

## Supporting South Sudan's vision for the future

Written by

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The United States hosted the International Engagement Conference for South Sudan to welcome the new country to the international community and provide a forum for the Republic of South Sudan (RoSS) to highlight its development priorities and opportunities for engagement with public and private sector partners. From the involvement of ten co-sponsors to the participation of over 25 countries, this conference demonstrated the continued commitment of the United States and international community to South Sudan.

As part of this effort, agencies across the United States government have examined the tools they can bring to bear to propel development and investment in South Sudan. This was a far-reaching effort, ranging from discussions on a possible new Peace Corps program, to the Department of Commerce facilitating follow up with private sector participants through a webinar series, to ongoing support to assist the government of South Sudan to manage its oil sector transparently and take steps towards joining the Extractive Industries Transparency Initiative.

Progress is ongoing and will continue after the conference, but significant steps in a range of areas are moving forward. The United States, along with the co-sponsors, commit to continued support to South Sudan in order to:

- Promote sound management of national resources and accountability to benefit the people of South Sudan.
- Create a climate for investment and promote trade to facilitate economic integration and growth.
- Strengthen education, health and agricultural sectors as the foundations for growth and long-term development of the South Sudanese people.
- Encourage the participation of women and youth and respect the diversity of the people of South Sudan.

### **Recent Key U.S. Government commitments to South Sudan**

- Department of Treasury Has Issued General Licenses to Help South Sudan Stimulate Investment

Existing U.S. sanctions on Sudan were identified as a barrier to greater investment in the Republic of South Sudan (RoSS). In order to encourage U.S. investment in the RoSS, OFAC has issued two general licenses that authorize, to the extent otherwise prohibited, (1) activities and transactions relating to the petroleum and petrochemical industries in the RoSS and related financial transactions and (2) the transshipment of goods, technology, and services through Sudan to and from the RoSS and related financial transactions. These licenses are expected to enable greater investment in South Sudan.

- U.S. Office of the Trade Representative Launches Review of South Sudan Eligibility for Trade Benefits and African Growth and Opportunity Act

Expanding trade between the United States and the RoSS is a critical element of our engagement strategy. The Administration has launched a review of South Sudan's eligibility for

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trade benefits under the Generalized System of Preferences. If it is determined that South Sudan meets the eligibility requirements, up to 4,800 different products would become eligible for duty-free treatment by the United States. The United States is also starting the process of considering South Sudan's eligibility under the African Growth and Opportunity Act (AGOA). AGOA gives duty free treatment to a broader variety of products than GSP, including apparel, footwear, and certain agricultural products. By enabling greater access to the U.S. market and providing tangible incentives for African countries to open their economies and build free markets, GSP and AGOA together play an important role in sustainable economic development throughout Africa.

- Overseas Private Investment Corporation Has Initiated Process to Open for Business in South Sudan

U.S. private sector investment will be critical to the Republic of South Sudan's economic development. The Overseas Private Investment Corporation (OPIC), the U.S. Government's development finance institution, has initiated the process to open for business in South Sudan. OPIC can provide financing and risk mitigation tools to small businesses, large corporations, and NGOs to catalyze private investment in South Sudan. OPIC has experienced considerable demand from U.S. companies interested in investing in the country, particularly in infrastructure and agriculture. In order for OPIC to provide its programs in a new country, the country must first meet a set of criteria. Once eligible, OPIC-supported private equity funds will also be able to make investments in South Sudan.

- USAID Focusing on Agricultural Development to Strengthen Economic Growth

Through Feed the Future, President Obama's food security initiative, the United States has focused on agricultural development to drive broad-based economic growth in the RoSS. USAID is working with a range of partners on this effort including John Garang University, Alliance for a Green Revolution in Africa (AGRA), and the International Fertilizer Development Center (IFDC). Goals include increasing agricultural resiliency, supporting high-quality agricultural inputs and services and building an enabling agricultural infrastructure. As part of this focus, USAID also recently designed the first-ever credit guarantee in the newly independent South Sudan to support local lending to the country's agriculture sector. Working with AGRA, the Development Credit Authority guarantee will mobilize \$7 million in private financing for agriculture lending from Equity Bank and Finance Sudan. Negotiations are underway to include an additional commercial bank. The six-year guarantee will provide partial risk protection for bank lending to key agricultural aggregators, input suppliers, entrepreneurs, and other small-scale businesses in the agriculture value chain.

- USAID Supporting High-Quality Health Care Systems for the People of South Sudan

USAID is partnering with the RoSS, the World Bank and the donors of the Health Pooled Fund to expand essential primary health care services. These international development partners will support the RoSS's Basic Package of Health Services, including primary health care facilities and community-level health providers to offer high-quality life-saving interventions aimed at reducing maternal, newborn and child morbidity and mortality, as well as decreasing the burden

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of critical communicable diseases.

- Supporting the Participation of Women in Political, Social and Economic Spheres

The U.S. Government is taking a closer look at areas for increased engagement with women, as well as the diverse constituency of individuals that strengthen South Sudanese society. We welcome initiatives such as:

- The inclusion of South Sudan in the U.S.'s National Action Plan (NAP) on Women Peace and Security Initiative. The goal of the NAP is to empower half the world's population as equal partners in the pursuit of lasting peace and security.
- The participation of South Sudanese women entrepreneurs in the African Women's Entrepreneurship Program, which seeks to engage African businesswomen, equip them with the tools and opportunities to accelerate the growth of their businesses to become leaders in their communities and drive further social and economic progress in Africa.

### Recent key co-sponsor commitments to South Sudan

The United States welcomes the ongoing efforts of our co-sponsors to help South Sudan achieve its immediate and long-term goals. As one of the objectives of this conference, international coordination is imperative, and we welcome the continued collaboration and coordination. Many of the co-sponsors involved have been supporting South Sudan in a variety of ways for a long time. Below are examples of some of the renewed commitments they are making in conjunction with the conference:

- Norway is working collaboratively with the U.S. and others from a transparency perspective to include all the principles behind the EITI in petroleum revenue management legislation. The Bill currently in the process of being approved comprises a broad range of measures to ensure transparency including regular disclosure of key information including payments. In addition, Norway will work together with the Republic of South Sudan to provide an EITI-aligned report. As a result, South Sudan will be as transparent as any EITI country once the Bill is adopted and implemented.
- The United Kingdom, on behalf of the Troika (the U.S., the U.K., and Norway) has been discussing with the Government of South Sudan the steps that could be taken to establish a high-level dialogue on transparency and accountability issues. The dialogue could review progress against government and international commitments in these areas, as well as trends in and public perception of corruption and actions taken in response to allegations against corruption.
- Turkey, as a key player in ensuring sustainable economic and social development, is encouraging its private sector to increase business-to-business cooperation between the two countries for higher trade and investment targets. Turkey is also prepared to evaluate and support development projects in South Sudan in areas where the Turkish International Cooperation Agency is particularly active throughout Africa, including irrigation, energy, health and education.

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- The United Nations (UN) Country Team will assist the Government to take bold steps to reinforce core governance functions, build service delivery systems, improve food security, and reduce community conflict in an equitable way across all ten states. In doing so, they will give special focus to addressing the acute needs of women in the South Sudan.
- The World Bank will build upon and extend its ongoing work with the Government of South Sudan to support sustained growth and development, including by organizing a donors' conference in 2012. In addition, the World Bank, African Development Bank and IMF are assisting South Sudan's acceptance as full members of the financial institutions.
- International Finance Corporation (IFC) supported South Sudan during the CPA period with advisory services in the Ministry of Investment that helped put in place the basic legal framework for business. IFC will continue this support on a larger scale going forward to help the government promote financial sector development and investments in key sectors like agriculture and infrastructure. The IFC is establishing a field office in Juba to facilitate this engagement.
- The European Union (EU) has committed to substantially expand its support of the rural development sector in South Sudan, building on the EU's existing programs supporting rural development and food security. To help fulfill the priority needs outlined by South Sudan, the EU will sponsor an event on agriculture and food security in Juba during the first half of 2012, working in coordination with the U.S.
- The African Union (AU), together with NEPAD Coordinating Agency, will work to support the Government of South Sudan in developing a country Comprehensive Africa Agriculture Development Program (CAADP) Agenda. CAADP focuses on improving food security, nutrition, and incomes by raising agricultural productivity by at least 6% per year and increasing public investment in agriculture to 10% of national budgets per year.
- Corporate Council on Africa (CCA) will coordinate its Working Group on Sudan for the private sector and invited guests from the U.S. Government and the private sector. In coordination with others, CCA will work to convene a Doing Business in South Sudan workshop, as a follow-up meeting for the private sector in Juba to further connections and to explore the potential for doing business in South Sudan. CCA will also work with Books for Africa, the nation's largest supplier of books to Africa, to supply South Sudan with a container of approximately 22,000 books for use by schools and libraries and in law development.
- Interaction, in coordination with many of its members and other aid agencies, totaling 38 organizations working in South Sudan, released the briefing paper: "Getting it Right from the Start." The report highlights key lessons to follow for promoting development success in South Sudan.

Together, the actions of the United States Government and its co-sponsors are providing the support needed to help build a bright future for the new nation of South Sudan.