Institute of Social Policy and Research
RESEARCH FOR DEVELOPMENT

Illicit Mining and Revenue Collection Risks in South Sudan's Gold Concentrate Sector.

A study conducted in Budi, Kapoeta South, and Kapoeta East Counties of Eastern Equatoria State.



Credit- Jale Richard

Conducted by:
Institute of Social Policy and Research (ISPR)
and the Civil Society Coalition of Natural Resources (CSCNR).

Norwegian People's Aid

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Contents

Acronyms 3
Disclaimer 4
1.0. Introduction 5
2.0. Context of illicit mining and revenue collection risks in South Sudan's gold concentrate sector. 5
3.0. Objectives and Methodology 7
3.1. Objectives 7
4.0 Methodology 7
5.0 Study Findings 7
5.1. Mapping Illicit Mining Risk 7
5.2. South Sudan Regulatory Efforts Against Illicit Mining and Associated Challenges 8
5.3 Assess the prevalence and extent of illicit mining activities in the South Sudan gold sector and regions. 8
5.4. Assessing Activities and Forms of Illicit Mining 10
5.6 Examine the efficacy of existing legal frameworks in curbing illicit mining activities and practices. 11
5.7 Analyze the interdependence between formal and informal institutions influencing mining activities. 13
5.8 Investigate the financial effect of illicit mining on the government and its socioeconomic implications on local communities and the broader South Sudanese economy. 14
5.9 Potential Revenue Collection Risks and Establishing the Magnitude of Government Revenue Loss. 16
6.0. Conclusion and Recommendation 17
6.1 Conclusion 17
6.2 Recommendations 18
7.0 Call to Action 19
7.0. Reference 20

Acronyms

ASGM	Artisanal and small-scale gold mining
CSCNR	Civil Society Coalition of Natural Resources
CSO	Civil Society Organizations
EAC	East African Community
EIGE	European Institute for Gender Equality
FGDs	Focus Group Discussions
GBV	Gender-Based Violence
ISPR	Institute of Social Policy and Research
KIIs	Key Informant Interviews
OECO	Observatory of Economic Complexity
PWD	Persons with Disabilities
SCR	Corporate Social Responsibility
UAE	United Arab Emirates
UNODC	United Nations Office on Drugs and Crime

Disclaimer

The contents in this report are solely those of the author and do not necessarily reflect the views of Norwegian People's Aid (NPA) or the donor.

1.0. Introduction

The Institute of Social Policy and Research (ISPR) conceived and spearheaded the initiative to carry out this study. ISPR mapped illicit mining and its link to revenue collection risks or the elusive revenue in South Sudan's gold concentrate sector. ISPR is the leading public policy research center that offers national and regional expertise to civil society groups, the private sector, and the government in seeking appropriate approaches to address policy issues. ISPR is a member of the Civil Society Coalition of Natural Resources (CSCNR), which has a membership of 55 CSOs. CSCNR's constituents include vulnerable communities, civil society organizations (CSO) groups, local authorities, and policymakers who aim to promote the sustainable, transparent, and accountable management of natural resources by empowering communities and positively influencing policies related to land and natural resources. As a research leader, ISPR aims to examine the sector's intricate landscape of revenue collection and risks, employing a comprehensive methodology that includes analysis, case studies, and a risk assessment framework.

2.0. Context of illicit mining and revenue collection risks in South Sudan's gold concentrate sector.

South Sudan is believed to be endowed with varied types of solid minerals, among which are critical and highly valued minerals such as gold.[1] Owing to its prominence on the lips of ordinary and South Sudanese leaders alike, the gold mining sector is expected and/or supposed to play a pivotal role in the country's economy and community livelihoods. Yet, the highly touted revenue from the sector has proven elusive despite the existence of a fairly comprehensive transformative mining legal framework in the form of the South Sudan Mining Act, 2012, and the enabling regulations.[2] The industry is largely dominated by artisanal and small-scale gold mining (ASGM). Most of this sector's practice has not been formalized or done responsibly, and with transparent access to global gold markets to enable revenue from the gold mining sector to feed into the national revenue purse formally. As reported by the Global Initiative in its 2023 report, there are emerging kleptocratic networks and foreign nationals jockeying for positions to maximize profits arising from the gold sector. The report further noted that the gold sector in South Sudan is currently marred by corruption and criminality. Natural resource revenue comes from oil, rather than exploiting every existing natural resource. In 2020, South Sudan's gold exports to Uganda and the United Arab Emirates (UAE) were valued at $110 million, with over 3,000 kilograms of gold exported. However, some believe this figure represents only a fraction of what the country's gold industry is capable of producing. The government's secrecy and apparent lack of vigor in attracting investment that can spur profitability in the gold mining sector make it difficult to determine how much gold South Sudan produces or how much foreign exchange it earns.

According to a detailed 2022 World Bank report, South Sudan's economy is almost entirely dependent on oil revenue, which accounts for approximately 90% of its government revenue and the majority of its foreign exchange. According to the Ministry of Finance, South Sudan's annual oil revenue is approximately $1.6 billion. The government and its agencies paid little attention to the revenue from the gold mining sector. If any, the collection has not been conducted in a spirit of

[1] See: (https://mom.gov.ss/)
[2] See: (https://mom.gov.ss/mining-act-regulations/)

increased transparency, accountability, and public participation in natural resources management, leading to effective and efficient utilization of revenues to benefit the South Sudanese people. The South Sudan government has failed to pass the 2024/2025 national budget. In the financial year 2023/2024, a budget of 2.105 trillion South Sudanese Pounds (USD 1.32 billion) was approved. Prioritized infrastructure (22%). Other social development sectors took less than 10% each. South Sudan has a massive external debt estimated at over USD 2,051,335,901(Two billion, fifty-one million, three hundred thirty-five thousand, nine hundred one dollars) (Governance and Economic Policy Centre, 2024). The government's petroleum revenues have suffered due to the ongoing conflict in Sudan, which has stifled its economy and its ability to raise revenue. Many public servants and those delivering essential social services have yet to receive their pay. The ongoing conflict, combined with reports of corruption and a substantial national debt, will impact the country's future economic prospects.

Illicit mining activities cast a shadow over South Sudan's gold mining sector, prompting a need for a thorough investigation. As noted by most international actors in South Sudan, including the Sentry Report of 2024, titled "Crude Dealings: How Oil-Backed Loans Raise Red Flags for Illegal Activity in South Sudan," the absence of checks on government power opens the doors to business dealings based on personal relationships and the exchange of benefits and favors. These practices have led to companies and the executive branch conducting business without oversight or transparency, with scant regard for the rule of law, economic sustainability, and the well-being of the nation and its citizens. State officials and businesspeople operate in an environment of impunity that incentivizes rather than deters negligence, rent-seeking, and illicit activity, including tax evasion, corruption, and smuggling. Illegal mining has a profoundly negative impact on peace, stability, security, development, governance, the rule of law, the environment, and the economy (United Nations Office on Drugs and Crime, 2019). South Sudan is facing a severe economic crisis, marked by high inflation rates, widespread poverty, and a struggling currency (International Crisis Group, 2024). The government's petroleum revenues have suffered due to the ongoing conflict in Sudan, which has stifled its economy and its ability to raise revenue. This gap could be narrowed by alternative revenue from gold mining, where the sector turned profitable for public benefit. Many public servants and essential personnel delivering social services are yet to be paid. The ongoing conflict, combined with reports of corruption and a substantial national debt, will impact the country's future economic prospects.

The government of South Sudan has enacted the Mining Act No. 36 of 2012. This law, as supplemented by the 2015 Mining Regulations, regulates the mining sector and establishes a framework for the country's exploration, development, and production of minerals and mineral products. The Act also aims to promote responsible mining practices, attract investment, and ensure sustainable growth. While the law and regulations are in place, the government has not enforced key provisions to curb the smuggling and illicit trade sector (African Mining Legislation Atlas, 2024). This research addressed this gap by consolidating insights from literature, governmental documents, media reporting, and stakeholder views. It seeks to understand the multifaceted and comprehensive nature of illicit mining in South Sudan and its persistent existence. The research was conducted to promote sustainable, transparent, and accountable natural resources management that benefits the South Sudanese people through empowering communities and positively influencing policies.

3.0. Objectives and Methodology

3.1. Objectives

Assess	Examine	Analyze	Investigate
Assess the prevalence and extent of illicit mining activities in South Sudan's gold sectors and regions.	Examine the efficacy of existing legal frameworks in curbing illicit mining activities and practices.	Analyze the interdependence between formal and informal institutions influencing mining activities.	Investigate the financial effect of illicit mining on the government and its socioeconomic implications on local communities and the broader South Sudanese economy.

4.0 Methodology

The research aims to examine the sector's intricate landscape of revenue collection and risks, employing a comprehensive methodology that includes analysis, case studies, and a risk assessment framework. The analysis entailed qualitative and quantitative methods. The analysis consolidated insight from literature, government documents, media reporting, and stakeholders' interviews. The assessment seeks to comprehensively understand illicit mining's multifaceted nature in South Sudan and its persistent existence. The assessment through the literature review and interviews has established various risks, trends, patterns, regulatory loopholes, and the impact of risks on the South Sudanese economy and the worsening poverty levels of communities in the mining areas.

The study employed a cross-sectional design to gather primary and secondary data from 55 respondents, 20 respondents from 20 key informant interviews (KIIs), and 35 respondents from 5 Focus group discussions (FGDs) in Budi, Kapoeta South, and Kapoeta East. The study included 15 women respondents and five (5) persons with disabilities. The study interviewed categories: Local Leaders, Women Leaders, CSOs Youth Leaders, CSOs Women Leaders, persons with disabilities (PWD), Business Leaders, FGD with Women, Youth/miners, Persons with Disabilities (PWD), and other groups referred to in the field/victims. The respondents were randomly selected to participate in the focus group discussions and key informant interviews.

5.0 Study Findings

5.1. Mapping Illicit Mining Risk

Under this section, the study focused on South Sudan's regulatory efforts against illicit mining and the associated challenges, including understanding the actors involved in illicit mining activities and the forms of illegal mining, potential revenue collection risks, and establishing the magnitude of government revenue loss. It will also offer conclusions and recommendations.

5.2. South Sudan Regulatory Efforts Against Illicit Mining and Associated Challenges

South Sudan offers greenfield mining and minerals development opportunities, with almost 240,000 square miles of unexplored territory. Previous geological studies and prospecting have uncovered rich deposits of significant metals, precious stones, energy minerals, and industrial materials, including gold, copper, zinc, lead, rare earth, uranium, manganese, iron, marble/dolomite, and diamonds. Although the gold sector is severely underdeveloped, mining possesses a robust legal framework. The 2012 Mining Act regulates the prospecting, exploration, development, and production of minerals and mineral products in South Sudan. The law grants small-scale and artisanal mining licenses, recognizing traditional rights to plants and minerals from streams, rivers, and other areas. The Mining Act empowers South Sudanese citizens to hold companies accountable and demand that mining licenses guide their operations. Despite its legal framework, South Sudan's gold sector remains ungoverned and poorly regulated. As such, the research has established the extent to which the government has put measures against Illicit Mining and associated challenges. The study focused on detailing the issues of consultation, licenses, monitoring mining operations, and investigating illegal mining or mineral smuggling. The study documented that other agencies also contribute to fighting against illicit mining and fraudulent acquisition of mining permits or licenses. As the study can attest, the Mining Act emphasizes the importance of consulting with local communities before undertaking mining activities.

5.3 Assess the prevalence and extent of illicit mining activities in the South Sudan gold sector and regions.

The assessment of the prevalence and extent of illicit mining activities in the South Sudan gold sector and regions reveals that illicit mining activities primarily involve gold mining and occur in three counties: Budi, Kapoeta South, and Kapoeta East, all located in Eastern Equatoria State.

Budi County is located in Eastern Equatoria State. It borders Lopa/Lafon County to the north-west, Kapoeta North County to the north-east, Kapoeta South County and Kapoeta East County to the east, Ikotos County and Torit County to the west. It also shares a border with Uganda to the south-east. The area is known for the Didinga Hills, which are named after one of the ethnic groups that inhabit the area. Gold extraction began in 2023 at Lauro Payam and Maji Boma, where large-scale artisanal mining is underway, including the use of machinery. Activities related to gold mining in Budi involved Somalis, Kenyans, Ethiopians, Chinese nationals, Japanese nationals, and locals. The study also revealed a conflict between the Didinga and Toposa over gold mining. Gold extracted is being transported to Kenya, Uganda, and Dubai. The second area of gold mining is also in Lotukei Payam of Budi, with another one in Camp 15. It was reported that in February 2023, due to resource conflict, at least seven people, including a woman and two children, were reportedly killed in Budi County.[3] Kapoeta South County is located in Eastern Equatoria State. It borders Kapoeta North County to the north, Kapoeta East County to the east, and Budi County to the south and west. The county falls within the south-eastern semi-arid pastoral livelihoods zone—Kapoeta South experiences semi-arid climatic conditions, characterized by two distinct seasons: wet and dry. Gold mining occurs in Namurungang, Nanaknak, and Nakapelichor in Kapoeta South. Kapoeta East County is located in Eastern Equatoria State. It borders Kapoeta North County, Kapoeta South County, and Budi County to the west and Jonglei State (Pibor County) to the north. It also borders Ethiopia to the east and

[3] See: https://www.radiotamazuj.org/en/news/article/three-killed-two-injured-in-budi-county-revenge-attacks

Kenya to the south, with the extreme south-west border of Kapoeta East bordering Uganda. The county falls within the south-eastern semi-arid pastoral livelihoods zone. Gold mining is taking place in the areas of Nitemoar and Morungapi in Kapoeta East.

“The Somalis are buying it (gold) to get hard currency. It has become the primary means of obtaining foreign currency, as when they sell it in Uganda or Kenya, they use the proceeds to purchase food items and bring them here. And then they profit from the food items, which is why it is difficult for us to regulate,” (Local gold miner in Kapoeta South highlighted by Eye Radio).

It was established that both individuals and companies extracted the mining. Eastern Equatoria, South Sudan's mining companies include COIPA International,[4] Equator Gold and Sangmu HK International Company.[5] COIPA International- Obtained mining concessions in Eastern Equatoria in 2016 to explore gold deposits. Equator Gold- A British company that has conducted gold prospecting since 2008. Sangmu HK International Company- A Chinese company that explored investment opportunities in Torit, the capital of Eastern Equatoria State. Individuals involved in the gold trade include Sudanese, Somali, Ugandan, Kenyan, and Chinese nationals. Political and business elites are also involved. These foreign nationals purchase the gold from artisanal miners and allegedly smuggle it out of the country through porous border points with Uganda or Kenya.

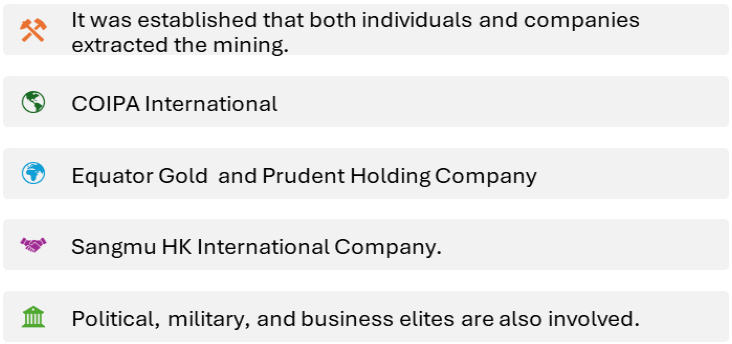


Figure 1 Summary of who is involved in the Gold Mining

Trade routes for smuggled gold from Eastern Equatoria were reportedly believed to be through Uganda and Kenya to the United Arab Emirates (UAE), Dubai, and China. Regarding gold smuggling through border crossings, the study found that gold is smuggled out of South Sudan through the Nimule-Elegu and Kaya border crossings with Uganda, as well as the Nadapal-Lokichogio border crossing with Kenya. There is also air transportation of gold, which is transported by air from Juba International Airport to Kampala, Dubai, and China. Gold also flows through the Democratic Republic of Congo (DRC) and Sudan. Other locations where gold is transported include the Kakuma refugee camp in Kenya and Arua in Uganda, which are essential nodes in illicit gold flows from South Sudan.

[4] See: https://coipamining.com/mining_research/labortec.php
[5] See: https://www.tradeatlas.com/en/firms/sangmu-h-k-international-co-ltd/c4cdb8c046391c31

Figure 2 Summary of trade routes for smuggled gold from Eastern Equatoria



The study reveals that the South Sudanese government lacks official records of the amount of gold produced or the foreign exchange it generates. Regarding the study findings, such as the amount and volume traded per month or quarter, the literature review results indicate that it is challenging to estimate the amount of gold produced. Neither the Ministry of Mining nor the Ministry of Trade has data on the country's gold production or trade. However, according to export data from the Observatory of Economic Complexity (OEC), in 2019, South Sudan exported $47.6 million in Gold, making it the 112th most significant exporter of Gold in the world. In the same year, Gold was the second most exported product in South Sudan.[6] The leading destination for gold exports from South Sudan is the United Arab Emirates, with exports valued at $47.6 million.[7]

5.4. Assessing Activities and Forms of Illicit Mining

As other literature describes, Illicit mining is often directly related to transnational criminal activity and human rights violations.

Smuggling: The gold market in South Sudan is gaining popularity among traders both within the country and abroad. The study highlighted the widespread nature of smuggling in the sector, depriving the South Sudanese people of much-needed revenue and hindering economic development. It also documents the effort and the lack of government effort in combating gold smuggling. This study specifically examined the steps taken by the government to address smuggling through the regulatory framework and the actions taken to build public trust and promote accountability across the country's mining supply chain.

Gold laundering: As noted, gold laundering is not significantly different from mineral laundering overall; it is a prevalent practice in Africa, especially in conflict-affected countries. The study documented the challenges and needed requirements of regulatory oversight, where the gold is being laundered, and whether those countries have lax import regulations.

[6] See: Observatory of Economic Complexity (OEC)
[7] See: https://www.facebook.com/TrinityEnergySouthSudan/photos/did-you-know-the-top-exports-of-south-sudan-are-crude-petroleum-162b-and-gold-47/1213984776080197/

Illegal mining: The study examined how mining activities are conducted in South Sudan and whether these activities are undertaken with state permission or in accordance with land rights. As noted by these findings, Illegal mining operations destroy ecosystems and encroach on the territories of local communities, which are often the victims of violence. Furthermore, Illegal mining has serious social, economic, and security consequences. As seen in the Budi, Kapoeta South, and East, several linkages to human rights violations and transnational criminal activity have been noted.

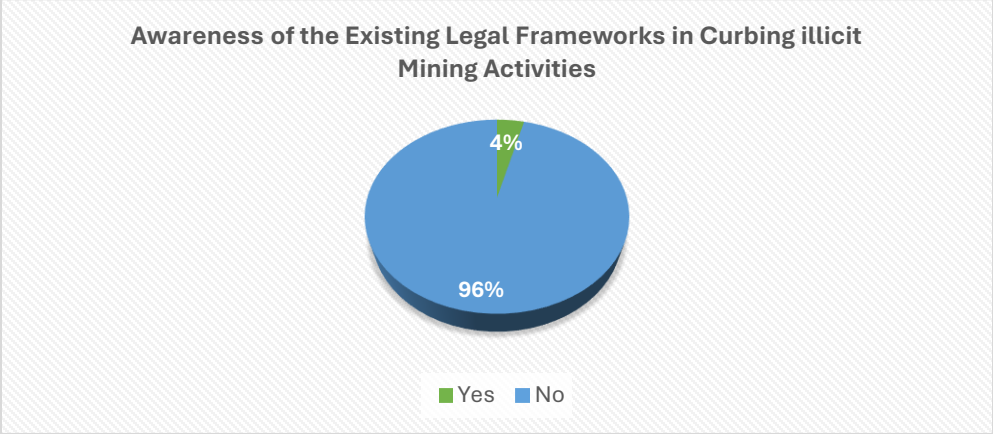
5.6 Examine the efficacy of existing legal frameworks in curbing illicit mining activities and practices.

To examine the efficacy of existing legal frameworks in curbing illicit mining activities and practices, the study asked respondents whether they were aware of the existing legal frameworks in place to curb illegal mining activities and practices in their community. Most of those interviewed are unaware of the existing legal frameworks for curbing illicit mining activities and practices in Budi, Kapoeta South, and East. The study also revealed that, if any efficacy is present, the enforcement is very weak, lacking political will, and some specific requirements, such as environmental safeguards, safety standards, monitoring, and surveillance, are left in the hands of the companies. In 2020, the Bank of South Sudan announced plans to purchase locally mined crude gold to boost the country's economy. The particular area of focus was Kapoeta, where thousands of artisanal miners are engaged in the gold business. However, due to a lack of transparency, the plan remains unknown, and it appears to violate the Mining Act, highlighting the importance of sustainable development principles in mining activities.

The study highlights that current gold mining practices do not follow the existing legal frameworks for curbing illicit mining activities and practices. The government should ensure that gold mining companies are registered, pay taxes, and sell the gold while being regulated by the South Sudanese government. Existing practices by companies do not allocate a percentage of their earnings to contribute to local development, such as infrastructure projects like schools, healthcare, and roads. A report from Eye Radio 2021, titled "Taking from the poor: A mirror into South Sudan's gold-mining business," highlighted that in South Sudan, local buyers buy gold from miners and sell it to larger buyers in regional towns, such as Kapoeta. From there, dealers take the gold to Juba by air, car, or over the border to Uganda or Kenya. This process contradicts the Mining Act and its related regulations, which aim to simplify the licensing process and provide greater security of tenure for mining companies.

The study also highlighted that, based on the FGDs and KIIs conducted, communities' awareness of the existing legal frameworks for curbing illicit mining activities in Budi, Kapoeta South, and Kapoeta East of Eastern Equatoria State is low. Moreover, findings from quantitative analysis, as indicated in Figure 1 below, show that 96% of those interviewed are unaware of the Existing Legal Frameworks for curbing illicit Mining.

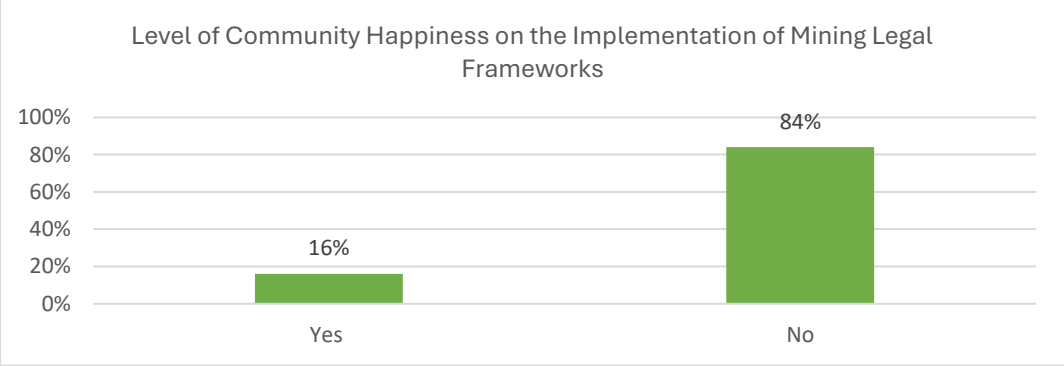
Figure 3 Assessing the Level of Awareness of communities on the Existing Legal Frameworks in curbing illicit Mining Activities



When respondents were asked if they were happy with how the legal frameworks had been implemented, all respondents, as indicated through FGDs and KIIs, pointed out that they were unhappy. The study's quantitative findings, as shown in Figure 2 below, indicate that 84% of those involved are dissatisfied with the implementation of the Mining Legal Frameworks. As further evidenced by those interviews and media reports, mining communities feel completely neglected and believe the government is only interested in company operations, driven by self-interest.

From the study findings some of the proposal made by respondents on what should be done to fully implement the legal frameworks for the government to generate revenue and for the communities to benefit from the gold sector is that the government should be the one to set the standard and value addition to enhance gold selling by both companies and individuals. According to the Mining Act, one of its primary objectives was to ensure that South Sudan and its people benefit from the mining sector, including through revenue generation and the curbing of smuggling activities. Mechanisms within the gold trading and extraction sector should be strengthened to create meaningful employment opportunities for women, youth, and people in mining areas. Companies that are not contributing to the development of communities should not be allowed to operate. As emphasized, any mining company that comes to a specific community should work to develop that community and promote services within it. There is a need for infrastructure improvements, including schools, hospitals, water supply systems, and roads. The communities and the government should agree upon ways for investors to engage and buy gold. The issue of taxation was also underlined. To many respondents, the state and national government should ensure gold mining companies are registered, pay taxes, and sell the gold to the government of South Sudan.

Figure 4 . Gauging the Level of Community Happiness on the Implementation of Mining Legal Frameworks

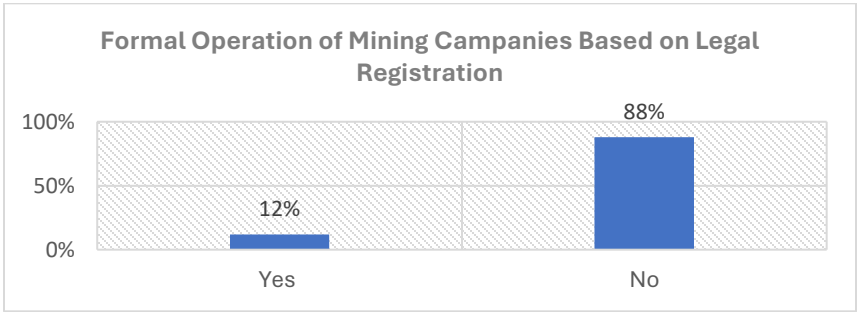


5.7 Analyze the interdependence between formal and informal institutions influencing mining activities.

The study analysis of the interdependence between formal and informal institutions influencing mining activities shows mixed results. When respondents were asked if the government formally registers companies to operate? Some of the companies are fully registered, others are partially registered. According to the majority of those interviewed, some of the campaniles may not be fully registered because any company dealing with licit gold mining activities is one that comes from Juba, claiming to have been authorized by the Ministry of Mining, and also at the state level, indicating that they have received an operating license. When the local community wants to hold them accountable, they are always referred to the army or national security generals for answers, as a way for the companies to evade accountability. It has also been reported that some illicit mining is done by individuals who hide behind some of the claimed registered companies. The individuals are South Sudanese; others are foreign, and most do not pay taxes. The quantitative findings, as shown in Figure 3 below, indicate that 88% of respondents agreed that the formal operation of mining companies is not based on legal registration, while 12% disagreed.

Interviews with community groups and reported widely by the media indicated, "Actually, no formal gold mining is taking place in South Sudan. What is taking place is artisanal work, that is, mining done by the natives using crude traditional means and equipment." According to media interviews with the Undersecretary in the Ministry of Mining, he pointed out that foreign companies involved in the sector have only been issued exploration licenses.

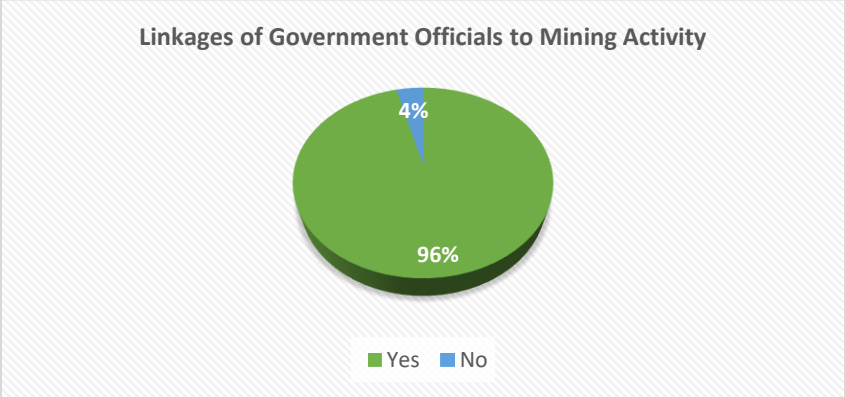
Figure 5 Understanding the Formal Operation of Mining Companies Based on Legal Registration



Regarding the question of whether respondents know if the interdependence between formal and informal institutions influencing mining activities is linked to government officials, what connections would they have with these officials, at the national or state level? The finding indicated that they are connected. As shown in Figure 4 below, the results suggest that 96% of those interviewed believe there is a link between government officials and illicit gold mining activities. It was evident from the study's interviews with highly placed government officials from national, state, and local levels, including military generals and officers, that they have been linked to corruption in the gold mining sector. [8]

In 2019, several lawmakers from Eastern Equatoria State submitted a petition to President Salva Kiir, requesting that he investigate Governor Louis Lobong for allegedly aiding the smuggling of millions of dollars' worth of gold out of Kapoeta.[9] It was pointed out that the gold mine proceeds to Kiir, which is why Lobong was kept as governor for a long time in Eastern Equatoria. Regarding Vice President Dr. Benjamin Bol Mel, several respondents believed his interest in gold mining is to build economic capital for himself, having already had greater access to the South Sudan Oil industry. This became visible when Bol Mel held a meeting in April 2025 with the Minister of Mining to strategize the future of South Sudan's mineral sector as a driver of jobs, economic growth, and national development.

Figure 6 Linkages of Government Officials to Mining Activity



5.8 Investigate the financial effect of illicit mining on the government and its socioeconomic implications on local communities and the broader South Sudanese economy.

Concerning the question, do respondents think the illicit mining impacts the development of their community and South Sudan? The respondents cited that, for example, in 2023, the whole state of Eastern Equatoria State recorded more than 400 cases of sexual gender-based violence in two months alone, and illicit mining activities caused some of the sexual gender-based violence. It was proposed that supporting women in business and livelihood skills beyond gold mining could help address the situation, as this would empower women. Additionally, the study revealed that resources and activities, such as gold mining, create community conflict over access and ownership. It was reported that when the income levels of those women engaging in partitioning mining increase, they are most often subjected to economic Gender-Based Violence (GBV) as their husbands harass them to surrender their income to them. As this study defines, Economic GBV, or economic gender-based

[8] See: https://www.radiotamazuj.org/en/news/article/kiir-s-daughter-military-linked-to-mining-sector-corruption-report
[9] See https://www.eyeradio.org/taking-from-the-poor-a-mirror-into-south-sudans-gold-mining-business/

violence, refers to any act or behavior that causes economic harm to an individual, often with a focus on women and girls. It can involve controlling access to financial resources, restricting work opportunities, and preventing access to education or the labor market (EIGE, 2025). According to the Mining Act, the companies are to work with the government, including communities, and declare mineral resource reserves to protect land for future mining operations.

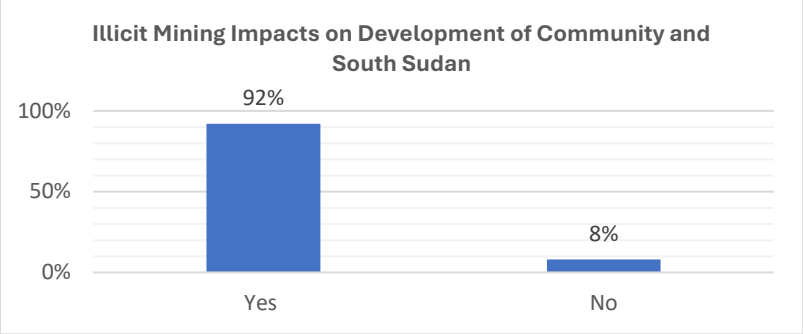
The study discovered that the impact of gold mining has also been reported, as a Chinese gold miner was killed, and eight others were injured in a Budi County car accident in February 2023.[10] Local authorities reported that in November 2024, ten people died after an informal gold mine collapsed due to torrential rains.[11] Furthermore, as noted by the study, human activities such as gold mining have destroyed the environment, preventing women and men from engaging in agricultural activities. Other activities also include environmental degradation, such as soil erosion, deforestation, and landslides. There is also the danger that as more women, youth, and children engage in artisanal mining, their ability to contribute to agricultural activities, secure food security, access education, and participate in other community development services will be compromised, leading to serious future community challenges. As recognized by the study, the quantitative findings, as indicated in Figure 5 below, show that 92% of respondents stated that illicit mining has a negative impact on the development of their community and South Sudan. Respondents reported that gold mining harms the community's development. Illegal mining had a significant impact on the local economies of the three counties. Illegal mining by companies exhausts the gold in the area and should be discouraged. The law stipulates that all mining without a license becomes illegal, including artisanal mining.

Most women and youth reported that gold mining is taking place, but no development. Many youths have lost their lives in the gold mining sector. Companies are mining in a manner that fails to meet community needs, including roads, water supply, schools, and health centers. Some communities, for example, in Nakeke, were displaced due to destruction caused by illicit gold mining.[12] Miners from the Nakeke site bring their gold to Kapoeta town, where they sell it and then use the money to buy food after exchanging the gold for food items at a local shop run by Somali businessmen.

Besides the negative impact, the gold mining industry, though not fully controlled by the government, employs tens of thousands of artisanal miners. Locals use crude traditional means and equipment to dig the gravel and carry out the soil to the surface. They pan the soil and gravel in water to recover small gold particles. Gold mining provides miners with resources to support their families' basic needs, such as food, especially in the poverty-stricken pastoralist communities of Budi, Kapoeta South, and Kapoeta East. The findings demonstrate how the practice of illicit mining has violated the provisions of the Mining Act, which requires evaluations of the environmental and health impacts of mining projects.

[10] Radio Tamazuj (2023) Chinese gold miner killed; 8 others injured in Budi County car accident
[11] Radio Tamazuj (2024) 10 killed in Kapoeta South gold mine collapse,
[12] See https://infonile.org/en/2024/10/south-sudans-gold-rush/

Figure 7 Illicit Mining's Negative Impacts on the Development of the Community and South Sudan



5.9 Potential Revenue Collection Risks and Establishing the Magnitude of Government Revenue Loss.

Loss of Tax Revenue: The study has examined illicit mining activities, including smuggling and illegal mining, and how these have undermined the government's ability to collect taxes and revenue from mining and exports. It has also assessed the extent to which this has impacted national and local development, including the magnitude of financial losses incurred by the government, the associated challenges the government faces in combating smuggling, and the importance of stringent enforcement measures to safeguard national resources and revenues.

Erosion of market confidence and investment: The study also found that current illicit mining activities erode market confidence and investment, and that illicit mining raises concerns about the sector's integrity. It also evaluates the government's and actors' confidence level in applying transparency and accountability in the industry. Transparency and Accountability processes that foster community monitoring of resources and inclusive decision-making contribute to reducing the adverse effects of having abundant natural resources (Andreula et al., 2009). The study also examined the fact that the government has taken no action to reduce corruption in the mining sector. The government at various levels has not collaborated with stakeholders to develop stronger, fairer, and more democratic processes for granting mining licenses, and those practices that benefit the community and the environment. The study's findings have revealed that transparency could have helped prevent corruption by enabling the public to hold governments and companies accountable in the mining sector, but this is not yet the case.

Environmental and Social Costs: Illegal mining activities. The study focused on illegal mining activities, including unauthorized excavations in unlicensed areas, and their potential ecological and social risks, which can lead to long-term economic consequences. In doing so, the study found that incidents arising from illegal small-scale miners trespassing into the mine and losing their lives due to non-compliance with safety protocols, highlighting that the human toll of illicit mining continues to exist. It also found that unregulated mining activities contributed to environmental degradation, including deforestation, and factors negatively impacting local communities and ecosystems.

6.0. Conclusion and Recommendation

6.1 Conclusion

The study shed light on the intricate landscape of revenue collection risks and the degree of revenue loss within the South Sudan gold mining sector. The study focused primarily on practices stemming from illicit gold mining activities. As indicated in the study findings, gold mining is supposed to generate revenue that benefits local communities and contributes to a country's national economy. In Budi, Kapoeta South, and East, a persistent challenge appears to exist, which the study investigated. Since the introduction of mining regulations and a legal framework, the extent to which these have been enforced or implemented remains unknown, to a greater extent, in addressing mining challenges and achieving sustainable development and peace.

The study found that illicit gold activities are occurring in Budi, Kapoeta South, and East. In Budi, illicit gold activities are taking place in Lauro Payam, Maji Boma, Lotukei Payam, and another location in Camp 15. Mining in Kapoeta South takes place in Namurungang, Nanaknak, Nakapelichor, and Kapoeta East, located near Nitemoar and Morungapi. The study documents that Illicit gold mining activities involved foreign nationals from Somalia, Kenya, Ethiopia, China, Japan, and local South Sudanese.

Regarding illicit and gold smuggling, the study revealed that the gold is being smuggled through Uganda and Kenya to the United Arab Emirates (UAE), Dubai, and China. Gold is smuggled out of South Sudan through the Nimule-Elegu and Kaya border crossings with Uganda, and the Nadapal-Lokichogio border crossing with Kenya. Air transportation is used to transport gold from Juba International Airport to Kampala, Dubai, China, and other destinations, including Arua, Uganda.

Most people are unaware of the existing legal frameworks for curbing illicit mining activities and practices in Budi, Kapoeta South, and East. The study also revealed that implementing mining frameworks is weak and lacks political will. Some of the particular requirements, such as environmental safeguards, safety standards, monitoring, and surveillance, are left in the hands of the companies. The study highlights that current gold mining practices do not align with existing legal frameworks for curbing illicit mining activities and practices. According to South Sudan’s Mining Titles Regulation 2015, titleholders must monitor the impact of mining operations on the environment. The companies are also expected to engage in community development work as part of their corporate social responsibility to the community in which they operate.

The study's conclusion similarly shows that 96% of those respondents are unaware of the existing legal frameworks for curbing illicit mining. Furthermore, findings concerning happiness with the implementation of mining legal frameworks also show that 84% of those engaged in the study are not satisfied with the implementation of these frameworks. They propose some actions to improve gold mining. The study conclusion shows that some companies are fully registered, while others are partially registered. Most of those interviewed indicated that some campaniles may not be fully registered because any company dealing with illicit gold mining comes from Juba, claiming to have been authorized by the Ministry of Mining.

The study also highlighted the interdependence between formal and informal institutions that influence mining activities linked to government officials. Finally, the study indicates that illicit gold mining has a tangible negative impact on the development of the community and South Sudan as a whole, as gold mining revenues are not remitted to the national treasury and lack subjection to the requirements of public finance management and accountability.

As noted by the study, South Sudan can unlock the full potential of its gold sector, achieving sustainable economic growth and development while safeguarding its natural resources and social well-being. The recommendations were generated for the national government, state governments, local governments, local communities, the private sector, civil society, and the international community.

6.2 Recommendations

Based on the interviews with all respondents, the following recommendations are suggested for implementation to ensure that gold mining benefits communities in gold-producing areas and South Sudan in general.

1. It is recommended that companies engaged in gold mining develop and implement corporate social responsibility plans and strategies in consultation with communities and implement them to benefit communities. Key areas of CSR should include the construction of roads, schools, healthcare facilities, and other infrastructure that enhances employment opportunities.
2. Civil society organizations and government entities will conduct a series of awareness-raising campaigns regarding the content of the South Sudan Mining Act of 2012, Act No. 36, which aims to encourage and facilitate the sustainable exploration, development, and production of minerals and mineral products.
3. Local, state, and national governments should work with companies to ensure that mining companies take responsibility and protect the environment from damage and its negative impacts on the communities surrounding the mining extractive areas.
4. It is recommended that the government set the standard and add value to enhance gold selling by both companies and individuals. Gold trading and extraction mechanisms should be strengthened to create meaningful employment opportunities for women, youth, and people residing in mining areas.
5. Companies that are not contributing to the development of communities should not be allowed to operate. As emphasized, mining companies that come to a specific community should work to develop that community and promote its services.
6. Infrastructure, such as schools, health centers, water supplies, and roads, needs improvement. Communities and the government should agree upon ways for gold mining investors to participate. This should align with the Mining Act, which requires government involvement and allows for an optional equity stake of up to 15% in large-scale mining operations.
7. The issue of taxation was also underlined. Many respondents said the state and national governments should ensure gold mining companies are registered, pay taxes, and sell the gold to the government of South Sudan.
8. It is recommended that the government establish a database to register all gold mining activities and revenue transparently and accountably to the public.

9. There is a need for the government to expand mining opportunities for citizens, strengthen transparency and sustainability in the sector,
10. Civil society organizations should urge the government to provide more technical support for artisanal and small-scale miners and scale up geological training to enhance safety and productivity nationwide.

7.0 Call to Action

Transparency *– South Sudanese citizens should work collaboratively with government officials and mining companies to establish transparency in gold mining activities, including monitoring revenue generation and its allocation. This collaboration is crucial for ensuring responsible resource management and ensuring that the benefits of gold mining are shared fairly with the community.*
Accountability- *South Sudanese citizens should actively engage with all levels of government and mining actors to ensure the gold mining sector operates transparently and responsibly, prioritizing public interest. This includes advocating for accountability in revenue management and the implementation of the Mining Act.*
Public Participation- *it is a Constitutional and a requirement of the Mining Act 2012 calling for meaningful and inclusive public participation of citizens in gold mining activities and emphasizes investing in local resources, fostering collaboration, and addressing community needs to create a more sustainable and equitable future.*
Service Delivery and Development- *It is in the interest of South Sudanese legal framework such as the constitution and the Mining Act including its regulations calling for transparency, accountability and public participation so that governments at all levels are able to provide public services and realize development for South Sudan.*

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