parliament sat under trees, without offices. The chairperson of the Specialized Committee on Finance and Economy commented that UNDP was a great partner of the State Parliament from 2010 to 2014 in the provision of capacity-building. Presently, UNDP continues to
support capacity-building for members of Parliament, as the civil wars in 2013 and 2016 destroyed capacity and dwindled development funding.

**Partnerships**

Western Equatoria state hosts many United Nations agencies, national and international non-governmental organizations, community-based organizations, civil society organizations and media outlets that support the people and the Government of Western Equatoria state. These organizations regularly partner to support development and humanitarian priorities in an integrated manner. For example, in December 2022, United Nations agencies conducted an interagency assessment in Tambura to assess the impacts of the 2021 communal violent conflict in the area and the consolidated efforts for peace. In March 2023, another interagency assessment looked at the developmental needs of hard-to-reach areas in the state. In addition to working in a coordinated manner in addressing humanitarian and development gaps in the state, development partners also work through clusters such as protection, education, water and sanitation, shelter, food and non-food items, food security and livelihood.

**Development coordination forum**

Discussions are ongoing on the possibility of establishing a development coordination forum in the state. In a recent meeting between the state minister of finance and the UNDP economic governance analyst, discussion began on the process of establishing an economic development forum. UNDP and the State Government are working to ensure the development of the coordination forum. Key actors in economic governance in Western Equatoria state include civil society, the media and the private sector. The Community Empowerment Organization for Progress, for example, works closely with UNDP, the United Nations Mission in South Sudan, the State Peace Commission, and the State Human Rights Commission in supporting communities in dialogue, confidence-building, peacebuilding and security sector reform in the greater Tambura area. Peace is a prerequisite for humanitarian access and provision for development. The radio station Yambio FM engages in covering humanitarian and developmental activities conducted by the State Government and development partners. Media outlets such as Yambio FM air community programmes supported by UNDP, UNICEF and other partners monthly. These radio programmes involve conversations and awareness on gender-based violence, customary law, female child education, and community police and taxation issues.

**Private sector**

The private sector contributes to economic governance in Western Equatoria state. The State Chamber of Commerce provides policy guidance to business owners and links them with the Ministry of Commerce, Trade and Supply and the Ministry of Finance. Business owners, traders and the private sector in general are integral to the state economy because, through taxes, they are major contributors of non-oil revenue. They also provide goods and services to consumers in the state.

Recently, the State Chamber of Commerce met with the State Government to discuss the new tax rates levied on traders. Various state and national government actors collect taxes at multiple checkpoints on the road from Juba to Yambio, leading to higher prices in Yambio. Solutions for these issues raised by the State Chamber of Commerce are yet to be determined by the State Governor.
Eastern Equatoria state is a promising state endowed with vast resources, such as gold in Greater Kapoeta, as well as forests, fertile land and other natural resources – all of which have the potential to spur development.

Economic development has stalled due to insecurity in the state in the forms of cattle raiding, road ambushes and intercommunal revenge killings. Furthermore, Eastern Equatoria state has not performed well socially, politically and economically due to inadequate infrastructure, institutions, human capacities and resources.

State Revenue Authority

The Eastern Equatoria State Revenue Authority was established by powers vested in the states by the National Transitional Constitution of the Republic of South Sudan of 2011, article 177; state transitional constitutions; the Taxation Act of 2009; the Local Government Act of 2009; the Eastern Equatoria Revenue Authority Act of 2014; and the Republic of South Sudan Fiscal Arrangement/State Module Tax Bill of 2013. When the 10 states of South Sudan were expanded into 32 states in 2015, Eastern Equatoria state was divided into two new states: Kapoeta and Imatong states. These states later merged when South Sudan reverted to 10 states in February 2021, as stipulated in the 2018 ARCSS.

The state recently amended and approved the adjusted and harmonized tax rate schedule for the 2023/24 fiscal year to govern the State Revenue Authority, and this act is also in line with the national legal frameworks. This will further guide and govern non-oil revenue mobilization at the state level. The State Revenue Authority, through its strategic plan, has a unified structure and chain of command. The structure provides both institutional and functional frameworks for the implementation of the strategic plan for 2022/23 to 2026/27.

Staff capacities in the State Revenue Authority are critical for the implementation of the strategic plan. The authority’s few staff members are not fully trained in resource mobilization and tax collection in the state. The Eastern Equatoria State Revenue Authority has 134 employees in total, including support personnel.
In a previous public financial management project implemented by UNDP, 60 employees of the State Revenue Authority were on tax collection and administration duty as part of efforts to build the capacities of state institutions. The majority of tax officers are deployed at revenue-generating state institutions such as counties and border points, and most of them do not have proper tools (e.g. laptops) necessary to enhance their capacities for resource mobilization. Thus, further training is imperative for State Revenue Authority staff for meaningful resource mobilization in the state.

The Eastern Equatoria State Revenue Authority has an independent building built by UNDP, with support from the African Development Bank. The authority maintains a consolidated state revenue account that is monitored and supervised by the state Ministry of Finance, Planning and Investment. After each tax or non-tax transaction transfer from the State Revenue Authority consolidated account, all copies of payment forms are submitted to the state Ministry of Finance, Planning and Investment. The State Revenue Authority facility lacks basic furniture to support the operation of the State Revenue Authority. The economic governance analyst’s casual assessment shows that there are not enough office chairs; the office of the chairperson and the executive director has a table and plastic chairs and file storage for archives, while most offices have only cartons in which to keep their files.

State infrastructure for revenue mobilization

In addition to security, the roads that connect the state capital, Torit, to other counties critical in resource mobilization are poor, and this has always limited State Revenue Authority officials’ supervision and monitoring. Besides, there have been some jurisdictional issues – particularly at border points such as Nimule, Nadapal and Nsyetenya, which are under the control of the national government – in terms of revenue collection. It is expected that the national government transfers some of the revenue collected (about 40 percent) to the state government, but this hasn’t consistently been the case.

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State Development Plan

The state Ministry of Finance, Planning and Investment has been developing state development plans. The first plan was for 2012/13 to 2014/15, and the current State Development Plan covers 2021/22 to 2023/24. However, the scale of implementation is constrained by the limited state budget – which largely depends on block transfers from the national government – and exacerbated by limited local revenue collection. The governance of the State Development Plan is led by the state Ministry of Finance, Planning and Investment in coordination with the State General Secretariat, which is headed by the State Governor. Moreover, the State Planning Committee consists of 10 sectors that oversee the planning, implementation, monitoring and evaluation of the State Development Plan. The members of the State Development Committee were trained by UNDP under the public financial management project.

The state minister of finance, planning and investment is appointed by presidential decree, based on the R-ARCSS and the recommendation of peace partners at national and state levels. The director general is a technical person in the ministry and an accounting officer with both the national
Ministry of Finance and Planning and the state Ministry of Finance, Planning and Investment. The state ministry has well-established infrastructure but lacks, among other things, adequate fencing and a modernized file storage facility. The ministry is divided into six directorates, each of which is led by a director. It employs 118 people to carry out its functions throughout the state.

Budget preparation

Eastern Equatoria state has been behind in preparing its budget because the national Ministry of Finance and Planning has failed to provide a budget ceiling on time. During fiscal year 2022/23, the state used the State Budget Preparation System as one of the public financial management reform tools, and this will continue to be used in the next fiscal year budget cycles. Eastern Equatoria state gets most of its funding from the national government through block grants and conditional transfers. Based on the budget priorities of the national government, conditional transfers are inadequate and cannot meet the state’s development needs.

Transfer mechanism

Transfer/block grants to counties always require some accountability, economic functions and public financial management. Transfers to counties, which are managed by the state Ministry of Finance, Planning and Investment, account for the lion’s share of the budget in most fiscal years. Any major gaps stem from failures of the national Ministry of Finance and Planning in making timely transfers to states. Furthermore, some development grants have not been transferred since 2013, even though they appear each year in the state budget. Monitoring county transfers remains a challenge for the state ministry, as it lacks sufficient vehicles and motorcycles to support mobility across all counties.
Financial reporting

In Eastern Equatoria state, financial reports serve as the foundation for auditing; all spending agencies submit monthly expenditure reports to the state Ministry of Finance, Planning and Investment. Eastern Equatoria state used to report budget execution using a pre-balance reporting template but now uses an Excel spreadsheet for financial reporting. Financial statements are issued every quarter.

State Legislative Assembly

Eastern Equatoria state has a functioning Parliament that meets regularly. The State Legislative Assembly participates in the fiscal year budget preparation process, development and preparation of state development/strategic plans, including state policy statements from various state ministries. The assembly debates, discusses and approves any state plans. When the budget is completed, the state Ministry of Finance, Planning and Investment sends it to the State Economic Cluster for review, which then sends it to the State Parliament for the first reading via the Specialized Committee for Finance and Planning and for the second reading and approval by the State Legislature. After the State Parliament approves the budget, the State Assembly sends it to the Governor for signature. The State Legislative Assembly reviews budget expenditures; however, there have been numerous delays, particularly when the assembly was not constituted in 2019/20. The assembly usually discusses and reviews the fiscal year-end financial report to check how the budget was spent, following each institution’s spending. The assembly also participates in all revenue-generation avenues through the Specialized Finance and Planning Committee and debates proposals related to bills aimed at increasing revenue in the state. For example, new tax income proposals are thoroughly debated by the legislature before being passed and approved by the Governor.

The State Parliament faces numerous challenges, particularly in the Assembly Hall, which lacks standard chairs, any form of air conditioning and a sound system. In addition, the hall is too small to accommodate more than 100 assembly members. Moreover, most members of the State Legislative Assembly cannot build on oversight roles and do not have laptop computers with which to perform their functional roles effectively.

Media and civil society organizations

The media, particularly state radio FM 97.5, helps in the dissemination of information about economic policy discussions in the state. Civil society organizations are under one umbrella and always participate in economic discussions, particularly during budget workshops and other policy-related discussions. However, meaningful economic governance advocacy campaigns have not been carried out to a large extent.

Private sector

The State Chamber of Commerce, which coordinates the private sector in Eastern Equatoria state, is directly overseen by the state Ministry of Trade and Tourism. The private sector is a major stakeholder in state revenue mobilization, and as such, the State Revenue Authority always engages the sector whenever tax rates change. The State Revenue Authority recently adjusted the tax rate, and the Chamber of Commerce and the private sector were consulted and informed of the new changes before the bill was presented to the State Legislature. The new tax rate schedule is intended to adjust to the current inflation rate of 27.8 percent. The private sector still faces numerous challenges in terms of multiple taxation from municipalities and counties and from national security apparatuses. These taxes raise the prices of goods and services, impacting the cost of living.

Partnerships

Partnership also exists in the state among developmental partners, including the Food and Agriculture Organization of the United Nations (FAO), the United Nations High Commissioner for Refugees (UNHCR), UNICEF, the World Food Programme (WFP) and the United Nations Office for Project Services (UNOPS), some of which are implementing resilience projects. Eastern Equatoria state has an established Partners Coordination Forum, chaired
by the Governor and held every three months. To better coordinate development efforts in the state, a new Economic Empowerment Cluster has been formed, chaired by the state Ministry of Trade and Tourism and co-chaired by UNDP.

» FAO, through the Ministry of Agriculture and the Ministry of Cooperatives, Trade and Agriculture, supports local farmers and small and medium enterprises across the eight counties of Eastern Equatoria state through the provision of training, agricultural inputs and grants. This has been a positive move, with impacts having been felt to some extent.

» UNICEF supports public financial management reforms through the Girls Education South Sudan programme. Though UNICEF does not currently have a physical office in the state, it is monitoring periodically.

» UNOPS, in partnership with the World Bank, has been implementing resilience projects such as the Locust Project and South Sudan Safety Net Project, with the second phase of the project having begun in 2020 in Eastern Equatoria state. These projects are in the form of cash-based interventions dealing in asset creation and agricultural productivity.

» UNHCR is another important partner in the state, given that Eastern Equatoria state has received many returnees from neighbouring countries such as Uganda and Kenya. UNHCR has been providing support in terms of resettlement in the payams (subcounties) of Magwi county. Returnees have received training on livelihood skills for agriculture and business.

» The WFP is implementing some resilience projects in the state, mostly related to livelihoods and food security. With engagement, there is the possibility of WFP picking up interest in aligning its programmes with the State Development Plan, according to discussions between the economic governance analyst and the head of the WFP field office.
The State Transitional Constitution provides for two organs of the State Government: the Executive Office and the State Legislature. The Executive Office consists of the Governor, Deputy Governor, state ministers, advisers and county commissioners.

The State Legislature consists of members of Parliament elected from counties and municipalities. Central Equatoria state is divided into six administrative counties, headed by county commissioners, and the Juba City Council, headed by the city mayor.

The R-ARCSS stipulates that the Revised National Development Strategy, the state development plans and the SDGs provide a broad framework and opportunities for the country to embark on a positive development path. However, the effective operationalization of these frameworks in a transparent, effective and efficient manner is critical to reaping the gains of reforms. By building and strengthening institutional capacities, especially those concerned with public finance at the national and state levels, South Sudan can slowly wean itself off humanitarian assistance by expanding the efficiency of public service delivery.

Central Equatoria state is committed to economic reforms and development agendas that could help the state population get access to better services. The state seeks to achieve these objectives by enacting relevant laws, putting in place economic governance structures and institutions, aligning the State Development Plan with the Revised National Development Strategy (Republic of South Sudan and UNDP, 2021) and the SDGs, and implementing public financial management reforms.

Although these economic governance structures are in place, little progress has been made due to a lack of resources to implement economic and development agendas. Resource mobilization has not achieved its ultimate objectives, and thus there are scant financial resources for implementing programmes. Capacity gaps exist related to employee training and specialization. For effective economic governance, staff in the state Ministry of Finance, Planning and Investment, the State Revenue Authority and the State Investment Authority should be trained in various fields to perform their duties effectively.

On revenue collection, the Ministry of Finance, Planning and Investment, the State Revenue Authority, the Ministry of Trade and Investment, the Juba City Council and other revenue-generating entities should harmonize tax collections across the board – agreeing on which institution should collect which type of tax – to avoid the duplication of efforts, lower the burden on taxpayers and limit potential conflict. Central Equatoria state should work with the national government to eliminate insecurity and allow the civil population to engage in economic activities freely. The Government of Central Equatoria state should enhance development partnerships to benefit the state by coordinating partners’ activities to help even the distribution of services across the state.
State Revenue Authority

The State Revenue Authority was established through the Transitional Constitution of Central Equatoria state of 2012 and the State Revenue Authority Act of 2007 and amended in 2008 and 2014. The State Revenue Authority is essentially an administrative structure to oversee and consolidate the revenue mobilization activities of all revenue-generating sources, including ministries and departments, under one umbrella for effective monitoring, control and accountability. The legal authorities that give powers to states to mobilize and build a sustainable tax system capable of generating enough revenue for service delivery at the subnational level are the National Transitional Constitution of the Republic of South Sudan of 2011; the State Transitional Constitution Taxation Act of 2009; the Local Government Act of 2009; and the South Sudan State Fiscal Arrangement/State Module Tax Bill of 2013.

The objectives of state revenue authorities are to:

» provide a holistic approach to revenue collection, generation and mobilization at the local government level
» promote efficient revenue collection and ensure a high standard of transparency and integrity
» harmonize revenue generation and provide a common procedure that enables taxpayers to be governed by a single set of rules at the state level
» serve as a link between the national tax authority and the local government in terms of information dissemination among citizens on tax policies at the state level
» provide for other matters related to the improvement of revenue administration in the state

Administrative structure

For the smooth running of the State Revenue Authority, the administration consists of executive offices and departments. The executive offices are the Office of Commissioner General, the Office of Deputy Commissioner General, and the Office of Executive Director. The departments are the following:

» Department of Finance and Treasury
» Department of Administration and Human Resource
» Department of Revenue
» Department of Planning, Budget, Research and Statistics
» Department of State Revenue Authority Audit
» Depart of Legal Service
» Department of State Revenue Authority Protection

Governing body

The governing body of the State Revenue Authority is a Board of Directors consisting of the Commissioner General of the State Revenue Authority, representatives from the state Ministry of Finance, Planning and Investment; representatives of South Sudan Central Bank (not below the rank of director general) and the State Chamber of Commerce; and three other persons from the private sector, two of whom are supposed to be women. As per legislation, the board is to ensure the proper and effective performance of the functions of the State Revenue Authority through:

» the supervision and monitoring of the State Revenue Authority in the performance of its functions
» the formulation of administrative policy for the smooth and efficient management of the State Revenue Authority
» the determination of a scheme of service for the staff of the State Revenue Authority
» the performance of any function incidental to the objects of the State Revenue Authority

The board also is required to make recommendations to the state minister of finance, planning and investment on tax policy, reform, legislation, exemption and concessions within the jurisdiction of the state. The members of the Board of Directors of the State Revenue Authority have a fixed term of office, with the tenure not to exceed four years. Each member is eligible for re-appointment but cannot be appointed for more than two consecutive terms.
Revenue analysis

Non-oil revenues in Central Equatoria state have been increasing yearly since 2020. Revenues from the State Revenue Authority increased from SSP 151,323,363 in the first quarter of 2023 to SSP 180,617,171 in the second quarter to SSP 308,560,996 in the third. This represents a growth of 19 percent from the first to the second quarter and 71 percent from the second to the third. Revenues decreased to SSP 260,313,242 in the fourth quarter.

State Ministry of Finance, Planning and Investment

The Ministry of Finance, Planning and Investment was known as the state Ministry of Finance and Economic Development before the signing of the R-ARCSS in 2018. The ministry is mandated to deliver services to the state population in the form of education, health, sanitation, water and public utilities, among others. The ministry’s main tasks include formulating economic reform policies and coordinating their implementation; developing macro-fiscal frameworks and formulating fiscal policies; preparing estimates of the state resource envelope and annual budget, in collaboration with state ministries, departments and agencies; ensuring the implementation of sound public financial management; collaborating with the State Revenue Authority and other revenue-generating institutions for resource mobilization; and managing revenues.

Ministry functions

The Ministry of Finance, Planning and Investment is mandated by the Central Equatoria State Transitional Constitution of 2015 and the R-ARCSS to carry out the following functions:

» impose financial policies (tax imposition)
» monitor and evaluate state budget processes (preparation, implementation, execution and reporting)
» report annual expenditures of the approved state budget
» publish and circulate the financial and accountability book

» deploy accountability staff to all State Government institutions

The Ministry of Finance, Planning and Investment departments and functions include the following:

» The Department of Administration and Finance approves claims, ensures smooth work performance in the ministry, effects the transfers of accounting staff, and monitors and evaluates the performance of the ministry in regard to resource utilization.
» The Department of Budget and Planning dispatches budget circulars, makes budget calls, conducts data analysis and formulates policies for development.
» The Department of Accounts authorizes and processes claims, makes cheque and cash payments, prepares bank statements, makes bank reconciliations, and records, analyses and interprets claims.
» The Department of Audits is mandated to investigate all transactions to determine whether they follow financial laws and give advice when necessary. It also interprets financial statements and gives recommendations about what should be done in case financial fraud is committed.
» The Department of Human Resources is responsible for keeping records of personnel files and filing processes, preparing establishment forms, preparing appointments of recruits, preparing training manuals for staff, and conducting training needs assessment for ministry staff.
» The Department of Procurement procures the ministry’s assets, prepares and manages contracts, and prepares tenders and bids.
» The Department of Statistics collects and analyses data for policy decision-making.

State Development Plan

The State Development Plan 2021–2024 is aligned to the Revised National Development Strategy. It was translated into the state annual budget 2021/22, and the activities in the annual budget 2022/23 were drawn from it by the state spending agencies. The State Government Secretariat and the state Ministry of Finance, Planning and Investment oversee the implementation phases of the development in coordination with development partners. The plan
was formulated in 2021 and launched on 24 April 2023.

During the early stages of budget formulation, the budget committee identifies priorities in the State Development Plan based on sectors, and it then becomes the responsibility of each sector to include these priorities in their annual budgets. It is estimated that it will cost SSP 22.9 billion (US$38.9 million) to deliver in 2024 the priorities in the State Development Plan. In fiscal year 2022/23, the plan allocation was estimated to be SSP 7.6 billion, about half of the state budget.

Budget call circulars from the national Ministry of Finance and Planning kick-start annual budget preparations in the states and administrative areas. The Government of Central Equatoria state, which envisions a “peaceful and prosperous state”, had as its strategic goal for 2022/23 the enhancement of peacebuilding, socio-economic development and fiscal recovery. The budget is used as a tool to deliver services to the citizens.

The plans and programmes incorporated in the budget for 2022/23 were drawn from the R-ARCSS, the Revised National Development Strategy, the State Development Plan and the State Blueprint Document. These documents focus primarily on settling displaced persons, improving government infrastructure, expanding the state tax base, promoting agricultural production, increasing market performance for the livelihoods of families, enhancing investment and delivering social services in the form of education, health, water and sanitation. The financial year runs from July through June. Central Equatoria state has had two annual budgets approved since the signing of the R-ARCSS.

The budget resource envelope is estimated from national government grants and state resources. State revenues in 2022/23 increased exponentially, by 273 percent, as compared to a 12 percent increase in national grants, an increase attributed to such factors as the return of peace, the setting up of the State Revenue Authority and the implementation of the NORMA project, among others.

There is proper coordination between the state and counties about financial flows and communication. All funds due to counties are regularly transferred to counties’ accounts. Education grants are managed by the state Ministry of Education and are given directly to the counties. Counties irregularly provide feedback (in the form of reports) to the state Ministry of Finance, Planning and Investment, which prepares quarterly financial reports.

**State Legislative Assembly**

The Transitional Legislative Assembly of Central Equatoria state was constituted because of the formation of the State Government, per the R-ARCSS, by the President of South Sudan according to the power-sharing ratio enshrined by the R-ARCSS among the Sudan People’s Liberation Movement, the Sudan People’s Liberation Movement/Army in Opposition, the South Sudan Opposition Alliance and other political parties.

The main functions of the State Legislative Assembly include deliberation and approval of the fiscal year budget, enactment of the appropriation bill, oversight of budget execution, and review of the State Government budget and its policies.
plans, programmes and projects. These functions are implemented to ensure that they are in line with state development plans, laws and regulations.

**Partnerships**

Several stakeholders are working on economic governance and development in Central Equatoria state. These stakeholders have various interests and contributions to state development and implementation of the SDGs. A State Coordination Forum brings stakeholders together on issues of humanitarian assistance, economic governance and development. This body is formed to coordinate all activities and avoid duplication of efforts and resources. The stakeholders in Central Equatoria state include UNDP, UNICEF, the International Organization for Migration (IOM), Tearfund, national non-governmental organizations, community-based organizations, faith-based organizations and the business community and private sector.

- Partnerships and collaboration with other stakeholders, both public and private, help UNDP achieve its objective of sustainable development. Partnerships avoid the duplication of efforts and help in identifying any gaps needing to be filled. UNDP has implemented the NORMA project in Central Equatoria state, empowering the State Revenue Authority and the state Ministry of Finance, Planning and Investment in non-oil resource mobilization and institution support. UNDP also employs an economic governance analyst who helps in budgeting processes, resource mobilization, strategic advice and partnership management.
- UNICEF supports education, nutrition and the citizen budget. In education, it provides training to teachers and supports school feeding programmes. This support leads to improvement in learning outcomes, such as increased enrolment rates and performance and reduced dropout rates. UNICEF helps in the preparation of the citizen budget, an inclusive budget that incorporates all areas of development.
- The wars of 2013 and 2016 and communal violence have displaced hundreds of thousands of people from their homes in Central Equatoria state. The IOM has been registering and supporting displaced persons from the state and others coming from other states of South Sudan and also supports the state population in the provision of clean and sanitation services.
- Tearfund provides medical supplies to clinics and hospitals in the state and offers incentives to local medical practitioners to keep in their jobs and thus offer services to the local population. It also supports local farmers with agriculture inputs and extension services.
- Many local non-governmental organizations operate in Central Equatoria state, providing support in the areas of agriculture, livelihood, water and sanitation.
Jonglei state is located in the northeastern part of the country, in the Greater Upper Nile region. It shares borders with several other states, including Upper Nile state to the east, Unity state to the northwest, and Central Equatoria state to the southwest.

The state covers a vast area and is renowned for its diverse ethnic composition. The major ethnic groups residing in the state include the Dinka, Nuer, Murle, Anuak and others. This diversity contributes to the rich cultural tapestry of the region. The capital and largest city of Jonglei state is Bor, on the eastern bank of the White Nile River. Bor serves as an important economic and administrative hub within the state, hosting various governmental institutions, businesses and organizations.

Historically, Jonglei state has faced challenges related to intercommunal conflicts, particularly between the Dinka and Nuer communities. These conflicts have been driven primarily by competition over resources, such as grazing land and water sources for livestock. Efforts have been made at both grass-roots and government levels to address and mitigate these conflicts through peacebuilding initiatives and reconciliation processes. In addition to conflicts, Jonglei state also faces developmental challenges. The region has struggled with inadequate infrastructure, limited access to health care and education, and the impact of floods and other natural disasters. However, there have been ongoing efforts by the Government of South Sudan and various international organizations to improve the living conditions and development prospects in Jonglei state.

The state is blessed with natural resources, including fertile agricultural land and potential oil reserves that offer opportunities for economic growth and development. Agriculture remains a significant economic activity, with farming and pastoralism being the primary livelihoods for many communities. Jonglei state also is home to various wildlife reserves and national parks, such as the Boma National Park and the Sudd Wetland. These protected areas support diverse wildlife (e.g. elephants, antelopes, buffaloes and numerous bird species), attracting tourists and nature enthusiasts.

**State Revenue Authority**

The Jonglei State Revenue Authority was established in 2018 under the State Revenue Authority Act, the legal framework that guides the operation of the authority and provides the structures it needs to function effectively. The act, which sets out the mandate, powers, functions and governance structure of the State Revenue Authority, was made under the powers granted to the Government of Jonglei state in article 147(1) of the 2011 Transitional Constitution of Jonglei state, read together with schedules C-35 and B-35 (power of the state). It is intended to establish a minimum standard and uniform mechanism for tax collection in Jonglei state following the provision of article 123(1) of the 2011 Transitional Constitution of Jonglei state.
Under the act, the primary mandate of the State Revenue Authority is to mobilize revenue for the development of the state. The State Revenue Authority is responsible for collecting and managing all revenues due to the State Government and enforcing compliance with tax laws and regulations. It also is responsible for administering licences, permits and fees related to various business and commercial activities. The act gives the authority the power to develop and implement revenue policies, procedures and regulations and to audit taxpayers and carry out investigations into suspected tax evasion and fraud. Additionally, the State Revenue Authority has the power to impose penalties and fines on taxpayers and recover outstanding debts owed to the State Government.

The act also defines the governance structure of the State Revenue Authority: a commission composed of representatives of the State Government and other stakeholders from different parties of the agreement. The commission is responsible for setting the policies and strategies of the authority and overseeing the implementation of these policies. The commission is made up of the chairperson, deputy chairperson and executive officer, as well as other top managers in charge of finance, human resources, operations and information technology.

The act also establishes the management structure of the authority, comprising the directors and other senior management staff responsible for various functions. The State Revenue Authority is responsible for implementing the policies and strategies formulated by the commission and ensuring that the authority operates efficiently.

Overall, the State Revenue Authority Act provides a comprehensive legal framework for the operations of the State Revenue Authority. The act defines the mandate and powers of the authority, establishes its governance structure and safeguards its operational independence. The implementation of the act has improved revenue mobilization and strengthened tax compliance in Jonglei state through the establishment of the State Revenue Authority.

**Governance structure**

The Jonglei State Revenue Authority, according to the act, has the same structure and line of command as in any other state.
State Revenue Authority ensures that its taxation policies are aligned with its goals and objectives.

The State Revenue Authority was established as an independent administrative authority in charge of revenue mobilization in the state. It has a corporate personality, financial autonomy, perpetual succession and a common seal and is capable of suing and being sued in its corporate name and subject to this act.

According to the act, the State Revenue Authority is a State Government agency under the general supervision of the state Ministry of Finance, Planning and Investment. It consolidates revenue accounts at a government-authorized bank to conform to modern revenue management concepts in which taxes are credited directly into the bank by the taxpayer. The State Revenue Authority administers and gives effect to the laws and provisions set out in the act, collecting and accounting for all revenues to which those laws apply. Capacity-building is an essential precondition for the State Revenue Authority to carry out the state strategic plan, but the authority has many staff members who are not sufficiently trained in resource mobilization and revenue collection.

The majority of tax officers are allocated to revenue-generating state institutions such as counties and border posts, and many of them are not professionally trained in resource mobilization. In Jonglei state the State Revenue Authority has a consolidated revenue account controlled and supervised by the state Ministry of Finance, Planning and Investment. After each tax or non-tax transaction, all copies of payment forms are submitted to the ministry.

The authority has an independent building constructed by UNDP, though the building is not furnished. According to the casual assessment of the economic governance analyst, there are no office chairs; only the director has a table and a plastic chair, and the other offices have nothing at all. The facility is in good condition and needs only modest renovations, because it has not been used since 2013. The State Revenue Authority directorate is now operating in the facility of the Ministry of Finance, Planning and Investment.

In a similar vein, the roads that connect the state capital, Bor, to the counties are particularly important because they aid in resource mobilization. Problems impeding the process of resource mobilization include limited movement and monitoring by authority revenue officers due to insecurity in the state and instability on the road from Bor to Gadiang.

The capacity of the State Revenue Authority to carry out its functions effectively depends on such factors as staffing, systems, infrastructure and the working environment:

» The capacity of the State Revenue Authority is dependent on the skills, knowledge and expertise of its staff. The appointment of qualified and competent staff is critical to the effective performance of the authority. Sufficient staffing levels also are essential to ensuring that there are enough resources to carry out the authority’s functions effectively.

» The authority’s information systems are vital to ensuring the efficiency and effectiveness of operations. Systems such as tax administration and registration systems, auditing systems and management information systems are critical to the smooth functioning of the authority. These systems need to be robust, reliable, secure and user-friendly to enhance their effectiveness.

» The effectiveness of the State Revenue Authority also is dependent on the infrastructure available to support its operations. This includes information technology infrastructure (computers, servers and networking equipment) and physical infrastructure (office space, storage facilities and equipment). The infrastructure needs to be adequate to enable staff to carry out their duties efficiently.

» The working environment of the State Revenue Authority needs to be conducive to effective performance. This involves providing comfortable and secure working environments that promote staff well-being and allow them to focus on their duties without distractions. A positive working environment can help foster staff morale, increase effectiveness and productivity and reduce staff turnover.

By ensuring these factors are in place, the State Revenue Authority can effectively carry out its mandate to mobilize resources for national development.
Revenue mobilization

The success of the Jonglei State Revenue Authority revenue mobilization strategy is contingent not only on the superiority and dedication of State Revenue Authority officials but also on the prudent management of State Revenue Authority plans and other resources. The economic governance analyst in Jonglei state has advised that state and local government authorities ensure both human and infrastructural development. Local government officials should ensure that county members are rewarded for performance and firmly punishable for fraud in their counties. In Akoba county, for example, where Jonglei state borders Ethiopia, the national government controls the revenue collection at the border point. The State Government is entitled to 40 percent of revenue collected locally, while the counties receive 60 percent.

State Development Plan

The civil war that erupted on 15 December 2013 hampered the complete implementation of the Jonglei Strategic Plan (2012/13–2014/15). In Jonglei state, violence disrupted normal economic activity, causing displacement and loss of life. Several gains that had been made from 2011 to 2013 were reversed as social services and infrastructure collapsed because of looting and destruction. The conclusion of the Revitalized Agreement has set Jonglei state on the road to peace and economic progress.

The Revitalized Agreement provides a chance for Jonglei state to progress towards Vision 2040 and the SDGs, among other goals. Jonglei state, like the other states in South Sudan, faces unique political, social, technological and environmental challenges, goals and possibilities. As a result, its priorities differ. Flooding struck the state in fiscal year 2021/22. Because of changing weather patterns caused by global climate change, it is advantageous for the State Government to implement pre-emptive measures to limit the harmful effects of such catastrophic weather disasters in the future, and adequate systems must be put into place.

Jonglei state has developed a State Development Plan that provides a comprehensive road map for sustainable and inclusive development. The plan is aligned with the national development agenda and aims at improving the quality of life for all citizens through the provision of basic services, the establishment of infrastructure and the creation of economic opportunities. The Ministry of Finance, Planning and Investment in Jonglei state is responsible for coordinating the implementation of the plan, playing a critical role in mobilizing resources and allocating them towards development priorities. This involves exploring various financing options, such as grants, loans and partnerships, to finance the development priorities outlined in the plan. The ministry also sets development targets, prioritizes projects and establishes performance indicators to guide implementation.

The Ministry of Finance, Planning and Investment also plays a crucial role in the budget preparation process, as it is responsible for formulating the budget estimates and submitting them to the State Assembly for approval. The budget allocations are based on the development priorities outlined in the State Development Plan, prioritized by the Ministry of Finance, Planning and Investment.

Responsible for monitoring and evaluating the progress of the implementation of the plan, the ministry also establishes performance indicators and delivers progress reports to the State Assembly and other stakeholders. This ensures that the State Development Plan remains relevant, efficiently implemented and responsive to the changing needs of citizens.

The Government of Jonglei state has revised its state development strategy to align it with the provisions of the R-ARCSS, the SDGs and other international and regional frameworks such as the African Union Agenda 2063 and the convention of the Conference of the Parties. All 10 states must create and implement state development plans that are related to the National Development Plan to accomplish national development goals and objectives. In partnership with the State General Secretariat, which is overseen by the State Governor, the state Ministry of Finance, Planning and Investment monitors the State Development Plan. A planning committee composed of representatives from all sectors oversees the planning, execution, monitoring and assessment of the State Development Plan. The governance of development plans in Jonglei state is critical in promoting sustainable and equitable development.
The development plans in Jonglei state are formulated through a consultative and participatory process involving various stakeholders, including community representatives, civil society organizations, government agencies and development partners. The plans are guided by the national development agenda and are aligned with the state’s long-term vision. Jonglei state has established a multisectoral steering committee chaired by the State Governor, with membership from relevant government agencies, civil society organizations and development partners. The committee oversees the implementation of development plans, ensures alignment with the state’s vision and coordinates resource mobilization.

The implementation of development plans in Jonglei state is based on two key pillars: coordination and implementation. Coordination involves the development of a comprehensive institutional framework that enables effective resource mobilization and allocation, monitoring and evaluation and reporting. Implementation involves the actualization of the projects and programmes outlined in the development plan. A critical component of the governance of development plans in Jonglei state is monitoring and evaluation. The state has established a dedicated monitoring and evaluation unit responsible for tracking the progress of development projects and programmes, measuring outcomes, identifying challenges and providing feedback to relevant stakeholders.

Jonglei state recognizes the importance of partnerships and collaborations in achieving sustainable development. The State Government has established partnerships with development partners, non-governmental organizations and the private sector to mobilize resources, leverage expertise and promote innovation in the implementation of development plans.

**State Ministry of Finance, Planning and Investment**

**Budget preparation**

There have been some delays in budget preparation due to the national Ministry of Finance and Planning not always submitting the budget ceiling on time for the state to create its budget. As a result, Jonglei state has been preparing its budget on an annual basis (from July to July for other years, but normally the spending ends on 30 June). This begins with the state Ministry of Finance, Planning and Investment inviting county governments and other spending agencies in the state to attend a budget workshop, at which the budgets of all agencies are highlighted in the budget ceiling for allocation, based on the percentage share ratio of 40 percent for the state and 60 percent for counties.

Through this process, the budget for fiscal year 2023/24 is currently being drafted and soon will be sent to the cabinet for scrutiny and endorsement and then to the Parliament for discussion and approval. Furthermore, there are no sector-level plans; budget planning and reporting processes are lacking, as are guidelines and tools for linking plans and budgets. As a result, there is no monitoring mechanism in Jonglei state.

To address these development planning issues in Jonglei state, it is vital to constantly strengthen the capacities of the 10 states in South Sudan so that they can prepare state development plans. Each state was aided in creating state drafting planning committees during the plan drafting process. The committees were taught how to create a development plan and were provided with planning standards and tools. The development of the State Development Plan provides a coherent approach to planning and goal setting that returns the state to the path towards peace, unity, economic recovery and prosperity.

The total amount projected by the state Ministry of Finance, Planning and Investment from fiscal year 2021/22 was SSP 1.85 billion and from fiscal year 2022/23 SSP 1.94 billion. The Jonglei State Revenue Authority was able to raise SSP 50 million in fiscal years 2021/22 and SSP 55 million in fiscal year 2022/23.

In fiscal year 2021/22, the total budget for Jonglei state was SSP 4.2 billion. In fiscal year 2022/23, the total budget increased to SSP 4.5 billion. The budget includes both recurrent and development expenditures, as well as earmarked transfers from the national government. The budget approval process in Jonglei state involves several stages, including the presentation of the annual budget estimates to the State Assembly by the state
Ministry of Finance, Planning and Investment, the review of estimates by the relevant committees of the State Legislative Assembly, and final approval of the estimates by the assembly. The approval of the budget by the assembly marks the commencement of the new fiscal year.

The budget preparation, frequency, amounts and approval processes during the period 2021–2022 in Jonglei state followed the standard procedures and guidelines of public financial management. The focus is on ensuring the effective allocation and utilization of public resources to promote sustainable development and service delivery.

Transfers to the states

Jonglei state gets most of its funding from the national government through block grants and conditional transfers. Based on the budget priorities of the national government, conditional transfers to the state are inadequate and cannot meet the development needs of the state. During fiscal year 2020/21, the total grant was SSP 1,490,704,674, and in fiscal year 2021/22 the grants and block transfers in the budget amounted to SSP 2,684,176,768 (though the actual was SSP 2,112,091,826). The earmarked transfers to state ministries of finance for 2018 to 2022 are critical to promoting effective budget execution, improving service delivery and ensuring accountability and transparency.

In fiscal year 2018, the state Ministry of Finance, Planning and Investment received an earmarked transfer of SSP 1.3 billion from the national government. This transfer was intended to support the implementation of the state’s development plan, improve revenue collection and enhance public financial management. In fiscal year 2019, the earmarked transfer to the state increased to SSP 1.5 billion. The additional funds were aimed at supporting the development of infrastructure, enhancing capacity-building in public financial management, and monitoring and evaluating service delivery.

In fiscal year 2020, the earmarked transfer remained the same as the previous year, at SSP 1.5 billion. This was due to the economic challenges facing South Sudan, including the drop in oil prices and political instability. In fiscal year 2021, the earmarked transfer to the state increased by 5 percent to SSP 1.575 billion. This increase was intended to support the recovery of the economy and enhance service delivery in critical sectors such as education, health and infrastructure. In fiscal year 2022, the earmarked transfer to the state increased by 10 percent to SSP 1.732 billion. This increase was aimed at ensuring sustainable service delivery, enhancing economic growth and improving public financial management.

The role of the Ministry of Finance, Planning and Investment in Jonglei state of carrying out its functions effectively and efficiently depends on various factors, including staff, systems and infrastructure.

The effectiveness of the ministry in carrying out its functions depends on the quantity and quality of its staff. The agency needs enough staff across its various departments – e.g. budget, revenue, accounting and auditing – to ensure effective service delivery. Staff also need to be well trained, motivated and experienced in their areas of work. The ministry requires robust systems and processes to carry out its functions. Efficient and reliable financial management systems – e.g. electronic payment systems, accounting software and budgeting tools – are essential to carrying out essential tasks and making informed decisions.

The Ministry of Finance, Planning and Investment also requires adequate infrastructure support, including well-equipped office space, computers, Internet connectivity and other facilities to support multiple staff and systems. The Ministry of Finance, Planning and Investment in Jonglei state has six directors, led by directors general, and employs 780 people across the state and all nine counties. The accounting officer in the ministry is the director general, who handles payment approval and is supervised by the minister of finance, planning and investment. The ministry has no physical office in Jonglei state and lacks sufficient fencing, an updated file storage facility and other amenities.

The ministry can enhance its capacity by recruiting enough competent staff, adopting modern systems and processes to manage financial operations, and providing adequate infrastructure to ensure smooth operations. The minister is appointed by presidential decree, based on the R-ARCSS and the recommendation of the state’s peace partners.
Interlinkages in public finance

Like other states in South Sudan, Jonglei state operates a devolved system of government in which power and authority are shared between the county and the state. As such, there are interlinkages in public finance among the counties and the State Government on planning, revenue flows and reporting.

State and county governments are required to work together to develop and implement development plans. The State Development Plan is designed to provide guidance and direction to the counties in the implementation of their own plans. County development plans are based on the state plan and focus on the county’s unique needs and priorities. The county and state governments share responsibilities for revenue collection.

The State Government collects income and other taxes on broad-based economic activity, while the counties are responsible for levying taxes on property, entertainment and other local sources of revenue. Revenue sharing among the state and county governments is based on a formula defined by law. County governments are required to submit regular financial reports to the State Government to show how they are spending their allocated funds. The State Government also produces periodic reports on its financial management activities. The aim is to ensure transparency, accountability and the effective use of public resources.

The interlinkages in public finance are critical to promoting effective and efficient management of public resources, ensuring that resources are allocated and spent in a manner that supports the development goals of the county and targets those most in need. Transfers to counties always contain some element of accountability, economic function and public fiscal management. In most years, the state Ministry of Finance, Planning and Investment oversees county transfers and budget ceilings, and county governments are expected to submit monthly expenditure reports to the ministry. Complications often occur, including transfers not being provided to states on schedule. Some development grants have not been transferred since 2020, although they have appeared in the state budget every year.

Financial reports

Financial reports serve as the foundation for auditing in Jonglei state. All spending agencies must submit expenditure reports monthly, according to a mandate from the national Ministry of Finance and Planning. These monthly reports make up the quarterly reports and the annual fiscal year reports to be debated by the State Legislature. The preparation of financial reports in Jonglei state involves several processes and procedures aimed at ensuring accuracy, completeness and transparency in financial reporting.

The accounting system adopted by the Jonglei State Revenue Authority must be reliable, efficient and effective. This system was designed to help the authority keep track of all financial transactions, maintain accounting records and produce accurate and timely financial reports. Every financial transaction that occurs in the State Revenue Authority must be recorded in the accounting system, classified according to its nature and purpose and posted to its respective ledger account. This process ensures that every financial activity is accurately recorded and that no financial transaction goes unaccounted for.

At the end of each accounting period, the State Revenue Authority must reconcile its accounts to ensure that the recorded balances match the actual balances of its bank accounts, cash and other financial instruments. This process helps detect and correct any discrepancies in the accounts and ensures that the financial statements present a true and fair view of the financial position of the authority. After the accounts have been reconciled, the State Revenue Authority prepares its financial statements, including the income statement, balance sheet, cash flow statement and statement of changes in equity. These statements are prepared following generally accepted accounting principles and provide a summary of the authority’s financial performance and position.

The State Revenue Authority engages independent auditors to review its financial statements to ensure that they are free from material misstatements and that they accurately represent the financial position of the authority. The audit helps assure stakeholders that the financial statements are credible and reliable. The authority then presents its financial reports – including regular financial reports, management
reports and budget reports – to stakeholders, including the board, executive management and any other stakeholder who requests them.

**State Legislative Assembly**

According to article 56 of the Constitution of Jonglei state on the power and functions of the assembly, read in conjunction with article 147 of the same State Transitional Constitution, the State Legislative Assembly has the constitutional mandate to carry out its functions following the law. The assembly traditionally has participated in the planning and preparation of state planning, including policy statements from various state ministries. The assembly is the only authority in the state that debates, discusses and approves any plans.

During budget preparations, the Specialized Committee on Finance, Planning and Investment is always involved in the budget workshop. When the budget is prepared, the state Ministry of Finance, Planning and Investment then passes it to the State Economic Cluster for scrutiny, which then submits it to be passed by the State Legislature. After approval, it is passed to the Governor to be signed into law. The State Parliament played a critical role in preparing state plans and budgets during the 2018–2022 period. As the legislative arm of the government, the Parliament has a constitutional mandate to approve the state's plans and budgets and ensure they reflect the needs and priorities of the people of the state.

The Parliament is involved in developing the state's medium-term plan by providing input and feedback on key development priorities. This plan is a critical document that outlines the state's development priorities and strategies for achieving them. The Parliament provides feedback through its committees, which review the plan and provide recommendations for improvement. The Parliament reviews and approves the state's annual budget, which allocates funds to various sectors based on the priorities highlighted in the medium-term plan, and may request periodic updates on the implementation of the plan and provide oversight over its execution. The Parliament plays an implementation role by ensuring that the state's budget is consistent with the medium-term plan.

**The State Revenue Authority engages independent auditors to review its financial statements to ensure that they are free from material misstatements and that they accurately represent the financial position of the authority.**

The Parliament plays a crucial role in the state budgeting process. The State Executive Office presents the annual budget for scrutiny and approval by the Parliament, which then reviews the budget proposal and makes changes or amendments if needed. During the budgeting process, the Parliament ensures that the budget is transparent, equitable and responsive to the needs of the state, considering the level of funding required for various government programmes and projects and ensuring that resources are allocated fairly and efficiently. Additionally, the Parliament may allocate funds for other expenditures, such as salaries, pensions and debt service. The Parliament is responsible for ensuring that the budget proposal is consistent with the state's fiscal policy and revenue projections and is mindful of reducing the budget deficit.

The Parliament oversees the performance of government entities to ensure that they are providing efficient and effective services to the public, often calling upon government entities to provide regular updates on financial performance and expenditures. The State Specialized Committee for Finance,
Planning and Investment in Parliament reviews financial reports and provides recommendations to ensure that budget allocations are consistent with the state’s development priorities. It is through this finance committee that the assembly participates in all avenues for revenue generation as the only body that can discuss proposals regarding bills that aim to increase revenue. New tax income proposals, for example, are discussed extensively by the Parliament before being passed and receiving final approval from the Governor.

The Parliament’s Public Accounts Committee investigates complaints and reports regarding the use of government funds. These investigations may lead to the allocation of additional funds, disciplinary actions or recommendations for improvement in financial management. The committee also reviews all government contracts, ensuring that they comply with procurement laws and regulations. The committee ensures that they are awarded to the most competitive bidder and that they are executed according to the terms and conditions of the agreements. The Public Accounts Committee is responsible for monitoring revenue collection procedures, ensuring that they follow established laws and regulations, including regarding transparency, accountability and the use of funds. The committee receives regular revenue collection reports from the State Government and scrutinizes these reports to ensure that all revenues are accounted for and nothing is lost. This review process also tracks the effectiveness of revenue collection mechanisms and highlights any revenue shortfalls.

The Parliament’s oversight also extends to public debt, ensuring that the government’s borrowing is prudent, cost-effective and consistent with the state’s overall fiscal policy. The Parliament may review and approve any borrowing by the government, ensuring that it is consistent with the state’s fiscal sustainability and debt management policy.

The Parliament also plays an essential role in overseeing revenue collection, ensuring that the system is efficient, effective and transparent. The Parliament has various mechanisms in place to ensure that revenue collection processes and practices comply with established laws and regulations. The Parliament ensures compliance with revenue collection laws by reviewing tax and fee structures regularly, including examining loopholes in the tax system and working towards the development of effective tax laws that prevent revenue evasion. The Parliament also works to identify areas where new taxes could be introduced or where existing taxes need to be revised to boost revenue collections.

The State Legislative Assembly aims to examine and analyse each fiscal year-end report to see how the budget was spent by each institution. However, there have been many challenges. For example, in August 2022, the State Parliament impeached the minister of finance for failing to report the issue of non-governmental organization personal income tax and humanitarian agencies and for failing to brief the Parliament on revenue collection and how the state revenue is being used.

**Partnerships**

The economic governance analyst in Jonglei state met with the field offices of the United Nations Mission in South Sudan, UNICEF, UNHCR, FAO and the WFP to examine cooperation options for the 2022/23 and 2023/24 state budgets and to discuss how everyone might partner to provide the State Government with whatever economic support the agencies can provide. Partnerships in economic governance can provide a solid foundation for sustainable economic development in Jonglei state, bringing together government institutions, the private sector, civil society organizations, development partners and the public to work together towards the common objective of fostering economic growth. Strengthening these partnerships can go a long way towards achieving sustainable economic development, provoking job creation and improving livelihoods in the state.

Development partners such as the United Nations, the African Development Bank and the World Bank are instrumental in supporting efforts to achieve sustainable economic development. These partners can offer technical assistance, capacity-building and financial support to assist the State Government in policy formulation, project development and implementation. Development partners also can work closely with the State Government to ensure that development support aligns with the government’s economic development priorities.
Civil society organizations and non-governmental organizations

Civil society organizations and non-governmental organizations can play an essential role in promoting good governance and supporting economic development, including through research, advocacy, the monitoring of government activities and the implementation of projects. In Jonglei state, organizations work with the State Government to enhance the delivery of economic development programmes and ensure transparency and accountability in public institutions.

The role of civil society organizations in economic governance in Jonglei state is lacking, and the state needs an advocacy campaign. However, there is a need for reforms, as stated in the peace agreement. Revenue sharing should reflect a commitment to the devolution of power and resources and the decentralization of decision-making in development, service delivery and governance. Furthermore, the Revitalized Transitional Government of National Unity should undertake immediate and medium-term economic and financial management reform programmes.

Civil society organizations in Jonglei state play a vital role in promoting good governance, strengthening democracy and contributing to sustainable economic development. These non-governmental organizations work independent of the government and aim to serve the public interest.

Several civil society organizations are at work in Jonglei state:

» The Jonglei state Civil Society Network brings together various civil society organizations in the state. Through the network, organizations coordinate efforts, share knowledge and resources and engage with the government to promote good governance practices and sustainable development.

» The South Sudan Action Network on Small Arms focuses on conflict resolution and peacebuilding initiatives, working towards reducing the use of small arms in Jonglei state and raising awareness of the dangers of armed violence.

» The State Youth Initiative for Peace and Development aims to promote peace and development in Jonglei state. The youth-led organization runs various programmes – including education, skills training and awareness campaigns – to engage young people in promoting peace and reducing conflict in the state.

» Jonglei Women for Peace and Development is a women-led organization that works towards promoting gender equality, women’s empowerment and development in Jonglei state. The organization provides a platform for women to participate in decision-making processes that affect their lives and seeks to address gender-based violence in the state.

» The Jonglei Disabled Persons Organization focuses on the rights of persons with disabilities in Jonglei state. It works towards promoting disability-inclusive development and empowering persons with disabilities to participate fully in social, economic and political activities.

These civil society organizations work closely with the State Government to promote good governance practices, provide essential services to the community, and support sustainable economic development initiatives. Their efforts have contributed to reducing conflict, improving
livelihoods and promoting unity and social harmony in Jonglei state.

Public participation

It is important to involve the public in economic governance. Public engagement helps ensure transparency and accountability in public resource allocation and utilization. The State Government should encourage public debate about economic policies and priorities, listen to public opinion and use public feedback to inform decision-making.

Private sector

The private sector in Jonglei state, and particularly in Bor town, is responsible for delivering basic goods and services at competitively low costs. Because there is no monopoly, these amenities are now available to most of the state’s population.
Upper Nile state is in the northern part of South Sudan, in the Greater Upper Nile Region. The state has a population of 1,550,846, according to a 2020 projection by the National Bureau of Statistics (2016), and a land area of 77,823.96 sq. km.

The state relies heavily on conditional transfers from the national government, despite its 2 percent shares of net oil revenue, as the state is unable to raise sufficient revenue to finance its budget deficit. Upper Nile state’s economic governance and public financial management systems are weakened by the protracted civil war and division of the state, which has not only polarized societies but also negatively impacted economic governance.

The Government of South Sudan relies heavily on donor funding initiatives for the construction of major health, water, sanitation and hygiene facilities; for the construction of dikes and feeder roads; and for the solarization of rural and urban health facilities at national and subnational levels.

The war in Sudan has had economic implications for Upper Nile state. The death toll from the war, which broke out on 15 April 2023 in Khartoum, is continuously rising. The fighting has cost more than 2,000 lives, and the death toll will continue to rise if the ceasefire fails to hold between the rival Sudanese Armed Forces and Rapid Support Forces.

Past and present wars have had far-reaching implications for the economy of South Sudan, especially in the border states of Upper Nile, Unity, Warrap and Northern Bahr al Ghazal. Conflicts have left thousands of people hungry and have forced many to leave their dwellings, with at least 20,000 Sudanese refugees reported to have reached Chad from the Darfur region in western Sudan. More than 125,000 South Sudanese people have been prematurely forced to return home from Sudan, causing skyrocketing in the market prices near the northern border with Sudan. This rising population has increased humanitarian pressure, as food assistance, water, sanitation, hygiene, shelters, health care services and other humanitarian services are already insufficient for the current population of Upper Nile state.

This premature return of many people from Sudan has caused demand-pull inflation for basic commodities in Renk county, with a percentage increase of 92 percent, on average, of selected goods, according to a market bulletin conducted by the economic governance analyst in 2023 with UNDP local partner Star Trust Organization.

Table 1 indicates commodity prices before and after the outbreak of war in Sudan, as per a price assessment conducted on 28 April 2023.

Summarizing Table 1, the average increase in market prices is 92 percent. Sorghum increased by 57 percent while wheat flour increased by 133 percent. The highest increases were for 1 kg of salt (200 percent), 50 kg of sugar (143 percent) and 1 gallon of onions (140 percent).
Previous public financial management efforts

Despite efforts to reform the system, the public financial management institutions in Upper Nile state remain weak due to weak laws governing the institution, as the state does not have a State Revenue Authority Act in place. UNDP facilitated a 2022 training of the trainers on the public financial management cycle to help build the capacities of individuals in the state Ministry of Finance, the State Revenue Authority and the Parliamentary Specialized Committee on Finance, Planning and Investment.

Gaps have been identified in previous public financial management efforts by the government and development partners:

» Capacity challenges are prevalent at both individual and institutional levels. Financial management systems are analogue, impacting the effectiveness of the systems in delivering quality services to citizens. There are no professionally trained economists, accountants or ICT and procurement specialists, since the state does not pay competitive salaries; individuals with these skills typically are employed in the private sector and non-governmental organizations.

» The overall performance of learners in pre-test and post-test training during a public financial management training evaluation showed that most of the learners had limited knowledge of key areas of public financial management, evincing a need for the provision of regular classroom training, including on-the-job training, to enhance the capacity of state officials to manage their roles in public financial management for service delivery. Conflicts of interest in the selection of trainees also have led to the selection of people who do not have relevant roles in public financial management.

State Revenue Authority

The State Revenue Authority is headed by a commissioner appointed by the State Governor on the recommendation of the State Economic Cluster. A deputy commissioner also helps lead the authority. The functions performed by the State Revenue Authority include administering and giving effect to the law outlined in the would-be State Revenue Authority Act and, for that purpose, assessing, collecting and accounting for all revenues to which those laws apply. The authority also is tasked with advising the Ministry of Finance, Planning and Investment on revenue implications,

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Unit</th>
<th>Previous price (before 15 April 2023), SSP</th>
<th>Current price (after 15 April 2023), SSP</th>
<th>Price increase, SSP</th>
<th>Percent increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sorghum</td>
<td>100 kg</td>
<td>37,000</td>
<td>58,000</td>
<td>21,000</td>
<td>57%</td>
</tr>
<tr>
<td>Wheat flour</td>
<td>50 kg</td>
<td>30,000</td>
<td>70,000</td>
<td>40,000</td>
<td>133%</td>
</tr>
<tr>
<td>Azzam</td>
<td>25 kg</td>
<td>15,000</td>
<td>35,000</td>
<td>20,000</td>
<td>133%</td>
</tr>
<tr>
<td>Sugar</td>
<td>50 kg</td>
<td>35,000</td>
<td>85,000</td>
<td>50,000</td>
<td>143%</td>
</tr>
<tr>
<td>Salt</td>
<td>1 kg</td>
<td>1,000</td>
<td>3,000</td>
<td>2,000</td>
<td>200%</td>
</tr>
<tr>
<td>Charcoal</td>
<td>50 kg</td>
<td>9,000</td>
<td>15,000</td>
<td>6,000</td>
<td>67%</td>
</tr>
<tr>
<td>Cooking oil</td>
<td>20 l</td>
<td>35,000</td>
<td>60,000</td>
<td>25,000</td>
<td>71%</td>
</tr>
<tr>
<td>Bottle of water</td>
<td>small</td>
<td>300</td>
<td>500</td>
<td>200</td>
<td>67%</td>
</tr>
<tr>
<td>Onion</td>
<td>1 gallon</td>
<td>500</td>
<td>1,200</td>
<td>700</td>
<td>140%</td>
</tr>
<tr>
<td>Fuel (petrol)</td>
<td>200 l</td>
<td>400,000</td>
<td>750,000</td>
<td>350,000</td>
<td>88%</td>
</tr>
<tr>
<td>House rental</td>
<td>1 room</td>
<td>10,000</td>
<td>20,000</td>
<td>10,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td><strong>572,800</strong></td>
<td><strong>1,097,700</strong></td>
<td><strong>524,900</strong></td>
<td><strong>92%</strong></td>
</tr>
</tbody>
</table>

Source: Survey conducted by the Star Trust Organization and the economic governance analyst in 2023
Assessing and Strengthening Local Governance for Inclusive Development

The governing law is supposed to be the State Revenue Authority Act, with the adoption of provisions from the Taxation Act of 2009, as amended in 2016, and the South Sudan Financial Management Act of 2022/23, but this is not the case.

The State Revenue Authority faces various challenges and difficulties:

» Budget: As the State Revenue Authority has just been institutionalized, the authority has no budget to recruit more officers given the demand to do so.

» Human resources: The authority lacks the skilled and experienced staff to carry on its duty of revenue mobilization, since the recruitment of revenue officers was suspended until the commissioning of the State Revenue Authority office.

» Absence of a State Revenue Authority Act: Since its re-establishment in 2021, the State Revenue Authority has not had an act to govern its operations.

» Interference in revenue collection: The revenue collection in Upper Nile state is in disarray, as other organs have been collecting revenue despite not being authorized by law to do so. For example, the Armed Forces collects revenue at the Malakal Airport and Malakal River Port, and the state Ministry of Forestry collects from Sudanese Nomads who graze their livestock in Upper Nile state. These agencies do not remit their collections to the Ministry of Finance, Planning and Investment.

» No clear authorities for tax purposes: With no State Revenue Authority Act and no resource mapping, jurisdictional errors are frequently reported, with the South Sudan Revenue Authority interfering with the State Revenue Authority during collection.

» Natural disasters: Flooding has cut off accessibility to areas of revenue collection from the state capital and the county’s administrative headquarters.

» Overuse of cash: There is no consolidated bank account for the remittance of revenue, and the prevalent handling of cash creates a lot of mistrust among tax collectors and the line manager.

» Insufficient use of financial forms: In sound fiscal management, it is legally required that the use of financial forms for receipt, payment and report be professionally followed.

Even though the State Government assesses and collects different types of revenues – including royalties, properties tax, land tax, social services tax, fines, penalties, personal income tax, national donation grants and net oil revenue – these revenues are not effectively collected. The reporting system for collected revenues from collection units to the State Ministry of Finance, Planning and Investment, which acts as a custodian of public monies at the subnational level, remains weak. No revenue mapping or tax assessment has been initiated since the formation of the Revitalized Transitional Government of National Unity.

The Government of Upper Nile state has made several efforts to unify the taxation systems from the defunct states under the one Upper Nile state. This initiative has faced resistance due to paralysis in the taxation system that has led to the exploitation of loopholes within the system by the beneficiaries of institutional weakness, who use the taxes collected for personal motives. The State Revenue Authority was formed to oversee the tax assessment, tax collection and resource mobilization from non-tax revenue to increase government revenue, promote the efficiency and effectiveness of the tax system, raise the level of voluntary compliance and minimize the cost of revenue collection.

State Ministry of Finance, Planning and Investment

The Ministry of Finance, Planning and Investment is tasked by the State Economic Cluster with the preparation and monitoring of state budgets. It oversees policy implementation to ensure that the objective of public financial management reform is achieved, and it monitors the implementation of the State Development Plan and other development policies enshrined by the State Legislative Assembly.

State Development Plan

Upper Nile state continues to face challenges, including the destruction of buildings and critical
infrastructure and mass displacement caused by flooding.

Budget and implementation

After fiscal year 2014/15, no budget has been prepared, because the State Government was based in the Juba coordination office as the state experienced devastating armed conflict between the rival factions of the Sudan People's Liberation Army and the Sudan People's Liberation Movement. The fiscal year 2023/24 budget is currently under development.

Challenges

The state Ministry of Finance, Planning and Investment has identified a lack of financial sustainability as a key challenge hampering the achievement of state development plans. Other major challenges faced by the ministry include the transitional process from five defunct states to one Upper Nile state. When the country was divided into 28 states and 32 states, part of Jonglei state was annexed to Central Upper Nile, and after the reunification of the state, some employees from part of Jonglei remain on the Upper Nile payroll. The Ministry of Finance, Planning and Investment and the Ministry of Labour, Public Services and Human Resource Development have faced difficulties in identifying and removing the names of employees who are citizens of Jonglei state from the payroll for Upper Nile state because most of the staff employed during the conflict lack identification documents. Again, the issue of workforce harmonization, as a result of the dissolution of 32 states and the reinstatement of 10 states and three administrative areas, is a hindrance to the preparation of the state budget. As a result of the merging of three or four ministries into one ministry under the new states and administrative areas arrangement, some state ministries are overstaffed, and the salary grant from the national Ministry of Finance and Planning is not enough at the state level. The state budget is in deficit because the block transfer is less than the chapter one budget alone, leading to an austerity budget in the state, though that has not formally been declared by the Ministry of Finance, Planning and Investment.

### Table 2: Upper Nile state tax and non-tax revenue summary, 2019–2022, SSP

<table>
<thead>
<tr>
<th></th>
<th>2019/20</th>
<th>2020/21</th>
<th>2021/22</th>
<th>2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>State tax on income, profit tax</td>
<td>14,858,903</td>
<td>39,876,521</td>
<td>40,005,728</td>
<td>45,261,610</td>
</tr>
<tr>
<td>Personal income tax</td>
<td>11,365,908</td>
<td>20,659,308</td>
<td>31,101,234</td>
<td>33,659,208</td>
</tr>
<tr>
<td>Value-added tax</td>
<td>1,134,005</td>
<td>875,000</td>
<td>982,000</td>
<td>1,383,015</td>
</tr>
<tr>
<td>Stamp duty</td>
<td>700,087</td>
<td>900,512</td>
<td>1,000,000</td>
<td>1,383,015</td>
</tr>
<tr>
<td>State business income tax</td>
<td>99,437,278</td>
<td>110,000</td>
<td>679,950,000</td>
<td>919,437,278</td>
</tr>
<tr>
<td>Other market sales</td>
<td>864,110</td>
<td>17,894,505</td>
<td>19,234,986</td>
<td>20,864,110</td>
</tr>
<tr>
<td>Agriculture products</td>
<td>1,234,986</td>
<td>2,789,325</td>
<td>2,789,325</td>
<td>2,789,325</td>
</tr>
<tr>
<td>Health licence and birth certificate</td>
<td>800,789</td>
<td>2,948,715</td>
<td>2,948,715</td>
<td>2,948,715</td>
</tr>
<tr>
<td>Land rights</td>
<td>30,000</td>
<td>39,000</td>
<td>42,980</td>
<td>79,695</td>
</tr>
<tr>
<td>Forestry rights</td>
<td>1,008,980</td>
<td>4,242,643</td>
<td>4,879,076</td>
<td>8,242,643</td>
</tr>
<tr>
<td>Grazing rights</td>
<td>2,980,387</td>
<td>1,980,387</td>
<td>987,908</td>
<td>3,713,828</td>
</tr>
<tr>
<td>Fishing rights</td>
<td>3,894,231</td>
<td>3,998,946</td>
<td>6,789,046</td>
<td>8,616,569</td>
</tr>
<tr>
<td>Education charges, fees and licences</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State non-oil revenue</td>
<td>1,580,000</td>
<td>358,006,314</td>
<td>358,006,314</td>
<td>358,006,314</td>
</tr>
<tr>
<td>Other revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>48,265,201</td>
</tr>
<tr>
<td><strong>Total tax and non-tax revenue</strong></td>
<td>139,889,666</td>
<td>454,321,179</td>
<td>1,148,717,313</td>
<td>1,454,650,532</td>
</tr>
</tbody>
</table>

*Source: Figures collected from yearly budget books and budget implementation reports, Upper Nile state*
State Legislative Assembly

The Transitional Legislative Assembly of Upper Nile state is a lawmaking body composed of 100 members of Parliament, as per the R-ARCSS. It was constituted by the President of South Sudan and formed following the power-sharing ratio enshrined by the R-ARCSS between the Sudan People’s Liberation Movement, the Sudan People’s Liberation Movement/Army in Opposition, the South Sudan Opposition Alliance and other political parties. The Parliament is headed by the speaker nominated on the ticket of the Sudan People’s Liberation Movement in government.

The Parliament is tasked with approving the fiscal year budget, enacting the appropriation bill, providing oversight of budget execution, and reviewing the State Government budget (and its policies, plans, programmes and projects) to ensure that they are in line with state development plans, represent good value for money and are following applicable policies, laws, regulations and ethical standards in the constitution and all other state laws.

Partnerships

The Government of Upper Nile state recognizes the existence of several stakeholders with diverse contributions, interests and influence in the economic governance space. The major stakeholders identified are the national and state governments, citizens, UNDP, UNICEF, other development partners, non-governmental organizations, community-based organizations, faith-based organizations and the business community and private sector.
The legal basis for the economic governance and public financial management reform agenda in Unity state is the State Transitional Constitution of 2012, which was modeled on the 2011 Transitional Constitution of Southern Sudan.

This was further supplemented by the 2011 Public Financial Management and Accountability Act (Republic of South Sudan, 2011b), which is yet to be replicated at the state level. Similarly, chapter IV of the R-ARCSS, signed in 2018, further provides the need to institute robust economic governance reforms to stabilize the national economy and hasten recovery from the brutal conflict.

**State Revenue Authority**

With the crucial need for public financial management reforms around non-oil revenue mobilization, the Government of Unity state established the State Revenue Authority in 2022 via gubernatorial decree. The State Revenue Authority is defined as the authority responsible for enforcing tax policies and promoting compliance by taxpayers, and it is thus responsible for the assessment, collection, administration, remittance and accounting of non-oil revenues on behalf of the state Ministry of Finance, Planning and Investment.

However, as a new authority, the State Revenue Authority faces a complex operating environment, given the lack of legislation to clarify its mandate and jurisdiction in the state. The lack of a State Revenue Authority Act has led to interference and a lack of compliance in the counties and revenue-generating ministries, resulting in inefficiencies and revenue loss. The lack of a legal framework further leads to fears of insecurity among tax collectors, thus creating inefficiencies in revenue collection and administration. As such, another gubernatorial decree was issued in April 2023 directing revenue agencies and counties to comply with the State Revenue Authority to harmonize revenue collection.

The economic governance analyst has supported the State Revenue Authority in putting together a draft bill for the minister to send to the State Parliament for debate. If passed, the act would enhance the State Revenue Authority’s legal environment, unify the tax system and become the basis for non-oil revenue management. The act would further enhance the State Legislature’s oversight over the State Revenue Authority and enable sustained revenue growth in the state.

In addition, the State Revenue Authority has not enacted a tax code that befits its economic context. The authority abandoned the South Sudan Financial Act of 2019/20 in favour of the act from Central Equatoria state to calculate tax rates for personal income tax, business profit tax, sales tax and charges for state services and licensing, etc. The State Revenue Authority and the Ministry of Finance, Planning and Investment are working to initiate legislation to this effect.
Structure of the State Revenue Authority

The State Revenue Authority has not completed the establishment of its full structure to enable effective functioning. The chairperson and a deputy have been appointed to lead the policies of the authority, supported by an executive director who oversees daily operational activities. There are currently three directorates: Administration and Finance; Revenue; and Planning, Budgeting and Statistics. The authority has a total workforce of 211, which is quite big for an emerging entity. A significant portion of the revenues goes to allowances and not to the Consolidated Revenue Fund.

Effectiveness of the State Revenue Authority

The State Revenue Authority is not fully effective in performing its functions. It is beset by a lack of adequate institutional and staff capacity, leading to low revenue mobilization. In 2021/22, the tax revenue outturns reported were SSP 72.4 billion (from personal income tax, business profit tax, sales tax, land and property tax and royalties, service charges for state services, licences, stamp duties and excise duties), less than the projected revenue potential of the state.

For 2022/23, the annual revenue report shows a decrease to SSP 65.8 billion; thus, a significant amount of revenues from other agencies remains unaccounted for, which explains the poor reporting mechanisms in the State Revenue Authority. The authority operates rudimentary (unmodernized) revenue collection, reporting and internal control systems due to a lack of ICT equipment and electricity in the building constructed by UNDP. Staff are untrained in revenue assessment, collection, reporting and accounting, and this has led to revenue leakages. In addition, the legal environment is another top-notch constraint for the authority and has been a recipe for non-compliance in at least six counties. Finally, flooding and localized insecurity have hindered access; this, coupled with mobility challenges, has created poor staff working conditions. All these have affected the efficient functioning of the institution.

State Ministry of Finance, Planning and Investment

The responsibility of the state Ministry of Finance, Planning and Investment is to ensure that the economy is functioning optimally for the well-being of the citizens. To that end, the ministry is in charge of defining the economic vision, goals and objectives and articulating policies to achieve them. These policies relate to development planning and implementation, annual budgeting, internal and external resource mobilization, human resources development, and economic research and analysis, among others (Unity state, South Sudan, 2011).
State Development Plan

After the failure to implement the state’s strategic plans for 2008–2011 and 2012–2015 due to low revenues stemming from the fall in global oil prices and the civil war, Unity state, with support from UNDP, enacted the State Development Plan 2021–2024. The plan, developed in line with the Revised National Development Strategy, focuses on the following priorities: peace, security, repatriation, resettlement and cohesion; disaster mitigation and resilience; building effective, accountable and inclusive state institutions; agriculture, food security and environmental conservation; transport network rehabilitation and development; harnessing ICT for development; education; health, water and sanitation; empowerment of youth, women and vulnerable groups; promotion of culture and sports; and urban planning and investment (Unity state, South Sudan, 2021).

Although the State Development Plan priorities are comprehensive in their aim to propel the state towards a long-term development path, there have been issues of implementation resulting from the inability of agencies to integrate plans in their annual budgets, from funding gaps due to inadequate non-oil revenues and unreliable and late transfers from the national government, and from the lack of an annual timeline for monitoring and accelerating the progress of implementation.

Linking planning to budgeting

To effectively implement the State Development Plan, the state Ministry of Finance, Planning and Investment, in close collaboration with the national Ministry of Finance and Planning, must improve on the budget processes. Despite that state and county planning and budgeting guidelines have been issued by the national Ministry of Finance and Planning, the Government of Unity state has not followed these procedures since 2018, resulting in poor linkage in planning and budgeting processes. From 2018 to 2020, the state operated without a formal budget. It was during fiscal year 2021/22 that the state resumed budget preparation, though the process lags the national budget calendar.

The resource envelope that should normally be prepared by November every year is being completed between December and January, a period during which budget preparation should have been finished. The budget is signed into law by the Governor around May or June every year, a time by which the state should have implemented the budget and by which budget analysis (expenditure and revenue outturns against the approved budget) should have commenced. Therefore, from 2018 to 2022, the state budget process was neither credible nor comprehensive. In 2021/22, the approved budget was 13.7 percent of the approved state ceiling (SSP 3.4 billion). This is despite that the national government’s transfers (block transfers, both conditional and unconditional, a 5 percent share of oil revenues, and state tax adjustment grants) were committed. Thus, there has been underbudgeting, resulting in poor delivery in the health, education, water, sanitation and hygiene sectors (which are currently operated by humanitarian organizations).

In addition, the budget process has not been transparent. The budget is usually passed without deliberation among the Council of Ministers and the State Legislature, and budget information is not disseminated to the public. The reasons cited include a lack of quorum and inadequate financial resources to enable ministers and members of Parliament to conduct debates and further rebuild Parliamentary and cabinet-building structures.

Similarly, actual expenditures have been more than approved budgets, leading to budget deficits (SSP 37 million in 2021/22). Also, the national government funding commitment to key service delivery sectors (e.g. education, health, water, sanitation and hygiene) through the conditional grant scheme to states was not adequate during this financial year. Water, sanitation and hygiene services did not receive funding in the previous two fiscal year allocations.

Financial reporting by the state Ministry of Finance, Planning and Investment also has been poor, despite the issuance of interim guidelines from the national Ministry of Finance and Planning for accounting and reporting related to public funds. According to staff in the Ministry of Finance, Planning and Investment, counties and spending agencies have not been reporting and accounting for their finances. At the local level, the County Transfer Monitoring Committee, a committee that is supposed to report on counties’ public financial management performance to the State Transfer Monitoring Committee, has not been reconstituted.
The state has not produced final accounts reports since 2005, despite the constitutional obligation to do so under article 87 of the State Transitional Constitution. Accounting standards, which are at their poorest level since the end of the FreeBalance system in 2013, need to be harmonized with the national models for consistency and comparison purposes.

In addition, there are no internal and external audit reports, and meaningful monthly, quarterly and annual budget performance reports have not been prepared due to the poor quality of information. Although budget summaries for 2021/22 were prepared, they were neither submitted to the State Parliament for review nor to the National Parliament for consolidation. Similarly, there are data inconsistencies concerning expenditures and revenues, as these data have not been realistically recorded.

Effectiveness of the ministry to carry out its functions

The performance of the Ministry of Finance, Planning and Investment has been poor, as reflected in the outlook of the economy, which is characterized by low productivity and high inflation. The ministry faces both internal and external institutional challenges as well as shortfalls related to staff technical capacities. These capacity gaps have impaired linkages in economic policy planning, budgeting and implementation and have led to poor economic outcomes.

In addition, intergovernmental fiscal relations have been weak. The national government often is late notifying the State Government of available resources, leading to delays in the budget process at state and county levels. Since 2018, the 2 percent and 3 percent share of oil revenues meant for oil-producing states’ governments and communities, respectively, have not been reflected in the state budget (until the 2022/23 budget). Other challenges include the lack of a robust ICT infrastructure to facilitate effective planning, budgeting, internal control processes and reporting. The FreeBalance Integrated Financial Management Information System was destroyed during the conflict, and installing another one requires significant funding (including the need to train staff to use the system). There also is a lack of electricity to facilitate the operations of government institutions, resulting in poor working conditions.

State Parliament

The State Legislative Assembly was established under article 54(1) of the Transitional Constitution of Unity state, and its members were supposed to be elected through universal adult voting. However, owing to the R-ARCSS 2018 provisions, the Parliament was reconstituted based on quotas allocated to the parties to the agreement. Currently, 100 members of Parliament have been appointed and sworn in.

Constitutionally, it is the legislature that confers upon the government the authority to spend through the passing of the budget law and scrutiny of the executive’s implementation of the budget. In addition, chapter IV of the agreement also mandates that the State Legislature revise, pass and ratify bills related to the economic sector and other institutional frameworks, as part of efforts to reform the economic sector, through the finance, planning and public accounts committees of the State Parliament. However, since 2018, the State Parliament has not been performing its oversight role effectively because its members are largely appointed and submit to the authority of those who appointed them. The State Legislative Assembly was not active during the preparation of the State Development Plan and is still not active, since it has not been formally opened. This has limited its oversight functions related to state economic planning and governance processes.

Legislative scrutiny of the annual budget

State budget procedures have not been followed, with the State Parliament not having been in the position to enact the annual budget law since 2018. While there was a budget prepared during fiscal year 2021/22, there were no consultations or coordination with spending agencies and counties. Since 2018, state budgets have been prepared and signed into law without deliberation by the Council of Ministers or the State Legislature. The reasons cited included a lack of quorum, financing and poor parliamentary facilities. This undermines the Parliamentary Code
of Conduct. Budget performance reports (especially for the expenditure component) and external audit reports also have not been reviewed, since they have not been prepared and submitted to the State Legislature.

Furthermore, the State Legislative Assembly has not initiated legislation for economic reforms related to laws, as required by the R-ARCSS of 2018. These laws include the Procurement Act, the State Revenue Authority Act, the State Financial Act, the Taxation Act, the Investment Act, the Petroleum Act and more. An assessment of the State Legislature shows a capacity gap among parliamentary committees to perform their functions. This has led to the lack of a credible state budget, evidenced by delays in passing fiscal year budgets, insufficient resource allocation to service sectors, and inadequate audit processes. Combined, these jeopardize the public financial management reform process in the state.

**Partnerships**

With the limited capacity of the State Government, sustained partnerships are key to the effective implementation of public financial management reforms and the ensuring of a responsive economic governance process that can propel South Sudan towards the achievement of the SDGs. Currently, UNDP is providing capacity-building support to the state Ministry of Finance, Planning and Investment and the State Revenue Authority to enable these institutions to implement public financial management reforms and govern the state economy, with UNDP deploying an economic governance analyst to provide sustained technical support. The analyst supports the state in conducting economic policy analysis, partnership management, budget preparation and non-oil revenue resource mobilization. UNDP also has constructed a building in which the State Revenue Authority can perform its functions.

Partnerships remain weak within the economic governance function in the state Ministry of Finance, Planning and Investment. Most of the agencies implement humanitarian assistance, with some components of socio-economic recovery and resilience. However, during the development of the State Development Plan, most of the partners were able to support the ministry. UNICEF played a crucial role and participated throughout the process.

Despite their potential to accelerate impact and improve development effectiveness, partnerships in the state still face coordination challenges in terms of priorities, decision-making speed, coordination and communication. Short-term relief often precedes institutional building and development aid. Platforms such as the Partnership for Peace, Resilience and Recovery face the same challenges of expediency in delivering projects.

**Media and civil society organizations**

Media and civil society organizations can play a vital role in public financial management reforms by monitoring and reporting on the progress of planning, budgeting and related activities, thus enhancing transparency and accountability in economic governance. Unity state falls short in this area. Civil society organizations and the media – Bentiu FM and Kondial FM in the Bentiu protection of civilians site – do not currently provide a platform for the discussion of economic issues, as they face operational constraints in the broadcasting of these topics. This, coupled with their capacity gaps, has made them ineffective in their role.

**The private sector**

A viable private sector environment (marked by macroeconomic stability and effective regulations and laws) can enable the sector to be an engine of economic growth. The private sector not only provides tax revenues to the government but also can compete in the delivery and financing of social services. The private sector in Unity state is narrow, given the constrained environment. Fragile security dynamics have posed a threat to the private sector and have discouraged large-scale investments. In addition, the lack of streamlined tax laws and regulations has compelled businesses to increase consumer prices, leading to high deadweight loss.

Nevertheless, there has been progress in government engagement with the private sector following the rampant increase in market prices. The state Ministry of Trade has been engaging with business leaders to agree on a price cap for certain consumer products.
In addition, there is great potential for the improvement of public-private partnerships. Recently, oil companies such as Sudd Petroleum Operating Co. Ltd and Greater Pioneer Operating Company have supported the State Government in upgrading submerged roads to facilitate movement and ease access to markets in southern counties (Koch, Mayom, Leer) and the western county of Mayom.

Sustained partnerships are key to leveraging economic governance. Partners (governments, the United Nations and other international organizations, the media and the private sector) should, therefore, continue to strengthen complementarity through the peace–humanitarian–development nexus approach. Humanitarian assistance and peacebuilding in the state should reinforce development efforts in sync with the State Development Plan. Capacity-building in key economic institutions should be delivered to enhance the effectiveness of their functions.

State-level partners

While the projects have been small in scale and short in duration, several organizations have been implementing socio-economic recovery and resilience projects linked to State Development Plan priorities:

» The United Nations Mission in South Sudan leads security, peacekeeping and rule of law efforts and further supports the maintenance of infrastructure (roads) around key infrastructure, such as the airstrip.
» UNICEF supports teachers and nutritional services for children.

» The WFP leads in life-saving food distribution (food security) and supports maintenance.
» The IOM leads climate change adaptation intervention through infrastructure maintenance, including of roads and dikes.
» FAO supports the reduction of food insecurity through the provision of seeds, vaccines and capacity-building support to farmers and herders.
» Welthungerhilfe supports food security intervention through food and seed distribution to farmers and supports school rehabilitation initiatives.
» Mercy Corps develops economic recovery and market systems through cash distribution.
» The WHO strengthens state health systems.
» The Danish Refugee Council supports economic recovery (food security, financial inclusion and decent livelihoods).
The peace agreement on the resolution of conflict in Jonglei state on 9 May 2014 between the Government of South Sudan and the South Sudan Democratic Movement/Army Cobra faction led to a compromise that carved two counties – Pibor and Pochalla – out of Jonglei state to constitute the new semi-autonomous Greater Pibor administrative area.

This special administrative area was later dissolved after the creation of Boma state in 2015, when the Government of South Sudan embarked on an effort to reconfigure the balance of power by revamping the country from 10 to 28 states and later to 32 states. The creation of more states has successively shaped the economic governance system and, more particularly, the way resources are allocated to meet the priorities of communities within the jurisdiction of the state governments. Consequently, Boma state was dissolved, and Greater Pibor was reconstituted as a special administrative area after the Revitalized Peace Agreement signed in September 2018.

Considering the doctrine of decentralization, President Salva Kiir Mayardit appointed Hon. David Yau Yau as the first Chief Administrator of the area, with a status equivalent to that of a state governor. With the creation of 32 states in 2015, Hon. Baba Medan Konyi was initially appointed through presidential decree as the first Governor of Boma state.

The territory is mainly occupied by the Murle, Anyuak, Jie and Kachepo ethnic groups.

Greater Pibor administrative area is situated in the Greater Upper Nile region and shares borders with Jonglei state to the northwest, Eastern Equatoria state to the southeast, and Ethiopia to the east. It covers an area of 41,962 sq. km and has a predominately arid and semiarid climate. According to the 2008 population and housing census, the total population of Pibor and Pochalla counties, which today constitute Greater Pibor administrative area, stood at 214,676 (Common Humanitarian Fund for South Sudan, 2012). However, a recent population estimate for 2021 places the area’s population at 240,102 people (Sudan’s Post, 2023). The area has not witnessed much infrastructural development and as a result, the road network remains poor. A primary road linking Pibor town to Juba via Bor often closes during the rainy season. Another major road runs through Boma, connecting Pochalla to Kuron in Eastern Equatoria state. The road connecting Pibor to Akobo is often closed due to insecurity and poor road conditions (Gordon, 2014).

Pastoralism and agriculture are the mainstays of the area’s economy. The rural population living in the northwestern part of Greater Pibor – in the areas of Gumuruk, Nanam, Verteth and Likuangole – mainly practice pastoralism (e.g. keeping cattle,
sheep and goats) as their major source of livelihood, augmenting these practices by subsistence farming. Meanwhile, communities in the southeastern part of Greater Pibor – particularly the highlands and hills of the Boma Plateau and Pochalla – practice agriculture (e.g. fishing and growing sorghum, maize, groundnuts and pumpkins), supplemented by subsistence livestock (Conflict Sensitivity Resource Facility, 2024). Other income-generating activities alongside agro-pastoralism are trade, government labour, non-governmental organizations and international agencies. Natural calamities such as floods and droughts constantly disrupt the livelihoods of the people in the area. When the Government of South Sudan declared a national flooding emergency in October 2019, Greater Pibor was among the areas severely affected by flooding, with many people displaced and cut off from access to humanitarian services.

The government is currently headed by chief administrator H.E Gola Boyoi Gola and deputized by Hon. Omot Alfred Agada. The Government of Greater Pibor administrative area consists of several pillars, including the Legislative Council, Legal administration, Judiciary, Local government and an executive council.

Area Revenue Authority

South Sudan operates a decentralized non-oil revenue collection system in which each level of government is independently responsible for the administration of non-oil revenues within its jurisdiction. The Area Revenue Authority is anchored in the Revenue Authority Act of 2016, following the provisions of Article 177(2) of the 2011 constitution of South Sudan and amendment bill 2022 of the Transitional Constitution of South Sudan. The R-ARCSS, the National Development Strategy, the Area Development Plan and the Sustainable Development Goals give opportunities for Greater Pibor administrative area to undertake any positive development strategy that can improve the efficiency and effectiveness of the non-oil revenue diversification programme. In order to implement public finance reforms in an effort to harness non-oil revenue potential for improved revenue mobilization in Greater Pibor administrative area, H.E the chief administrator of Greater Pibor administrative area issued an order for the formation of the revenue authority in May 2024, being a revenue operational body under the supervision of the minister of finance and economic planning. The tax administration is responsible for levying, collecting and monitoring taxes in Greater Pibor administrative area. However, since the inception of the revenue authority, there has been no separate legislative law. Its establishment came via executive order by the chief administrator, which forms the basis of the administration of the revenue authority in the area. Efforts are under way for the preparation of the revenue authority act to be enacted into law by the area legislative council. The act is anticipated to provide a set of guidelines that govern tax administration and revenue collection in Greater Pibor administrative area.

The Area Revenue Authority collects revenues from a variety of sources, including taxes, fees, service charges and various other charges. The structures of the Area Revenue Authority are partly tailored towards the hierarchy of the National Revenue Authority; the tax administration in the area is headed by the commissioner general, deputy commissioner and executive director, who are the fundamental pillars entrusted with ensuring that the administration of the revenue authority at all levels of government is carried out in a transparent manner and as per statutory provisions. The commission comprises five directorates (namely, the Directorate of Administration, the Directorate of ICT, Skill deficiencies have presented a particular challenge, including the inadequate training of tax collectors and the improper keeping of records and accounting processes.
the Directorate of Revenue and Tax, the Directorate of Internal Audit, and the Directorate of Planning and Research), Greater Pibor administrative area continues to face pertinent challenges in funding its expenditures in the last two years due to low revenue collection, which often proportionately results in fiscal deficits. Skill deficiencies have presented a particular challenge, including the inadequate training of tax collectors and the improper keeping of records and accounting processes. In addition, poor road accessibility, underinvestment and insecurity have harmed the institution’s effort to mobilize sufficient resources to provide the most basic services. There has been no capacity-building training conducted for Area Revenue Authority staff for the past year. Furthermore, the area attracts local and international attention owing to one of the largest wildlife zones in the country – Boma National Park – and widespread optimism about the presence of underexploited natural resources such as oil and minerals.

**Area Ministry of Finance and Economic Planning**

The formulation and preparation of the budget process in Greater Pibor administrative area begins in July. The process is guided by a budget calendar from the national Ministry of Finance and Planning, which stipulates the number of key activities to be undertaken during the fiscal year. The history of budget preparation in Greater Pibor administrative area can be traced back to 2015, a year after the establishment of Greater Pibor, with the Ministry of Finance and Economic Planning shouldering the budgeting responsibilities by identifying priority programmes and projects to be implemented. The Director General and the Department of Budgeting and Planning produce drafts of budget proposals and estimates, followed by the submission of key documents for approval by the Cabinet and Legislative Council. UNDP organized a public financial management workshop in May 2023 to strengthen the capacities of ministers and directors general for the country’s 10 states and three administrative areas. Subsequent to the assenting of the fiscal year budget for 2022/23 of SSP 2,447,155,318, the budget draft for 2023/24 was completed on 30 January 2024 by the area Ministry of Finance and Economic Planning, with technical support from UNDP through the new economic governance analyst assigned to Greater Pibor administrative area. The area budget draft is pending the preparation of key essential documents for approval as required by the Public Financial Management and Accountability Act of 2011.

**Area Development Plan**

The Government of Greater Pibor administrative area launched a four-year development plan (2022–2025) in December 2022. This is a great stride for placing the area on a peaceful and prosperous path, substantively addressing development needs. The plan is anchored on local needs and perspectives, and some priorities are aligned to the National Development Strategy and global goals such as the SDGs. In addition, the document has vision and mission statements entailing the goals and aspirations of the area government.

The Area Development Plan identified 11 significant and important priorities informing the fiscal year budget priorities that the area administration strives to implement. These include:

- security and peacebuilding
- resource mobilization and public finance management
- good governance
- agricultural development
- trade and industry
- health
- education
- water and sanitation
- infrastructure
- social welfare
- environmental conservation

The lack of adequate resources and insecurity has constrained the achievement of these priorities, as exhibited by the scarcity of basic services in the area. To ensure the implementation of the Greater Pibor administrative area development plan, there is a need to explore and pursue the diversification of local revenue mobilization to increase the resources allocated to development projects in the area, which in turn grant the expansion of social services in the area.
Partnerships

UNDP is providing support to public financial management and institutional development in Greater Pibor administrative area. The United Nations Mission in South Sudan (UNMISS) has promised to rehabilitate a 308 km route connecting Jonglei state and Greater Pibor administrative area. Improving this road will stimulate trade by reducing transportation costs, attracting investors, enhancing competitiveness in trade, and contributing to economic growth in the area. Médecins Sans Frontières, together with other agencies, supports health services in the main hospital in Pibor town and at the county headquarters.

Furthermore, the Government of Greater Pibor administrative area has noted the potential for investment in the wildlife sector. African Parks carried out an initial collaring and assessment exercise for animals in April 2023 as an effort to revive Boma National Park in Greater Pibor. The purpose of this developmental intervention is to create the first-ever wildlife sanctuary in South Sudan. Partnership was made possible by the national Ministry of Wildlife, Conservation and Tourism in its zeal to protect and develop the park to support both people and the wildlife.
Ruweng administrative area is situated in the northern part of South Sudan. It borders Unity state (Mayom, Rubkona and Guit counties) to the south, Upper Nile state (Panyikang county) to the east and Abyei special administrative area to the west. Jonglei state (Fangak county) lies to the southeast, and West Kordofan and South Kordofan states in Sudan are to the north.

Ruweng administrative area comprises Pariang (its municipal headquarters) and the eight counties of Abiemnhom, Aliiny, Awarpiny, Jamjang, Jau, Lake No, Tuoch and Wunkur. These areas are mostly inhabited by the Alor, Panaruu and Paweny sections, forming 18 clans of the Padang Dinka, a riverine community inhabiting the area along the waterways of the border region between Sudan and South Sudan. Ruweng administrative area has 55 payams (subcounties) further divided into 197 bomas. Of the estimated population of 250,416 people, fewer than 45 percent can read and write.

Ruweng administrative area is headed by the Chief Administrator and deputized by the Deputy Chief Administrator, both of whom are appointed by the President of the Republic of South Sudan in accordance with the powers, functions and responsibilities exercised by the President as articulated in article 1.9.2.1 of the R-ARCSS. The Chief Administrator leads a cabinet composed of ministers heading/administering the nine government ministries.

Ruweng administrative area is rich in oil and natural resources, including agricultural land, animal resources, fisheries and forests. About 80 percent of oil wells in Ruweng administrative area are located in Unity/Darbim oilfield (in the southern part of Pariang), Heglig/Panthou oilfield (in the northwestern part of Pariang municipality), Toma South oilfield (in the western part of Pariang) and Toor/Athony oilfield and others in Aliiny county.

Under the 2005 Comprehensive Peace Agreement and according to the South Sudan Petroleum Act of 2005, Ruweng administrative area is entitled to 5 percent of net oil revenues generated from oil production in the area. Of this amount, 40 percent is allocated to the Government of Ruweng administrative area and 60 percent to communities (which is further divided into 55 percent to communities in oil-producing areas and 45 percent to communities in non-oil-producing areas). The discovery of oil in Ruweng administrative area generated discord in the area’s politics but has not had much impact on the living conditions of the people. Though Ruweng is considered the economic hub of South Sudan, the benefits of oil have not trickled down to its intended beneficiaries. Poverty remains pervasive in Ruweng, including in both oil- and non-oil-producing counties.
The people of Ruweng administrative area are primarily agro-pastoralists, with some engaging in fishing and cash crop farming. The main crops grown are maize, sorghum, sesame, groundnuts, sunflowers, onions, cowpeas and pumpkins, among others. People also herd goats, cattle and sheep. Cattle raids and conflicts over resources are common occurrences and often accompany the seasonal migrations of nomadic Misseriya and Reizighat tribes with their cattle, goats and sheep into the Greater Bahr el Ghazal region’s northern frontier states.

The people of Ruweng also trade in firewood; the sale of elephant grass and casual labour are common means through which poorer households supplement their subsistence. The high level of poverty in Ruweng administrative area is an outcome of many factors – including, but not limited to, the fragility of peace, insecurity, constant conflict and cattle rustling with neighbouring Unity state, natural disasters, low educational attainment, disease and a lack of access to employment opportunities.

The border between Ruweng administrative area and Unity state is fragile and prone to threats, attacks and violent conflicts. By all indications, the Government of Unity state has undertaken aggressive steps to occupy and rename certain areas. Four Ruweng territories have been forcefully grabbed and are occupied by Unity state. The places currently under occupation/annexation in Ruweng administrative area are Lalob (Miading) Oilfields, Darbim (Unity) Oilfields, Panakuach and Wanhdanluel. According to the Government of Ruweng administrative area, this greatly undermines stability, peace and security, not only in Ruweng but in the entire region and in South Sudan at large. Aggressive occupation and annexation and the renaming of places belonging to neighbouring Unity state, natural disasters, low educational attainment, disease and a lack of access to employment opportunities.

Ruweng administrative area has frosty relations with Unity state, its former mother state. Years of conflict and inadequate investment in infrastructure and the strengthening of public institutions have negatively impacted the citizens of the area in terms of access to basic social services and participation in economic activities that can transform their lives, such as education services, health care, agriculture and food resources, water, affordable and sustainable energy, and infrastructure.

Initiatives to enhance social and cultural rights – for example, gender equality and the right to employment and decent work – are currently being implemented by the Government and its United Nations/non-governmental organization partners to ensure that the scarce resources are used most effectively and equitably to support steady progress in the enjoyment of rights by all citizens, particularly the most vulnerable.

According to the first-hand experience of the economic governance analyst, there is a great need to strengthen government institutions, rebuild the state infrastructure first built during the pre-independence of South Sudan, and build the capacities of Ruweng employees.

Economic development

The overarching opinion about the economic development status of the area among civil servants, women, local chiefs, county commissioners, youth, businesspeople, United Nations agencies, international and local non-governmental organizations and civil society organizations is that the citizens of Ruweng administrative area are unable to fully exploit the area’s agricultural, fisheries, livestock, tourism and oil sector potential because of the lack of significant investment in infrastructure. Incomes are low due to limited rural development potential and infrastructure bottlenecks. National challenges have compounded the crisis facing the people of Ruweng, as the oil wealth has had very little impact on the people. The repayment of financial obligations and oil-collateralized loans absorbs most of the oil revenue, and thus the 3 percent share of oil wealth does not trickle down to all beneficiaries. Over the medium term, Ruweng administrative area needs to diversify its economy and broaden domestic revenue mobilization.

Although agriculture has huge potential for the people of Ruweng administrative area, current practices are focusing on low-input, low-output subsistence agriculture instead of production for markets. Among the significant reasons for this are the lack of knowledge of modern farming techniques and agricultural inputs such as seeds,
fertilizers, storage and advisory services. The lack of access to better agricultural produce markets is a challenge due to poor road networks and a lack of formal organization among farmers, including the lack of farmers’ associations for specific crops.

Formal banking systems in Ruweng administrative area are non-existent, as is microfinance to help agricultural enterprises scale up.

Livestock rearing is considered a social wealth rather than an economic activity. Hence, pastoral communities in Ruweng administrative area are reluctant to trade their livestock for economic activities.

Frequent natural disasters related to climate change, outbreaks of livestock diseases and cattle raids continue to undermine economic progress and perpetuate abject poverty among the population of Ruweng administrative area. The fisheries sector in the area needs modernization via investment in new fishing equipment, storage and cold chain facilities, value addition, markets and education; this not only would help improve the number of fish caught and reduce post-harvest losses but also improve economic growth.

By all indicators, Ruweng administrative area remains largely poor and undeveloped.

**Previous public financial management efforts**

The Government of Ruweng administrative area has not previously implemented public financial management efforts, as it was still under Unity state. However, the efficient management of public finances is a fundamental driver for economic growth and has the potential to reduce poverty sustainably. It is therefore fundamental that Ruweng administrative area have effective public financial management systems to contribute to economic development growth and development among its people. The importance of public financial management becomes crucial as the population increases, resources become scarcer and economies become complex. Citizens must expect their governments to allocate the financial resources necessary to provide public services effectively and efficiently.

In addition, there is an interdependence between the public and private sectors that is based on confidence between the two. This confidence requires that governments be accountable and transparent in the decision-making and reporting process. Although partnership between the private and public sector still faces huge challenges in terms of priorities, decision-making mechanisms, coordination and communication, it is crucial that sustained partnership between the public and private sector is maintained to leverage economic governance. A lack of proper understanding of the private sector’s interdependence may lead to dire consequences, such as dwindling local direct investments, rising costs of public debt, and difficulty in attracting donor funds. This, in turn, may lead to unemployment and a drop in economic growth, resulting in low living standards for many citizens. Hence, the Government of Ruweng administrative area must implement effective public financial management systems.

During its existence as a state between 2 October 2015 and 22 February 2020, Ruweng faced major challenges, including not only public financial management and budget preparation but also the protracted civil war that broke out in Juba in 2013 and 2016. Also, with the relief of its former governor by the President, Ruweng was under the leadership of the Sudan People’s Liberation Movement-in-Opposition. It was during their tenure that Ruweng state prepared its budget; however, from 2018 to 2020, Ruweng did not prepare a budget due to the lack of a cabinet and the fact that the government had not been formed.

Similarly, from June 2021 to May 2022, the budget was prepared but not approved by the Council of Ministers. From May to June 2022, the budget was not prepared, as the governor was not sworn in by the president. The budget was officially prepared only after the creation of Ruweng administrative area by decree of the President in February 2020 and the subsequent appointment of the current chief administrator in June 2022.

When it was created as an administrative area, Ruweng demanded the sharing of assets – including movable and immovable/fixed assets; human, material and financial resources and financial taxation forms – as well as an estimation of the cost of immovable/fixed assets by dividing them equally and equitably with its former state. This was resolutely rejected/ignored by its former mother
state, consequently weakening and paralysing the capacity and establishment of Ruweng as an administrative area in its initial stages of budget formulation and state development.

The current process of annual budget preparation in Ruweng administrative area is guided by the Ministry of Finance and Economic Planning’s “Guidelines for Integrated State and County Planning and Budgeting”, dated May 2010, based on the planning and budgeting guidelines as per similar guidelines issued in 2008 for state and area governments. Its purpose is to ensure that state and county plans and budgets are integrated.

It is crucial to acknowledge that counties in Ruweng administrative area are proactively participating in area budget committees, as per the sector working group guideline stipulated by the Government of South Sudan, to set out priorities. This will enable them to have clear guidelines on the resources they expect from the area authority from the 3 percent oil share and other sources of revenue.

**Area Ministry of Finance and Economic Planning**

Ruweng administrative area has not developed any of its strategic development plans, other than the current plan, developed in 2022. Chaotic conflict erupted on 15 December 2013, when Ruweng was a county administered by Unity state. The violence disrupted normal economic activity, causing displacement and loss of lives. The gains made between 2011 and 2013 were reversed as social services and infrastructure collapsed due to looting and destruction. The conclusion of the R-ARCSS placed Ruweng administrative area on a path towards peace and economic growth and the accomplishment of Vision 2040 and the SDGs. The Government of Ruweng administrative area recently adopted the National Development Strategy to align it with the provisions of the R-ARCSS, the Area Development Strategy (2022/23–2024/25), the SDGs and other international and regional frameworks, such as the African Union Agenda 2063 and the convention of the Conference of the Parties.

The national Ministry of Finance and Planning often has not submitted budget ceilings in time for states and areas in South Sudan to prepare their budgets.

Ruweng administrative area has been preparing its budgets immediately after receiving the ceiling. Since its establishment as an administrative area, Ruweng has been preparing its budgets on an annual basis, beginning in July and ending on 30 June.

The Area Finance and Economic Planning calls county commissioners and other spending agencies in the area for budget workshops, where they are informed of the budget ceiling for the allocation, based on the percentage share. After the completion of this process, the Area Ministry of Finance and Economic Planning and other sectors in the area, such as independent commissions, are requested to draft the fiscal year budget before sending it to the cabinet for scrutiny and approval and to the Parliament for discussion.

However, there are currently no sector-level plans for counties in Ruweng administrative area. Budget planning and reporting processes are lacking, as are guidelines and tools for linking plans and budgets. As a result, there are no monitoring mechanisms in Ruweng administrative area.
The Area Finance and Economic Planning projected SSP 3,281,330,916 from fiscal year 2021/22 and SSP 1,196,376,138 from 2022/23. The Area Revenue Authority was able to raise SSP 604,319,490 in 2021/22 and SSP 266,345,500 in 2022/23. Ruweng administrative area generates most of its revenue from the national government through block grants and conditional transfers of 3 percent oil share to most of its oil-producing communities and 2 percent to non-oil-producing communities. Based on national budget priorities, conditional transfers are inadequate and unable to meet the development needs of the area.

During fiscal year 2021/22, the total grant was SSP 1,407,904,879. In 2022/23, the budgeted grants and block transfers amounted to SSP 2,677,011,426, though the actual was SSP 194,481,558.

The role of the Ministry of Finance and Economic Planning is to engage in oversight of public financial management. The minister is appointed by the chief administrator, based on the R-ARCSS and the recommendations of area peace partners. The ministry has six directors, led by the director general, and employs 158 civil servants, including staff from all eight counties of Ruweng administrative area. The accounting officer in the ministry is the Director General, supervised by the minister of finance and economic planning, and is responsible for the approval of financial matters. The ministry has an office that requires refurbishment and renovation, as it lacks sufficient furniture, information technology, file storage facilities and other office equipment.

Processes and procedures for preparing financial reports

Financial reports play a key role in auditing and financial oversight in Ruweng administrative area. Following the mandate of the national Ministry of Finance and Planning, all spending line ministries are to submit monthly expenditure reports, which then would be reflected in the quarterly and annual reports debated by the legislature. However, this process has not played out since Ruweng was declared an administrative area via presidential decree.

Economic policy and advice

To improve employment opportunities in Ruweng administrative area – especially given the high rate of youth unemployment and underemployment – the economic governance analyst is working to point youth in the right direction, connecting them to the South Sudan Relief and Rehabilitation Commission and the Ministry of Labour for jobs advertised by United Nations agencies and local and international non-governmental organizations. The analyst also has advised the Government of Ruweng administrative area that it would be sensible for United Nations agencies and non-governmental organizations to operate from within Pariang, as this would help provide the host population with access to services that otherwise do not exist and, most importantly, connect them with cash income from jobs in the humanitarian sector.

Ruweng administrative area is overly reliant on oil revenues, which are prone to global market shocks and depletion. Its economy is largely under-diversified. Oil revenues are not only shared properly and equitably among oil-producing counties but also collected and accounted for by the Ministry of Finance and Economic Planning, which is the main custodian of public monies at the subnational level.

The economic governance analyst has advised the ministry that there should be a revenue mapping exercise concerning oil revenue, as stipulated in the Revitalized Transitional Government of
National Unity. The analyst also has advised that revenue mobilization functions should be separated from public finance expenditures and that the commissioner of the Area Revenue Authority should be appointed by presidential decree.

The poverty situation in Ruweng administrative area remains perverse, precipitating a cycle of economic and sociopolitical underdevelopment. The poverty in the area is an outcome of many factors, including the fragility of peace, insecurity, conflict, natural disasters, low educational attainment, disease and a lack of access among youth to employment opportunities.

Budget preparation and resource mobilization

Ruweng administrative area has not had a stable and viable economy due to an unstable government; hence, the responsibility of budget preparation and revenue mobilization functions has remained stalled. However, the economic governance analyst was advised that the budget for the successive financial years of 2017/18, 2018/19, 2019/20, 2020/21 had not been prepared due to political instability and changes in administrative structures of the areas by the presidency.

Following rigorous capacity-building training of area civil servants by the economic governance analyst, the budget preparation and execution for 2023/24 is being readied for submission to the Council of Ministers for deliberation and to the Legislative Assembly for approval. The members of the legislature provide oversight functions to the government budget to ensure transparency and accountability.

One of the key functions of the economic governance analyst is to mobilize the collection of revenues and enhance the collection of taxes and fees to strengthen public financial management in Ruweng administrative area. The analyst will help in delivering services to the people of the area by creating an enabling environment for businesses to thrive, thus creating economic opportunities for the people of Ruweng and its counties. Currently, there is a narrow private sector base and high levels of unemployment and underemployment among youth, women and men. The non-oil revenue collection is failing to achieve its intended objectives, with revenue being inadequately accounted for. There is poor access to counties – especially Abiemnhom and Awarpiny counties – due to poor road infrastructure networks. Illegal and aggressive tax collection by security agencies has created opportunities for tax evasion by businesses, which is affecting the economy of the area.

Revenue sources

Ruweng administrative area has various sources of revenue at its disposal:
» land and property taxes and royalties
» service charges
» licences issued by the government
» income taxes
» levies on tourism
» at least 2 percent of net oil and other mineral revenues
» stamp duties

agricultural production taxes
» excise duties
» other state taxes not within the exclusive jurisdiction of the national government
» grants-in-aid and foreign aid
» loans and borrowing following article 184(2) and article 184(3) of the constitution
» any other tax as may be determined by law

Research

The economic governance analyst has met with key staff and constitutional postholders, including the Trade and Investment Commission, to look at investment opportunities in infrastructure that could enhance road connectivity with the area’s oil-producing counties – Aliiny, Lake No and others – to boost economic trade with neighbouring states as well as with Sudan, with a potential increase in tax revenues. Importantly, this also could create jobs and further stimulate the economy.

Similarly, considering the current crisis in Sudan, the analyst is working with the Ministry of Finance and Economic Planning and the Ministry of Trade and Supplies to monitor market prices in Ruweng administrative area. The prices of goods and services in the area have increased significantly, and this has exacerbated the challenges and poverty in the area. The economic governance analyst, together with staff from the Ministry of Finance and Economic Planning and the local government, have quite often carried out door-to-door market assessments of basic commodities and have spoken to traders about the challenges attributed to this hike in prices. Ruweng administrative area faces several key obstacles to achieving economic growth and development, and critical among these is the lack of a credible database. Owing to its poor ICT infrastructure and untrained staff, the area is unable to generate credible robust information to inform its activities and leverage economic governance in the area.

The economic governance analyst met with all line ministries in Ruweng administrative area, and many challenges were identified:

» There are not enough trained personnel in Ruweng administrative area to lead the development and economic management agenda. There is a lack of knowledge regarding information technology, payroll system generation, procurement management, investment management and planning, statistics and financial reporting.

» The lack of transportation services hinders the movement of staff attempting to conduct their work in the counties or in Pariang.

» The ministries lack modern office furniture and equipment. Although the Government of Ruweng administrative area has a modern meeting hall for conducting meetings, the supply of electricity and Internet access remains unstable and unreliable.

» There is a shortage of computers, printers and information technology accessories.

» Several ministries are currently cramped into small offices with few desks and chairs to accommodate staff. Other entities are housed in prefabricated containers (e.g. the Ministry of Information, Youth and Sports and five commissions).

» The current Secretariat and seat of the Government was built during the pre-independence of South Sudan in 2003 and is unable to accommodate staff from the Government Ministries. Therefore, the Government of Ruweng administrative area is heavily investing on major infrastructural development projects to build more office premises to accommodate staff from the nine ministries. The Government also is in the process of completing a three-story large modern guest house and Chief Administrator’s residence from the 2 percent oil net revenue resources.

Partnerships

Ruweng administrative area is home to many United Nations agencies and local and international non-governmental organizations that provide humanitarian aid and protection to refugees and asylum seekers escaping the fighting in the Nuba Mountains:

» UNHCR provides the most humanitarian support to refugees in Ruweng administrative area, with the great majority of Sudanese refugees having fled renewed wars in the southern peripheries of Sudan. Most refugees fled the conflict that restarted in the Nuba Mountains of South Kordofan in 2011 and
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are based in Ajuong Thok, Jamjang and Pamir, farther from the Sudanese border. The economic governance analyst, in consultation with the South Sudan Relief and Rehabilitation Commission, has helped establish a task force in Ruweng administrative area to respond to the current crisis in Sudan. Task force members include UNHCR, IOM, WFP, UNDP, the South Sudan Relief and Rehabilitation Commission, Commission for Refugee Affairs, the Humanitarian and Development Consortium and Action Africa Help International. The group meets every Thursday to update members and the government on the current crisis in Sudan.

The United Nations Mission in South Sudan Civil Affairs Division provides support for the implementation of the peace process at the subnational level to promote ownership of the process. In pursuit of peace efforts, the United Nations Mission in South Sudan, FAO, IOM, Vétérinaires Sans Frontières Suisse and UNDP, together with Ruweng administrative area, organized and facilitated, from 14 to 18 April 2023, a transhumance conference on building peace and strengthening security among the South Sudanese and Sudanese Mesiriya, Falata and Chanabila communities in Panriang headquarters of Ruweng administrative area. The resolutions agreed upon during the conference were shared with the UNDP SPACE team.

The WFP assists refugees in the three largest refugee camps and helps with school feeding programmes in Ruweng administrative area. Other United Nations agencies and organizations providing humanitarian and development assistance in Jamjang, Ajuong Thok and Yida camps are the International Rescue Committee, IOM, Commission for Refugee Affairs, the South Sudan Relief and Rehabilitation Commission, UNICEF, CARE, the Humanitarian and Development Consortium, Samaritan’s Purse, Danish Refugee Council, Lutheran World Federation, Africa Humanitarian Action, Action Africa Help International, Community Empowerment Network, Manta Initiatives and Internews, among others.
Lakes state, in the Bahr el Ghazal region of South Sudan, occupies an area of 43,595.08 sq. km. Rumbek is its capital city. Bahr el Ghazal was a former province that was split from the Anglo-Egyptian Mudiriyyat, or the province of Equatoria, in 1948.

The eastern border is the White Nile, with Jonglei state on the opposite bank. To the northeast lies Unity state. Warrap state sits towards the northwest, Western Equatoria to the south and west, and Central Equatoria to the south.

In July 2011, Ramciel in Lakes state was put under consideration by the federal government as a site for a new national capital, and it is still expected one day to replace Juba. Administratively, like all states in South Sudan, Lakes state has been divided into counties; the state’s eight counties are Awerial, Cueibet, Rumbek North, Rumbek Central, Rumbek East, Wulu, Yirol West and Yirol East, and each is headed by a county commissioner.

State Revenue Authority

The State Revenue Authority is among the institutions in Lakes state mandated and tasked with the responsibility of revenue mobilization. The National Revenue Authority Act of 2012 mandated the national government to give power to the state governments for revenue authorities. The State Revenue Authority in Lakes state is responsible for revenue mobilization to fund state activities. The institution is headed by the commissioner general and supported by staff.

Effectiveness of the State Revenue Authority

The State Revenue Authority has, since its inception, been faced with a number of challenges while trying to fulfill its mandate. The United Nations Development Programme (UNDP) built the only office block, which now hosts the commissioner general and other staff. The lack of information and communications technology and other office equipment remains a challenge.

The lack of training and capacity building of the revenue mobilizers also affects the institution’s capacity to function effectively. This broadens the gaps in compliance from the taxpayers, affecting the institution’s ability to mobilize and fund the state government projects and plans.

However, the institutions now can benefit from the assistance of the UNDP, which is supporting capacity-building and training efforts through a project funded by the African Development Bank.

Resource mobilization

Lakes state receives funding from the national government through conditional transfers. Based
on the budget priorities of the national government, conditional transfers are inadequate and cannot meet the state’s development needs. The key local sources of revenue for the state are personal income tax, royalties from logging (timber), land fees, fines, and fees and taxes from agriculture produce and trade. Other sources of finance include:

» land and property tax and royalties
» service charges
» licences issued by the state
» levies on tourism
» state government projects (rented facilities, slaughterhouses, auction grounds)
» stamp duties
» grants-in-aid and foreign aid
» excise duties
» loans
» borrowing

**State Ministry of Finance, Planning and Investment**

The State Ministry of Finance, Planning and Investment functions as an overall key driver in facilitating efforts to ensure the economic viability of the state and its people. This ministry sets the direction and champions the policy guidance on resource mobilization and distributions, in line with the state development plan priorities.

Lakes state conducts budget preparations each fiscal year. This budget, after review by the concerned government spending agencies, is then sent to the State Legislative Assembly for debate and approval. The state’s 2022/23 fiscal year budget stood at SSP 10,513,363,062. The formulation of the state fiscal year budget for 2023/2024 began immediately after the closure of the states and administrative areas budget preparation system workshop, held in Juba 14–18 August 2023. The state held its first-ever budget workshops – attended by 50 participants from various state ministries, commissions and local governments – for nine consecutive days, from 4 to 12 December 2023, and the state 2023/24 fiscal year budget of SSP 20,174,745,673 was finally passed and approved on 13 December 2023.

**Effectiveness of the State Ministry of Finance, Planning and Investment**

To bridge knowledge and skill gaps, UNDP, in partnership with national and state governments, supports capacity development through the SPACE unit. UNDP currently deploys economic governance analysts to all states and administrative areas to further these needs.

The ministry is still faced with a number of challenges, ranging from a lack of skilled manpower, high staff turnover due to poor working conditions, and financing from local revenue sources and national grants and transfers that is inadequate to meet the state obligations.

**State Legislative Assembly**

As per the Revitalized Agreement of Conflict in the Republic of South Sudan (R-ARCSS), the state has a Transitional Legislative Assembly formed through presidential decree. This legislative body is composed of members of parliament from different parties signatory to the R-ARCSS.

**Oversight functions**

The State Legislative Assembly functions as a lawmaking body with an oversight role over other arms of government. To ensure accountability and sound public financial management, the State Transitional Legislative Assembly enacts, debates and passes laws that guide the conduct and utilization of the state’s resources.

To ensure the equitable utilization of state-level resources towards sound economic governance, the State Transitional Legislative Assembly oversees and enacts laws that govern the mobilization, distribution and utilization of resources in the state.

**State Development Plan**

Necessitated by the need for good and economic governance in the state, Lakes state developed the state development plan for the period covering 2021/22 to 2023/24. This plan was meant to lay...
a foundation and act as a guideline for the state development agenda.

In that document, 10 key priority areas for development in the state were identified: security, peace, stability and strengthened rule of law; good governance, public financial management, accountability and resource mobilization; food security and enhanced agricultural productivity; health; infrastructure; education; water, sanitation and hygiene; poverty reduction, trade and enterprise development; gender, children, youth and social welfare (social security and social protection); and natural resources management, resilience building and environment conservation.

**Partnerships**

Lakes state enjoys partnerships with national, regional and international organizations, including UNDP, UNHCR, FAO, UNICEF, World Vision, Plan International, Vocational Skill Development Organization, Norwegian People’s Aid, Norwegian Refugee Council and more.
Western Bahr el Ghazal state covers an area of 93,900 sq. km, according to the 2008 general census. It shares borders with Sudan to the north and the Central African Republic to the west. Within South Sudan, it shares borders with Western Equatoria state to the south and Northern Bahr el Ghazal and Warrap states to the east.

Much of the state lies within the iron stone livelihood zone, while the northern and southern areas are covered by western flood-plains and green belt zones, respectively. The state capital is Wau, which is located approximately 630 km to the northwest of Juba, the capital of South Sudan. The 2008 general census, conducted before the independence of South Sudan from Sudan, estimated Western Bahr el Ghazal's population at 330,431. However, by 2013, the population was estimated to have grown to 446,331. In 2016, the National Bureau of Statistics predicted the 2024 population to be 602,951 (National Bureau of Statistics, 2016). The female population accounts for almost half of the total population, according to the 2008 population results. The average household size in Western Bahr el Ghazal state is seven persons per household, with a population density of four persons per sq. km. Population density is higher in Wau and Jur River counties, with 7.86 and 12.74 persons per sq. km, respectively, compared to 0.88 in Raga county. Western Bahr el Ghazal is home to 19 different ethnic groups and clans and accounts for approximately 4 percent of the total population of South Sudan.

Economic status

Crop farming is the primary economic activity in Western Bahr el Ghazal state, representing about 64 percent of the total, followed by formal public sector salaries and wages, which account for 24 percent (according to the 2021 State Development Plan). Most households rely on sorghum, cassava, maize, wild honey, wild fruits, livestock, peanuts and fish as their main sources of food. Although the state has a history of mechanized farming, factories need to be reestablished to enable the production of surplus crops. The state’s central location provides significant opportunities for livelihoods for its people. There are possibilities for trade in the wider Bahr el Ghazal region, and improved road networks could lead to increased trade with neighbouring countries.

The state holds strong potential for the production and trade of timber and local agricultural products such as cereals, legumes, root crops, vegetables, fruits, sorghum, peanuts, beans, sweet potatoes, okra and mangoes. However, there have been challenges in executing the agricultural extension policy and legal framework, including a lack of extension equipment to deliver effective services. Livestock provides a source of livelihood for a limited proportion of the population. Though Western Bahr...
el Ghazal state has extensive grazing land and water resources that are favourable to livestock production, diseases and pests such as *peste des petits ruminants*, foot and mouth disease, fall armyworm and desert locusts constrain the industry. There is a significant opportunity for livestock development, including exporting. The state needs to pay greater attention to and adopt appropriate intervention strategies to minimize disease prevalence and provide opportunities for the growth of the sector as a significant source of livelihood for people in the state. The Ministry of Livestock, Animal Resources, Fisheries and Tourism has partnered with leading development partners such as FAO to provide services such as vaccinations, treatment and small ruminant distribution to uplift the livelihood status of the agro-pastoralists and pastoralist communities in the state. The livestock department faces significant challenges, including disease outbreaks and inadequate infrastructure. Common diseases in the state include contagious bovine pleuropneumonia, haemorrhagic septicaemia, black quarter, anthrax and trypanosomiasis. Existing opportunities with subsequent value chains include apiculture (honey production) and fisheries.

With the outbreak of the Sudanese war in April, the state has seen a huge influx of both South Sudanese returnees and Sudanese refugees. The state, through the help of humanitarian organizations, has set up an entry point in Raja county for refugees and other sites at Wau for returnees and refugees. Market prices for basic commodities have skyrocketed since mid-April, and this has been exacerbated by the depreciated dollar, with the exchange rate at times being as bad as SSP 930 per United States dollar. If this trend persists, basic food items may be out of reach for common citizens in the state.

**State Revenue Authority**

The State Revenue Authority has been in existence in Western Bahr el Ghazal since 2014 as a directorate in the Ministry of Finance, Planning and Investment. The law governing the operation of the State Revenue Authority is based on the State Revenue Authority Act of 2014, which gives the authority the mandate to execute a revenue collection role in the state as a legal entity answerable to state administration.

The commissioner of the State Revenue Authority reports to the minister of finance, planning and investment. The primary responsibility of the State Revenue Authority is to collect taxes and non-tax revenues within the state’s boundaries on behalf of the State Government. Other duties include advising the minister on the impact of revenue collection, tax administration and policy changes on tax collection in the state, as well as accounting for the collected revenues.

The management structure of the State Revenue Authority in Western Bahr el Ghazal state consists of executive offices (the offices of the commissioner general and the executive director) and multiple departments. Notable departments include departments for finance and treasury, administration, revenue, planning, budget, statistics, human resources development, ICT, audit, legal services and revenue protection.

The State Revenue Authority also prides itself on the enactment of tax and non-tax law via a tax bill enacted in 2014 and amended in 2023. The 2023 amendment focused on the repeal of 2009 laws regarding state tax and development tax. The authority enforces revenue collection based on the state tax law of 2023. This act stipulates laws and rules for revenue collection that the State Revenue Authority must follow when collecting and enforcing tax and non-tax revenues. The law governing the State Revenue Authority is known as the Tax and Non-Tax Acts and Schedule Tax Law. The acts focus on state consumption fees and surcharges, the state stamp duty tax act, and state non-tax revenue (consisting of fees, charges and rates). Furthermore, the State Revenue Authority Act of 2021 guarantees operational procedures for the authority. This act outlines the existence of the authority, its composition and management and the main duties of the Commissioner General and the departments constituting the authority.

The State Revenue Authority has 140 classified staff, with 81 of the staff being college/university graduates and the other 59 having high school education. There also are 31 unclassified staff. Altogether, 171 staff members run day-to-day activities at the authority.

The authority has a building, constructed by UNDP, and an old building with a total of six offices – not enough to accommodate all the officers and
personnel working in the authority. Out of the 171 staff, just 59 are rate collectors.

State Revenue Authority work at the county level

The State Revenue Authority has not had personnel at the county level since its formation in 2014. However, county authorities typically collect revenue on behalf of and remit their collections to the State Revenue Authority. It has been the plan for the State Revenue Authority to expand to the counties, but that has not happened due to operational challenges within the system.

Oversight over revenue collection

From 2018 to 2021, revenue collected by the State Revenue Authority increased each year but then dropped in 2022. The authority prepares monthly, quarterly and annual reports and presents them to the minister of finance, planning and investment and the State Legislature. The reports include information on the utilization of the funds collected. The Department of Internal Audit in the State Revenue Authority also is responsible for ensuring that funds collected are rightfully utilized and spent.

The State Revenue Authority has encountered a variety of obstacles, including policy and operational issues. Crucial challenges include resistance from certain ministries to the collection of tax and non-tax revenues and ministries’ failures to deposit their taxes into the block account designated by the State Revenue Authority. In terms of infrastructural development, the office space available now is not sufficient to accommodate or provide office space for authority personnel and officers. The lack of ICT and office equipment has been a challenge facing the authority since its inception. The state also needs a computerized tax system to replace the manual system of tax collection. Interference in the work of the State Revenue Authority also has been cited as a challenge.

Regarding human resource development in the State Revenue Authority, it has been identified that there are unclear recruitment procedures that make it difficult to hire qualified staff. There also is no comprehensive remuneration policy for the staff of the authority. Since the authority’s formation, staff have not had any training on revenue collection guidelines. Taxpayers are sometimes frustrated by multiple tax systems, a lack of tax education, and the absence of the revenue authority at the county level to educate and collect taxes at that level.

State Ministry of Finance, Planning and Investment

The Ministry of Finance, Planning and Investment is one of 17 ministries in Western Bahr el Ghazal state under the Revitalized Transitional Government of National Unity. The ministry is led by a cabinet minister appointed by the State Governor in consultation with the President of South Sudan. The minister is responsible for managing the daily affairs of the ministry, with the help of several directors. The ministry’s objective is to design, promote and expedite sustainable economic growth led by the private sector in the state, with clear roles for both public and private sectors.

The Ministry of Finance, Planning and Investment operates through several departments and directorates: General Administration; the Directorate of Administration and Finance; the Directorate of Planning and Budgeting; the Directorate of Public Investment; the Directorate of Accounts; the Directorate of Procurement and Contract; and the Directorate of Revenue Authority. The ministry’s workforce comprises 474 personnel, with male workers accounting for 56.8 percent of the total and female workers accounting for 43.2 percent. Nearly three-fourths (73.3 percent) of the workforce are classified staff, while 26.6 percent are unclassified staff. Regarding educational qualifications, 164 staff (34.5 percent) have university/college certificates, while 204 (43.04 percent) have had secondary school education and 106 (22.36 percent) primary education.

The government of Western Bahr el Ghazal state is currently pursuing a State Development Plan and a ministerial policy document, both drafted in 2022, that are in line with the Revitalized National Development Strategy and Vision 2040 for the Government of South Sudan. The plan is implemented through a body known as the State Development Planning Committee, which came into existence on Gubernatorial Order No. 16/2021. This committee, which is mandated to oversee and
coordinate the implementation of the plan within the state, has terms of reference that include, among other tasks:

- organizing and planning technical meetings with development partners in the state
- studying the National Development Strategy and aligning it with the state plan
- coordinating with the county authority to reflect county development plans in the state plans
- monitoring and reporting on State Development Plan activities

Since the establishment of the Revitalized Government of National Unity, Western Bahr el Ghazal state has been preparing budgets for each financial year, some of which have been implemented in draft form. However, this situation changed with the fiscal year 2022/23 budget, which was prepared and presented before the Council of Ministers, State Legislative Assembly and State Economic Cluster and then approved by the State Legislative Assembly in February 2023. The 2022/23 budget consists of transfers from the national government and state-estimated revenues as income. The budget includes chapters covering personnel salaries, operating costs and development budget. The total amount is SSP 8,851,876,130, with SSP 7,859,836,152 consisting of transfers from the national government and SSP 992,039,978 coming from state revenue. The expenditure ceiling shows that SSP 4,142,420,526 of the annual budget was allocated for personnel salaries; SSP 3,007,758,405 was earmarked as operating costs; and SSP 1,701,697,199 was for development capital to counties. The annual budget is further divided into sectors partly in line with the SDGs.

The state Ministry of Finance, Planning and Investment is at the forefront of implementing public financial management reforms in the state. Its main objective is to ensure proper accountability in budget allocation and implementation and in financial reporting. The state prepares monthly, quarterly, biannual and annual reports on the utilization of public finances, and the ministry provides regular updates to both the Council of Ministers and the State Legislative Assembly on the implementation of the planned budget.

There are four levels of financial reporting in Western Bahr el Ghazal state, with each level – county line departments, county administration, state line ministries and the state Ministry of Finance – reporting to the entity above it. A link exists between counties and the national government in terms of planning and revenue flows. The national government provides block transfers, conditional transfers and service delivery transfers to counties to enhance development and service delivery, and these funds complement the resources generated by the counties themselves. All transfers to counties are monitored by a state body known as the County Transfer Monitoring Committee. This state body reports to the national State Monitoring Committee.

The ministry has identified several main obstacles to meeting its objectives:

- The number of trained personnel is insufficient to lead the development agenda of the ministry.
- The means of transportation are limited, hindering the movements of staff.
- The ministry has a shortage of computers, printers and information technology accessories.
- There is a shortage of office space, resulting in some staff being idle at the workplace.
- The ministry lacks a meeting hall that can be used to conduct meetings.
- There is no stable source of electricity.

Regarding human resources, the main challenges revolve around a lack of knowledge regarding information technology, payroll system generation, procurement management, investment management and planning, statistics and financial reporting.

Before it was reconstituted in March 2022, the State Legislative Assembly had not been functioning since 2018. The State Parliament then took the oath of office in March and began its oversight role. The reconstituted Parliament consists of 101 members of Parliament, headed by a speaker and deputized by a deputy speaker. The speaker is assisted by chairpersons of specialized committees in the State Legislative Assembly. The recently passed fiscal year 2022/23 budget was scrutinized by parliamentarians in the assembly. The State Legislative Assembly’s main role as far as budget preparation is concerned is to review and amend budget details and propose changes to the draft. If the proposed changes are incorporated, the budget is then approved. The state-approved fiscal year budget is then assented to law by the State
Governor. The Parliament is not only involved in the review of the budget, but it also reviews financial bills that stipulate how public institutions should spend the approved budget. The 2022/23 budget was passed together with its appropriation bills by the State Legislative Assembly in February 2023.

The assembly plays an oversight role in making sure that public money is well spent and in line with the approved budget. The Parliament always requests that spending agencies and institutions present financial reports that detail their expenditures. A failure to produce an accurate financial report by any spending agency would warrant stern measures against the accounting officers of such institutions to appear before the State Legislative Assembly to provide explanation. The Parliament also provides mechanisms for punishing any erring agency if malpractice is discovered in the financial report, following the laws of the state. Public financial management reform has been a key area; the State Legislative Assembly has been paying greater attention to safeguarding transparency and accountability in dealing with public money as a way of mitigating rampant corruption in the state.

Apart from providing financial reporting and budget oversight roles, the Parliament also pays close attention to the operation of the State Revenue Authority. In February 2023, the State Legislative Assembly passed an amended state tax law that consists of state consumption fees and surcharges, a state stamp duty tax act, and state non-tax revenues (fees, charges and rates) acts. This was necessary to broaden revenue collection in the state to enhance service delivery to the needy in Western Bahr el Ghazal state. The Parliament also demands accountability from the State Revenue Authority in terms of revenue collection and spending reports as a deterrent to corruption within the management of the authority. It also is the role of Parliament to guide tax collection initiatives to protect the citizens and the business community from unhealthy tax systems. This is a necessary oversight role as far as revenue mobilization is concerned in the state. If the tax system is ungovernable, the tax effects are then translated to a high cost-of-living standard, as businesses would plan to push the tax burden onto the consumers.

The lack of premises, buildings and office furniture remains an issue, as the Parliament still operates in the old building (the construction of the new Parliament building has been stuck at about 60 percent, according to the administrator of the assembly). Parliamentarians lack adequate skills and knowledge in budget oversight and public financial management. It also was found that the Parliament lacks computers, printers and means of mobility.

Cooperation with United Nations agencies and non-governmental organizations striving for economic governance has begun to pick up momentarily in the state. A body known as the State Development Planning Committee is tasked with coordinating the State Development Forum, through which the government and development partners meet to brainstorm economic governance issues.

On the other hand, various United Nations agencies and organizations are playing a major role in service delivery that is very much in line with the state’s development plan strategies and the attainment of the Sustainable Development Goals. Below are some of the United Nations agencies and non-governmental organizations that have interacted with the state on some interventions:

» The United Nations Office for the Coordination of Humanitarian Affairs is one of the agencies charged with the management of United...
Nations action regarding humanitarian conditions in the state. It reports on how affected populations can seek and receive help through the humanitarian cluster meetings it co-chairs with the South Sudan Relief and Rehabilitation Commission.

» The United Nations Mission in South Sudan is tasked with overseeing civilian security and the provision of humanitarian assistance in the state. It helps the State Government monitor uprising security concerns in the state and is an important peace partner of the State Government.

» UNICEF is engaged in humanitarian service delivery in three thematic areas: child nutrition, health and education. It provides learning and supports school feeding programmes to ensure schoolchildren get nutritious and healthy foods to help them to grow well.

» IOM is one of the agencies tasked with service delivery in the state focusing on agriculture, shelter and settlement for internally displaced persons, returnees and refugees in the state. It also provides water, sanitation and hygiene services to the people affected in the state.

» FAO is active in the state in the provision of agricultural inputs to needy farmers. Its major role is to ensure that farmers are food secure, helping in the provision of seeds and technical training on agriculture.

» UNHCR provides protection, shelter and settlement, humanitarian and resettlement services to affected populations in the state.

» WFP supports the realization of food security in the state by providing relief food and supporting school feeding programmes at government schools.

» The major role of UNDP in the state is to provide social development and economic services. It currently supports the Ministry of Finance, the State Revenue Authority and the State Parliament via technical advice on budget preparation, implementation and financial reporting through an economic governance analyst. The UNDP Access to Justice and Rule of Law Project supports the state judiciary with legal counsel. UNDP also co-chairs the State Development Coordination Forum, which discusses development issues in the state.

» ZOA Dorcas South Sudan is implementing various projects related to the SDGs, particularly through its Pride! women-empowerment project. This project focuses on three main pillars: the provision of demand-driven technical vocational education and training, the inclusion of persons with disabilities, and community dialogue sessions. The project targets 1,750 vulnerable women and women with disabilities in Wau county and directly contributes to the achievement of a number of the SDGs. ZOA Dorcas also implements a cash for work project focused on community access road construction, the renovation of Boma Health Units, the provision of clean drinking water, and the provision of improved seeds and tools to beneficiaries.

» While implementing a food security and livelihoods project in Western Bahr el Ghazal state, both in Jur River and Wau counties, the DAI Policy LINK programme contributes to SDGs 1 and 2. To achieve its goals, the organization collaborates with various ministries, including General Education, Agriculture, Gender, Child and Social Welfare. Additionally, it works closely with other important departments, such as the Department of Labour and the State Bureau of Statistics.

» The Norwegian Refugee Council deals in humanitarian service delivery in the state, focusing on peace and social development.

» The State Bureau of Statistics is responsible for collecting and analysing macroeconomic indicators in the state.

Partnerships with development partners and other stakeholders in the region face several challenges, including a lack of coordination from the South Sudan Relief and Rehabilitation Commission, which is responsible for coordinating all humanitarian and developmental activities in the region. The lack of timely coordination of development forums hampers the work of economic governance in the state.
Northern Bahr el Ghazal state, part of the Bahr el Ghazal region, covers an area of 30,543 sq. km and borders East Darfur in Sudan to the north, Western Bahr el Ghazal to the west and south, and Warrap state and Abyei special administrative area to the east.

Aweil, the state’s capital city and main business and financial centre, lies approximately 800 km by road to the northwest of Juba, the capital and largest city in the country.

The 2008 population census had the Northern Bahr el Ghazal state population at 720,898 (Sudan Tribune, 2009). This was projected to increase to 1,259,439 by the end of 2023, according to the State Bureau of Statistics (2016). The state’s population density is 33.51 per sq. km. The state has a poverty headcount ratio of 87.4 percent, the second highest in the country. The poverty gap index (0.458) and squared poverty gap index (0.286) are the third highest in the country.

The primary economic activities in Northern Bahr el Ghazal state remain livestock keeping and crop farming. According to the FAO/WFP Crop and Food Assessment of 2019 (FAO, 2020), it is estimated that every household in Northern Bahr el Ghazal state cultivates at least 0.99 ha of cereal crops and vegetables. The state has an estimated 2 million heads of cattle, 2.8 million heads of goats, and 2 million heads of sheep, according to the state Ministry of Animal Resources. Fishing also is practised, but on a lower scale, mainly as a source of food.

**State Revenue Authority**

The State Revenue Authority should have policy and legislative mandates. The State Revenue Authority Act, from which the authority derives such mandates, enables the authority to collect all revenue due, ensure optimal compliance with tax and customs legislation, and provide a customs service that optimizes revenue collection, protects borders and facilitates legitimate trade. The Northern Bahr el Ghazal State Revenue Authority, however, does not have a State Revenue Authority Act in place. The state uses the State Revenue Act 2017 from the defunct Aweil state as the statutory instrument to validate its mandate. There is, unfortunately, no legal basis for this. The Secretariat General and the State Legislative Assembly are aware of this legal anomaly, and efforts have been invested into rectification.

The other legal authorities that give power to the State Revenue Authority and the state to mobilize and build a sustainable tax system capable of generating enough revenue for service delivery in the state include article 11 of the National Transitional
Constitution of the Republic of South Sudan of 2011, the Northern Bahr el Ghazal State Constitution, the Financial Act of 2022, the Taxation Act of 2021, the Local Governments’ Act of 2009, and the South Sudan State Fiscal Arrangement/State Module Tax Bill of 2013.

State Revenue Authority organogram

The governing body of the State Revenue Authority in Northern Bahr el Ghazal state is a board of directors consisting of the Commissioner General of the State Revenue Authority; the director general of the state Ministry of Finance, Planning and Investment; the director general of the Bank of South Sudan; a representative of the State Chamber of Commerce; and three representatives from the private sector, two of whom are women.

The Commissioner General heads the State Revenue Authority and runs its day-to-day activities, reporting to the board of directors. The commissioner general directly supervises various directors (Revenue; Finance and Administration; and Planning, Budgeting, Research and Statistics) along with the director general and the secretary.

The recommended State Revenue Authority organogram provides for directorates of tax audit, legal and internal audit.

Reporting to the director of revenue, each county has a senior inspector as the head of the State Revenue Authority at the county level. The senior inspectors supervise inspectors, assistant inspectors, tax officers, senior tax collectors, tax collectors and cashiers. The State Revenue Authority in Northern Bahr el Ghazal state has up to 332 staff on its payroll. Most of the staff are based at the county level, under the Directorate of Revenue.

The Northern Bahr el Ghazal State Revenue Authority was a beneficiary of the first NORMA project. Thanks to the project, the State Revenue Authority has office facilities complete with solar power, computers, printers and other electronic equipment. Systems in the State Revenue Authority, however, have not been modernized to provide digital services.

Public financial management interlinkages in revenue mobilization

The state remits back to the counties 25 percent of all revenues it collects directly from these counties and retains 75 percent at the state level. In Northern Bahr el Ghazal state, of all the sources of local revenue available to the counties, the state has compromised that the counties are obliged to remit only revenue emanating from market fees from public auctions in the market. The counties remit 40 percent of revenues obtained to the State Revenue Authority and retain 60 percent of such revenues.

State Ministry of Finance, Planning and Investment

The Northern Bahr el Ghazal State Development Plan 2021/22–2023/24, which is aligned with the Revised National Development Strategy clusters at the national level, is yet to be launched and adopted as a legal and binding document. The state’s detailed list of priorities integrates the seven SDGs on which Northern Bahr el Ghazal state intends to focus over the next three years.

In November 2022, during the Northern Bahr el Ghazal Forum organized by the United Nations Mission in South Sudan Civil Affairs Division and the Secretariat General of the state Council of Ministers in Aweil, stakeholders were engaged to review the state’s implementation of the plan in preparation for the annual Governors’ Forum in Juba.

The responsibility for the governance of the State Development Plan lies with the Governor and the Secretariat General of the Council of Ministers. The external coordination mechanism is the primary responsibility of the Governor, the focal point of the State Government, who will enter alliances and partnerships on behalf of the government to provide the much-needed coordination of proposed strategic and operational activities.

The internal coordination mechanism is achieved through the meetings and reporting systems of various management and administrative organs of the government, including the Executive Office and its committees, departmental heads and other operational units in the organizational structure. The implementation (action plan) matrices in the
development plan indicate what will be done and who will be responsible, among other details.

The State Development Plan objectives and strategies are directly linked to the five clusters addressed by the Revised National Development Strategy: Governance, Economics, Services (social development), Infrastructure, and Gender and Youth (cross-cutting).

Planning and budgeting processes

Since the country reverted from the former 32 states, the fiscal year 2022/23 annual planning and budgeting process is the first that has been deliberated on in Northern Bahr el Ghazal state. The planning and budgeting process for 2022/23 was late, as it should have concluded with the passing of the annual budget by 15 June 2022. However, the process started with the dissemination of the budgeting guidelines in a national budgeting workshop in Juba in November 2022. The process has since been completed.

This national workshop was followed up by a state-level budget conference in which the sector budget ceilings and budget guidelines were disseminated to the ministries, departments and agencies of Northern Bahr el Ghazal state to enable them to prepare their annual plans and expenditure estimates. Upon compilation of these plans and estimates, the draft annual budget was sent to the Council of Ministers for deliberation. The council approved the annual plan and budget, and it then went under scrutiny by the Committee of Finance and Economy of the State Legislative Assembly in preparation for its third reading and consequent approval in the assembly. The assembly approved the budget, which is estimated to be SSP 12,979,988,461.

The state Ministry of Finance, Planning and Investment employs more than 349 staff, most of whom have not had any public financial management training.

Functional challenges

The ministry faces challenges in the generation of power. However, it does have solar panels and requires only inverters and batteries to have power generated.

National government transfers

The State Government receives unconditional and conditional fund transfers from the national government. These transfers must be deposited into the State Revenue Fund, controlled by the state Ministry of Finance, Planning and Investment.

Unconditional grants

Unconditional grants are remitted to the state monthly to be used for any other purposes for which state and local governments have planned and budgeted the money. These grants include state block grants, sales tax adjustment grants and county block transfers. County block transfers are remitted by the state to the counties in full.

Conditional grants

Conditional grants are meant to be used for purposes as conditioned by the national government line ministries. They include the following:

- State conditional grants: Remitted monthly for state-level line ministries and organized forces, these grants must be used for salaries and operations according to the conditions that have been laid out.
- County conditional grants: Remitted monthly, these grants are passed in full to local government units.
- Service delivery unit transfers: These are transferred in full to schools and health units and other service delivery units.

Local revenue and preparation of financial reports

Local revenue mobilization is a function of the State Revenue Authority. Financial reporting is guided by the Public Finance and Accountability Act on the use of funds by the national government. The state is required to form a County Transfer Monitoring
Committee to report on counties’ public financial management performance to the State Transfer Monitoring Committee.

Local governments are required to submit, every quarter, quarterly budget performance reports to the County Transfer Monitoring Committee, presided over by the state Ministry of Local Government, for its review. The state, meanwhile, submits quarterly reports to the State Transfer Monitoring Committee at the national level. The State Transfer Monitoring Committee is presided over by the national Local Government Board.

Local governments also are required to submit to the state Ministry of Finance, Planning and Investment monthly financial reports, semi-annual and quarterly budget performance reports and monthly payroll reports. Local governments also are expected to report to the state Ministry of Public Service, Labour and Human Resources Development on the monthly payroll.

Similarly, the State Government is required to submit to the national Ministry of Finance and Planning monthly financial reports, semi-annual and quarterly budget performance reports and monthly payroll reports. The state also is expected to report to the state Ministry of Public Service, Labour and Human Resources Development on the monthly payroll.

Role of the State Legislative Assembly in planning and budgeting

In fiscal year 2022/23, the main role of the State Legislative Assembly was to review and debate the government’s draft ex-ante budget – including its revenue estimates and spending plans (expenditure estimates) – and to authorize spending to implement the annual budget plan through its Committee of Finance and Economics before the annual plan and budget is sent for approval.

Oversight functions in revenue mobilization and expenditure

Three types of oversight (administrative, legislative and judicial) are envisaged in the law. Administrative oversight falls under the Council of Ministers, and judicial oversight falls under the Audit Chamber. Regarding legislative oversight, two mechanisms can be used by the State Legislative Assembly: ex-post oversight by the State Legislative Assembly, via the adoption of a year-end report, and other legislative fact-finding and oversight procedures. There has, however, been no legislative ex-post oversight, in both revenue mobilization and expenditure, exercised by the State Legislative Assembly. Capacity-building is needed to help the assembly discharge this function. Besides, legislative oversight of governments’ internal control/audit systems is best communicated via reports from the Audit Chamber. The 2022/23 plan and budget is the first that the assembly has ever discussed, and the books have not yet been audited.

The main challenges that impede the State Legislative Assembly’s contribution to improving budget formulation and the implementation of spending plans and oversight include:

- the State Legislative Assembly’s limited capacity to scrutinize the budget
- limited capacity to hold the government to account
- failure to adopt the year-end report
- non-clearance of public accounts by the Audit Chamber
- limited capacity to implement the ex-post oversight function

Partnerships

Partners in economic governance include the following United Nations agencies and international and national non-governmental organizations:

- The UNMISS Civil Affairs Division supports the implementation of the peace process at the subnational level. To promote ownership of the process, the division facilitates meetings between the government and the opposition officials, organizes awareness-raising forums for key community leaders, and facilitates dialogue forums at the Juba level to build a nexus among subnational and national stakeholders in the implementation of the peace process. In the pursuit of this, UNMISS, together with the Secretariat General of the state Council of Ministers, organized a stakeholders’ forum in November 2022
in which the implementation of the State Development Plan was discussed.

» WFP seeks to reduce entrenched inequity and isolation by fostering unified, interconnected and peaceful communities to leave no one behind. Guided by the humanitarian–development–peace nexus, the country’s strategic plan outlines how WFP intends to support the achievement of Zero Hunger objectives while contributing to peace and climate resilience over the next three years and beyond.

» Other United Nations agencies and organizations with a presence in the state include Actions Against Hunger; American Refugee Committee; CADS; Centre for Emergency and Development Support; Christian Restore Hope South Sudan; Concern Worldwide; DEMO; Help Restore Youth; HARD; Health Pooled Fund; International Rescue Committee; Joint Aid Management; LOKODLIE; Malaria Consortium; Medair; Mother and Child Organization; Médecins Sans Frontières; Southern Sudan Healthcare Organization; STEP; Tearfund; FAO; WFP; WHO; United Nations Office for the Coordination of Humanitarian Affairs; United Nations Mission in South Sudan Relief, Reintegration and Protection Section; World Vision International; World Concern; Welthungerhilfe; and the South Sudan Relief and Rehabilitation Commission.

The coordination of the economic governance function in the state is in its nascency, with the establishment of the economic governance office of the UNDP embedded in the state Ministry of Finance, Planning and Investment.

Role of the media and civil society organizations

Economic actors need accurate and timely information to allocate resources efficiently. Investors and other groups that increase value in the state demand a governance monitoring role from the media. A free and independent press can provide information and monitoring to the economic policy development process, leading to more effective
economic policies. It also can reduce political risk and increase good governance – conditions important to robust economic development.

The Akolyam FM and Weerbei FM radio stations in Aweil, located in Mathiang and Aweil East, respectively, have been playing an economic governance role in Northern Bahr el Ghazal. The media, through these radio stations, play an essential role in delivering to people the information they need to participate in the debates and decisions that shape their lives.

Role of the private sector

The private sector is a key stakeholder in both urban and economic development, being a major contributor to the state income and the principal job creator and employer. The private sector provides a greater percentage of employment in the state than does the public sector. It delivers critical goods and services and contributes to tax revenues and the flow of capital. Further, it will undertake most of the future development in the state capital.

Private-sector actors are perceived as playing a role in urban governance by influencing whether urban areas develop in inclusive and sustainable ways and by affecting poverty reduction and drivers of fragility and conflict (e.g. unemployment, exclusion and instability).
The six counties that make up Warrap state – one of the 10 states established in 2005 – are Gogrial West, Gogrial East, Twic, Tonj North, Tonj East and Tonj South. The state is bordered to the north by Abyei and Ruweng administrative areas, to the south by Lakes and Western Equatoria states, to the west by Western Bahr el Ghazal and Northern Bahr el Ghazal states, and to the east by Unity state.

The National Bureau of Statistics projection for 2021 puts the state’s population at 2,639,484 (Nhial, 2023).

Economic context

The arable land available for farming and pastoralism in Warrap state is enormous. The Warrap state population is impacted by political unrest, intercommunal strife, flooding and rising commodity prices, among other factors, all of which make it harder for individuals to make a living. Conflict in Sudan has worsened the situation in Warrap state, since the conflict interrupts supplies to South Sudan. In addition, a war also has shut down trade lines between the Twic community and the Ngok Dinka of Abyei special administrative area. The availability of essential amenities – including food, health care, education and housing – has been strained because of the influx of internally displaced persons and returnees from Sudan and the violence between the Abyei and Twic communities.

The state Ministry of Agriculture, in response, provided ox ploughs to farmers in 2023 to encourage regional agricultural production and to take advantage of the relative peace in the state (Radio Tamazuj, 2023). People who have been displaced into the state because of the fighting in Sudan continue to face serious shortages of medical supplies.

State Revenue Authority

The commissioner, with assistance from the deputy commissioner and the director general, oversees the State Revenue Authority, which has been established in the state. The Tax, Non-tax, Administration and Finance and Planning divisions make up the State Revenue Authority. More than 300 employees of the authority work to collect money from the state and the counties and deposit those funds into a state consolidated block account.

Legal framework

The state employs the expired Gogrial State Revenue Authority Act of 2017 as its governing legislation because there is no State Revenue Authority Act currently in effect. Therefore, it will be required
to implement the National Revenue Authority Act of 2014 and create the State Revenue Authority across the 10 states and three administrative areas in the country. Rental income tax, personal income tax, income/property tax, land tax, sales tax, excise duty tax and stamp duty tax are the main sources of income. To increase tax collection, more measures to increase tax and non-tax revenue are required.

**State Ministry of Finance, Planning and Investment**

In Warrap state, the minister oversees the state Ministry of Finance, Planning and Investment and reports to the Governor, the Council of Ministers and the State Legislative Assembly. A director general, who is the second-highest ranking civil servant under the minister, oversees eight directorates, including Finance and Administration, Planning, Statistics and Research, Budgeting, Accounts, Internal Audits, Procurement and Contracts, Loan and Credit, and Investment and Hall Management. There are 405 employees in the ministry, 315 of whom are classified employees.

**State budgets**

The approved budgets for 2021/22 and 2022/23 have been presented to the Council of Ministers and the State Legislative Assembly to be deliberated and assented into law.

**2021/22 approved budget**

The Warrap state budget for 2021/22 was composed of a national transfer amount of SSP 4,400,097,481 and a local revenue projection of SSP 605,317,692. The approved budget was SSP 5,005,415,173, of which SSP 2,874,262,934 was allocated to salaries for the payment of 15,229 staff, including constitutional postholders. The second allocation was SSP 421,088,409 as running costs, and transfers to the education and health service delivery units was SSP 1,123,692,961.

There was no allocation of capital for development in the state or reserve funds for insecurity and natural disasters.

**2022/23 approved budget**

The state budget for 2022/23 was composed of national transfers from Juba amounting to SSP 14,411,645,124 and a state revenue projection of SSP 810,643,295, putting the state’s total resource envelope at more than SSP 15.2 billion. The approved budget for 2022/23 laid a great foundation for the Government of Warrap state through the unification of the defunct workforce, doubling the 17 line ministries’ and commissions’ operating cost and implementing the Constitutional Post Holder Emolument Act.

The State Revenue Authority’s tax is being used to pay for the building of the offices and fence for the state’s Transitional Legislative Assembly. The project, which was funded with SSP 153,665,000, is nearly complete.

**2023/24 budget ceiling**

Warrap state received a maximum of SSP 13,469,454,818 from national grants in 2022/23. However, the state is still awaiting the actual transfers that will cover the 400 percent increase in civil servant salaries and serve as the foundation for the 2023/24 chapter one budget. The ministry is currently gathering local revenue predictions from revenue-producing entities.

The State Government, with help from an economic governance analyst deployed by UNDP, will continue to tighten the tax administration to increase compliance and revenue collection – with penalties enforced to deter false taxes – following the Warrap State Tax and Non-Tax Act of 2023, which was passed into law and officially inaugurated. As a result, it was anticipated that domestic revenue would greatly increase in 2023/24. However, as of January 2024, intercommunal conflicts have led to less successful and efficient income mobilization following internal displacements.

Inadequate revenue collection and mobilization have paralysed all the development programmes and activities in the Government of Warrap state’s 17 line ministries. The lack of a harmonized tax and non-tax policy has led to poor revenue collection and non-compliance in remitting the revenue collected into the state’s treasury account. Harmonizing revenue
collection mechanisms in line with the 2016 National Revenue Authority Acts is necessary for an easy, feasible, efficient and successful implementation by both the National Revenue Authority and the State Revenue Authority.

Oversight

The UNDP economic governance analyst collaborates closely with the Ministry of Finance, Planning and Investment, the State Revenue Authority and the State Legislative Authority to build open and effective public financial management systems by offering technical and capacity support. Three workshops funded by UNDP on annual budget preparation, execution, reporting, resource mobilization and audit, and policy frameworks had been held by September 2023 to increase the capacity of 105 senior government officials from the state’s 17 line ministries. This was a crucial step in ensuring that the revenues earned are widely used for the development of Warrap state through a fair, progressive and transparent tax system.

State Development Plan

The State Development Plan was introduced in June 2023, after the 2022/23 budget was approved. The plan will therefore be implemented following the budget for 2023/24. UNDP programme initiatives support the attainment of the four State Development Plan pillars: stabilization of peace and security, human resource and institutional development, agricultural development and access to social and justice services.

Warrap state has demonstrated its commitment to effective and successful development by establishing the Warrap State Development Partners Coordination Forum to oversee and coordinate the numerous development initiatives aimed at enhancing the lives of state residents. There are many development partners in Warrap state whose humanitarian contributions to the development agenda need to be identified and standardized.

Various clusters and subclusters (education, WASH, peacebuilding, health, food security and livelihood, protection, shelter and non-food items and child protection working group), agencies, international and national non-governmental organizations and community-based organizations have provided support to the State Development Committee to support the four pillars of the development plan. This has been accomplished through encouraging a stronger relationship between the Government of Warrap state and peace, humanitarian and development partners.

State Legislative Assembly

The President of South Sudan reorganized the legislative arm of government in Warrap state in 2021. The legislature is known as the Warrap State Transitional Legislative Assembly and is made up of 100 members of Parliament. The speaker currently in charge, the Hon. Speaker Kuech Deng Mayar, is a native of the Sudan People’s Liberation Movement-in-Opposition.

Oversight

The State Legislative Assembly passed a financial act and continues to monitor the methods and applications of revenue collection. For accountability and transparency, it also will monitor how the state budget is spent. Members of Parliament are exerting significant pressure for cooperation, accountability, maintaining the rule of law, good governance and transparency to return the Executive Office to its proper place. By debating significant legislation that becomes law, including those crucial for fostering economic growth and raising taxes, the State Legislative Assembly oversees policy.

Coordination

The state has relationships with such organizations such as WFP, FAO, UNMISS, IOM, UNOPS, UNHCR, UNICEF, Médecins Sans Frontières and World Vision International. To better synchronize state development efforts, some of these organizations are putting resilience ideas into practice.

Through the establishment of peace committees and the dissemination of R-ARCSS being carried out under the Peace and Community Cohesion project, the economic governance analyst ensures that the ongoing projects in Warrap state are following the State Development Plan in such areas as policy support, analysis and oversight.
To strengthen the Access to Justice and Rule of Law project in Greater Tonj, UNDP manages civil society organizations for the Resilience Stabilization Reconciliation Trust Fund – Kong Koc project by establishing community policing and developing the skills of judicial actors.

Through the economic governance analyst, UNDP also provides policy support, analysis, oversight and recommendations in the areas of accountability, transparency, public financial management and institutional capacity strengthening to the state Ministry of Finance, Planning and Investment, the State Legislative Assembly and the State Revenue Authority.
Abyei Area, popularly referred to as “Abyei box”, is a land of the Ngok Dinka nine chiefdoms which was, because of administration convenience, transferred to Kordofan in 1905.

As per the Permanent Court of Arbitration ruling on 22 July 2009 in The Hague, Abyei Area falls between coordinates N 9°36'0" and E 28°25'60" or, in decimal degrees, between 9.6 and 28.4333. It covers an area of 10,546 sq. km (4,072 sq. miles) on the border between South Sudan and Sudan. The area is bordered to the west by Northern Bahr el Ghazal state, Warrap state to the south, Ruweng administrative area to the east, and the state of West Kordofan in Sudan to the north.

During the 1983 to 2005 Sudanese civil war, many people from the Abyei area joined the Sudan People’s Liberation Movement/Sudan People’s Liberation Army, and many rose to high ranks in both political and military wings. The 2004 Protocol on the Resolution of the Abyei Conflict (Abyei Protocol) in the Comprehensive Peace Agreement (CPA) that ended the second Sudanese civil war accorded Abyei “special administrative area status” on an interim basis (during the CPA era), to be simultaneously part of Warrap state (in what then was Southern Sudan and now is South Sudan) and South Kordofan State (in what then was Northern Sudan and now is Sudan). This arrangement effectively made Abyei area a “condominium”, with two countries implementing joint sovereignty over the territory (Samuels, 2008).

Under the terms of the Comprehensive Peace Agreement "Abyei Protocol", the residents of Abyei Area were considered, on an interim basis, to be simultaneously citizens of the states of South Kordofan (Sudan) and Warrap (South Sudan) until such time as an official referendum can determine the permanent status of the area. It is important to note that in October 2013, the Ngok Dinka held a referendum in which 99.98 percent of the votes were in favour of Abyei being part of South Sudan, but the governments of Sudan and South Sudan did not recognize the Ngok Dinka referendum.

The 2008 population census put the Abyei population at 400,000 people, according to information shared on Abyei at the Sixth Governor’s Forum. However, due to insecurity and frequent displacements of people, the current population within the “Abyei box” has dropped to about 250,000 people – mainly from Ngok Dinka. The main town and capital of Abyei special administrative area is Abyei town. Agok, the second-largest town in Abyei special administrative area, is partly controlled by Ngok Dinka, though its residents had been temporarily displaced due to the Ngok Dinka–Twic Dinka communal rivalry. Other towns, such as Kec, known in Sudan as El Dafra, are in the area of Abyei box controlled by the Government of Sudan before the conflict.
The people of Abyei special administrative area live primarily in rural areas and practise farming, cattle rearing and fishing as their main means of livelihood. Trading with neighbouring states and communities, both within South Sudan and with Sudan, forms much of the town residents’ economic activity.

Abyei area is an oil-producing area, but the community and area government have not been receiving their shares of oil proceeds, according to Hon. Malony Tong Ngor, who heads the Ministry of Finance, Planning and Investment. The reasons for this, according to the minister, include the refusal of the government of Sudan to remit the funds and the lack of serious follow-up by the national Government of South Sudan.

The land in Abyei Area is primarily flat, and its clay soil is generally covered by a variety of acacia trees and other valuable plant species. Abyei is largely without precipitation during the dry season, which extends from December to March. Flooding is rare during the rainy season, though Abyei did experience flooding recently for the first time in 60 years.

**Government**

Abyei administrative area was first established on 31 August 2008, with a Chief Administrator nominated by the Sudan People’s Liberation Movement and a Deputy Chief Administrator nominated by the National Congress Party. These were the two main political parties in the Sudanese ruling coalition at the time. This administration was dissolved unilaterally by Sudanese President Omar El Bashir in May 2011, who withdrew that country’s members from that administration. South Sudan maintained it as an active administration until 2015.

In February 2015, the President of the Republic of South Sudan issued Republican Order No. 03/2015 to establish Abyei special administrative area.

Abyei special administrative area has a formal structure comprising the following bodies:

» Executive Council: Before the independence of South Sudan, the Abyei Executive Council was led by a Chief Administrator nominated by the Sudan People’s Liberation Movement and deputized by a Deputy Chief Administrator representing the National Congress Party (NCP) and five departments, the situation that ceased when the President of Sudan dissolved it after the Sudanese invasion of Abyei in May 2011. After Republican Order 03/2015, the Executive Council, which is based in Abyei town, exclusively comprises members representing Ngok Dinka interests. The Executive Council is headed by the Chief Administrator and Deputy Chief Administrator and nine departments (ministries) representing the Government of Abyei special administrative area.

» Legislative Council: Abyei special administrative area has a legislature in addition to the Executive Council. However, this arm of the government has been dormant since the signing of the R-ARCSS in 2018. Its dormancy is associated with R-ARCSS implementation complications that have made all the South Sudan administrative area legislatures dysfunctional. According to other principal signatories to the R-ARCSS, political power in administrative areas should be shared using the subnational power-sharing formula in the agreement; however, the Sudan People’s Liberation Movement in Government (SPLM-IG) did not agree to the formula for the sharing of political power in administrative areas, as the SPLM-IG claimed them to be purely SPLM-IG territories without both armed and non-armed opposition presence during the war and up to now. This disagreement in the interpretation of the R-ARCSS had caused paralysis in the functioning of key oversight organs (legislative councils) in all administrative areas, including Abyei. However, chairpersons of key committees in the Abyei Area Legislature still liaise with the executive to facilitate key
decision-making processes. The chairperson of the Finance and Planning Committee is among those chairpersons delivering legislative services despite paralysis in the legislature due to the lack of reconstitution, as required by the R-ARCSS.

Judiciary: The courts are centrally staffed, except for customary law courts. This branch of government is working and is controlled by the national judiciary.

Local government

Abyei special administrative area has four local government counties – Ameth Agouk, Mijak, Alal and Rum-Amer – and Abyei Municipal Council (Abyei town). These local government institutions have basic structures and systems and are operating under serious financial constraints, as is the case for the Administration, due to inadequate funding.

The United Nations Interim Security Force for Abyei is the only body mandated to provide and maintain security in the Abyei box. An important interlocutor in Abyei area governance architecture, it serves as the main provider of security services to Abyei area residents.

Public financial management system and Area Revenue Authority

A public financial management system is a set of rules, institutions, policies and processes that govern the use of public funds across all sectors, from the collecting of revenue to the monitoring of public expenditures (World Health Organization, 2017).

In the states and administrative areas, the revenue authority is the legal institution for revenue mobilization (particularly tax revenue). In Abyei special administrative area, an autonomous revenue mobilization institution is yet to be established. Currently, the revenue mobilization function is being performed by the Directorate of Budgeting and Revenue in the Ministry of Finance, Planning and Investment. The Revenue Authority Act has been drafted by the Ministry of Finance, Planning and Investment, but the Abyei Legislative Council is yet to be reconstituted and remandated according to R-ARCSS to be able to enact laws.

Area Ministry of Finance, Planning and Investment

Revenue collection forms and reporting system

Every week, a revenue collection report is submitted to the director general of the Ministry of Finance, Planning and Investment by the directors concerned (who are also employees of the same Ministry of Finance, Planning and Investment). A monthly revenue collection report also is prepared. At the end of the year, there is a general report for all local revenues collected. Ten percent of revenues collected are automatically deducted at the collection points as a share to the county or counties from which the revenues are generated. Three percent of the revenues collected are given directly to revenue collection departments and staff without going through the treasury planning process. Forms used in collecting revenues and weekly, monthly and annual revenue collection reports are properly filed. Data are available, though time is needed for...
them to be tabulated and presented, because some forms are filled out in Arabic.

The Ministry of Finance, Planning and Investment performs treasury functions for the Government of Abyei special administrative area. Expenditure management flow is well mapped, through basic and unautomated. The internal audit function is established, but its capacity to effectively render sound expenditure review service is limited. The Ministry of Finance, Planning and Investment performs its mandate through the following directorates:

» Directorate of Finance and Administration
» Directorate of Budgeting and Revenue
» Directorate of Accounts
» Directorate of Economic Affairs and Rural Development
» Directorate of Internal Audit
» Directorate of Labour, Public Service and Human Resources Development

Planning, revenue mobilization, budget preparation and budgetary control are performed through these directorates. There is a need to restructure them to explicitly capture their enhanced mandates.

Public financial management oversight

The Ministry of Finance, Planning and Investment prepares financial reports that are made ready for the National Audit Chamber's review and advice. A public accounts audit report is usually submitted to the Abyei Area Legislature for review and further recommendations. However, the legislative functions have not been officially rendered since 2018. The legislature had not been reconstituted as stipulated by the R-ARCSS, and thus has not been functioning.

The Ministry of Finance, Planning and Investment's books of accounts are audited as per the National Audit Chamber plan. As in the governments of all other states and administrative governments, there is no state-based audit chamber branch in Abyei special administrative area, and external audits are seldom.

Headquarters of the Ministry of Finance, Planning, Investment and Public Service and Human Resources Development

Budget preparation history and procedures

The Ministry of Finance, Planning and Investment of Abyei special administrative area has been preparing and presenting the budget to the executives since 2017. The last budget prepared was the 2023/24 fiscal year budget, which will end 30 June 2024. The Abyei budget preparation process usually starts after the national Ministry of Finance and Planning state/administrative area budget workshop, which in 2023 took place in late August in Juba. For the 2023/24 fiscal year, the budget preparations were completed in November 2023. Some parts of previous budgets were prepared in the Arabic language (financial bills); however, the Ministry of Finance, Planning and Investment, with help from the economic governance analyst assigned by UNDP, prepared the fiscal year 2023/24 budget in English. The Department of Budgeting and Revenue of the Ministry of Finance, Planning and Investment is the main department responsible for budget preparation.

An appropriation bill is prepared every year before the next fiscal year budget process kicks in. It is always shared with the Abyei Area Legislature's Committee on Finance and Planning for comment and endorsement.
Revenue and expenditure data

Although the Abyei Area Ministry of Finance, Planning and Investment maintains revenue collection and expenditure records, the record management system is basic. Filing revenue collection forms/reports and expenditure records per month in an easily retrievable file and a dedicated and safeguarded location is a challenge. Financial records are available, but the retrievability of urgently needed files is a challenge that needs to be addressed through training on effective record management.

National government transfers

Like in the 10 states and the other two administrative areas of South Sudan, Abyei special administrative area continues to receive annual transfers from the national Ministry of Finance and Planning to supplement its own revenues in the delivery of basic services to the people of the area.

Partnerships

Various United Nations agencies – the United Nations Resident Coordinator’s Office, WFP, FAO, the Office for the Coordination of Humanitarian Affairs, IOM, UNICEF, UNHCR and the United Nations Interim Security Force for Abyei – have been established in the area. In addition, several international non-governmental organizations – Save the Children International, Concordis International, GOAL and Médecins Sans Frontières – and a substantial number of local non-governmental organizations are represented in the Abyei box. Coordination forums for humanitarian clusters are already established, but a peace–humanitarian–development nexus coordination forum does not exist. Efforts to establish a Government and Development Partners Coordination Forum are under way. Initial discussions have taken place with the Chief Administrator, and more engagements will continue with other partners, including the United Nations Interim Security Force for Abyei Civil Affairs Department, to actualize the forum.
CHAPTER THREE: CHALLENGES AND WAY FORWARD

The economic governance framework at the subnational level plays a critical role in fostering sustainable development, enhancing service delivery and promoting equitable growth. However, numerous challenges hinder effective economic governance. The challenges to economic governance at the subnational level in South Sudan are multifaceted and interconnected, requiring comprehensive strategies and interventions. Addressing these challenges necessitates a combination of policy reforms, institutional strengthening, infrastructure development, political stability and financial sector enhancements.

Below are several key challenges facing economic governance at the subnational level, followed by several recommendations for the path forward.

Ineffective legal and regulatory environment for revenue mobilization

State revenue authorities struggle to exercise their mandates and jurisdictions due to non-existent or inadequate legal frameworks. For example, Eastern Equatoria, Unity and Upper Nile states and Greater Pibor administrative area do not have revenue statutes establishing revenue authorities. In Ruweng and Abyei administrative areas, the functions of non-oil revenue collection sit with the treasury. Similarly, Warrap, Northern Bahr el Ghazal and Western Equatoria states still operate using obsolete revenue laws that are irrelevant to their current contexts, coming from states made defunct when South Sudan was restored to 10 states. In Central Equatoria, Western Bahr el Ghazal and Jonglei states, and where there exist revenue acts, issues of compliance persist. The inadequate legal and regulatory environment renders state revenue authorities ineffective, leading to suboptimal revenue mobilization. Such legal environments also discourage private sector investments, which are crucial engines of economic growth.

Weak human and institutional capacities

Weak institutional capacity poses a significant challenge to economic governance at the subnational level. This includes limited human resources, inadequate technical expertise and weak administrative systems. Personnel insufficiently skilled in such areas as financial management, planning and project implementation hinder effective economic governance. Several efforts have been made by development partners (UNDP and the United States Agency for International Development in particular) to bolster staff capacities on public financial management in the states. However, staff retention has been poor due to low wages and incentives.
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State institutions continue to face funding constraints due to the unpredictable and untimely disbursement of funds, including county development grants, by the national government. Many agencies in the states and administrative areas have identified bureaucracy and a lack of commitment to planned budget allocations as hindrances to their operations. This has impacted public sector spending on planned programmes, leading to poor economic performance and deteriorating socio-economic conditions.

Inadequate infrastructure

Inadequate infrastructure in the states and administrative areas of South Sudan poses a significant challenge to economic governance. Insufficient road networks, unreliable energy supply, and limited access to basic services hinder economic activities, trade and investment. Inadequate infrastructure not only constrains economic growth but also affects the delivery of public services, exacerbating poverty and inequality. Prioritizing infrastructure development and investing in key sectors can enhance economic governance and promote inclusive growth. For example, conflict has destroyed most of the infrastructure in the states, including the power grid and ICT systems established in 2011. Consequently, revenue collection at state revenue authorities is done rudimentarily (manually), which creates avenues for revenue leakage and difficulties in revenue projections. The lack of electricity also creates poor working conditions for staff, leading to absenteeism from work.

State legislatures are not effectively performing their oversight functions. State parliaments in Upper Nile and Unity states and Abyei and Greater Pibor administrative areas have not formally opened for business since they were reconstituted. As a result, previous fiscal year budgets were signed into law by the executive without deliberation in the legislature. In addition, economic governance-related reform bills (including public financial management acts and public procurement bills) have not been passed, and state revenue authorities are not adequately scrutinized. The ability of state legislatures to effectively do their work is limited by capacity gaps. In addition, parliamentary facilities (buildings, furniture, ICT, electricity) are outdated, thus creating poor conditions for members of parliament and a lack of quorum. Negative impacts of the lack of adequate legislative oversight include a lack of checks and balances, inefficient resource allocation, weakened oversight of public procurement, and impaired transparency and accountability.

Development partners, including the private sector and civil society in the states, are not active in economic governance processes, owing to a lack of coordination mechanisms. Governments – especially in Jonglei, Unity, Upper Nile and Warrap states and Abyei, Greater Pibor and Ruweng administrative areas – have yet to establish coordination forums to involve stakeholders in the policymaking process and minimize incoherence in implementation. There are, therefore, missed opportunities from strong public-private partnerships that could be achieved through sustained and effective coordination.

Given the critical importance of economic governance in the development of South Sudan, it is essential to support economic governance reforms in the states and administrative areas. Investing in initiatives that strengthen economic governance can contribute to
addressing regional disparities, promoting inclusive growth and development, fostering resilience, attracting investments, enhancing service delivery and aligning with the national development priorities of South Sudan. Such support not only would enhance economic governance but also lay the foundation for sustainable and equitable development in the country’s subnational entities, ultimately benefiting South Sudan as a whole. Going forward, the following recommendations should be considered to strengthen economic governance:

**Support legislative and other oversight bodies**

The oversight role of state parliaments should be strengthened through the delivery of capacity-building measures for members of parliament, especially in the finance and planning and public accounts committees. Such measures should include expanding training opportunities related to budget appropriation, bill formulation, budget performance review and audit reports and setting up parliamentary research facilities to enhance policy research for informed decision-making. In addition, state governments and development partners should strengthen parliamentary infrastructure (building, furniture, ICT, electricity) to keep parliaments operating throughout the year. Furthermore, states’ audit chambers and anti-corruption commissions should be capacitated. Improving the function of these oversight bodies would enhance overall accountability and transparency in governance processes.

**Strengthen the legal environment for revenue mobilization**

State legislatures should pass statutes to establish revenue authorities in their states or revise current revenue acts to make them fit for purpose and in line with the National Revenue Authority Act of 2016 (amended in 2018 and 2023) and the Public Financial Management and Accountability Act of 2011. State and national governments need to discuss how to strengthen legal mandates to address issues of tax jurisdiction, eradicating illegal checkpoints and minimizing multiple taxation and tax evasion to optimize revenue at the national and state levels.

**Improve the regulatory and policy environment for private sector growth**

The private sector plays a critical role in economic growth through creating jobs, driving innovation and entrepreneurship and widening the tax base. Governments should, therefore, provide public goods to businesses and enact place policies and regulations that foster an enabling business environment, including ensuring a transparent tax system, streamlining licensing procedures, reducing bureaucratic red tape and empowering investors with insights and market intelligence to increase both local and foreign investments. This should be reinforced with improved access to finance, especially for small and medium enterprises, through loan and credit guarantee schemes. It also is important to invest in education and skills development to meet the current and future needs of the private sector and to reduce the skills mismatch observed in local job markets.

These interventions would improve private sector growth and lead to more diversified local economies.

**Upgrade institutional and staff capacities in state ministries of finance and state revenue authorities**

Government and development partners should improve ICT systems, including integrated financial management information systems and other financial management systems, to enhance reporting and internal controls of revenues and expenditures. Similarly, there is a need to invest in power supply systems (solar systems) to modernize government operations and improve working conditions. In addition, staff capacity-building measures through sustained training on the public financial management cycle (policy reviews, strategic planning, budget formulation, resource mobilization, budget execution, accounting and monitoring, and audit and evaluation) should be delivered to staff at the low level of policy implementation. This would enhance staff work and augment the effectiveness of economic governance institutions.
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Improve intergovernmental fiscal relations between national and state governments for effective fiscal decentralization

The national government and partners should establish modalities for dialogue with states, aimed at achieving a predictable and timely adherence to fiscal commitments and budgetary processes for improved service delivery at subnational levels. This also should include addressing issues of non-compliance with fiscal reporting and accountability by states through the provision of advocacy and training to state and county development committees.

Improve economic and socio-economic statistical systems and the national Ministry of Finance and Planning

Partners should support the National Bureau of Statistics in the establishment of sub-offices at the state level, with skilled personnel to manage them. This would generate real-time and disaggregated data to enhance decision-making on economic policy planning and ensure the effective monitoring of progress towards state development plans and the SDGs.

Improve stakeholder engagement

The offices of the governors should resuscitate and strengthen coordination forums for partners – civil society organizations, the United Nations, non-governmental organizations, the private sector and the media – in the states and administrative areas for inclusive and coherent policymaking and for the improved impact of development and economic policies. This also would strengthen resource mobilization towards implementing collective priorities and achieving desired outcomes.

National and state governments, together with development partners, should embark on improving road infrastructure – including flood-control systems such as dikes, bridges, dams and drainage – to improve accessibility. In addition, ministries of finance and state revenue authorities should provide transport equipment for staff and revenue collectors at substate levels to ease movement and improve the supervision of regular activities.

In addition, national and state governments and peace partners should make efforts to sustain peace and address issues of conflict and fragility. Conflicts have put a great deal of pressure on resources and have affected the performance of key sectors, especially agriculture, health and education. Conflict also has distorted investors’ confidence in South Sudan.
CHAPTER FOUR: CONCLUSION

The states and administrative areas of South Sudan are heavily endowed with enormous resources, most of which remain untapped. These resources present a huge potential for economic growth and development. However, development economists assert that the dividends of economic growth and prosperity can be achieved only when there are viable economic governance institutions to translate policies into realistic government programmes and services.

South Sudan falls short in this, despite a growing interest in implementing economic reforms. Therefore, economic governance remains characterized by poor policy planning, unrealistic fiscal allocations, weak internal controls and oversight, and inadequate revenue mobilization for public spending.

The assessment reveals that economic institutions have insufficient institutional and staff capacities to deliver core government functions to accelerate recovery from the impact of conflicts, flooding, the COVID-19 pandemic and the unfavourable macroeconomic environment. In addition, economic institutions continue to encounter an inadequate legal and regulatory framework, weak national fiscal decentralization, poor infrastructure (including ICT systems), lax legislative oversight and inadequate partnerships on economic governance issues.

To improve the performance of economic institutions in the states and administrative areas of South Sudan, this report recommends that governments and development partners address both the institutional and human capacity gaps in states and administrative areas to improve the legal environment and administrative processes for sustained revenue growth and to accelerate the implementation of policy frameworks and priorities.

There is a need to improve expenditure prioritization and quality, budget implementation (with incurred budget expenditures), and financial controls to cut waste and corruption.

UNDP currently supports states and administrative areas on economic policy, non-oil revenue mobilization and other public financial management matters and has embedded economic governance analysts with expertise to provide capacity-building measures. Going forward, sustained partnership is required to bolster the capacities of the states and administrative areas to provide much-needed services and accelerate the achievement of the SDGs.
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