

CSRF Analysis: Towards Integrated Development – Building positive and conflict-sensitive partnerships between the aid and private sector in South Sudan

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Executive Summary

South Sudan has a diverse private sector, from sole traders and producers working in rural and urban markets to small and large local, national and international companies with different scales of investment. Both the private and aid sectors have shaped, and been shaped by the new national economy that has emerged directly out of the massive state-building projects, extractives industries, and aid investments of the 2000s, as detailed below.

There are many **challenges for the private sector** working in this fundamentally politicised economy, where political and military actors have been involved directly in both private enterprise and its regulation since the 1980s. There are different risks for different scales and locations of business, but common to all is the fundamental question of the ability to realise profits in an uncertain environment. Some (often local) companies are focused on long term investments that will weather shocks; many enterprises are focused sharply on short term maximisation of profits. Sector development is uneven because of the costs and risks of formal incorporation, rising taxations, and the dollarisation of the economy: the wholesale import sector, for example, is overwhelmingly international due to the scale of dollarised investment needed. The uneven geography of conflict and environmental destruction since 2013 has also created a matching geography of risk: companies therefore invest where they have safe access and connections.

This creates **challenges for the humanitarian, development and diplomatic sectors**. An uneven geography of private investment, including private education and healthcare services, creates rising internal inequalities and divisive frustrations that contribute to armed conflicts over markets and territories. Few functioning standards of labour law, and commercial interest in maximising profits in a high-risk context, combine to incentivise wage depression and exploitative employment practices, especially of desperate workers displaced by war or suffering from economic and environmental crises.

There are clear incentives **for private and aid sectors to work more closely together** – but also common problems in doing so. The aid sector is risk-averse, and deals primarily with established and often large-scale suppliers who have the financial, political and legal resources to provide stable contracting; these are often powerful national or international companies whose profits are exported. Our research also showed a wide lack of awareness of the aid sector's own existing partnerships beyond project-based aid contracts, such as office and domestic rents and services. High levels of distrust within the private sector and between the private and aid sectors prevents a shared information economy.

Both the aid and private sectors are invested in promoting development in South Sudan. Alongside practical considerations for programmes and operations, this report challenges aid sector policymakers to consider their core policy on the state and the market: how can the private sector be supported to shape a geographically and socially fair market economy? And what is the role of the state, and the importance of a social contract, in an expanding market economy?

Introduction

Background

South Sudan's economy is shaped by an ongoing cycle of recurring security and political crises that position both elite actors and the aid sector strongly within the market. The current political and economic situation in the country (mid 2025) is, once again, particularly fragile. Whatever comes next, for effective economic growth, South Sudan must have a development model beyond the aid sector, and the aid sector itself must also become more intentional and creative in its plans and partnerships within a rapidly shrinking funding environment. Some interventions are already ongoing. Some NGOs and UN agencies are linking livelihoods projects to markets and working with local producers. But the private sector is not conflict neutral: South Sudan's economy is intimately linked to both its political economy and its war economies. As the aid sector examines opportunities to collaborate and work more closely with the private sector, it must avoid contributing to conflict-producing systems and look for ways to support an economy that works for all. It is critical that all actors consider a more integrated, business-minded, and locally respectful approach together.

This research paper is intended as a starting point for building a better understanding of how the aid sector and the private sector interact in South Sudan, and how these dynamics interact with conflict and peace dynamics, to help aid actors adapt their policies, programmes and procurements in ways that maximise opportunities to contribute to a stable, vibrant country.

We understand the South Sudan economy from a systems perspective, as networks of rational actors responding to incentives and established (if evolving) ways of working. We define the private

sector as actors involved in business for private profit, whether that is realised through investments (like cattle keeping) or exchange (in markets). Within this definition is a diverse range of sole traders and producers in rural and urban markets, self-employed entrepreneurs, micro entity businesses and small enterprises, as well as formally incorporated small, medium and large-scale companies with local, national and international connections, markets, and investors. This means that the private sector is engaged in a wide array of production, services, and investments in the short and long term - as both an agent within South Sudan's militarised political economy, and subject to that same militarised political economy (i.e., working within its confines, high levels of economic and personal risk, and its legal and extra-legal structures). In connection, we see the aid and development sectors as economic enterprises and investors, albeit with different sponsors and priorities; these enterprises are also both subjects and agents within this militarised political economy.

Methodology

This paper aims to generate further analysis and discussion. To do this, over February to April 2025, a small research team conducted:

- An extensive literature review and snowballing of grey literature on the private sector, and on interactions between aid, development, and the private sector in South Sudan;
- A desk review of international corporate social/environmental/equalities responsibility standards;
- A rapid mapping of private sector organisations and networks using the IES national network (Appendix 1) in eight locations (Aweil, Wau, Yei, Malakal, Bor, Bentiu, Kapoeta and Yambio);
- A survey of private sector actors in South Sudan with 53 respondents, run through

individual companies and networks including South Sudan British Business Association (SSBBA), Turkish Association, manufacturers' association, Bargain Bazaar retailers;

- Targeted interviews with the aid sector, the private sector, and key government actors;
- An activity-based workshop with aid and development sector actors to explore practical knowledge of the private sector and reflect on existing engagement practices.

We invited approximately 250 people across sectors to complete the survey, with a response rate of 20% (which is considered around average for such surveys). The respondents were relatively diverse, varying from large businesses (\$3million-\$5million annual revenue) to very small businesses (\$0-5,000 annual revenue), with locations across the country being represented. The key sectors reflected include agriculture, transport and storage, and accommodation and food services. The survey was shared widely across British, Chinese, Lebanese, Ethiopian, Eritrean Kenyan, Ugandan and other regional business networks with mixed responses.

This short report reflects a fundamental lack of research on the private sector, and a short timeframe, in a time of high volatility. This volatility is itself a product of the political economy under study.

The private sector

What is the private sector?

The private sector in South Sudan consists of micro, small and medium enterprises (MSMEs), informal businesses, large companies - both local

and foreign-owned, and multinational corporations like the oil sector actors. MSMEs represent a significant share of the market engaged particularly in wholesale and retail trade (e.g., food supplies, stationery), construction, hospitality and transportation, amongst others¹. This sector is crucial for economic growth, job creation, and diversification beyond the oil-dependent economy.

The private sector is still developing, with limited entrepreneurial activity in rural areas and a heavy reliance on informal micro-enterprises. Its fragile state is due variously to the country's recent independence, ongoing political instability, weak infrastructure, and underdeveloped, or poorly enforced, legal and institutional frameworks. Nevertheless, new sectors continue to emerge, and businesses are trying to grapple with the challenges they face.

Whilst international companies are present, and emerging, in South Sudan – particularly in the oil sector – much of the market continues to be dominated by regional actors especially in key sectors such as water supplies and waste management, fuel stations, construction, hospitality, retail and consultancy sectors.

The mapping exercise conducted by IES in March 2025 particularly identified the extent of businesses already working across agriculture, construction, health, money services (banks, money transfer), hospitality and food services, and education (see Appendix 1). The private sector in South Sudan focuses particularly across these more traditional sectors with, for the most part, an absence of more creative and innovative enterprises.

¹ As of recent estimates, there are approximately 17,300 Micro, small, and medium enterprises (MSMEs) operating in

the country (African Development Bank Group. *South Sudan: Interim Country Strategy Paper, 2022-2024*. 2021).

There is significant potential for growth if structural reforms, improved governance, and peace-building efforts are sustained. Already various networks are developing for businesses to support one another and share information, for example the South Sudan Manufacturer's Association, the South Sudan British Business Association, the Turkish Business Association, Ethiopian Business Association, and the Central Equatoria Business Union.

Despite the ongoing challenges for businesses in South Sudan, huge potential exists for those willing and able to take the risk and navigate the environment. During our interview, a Ugandan businessman in Juba described South Sudan as the "land of opportunity". Whilst this may be optimistic, it encapsulates the way many private sector actors view the country. There is currently an upsurge in investors coming to prospect for minerals (gold in particular), gum Arabic, sesame, ground nuts (see below), as well as other potential opportunities. Jordanian businessmen travel to South Sudan to scope opportunities². Emiratis are taking on large numbers of apartments in newly constructed apartment buildings in Juba, and in some cases outpricing the aid sector³. Israeli and Emirati solar companies are interested in investment⁴. The private sector continues to grow, and new countries are getting increasingly involved, for business, and often also political reasons (see below).

The political economy

The market economy is at the heart of the political economy. Most private enterprises are linked in a range of ways to socio-political networks. In South

Sudan, the political economy is deeply intertwined with the market economy because the state's power and political stability depend heavily on controlling economic resources and market mechanisms. Many of the larger companies across sectors are dominated by the political elites leaving limited (safe) space for competitive business opportunities. In essence, where there is potential for large revenue generation (e.g. oil, mining, road construction), these sectors are controlled by political actors and their personal networks. Sectors that do not have these connections must find ways to manage and interact with conflict, political dynamics, and political economy to survive.⁵

The private sector, like the aid sector, also operates in a high-risk environment where doing business requires navigating networks, bribery, and often political affiliations. Companies are often required to pay informal levies to armed actors, and others, to gain access and operate safely.

A long history of military privatisation

Political, military, and economic power in South Sudan, as in many countries, are deeply intertwined. The SPLM/A's transition from rebel group to state authority during the Comprehensive Peace Agreement period coincided with a dramatic increase in aid and development revenues and economic activity in South Sudan; it also meant that the SPLM/A leadership gained direct access to state oil revenues.

² Interview with a private sector representative, Juba, March 2025.

³ Interview with a United Nations staff member, Juba, March 2025.

⁴ Interview with a private sector representative, Juba, March 2025 and interview with a donor representative, Juba, March 2025.

⁵ Craze, Joshua. *From petro-dollars to licenses: South Sudan's post-oil political economy*. Environment and Security. 2024, Vol. 2(3) 392-411.

Members of the political and military elite were well-placed to position themselves within the private sector, and many were allocated government contracts, established commercial security, transport, and extractive companies, and invested in the domestic and commercial rental sector. Access to economic opportunities was seen as a tool for helping to build political alliances.⁶

In 2012, oil revenues were abruptly stalled as Sudan and South Sudan clashed over key oil fields in Heglig, ushering in a period of austerity that gave way to economic misery as South Sudan returned to war in 2013, and oil prices dropped globally. The government could no longer afford to bankroll its ‘big tent’ approach to politics with oil revenues and private sector opportunities. Instead, political control has increasingly been maintained through granting access to economic opportunities, enabled by the privatization and geographical fragmentation of the state economy. Such opportunities include control over specific natural resources (forests, mining, etc.), the ability to levy taxes and manage checkpoints, formal permissions to operate in specific sectors (e.g., security), and the continued allocation of positions and contracts for services.⁷

The private sector and the aid industry

The aid and development industry are also deeply entangled in this history of SPLM/A governance and military-commercial interests.

The second Sudanese civil war (1983-2005) and its resulting famines and refugee crises, especially in 1984-7 and 1997-8, generated politically

entangled private and NGO sectors. In order to operate in SPLA-controlled territories and refugee camps, agencies had to work with the SPLM and, by the 1990s, its Sudan Relief and Rehabilitation Association (SRRA)⁸. The SRRA exerted significant control over aid routes via the crucial SPLM/A border post of Chukudum and the refugee camps of Boma and then Kakuma. The major aid operations of Operation Lifeline Sudan I and II generated private sector companies (including land and air transportation services, food supply and logistics) that were foundational for SPLA incomes: many companies were established by senior SPLM/A figures, and the SPLM/A also profited from taxing and licencing their work. These processes were formalised rather than changed after 2005. The mass repatriation of refugees, state-building projects and the expansion of Juba city – briefly the fastest-growing city in the world – continued to create a booming private sector.

National development plans

The government of South Sudan recognises the private sector as a key driver for sustainable development, economic diversification, and particularly revenue generation through taxation, aiming to reduce dependence on oil revenues. The government has emphasised the importance of the private sector as an engine for economic growth. This includes initiatives such as public-private dialogue (PPD) workshops and the introduction of business-related bills aimed at improving consumer protection, standards, and regulatory frameworks. It has also established ministries and departments focused on commerce and private sector development.

⁶ Twinstra, Rens. ‘Recycling Oil Money’: Procurement politics and (un)productive entrepreneurship in South Sudan. *Journal of East African Studies*. November 2015.

⁷ Craze, Joshua. *Payday loans and backroom empires: South Sudan’s political economy since 2018*. Small Arms Survey. HSBA Briefing Paper. October 2023.

⁸ Levine, Iain. *Promoting Humanitarian Principles: the southern Sudan experience*. Relief and Rehabilitation Network. May 1997.

In contrast to the above, national development of the private sector is limited by a series of structural factors:

- Informal labour arrangements, reflecting broader economic instability (South Sudan National Bureau of Statistics, 2021);
- Dollarised transactions which reflect economic uncertainty and lack of trust in local financial systems;
- Lack of legal adherence: many businesses operate fully or partially outside of formal regulatory frameworks, particularly smaller businesses, due to prohibitive costs of formalisation and registration;
- The majority of private sector survey respondents indicated that their major limiting factor was accessible financing.

With current disruption in oil exports that account for more than 98% government revenues, the government relies heavily on taxing the private sector (licenses, fees, informal levies) as a revenue base. In this immediate context, the state is focused on the private sector primarily as a source of tax revenue.

Corporate registration is also expensive. On top of formal and informal tax levies, many businesses cannot afford formal incorporation and registration. 20% of the businesses surveyed noted that they did not have registration with the Ministry of Justice, or other relevant registrations, suggesting that for small businesses particularly, it can be more effective to operate 'under the radar'. Not only are the costs of registration potentially prohibitive but additionally, there are daily challenges to contend with from city council representatives and others looking to illegally extort money for their own survival. To be fully compliant, businesses, like NGOs, require a host of different registrations and certificates from different bodies, all of which come at a cost, which

can be particularly prohibitive for MSMEs (for example, registration, operation licence, and approval of rubber stamp), with further additional costs attracted for different types of business (e.g., inspection service fees from the National Bureau of Standards, import and export taxes). Whilst frequently reasonable figures are listed in the Financial Act 2024/5, the reality is that additional 'fees' are required to process these various approvals at all, or in a timely manner. These additional costs required are not defined, receipts are not given, and they depend on networks and connections. In a context where short-term gain is emphasised due to uncertainties, businesses are frequently left with no option but to pay these additional costs in order to move forward.

This leaves a sector that is hard to standardise and monitor even if new regulations are being brought in by the government.

The private sector and social services

To a large extent the government also relies not only on NGOs but on the private sector for provision of state responsibilities – for example, privatisation of key services e.g. security, healthcare, education, and infrastructure support (such as water, waste management, power). Some of the best schools are private schools with high fees, as the government schools face a chronic lack of pay for teachers, overcrowding, and the lack of teaching materials, even with support from the NGO sector.

Based on our survey responses, it is notable that half of the companies have social responsibility / community-focused policies or projects, and half also have environmental responsibility policies or projects. Whilst many of these efforts may be small, they demonstrate an effort to contribute to a wider social good in South Sudan, although the incentive for doing so obviously differed. Projects include donations to orphanages, schools and

sports teams, organising local neighbourhood cleaning campaigns. Other interesting projects included supporting co-operative movements and mentoring and supporting small scale farmers.

Beyond our survey, one example of a significant, visible successful CSR projects in the private sector in South Sudan is Stanbic's support to basketball in the country. They worked with NBA Africa and the Luol Deng Foundation to open a new basketball court and support the establishment of the Junior NBA League, which focuses on the 'transformative power of basketball to create pathways that encourage more South Sudanese boys and girls to reach their limitless potential'⁹.

The survey also highlighted the extent to which many businesses, such as those in transport, health, finance and construction amongst others, rely on the aid sector for their clients, with over 60% indicating that they have or had contracts with the UN and NGOs, and with one respondent going as far as to say that the relationship was 'symbiotic'. For the most part, these companies elaborated that they had good working relations with these agencies, with only two respondents highlighting an issue around delays in payments.

Key trends in the private sector

Since independence, there have been several positive business trends and developments contributing to the country's economic landscape:

Infrastructure and transport sector expansion

New infrastructure construction such as Freedom Bridge (opened in 2022), construction of new roads such as Juba-Bor Road and Juba-Terekeka Road, enhancing transportation and trade.

Telecommunications growth

Whilst Vivacell was closed in 2018 over tax and license fee disputes with the South Sudan government, MTN, Zain and Digitel telecom companies are expanding across the country (notable however that this is also tied to political dynamics in terms of which areas are served / not – see below sections on this). With Starlink now entering the market, it could provide a more affordable, accessible internet service for many. Ongoing developments in this sector can be expected, due to the rapid pace of technology at the global level.

Financial Services

KCB, Equity Bank, Cooperative bank, ECO Bank and many other local banks are actively in business in Juba and a number of state capitals. Growing numbers of money transfer agents are also active across the country, both at the local level and inter-connected regionally and globally, such as Dahabshiil, Wadkak and others. Mobile money is also on the rise, with Momo making transacting easier, although it is still a new facility to many. This new method of transacting also aids transfers with Kenya through Mpesa, further connecting South Sudan to the region.

Regional integration and trade

South Sudan is now (as of 2016) officially a member of the East African Community (EAC) and hosted the first ever East African Exhibition in the capital Juba in 2024. Although it has not yet fully integrated into the bloc, membership does still bring some opportunities for enhanced trade and economic collaboration with neighbouring countries. Foreign investors, mainly from East Africa and China, play a significant role in industries such as construction and retail, often

⁹ <https://pr.nba.com/nba-africa-stanbic-bank-luol-deng-jr-nba-south-sudan/>

outcompeting local businesses (African Economic Outlook, 2021).

Agricultural commercialisation

Efforts are being made to revitalize coffee farming (e.g. Equatoria Teak Company), supported by international partnerships, aiming to diversify the economy and provide alternative livelihoods. Further, there are expanding projects on gum Arabic, sesame, rice and sugar amongst others.

Small but growing service sectors

The arrival of African Parks and the recognition that South Sudan has the world's largest mammal migration, has further opened the conversation around tourism in South Sudan and a range of tourism companies are entering the market and / or are expanding. Given the challenges facing tourism, as with all sectors (e.g., infrastructure, insecurity, informal fees), well-connected companies are well placed to navigate these on behalf of tourists and a steady stream of tourists seeking the "adventure" of the "untouched" environment in South Sudan¹⁰ is coming into places such as Terekeka and Kapoeta. Companies include Junubna Tours and Travels, Boma Hills Tourism Limited and Last Places. These trips are generally expensive. South Sudan consultancy services are also starting to develop further (e.g., HR, IT). In 2022, the internationally branded five-star hotel brand, Radisson, opened a location in Juba, further expanding the upmarket hospitality sector in the country. There are also growing eco-friendly companies for sustainable garbage disposal and recycling, including animal hide, and fashion and beauty brands emerging.

Business credits and loans

Although respondents to the IES survey noted lack of access to financial capital as one of the key

challenges to their businesses, there is a small but growing availability of loan facilities in South Sudan. Some of these facilities are available to small enterprises and individuals only (e.g., De Bitana, Ecobank), whilst others provide larger capital investment to selected businesses (e.g., Kinyeti Capital).

Whilst the in-equitability of the development of these services needs to be recognised, these developments nevertheless reflect South Sudan's ongoing efforts to rebuild and diversify its economy, improve infrastructure, and foster private sector growth despite facing significant challenges.

¹⁰ Interview with a tourist travelling with a South Sudanese tour company, Kapoeta, February 2025.

Peace, Conflict, and the Private Sector

The workings of the private sector in South Sudan interact with the country's prospects for peace - or for conflict. This happens through the ways that the private sector relates to power dynamics, whom it benefits, how it affects natural resources, and how it shapes relationships between groups. This section identifies and analyses four ways that the private sector and related economic dynamics have the potential to drive conflict, or support peace.

These areas were chosen based on two criteria: their relevance for peace in South Sudan today, and their relevance for the conflict sensitivity of international humanitarian, development and peacebuilding operations and programming. In each of these four areas, we will aim to highlight how the private sector may interact with the drivers of conflict or drivers for peace, a light touch overview of the structural factors that shape this interaction, and potential ways that the positive impacts can be supported.

Militarised elites control and extract benefit from the private sector

South Sudan's private sector is complex and diverse, but much of it has been wrestled under the control of, and in support of, the country's military elites. As discussed in the previous section, the economy has been used as a tool of political patronage; the major sectors within the economy as well as the rules that govern the private sector are under the control of political and military authorities that use this power to further and entrench their own interests. This

relationship between political/military control and control over the private sector is self-reinforcing, in a feedback loop. Political and military means are deployed for economic goals, and economic means are leveraged for political and military goals.

Certain sectors are particularly affected by this vicious cycle, particularly those involving extraction of lucrative resources such as oil, minerals, and timber. Licenses to exploit specific resources are provided by the central government, and sometimes state authorities in order to shape the political balance and build revenues to fund military presence and activity. In the 2020 Pageri Peace Forum, for example, "community representatives challenged local authorities and military commanders for their direct involvement in, and their facilitation of logging, despite a state ban. Military commanders justified their involvement by claiming that the revenue collected was being used to top-up and also compensate for late salary payments for soldiers in their units."¹¹ The responsibility for granting these licenses is not easy to trace. Gold mining licenses in Western Bahr el Ghazal and Eastern Equatoria, for example, appear to be at times allocated by state authorities, but there are known to be linkages with central elites.^{12, 13}

The transport, logistics, construction and security provision sector, as high value sectors with 'dual use' capacities for both civil trade and military warfare, are also often connected to South Sudan's militarised elites, replicating patterns found in Sudan.¹⁴

¹¹ Peacebuilding Opportunities Fund and the South Sudan Council of Churches. *The Impact of Logging Activities on Local Communities*. October 2020.

¹² Small Arms Survey. *All Alone in the Governor's Mansion: Sarah Cleto's Travail's in Western Bahr el Ghazal State*. HSBA Situation Update. September 2023.

¹³ Small Arms Survey. *Living with Lobong: Power, Gold and the UPDF in Eastern Equatoria*. HSBA Situation Update. November 2024.

¹⁴ Interview with a donor representative, Juba, March 2025.

This preferential position with the private sector is maintained through different, complementary avenues and tools. The first are the barriers to market entry: political, regulatory or financial. Surveys/interviews suggest that the ability to enter the private sector in any large-scale way in South Sudan relies on personal relationships within networks of power. Control over access to financing is another barrier to market entry reinforcing elite domination of private sector. The majority of companies receive their financial start-up capital from personal income in some form, either from their own funds, or from selling assets¹⁵.

In addition to positioning barriers to market entry, limited functioning legal frameworks governing the private sector is a second hurdle, particularly for non-South Sudanese. Guidelines that are inconsistent, or inconsistently applied, can be weaponised against private sector actors who are not well-connected, to the degree that those who do not follow 'elite guidelines' can become Persona Non Grata due to 'non-cooperation'.¹⁶ Entrepreneurs must not only manage these risks, but also manage potential investors and clients concerned about the political risks of doing business. One survey respondent referred to the need to provide "constant assurance" to investors who are concerned about their investment in companies in South Sudan. This reflects the general instability and regular changes to the context.

The threat of, or actual use of militarised force, is the third factor shaping elite domination of the private sector. This occurs at times in quite visible

ways, as with uniformed, armed actors participating in different logging and mining operations referenced above¹⁷. Armed management of checkpoints provides another venue for military actors to extract benefit from the private sector.

These challenges are deeply entrenched, but there are some avenues for potential mitigation. Investments in reducing the costs and barriers for entry to the market could help to build participation and improve the resilience of small enterprises to compete and survive. Better infrastructure can improve opportunities and reduce costs for small businesses.

Improved transparency around corporate ownership and investing could help actors with both the legal and the ethical responsibilities to avoid doing business with corrupt or militarised entities. Many international organisations, and many countries have laws prohibiting certain types of engagement with corrupt practices or armed groups. However, these are difficult to follow - or enforce - in contexts of opaque, personalised interests and the threat of militarised force.

Ultimately - much like frontline NGO staff - businesses have to work with political connections and through informal means because the context requires it. Shifting the prevailing conditions within the private sector operating environment requires shifts to the South Sudan political economy, better organisation of small and medium private sector actors, and a civil

¹⁵ Over 60% of respondents indicated that their ongoing sources of investment came from private investors in some capacity.

¹⁶ Interview with a United Nations staff member, Juba, March 2025.

¹⁷ Leonardi, C. et al. *Fuelling Poverty: The challenges of accessing energy among urban households in Juba, South Sudan*. Rift Valley Institute. 2020.

society able to advocate for improved market conditions.

Elite exploitation of labour is a cause and effect of conflict

The power to control and extract benefit from people's labour shapes and interacts with South Sudan's conflicts. Traditional livelihoods, while not free from exploitation (particularly of women's labour), often enabled the benefits of labour to reside within the family or community. Beginning with slavery in the pre-colonial period, changing in nature during the colonial era and accelerating in recent decades, these traditional systems have been disrupted - both intentionally, through domestic military and economic agendas, and as a side-effect of global economic and market shifts.

Massive displacement occurred during the 1983-2005 war that led to South Sudan's independence. This displacement was in large part linked to Khartoum's counter-insurgency strategy that sought to depopulate rural areas in order to cut off food supplies, shelter, and recruitment opportunities for rebels. But the strategy also served economic purposes as well. Populations were cleared from areas that were being explored and developed for oil production and from fertile land that could be given as spoils to Khartoum's proxy forces. These same populations were a valuable economic resource in their own right. Violently uprooted from their land and livelihoods, they became cheap labour for the large farms in Darfur, South Kordofan and in Al-Jazirah, and for the oil-funded construction

boom in Khartoum. Labour protections in either context were nearly non-existent. Thus, the engagement of South Sudanese displaced by conflict with the private sector was one of grievous exploitation and systematic economic marginalisation.¹⁸

In South Sudan today, whilst the country has a clear Labour Act (2017), there are certain things that remain unregulated (for example, minimum wages) meaning that labour remains vulnerable. Additionally, beyond the NGO sector and large businesses, enforcement remains a challenge. Businesses are not incentivised or forced to adhere to local standards or to set their own better standards. Despite an increase in regulatory bodies and bills being developed passed in relation to the private sector, there is no real enforcement mechanism for ethical standards, labour rights, or environmental protection.¹⁹ This is driven by lack of regulatory capacity, absence of consumer pressure and business survival mentality. The business incentive is short-term capital return driven by political uncertainty, insecurity and risk of loss and high operational costs. This discourages long-term investment or adherence to sustainability principles. Many businesses do, however, provide training to their staff - something that is in the business' own interests, but that may also provide societal goods as well.

The degree to which the private sector contributes to human capital, rather than exploits it, could play a fundamental role in building a resilient society, able to inclusively share the benefits of South Sudan's resources and

¹⁸ Kindersley, Nicki. *Monetized livelihoods and militarized labour in South Sudan's borderlands*. Rift Valley Institute, X-Border Project. 2019.

¹⁹ For example, the Ministry of Labour is working with IOM and the ILO to develop a labour migration policy although

much of this is focussed on travel outside of South Sudan rather than regulations within the country. However there have been discussions on minimum wage payments and other workers' rights.

economy. Interaction points here include: appropriate regulations and independent judicial mechanisms for enforcement, building a private sector culture around corporate social responsibility, supporting the development of clear legal routes for unionisation, investing in supporting labour unions, and supporting CSOs to focus on economic and workplace injustice as well as social/political issues.

Unequal investment perpetuates marginalisation and vulnerability

The private sector in South Sudan has developed along a very uneven investment geography. Rapid growth is found in areas where it's safer and easier to get the political and financial capital to invest and build businesses. Some rural areas have been largely ignored, while others have faced great harm as their resources have been violently extracted by distant elites. Ultimately benefiting the centre of the state in Juba, this economic model means that there are differing, specific and personalised private sector dynamics across different areas in South Sudan, depending on the nature of power in that particular area.

Private investments in South Sudan's rural areas are predominantly in extractive sectors or rental sectors (transport, compounds, security services). These businesses, particularly those in the extractive sector, often do not perceive a need to respect any responsibilities to the local communities, and may not follow either statutory or customary land use practices or land rights. These operations, often backed by international interests, drive violent conflict and human rights

abuses to include accusations of contributing to ethnic cleansing campaigns.²⁰ They have also caused devastating pollution in many areas, poisoning water and land, with observed levels of heavy metals in humans and animals well above crisis level destroying not only livelihoods but also ways of life.²¹ The wealth that is generated from these activities is not reinvested back into the communities, and largely moved overseas by both domestic and international business actors.

Despite the apparent opportunities in urban areas and history of challenges in rural areas, both contexts continue to offer South Sudanese people opportunities for employment and access to resources. However, the development of these economic opportunities and social services is extremely uneven across the country. This is shaped significantly by the geographical spread of conflict in the last decade: areas with less direct experience of national war impacts have had more stability for business investments, such as Northern Bahr el Ghazal, areas of Western Equatoria, and Eastern Equatoria (despite themselves having localised conflicts). With the collapse of government salary payments and state service sector support, high transport costs, rural violence and road insecurity, many social services have either collapsed or moved towards urban areas and large villages for access and security.

Most South Sudanese extended families maintain both rural and urban homes and connections to hedge the risks of rural investments and expensive urban life, while also accessing medical and education systems now focused in towns. Families that flee or voluntarily move wholly to

²⁰ The Swedish oil company Lundin Energy is currently in court over alleged complicity in war crimes between 1999-2003, including allegedly violently displacing nearly 200,000. <https://www.business-humanrights.org/en/latest-news/lundin-petroleum-lawsuit-re-complicity-war-crimes-sudan/> Accessed 29 April 2025.

²¹ Pragst, et al. *High concentrations of lead and barium in hair of the rural population caused by water pollution in the Thar Jath oilfields in South Sudan*. Forensics Science International, Vol. 274. May 2017.

urban settings become dependent on the cash-based economy with wildly fluctuating costs, including for food.

The privatisation of social welfare and social support is growing, with potential implications for social marginalisation in both rural and urban areas. In the health sector there are many small clinics and private hospitals, although fewer larger private sector investors. Middle and upper class people frequently travel abroad for better treatment. The education sector has also become heavily privatised over the last fifteen years, at all levels including private universities. These are expensive, but provide much higher quality education on average in comparison to the underfunded public sector (where most government teachers have unpaid salaries).²² The benefits of this privatisation of health and education is that it provides at least some expensive but immediate access to welfare where state provision is failing. But this private sector development is also deeply geographically uneven, as health and education investors seek locations with high numbers of paying customers for profits (mostly urban spaces, especially state capitals) and with better security.

This uneven geography, as well as the rising privatisation of access to healthcare and education, is creating real class divisions and inequalities that drive anger and violence.

	Risks	Opportunities
Rural	Historically targeted in times of war. Fewer formal economic opportunities.	Greater social support networks and access to resilient livelihood strategies. Greater ability to maintain access to land.
Urban	More vulnerability to markets, inflation, and less social protection	Potential opportunities in the market economy

While the recent and historic nature of the extractive industries in South Sudan's rural areas have often increased vulnerability, there are leverage points for improving this interaction as well as supporting the wide array of smaller private sector actors working in rural South Sudan. First, increased visibility, transparency and accountability of private sector entities and their environmental and social impacts, particularly those associated with resource extraction, is the necessary first step. Second, private sector investments in rural areas could be undertaken in a way that focuses more on bringing appropriate and useful livelihood and economic opportunities for local communities. And finally, considering how South Sudanese families and communities can be supported to navigate the divergent risks and opportunities found in both rural and urban opportunities: through policies; physical, financial and communications infrastructure; and approaches to social services such as health and education that enable mobility and equality of access.

²² Interview with a United Nations staff member, Juba, March 2025.

Trade: A bridge for peace and a weapon of war

At different times in South Sudan's history, trade systems have built connection and integration between groups that might otherwise have been in conflict; these systems are sometimes called 'peace markets' - or, at times, 'smuggling markets' if they persist despite official sanction. These markets, found in NBeG, Unity, and the Nuba Mountains, provided opportunities for groups from different ethnic groups or in different areas of control within a conflict to come together for the vital exchange of food, goods, services and cash. Because these were bringing food and goods across conflict lines, and at times breaking de facto sieges, they were sometimes subject to heavy-handed repression and required high levels of trust between actors. These connections have at times been durable; peace markets in Aweil North and Aweil East began in 1991 and continued for at least three decades, with support from Dinka, Misseriya and Rezeigat communities.²³

The peace or smuggling markets have tended to be in areas where different ecosystems and livelihood patterns meet and merge. The value of trade in this context is economic dogma - it is a zone where groups with different comparative advantages meet, and where exchange can benefit all. John Garang described this area as the *tamazuj* zone and spoke of it as an area of strength derived from diversity. This can be contrasted with the perspective of the border area as a zone where two peripheries meet - mostly in conflict.

Trade does not always drive mutually beneficial interdependence between groups; in South Sudan, trade has often been used as a tool for

building power bases including in rural areas. During the second Sudanese civil war, rural markets in SPLA-controlled territories were key sites for both military and civil actors (such as chiefs, NGOs and women's associations) to build political presence and economic strength. Market locations and control of market management, taxation, and access for traders are therefore intensely political. This politics of market access and control has become more localised as South Sudan's conflicts have proliferated down to inter-ethnic and clan levels since 2013.

The control of trade and the control of the terms of trade are therefore also key military tactics in South Sudan. This is firstly a financial tactic: armed actors often control and **benefit from trade** in times of conflict. They control checkpoints, access, and provide or withhold security from market areas in such ways to promote both their intertwined military and economic objectives as part of a larger war economy. This can persist well into times of 'peace' and remain an invisible force perpetuating elite control over the economy and state.

Second, controlling the locations of markets and networks of trade is a key military tactic for **forcing the movement of populations** - to depopulate areas, or to drive certain communities towards refugee camps or government-controlled towns.²⁴ This has been used both to engineer mono-ethnic claims to territory (such as in Upper Nile in 2017-18) and to depopulate areas seen as rebel strongholds by strangling access to markets (such as in southern Upper Nile from 2017-2022).

Thirdly, trade control and market access can work to **drive up prices and create traps for exploitation**

²³ Rolandson, Oystein. *Trade, peacebuilding and hybrid governance in the Sudan-South Sudan borderlands*. Conflict, Security and Development. 2019.

²⁴ Craze, Joshua. *Displacement, access and conflict in South Sudan - A longitudinal perspective*. Conflict Sensitivity Resource Facility. 2018.

of desperate populations. Commercial actors with capital and political power in these markets are often able to extract wealth from vulnerable or desperate populations who are willing to sell off their assets for sustenance. This practice has been well-documented in prior Sudanese wars, and responsible for what has been estimated as a massive wealth transfer from rural communities to elite actors within the private sector, military and government.^{25,26}

Positive trade dynamics could be defined as those that provide equal access to markets geographically and socially; that place democratic pressure via market and traders' associations on the political actors setting marketing days, locations, and access costs and rights.

The private sector and the aid sector today

There are many existing connections and relationships between the private sector and the humanitarian, development and peacebuilding interventions currently working in South Sudan (here summarised for simplicity as the aid sector).²⁷ Aid actors are continuously interacting with the private sector, but with inconsistent analysis or conscious intentionality. This section analyses these interactions through the lens of the aid system's ways of working; and then through the underlying dynamics that shape those interactions.

Interactions between sectors

The aid sector interacts with the private sector in South Sudan in three main ways: through its programmes, some of which are deliberately designed to promote the private sector; through its procurements; and through seeking to influence South Sudan's policies that shape the private sector. Here we explore these three areas to try to identify the leverage points and opportunities for maximising the positive and conflict-sensitive impacts that the aid sector can have on South Sudan's private sector.

Programme funding

International donors, UN and NGO efforts to support South Sudan's private sector began in earnest in the Comprehensive Peace Agreement era, though they depended on the private sector in their humanitarian work for decades before that. South Sudan's independence spurred a period of optimism, noting that during the six-year transitional period (2005-2011), 10,000 new business (mostly micro-enterprises) had been registered, with a number of international donors funding 'capacity building' for the new state as well as programs for micro, small and medium enterprises.²⁸ The 2011-2013 South Sudan Development Plan elaborated a wide range of rural economic goals, including boosting agricultural and livestock private sectors in line with John Garang's motto of 'bringing the towns to the people'.²⁹ Others began looking for promising exports to invest in, such as George Clooney's coffee collaboration with Nespresso or

²⁵ Keen, David. *The Benefits of Famine: The Political Economy of Famine and Relief in Southwestern Sudan, 1983-1989*. Princeton University Press. 1994.

²⁶ De Waal, Alex. *Food and power in Sudan: A critique of humanitarianism*. African Rights. 1997.

²⁷ Within this category, we include donors, UN agencies and both international and national NGOs working in South Sudan.

²⁸ UNMIS Featured News. *GOSS launches private sector development programme*. 28th February 2011. <https://unmis.unmissions.org/goss-launches-private-sector-development-programme> Accessed 28th April 2025.

²⁹ Government of the Republic of South Sudan. *2011-2013 Development Plan: Realising freedom, equality, justice*. August 2011. https://mofep-grss.org/wp-content/uploads/2013/08/RSS_SSDP.pdf

artisanal shea butter production.³⁰ Private sector funding was not limited to economic goals; USAID implemented a conflict mitigation programme that sought to support community-oriented economic activity both as a peace dividend and as a means for building intercommunal relationships. Examples included support to market infrastructure and to traders' unions, provision of hundreds of canoes and fish processing equipment in areas where youth from different ethnic groups could collaborate on fishing activities.

Beginning around 2018-2019, a number of donors began to explore what they intended to be a more holistic approach to economic development, using a longer-term programming model, and considering aspects of recovery, resilience and peace within the broader framework of the 'humanitarian-development-peacebuilding' nexus. Initially termed the Partnership for Recovery and Resilience (PfRR), and subsequently the Partnership for Peacebuilding, Resilience and Recovery (PfPRR), this approach was intended to deploy a replicable model of investment and development in urban areas, predominantly state capitals, in an effort to promote stability, sustainable development, and peace. The PfPRR was intended to be implemented over a seven-year time frame, and implemented in a way that integrated humanitarian, development and peacebuilding aims. However, the approach was ultimately not taken to scale.

Today, the landscape for internationally-funded private sector engagement is shrinking alongside cuts to overall aid budgets. International donors are however working to provide support to the private sector to strengthen institutional capacity

and promote entrepreneurship in fragile contexts. This includes capacity strengthening, improving access to finance especially for youth and women entrepreneurs, and fostering public-private cooperation to create a more enabling business environment. Notable examples are the Dutch Embassy's Orange Corners, UNIPOD funded by UNDP, the African Enterprise Challenge Fund as well as investments from partners such as the World Bank and African Development Bank. There are also increasing numbers of trade fairs being organised by donors (e.g. at the European Union) but also by private businesses themselves e.g. farmers markets at Fire Tree (a hotel and restaurant in Juba) to promote local businesses, Sip and Shop, and Bargain Bazar SSD.

Other departments within the larger humanitarian, development and peacebuilding response do interact programmatically with the private sector, but they seem to do so with limited understanding or intentionality around that engagement, and often without coherence across teams, with siloed thinking limiting opportunities to think more creatively about how all parts of a team (economic and humanitarian) can interact to engage positively with the private sector.

Procurement and the aid and development service economy

International aid's procurements represent the main way that the aid and private sectors interact in South Sudan, with the private sector providing a wide array of critical services and goods to the aid sector. Generally, the aid and development sector attempts to engage with the private sector via 'entrepreneurship', micro entities/sole traders, and SME/market development support as

³⁰ These also attracted donor interest. For example, USAID funded the *Industry assessment and potential for*

public/private partnerships in the development of trade in sheanuts and butter (Lulu) in South Sudan. January 2013.

above; but its actual procurements are generally with medium and large-scale corporate enterprises, for a number of reasons. First, aid sector tender processes tend to favour larger enterprises. They may explicitly require certain criteria such as a USD bank account. Aid procurement offices may also apply implicit bias when evaluating bids, favoring those that demonstrate the ability (and therefore the relationships and political capital) to navigate South Sudan's regulatory environment, or greater capacity to maintain sufficient stores for quick procurements when needed.

The aid sector is largely aware that it is important to try to maximise the positive contributions that their procurements can make, and to minimise the negative. This is particularly true when it comes to the potential risk of donor-funded programmes procuring materials or services from individuals or entities associated with international terrorism. Less attention is often paid to the risk of procuring from actors that are leading the organisation of violent conflict, or how aid procurements are reinforcing this militarised economy.

As reported in a 2023 HSBA Briefing Paper "Aid agencies' logistical contracts with trucking companies and payments to landlords for compounds are worth hundreds of millions of dollars a year. Some of that income goes to the regional firms that dominate the sector, but none of these companies can operate without the right political backing. In Wau, HSBA reported observing aid agencies renting compounds from a company owned by the President, on land that was gifted to him by the then-governor of

Western Bahr el Ghazal. A military officer living in Wau detailed how the creation of prêt-à-pôter compounds for rent by humanitarian organizations constituted a lucrative business interest."³¹

Part of the failure to monitor, measure and act on the ways that the aid sector is feeding South Sudan's predatory political economy is due to the difficulty in tracing ownership and connections within these spaces of informal and personalised business relations. Yet, even when the data has been published, for example through Sentry or Global Witness, there has been limited coherent action across the aid sector. Interviews suggest that this relates to the difficulty in tracing informal interests in powerful businesses, and the slow pace of donor and UN bureaucracy to respond.³² A national register of businesses that pass certain transparency and social responsibility metrics could help. However, such a register would not prevent the siphoning off of value and wealth from the private sector into militarised actors that happens at checkpoints. (One reason for the ferocity of the conflict in Upper Nile in September–December 2022 was that control of the port of Tonga means controlling riverine taxation.) For instance, if the WFP contracted 20 round trips from Bor to Renk along the White Nile, it would pay security forces USD 320,000 in illicit river checkpoint taxes; for 400 trucks travelling from Juba to Bentiu, it would pay USD 272,800 (figures calculated from Schouten, Matthysen, and Muller, 2021)."³³

During research conversations for this report, it was noted repeatedly that personal procurements by in-country staff are generally

³¹ Craze, Joshua. *Pay Day Loans and Backroom Empires: South Sudan's Political Economy Since 2018*. Small Arms Survey HSBA Briefing Paper. October 2023.

³² Interview with a donor representative, Juba, March 2025.

³³ Craze, Joshua. *Pay Day Loans and Backroom Empires: South Sudan's Political Economy Since 2018*. Small Arms Survey HSBA Briefing Paper. October 2023.

not consciously thought of as aid-private sector engagements. But in-country staff spend a significant amount of dollar incomes on commercial rents, electricity and fuel, cleaning and compound security services, restaurants and bar services, and (especially for regional and national staff) local insurance, private education, and healthcare.³⁴

It is also important to note that aid procurement processes often fail, sometimes dramatically, to follow their own principles - and not just because of pressures from corrupt private sector actors. Data is difficult to gather, but anecdotes of aid procurement managers demanding kickbacks or favors from the private sector are commonplace.

Humanitarian, development and peacebuilding procurements face many conflict sensitivity risks, but there are also opportunities to contribute to peace. In terms of contributing to local peacebuilding efforts, for those that recorded answers (approx. 30), most noted that their biggest contribution was around creating employment opportunities. Wage-earning jobs in foreign currency are seen as valuable resources that help to accrue benefits not only to individuals but to their communities. They are also seen as providing constructive opportunities for youth who might otherwise be susceptible to recruitment into formal or informal militarised groups. And finally, job provision has been explored as a way to bring together individuals from different, sometimes antagonistic ethnic groups in settings where there is an opportunity to build relationships, trust, and acceptance.

Policy

As it became increasingly clear between 2005-2011 that southern Sudan was headed toward independence, the donor community began to seek to support and influence the development of the new country's approach to governance, including of the private sector. This follows and builds upon a longer tradition of international donors working to marry humanitarian, developmental, and peacebuilding goals with private sector engagement that advances home country interests. South Sudan, between 2011-2013, could have been considered a promising emerging market. It had a GDP per capita above that of its neighbours Kenya and Uganda,³⁵ abundant fertile soil, water, oil and minerals. In late 2013 a donor-funded investment conference held in Juba celebrated the economic opportunities in South Sudan for the country, the region, and the world.

In the intervening years, that enthusiasm has evaporated. The aid sector continued to provide policy advice, but often focusing more on how to avoid catastrophe than how to leap into the global economy, seemingly focusing on issues of exchange rate management, financial governance and transparency, and budgeting.

The philosophy behind the aid sector's policy work on private sector was described by one donor as being fundamentally out of step with reality. The aid sector understanding of private sector opportunities and challenges seems to have rested on the idea that the 'peace' associated with deals such as the 2005

³⁴ Interview with a donor representative, Juba, June 2025.

³⁵ International Crisis Group. *Oil or Nothing: Dealing with South Sudan's Bleeding Finances*. Report No. 305/Africa. October 2021.

Comprehensive Peace Agreement or the 2018 Revitalized Agreement for the Resolution of Conflict would signify the transition from a ‘humanitarian’ context to a ‘development’ context, at which time the aid sector would begin to shift their engagement with the private sector from one of service delivery to one of partnership. The dichotomy and distinction between ‘peace’ and ‘war’ has however been an illusion, and aid’s efforts to engage the private sector never made a full reckoning of either the (potentially larger) impacts the aid sector has with the private sector through its procurements, or the opportunities to affect private sector dynamics even during times of conflict.

Underlying dynamics: trust and operational priorities

The research interviews, workshop and survey conducted for this report all highlighted two underlying dynamics that shape the private sector’s activities, and which may stand between the aid and private sectors in attempting to engage with each other.

Trust

A key issue across research was the question of trust. This included trust between different actors within the private sector, concerns by private sector actors about trustworthy relationships with donors, and donors’ own concerns about trusting the private sector. Medium and large businesses surveyed noted that the aid sector is generally more trustworthy - but not consistently - than other actors within the private sector and the government.

While some donors expressed concern that interpersonal trust was so central to partnerships – emphasising that the priority should be clear principles and standards – realistically in South Sudan’s highly volatile and high-risk operating conditions, personal relationships of trust are crucial to everyday operations, even within the aid sector.³⁶

This high risk environment creates a fundamental lack of transparency. Survey participants were hesitant to share information on sources of funding, even very generally; several potential participants reached out to find out more about the survey’s purpose and funders. One interviewee in the private sector noted how this ‘environment can often creep into the businesses and impact ways of working’, including trust between staff in offices.³⁷

Operational priorities

Private sector actors reflected on two connected issues: the horizon of financial investment and return; and the profit motive’s impact on how commercial operations are developed. The private sector’s core interest in maximising investments and making secure profits – the profit motive – potentially works on a different timeline to the aid sector’s horizons of planning and project management. Some private companies are seeking fast profit returns because of political insecurity; for most medium and large businesses, the incentive is to get as much capital return as quickly as possible because of the security risks of operation and the cost of business in South Sudan. Other companies (for example South Sudanese SMEs in agriculture) are investing and planning for the much more long-term.³⁸

³⁶ Interview with a United Nations staff member, Juba, March 2025.

³⁷ Interview with a private sector representative, Juba, March 2025.

³⁸ Interview with a private sector representative, Juba, March 2025.

Secondly, in order to realise commercial investments, businesses must work with the realpolitik of the South Sudanese state. This includes using political connections and (for some) engaging in corruption in order to be able to operate businesses.³⁹

Even if businesses would like to adhere to national or international legal standards, or set high standards for their practices, there is little external or profit incentive for improvements in business practice. Any CSR commitments rely on the company ethos. This means there is no real way of enforcing transparency or equity without fundamental governance change within the political economy.

Ways forward

This report has set out a series of reflections on the state of play within the diverse private sector in South Sudan, and between the private and aid sectors.

Opportunities for working with the private sector

Based on the research, the report identifies a series of possible opportunities for partnerships and collaboration [things that business sector need/want and potential ways to overcome barriers to collaboration]

1. **Innovation and long-term planning:** South Sudan is ripe for innovation across a range of sectors. Collaboration on innovation can strengthen both aid and the private sectors. Private sector actors are often driven by a short-term perspective due to uncertainty and risk, and also due to the short-term nature of the aid projects they are interacting with. Collaborative long-term planning,

particularly for more innovative interventions, would be positive.

2. **Cooperatives and SACCO models, formation of associations across key business sectors:** Support to the formation of these sorts of models can help to strengthen businesses, markets and supply chains, and also give the aid sector more tangible and trustable spaces for interaction. They may also help to socially and economically empower a more diverse group of actors.
3. **Internal due diligence and knowing your providers:** There are multiple ways in which aid sector actors engage with the private sector, not only in professional settings but also in aid actors' personal lives in South Sudan, such supermarkets, leisure industries, rents and services, and private security. There are a range of interactions in which due diligence (whether through a formal process or more informally) could be considered, to strengthen collaboration.
4. **Rental sector standards:** The aid sector engages on a daily basis, and at huge expense, with the rental sector in South Sudan for transport, logistics, offices and apartments. Considering rental sector standards (for fair wages, staff treatment, and environmental management for example) and working with agents, landlords and others to enforce these when negotiating and signing contracts, for example, could be a relatively straightforward opportunity for more transparent and fair engagement.
5. **Barriers to cash delivery:** This is a critical service in South Sudan currently and could benefit from both public and

³⁹ Interview with a private sector representative, Juba, March 2025.

private sector investment, how can we bring these together to make this more efficient?⁴⁰

6. **Data sharing and co-identification of risks:** Creating spaces, such as partnerships or working groups, for reflecting together on risks, sharing resources (experts) and data⁴¹ could provide benefits for all parties.
7. **Management systems and compensation:** The private sector should focus on good management systems and compensation to improve productivity and cost effectiveness. Many companies do not invest in this in South Sudan and are often held less closely to relevant laws and standards in these fields than NGOs.⁴² Developing opportunities for the private sector to think about these issues would be beneficial as it would also help them in the long-term. For example, even conducting a salary survey for private sector actors in the country would be helpful, to have a better idea of the market, as NGOs do.
8. **Labour standards:** As with the aid sector, many companies have excellent employment standards for their employees whilst others have opportunities for significant improvement around issues such as wage payments and salary scales, safety standards in the workplace, and time off. Creating a space to talk about this, or making it a key consideration in tenders and contracts, could support more positive engagement.

9. **Business lobbying:** Many actors in the private sector recognise the challenges that exist and are actively working closely with relevant government institutions to promote the private sector development in the country through policy change and legal frameworks. Additional support could be beneficial around formalising tax processes and standardising regulatory frameworks.⁴³
10. **Chamber of Commerce:** Whilst businesses are formally required to register with the Chamber of Commerce, it provides few tangible benefits with registration. It could however be a useful platform to support the private sector if better equipped – investment in, or building partnership with, the Chamber could be beneficial, drawing examples of how similar bodies work in other countries to provide space for discussion on key issues, support in advocacy, create networking spaces and enhance the local business climate (amongst other roles).⁴⁴
11. **Standards:** There is work ongoing around standards in different areas. For example, the Turkish Embassy is working with a private company (TUV Austria) and the South Sudan National Bureau of Standards, to develop standards for products imported to South Sudan. More work is needed in developing standards for products produced in South Sudan to support companies to bring their goods to markets internationally. Further work

⁴⁰ Interview with a donor representative, Juba, March 2025.

⁴¹ Interview with a private sector representative, Juba, March 2025.

⁴² Interview with a private sector representative, Juba, March 2025.

⁴³ Interview with a private sector representative, Juba, March 2025.

⁴⁴ Interview with a private sector representative, Juba, March 2025.

in this area could support expansion of key areas of the private sector.⁴⁵

Reflective pathways for aid and development actors

The report recommends that aid and development actors think through a series of core questions that are fundamental to setting the parameters of what productive partnerships that promote peace and stability would look like between aid and private sectors. The aim is to provide a structured review process for aid actors to consider their own conflict-sensitive planning for priorities, standards, systems and tools for their part in building these partnerships.

1. What form of South Sudan economy do you want your organisation to help build?

For example: is your organisation envisaging a robust economy that is pro-poor, with opportunities for productive livelihoods, that builds connectivity and relationships across communities, provides co-benefits around technology and environment, and supports the rule of law, with accountable and peaceful management of resources? What are your national standards for this economy and for private sector operations and how are your current practices contributing (or not) to this? What could enable a stronger contribution?

2. How do you define, and disaggregate, the private sector you want to work with?

To avoid tendencies towards reductive thinking – for example, thinking of the private sector as a conduit of money laundering for the elite – disaggregate the private sector systems that you currently engage with, and that you aim to work with. Organisations should build their

understanding of different components of the private sector, and how they relate to the political economy, in order to identify the possibilities for positive impacts.

3. What are your current investments with private sector actors?

NGOs, the UN and donor agencies could be more effective in deals with local companies – e.g. through setting labour and indirect benefits standards.⁴⁶ Exploring where you currently spend money and invest, and the private sector partners who you already work with, provides avenues to discussing due diligence on focus on climate impact, sexual harassment, whistleblowing etc.

4. What is the role of the state, and the private sector, in providing social goods?

The aid sector is interested in promoting the private sector development in these spaces; but the aid and private sector have divergent motivations for the growth of social services (universal access versus the profit motive, for example). This raises the question of the aid sector's core policy on the role of the state in its social contract with citizens through its provision of public goods.⁴⁷ What state-society model is your agency or organisation investing in for South Sudan? What do you understand as state responsibilities for the social contract of the country? What therefore are the outcomes of encouraging privatisation of those services and responsibilities?

5. What's the appropriate level of engagement for the aid sector?

What does your organisation believe is your appropriate level of intervention in the private

⁴⁵ Interview with a United Nations staff member, Juba, March 2025.

⁴⁶ Interview with a United Nations staff member, Juba, March 2025.

⁴⁷ Interview with a donor representative, Juba, March 2025.

sector? What are your organisational priorities; the most immediate pathways to impact (through internal systems such as procurement, for example); and who within your organisation is best placed to lead this work?

6. What priorities will require collective action? How can this be mobilised?

Many of the issues discussed in this paper are systemic and long-term in nature, and will demand system-level, collective engagement. What are the most effective potential venues for coordination amongst aid actors to build and act on a collective agenda? What would be needed in terms of political will, knowledge, resources, and coordination?

Appendix 1:

List of country of origin of actors engaged

Business representatives operating in South Sudan from all of these countries were approached in some capacity as part of this work. However, not all were responsive.

British	Chinese	Lebanese
Ethiopian	Eritrean	Kenyan
Ugandan	Turkish	Jordanian
Emirati	Israeli	Indian
Malaysian	French	Pakistani
American	Russian	Sudanese
Somali	Egyptian	South African
Dutch	South Sudanese	

Appendix 2:

Corporate Social Responsibility (CSR) Matrix

In March 2025, IES conducted a review of corporate social responsibility standards globally that could be interesting to consider in the context of South Sudan. This table provides a summary of the findings on the various frameworks and standards, and logic for their possible adoption.

S/N	Standard/Framework	Category	Main Provisions	Rationale for Adoption (Comment)
1	ILO Standards on Corporate Social Responsibility	Gender, Environment, Society	<p>Gender Equality: Equal pay (C100), anti-discrimination (C111), support for workers with family responsibilities (C156), prevention of workplace violence (C190), maternity protection, and women's empowerment.</p> <p>Environment: Just Transition guidelines, responsible environmental practices (MNE Declaration), chemical safety (C170), occupational safety and health (C155), sustainable production, green jobs, climate action.</p> <p>Society: Decent work, social protection, human rights, community development, ethical business practices, prevention of forced/child labour, anti-corruption, responsible sourcing.</p>	Ensures ethical, sustainable, and socially responsible business practices.
2	ISO 26000	All (Governance, HR, Labour,	Guidance on organizational governance, human	Widely recognized guidance for ethical, sustainable, and

		Environment, Ethics, Community)	rights, labour practices, environment, fair operating practices, consumer issues, and community involvement. Not a certification, but a comprehensive framework for integrating social responsibility into business operations.	community-focused business practices.
3	ILO Violence and Harassment Convention (C190)	Gender, Workplace Safety	Right to work free from violence and harassment; comprehensive framework for prevention and response, including gender-based violence.	Promotes safe, inclusive workplaces; supports zero tolerance for violence and harassment.
4	UN Women's Guidance on Workplace Violence	Gender, Workplace Safety	Tools and recommendations for companies to address workplace violence, develop policies, provide training, and support affected employees.	Helps companies foster a respectful, safe, and inclusive work environment.
5	DV@Work Network	Gender, Workplace Safety	Guidance for employers/unions on supporting employees experiencing domestic violence, including policies, training, and safety measures.	Supports employee wellbeing and safety, addresses impact of domestic violence at work.
6	Gender Equality Seal (UNDP)	Gender, Inclusion	Certification recognizing companies for promoting gender equality and addressing gender-based violence in the workplace.	Encourages gender equality and supportive environments for all employees.
7	Global Reporting Initiative (GRI) Standards	Environment, Society, Gender	Framework for organizations to report on social, economic, and environmental impacts, including gender-based violence, environmental performance, and community engagement.	Supports transparency, accountability, and comprehensive CSR reporting.

8	ISO 14001	Environment	Requirements for environmental management systems (EMS), resource efficiency, waste reduction, and minimizing environmental impact.	Helps organizations improve environmental performance and compliance.
9	The Equator Principles	Environment, Social Risk	Risk management framework for financial institutions to assess and manage environmental and social risk in projects.	Ensures project financing is socially and environmentally responsible.
10	Carbon Disclosure Project (CDP)	Environment	Platform for companies to disclose environmental data, including carbon emissions, water use, and forest management.	Motivates companies to reduce environmental impacts and improve sustainability.
11	Task Force on Climate-related Financial Disclosures (TCFD)	Environment	Recommendations for voluntary, consistent disclosure of climate-related financial risk by companies.	Helps stakeholders understand financial impacts of climate change on organizations.
12	United Nations Global Compact	Human Rights, Labour, Environment, Anti-Corruption	Voluntary initiative encouraging businesses to align strategies with ten universal principles in human rights, labour, environment, and anti-corruption.	Promotes sustainable and ethical business practices globally.
13	Sustainable Development Goals (SDGs)	All (Environment, Society, Economy)	17 global goals, including responsible consumption, climate action, gender equality, and decent work. Businesses align strategies to support the SDGs.	Encourages broad-based contribution to global sustainable development.
14	Social Accountability 8000 (SA8000)	Labour, Society	Focuses on labour rights, workplace conditions, fair treatment, prevention of child/forced labour, and ensuring fair wages.	Ensures decent work and protects workers' rights.

15	ESG (Environmental, Social, Governance) Criteria	Environment, Social, Governance	Used by investors to assess companies' sustainability and ethical practices.	Influences business strategies toward sustainability and attracts responsible investment.
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Note: this table provides a summary, and standards are grouped by main focus area (gender, environment, society, etc.) for ease of reference.