

# **Stock take of External Debt of the Government of South Sudan**

Draft Report

December 2022

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## List of Acronyms

Acronym	Definition
AfDB	African Development Bank
BOSS	Bank of South Sudan
EY	Ernst & Young LLP
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IMF	International Monetary Fund
LIBOR	London Inter-Bank Offer Rate
MoAFCRD	Ministry of Agriculture and Food Security
MTDS	Mid Term Debt Strategy
MoFP	Ministry of Finance and Planning
NPLs	Non-Performing Loans
NIDB	National Investment & Development Bank
PFMAA	Public Financial Management and Accountability Act
PGD	Publicly Guaranteed Debt
QNB	Qatar National Bank
R-ACRSS	Revitalised Agreement for the Resolution of Conflict in South Sudan
RCF	Rapid Credit Facility
SDR	Special Drawing Rights
SSP	South Sudanese Pounds
TDB	Trade and Development Bank
TFA	Transitional Financial Agreement
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
US\$	United States Dollars
WB	World Bank

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## 1. Executive summary

## 1. Executive Summary

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### 1.1 Purpose and objective of the exercise

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The objective of the exercise was to support the Ministry of Finance and Planning (MOFP) in undertaking a stocktake of South Sudan's external debt. By identifying the current external debt, the Ministry of Finance and Planning would:

- Have a clear picture of the current liabilities and this would contribute to transparency around public debt
- It will also help to inform government strategies to expand the fiscal space for development.

Debt transparency is critical for providing accountability to the public, enabling informed decisions by domestic businesses, and allowing foreign creditors to understand borrowing trends. Debt and debt management transparency improve accountability and, potentially, borrowing outcomes.

In undertaking the stocktake, the below key activities were performed:

- Analysis of public debt data provided by the authorities
- Verifying and reconciling with creditors on government debt when the creditors provided information
- Comparing the variability between reported debt position from the government stock and creditors stock. This involved comparing individual loan instrument's outstanding debt position, undisbursed debt, repayment profile, interest rate for aggregated data among other criteria.

The detailed step-by-step procedure is highlighted in section 3 of the report.

### 1.2 Approach of the Exercise

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The assignment was based on EY's methodology which involves 5 inter-related phases, namely, Identify, Diagnose, Design, Deliver and Sustain (IDDDS). The methodology was designed to uncover issues and risks proactively and allowed for early resolution of root causes for any problems identified during the project.

The IDDDS methodology covered different aspects required to accomplish the assignment in an organised and focused manner as summarised below:

- a) **Identify** - Validate engagement requirements and perform detailed planning
- b) **Diagnose** - Understand the current state
- c) **Design** - Design, agree and plan for improvements
- d) **Deliver** - Execute and embed improvements
- e) **Sustain** - Continuous improvements, knowledge transfer and handover

Following the IDDDS methodology, it was identified that South Sudan's outstanding external debt stock is at **USD 2,575,462,670**. An overview of the stock is presented in table 1.4 and a detailed breakdown of the loans is highlighted in section 3 of the report.

### 1.3 Participants of the Exercise

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To successfully inform the report, the exercise involved one on one meetings with the key government agencies and a consultative meeting with the Ministry of Finance and Planning and its

stakeholders. Creditors to the Government of South Sudan were also engaged in the reconciliation process. The below list provides the participants of the exercise. A more detailed list is attached in the appendix section.

Ministry of Petroleum	South Sudan Roads	Loan Committee
MoFP - Budget and revenue department	Audit Chamber	Ministry of Foreign Affairs
MoFP - Debt	Ministry of Defence	Ministry of Transport and civil aviation authority
MoFP - Macro and	Ministry of Justice	Creditors
MoFP - Accounts	Bank of South Sudan	

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## Stocktake of the external debt of the Government of South Sudan

### 1.4 Summary of External Debt Stock in South Sudan

The table below captures the status of external debt currently available in South Sudan

Creditor Name	Principal (Commitment)	Cancellations	Net Commitment	Disbursed Amount	Undisbursed Amount	Interest repaid	Principal repayment	Outstanding Debt	Agency responsible	Type of loan
<b>WORLD BANK LOANS</b>	<b>195,000,000</b>	<b>75,511,332</b>	<b>119,488,668</b>	<b>104,557,890</b>	<b>14,930,778</b>	<b>420,831</b>	<b>397,589</b>	<b>106,999,031</b>		
Statistical Capacity Building Project	9,000,000	3,813,355	5,186,645	4,533,885.05	652,759.95	12,015.87	397,589.00	4,298,036	MoFP	Concessional
Health Rapid Results project	10,000,000	13,700	9,986,300	9,231,868.08	754,431.92	42,599.87	-	9,621,705	MoH & MoFP	Concessional
Health rapid results	25,000,000	-	25,000,000	23,704,774.00	1,295,226.00	-	-	23,704,774	MoH & MoFP	Concessional
Safety Net	21,000,000	-	21,000,000	19,353,760.00	1,646,240.00	144,525.26	-	19,837,001	MoAFCRD	Concessional
EA Regional Constr.	80,000,000	70,428,738	9,571,262	1,842,624.86	7,728,637.14	13,723.28	-	1,932,038	Ministry of transport, roads and bridges	Concessional
Local Government Service Delivery	50,000,000	1,255,539	48,744,461	45,890,978.10	2,853,483.35	207,966.30	-	47,605,478	Local Government Board	Concessional
<b>IMF LOANS</b>	<b>226,500,000</b>	<b>-</b>	<b>226,500,000</b>	<b>226,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>226,500,000</b>		
IMF CRF 1	52,300,000	-	52,300,000	52,300,000.00				52,300,000	MoFP	Concessional
IMF CRF 2	174,200,000	-	174,200,000	174,200,000.00				174,200,000	MoFP	Concessional
<b>AFRICAN DEVELOPMENT BANK</b>	<b>27,536,800</b>	<b>-</b>	<b>27,536,800</b>	<b>22,742,218</b>	<b>3,878,503</b>	<b>-</b>	<b>-</b>	<b>22,742,218</b>		



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Financial Institution Development Bank Loans	11,170,000	0	11,170,000	11,662,242	619,033.01	0.00	0	11,662,242	MoFP	Concessional
NORMA-SS	1,725,000	0	1,725,000	882,343	-	0.00	0	882,343	MoFP	Concessional
Juba power distribution and expansion	14,641,800	0	14,641,800	10,197,632	3,259,469.81	0.00	0	10,197,632	MoFP	Concessional
<b>Other creditors</b>	<b>2,719,000,000</b>	<b>252,000,000</b>	<b>2,387,000,000</b>	<b>2,387,000,000</b>	<b>-</b>	<b>62,890,120</b>	<b>561,289,205</b>	<b>2,219,221,421</b>		
Sahara Energy	600,000,000	252,000,000	348,000,000	348,000,000	-	28,874,536.16	48,524,535.12	310,482,015	MoFP & MoP	Non Concessional -
Afrexim	400,000,000	-	400,000,000	400,000,000	-	16,525,530.10	211,254,737.42	188,745,263	MoFP	Non Concessional -
Afrexim	250,000,000	-	250,000,000	250,000,000	-	-	-	267,657,578	MoFP	Non Concessional -
China Export-Import Bank	150,000,000	0	150,000,000	150,000,000	-	4,422,479.36	14,999,930.01	167,894,000	MoT	Non Concessional -
China Export - Import Bank - ATM								231,952,567		
Qatar National Bank	700,000,000	0	700,000,000	700,000,000	-	-	114,190,661.00	585,809,339	MoFP	Non Concessional -
NASDEC	539,000,000	-	539,000,000	539,000,000	-	13,067,573.93	172,319,341.66	366,680,658	Need confirmation	Non Concessional -
CfC Stanbic Bank								To be confirmed	MoFP	Non Concessional -
NIDB	80,000,000	-	-	-	-	-	-	100,000,000	Not identified	Non Concessional -
	<b>3,168,036,800</b>	<b>327,511,332</b>	<b>2,760,525,468</b>	<b>2,740,800,108</b>	<b>18,809,281</b>	<b>63,310,950</b>	<b>561,686,794</b>	<b>2,575,462,670</b>		

## Stocktake of the external debt of the Government of South Sudan

*Table 1: Summary of External Debt Stock*

The table above represents information received from Ministry of Finance and Planning and Creditors who responded to the exercise before the release of the draft report. Further confirmation is expected to be obtained before the project is closed.

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## 2. Background and Government Debt

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### 2.1 Overall Outlook

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#### Recent macroeconomic and financial developments

South Sudan became the youngest nation in the world when it gained independence in 2011. There was great promise in the growth of the young country. However, unfortunate events such as conflict erupted slowing down its projected growth trajectory.

Order started to be noted in the year 2018 when the Revitalized Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS) was signed. According to World Bank data, South Sudan's population as of 2022 stood at 11.3 million. This indicates a 12% increase in population as compared to 2012.

With the continued growth, South Sudan's economy improved significantly and in the year 2019/20 the GDP grew 13.2%. South Sudan's economy in the 2020/21 contracted narrowly by 6% as it was the case in most of the countries during the turbulent times. The main factors that contributed to the decline included: Covid-19, floods, locust invasions and Covid -19 containment measures affecting the business environment. Oil export being the main revenue source of the country was also affected as oil prices fluctuated globally.

In the period 2019/20, inflation had gripped the country at a rate of 33.3%. To stabilise and reduce the rate, monetary policy mechanisms were implemented in the year 2020/21 reducing the inflation rate to 24%.

In the past, South Sudan has borrowed extensively to support its year-on-year budget. This is expected for economies at their early stages of growth, especially those with underdeveloped domestic debt markets. Economies characterized by less developed domestic debt markets frequently depend on external source of borrowing to meet their demanding financing obligations.

The financing gap was financed by both concessional and non-concessional loans. There has also been accumulation of arrears throughout the years and has become a cause of concern. In the approved 21/22 budget, allocation of resources has been prioritised to cover the pending arrears and avoid any further accumulation. Non-oil revenue mobilisation has also been prioritised to allow for future sustainability of revenues. The 21/22 budget focuses on improving infrastructure development and creating a suitable environment to support investments to diversify from oil reliance.

According to IMF, the outlook on debt for South Sudan is positive looking, as non-oil related revenue is increasing reducing the risk on reliance of oil-backed loans, TFA payment to Sudan has been completed freeing up capital and there are potential spending cuts in the government. This will allow the country to repay what they owe and, in the future, take up loans with better terms.

## 2.2 Legal Framework in Management of Public Debt In The Republic Of South Sudan

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This section introduces the legal framework in which public debt in South Sudan is managed. There are three main reference points on debt management in South Sudan namely:

- a) **The Constitution** - As provided for in Article 184 of the Constitution, the Ministry shall not borrow, guarantee, or raise a loan on behalf of the Government or any person, Agency, or State except as authorized by this Act and or the resolution of the Assembly.
- b) **The Revitalized Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS)** - The (R-ARCSS) signed in September 2018 provides the constitutional framework under which South Sudan currently operates. Chapter IV of the Agreement titled “Resource, Economic and Financial Management” stipulates a number of institutional reforms that need to be implemented to enhance the resources and economic management of the country.
- c) **Public Financial Management (PFM) Act** - In line with the provisions of the agreement, the Government of South Sudan is currently implementing a comprehensive Public Financial Management (PFM) roadmap. The PFMA Act provides that subject to the limits on borrowing and the powers vested in the Assembly, in accordance with the provisions of the Constitution, loans may be raised by borrowing externally or by the issue of domestic Government Treasury bills, bonds or stock or any other method the Ministry in consultation with the Bank deems appropriate, after the approval of the council of Ministers.

Subject to the provisions of the Constitution, the Act and or the resolution of the Assembly shall provide the financial terms and conditions of any loan.

The table below provides the details of the legal documents reviewed by the study, key provisions related to debt management, gaps, and recommendations.

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No.	Legislation	Key provisions related to debt management	Gaps and recommendations
1	The Republic of South Sudan Transitional Constitution, 2011	<ul style="list-style-type: none"> <li>• Vesting the power to borrow on the National Legislative Assembly through appropriation or by specific resolutions;</li> <li>• Making external debt service obligations of the Government a first-line charge on the Consolidated Reserve Fund which makes all public debts to be backed by the full faith credit of the Government;</li> <li>• Recognition and approval of borrowing as a source of funding of Governments' expenditure;</li> <li>• Empowering the National and State Governments to borrow from domestic and external sources with the approval of the respective legislatures by including borrowing in the National and State Legislative list, respectively; and,</li> <li>• Stating that each level of Government shall be responsible for the debt liability incurred by it.</li> </ul>	<ul style="list-style-type: none"> <li>• It provides that the Government can legislate for “raising revenue or collecting taxes from the following sources: loans and borrowing from the Bank of South Sudan”. This constitutional provision has to be re-examined because monetary financing of fiscal operations leads to expansion of the monetary base which could be highly inflationary.</li> <li>• The Constitution provides that appropriate legislature (National and State Governments) may by law exempt any categories of loans from the requirement of approval and in this case determine the extent of the money value of the loan subject to such conditions as it may prescribe. The power to exempt any category of loan from requirement of approvals may give unfettered borrowing powers to the fiscal authorities, which if not checked could lead to debt unsustainability.</li> <li>• The Constitution allows National and State Governments to individually make laws regulating domestic and external borrowing and to borrow thereby. Whereas there are different tiers of Governments, there is only one economy. Therefore, there is need to establish a central agency that would be responsible for the coordination of the borrowing activities of the Governments in the Republic in order to ensure overall debt sustainability of the country.</li> <li>• Stipulating that all foreign borrowings must conform to the specifications of the Bank of South Sudan subjects the fiscal authorities to monetary control which is not best practice. Best practice requires that the functions of the monetary authority be well separated from the fiscal authorities to avoid conflicts of interest, particularly on the part of the Central Bank. Such separation is crucial for the orderly development of the financial market in general and the</li> </ul>

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No.	Legislation	Key provisions related to debt management	Gaps and recommendations
			<p>capital market in particular. Even then, there should be coordination between the fiscal and monetary authorities. This is usually done through the setting up of a Monetary and Fiscal Policy Coordination Committee comprised of all relevant Government agencies involved in macroeconomic management. The Committee provides a platform for exchange of ideas on the general state of the economy and on critical economic variables from time to time.</p>
2	The Bank of South Sudan Act, 2011	<ul style="list-style-type: none"> <li>• Empowers the Bank to issue securities of tenors no longer than 12 months solely for the conduct of monetary policy operations;</li> <li>• Empowers the Bank to regard as liquid assets the securities issued by the Government of South Sudan (GOSS) thereby provides the basis for banks and other financial institutions, as well as investors to buy and sell Government securities;</li> <li>• Directs the Minister of Finance and Planning to consult the Bank during budget formulation, including presenting the terms and conditions of proposed borrowings to the Bank;</li> <li>• Empowers the Bank to act as the Fiscal Agent of the Government in respect of all matters relating to the functions of Registrars in the issuance and redemption of Government securities and debt service.</li> </ul>	<ul style="list-style-type: none"> <li>• The main defects in the BSS Act with respect to public debt is the requirement that the Minister of Finance consult the Bank during budget preparation and also presents the terms and conditions of proposed borrowing to the Bank. These put the Minister under the control of the Bank, which is not best practice. To avoid conflicts of interest, especially on the part of the bank, the best practice is for the proposed Debt Management Agency to conduct a Debt Sustainability Analysis for the country in conjunction with other relevant Government agencies, including Central Bank officials with a view to determining the borrowing space each year. The debt agency advises the Minister on the available borrowing space. The Minister formulates the budget and determines the proportion of the budget deficit required to be funded through borrowing based on the advice of the debt agency. The Minister presents the budget estimates to the Council of Ministers for approval and then the President presents the budget to the National Legislative Assembly for appropriation.</li> <li>• The establishment of a Government agency responsible for the central coordination and management of public debt would eliminate the subordination of fiscal to monetary authorities with respect to public debt management</li> </ul>

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No.	Legislation	Key provisions related to debt management	Gaps and recommendations
3	The Public Finance Management and Accountability Act, 2012	<ul style="list-style-type: none"> <li>• The PFMA Act makes public debt management part and parcel of the general framework for public finance management, with emphasis on funding of budget deficit.</li> <li>• It grants the Ministry of Finance and Planning (MoFP) the power to raise capital (domestic and external) on behalf of the Government using a wide range of instruments as may be appropriate and further provides that the exercise of the powers must be in consultation with the Bank after the approval of the Council of Ministers.</li> <li>• The PFMA Act states some of the reason why the Government should borrow.</li> <li>• It re-asserts the requirement of approval of the National Legislative Assembly for every borrowing as provided by the Transitional Constitution.</li> <li>• It vests the power to contract loans and issue guarantees on the MFP with requisite approvals by the Council of Ministers.</li> <li>• The PFMA Act disallows all other forms of external borrowing, except concessional borrowing.</li> <li>• It prioritized debt service over other forms of Government expenditure in the budgetary process. This is in line with the provisions of the Constitution.</li> <li>• The PFMA Act sets borrowing limits of total public debt at 20% of the GDP and the ratio of total debt service at 5% of the domestic revenue of the Government.</li> <li>• The PFMA Act vests the responsibility for management of debts of the Government on the MoFP and assigns the Undersecretary to oversee</li> </ul>	<ul style="list-style-type: none"> <li>• It makes public debt management an aspect of the budgeting process in terms of funding Government budget deficit. This is just one out of the many functions of public debt management agencies of Government. The establishment of the proposed Debt Management Agency would enable the economy benefit from the numerous operations of public debt management such as the facilitation of the orderly development of the domestic debt market.</li> <li>• Whereas introduction of new securities (domestic and external) should be done in consultation with the Bank, the issuance of same after introduction need not be done in consultation with the Bank. To do so, would put the Minister under the control of the Bank which would hamper the formulation and implementation of fiscal policies of the Government.</li> <li>• The PFMA vests the power to borrow and sign loan agreements on the MoFP. The standard practice is to vest such power directly on the Minister in charge of Finance, who may delegate the power in writing to any official of the Ministry. This is required in order to ensure that the signatory has the legal power to bind the Government in a loan agreement, issuance of guarantees and in other public debt management operations that requires the signature of the Minister.</li> <li>• The provision that prohibits all other forms of external borrowing, except concessional borrowing is highly disadvantageous to the economy because it denies the country several benefits associated with borrowing from the international capital market, such access to foreign exchange, market development and opening of access for other issuers in the economy. Therefore, the law should allow other forms of external borrowings. Such borrowings may be accessed after the analysis of the cost and risk</li> </ul>



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No.	Legislation	Key provisions related to debt management	Gaps and recommendations
		<p>the functions of maintaining debt records and debt service obligations of the Government.</p> <ul style="list-style-type: none"> <li>• The Act provides that on-lending of foreign loans by the Government should be on commercial terms.</li> <li>• It makes provisions on the reporting requirements and monitoring of uses of public borrowings.</li> </ul>	<p>trade-off and preferences that would be outlined in the debt management strategy of the country and after the conduct of debt sustainability analysis to ensure that the public debt portfolio remain sustainable if such borrowings were done.</p> <ul style="list-style-type: none"> <li>• The PFMA Act prescribes strict borrowing limits, whereas public debt management is dynamic. Best practice is to set a legal limit for budget deficit to GDP ratio, usually at three (3%), while the debt managers undertake an annual debt sustainability analysis to determine the available borrowing space of the country from time to time. The debt burden ratios of the country would then be benchmarked against the international peer group threshold set by the World Bank/IMF, which classify countries as Strong, Medium and Weak Performers based on their Country Policy and Institutional Assessment scores.</li> <li>• With respect to on-lending which are required to be done on commercial terms, best practice requires that on-lending should be done under the same terms and conditions with which the original loans were borrowed. The Government is not expected to profit from the process because doing so will increase the cost of debt service and may lead to debt unsustainability.</li> <li>• Overall, the PFMA Act confines the public debt managements functions of the country in a unit in the MoFP, which falls short of the requirement of having a definite agency of Government to be in charge of public debt management for purposes of professionalism, efficiency, and effectiveness. The institution vested with the powers to manage public debt, a key component of the country’s macroeconomic framework and stability, is required to be autonomous but supervised by a Board comprised of high-ranking Cabinet Ministers, and which has the Vice President of the country as Chairman. It usually</li> </ul>

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No.	Legislation	Key provisions related to debt management	Gaps and recommendations
			reports to the Council of State through the Minister in charge of Finance. The design is to detach public debt management from Government bureaucratic bottlenecks.
4	The Petroleum Revenue Management Act, 2013	<ul style="list-style-type: none"> <li>The Petroleum Revenue Management (PRM) Act prohibits the use of natural resources as collateral for Government borrowing or repayment of debts except under emergency situations.</li> </ul>	<ul style="list-style-type: none"> <li>No gaps were noted; however, it is noted that loans in the country have been previously obtained even with the restrictions provided.</li> </ul>
5	The Petroleum Act, 2012	<ul style="list-style-type: none"> <li>This Act forbids the Government from taking responsibility of any loan or debt obligation incurred by the Government of Sudan under a prior contract using oil produced in South Sudan as collateral.</li> </ul>	<ul style="list-style-type: none"> <li>No gaps were noted; however, it is noted that loans in the country have been previously obtained even with the restrictions provided.</li> </ul>

Table 2: Review of Legal Documents

### 2.3 Additional related Documents Reviewed

The table below represents a review of additional policy and strategy documents provided by MOFP related to the debt management framework.

Document	Description	Gaps, comments and recommendations
Draft Debt Management Agency Bill	<ul style="list-style-type: none"> <li>The purpose of DMA Bill is to establish the Debt Management Agency which shall be responsible for the preparation and implementation of the plan for the efficient management of the external and domestic debt obligations of the Republic of South Sudan at sustainable levels compatible with desired economic activities for growth and development and other related matters thereto.</li> <li>The Debt Management Agency shall also:                             <ul style="list-style-type: none"> <li>Maintain a database of all loans or guarantees</li> <li>Forecast loan obligations</li> <li>Verify and service external debt</li> <li>Other matters related to debt</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The recommendations made in the 'Review of Legal Documents for Supporting the Development of a Debt Management and Strategy Framework' included the establishment of a Debt Management Agency to centrally coordinate and manage the public debt of the country by the National Legislative Assembly.</li> <li>The agency is meant to address the main defects in the Bank of South Sudan Act, including the conflict of interest posed by the Minister of Finance in budget preparation and the presentation of the terms and conditions of proposed borrowings to the Bank.</li> <li>To avoid this, the proposed Debt Management Agency will conduct a Debt Sustainability Analysis to determine the borrowing space each year and the Minister during budget formulation on the deficit to be funded through borrowing.</li> </ul>
Updated Debt Management Policy (DMP) - Debt Management	<ul style="list-style-type: none"> <li>The DMP policy provides guidelines on Debt Management.</li> <li>The initial DMP was primarily hinged on the principles of costs and sustainability, with special emphasis on the limits set in the Public Financial Management Accountability (PFMA) Act of 2011, on the international thresholds for debt sustainability set by the World Bank/International Monetary Fund (IMF) under the Low-Income Countries-Debt Sustainability Framework (LIC-DSF) and on the evaluation of potential risks from future borrowing.</li> <li>Upon review of the DMP, it was noted that it needed improvement in several areas as development of domestic securities market had been excluded.</li> </ul>	<ul style="list-style-type: none"> <li>The development of the domestic securities market, which is a key objective of public debt management, was excluded in the initial policy document.</li> <li>This necessitated the review and update of the DMP</li> <li>Consider opening access to other sources of funding besides concessional financing.</li> <li>Best practices in public debt management require that the Government establish criteria for granting guarantees and for recognizing and managing the fiscal risks associated with identified contingent liabilities</li> </ul>
Draft Medium Term Debt Management Strategy	<ul style="list-style-type: none"> <li>The Draft Medium-Term Debt Management Strategy was prepared as part of the reform initiatives of AFREXIM Bank for the Republic of South Sudan.</li> <li>The Medium-Term Debt Management Strategy (MTDS) is a policy document, which provides a guide to the borrowing</li> </ul>	<ul style="list-style-type: none"> <li>There is lack of adequate data to inform the MTDS as majority of the economic data and debt information is not easily available.</li> <li>MTDS is limited to the analysis of the baseline public debt and other relevant macroeconomic data for, which information is available.</li> </ul>

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	<p>activities of a Government in the medium-term, usually four (4) years.</p> <ul style="list-style-type: none"> <li>The aim is to ensure that borrowing activities support the execution of the nation’s budget and other fiscal operations of the Government, including development of other non-debt financing options and establishing a prudent public debt portfolio mix, as well as the refinancing of maturing public debt obligations.</li> </ul>	<ul style="list-style-type: none"> <li>Developing capability in collecting and maintaining critical data is recommended</li> </ul>
Organisational and Operational Framework	<ul style="list-style-type: none"> <li>The Organisation and Operational Framework was developed to guide the operations of the proposed Debt Management Agency (DMA or Agency) in the Republic of South Sudan (RSS).</li> <li>The Framework covers the location of the DMA; the structure of the Supervisory Board; the DMA Organizational Structure; and the Inter-Agency Relationships between the DMA and other Ministries, Departments and Agencies (MDAs) in the country, as well as other stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>The document highlights the functions of the DMA, organisational structure and resource requirements.</li> <li>It was however noted that the document stated that the DMA could sit under the Presidency or Ministry of Finance provided specific criteria exist. This poses a vague visual on how the DMA will operate.</li> <li>Clear description and definition of the organisation of the DMA is imperative to its success</li> </ul>
Review of HR and MDA	<ul style="list-style-type: none"> <li>This document provides a review of existing human resources and skills requirement for the DMA.</li> <li>It also provides the nature of relationship between the DMA and other relevant MDAs involved in Debt management operations.</li> </ul>	<ul style="list-style-type: none"> <li>It could be noted that the role descriptions are vague</li> <li>Proper estimation of the personnel required by role also need to be evidenced</li> <li>Provide a detailed breakdown of the roles required and their responsibilities.</li> <li>This will provide a clear picture of the expectations of all the roles required and appropriate staffing based on the competence required</li> </ul>
Preliminary ICT Status Report for DMA	<ul style="list-style-type: none"> <li>The document involves the assessment of the existing Information and Communications Technology (ICT) infrastructure and manpower with a view to identify the gaps and make appropriate recommendations that would bridge the gaps.</li> </ul>	<ul style="list-style-type: none"> <li>Although detailed, there is lack of evidence the recommendations were taken into consideration</li> <li>For system upgrade, it is important to keep a change management document to ensure tracking of proposed enhancements and changes</li> </ul>

Table 3: Review of Related Documents

## 3.State of Current Stock

### 3. State of Current Stock

#### 3.1 Current External Loans

External debt can be defined as the total debt a country owes to its foreign creditors. External debt is borrowed and repaid in foreign currency and is taken by countries to bridge the gap between government expenditure and government income

Economies in their infancy are characterized by inadequate stocks of capital as a result of low domestic savings accumulation, leading them to borrow externally.

Studies show that as long as the borrowed funds are used for productive investment activities and the economy does not suffer from instability, economic growth should be enhanced and allow for prompt repayments of debt.

Creditors are institutions, banks, governments, and individuals who lend capital to borrowers. They can be mainly grouped into three:

- Bilateral - comprised of governments
- Multilateral - comprised of international development agencies
- Commercial - comprised of commercial foreign banks.

#### 3.2 Procedure for stock take

The South Sudan debt stock take exercise involved specific tasks to ensure the team captured all the available information. During the stock take exercise the approach involved the below activities:

<b>1</b>	<b>Introduction to Ministry of Finance and Planning</b>	<b>2</b>	<b>Sending of Letters</b>	<b>3</b>	<b>Reviewing of Loan Agreements</b>	<b>4</b>	<b>Analysing government record</b>
<p>□ This involved meeting the Minister of Finance, the designated team and the focal points from the Ministry of Finance and Planning who we have collaborated with throughout the project. The appendix section contains minutes of meetings held throughout the assignment.</p>		<p>□ Sent letters to Ministries identified as important stakeholders. Letters were also sent out to creditors with the assistance of the Undersecretary. The appendix section contains copies of letters sent out to stakeholders.</p>		<p>□ Entries included; commitment amount, loan interest, purpose, implementing agency, charges and repayment period signed between the lenders and the Government of South Sudan through the Ministry of Finance and Planning.</p>		<p>□ Analysed government record provided by the Ministry of Finance to establish outstanding stock, aggregate principal payments, interest payments and other charges paid, and recalculated to ensure accuracy.</p>	
<b>5</b>	<b>Reviewing of loan disbursements</b>	<b>6</b>	<b>Tracing of interest and other charges</b>	<b>7</b>	<b>Requesting for Confirmation</b>	<b>8</b>	<b>Consultation Meeting</b>
<p>□ Reviewed loan disbursements to Withdrawal Application Advices from the lenders. Reviewed data on the lender's website, Annual Reports and Financial Statements audited by the South Sudan National Audit Chamber (where available).</p>		<p>□ Traced interest and other charges due to Billing Advice Notices issued by the lenders to the Government of South Sudan.</p> <p>□ Took note of any payment delays by the Government to the lenders of any principal, interest, and charges due to the lenders.</p>		<p>□ Requested for direct confirmations of principal loan and interest/charges balances due to the lenders as of 30 June 2022 from creditors</p>		<p>□ This involved a 3 hour meeting with representatives from identified agencies.</p> <p>□ The agency representatives confirmed the loans and provided additional information where applicable</p>	

Figure 1: Stock Take Procedure

Stocktake of the external debt of the Government of South Sudan

Using the above procedure of external debt, South Sudan's current outstanding external debt stock stands at **USD 2,575,462,670** indicated in the summary table below.

Creditor Name	Principal (Commitment)	Cancellations	Net Commitment	Disbursed Amount	Undisbursed Amount	Interest repaid	Principal repayment	Outstanding Debt	Agency responsible	Type of loan
<b>WORLD BANK LOANS</b>	<b>195,000,000</b>	<b>75,511,332</b>	<b>119,488,668</b>	<b>104,557,890</b>	<b>14,930,778</b>	<b>420,831</b>	<b>397,589</b>	<b>106,999,031</b>		
Statistical Capacity Building Project	9,000,000	3,813,355	5,186,645	4,533,885.05	652,759.95	12,015.87	397,589.00	4,298,036	MoFP	Concessional
Health Rapid Results project	10,000,000	13,700	9,986,300	9,231,868.08	754,431.92	42,599.87	-	9,621,705	MoH & MoFP	Concessional
Health rapid results	25,000,000	-	25,000,000	23,704,774.00	1,295,226.00	-	-	23,704,774	MoH & MoFP	Concessional
Safety Net	21,000,000	-	21,000,000	19,353,760.00	1,646,240.00	144,525.26	-	19,837,001	MoAFCRD	Concessional
EA Regional Constr.	80,000,000	70,428,738	9,571,262	1,842,624.86	7,728,637.14	13,723.28	-	1,932,038	Ministry of transport, roads and bridges	Concessional
Local Government Service Delivery	50,000,000	1,255,539	48,744,461	45,890,978.10	2,853,483.35	207,966.30	-	47,605,478	Local Government Board	Concessional
<b>IMF LOANS</b>	<b>226,500,000</b>	<b>-</b>	<b>226,500,000</b>	<b>226,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>226,500,000</b>		
IMF CRF 1	52,300,000	-	52,300,000	52,300,000.00				52,300,000	MoFP	Concessional
IMF CRF 2	174,200,000	-	174,200,000	174,200,000.00				174,200,000	MoFP	Concessional
<b>AFRICAN DEVELOPMENT BANK</b>	<b>27,536,800</b>	<b>-</b>	<b>27,536,800</b>	<b>22,742,218</b>	<b>3,878,503</b>	<b>-</b>	<b>-</b>	<b>22,742,218</b>		
Financial Institution	11,170,000	0	11,170,000	11,662,242	619,033.01	0.00	0	11,662,242	MoFP	Concessional

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Development Bank Loans										
NORMA-SS	1,725,000	0	1,725,000	882,343	-	0.00	0	882,343	MoFP	Concessional
Juba power distribution and expansion	14,641,800	0	14,641,800	10,197,632	3,259,469.81	0.00	0	10,197,632	MoFP	Concessional
<b>Other creditors</b>	<b>2,719,000,000</b>	<b>252,000,000</b>	<b>2,387,000,000</b>	<b>2,387,000,000</b>	<b>-</b>	<b>62,890,120</b>	<b>561,289,205</b>	<b>2,219,221,421</b>		
Sahara Energy	600,000,000	252,000,000	348,000,000	348,000,000	-	28,874,536.16	48,524,535.12	310,482,015	MoFP & MoP	Non Concessional -
Afrexim	400,000,000	-	400,000,000	400,000,000	-	16,525,530.10	211,254,737.42	188,745,263	MoFP	Non Concessional -
Afrexim	250,000,000	-	250,000,000	250,000,000	-	-	-	267,657,578	MoFP	Non Concessional -
China Export-Import Bank	150,000,000	0	150,000,000	150,000,000	-	4,422,479.36	14,999,930.01	167,894,000	MoT	Non Concessional -
China Export - Import Bank - ATM								231,952,567		
Qatar National Bank	700,000,000	0	700,000,000	700,000,000	-	-	114,190,661.00	585,809,339	MoFP	Non Concessional -
NASDEC	539,000,000	-	539,000,000	539,000,000	-	13,067,573.93	172,319,341.66	366,680,658	Need confirmation	Non Concessional -
CfC Stanbic Bank								To be confirmed	MoFP	Non Concessional -
NIDB	80,000,000	-	-	-	-	-	-	100,000,000	Not identified	Non Concessional -
	<b>3,168,036,800</b>	<b>327,511,332</b>	<b>2,760,525,468</b>	<b>2,740,800,108</b>	<b>18,809,281</b>	<b>63,310,950</b>	<b>561,686,794</b>	<b>2,575,462,670</b>		

Table 4: Loan Stock in South Sudan



## Stocktake of the external debt of the Government of South Sudan

The proportion of gross external loans/debts obtained by the government of South Sudan as of June 2022 is depicted in the figure below:

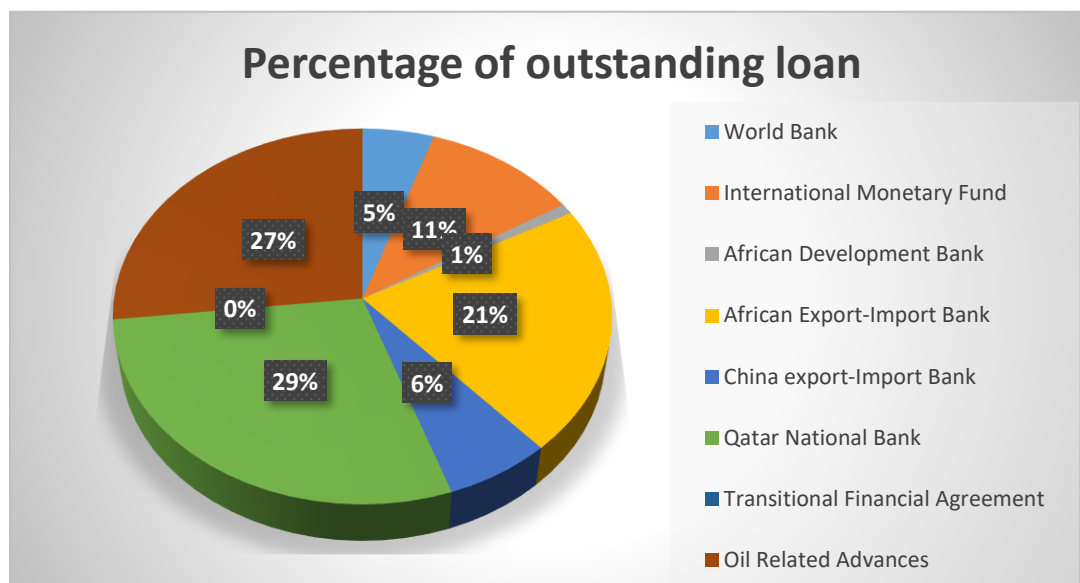


Figure 2: Percentage of Outstanding Loan

In the figure above, it could be noted that non-concessional loans make up more than 75% of the debt stock. It should however be noted that the Government of South Sudan paid off the amounts under the Transitional Financial Arrangement and substantially paid off oil related advances.

During the study, guarantees made by the Bank of South Sudan and arrears that exist from the Ministry of Defense were provided. These have also been included in the report under section 3.3.3 and 3.3.4 respectively. The sections below breakdown the loans further into their terms and outstanding amounts.

### 3.3 Details of Identified Loans, Guarantees and Arrears

#### 3.3.1 Concessional Loans

Concessional loans are described as loans that are extended on softer terms than market loans, either through interest rates below those available on the market or by grace periods, or a combination of these. Concessional loans typically have long grace periods.

South Sudan’s current percentage of concessional debt is at **15%** of the total external debt. The loans identified include World Bank, AfDB and IMF loans.

##### a) The World Bank

The Republic of South Sudan became the world’s newest nation on July 9, 2011 and joined the World Bank Group as its newest member in spring 2022. Since then, the World Bank has been engaged with the Country on several projects.

The loans from the World Bank were received by the Republic of South Sudan for the purpose of development of various sectors and areas of the economy.

The data provided below breaks down the terms and purpose of the various loans from the World Bank.

<b>3a Terms of Statistical Capacity Building Project</b>	<b>Comments</b>
Description/Purpose	Strengthen capacity of statistics
Implementing Agency	Ministry of Finance and Planning
Lender	World Bank
Year of agreement	2014
Facility amount	9,000,000 USD
Final maturity	2053
Repayment	2021 – 2053
Payment dates	15 <sup>th</sup> January and 15 <sup>th</sup> July
Grace period	6 years
Interest rate	1.562%
Service charge	0.75% on withdrawn balance
Commitment Fee	0.5% on unwithdrawn balance
Signatories	Tisa Sabuni

<b>3b Terms of Health Rapid Results Project</b>	<b>Comments</b>
Description/Purpose	Delivery of high impact health care services and capacity at ministry of health
Implementing Agency	Ministry of Health
Lender	World Bank
Year of agreement	2014
Facility amount	USD 24,450,000 grant and USD 9,900,00 loan
Final maturity	2053

## Stocktake of the external debt of the Government of South Sudan

Repayment	2024 – 2053
Payment dates	15 <sup>th</sup> March and 15 <sup>th</sup> October
Grace period	10 years
Interest rate	1% first 10 years and 2% remaining years
Service charge	0.75% on withdrawn balance
Commitment Fee	0.5% on unwithdrawn balance
Signatories	Tisa Sabuni

<b>3c Terms of Safety Net Project</b>	<b>Comments</b>
Description/Purpose	Social protection system, public works, skills development
Implementing Agency	MoAFCD
Lender	World Bank
Year of agreement	2014
Facility amount	21,000,000 USD
Final maturity	2053
Repayment	2023 – 2052
Payment dates	1 <sup>st</sup> June and 1 <sup>st</sup> October
Grace period	10 years
Repayment on Principal	1% first 10 years and 2% remaining years
Service charge	0.75% on withdrawn balance
Commitment Fee	0.5% on unwithdrawn balance
Signatories	Tisa Sabuni

<b>3d Terms of EA Regional Construction</b>	<b>Comments</b>
Description/Purpose	Connectivity - roads and fibre optics
Implementing Agency	Ministry of roads, transport, roads and bridges
Lender	World Bank
Year of agreement	2014
Facility amount	80,000,000 USD
Final maturity	2053
Repayment	2024 – 2053
Payment dates	1 <sup>st</sup> June and 1 <sup>st</sup> October
Grace period	10 years
Interest rate	Need clarification
Service charge	0.75% on withdrawn balance

## Stocktake of the external debt of the Government of South Sudan

Commitment Fee	0.5% on unwithdrawn balance
Signatories	Tisa Sabuni

<b>3e Terms of Local Governance and Service Delivery Project</b>	<b>Comments</b>
Description/Purpose	Local governance and service delivery
Implementing Agency	Local Government Board
Lender	World Bank
Year of agreement	2014
Facility amount	50,000,000 USD
Final maturity	2052
Repayment	2023 – 2052
Payment dates	15 <sup>th</sup> April and 15 <sup>th</sup> October
Grace period	10 years
Interest rate	1% first 10 years and 2% remaining years
Service charge	0.75% on withdrawn balance
Commitment Fee	0.5% on unwithdrawn balance
Signatories	Tisa Sabuni

### b) The International Monetary Fund (IMF)

South Sudan has been a member of the IMF since April 18th, 2012. Since then, South Sudan has received one loan with two tranches from the Fund.

The loan had two disbursements:

1. November 11th, 2020: disbursement of USD 52.3 M
2. March 30, 2021: 174.2 M USD

Due to the lack of a loan agreement as at the submission of the draft report, sections of the tables below are left blank.

<b>3f RCF 1</b>	<b>Comments</b>
Description/Purpose	
Implementing Agency	Ministry of Finance and Planning
Lender	International Monetary Fund
Year of agreement	
Facility amount	52,300,000 M USD
Final maturity	2031
Repayment	Final day of repayment: 11/05/2031
Payment dates	

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Grace period	5.5 Years
Interest rate	0
Service charge	0
Commitment Fee	0
Signatories	

3f RCF 2	Comments
Description/Purpose	
Implementing Agency	Ministry of Finance and Planning
Lender	International Monetary Fund
Year of agreement	
Facility amount	174,200,000 M USD
Final maturity	2031
Repayment	
Payment dates	Final day of repayment: 30/10/2031
Grace period	5.5 Years
Interest rate	0
Service charge	0
Commitment Fee	0
Signatories	

### c) African Development Bank (AfDB)

The African Development Bank Group and the Republic of South Sudan have a history of cooperation, which started after the signing on 9th January 2005 of the Comprehensive Peace Agreement, brokered by the Intergovernmental Authority on Development (IGAD).

South Sudan became a member of the African Development Bank in May 2012, and in September 2013 ratified its membership. Following the country's independence in July 2011, the Bank opened its country office in the capital, Juba, in September 2012.

The data provided below breaks down the terms and purpose of the various loans from the African Development Bank.

3g Terms of Financial Institution Development Bank Loans	Comments
Description/Purpose	
Implementing Agency	Ministry of Finance and Planning
Lender	African Development Bank
Year of agreement	2017

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Facility amount	
Final maturity	2057
Repayment	39 Years
Payment dates	1 <sup>st</sup> February and 1 <sup>st</sup> August
Grace period	10 Years
Interest rate	
Service charge	0.75%
Commitment Fee	0.5%
Signatories	

<b>3h Terms of NORMA-SS</b>	<b>Comments</b>
Description/Purpose	Enhance institutional and operational effectiveness of various departments within the MoFP
Implementing Agency	Ministry of Finance and Planning
Lender	AfDB
Year of agreement	2017
Facility amount	USD 1,725,000
Final maturity	30 years
Repayment	The lender will be repaid by Milio from the proceeds of crude oil sales
Payment dates	1 <sup>st</sup> February and 1 <sup>st</sup> August
Grace period	10 years
Repayment of Principal	2% from 11th to 20th year 4% thereafter
Service charge	Service charge - 0.75% on principal amount of the loan disbursed and outstanding
Commitment Fee	0.5% on the undisbursed - to be begin 120 days after signature of agreement
Signatories	Stephen Dhieu Dau Ayik

<b>3i Terms of Juba power distribution and expansion</b>	<b>Comments</b>
Description/Purpose	Aimed at strengthening the distribution networks in Juba in order to provide reliable electricity and increase access in the city
Implementing Agency	
Lender	African Development Bank
Year of agreement	2017
Facility amount	
Final maturity	2057
Repayment	39 Years

## Stocktake of the external debt of the Government of South Sudan

Payment dates	1 <sup>st</sup> February and 1 <sup>st</sup> August
Grace period	10 Years
Interest rate	
Service charge	0.75%
Commitment Fee	0.5%
Signatories	

### 3.3.2 Non-concessional Loans

Non-concessional loans are loans with shorter grace and maturity periods and/or higher interest rates. Non-concessional loans tend to follow market rates.

Some countries obtain such loans to mostly support in infrastructure development. These types of loans can play an important role in supporting low-income countries continue to develop. South Sudan's current percentage of non-concessional stock is at **85%** of the total external debt.

The below table provides a summary of the non-concessional loans currently active with the Ministry of Finance and Planning.

#### a) Sahara Energy DMCC

Sahara Energy is an international company that specialises in petroleum and petroleum products.

Data provided by the Ministry of Petroleum indicate that the Company disbursed a total of US\$ 348 million out of the US\$ 600 million. MoFP officials indicated that the remaining amounts were not disbursed because the President of the Republic instructed the Ministry to cancel the loan. Details of the cancellation have not been provided by MoFP.

The below details were provided in the loan agreement.

4a Terms Sahara	Comments
Description/Purpose	Financing public infrastructure projects
Implementing Agency	Ministry of Finance and Planning and Ministry of Petroleum
Lender	Sahara Energy
Year of agreement	
Facility amount	USD 600,000,000
Final maturity	
Repayment	600,000 barrels minimum +operational tolerance of 5%
Payment dates	
Grace period	
Interest rate	Libor+ margin+mandatory cost
Service charge	1.675% flat upfront annual fee on total
Management Fee	1 % flat rate
Signatories	Wani Buyu and Mayen Wol

## b) African Export–Import Bank (AFREXIM)

African Export – Import Bank is a pan-African organization headquartered in Cairo, Egypt.

MoFP reported that South Sudan had obtained two facilities from AFREXIM. The 2 facilities comprise of a 250M USD and 400M USD.

### 1.1 250M USD Loan

MoFP provided a proposal instead of an agreement for the 250M USD Pandemic Trade Impact Mitigation Facility Term signed in October 2020. The proposal indicated that:

4b Terms	Comments
Principal Amount	250,000,000 USD
Interest	Libor + Margin of 7%
Interest periods	Quarterly from the 1 <sup>st</sup> quarter of disbursement
Advisory fee	1.75%
Default interest	2% higher than interest rate applicable
Grace Period	12 months
Maturity Period	3 years after 1 <sup>st</sup> disbursement
Implementing agency	MoFP
Purpose of loan	Support covid impact
Key areas of agreement	Commodity hedging programme requiring minimum volume of oil to be hedged Strike price proposed at \$34/barrel
Signed by	Garang Majak

The information presented by MoFP indicates a disbursement of USD 193,000,000 only, however in the 21/22 budget, there is mention of the full disbursement

MoFP also presented a reconciliation of 63M USD. Based on further research, this was identified as an addition to the 250M USD facility. The data provided by MoFP provide no mention of interest paid to the lender.

Further clarification is needed from the lender to ascertain the information received.

### 1.2 400M USD Loan

The 400M Facility's purpose was to provide support in trade and other trade related activities. The Ministry of Petroleum provided reconciliations of the 400M facility indicating that 211M USD had been repaid to the lender as of 30<sup>th</sup> April 2022.

From the agreement provided by MoFP, the below table represents key sections of the agreement

4c Terms AFREXIM 400M	Comments
Description/Purpose	Provide support in trade and other trade related activities
Implementing Agency	Ministry of Finance and Planning



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Lender	Afrexim Bank
Year of agreement	
Facility amount	USD 400,000,000
Final maturity	4 years
Repayment	
Payment dates	Quarterly installments - based on crude oil calendar/allocation
Grace period	6 months
Arrangement Fee	1.5% flat on facility amount
Interest rate	Libor + interest 7.5%
Default rate	2% over interest
Service charge	
Commitment Fee	
Signatories	Garang Majak

### c) Export–Import Bank (EXIM)

MoFP reported that as of June 2022, South Sudan had a facility with the bank amounting to US\$ 150 million that was fully disbursed.

During the exercise, the Ministry of Transport indicated that they had in their records a second loan from EXIM for the Air Traffic Management System currently standing at USD 231,952,567. This requires further confirmation with the lender to provide the principal amount and interest paid to date.

The EXIM Bank loan agreement details are provided in the below table.

4d Terms EXIM	Comments
Description/Purpose	Juba Airport Construction
Implementing Agency	Ministry of Transport
Lender	EXIM Bank
Year of agreement	
Facility amount	USD 149,999,300
Final maturity	2033
Repayment	2014 – 2033
Payment dates	21st January and 21st July
Grace period	5 years
Interest rate	2%
Service charge	
Commitment Fee	0.25%
Management Fee	0.25%
Signatories	Kosti Manibe

## Stocktake of the external debt of the Government of South Sudan

### d) Qatar National Bank (QNB)

Qatar National Bank (QNB) is a Qatari multinational commercial bank.

MoFP reports that as of June 2022, South Sudan had a facility with the bank amounting to US\$ 700 million that was fully disbursed. A total of US\$ 114.2 million is reported repaid leaving a balance of US\$ 585.8 million.

The MOFP provided an agreement with the details below.

4e Terms Qatar National Bank	Comments
Description/Purpose	Development initiatives
Implementing Agency	Ministry of Finance and Planning
Lender	Qatar National Bank
Year of agreement	2015
Facility amount	USD 700,000,000
Final maturity	Up to 60 months from drawdown
Repayment	
Payment dates	
Grace period	6 months
Interest rate	libor rate + up to 6.75%
Commitment Fee	0.5%
Management Fee	0.5%
Signatories	Provided copy was not signed

### e) NASDEC General Trading LLC

NASDEC General Trading LLC is incorporated in the United Arab Emirates and sources cargoes from International Market suppliers. The company is a major supplier of oil to Red Sea, Indian Subcontinent, East Africa and partly Far East.

Reconciliation data was provided by Ministry of Petroleum indicating that the Republic of South Sudan had paid a total of USD 172,319,341.66M as of February 2022. This was facilitated by sale of oil cargo.

The agreement is still pending therefore information will be populated upon receipt.

4f Terms NASDEC	Comments
Description/Purpose	
Implementing Agency	
Lender	
Year of agreement	
Facility amount	USD 539,000,000
Final maturity	
Repayment	
Payment dates	

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Grace period	
Interest rate	
Service charge	
Commitment Fee	
Signatories	

### f) Trade Development Bank

Trade and Development Bank (TDB) is a multilateral, treaty-based, investment-grade development finance institution. The financial institution was established in 1985 and serves 22 economies in its region.

Upon consultation with the lender, it was identified that there are no loans from TDB to the Government of South Sudan.

### g) Stanbic Bank

Stanbic Bank is a leading financial institution in Africa. During the exercise it was identified that there was a potential Stanbic liability attached to the QNB loan however the exercise assumes there was no loan.

### h) National Investment & Development Bank

National Investment and Development Bank is a bank that was formed to support investments and developments within South Sudan. The principal amount and details of the loan require to be provided to accurately populate the below table.

The agreement is still pending therefore information will be populated upon receipt.

Terms NIDB	Comments
Description/Purpose	
Implementing Agency	
Lender	
Year of agreement	
Facility amount	To be confirmed
Final maturity	
Repayment	
Payment dates	
Grace period	
Interest rate	
Service charge	
Commitment Fee	
Signatories	

### 3.3.3 List of Guarantees

A guarantee is described as a contractual agreement where the Central Bank assumes responsibility for the debt undertaken by another party should it default in payment.

During the exercise, it was noted that the Bank of South Sudan through the years has provided guarantees for both local and external debt. The Bank of South Sudan provided the below active list of guarantees.

DRAFT

Stocktake of the external debt of the Government of South Sudan

S/N	Issue Date	Beneficiary	Value in Euro	Value in USD	Expiry Date
1	02.04.2020	EYAT ROAD & BRIDGES CO. LTD		4,218,240,000.00	02.04.2023
2	02.07.2019	LUPAIN GROUP INC		11,400,000.00	
3	04.10.2018	ALCARDINAL INVESTMENT LLC		299,614,428.00	
4	06.08.2019	EUROPEAN CONSULTING ENGINEERING INC		10,000,000,000.00	
5	08.04.2022	KAYAN ROYAL INTERNATIONAL GEN. LTD		850,000,000.00	
6	09.03.2022	ADYA INTERNATIONAL COMPANY LTD		100,000,000.00	09.03.2023
7	09.04.2021	OZTURK HOLDING LLC	150,000,000.00		
8	10.09.2019	AMAN DWC LLC	2,066,000,000.00	500,000,000.00	
9	11.03.2022	UNITED AEROSPACE/SOUTH SUDAN S.A		134,000,000.00	11.02.2023
10	12.03.2019	YOSANI TRADE LTD - LONDON			12.03.2024
11	16.08.2021	SILWANA DIAMOND GENERAL TRADING		650,000,000.00	07.06.2031
12	17.02.2016	M/S INTERTRCO EUROPE S.A LTD		56,712,689.00	17.02.2026
13	22.04.2022	NATIONAL INVESTMENT AND DEVELOPMENT BANK (NIDBANK)		100,000,000.00	22.04.2023
14	23.01.2019	UGANDA TRADERS		41,623,513.99	
15	24.03.2022	SOUTH SUDAN SUPREME AIRLINES		17,834,259.58	24.02.2023
16	28.05.2020	ZOBYDA MOTORS COMPANY		42,097,500.00	28.05.2023
17	29.04.2020	LUPAIN GROUP INC		35,522,671.00	
18	29.04.2020	LUPAIN GROUP INC		56,712,689.00	
19	30.09.2021	UGANDA TRADERS		190,378,067.00	
20		TRADE & DEVELOPMENT BANK		100,000,000.00	
21		TRADE & DEVELOPMENT BANK		50,000,000.00	
22		TRADE & DEVELOPMENT BANK		100,000,000.00	
23	17.05.2022	GLOBAL OIL LIMITED		30,889,845.76	17.04.2023
24	17.05.2022	UNITED AEROSPACE SOLUTIONS LLC/SOUTH SUDAN SA		32,574,455.00	17.04.2023
25	06.07.2022	AL FUTAIM MOTORS		17,396,200.00	06.07.2023
26	06.07.2022	CAR CITY LLC		13,121,000.00	06.07.2023
27	06.07.2022	ERRIGAL ENERGY LTD		45,830,000.00	07.06.2023
28	06.07.2022	FUJI KING MOTORS		2,383,000.00	06.07.2023
29	06.07.2022	ALAEM TALYA AVIATION SERVICES LLC DUBAI		17,834,259.58	06.07.2023
30	06.07.2022	ZTCO NATIONAL GENERAL TRADING LLC		45,000,000.00	06.07.2023
31	06.07.2022	CAR CITY LLC		13,000,000.00	06.07.2023
32	06.07.2022	AL TUTTAIM MOTORS		16,081,300.76	06.07.2023
<b>Total</b>			<b>2,216,000,000</b>	<b>17,788,245,878.67</b>	

Table 5: List of Active Guarantee

## Stocktake of the external debt of the Government of South Sudan

### 3.3.4 List of Arrears

Arrears can be described as payments that are overdue after missing payments for goods or services.

During the exercise, Ministry of Defence provided their list of arrears. These arrears are shown in the table below:

S/N	Debt Stock in US Dollar	Debt Stock in Euros
1	3,758,805,401	2,335,563
2	35,516,187	
<b>Total</b>	<b>3,794,321,588</b>	<b>2,335,563</b>

Table 6: Total Arrears in Foreign Currency

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## 4. Conclusion

## 4. Conclusions

This section provides the concluding remarks of the external debt stock take factoring in the key metrics. This will provide an opportunity to determine where South Sudan lies in each of the categories.

### a) Public Debt Coverage

Our approach to the assignment assumes the definition of external debt as debt liabilities owed by residents to non-residents in foreign currency. External public debt includes external debt owed by the public sector and external debt guaranteed by the public sector.

Access to the country's data was still a limitation despite the authorities' efforts to improve the availability of the same. During this exercise, the Bank of South Sudan confirmed that the list of disbursements and payments of external loans was not available. This is a key opportunity for improvement in the future.

The government is however receiving technical assistance (TA) from both the IMF and the World Bank on Public Financial Management (PFM). Reforms driven from these technical assistance - including the relocation of the Loan Committee to the Ministry of Finance and Planning – are expected to improve the quality of public debt and fiscal data.

### b) Debt Development

South Sudan's external outstanding public debt was estimated at US\$2,575,462,670, as of end-June 2022 as shown in the appendix. The debt included both concessional and non-concessional loans.

### c) External Debt Sustainability Analysis

Due to the incompleteness of the received information, we used assumptions and proposed methods to assess the debt sustainability and risk of external debt distress of South Sudan while focusing solely on PPG external debt. These estimations will also give the Ministry of Finance and Planning a guide on future payments and a tool to plan them accordingly.

In assessing debt sustainability, we examined a set of debt burden indicators consisting of ratios of debt stock or debt service relative to measures of repayment capacity, i.e. solvency and liquidity indicators, as suggested by the WB and IMF for public and publicly guaranteed (PPG) external debt in low-income countries. Publicly guaranteed debt includes debt liabilities of public and private sectors.

Ratios of debt stock relative to repayment capacity measure burden from future obligations of a country and hence reflect long-term risks to solvency, whereas the evolution of debt-service ratios provides an indication of the likelihood and possible timing of liquidity problems as shown below

Solvency Ratios	Definition
Present value of PPG external debt to GDP	Compares the debt burden with the resource base
Present value of PPG external debt to exports of goods and services	Compares the debt burden with the country's capacity to generate foreign exchange receipts.
Present value of PPG external to fiscal revenue	Compares the debt burden with public resources available for repayment.
Liquidity Ratios	Definition
PPG external debt service to exports	Indicates how much of a country's export revenue is used to service the debt, and how vulnerable the payment of debt service is to an unexpected fall in export proceeds.
PPG external debt service to fiscal revenue	Indicates how much of a country's fiscal revenue are used for debt-service payments and captures the



## Stocktake of the external debt of the Government of South Sudan

	associated vulnerability of debt service to variations in fiscal revenue.
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We used indicative thresholds to anchor the analysis of PPG external debt and facilitate the assessment of solvency and liquidity risk by comparing the current PPG external debt indicators to their respective thresholds under the baseline scenario. Thresholds can be thought of as demarcating “danger zones” where the risk of debt distress is elevated. The thresholds are not uniform across all countries as shown below. Instead, they vary depending on the quality of a country’s policies and institutions, reflecting the empirical observation that low income countries with weaker policies and institutions are more likely to face repayment problems at lower debt ratios.

The quality of a country’s policies and institutions is measured by its Country Policy and Institutional Assessment (CPIA) score, an index compiled annually by the World Bank for all IDA-eligible countries and used to classify countries into one of three policy performance categories and determine the set of PPG external thresholds it faces. Countries with a CPIA score less than or equal to 3.25 are considered to have weak policies and institutions. Those with a CPIA score greater than 3.25 and less than 3.75 have medium policies and institutions. Countries with a CPIA score greater than or equal to 3.75 have strong policies and institutions

Debt carrying capacity (CI classification)	PV of PPG external debt in % of:		PPG external debt service in % of:	
	GDP	Exports	Exports	Revenue
Weak	30	140	10	14
Medium	40	180	15	18
Strong	55	240	21	23

Using the methodology described above, the following indicators for the year ending 2022 were estimated (appendices 5.6 and 5.7 present details of the calculations).

Ratio Variables	Amount (USD)
Present value of PPG <sup>1</sup>	2,406,604,416.49
PPG external Debt Service <sup>2</sup>	599,688,156.09
GDP <sup>3</sup>	7,258,000,000.00
Exports of goods and services <sup>4</sup>	4,877,142,857.14
Fiscal Revenue <sup>5</sup>	2,148,368,000.00
<b>Solvency Ratios</b>	
Present value of PPG external debt to GDP	33.16
Present value of PPG external debt to exports of goods and services	49.34
Present value of PPG external to fiscal revenue	112.02
<b>Liquidity Ratios</b>	

<sup>1</sup> EY estimation – appendices 5.6 and 5.7 present the details

<sup>2</sup> EY estimation – appendices 5.6 and 5.7 present the details

<sup>3</sup> Source – Joint World Bank and IMF Sustainability Analysis for South Sudan, March 2021

<sup>4</sup> Source – Joint World Bank and IMF Sustainability Analysis for South Sudan, March 2021

<sup>5</sup> Source – Joint World Bank and IMF Sustainability Analysis for South Sudan, March 2021

## Stocktake of the external debt of the Government of South Sudan

PPG external debt service to exports	12.30
PPG external debt service to fiscal revenue	27.91

According to The World Bank, the current CPIA score of **South Sudan is 1.6**. This classifies SSD's debt carrying capacity as **weak** hence the applicable threshold will be as shown below.

Debt carrying capacity (CI classification)	PV of PPG external debt in % of:		PPG external debt service in % of:	
	GDP	Exports	Exports	Revenue
Weak	30	140	10	14

As per IMF and World Bank, Countries should maintain their debt indicators below their relevant threshold to reduce the risk of debt distress. The outcome of the comparison between the current external debt indicators and the applicable threshold under baseline scenario is as follows:

Ratio Indicators	Baseline	Threshold	Remark
<b>Solvency</b>			
Present value of PPG external debt to GDP	33.16	30.00	The Present value of PPG external debt to GDP ratio indicator (33.16) slightly breach the threshold (30)
Present value of PPG external debt to exports of goods and services	49.34	140.00	The Present value of PPG external debt to exports of goods and services ratio indicator (49.34) does not breach the threshold (140.00)
Present value of PPG external to fiscal revenue	112.02		
<b>Liquidity</b>			
PPG external debt service to exports	12.30	10.00	The PPG external debt service to exports ratio indicator (12.39) slightly breaches threshold (10.00)
PPG external debt service to fiscal revenue	27.91	14.00	The PPG external debt service to fiscal revenue ratio indicator (27.91) breach the threshold (14)

South Sudan faces solvency and liquidity risks as some of the ratio indicators breach the relevant threshold. These include Present value of PPG external debt to GDP ratio, PPG external debt service to exports ratio and PPG external debt service to fiscal revenue ratio.

To mitigate these risks, South Sudan can implement measures to improve its Country Policy and Institutional Assessment (CPIA), undergo fiscal reforms to increase fiscal revenue and sustainability, and continue working to promote a stable environment that supports GDP growth and exports. Examples of measures that can be undertaken to improve liquidity and solvency of the external debt include:

- Implementation of prudent macroeconomic policies to maintain economic stability and debt sustainability

## Stocktake of the external debt of the Government of South Sudan

- Laying the foundations for enhanced social spending that would cover some of the support for nutrition, health and education currently provided by international donors
- Implementing governance and transparency reforms to improve public finance management and the country's policy and institutional capacity
- Building resilience by strengthening safety nets and investing in infrastructure that mitigates the impact of natural disasters and encourages diversification of the economic base, especially in the agricultural sector that provides the livelihood for 80 percent of the population.

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## 5. Annex

## 5. Annex

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### 5.1 Copies of Letters

Sample letter to Ministries:



September 13<sup>th</sup>, 2022  
Juba, South Sudan

To: Bank of South Sudan

Dear

**RE: Request for Support in the Stock taking exercise of the external debt of the Government of South Sudan**

We are writing to seek your support in the Government of South Sudan's debt stock take initiative that began on the 12<sup>th</sup> of September in Juba.

The objective of the assignment is to support the Ministry of Finance and Planning (MOFP) to undertake a stock take of its external debt. This will provide the Ministry with a clear picture of the current liabilities and contribute to transparency around public debt. It will also help to inform government strategies to expand the fiscal space for development.

Ernst & Young (EY) the consultants, together with UNDP and the South Sudan Ministry of Finance and Planning will work together to fulfil the objectives of the exercise.

We would like to seek your support in engaging with EY. This would be in providing a point of contact from your ministry and availing relevant stakeholders for the engagements.

We would like to thank you in advance for your support and we look forward to engaging further.

Kind regards,

Ocum Genes Karlo  
1<sup>st</sup> Undersecretary,  
Ministry of Finance and Planning  
Government of South Sudan



*Note: The letters were sent to all Agencies at the inception of the exercise.*

Letter to lenders:

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Resident representative  
The International Monetary Fund  
Juba, South Sudan

Dear

**RE: Request for Confirmation of the external debt to the Government of South Sudan**

The Government of South Sudan with support from Development Partners is conducting a stock take of its external debt to provide us with a clear picture of the our liabilities to external lenders. To carry out this important exercise, the Government has engaged Ernst & Young LLP to provide the consultancy services.

We kindly request that you confirm directly to our consultants details on all loans/advances extended to the Government of South Sudan and its agencies at the close of business on 30 June 2022. Our consultants require the following details:

- Approved/committed loan amount;
- Effective date of loan/advance;
- Term of the loan/advance (duration of repayment and expected final date of payment);
- Security guarantees or right of set-off provided by the Government for the loan/advance;
- Grace period allowed before commencement of repayment;
- Loan interest and principal repayment dates;
- Details of loan disbursement (s) giving date(s) of disbursement and amounts;
- Aggregate total of loan amount disbursed and undisbursed amount;
- Loan interest rate per annum;
- Interest accrued on loan/advance since loan disbursement(s) to 30 June 2022;
- Interest payments received to date;
- Interest payment arrears if any;
- Loan principal repayments made so far by the Government;
- Loan principal payment arrears, if any;
- Guarantees received from the Government of South Sudan and its agencies for loans/advances;
- Details of any loan restructuring;
- Any other relevant information.

Please provide the requested details directly to our consultants to the address below:

Ernst & Young LLP  
Kenya - Re Towers, Upper Hill, Off Ragati Road  
PO Box 44286 - 00100  
GPO Nairobi, KENYA  
For the Attention of Anthony Muthusi, East Africa Consulting Leader

Contact information (phone and email)

+254 731 001065  
[Anthony.muthusi@ke.ey.com](mailto:Anthony.muthusi@ke.ey.com)  
+254 700 726 333  
[maria.c.torrado@ke.ey.com](mailto:maria.c.torrado@ke.ey.com)

The Government of South Sudan appreciates your support and we look forward to your prompt response.

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*Note: The letters were sent to all identified creditors at the reconciliation stage of the exercise. Follow up emails were also sent as reminders.*

## 5.2 List of Invited Participants

Agencies	Status	Date
MoFP – Budget and revenue department	Met	13/09/2022 – 15/09/2022
Debt Management Unit	Met	13/09/2022 – 15/09/2022
Ministry of Finance & Planning	Met	13/09/2022 – 15/09/2022
MoFP – Accounts	Met	13/09/2022 – 15/09/2022
Bank of South Sudan	Met	16/09/2022 21/09/2022 26/09/2022
Ministry of Petroleum	Met	21/09/2022 22/09/2022
Ministry of Roads Authority	Met	23/09/2022
Loan Committee	Not Met	N/A
Ministry of Justice	Not Met	N/A
Audit Chamber	Not Met	N/A
Ministry of Foreign Affairs	Not Met	N/A
Ministry of Defense	Not Met	N/A
Transitional National Legislative Assembly	Not Met	N/A
Office of the President	Not Met	N/A

### 5.3 List of Engaged Creditors

Creditors	Engaged	Received records of loans
World Bank	Yes	Pending
IMF	Yes	Received
AfDB	Yes	Received
Sahara Energy	Yes	Pending
Afrexim	Yes	Pending
China Export-Import Bank	Yes	Pending
Qatar National Bank	Yes	Pending
NASDEC	Yes	Pending
CfC Stanbic Bank	Yes	Pending
NIDB	Yes	Pending
TDB	Yes	Received – Confirmed no loan with RSS

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5.4 List of Consultation Meeting Participants

	Name	Agency	Designation
1	Harry Darius	Ministry of Transport	Ag/DG/Admin & Finance
2	Theophilus Addey	Ministry of Finance & Planning	T/A Planning and Aid Coordination
3	Arop Nuor	<del>D/G of Budget</del> MoFP	D-G of Budget
4	Charles Oguta	Ministry of Defence	Director of Budget
5	Hon=Chol Biar Ngang	Ministry of Defence	U/S Defence
6	Yau Samuel	BOSS	AG
7	Khamis Nichola	UoJ/CRD	Ex-Director
8	Bida Emmanuel Francis	MoFP	D/Director-Macro-DMU

Stocktake of the external debt of the Government of South Sudan

9	Johanna majou	Actress	Actress
10	Maryen Wol Jous	MOP	U/S
11	Simon chol Martin	MOP	Director
12	Khidir Ajak Deius	MOP	D-Director
13	Paul Ougee	Office of President	Chief Admin
14	Oyango Johnny	MOFP	A/Inspector
15	Peri mary	MOFP	Inspector
16	Lou Manak	MOFEP	AID BMU
17	Emmanuel Tebon	Boss	Head of Debt Management
18	June Dino Ama	MOFA	D Planning & Budget
19	Richard Efil	MOFAP	Director. macro dept
20	Theophilus Adbery	MOFP	T/Advisory
21	Wellington MASAUBI	EY	Consultant

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5.5 Outstanding Debt

Creditor Name	Principal (Commitment)	Cancellations	Net Commitment	Disbursed Amount	Undisbursed Amount	Interest repaid	Principal repayment	Outstanding Debt	Agency responsible	Type of loan
<b>WORLD BANK LOANS</b>	<b>195,000,000</b>	<b>75,511,332</b>	<b>119,488,668</b>	<b>104,557,890</b>	<b>14,930,778</b>	<b>420,831</b>	<b>397,589</b>	<b>106,999,031</b>		
Statistical Capacity Building Project	9,000,000	3,813,355	5,186,645	4,533,885.05	652,759.95	12,015.87	397,589.00	4,298,036	MoFP	Concessional
Health Rapid Results project	10,000,000	13,700	9,986,300	9,231,868.08	754,431.92	42,599.87	-	9,621,705	MoH & MoFP	Concessional
Health rapid results	25,000,000	-	25,000,000	23,704,774.00	1,295,226.00	-	-	23,704,774	MoH & MoFP	Concessional
Safety Net	21,000,000	-	21,000,000	19,353,760.00	1,646,240.00	144,525.26	-	19,837,001	MoAFCRD	Concessional
EA Regional Constr.	80,000,000	70,428,738	9,571,262	1,842,624.86	7,728,637.14	13,723.28	-	1,932,038	Ministry of transport, roads and bridges	Concessional
Local Government Service Delivery	50,000,000	1,255,539	48,744,461	45,890,978.10	2,853,483.35	207,966.30	-	47,605,478	Local Government Board	Concessional
<b>IMF LOANS</b>	<b>226,500,000</b>	<b>-</b>	<b>226,500,000</b>	<b>226,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>226,500,000</b>		
IMF CRF 1	52,300,000	-	52,300,000	52,300,000.00				52,300,000	MoFP	Concessional
IMF CRF 2	174,200,000	-	174,200,000	174,200,000.00				174,200,000	MoFP	Concessional
<b>AFRICAN DEVELOPMENT BANK</b>	<b>27,536,800</b>	<b>-</b>	<b>27,536,800</b>	<b>22,742,218</b>	<b>3,878,503</b>	<b>-</b>	<b>-</b>	<b>22,742,218</b>		
Financial Institution	11,170,000	0	11,170,000	11,662,242	619,033.01	0.00	0	11,662,242	MoFP	Concessional

Stocktake of the external debt of the Government of South Sudan

Development Bank Loans										
NORMA-SS	1,725,000	0	1,725,000	882,343	-	0.00	0	882,343	MoFP	Concessional
Juba power distribution and expansion	14,641,800	0	14,641,800	10,197,632	3,259,469.81	0.00	0	10,197,632	MoFP	Concessional
<b>Other creditors</b>	<b>2,719,000,000</b>	<b>252,000,000</b>	<b>2,387,000,000</b>	<b>2,387,000,000</b>	<b>-</b>	<b>62,890,120</b>	<b>561,289,205</b>	<b>2,219,221,421</b>		
Sahara Energy	600,000,000	252,000,000	348,000,000	348,000,000	-	28,874,536.16	48,524,535.12	310,482,015	MoFP & MoP	Non Concessional -
Afrexim	400,000,000	-	400,000,000	400,000,000	-	16,525,530.10	211,254,737.42	188,745,263	MoFP	Non Concessional -
Afrexim	250,000,000	-	250,000,000	250,000,000	-	-	-	267,657,578	MoFP	Non Concessional -
China Export-Import Bank	150,000,000	0	150,000,000	150,000,000	-	4,422,479.36	14,999,930.01	167,894,000	MoT	Non Concessional -
China Export - Import Bank - ATM								231,952,567		
Qatar National Bank	700,000,000	0	700,000,000	700,000,000	-	-	114,190,661.00	585,809,339	MoFP	Non Concessional -
NASDEC	539,000,000	-	539,000,000	539,000,000	-	13,067,573.93	172,319,341.66	366,680,658	Need confirmation	Non Concessional -
CfC Stanbic Bank								To be confirmed	MoFP	Non Concessional -
NIDB	80,000,000	-	-	-	-	-	-	100,000,000	Not identified	Non Concessional -
	<b>3,168,036,800</b>	<b>327,511,332</b>	<b>2,760,525,468</b>	<b>2,740,800,108</b>	<b>18,809,281</b>	<b>63,310,950</b>	<b>561,686,794</b>	<b>2,575,462,670</b>		

## 5.6 Schedule of Disbursements

Creditor	PV of loans	Debt Service (year 1)
<b>World Bank</b>		
Statistical Capacity Building Project	2,025,977.31	53,026.39
Health Rapid Results project	4,149,233.12	37,967.47
Safety Net	8,592,028.26	78,504.35
EA Regional Constr.	1,425,904.46	26,566.74
Local Government Service Delivery	20,569,256.82	188,479.25
<b>IMF</b>		
IMF CRF 1	33,014,894.24	-
IMF CRF 2	141,345,305.65	-
<b>AFDB</b>		
Financial Institution Development Bank	7,170,791.28	42,502.80
NORMA-SS	474,558.72	5,477.93
Juba power distribution and expansion	6,583,432.44	49,351.54
<b>Others</b>		
Sahara Energy	157,523,392.56	20,400,000.00
Afrexim	287,050,191.26	301,402,700.83
Afrexim	330,313,822.07	24,725,629.45
China Export- Import Bank	142,497,063.64	17,155,063.53
Qatar National Bank	812,085,388.72	105,168,773.10
NASDEC	515,558,296.47	66,767,158.05
<b>Total</b>	<b>2,470,379,537.03</b>	<b>536,101,201.44</b>

The schedule of disbursements is attached below.



Loan Schedules

## 5.7 Assumptions of Loan Schedules

World Bank	Assumptions
Statistical Capacity Building Project	<ul style="list-style-type: none"> <li>❖ Fees charged include commitment fees at 0.5% p.a on undisbursed amount and Service fee at 0.75% p.a on disbursed and outstanding amount</li> <li>❖ Grace period is 6 Years (2014 to 2020)</li> <li>❖ Principal repayment period is 33 years (2021 to 2053) payment is biannual.</li> <li>❖ Payment on principal was at 1.56% p.a.</li> <li>❖ The current outstanding amount, as at the end of 2022 financial year, is calculated as the difference between the aggregate of the amount disbursed, repayment and fees charged to date, and fees paid.</li> <li>❖ Amount disbursed, repayment and fees charged to date was obtained from world bank website.</li> <li>❖ Fees payment to date was obtained from the Ministry of finance. The Amount is currently assumed to be correct but subject to creditor's confirmation.</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a. and 31 Years (2022 to 2053) respectively. The discount rate was obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes a biannual amortization.</li> <li>❖ The Net Commitment, Disbursed, Undisbursed and Outstanding amount was as follows: <ul style="list-style-type: none"> <li>• Net Commitment 5,186,644.77</li> <li>• Disbursed 4,533,885.05</li> <li>• Undisbursed 652,759.72</li> <li>• Outstanding 4,298,035.6</li> </ul> </li> </ul>
Health Rapid Results project	<ul style="list-style-type: none"> <li>❖ Fees charged include commitment fees at 0.5% p.a on undisbursed amount and Service fee at 0.75% p.a on disbursed and outstanding amount</li> <li>❖ Grace period is 10 Years (2014 to 2023)</li> <li>❖ Principal repayment period is 30 years (2024 to 2053), and payment is biannual.</li> <li>❖ Payment on principal was at 1% p.a on the first 10 Years and 2% p.a on the following 20 Years</li> <li>❖ The current outstanding amount, as at the end of 2022 financial year, is calculated as the difference between the aggregate of the amount disbursed and fees charged to date, and fees paid.</li> <li>❖ Amount disbursed and fees charged to date was obtained from world bank website.</li> <li>❖ Fees payment to date was obtained from the Ministry of finance. The amount is assumed to be correct but subject to creditor's confirmation.</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 31 Years (2022 to 2053) respectively. The discount rate was obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes a biannual amortization. The Net Commitment, Disbursed, Undisbursed and Outstanding amount was as follows: <ul style="list-style-type: none"> <li>• Net Commitment 9,986,300.00</li> <li>• Disbursed 9,231,868.08</li> <li>• Undisbursed 754,431.92</li> <li>• Outstanding 9,621,705.07</li> </ul> </li> </ul>
Safety Net	<ul style="list-style-type: none"> <li>❖ Fees charged include commitment fees at 0.5% p.a on undisbursed amount and Service fee at 0.75% p.a on disbursed and outstanding amount</li> <li>❖ Grace period is 10 Years (2014 to 2023)</li> <li>❖ Principal repayment period is 30 years (2024 to 2053), and payment is biannual.</li> <li>❖ Payment on principal was at 1% p.a on the first 10 Years and 2% p.a on the following 20 Years</li> <li>❖ The current outstanding amount, as at the end of 2022 financial year, is calculated as the difference between the aggregate of the amount disbursed and fees charged to date, and fees paid.</li> <li>❖ Amount disbursed and fees charged to date was obtained from world bank website.</li> <li>❖ Fees payment to date was obtained from the Ministry of finance. The figure is currently assumed to be correct but subject to creditor's confirmation.</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 31 Years (2022 to 2053) respectively. The discount rate was obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes a biannual amortization.</li> <li>❖ The Net Commitment, Disbursed, Undisbursed and Outstanding amount was as follows: <ul style="list-style-type: none"> <li>• Net Commitment 21,000,000.00</li> <li>• Disbursed 19,353,760.64</li> <li>• Undisbursed 1,646,239.36</li> <li>• Outstanding 19,837,000.55</li> </ul> </li> </ul>

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EA Regional Constr.	<ul style="list-style-type: none"> <li>❖ Fees charged include commitment fees at 0.5% p.a on undisbursed amount and Service fee at 0.75% p.a on disbursed and outstanding amount</li> <li>❖ Grace period is 10 Years (2014 to 2023)</li> <li>❖ Principal repayment period is 30 years (2024 to 2053), and payment is biannual.</li> <li>❖ Payment on principal was at 1% p.a on the first 10 Years and 2% p.a on the following 20 Years</li> <li>❖ The current outstanding amount, as at the end of 2022 financial year, is calculated as the difference between the aggregate of the amount disbursed and fees charged to date, and fees paid.</li> <li>❖ Amount disbursed and fees charged to date was obtained from world bank website.</li> <li>❖ Fees payment to date was obtained from the Ministry of finance. The amount is assumed to be correct but subject to creditor's confirmation.</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 31 Years (2022 to 2053) respectively. The discount rate was obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes a biannual amortization.</li> <li>❖ The Net Commitment, Disbursed, Undisbursed and Outstanding amount was as follows: <ul style="list-style-type: none"> <li>• Net Commitment 9,571,261.80</li> <li>• Disbursed 1,842,624.86</li> <li>• Undisbursed 7,728,636.94</li> <li>• Outstanding 1,932,038.29</li> </ul> </li> </ul>
Local Government Service Delivery	<ul style="list-style-type: none"> <li>❖ Fees charged include commitment fees at 0.5% p.a on undisbursed amount and Service fee at 0.75% p.a on disbursed and outstanding amount</li> <li>❖ Grace period is 10 Years (2014 to 2023)</li> <li>❖ Principal repayment period is 30 years (2024 to 2053), and payment is biannual.</li> <li>❖ Payment on principal was at 1% p.a on the first 10 Years and 2% p.a on the following 20 Years</li> <li>❖ The current outstanding amount, as at the end of 2022 financial year, is calculated as the difference between the aggregate of the amount disbursed and fees charged to date, and fees paid.</li> <li>❖ Amount disbursed and fees charged to date was obtained from world bank website.</li> <li>❖ Fees payment to date was obtained from the Ministry of finance. The amount is assumed to be correct but subject to creditor's confirmation.</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 31 Years (2022 to 2053) respectively. The discount rate was obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes a biannual amortization.</li> <li>❖ The Net Commitment, Disbursed, Undisbursed and Outstanding amount was as follows: <ul style="list-style-type: none"> <li>• Net Commitment 49,874,461.45</li> <li>• Disbursed 45,890,978.10</li> <li>• Undisbursed 3,983,483.35</li> <li>• Outstanding 47,605,477.57</li> </ul> </li> </ul>
<b>IMF</b>	<b>Assumptions</b>
IMF RCF 1	<ul style="list-style-type: none"> <li>❖ No fees are charged on the loan</li> <li>❖ Grace period is 5.5 Years (2018 to 2027)</li> <li>❖ Principal repayment period is 6 years (2026 to 2031), and payment is biannual.</li> <li>❖ Principal was repaid at an estimated yearly amount of 8,716,667 for 6 Years (2026-2031)</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 9 Years (2022 to 2031) respectively. The discount rate was obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes annual amortization.</li> <li>❖ The Net Commitment, Disbursed and Outstanding amount are as follows: <ul style="list-style-type: none"> <li>• Net Commitment 52,300,000.00</li> <li>• Disbursed and Outstanding 52,300,000.00</li> </ul> </li> </ul>
IMF RCF 2	<ul style="list-style-type: none"> <li>❖ No fees are charged on the loan</li> <li>❖ Grace period is 5.5 Years (2018 to 2027)</li> <li>❖ Principal repayment period is 6 years (2026 to 2031), and payment is biannual.</li> <li>❖ Principal was repaid at an estimated yearly amount of 29,033,333 for 6 Years (2026-2031)</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 9 Years (2022 to 2031) respectively. The discount rate was obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes annual amortization.</li> <li>❖ The Net Commitment, Disbursed and Outstanding amount are as follows: <ul style="list-style-type: none"> <li>• Net Commitment 174,200,000.00</li> <li>• Disbursed and Outstanding 174,200,000.00</li> </ul> </li> </ul>
<b>AFDB</b>	<b>Assumptions</b>

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<p>Financial Institution Development Bank</p>	<ul style="list-style-type: none"> <li>❖ Fees charged include commitment fees at 0.5% p.a on undisbursed amount and Service fee at 0.75% p.a on disbursed and outstanding amount</li> <li>❖ Grace period is 10 Years (2018 to 2027)</li> <li>❖ Principal repayment period is 30 years (2028 to 2057), and payment is biannual.</li> <li>❖ Payment on principal was at 2% p.a on the first 10 Years and 4% p.a on the following 20 Years</li> <li>❖ The current outstanding amount, as at the end of 2022 financial year, is calculated as the difference between the aggregate of the amount disbursed and fees charged to date, and fees paid.</li> <li>❖ Amount disbursed and fees charged and fees payment to date was obtained from AfDB website.</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 35 Years (2022 to 2057) respectively. The discount rate was obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes a biannual amortization.</li> <li>❖ The Net Commitment, Disbursed, Undisbursed and Outstanding amount was as follows: <ul style="list-style-type: none"> <li>• Net Commitment 11,170,000.00</li> <li>• Disbursed 11,662,242.00</li> <li>• Undisbursed 492,242.00</li> <li>• Outstanding 11,662,242.00</li> </ul> </li> </ul>
<p>NORMA-SS</p>	<ul style="list-style-type: none"> <li>❖ Fees charged include commitment fees at 0.5% p.a on undisbursed amount and Service fee at 0.75% p.a on disbursed and outstanding amount</li> <li>❖ Grace period is 10 Years (2018 to 2027)</li> <li>❖ Principal repayment period is 30 years (2028 to 2057), and payment is biannual.</li> <li>❖ Payment on principal was at 2% p.a on the first 10 Years and 4% p.a on the following 20 Years</li> <li>❖ The current outstanding amount, as at the end of 2022 financial year, is calculated as the difference between the aggregate of the amount disbursed and fees charged to date, and fees paid.</li> <li>❖ Amount disbursed and fees charged and fees payment to date was obtained from AfDB website.</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 35 Years (2022 to 2057) respectively. The discount rate was obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes a biannual amortization.</li> <li>❖ The Net Commitment, Disbursed, Undisbursed and Outstanding amount was as follows: <ul style="list-style-type: none"> <li>• Net Commitment 1,750,000.00</li> <li>• Disbursed 882,343.00</li> <li>• Undisbursed 867,657.00</li> <li>• Outstanding 882,343.00</li> </ul> </li> </ul>
<p>Juba power distribution and expansion</p>	<ul style="list-style-type: none"> <li>❖ Fees charged include commitment fees at 0.5% p.a on undisbursed amount and Service fee at 0.75% p.a on disbursed and outstanding amount</li> <li>❖ Grace period is 10 Years (2018 to 2027)</li> <li>❖ Principal repayment period is 30 years (2028 to 2057), and payment is biannual.</li> <li>❖ Payment on principal was at 2% p.a on the first 10 Years and 4% p.a on the following 20 Years</li> <li>❖ The current outstanding amount, as at the end of 2022 financial year, is calculated as the difference between the aggregate of the amount disbursed and fees charged to date, and fees paid.</li> <li>❖ Amount disbursed and fees charged and fees payment to date was obtained from AfDB website.</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 35 Years (2022 to 2057) respectively. The discount rate was obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes a biannual amortization.</li> <li>❖ The Net Commitment, Disbursed, Undisbursed and Outstanding amount was as follows: <ul style="list-style-type: none"> <li>• Net Commitment 14,641,800.00</li> <li>• Disbursed 10,197,632.00</li> <li>• Undisbursed 4,444,168.00</li> <li>• Outstanding 10,197,632.00</li> </ul> </li> </ul>
<p>Others</p>	<p style="text-align: center;"><b>Assumptions</b></p>



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Sahara Energy	<ul style="list-style-type: none"> <li>❖ Fees charged include Interest fee at LIBOR+Margin+Mandatory fee, Management fee at 1% flat rate and service fee at 1.68 p.a.</li> <li>❖ Interest fee is 12.6%. LIBOR and Margin was estimated at 5.6% and 7% respectively.</li> <li>❖ The repayment period was assumed to be 10 Years (2023-2032).</li> <li>❖ Principal is prepaid using 600,000 barrels minimum with an operational tolerance of 5%. The cost of one barrel is estimated to be USD 34 hence an annual repayment of 20,400,000</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 10 Years (2022 to 2032) respectively. The discount rate was obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes annual amortization.</li> <li>❖ The Net Commitment, Disbursed and Outstanding amount are as follows:</li> <li>❖ Net Commitment 600,000,000.00 <ul style="list-style-type: none"> <li>• Disbursed 348,000,000.00</li> <li>• Undisbursed 252,000,000.00</li> <li>• Outstanding 310,482,015.00</li> </ul> </li> </ul>
Afrexim	<ul style="list-style-type: none"> <li>❖ Fees charged include Interest fee at LIBOR+7%, Advisory fee at 1.75% flat rate and service fee at 1.68 p.a.</li> <li>❖ Interest fee is 12.6%. LIBOR and Margin was estimated at 5.6% and 7% respectively.</li> <li>❖ The Loan matures in 2023 (in 1 Year) and it will be repaid fully at maturity using Commodity hedging programme requiring minimum volume of oil to be hedged.</li> <li>❖ Strike price is \$34/barrel</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 1 Year respectively. The discount rate was obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes annual amortization.</li> <li>❖ The Net Commitment, Disbursed and Outstanding amount are as follows:</li> <li>• Net Commitment 250,000,000.00</li> <li>• Disbursed &amp; Outstanding 250,000,000.00</li> </ul>
Afrexim	<ul style="list-style-type: none"> <li>❖ Fees charged include Interest fee at LIBOR+7%, Advisory fee at 1.75% flat rate and service fee at 1.68 p.a.</li> <li>❖ Interest fee is 13.1% p.a. LIBOR and Margin was estimated at 5.6% and 7.5% respectively.</li> <li>❖ The Loan matures in 2026 (in 4 Years) and it will be repaid fully at an estimated equal amount of 63,586,955.</li> <li>❖ Principal is repaid using commodity hedging programme requiring minimum volume of oil to be hedged. The Strike price is \$34/barrel</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 4 years respectively. The discount rate is obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes annual amortization.</li> <li>❖ The Net Commitment, Disbursed and Outstanding amount are as follows:</li> <li>• Net Commitment 400,000,000.00</li> <li>• Disbursed 400,000,000.00</li> <li>• Outstanding 188,745,263.00</li> </ul>
China Export-Import Bank	<ul style="list-style-type: none"> <li>❖ Fees charged include Interest fee at 2% p.a. Commitment fee at 0.25% p.a and Management fee at 0.25 flat rate.</li> <li>❖ The Loan matures in 2033 (in 11 Years) and it will be repaid at an estimated equal amount of 17,155,063.53</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 11 years respectively. The discount rate is obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes annual amortization.</li> <li>❖ The Net Commitment, Disbursed and Outstanding amount are as follows:</li> <li>• Net Commitment 150,000,000.00</li> <li>• Disbursed &amp; Outstanding 150,000,000.00</li> </ul>
Qatar National Bank	<ul style="list-style-type: none"> <li>❖ Fees charged include Interest fee at LIBOR+6.5%, Commitment fee at 0.5% p.a. on undisbursed amount and Management fee at 0.5% flat rate.</li> <li>❖ Interest fee is 12.35% p.a. LIBOR is estimated at 5.6%.</li> <li>❖ The Loan matures in should have matured 5 Years after drawdown in 2020. The schedule assumes a 10-year repayment period from the current date (2022)</li> <li>❖ The principal will be repaid at an estimated annual amount of 105,168,773</li> <li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 10 years respectively. The discount rate is obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li> <li>❖ The loan schedule assumes annual amortization.</li> <li>❖ The Net Commitment, Disbursed and Outstanding amount are as follows:</li> <li>• Net Commitment 700,000,000.00</li> <li>• Disbursed and Outstanding 700,000,000.00</li> </ul>

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NASDEC	<ul style="list-style-type: none"><li>❖ Interest fee is 12.75% p.a. This is estimated as an average of available commercial loans</li><li>❖ The Loan maturity date is estimated to be after 10 Years (2032)</li><li>❖ The loan will be serviced at an estimated annual amount of 66,767,158</li><li>❖ The Present value of the loan is calculated using discount rate and period of 5% p.a and 10 years respectively. The discount rate is obtained from the IMF Debt Sustainability Framework (2013) which sets a single uniform discount rate for calculating the present value of external debt in analysis of debt in low-income countries.</li><li>❖ The loan schedule assumes annual amortization.</li><li>❖ The Net Commitment, Disbursed and Outstanding amount are as follows:<ul style="list-style-type: none"><li>• Net Commitment 539,000,000.00</li><li>• Disbursed and Outstanding 366,680,658.00</li></ul></li></ul>
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## 5.8 References

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