Institute of Social Policy and Research
RESEARCH FOR DEVELOPMENT

A policy paper on the South Sudan National Budget 2025-2026
Under the theme:
"Enhanced citizen participation in the budget process, transparent and accountable financial management, and a focus on equitable allocation of public resources towards crucial sectors in South Sudan."

By
Institute of Social Policy and Research (ISPR)
Boboya James Edimond
A Scholar of the Practice in International Development Management, Governance, and Social Policy.
July 16, 2025

Summary

The policy paper on the national budget for the financial year 2025-2026 is written to raise public awareness of the needs of the National Ministry of Finance and Planning, the Reconstituted Transitional National Legislative Assembly, the Spending agencies under Revitalized Transitional Government of National Unity (R-TGoNU), and Civil Society Organizations and other actors aiming to facilitate a constructive dialogue on the national budget process. The policy paper seeks to address the question of *what is required to achieve a pro-citizen national budget that meets the needs and aspirations of the South Sudanese. The* paper called for political will and commitment from the Revitalized Transitional Government of National Unity, emphasizing the need to enhance government transparency, promote citizen participation, and ensure that public funds are allocated effectively to address citizens' needs. The need for improved Public Understanding of Government Finances, promoting good governance, citizen empowerment, and inclusive development, while addressing poverty, raises some concerns in the current context. The paper analyzes the budgets of East African countries to illustrate some comparisons. Also, it proposes the National Ministry of Finance and Planning, the Reconstituted Transitional National Legislative Assembly, and the national budget priorities for the year 2025-2026. The paper is elaborated under the theme: *Enhanced citizen participation in the budget process, transparent and accountable financial management, and a focus on equitable resource allocation towards crucial sectors.* As noted by the paper, the budget is an essential social contract that establishes the relationship between the government and its citizens; however, budget-making in South Sudan is becoming an exercise in futility, as it is the only one renewed annually.

Introduction and the Current national budget-making context.

The Republic of South Sudan became the world's youngest nation on July 9, 2011. The country has a population of 11.48 million[1]. South Sudan has a very young population, with roughly 74% of its citizens under the age of 30. This translates to a significant youth bulge, making up the majority of the population. Specifically, a large percentage (approximately 73.3%) of the population is adolescents.[2] After the country gained its independence, South Sudan witnessed outbreaks of civil war in 2013, 2016, and several subnational conflicts and intercommunal violence throughout the country. Throughout this period, persistent subnational violence, weak management of public resources, and political contestation have undermined post-independence development gains and intensified existing humanitarian needs. More than a decade after gaining independence, South Sudan remains plagued by fragility, economic stagnation, and instability. Poverty is ubiquitous, exacerbated by conflict, displacement, and external shocks.

[1] World Bank, South Sudan Population: 11.48 million (2023)
[2]South Sudan, the world's youngest nation, is at a crossroads https://www.undp.org/blog/south-sudan-worlds-youngest-nation-crossroads

The South Sudan budget-making process involves preparation, authorization, execution, and accountability, with stages overlapping during implementation. The process includes the executive's budget proposal, legislative review, and oversight of budget execution. Key documents include the Public Financial Management and Accountability Act 2011. The budget is prepared in collaboration with the Ministry of Finance and Economic Planning (MoFPED) and sector ministries. Despite this, South Sudan's budget-making process faces significant challenges, including a heavy reliance on oil revenue, weak public financial management, and a lack of transparency and citizen participation. Citizen participation in budget planning and implementation is limited, with no clear framework for engagement. There have been Weaknesses in expenditure management, fiscal reporting, and cash management, hindering effective budget execution. Inadequate capacity in financial management, a fragmented tax system, and a lack of qualified staff in finance and budget departments hinder effective budget implementation. It is against this background that this policy paper is is written to raise public awareness of the needs of the National Ministry of Finance and Planning, the Reconstituted Transitional National Legislative Assembly, the Spending agencies under Revitalized Transitional Government of National Unity, and Civil Society Organizations and other actors aiming to facilitate a constructive dialogue on the national budget process.

Microeconomic stability in South Sudan

The analysis of Microeconomic stability in South Sudan in 2025 show that South Sudan's microeconomic stability is exceptionally fragile and characterized by contraction, high inflation, and widespread poverty, stemming from a combination of factors including conflict, weak governance, and over-reliance on oil revenue which pandemic, floods have negatively impacted, and the conflict in Sudan (World Bank, 2025). Key Microeconomic stability Challenges documented are economic contraction. As the current conditions show, South Sudan's economy is projected to contract significantly in the current fiscal year due to disruptions in oil production and exports. High Inflation - Ongoing hyperinflation is a significant concern, substantially increasing the cost of living and making it challenging for businesses to operate effectively. Widespread Poverty- The country's poverty rates are currently incredibly high, with a large portion of the population living below the poverty line. Dependence on Oil - Since its creation, South Sudan's economy has been heavily reliant on oil revenue, making it vulnerable to fluctuations in global oil prices and disruptions in production. Weak Governance and Corruption - Due to a lack of political will, South Sudan has persistent weak institutions, poor resource management, and corruption, collectively contributing to economic instability. Conflict and Instability continue to hinder economic activity, displace populations, and disrupt infrastructure, and Climate change-related events, such as floods, exacerbate existing challenges and negatively impact agricultural production.

Economic recovery in the context of South Sudan

The policy paper analysis of South Sudan's economic recovery reveals that the country is heavily dependent on resolving conflict and instability, diversifying its economy away from oil reliance, and enhancing the governance of oil revenues. It is also crucial that peace in neighboring Sudan is vital, as it impacts South Sudan's ability to export its oil, its primary source of foreign exchange. (World Bank, 2025) For Economic recovery in South Sudan to occur, it depends on critical factors such as securing peace and stability. In this regard, achieving lasting peace and stability in South Sudan, as well as resolving the conflict in Sudan, are critical prerequisites for economic recovery. Diversifying the economy beyond oil, focusing on agriculture, agro-industry, and other sectors, is crucial for long-term sustainability. Strengthening governance, particularly in the oil sector, and ensuring transparency and accountability in revenue management are essential. Implementing macroeconomic reforms, stabilizing the exchange rate, and controlling inflation are necessary steps. Investing in infrastructure, including roads, energy, and communication, is vital for facilitating economic activity and development. Supporting the agricultural sector, including smallholder farmers, with access to irrigation, fertilizers, and markets can enhance food security and improve livelihoods (Chatham House, 2025). Furthermore, encouraging private sector investment and entrepreneurship can drive economic growth and job creation. Continued financial and technical assistance from the international community is crucial for supporting South Sudan's recovery efforts.

Status of economic growth in South Sudan

The paper analysis of the Status of economic growth in South Sudan revealed that the country's economy is currently facing severe contraction and economic hardship, with a projected 30% GDP contraction in the financial year 2024-2025, which is also expected to continue into the financial year 2025-2026, according to the World Bank. This is mainly due to disruptions in oil production, which have significantly impacted export revenues and public finances. The country is also grappling with hyperinflation, widespread food insecurity, and poverty, with an estimated 92% of the population living in poverty. While a projected rebound is expected in the financial year 2025-2026, contingent on the resumption of oil exports, significant challenges remain (EBSCO, 2021). South Sudan needs to address its economic vulnerabilities, build

resilience to shocks, and prioritize sustainable and inclusive growth strategies to achieve long-term prosperity. The paper emphasizes that South Sudan's economic growth should prioritize increasing the production of goods and services within the country's economy, including real gross domestic product (GDP). The growth should be attributed to increased efficiency in resource utilization and a rise in the quantity of resources, including labor and capital. It should also seize the opportunity presented by the youth bulge in South Sudan, a demographic reality that presents both challenges and prospects. Bearing in mind that the large youth population can drive economic growth and innovation, it also creates pressure on resources like education, healthcare, and employment. Additionally, economic experts and policymakers in South Sudan have emphasized the need to prioritize increasing labor productivity as a crucial means to stimulate growth, highlighting the importance of education, technological advancements, and effective government policies (EBSCO, 2021). Efficient resource allocation, which involves optimizing the utilization of resources through enhanced infrastructure and policies that foster competition, can also drive growth. Adopting favorable economic policies that promote investment, innovation, and a stable economic environment can further foster growth (Atlas Institute for International Affairs, 2025).

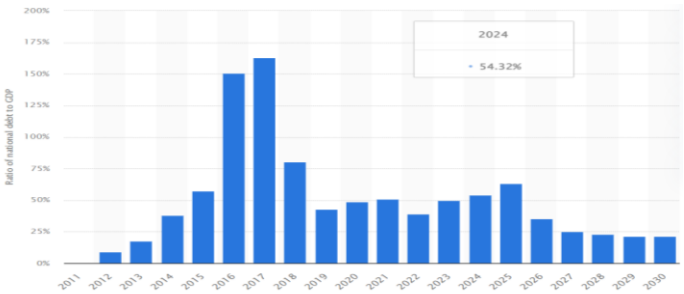
Status of South Sudan borrowing and repayment

The country faces a high risk of debt distress, with a significant portion of its revenue already allocated to debt servicing, although this is not reflected in actual spending. South Sudan's economy heavily relies on oil exports, and its debt burden, both external and domestic, is substantial, with debt repayments consuming a large portion of the budget. As indicated in several studies, including those by the IMF, the debt is unsustainable; however, it also highlights the risks associated with oil revenue volatility and reliance on prepaid oil for debt-borrowing models. Further evidence indicates that debt repayment continues to consume a significant portion of South Sudan's budget. For instance, in the 2023-2024 and 2024-2025 Budget cycle, debt servicing accounted for 13% of overall expenditure. This was more than the allocations to education in the same financial year. Although the percentage of the budget allocated for debt repayment is lower than in some countries in the region (such as Eritrea at 33.4%), the country continues to face multiple lawsuits from creditors over debt default (Amnesty International, 2024). As recorded by this paper, according to Transparency International, South Sudan ranks 177 out of 180 countries in the Corruption Perception Index (where 180 is the most corrupt country). South Sudan also ranks almost last in the Human Development Index – a broad measure of development including income, education, and health – at 191 out of 193 countries. This low ranking reflects the severe human rights and developmental challenges faced by the nation. As such, it could not afford to organize itself to respond to the repayment of already accumulated debt. South Sudan's debt-to-GDP ratio is estimated at 34.5% in 2023, with a large portion owed to external creditors (African Development Bank, 2025).

Ratio of national debt to GDP in South Sudan from 2011 to 2030

The ratio of South Sudan's national debt to its gross domestic product (GDP) stood at approximately 54.32 percent in 2024. Between 2011 and 2024, the ratio increased by approximately 54.32 percentage points, although the rise followed an uneven trajectory rather than a consistent upward trend. The ratio is forecast to decline by about 32.70 percentage points from 2024 to 2030, fluctuating as it trends downward. South Sudan's economy is still reeling from the effects of the 2013-2018 civil war and relies heavily on crude oil sales for its revenues.[3] Throughout South Sudan, the national budget has been financed, with the rest of the budget coming from external grants and borrowing. Refer to Figure 1 for the debt-to-GDP ratio in South Sudan. Despite this, the economy contracted by 5% in the fiscal year due to disruptions to oil production and exports, as well as the impact of flooding in parts of the country.

Figure 1: Ratio of national debt to GDP in South Sudan, 2011-2030



Source: Author Construction (2025)

[3] https://www.statista.com/statistics/727353/national-debt-of-south-sudan-in-relation-to-gross-domestic-product-gdp/

Status of poverty, displacement, humanitarian support, and vulnerabilities in South Sudan

Regarding the Status of poverty, displacement, and vulnerabilities in South Sudan, the paper revealed that the country faces a dire situation marked by widespread poverty, displacement, and vulnerabilities. High levels of food insecurity, with millions facing crisis or worse levels of hunger, are exacerbated by displacement, conflict, and economic instability. Widespread poverty, with 92% of the population living below the extreme poverty line, defined as living on less than $2.15 per day (World Bank, 2024), has negatively affected South Sudan for years, exacerbated by poverty, displacement, vulnerabilities, and a lack of access to basic services (WFP, 2025). Since 2013, brutal conflict in South Sudan has claimed thousands of lives and driven millions of people from their homes. Inside South Sudan, 1.9 million people are displaced, while outside the country, there are now over 2.3 million South Sudanese refugees – mainly hosted in the Democratic Republic of Congo, Ethiopia, Sudan, and Uganda. Host countries are themselves struggling with limited resources, yet they keep their borders open to those seeking asylum (UNHCR, 2025).

The government's petroleum revenues have suffered due to the ongoing conflict in Sudan, which has stifled its economy and South Sudan's ability to raise revenue. Many public servants and essential social delivery workers 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.[4] South Sudan remains in a severe humanitarian crisis, according to the latest update from the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA). The food security situation continues to deteriorate due to a combination of shocks, including conflict, displacement, flooding, and high living costs. The ongoing inflow of returnees and refugees from Sudan is further exacerbating this situation.[5] South Sudan is highly vulnerable to climate change, facing challenges such as rising temperatures, changing rainfall patterns, and an increased frequency of extreme weather events, including droughts and floods. These climate-related issues have a significant impact on the country's agriculture, ecosystems, and water resources, leading to potential food insecurity, displacement, and increased conflict over scarce resources.

- 9.3 million people, or 69% of the South Sudanese population, will require humanitarian assistance in 2025, up from 9 million in 2024.
- 6.4 million individuals are currently experiencing severe food insecurity, projected to rise to 7.7 million during the April–July 2025 lean season.
- 2.08 million children under age 5 face acute malnutrition, with 650,000 children at risk of severe acute malnutrition—an alarming 33% increase from 2024 projections. Despite these growing needs, the funding gap is stark.[6]

The implementation of the peace agreement, as well as efforts to strengthen service delivery, institutions, governance, and economic and public financial management systems, and address the root causes of fragility, appears to have hit a deadlock, with bleak prospects. Additionally, the rift between President Salva Kiir and longtime rival Riek Machar is deepening, and this dispute threatens to drag South Sudan back to war. With Donald Trump coming to office in January 2025 and ordering USAID cuts in South Sudan, there is already an increase and exacerbation of the dire humanitarian crisis, impacting healthcare, education, and humanitarian, potentially leading to increased instability and displacement. These cuts, which involve the cancellation of numerous USAID contracts, are expected to have a severe impact on the country's economy and disrupt funding for critical sectors. In 2024, USAID provided over $508 million in humanitarian assistance to South Sudan. This funding, provided through USAID and the U.S. Department of State, aims to address the country's escalating humanitarian needs, which include food insecurity, conflict, and displacement.[7] The assistance is crucial as millions face high levels of acute food insecurity and other challenges. Aid also plays an essential role in the economy. An estimated 25% of South Sudan's gross national income stems from foreign aid.[8] The cuts mark a potential turning point for South Sudan, where aid has long functioned not only as a lifeline but as an alternative to state authority. Additionally, there has been a reduction in funding levels from the European Union and the United Kingdom. At the same time, donors such as

[4] https://gepc.or.tz/debt-budgets-a-post-budget-political-economy-analysis-of-eac-countries-2024-25-budget-priorities-viabilities-risks-and-how-governments-can-restore-public-confidence/
[5] https://www.worldbank.org/en/country/southsudan/overview
[6] https://www.danchurchaid.org/support-for-south-sudan-is-vital-as-humanitarian-crisis-expected-to-worsen-in-2025
[7] https://ss.usembassy.gov/humanitarian-assistance/
[8] https://www.thenewhumanitarian.org/news-feature/2025/04/29/aid-cuts-south-sudan-uncharted-territory

Norway committed USD 12.6 million in December 2024 to strengthen food security and protection services in South Sudan.[9]

Taxation, Level of Investment, and Income in South Sudan

South Sudan's tax base is significantly smaller and less developed compared to other East African nations, primarily due to its reliance on oil revenue and a history of conflict. While other East African countries have diversified tax systems, South Sudan's tax-to-GDP ratio remains low, and the non-oil tax-to-GDP ratio is the lowest in Sub-Saharan Africa (The University of Edinburgh, 2025). Investment in South Sudan is currently facing significant challenges, with foreign direct investment (FDI) experiencing a sharp decline in recent years. While the country possesses potential in sectors such as agriculture and mining, weak governance, political instability, and inadequate infrastructure hinder investment. South Sudan's strategy of using taxation to boost domestic revenue is unlikely to be effective due to its small tax base, which is significantly impacted by factors such as widespread poverty and its reliance on oil revenue. Relying on taxation to generate substantial revenue in a country with a low tax-to-GDP ratio and a large informal economy is a challenging task. The ongoing conflict in Sudan has further exacerbated the situation, impacting South Sudan's oil-dependent economy. South Sudan's FDI has seen a dramatic decrease, with a 105.21% decline in 2023 compared to 2022. South Sudan's foreign direct investment for 2023 was -6.34 million US dollars, a 105.21% decline from 2022 to date. South Sudan's foreign direct investment for 2022 was $ 121.50 million, an 80% increase from the same period in 2021. South Sudan's foreign direct investment for 2021 was $ 67.50 million, a 285.71% increase from 2020, but is now progressing well at present. South Sudan's foreign direct investment for 2020 was $ 17.50 million, a 891.86% decline from 2019 to date, with very weak progress (Macrotrends, 2025). South Sudan's income level is among the lowest in the world, with a GDP per capita of just $252 in 2025 and PPP ($716) terms. This makes it the weakest in the world according to the IMF. The country also faces high inflation and widespread poverty, with over 76% of the population living below the poverty line (World Bank, 2025).

South Sudan's Level of trade with East Africa and the world.

Notably, the analysis of South Sudan's Level of trade with East Africa and the world shows that the country is primarily involved in oil exports to Asia and significant imports of goods and services from the region and beyond. Uganda and Kenya are key trading partners, with Uganda being a significant source of imports like food and manufactured products. South Sudan is actively working to diversify its economy and increase exports, including exploring opportunities within the African Continental Free Trade Area (AfCFTA) (US Department of State, 2023). While South Sudan has a National Export and Investment Strategy, its lack of implementation has hampered its effectiveness as a guide for the nation's economic development. The strategy, intended to strengthen South Sudanese businesses and overall economic growth, has not been fully realized due to a failure to translate plans into action.[10]

South Sudan Labour Market Conditions

The policy paper's understanding of South Sudan's labor market revealed that it is characterized by a large informal sector, low levels of marketable skills, and limited job opportunities, particularly for youth. The majority of workers in South Sudan are engaged in subsistence agriculture and the informal sector, with a notable lack of formal, wage-paying jobs. Child labor is also a significant concern, hindering future human capital development (US Department of State, 2023). The paper noted that a significant portion of the global workforce, including those in agriculture, operates within the informal sector, lacking the protections and benefits afforded by formal employment. This means they often work without formal contracts, social security, or legal recourse, making their livelihoods precarious and vulnerable. The issue of limited access to education and vocational training leads to a workforce with low levels of marketable skills, which in turn impacts productivity and limits opportunities for higher-paying jobs. A restrictive investment climate and lack of economic diversification hinder the private sector's ability to create jobs, leading to high youth unemployment and reliance on subsistence agriculture.

[9] https://www.norway.no/en/south-sudan/norway/news-events/norway-commits-usd-12.6-million-to-strengthen-food-security-and-protection-services-in-south-sudan/

[10] South Sudan launches National Export and Investment Strategy.https://southsudan.un.org/en/255540-south-sudan-launches-national-export-and-investment-strategy.

Public Financial Management (PFM) Reforms

South Sudan is undertaking Public Financial Management (PFM) reforms to strengthen its financial systems, particularly in the wake of a challenging post-conflict environment. These reforms are crucial for improving budget execution, fiscal reporting, and cash management. The reforms are being pursued within the framework of the Revitalized Agreement on the Resolution of Conflict in South Sudan (R-ARCSS). Key areas of focus in South Sudan's PFM reforms include strengthening budget execution, which involves improving processes for managing expenditures, controlling commitments, and enhancing fiscal reporting. Improving Cash Management: This includes implementing a Treasury Single Account (TSA) and enhancing cash flow forecasting capabilities. Enhancing Oversight Institutions: Strengthening institutions like the Ministry of Finance and Planning (MoFP) to improve budget transparency and overall PFM outcomes, and strengthening the Regulatory Framework: Implementing regulations and procedures to guide ministries, departments, and agencies (MDAs) in implementing expenditure controls. However, despite the outline of PFM reforms, significant challenges remain. The challenges include South Sudan's PFM reforms, which are taking place in a fragile post-conflict environment that presents significant challenges. The World Bank and the International Monetary Fund (IMF) are providing technical assistance and financial support to the country to implement these reforms but the country leadership are not exerting the required political will to make the work of World Bank and the International Monetary Fund to produce the required reforms including the efforts of other donor who are constantly engaging and supporting crucial PFM reforms to make the country a success of economic reforms thereby leading to recovery and development.

The Revitalized Agreement on the Resolution of the Conflict in South Sudan (R-ARCSS).

The R-ARCSS, signed in September 2018, is South Sudan's current peace agreement, but it faces significant threats of collapse due to continued violence, political infighting, and implementation delays. While some progress has been made, key aspects, such as the constitution-making process, force unification, and transitional justice, are lagging. The recent extension of the transitional period until February 2027 highlights the need for accelerated efforts to implement the agreement.

The need for a pro-citizens' budget in South Sudan

The paper argues that a citizen's budget is crucial for enhancing government transparency, promoting citizen participation, and ensuring that public funds are allocated effectively to address the needs of South Sudanese citizens. It enables South Sudanese citizens to understand how public funds are being spent, participate in budget discussions, and hold their governments accountable for resource allocation. This fosters a more inclusive and responsive governance system. Given these, the budget-making process of 2025-2026 be anchored on the following principles:

1. **Increased Transparency and Accountability:** A citizen's budget translates complex budget information into an accessible format for the public, promoting transparency in government spending. It should allow citizens to track how public funds are used, identify potential areas of misuse or inefficiency, and hold their elected officials accountable.
2. **Enhanced Citizen Participation:** By providing clear and understandable information about the budget, a citizen's budget empowers citizens to participate more effectively in the budget process. It should enable citizens to voice their needs and priorities, engage in public discussions about resource allocation, and contribute to shaping government policies.
3. **Improved Public Understanding of Government Finances:** A citizen's budget in South Sudan should help citizens understand the government's financial priorities, revenue sources, and spending patterns. This increased understanding of South Sudan's national budget can lead to more informed public discourse about economic policies and government performance.
4. **Promotion of Social Justice and Equity:** A citizen's budget in South Suan should be used to highlight how public funds are allocated to essential services, such as healthcare, education, and social welfare programs, including payments to civil servants. It should also be used to advocate for increased spending on programs that benefit marginalized communities and promote social justice.
5. **Fostering Dialogue and Collaboration:** A citizen's budget should serve as a tool for facilitating dialogue among various stakeholders, including the government and citizens. In these cases, as outlined in this paper, providing a common understanding of the budget is crucial, as it can help build trust and foster collaboration between the government and South Sudanese citizens.

East African Community (EAC) Budgetary Trends

The East African Community is an intergovernmental organization in East Africa. The EAC's membership consists of eight states: the Democratic Republic of the Congo, the Federal Republic of Somalia, the Republics of Burundi, Kenya, Rwanda, South Sudan, Uganda, and Tanzania.[11] As EAC nations grapple with global economic shifts and potential reductions in foreign aid, a common theme in this year's budget presentations is a cautious stance on new taxes. Kenya, Uganda, and Tanzania have primarily opted to slow down the introduction of significant new tax measures. Rwanda, however, stands as an exception, having introduced new tax measures that resulted in a notable 21% increase in its national budget.

Budget marking in East Africa for the 2025-2026 fiscal year shows a mix of shared priorities and individual country approaches. While some countries focus on regional integration, others prioritize national development strategies. Overall, there is a trend towards increased domestic resource mobilization and a shift away from reliance on external donors.[12] The budget presentations for the financial year 2025-2026 of Burundi, the Democratic Republic of Congo, Kenya, Rwanda, Tanzania, and Uganda typically follow a coordinated schedule for most member states, as mandated by the EAC Treaty but South Sudan is always lagging behind schedule in tabling the budget to parliament for further deliberations and approval compared to its regional counterparts. According to the Public Financial Management and Accountability Act 2011, South Sudan's financial year runs from July 1 to June 30; however, the Revitalized Transitional Government of National Unity does not adhere to the provisions of this act.

Key national budgets across the EA region 2025-2026

Kenya: East Africa's largest economy, Kenya, is set to unveil a Ksh4.29 trillion (approximately USD 33.03 billion) budget for the 2025-2026 financial year, with a strong focus on revenue-raising measures. The government estimates that it will raise Ksh3.324 trillion (approximately USD 25.63 billion) as ordinary revenue and appropriation-in-aid, with the remaining Ksh916.5 billion ($7.06 billion) sourced from domestic and external borrowing. Initial reports indicate the military emerged as the biggest winner in the parliamentary reorganization of the Treasury's budget, while public financial management, education, and sports faced cuts.

Uganda: Uganda's Minister of Finance is presenting a budget that will notably focus on oil and gas activities and infrastructure development. The Treasury expects to spend Ush72.3 trillion (approximately USD 20 billion) in the 2025-2026 fiscal year on government programs, a figure relatively unchanged from the current 2024-2025 fiscal year's Ush72.1 trillion (USD 19.94 billion). This spending is projected to increase the economy's gross domestic product (GDP) by USD 27.3 trillion (USD 7.55 billion) during the period.

Rwanda: Rwanda's Minister of Finance will present a budget of Rwf 7 trillion (approximately USD 4.9 billion) for the 2025-2026 financial year, starting in July. This represents an additional Rwf 1.2 trillion (approximately USD 840 million), marking a 21% increase compared to the current Rwf 5.8 trillion (approximately USD 4.06 billion). Key priority areas for Rwanda include the construction of a new airport in Bugesera, as well as significant investments in agriculture, education, healthcare, housing, and improving electricity connectivity. The Rwandan government expects to raise Rwf4.1 trillion (approximately USD 2.7 billion) in domestic revenues, accounting for 58% of the budget.

Burundi: Burundi's budget for the 2025/26 fiscal year is projected to be 5.2 trillion Burundi francs (approximately USD 1.77 billion).[13] This represents an 18% increase compared to the previous year. The budget includes a deficit of 436 billion francs, which will be financed through a combination of local and external borrowing. The government also anticipates a 4.6% growth rate in the economy for 2025/26.

Tanzania: The government of Tanzania announced a budget of 56.49 trillion Tanzanian shillings (approximately $ 21.7 billion) for the 2025/26 financial year. Presenting the budget in parliament in Dodoma, the capital, the finance minister stated that the budget has been prepared in alignment with the Tanzania Development Vision 2025 and the Third National Five-Year Development Plan (2021/22-2025/26), which aims to build a competitive and industrial economy that supports

[11] East African Community continues on a trajectory of expansion as the Summit admits Somalia into the bloc". Eac.int. 25 November 2023.
[12] Diverse budget priorities signal a mosaic of investment opportunities in East Africa
[13] According to a Reuters report from May 7, 2025

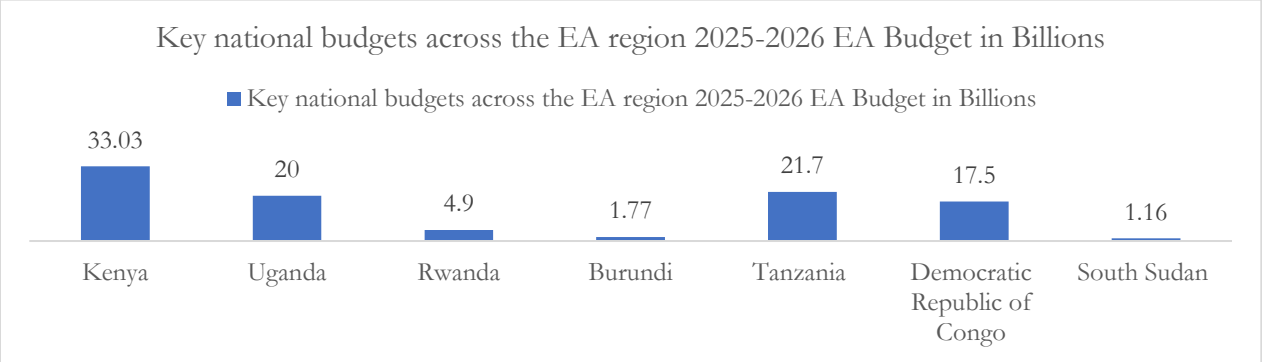
human development. He said the 2025/26 budget also includes funding for the October general elections, during which Tanzanians will elect councilors, members of parliament, and the president.

Democratic Republic of the Congo: In the Democratic Republic of the Congo (DRC), the National Assembly approved the 2025 finance draft bill. Approved on November 1, the draft bill amounts to 49,846.8 billion Congolese francs (about $17.5 billion). This represents a 21.6% increase over the 2024 budget of 40,986 billion Congolese francs (approximately $14.3 billion). Under the new budget, investment appropriations are expected to increase by 18.2%, raising their share of the overall budget to 48.4% in 2025 from 15.1% in 2024. Security spending has increased by 25.2% to address the ongoing crisis affecting parts of the population, particularly in the eastern region. The new budget allocated 16.4% more funds to agriculture than last year. Meanwhile, rural development will receive a 13.7% boost to create economic opportunities outside major urban areas and improve local infrastructure.[14]

South Sudan: On June 10, the Economic Cluster proposed a budget of 5.2 trillion South Sudanese Pounds (SSP) (approximately USD 1.16 billion) for the 2025-2026 fiscal year. This marks an increase of one trillion pounds from the previous year's budget, SSP, which was £ 4.2 trillion. However, when comparing the resource envelope in USD, it shows a reduction in the budget compared to the 2024-2025 financial year. According to the Office of the Vice President and Chairperson of Economic Cluster, the budget, presented by Minister of Finance and Planning Dr. Marial Dongrin Ater, aims to accelerate economic recovery, ensure macroeconomic stability, and support the country's democratic process.[15]

An analysis of South Sudan's proposed budget for the 2025-2026 fiscal year indicates it is the smallest among East African nations. The proposed budget of 5.2 trillion South Sudanese Pounds translates to approximately USD 1.16 billion, which is significantly lower than the budgets of other countries in the region. This small budget raises concerns about its ability to fund adequate public finance management and support national development. Comparing the 2025-2026 budgets, Kenya has $33.03 billion, Uganda has $20 billion, Rwanda has $4.9 billion, Burundi has $1.77 billion, Tanzania has $21.7 billion, and the Democratic Republic of the Congo has $17.5 billion.

Figure 2 Key national budgets across the EA region 2025-2026 EA Budget in Billions, showing South Sudan has the tiniest budget.



Source: Author Construction (2025)

Source of financing for East African budgets 2025-2026

East African budgets for 2025 are primarily funded through a combination of domestic revenue, borrowing (both domestic and external), and development partner support. Specifically, East African Community (EAC) Partner States are expected to rely on increased domestic revenue collection, including income tax, VAT, excise duty, and import duties, as well as non-tax revenues like those from state-owned enterprises. Additionally, the EAC anticipates support from development partners, including the African Development Bank (AfDB) and the World Bank, as well as concessional loans from institutions such as the International Monetary Fund (IMF). For South Sudan, meeting the Domestic Borrowing arrangement may be challenging, as the country faces significant internal borrowing challenges, primarily due to weak public financial management, macroeconomic instability, and limited access to concessional financing. These factors hinder the effectiveness of borrowing and its contribution to sustainable development. The country's debt sustainability

[14] https://bankable.africa/en/news/0511-487-drc-parliament-approves-2025-finance-draft-bill
[15] https://www.eyeradio.org/finance-ministry-proposes-ssp-5-2-trillion-for-2025-2026-fiscal-year/

analysis (DSA) indicates a potential financing gap, particularly if concessional financing is not secured. This means that South Sudan may struggle to meet its future debt obligations, potentially leading to a debt crisis.

Key Priorities:

The 2025/2026 EAC budget priorities:

Inclusive economic transformation through domestic resource mobilization and resilient strategic investment.

- Job creation and improved livelihoods.
- Infrastructure development, including roads and railways.
- Industrial development, energy production and supply, and Information and Communications Technology (ICT).
- Agriculture and food security.
- Environment and natural resources.
- Legal, institutional, and judicial reforms.

South Sudan comparison of national budget 2023-2024-2024-2025 and 2025-2026

The paper analysis reveals that South Sudan's socio-economic outcomes have deteriorated over the past decade, primarily due to recurrent conflicts, fragility, and macroeconomic mismanagement, which have been exacerbated by global economic and climate shocks. According to the World Bank South Sudan Economic Monitor report, Macroeconomic policy challenges, characterized by the need for stronger monetary and fiscal policy frameworks and improved policy coordination, have contributed to economic imbalances and increased vulnerability to shocks.[16] Despite the above, on June 12, 2025, the South Sudan Economic Cluster approved the SSP 5.2 trillion National Budget for the 2025–2026 Fiscal Year. The budget was approved during a meeting chaired by Vice President Dr. Benjamin Bol Mel, head of the Economic Cluster, which took place on Wednesday in Juba. The session followed a detailed presentation by Finance Minister Dr. Marial Dongrin Ater, who outlined the government's fiscal priorities for the coming year. The budget emphasized that it aims to address critical financial demands while advancing economic reforms, strengthening service delivery, and boosting resilience in key sectors.[17] The budget would primarily be funded through domestic revenue mobilized by the National Revenue Authority and proceeds from oil production managed by the Ministry of Petroleum. Key highlights of the budget include consideration of support to agriculture and mining as strategic investment priorities under the new budget, intended to drive economic diversification and generate employment opportunities. One of the key resolutions of the cluster was the need to ensure the timely payment of salaries for civil servants and to provide increased support for humanitarian interventions nationwide.

The priorities highlighted by the economic cluster are the same as those proposed in the past three financial years. The 2025-2026 budget failed to align with the aspirations of South Sudan's Vision 2040, which aims to transform the nation into a united, peaceful, and prosperous country with robust democratic governance. The vision emphasizes sustainable development, human rights, and the rule of law. It envisions a nation characterized by inclusive governance, a diversified economy, and improved social sectors.

- ***Economic Transformation:*** This includes fostering macroeconomic stability, diversifying the economy beyond oil, and building critical infrastructure for sustainable development.
- ***The vision prioritizes human capital development,*** including increased support for education and healthcare, as well as the protection of vulnerable populations.
- ***Sustainable Development:*** South Sudan's Vision 2040 emphasizes environmentally sustainable practices and resource management.
- ***Inclusive Governance:*** South Sudan's Vision 2040 envisions the establishment and strengthening of institutions for transparent, accountable, and inclusive governance.
- ***Economic Diversification:*** Moving beyond reliance on oil and building a diversified, productive, and innovative economy.

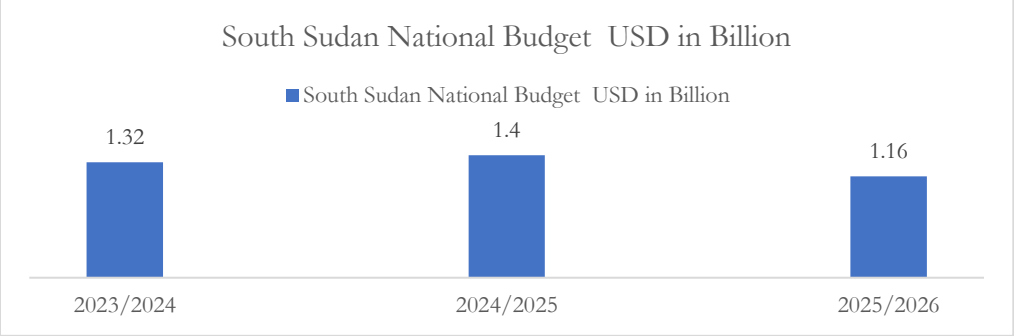
[16] https://documents1.worldbank.org/curated/en/099031825031520159/pdf/P500556-9f568594-b30c-4fcc-bb7a-b96df92ed5fd.pdf

[17] https://catholicradionetwork.org/2025/06/12/countrys-economic-cluster-approves-ssp-5-2-trillion-national-budget-for-2025-2026-fiscal-year/

- ***Human Capital Development:*** Improving education and healthcare systems to build a skilled and healthy population.

Overall, the current budget does not contribute to building a quality of life for South Sudanese. There are no proven policies that the government is pursuing to achieve socioeconomic transformation in South Sudan. 99% of South Sudanese are currently trapped in subsistence farming, working only for food for the stomach, but with no contribution to commercial purposes or the markets. As the analysis in Figure 3 shows, the budget for South Sudan remains the smallest and, in any case, is in decline, raising concerns about the country's failure to achieve meaningful development. In the 2023-2024 national budget, the allocation was USD 1.32 billion. In 2024-2025, the allocation was $1.4 billion, and now, in 2025-2026, the allocation is USD 1.16 billion.

Figure 3 South Sudan National Budget Comparison



Source: Author Construction (2025)

The national budget priorities recommendation for the year 2025-2026 must focus on the following:

1. **Peacebuilding and reconciliation:** Peace, forgiveness, reconciliation, burying political differences, extending arms to move together towards unity, and promoting the goal of creating lasting, peaceful relationships and transforming the conditions that generate conflict.
2. **Agriculture and Food Security:** Support for agriculture should be at the heart of the national budget, as it encompasses a range of financial and technical assistance aimed at enhancing agricultural productivity, sustainability, and rural development. The country has significant potential for expanding these cash crop productions, particularly in the Green Belt area. Promoting climate-resilient agriculture: Supporting farmers in adopting drought-resistant crops and water-efficient farming practices. The support for agriculture should focus on promoting farmer organizations and cooperatives. Strengthening these organizations and cooperatives enables them to prioritize and manage their development needs and collectively advocate for their interests. Improving Infrastructure: Investing in infrastructure, such as roads and storage facilities, can enhance farmers' access to markets and reduce post-harvest losses. Promoting Gender Equity: Supporting women in agriculture is essential for achieving food security and sustainable development.
3. **Education, Health, Water, Sanitation, and Hygiene:** The budget should prioritize investments in education and healthcare at the upscale level to develop a well-educated and healthy workforce. This includes supporting critical aspects of access to healthcare, such as medication, safe water, sanitation, food, and education. Clean water, sanitation, and hygiene are fundamental for human health, dignity, and development in South Sudan. Through the national budget, resources should be allocated to ensure access to these basic needs, which are crucial for preventing waterborne diseases, promoting well-being, and fostering the country's economic growth, given the current poor state of life in South Sudan.
4. **Infrastructural Development including Electricity and Energy:** South Sudan urgently needs investment in road infrastructure to connect key regions, support economic activity, and alleviate poverty. The current lack of roads is a significant impediment to development, hindering trade and limiting access to essential services. Examples from Rwanda and Tanzania demonstrate how improved rural roads can significantly reduce poverty by creating employment opportunities and promoting local economies. South Sudan should prioritize the development of national highways, major trade corridors, and strategic routes to link urban centers, agricultural areas, and ports, drawing lessons from successful models in other countries. Electricity is crucial for South Sudan's development, playing a vital role in both social and economic progress. However, access to electricity is minimal, hindering the country's growth potential. Improving electricity access through national budget allocation is essential for economic development, job creation, and overall national income growth.

5. **Skilled Workforce:** The budget should support the creation of a skilled workforce that can drive economic growth and innovation. This should include support for women's and youth entrepreneurship programs, aiming to improve access to financial services for women and equip them with skills for enterprise growth, value addition, and marketing their products and services.
6. **Natural Resources, Environment Management, and Development of Ecotourism:** The budget should prioritize sustainable resource use and promote environmental conservation and protection. The national budget should prioritize the development of ecotourism and the enhancement of related infrastructure in South Sudan, capitalizing on the country's unique natural attractions, including the world's largest mammal migration. This focus can boost the local economy by generating revenue, creating jobs, and supporting local businesses while also promoting conservation efforts. South Sudan possesses significant mining and natural resource potential, with notable deposits of oil, gold, diamonds, and various other minerals. The budget should support this sector, enabling South Sudan to have a transparent and strengthened mining sector through robust regulatory frameworks and effective investment promotion, to diversify the economy beyond oil.
7. **Climate Change Adaptation and Resilience:** The budget should fund initiatives to tackle the effects of climate change and strengthen resilience across various sectors in South Sudan.
8. **Governance, corruption combating, and mismanagement:** To effectively combat corruption and mismanagement, governments should allocate funds in the national budget for regular audits, whistleblower protection, and the implementation of digital platforms to reduce reliance on cash transactions. This approach enhances transparency and accountability, making it harder for corrupt practices to occur and easier to detect them when they do.
9. **Local Government Development:** Another key focus of the national budget should be to allocate funds for Local Government Development. According to this policy paper, the Government Development Funds (LGDF), the South Sudan government should allocate financial resources to local governments in 79 counties and three administrative areas to support development initiatives and service delivery. Since 2011, the counties have been deprived of exercising their local government service delivery mandate.
10. **The constitution-making and Electoral Processes:** The national budget should allocate resources to support the constitution-making process in South Sudan, which is crucial for establishing a stable, democratic, and legitimate government. The constitution-making process in South Sudan enables people to shape their political future and establish a social contract that reflects their values and aspirations. Meaningful public participation and an inclusive process are essential to ensure that the people own the constitution and become a living document that guides the nation. Furthermore, as a requirement of the Revitalized Agreement on the Resolution of the Conflict in South Sudan (R-ARCSS), it will also be crucial to allocate resources to enhance inclusive citizen participation and engagement in the electoral process, as well as to strengthen stakeholder collaboration and engagement in the electoral process.

Conclusion

In conclusion, the policy paper advocates for the comprehensive implementation of the South Sudan peace agreement through the 2025-2026 national budget, which is essential for promoting economic development by establishing a stable environment that fosters investment, trade, and long-term growth. A successful peace agreement can reduce conflict, attract foreign aid and investment, and allow the government to focus on economic development initiatives. However, the peace agreement faces challenges, including persistent insecurity, political infighting, and a lack of resources, which hinder its implementation and the potential for economic recovery.

- By doing so, some South Sudanese will realize the Positive Impacts of a successful peace agreement, as the country will experience:
- Reduced conflict and increased security, leading to a stable political environment that allows for the development of critical infrastructure, such as roads, which are essential for trade and economic activity, and allows for more spending in crucial sectors such as health, education, water, sanitation, and hygiene.
- Attracting Foreign Investment, where foreign investors will be more likely to invest in countries with stable political and economic conditions, leading to job creation and economic diversification.
- South Sudan will be able to increase government revenue, meaning the country will have reduced spending on security, allowing the government to allocate more resources to essential services like healthcare, education, and infrastructure development.
- The country will have improved trade and regional integration because a peaceful South Sudan can strengthen trade relations with neighboring countries and potentially join regional economic blocs like the East African Community, further boosting economic growth.

- Increase livelihood opportunities since peace agreements can pave the way for the return of internally displaced people and refugees, allowing them to contribute to the economy and rebuild their lives.
- Securing diversification of the economy because a stable environment in South Sudan will allow for investments in sectors beyond oil, such as agriculture, which can create more jobs and make the economy less vulnerable to fluctuations in global oil prices.
- Finally, by addressing the challenges and implementing the peace agreement effectively, South Sudan can create a more stable and prosperous future for its citizens.

References

African Development Bank (2025). South Sudan Economic Outlook. Outlook.https://www.afdb.org/en/countries/east-africa/south-sudan/south-sudan-economic-outlook.

Amnesty International (2024). Reprioritizing Resources for the Future of South Sudan. https://www.amnesty.org/en/latest/education/2024/08/reprioritising-resources-for-the-future-of-south-sudan/

Atlas Institute for International Affairs (2025) Risk Analysis & Insights, Sub-Saharan Africa, Middle East & North Africa. South Sudan: Economic Boom, Bust and Breakdown. https://atlasinstitute.org/south-sudan-economic-boom-bust-and-breakdown/.

Chatham House (2025). Sudan Stakeholder Dialogues. Options for Economic Stabilization, Recovery, and Inclusive Growth. https://www.chathamhouse.org/2019/10/sudan-stakeholder-dialogues/economic-recovery-developing-mid-long-term-strategies.

Corporate Finance Institute (2025). Economic Growth - Definition, Measurement, Sources, and Examples. https://corporatefinanceinstitute.com/resources/economics/economic-growth/

EBSCO (2021) Economic Growth | EBSCO Research Starters. https://www.ebsco.com/research-starters/business-and-management/economic-growth
https://www.worldbank.org/en/country/southsudan/overview.

Macrotrends (2025) South Sudan Foreign Direct Investment. https://www.macrotrends.net/global-metrics/countries/ssd/south-sudan/foreign-direct-investment.

Sudan conflict and refugee crisis, Multi-country External Situation Report #10, covering the reporting period March-April 2025.

The University of Edinburgh (2025). Transitioning from Taxation without Representation in South Sudan.https://peacerep.org/2022/11/02/from-taxation-without-representation-in-south-sudan-through-civicness/
UNHCR (2025) South Sudan emergency. https://www.unhcr.org/emergencies/south-sudan-emergency.

US Department of State (2023) Investment Climate Statements: South Sudan. https://www.state.gov/reports/2023-investment-climate-statements/south-sudan/

WFP South Sudan Situation Report #332, 28 February 2025.https://reliefweb.int/report/south-sudan/wfp-south-sudan-situation-report-332-28-february-2025

World Bank. (2024). South Sudan Overview. Retrieved from World Bank. https://www.worldbank.org/en/country/southsudan/overview

World Bank (2025) South Sudan Economic Monitor: A Pathway to Overcome the Crisis. Crisis.https://documents1.worldbank.org/curated/en/099031825031520159/pdf/P500556-9f568594-b30c-4fcc-bb7a-b96df92ed5fd.pdf.

World Bank (2025) South Sudan Overview: Development news, research, data | World Bank.

World Bank (2025) World Bank's South Sudan Economic Monitor Urges Swift and Sustained Reforms to Accelerate Economic Recovery and Inclusive Growth https://www.worldbank.org/en/news/press-release/2025/03/13/world-banks-afe-south-sudan-economic-monitor-urges-swift-and-sustained-reforms

About the Institute of Social Policy and Research (ISPR): The ISPR is an independent public policy and research organization established to conduct research on social, economic, and governance policies, as well as provide capacity-building and management consultancy services to civil society, the public sector, and the private sector. ISPR bridges policy research gaps in South Sudan and the region, building the capacity of national, state, and local governments, citizens, and civil society in public finance management, natural resources, and budgeting and implementation. ISPR researches and analyzes policy issues and public policy-making processes, producing and disseminating its findings through research publications. ISPR has been a leader in implementing the Enhancing Citizen Participation for a Transparent and Accountable Budget, a three-year project funded by the Norwegian Ministry of Foreign Affairs (NMFA) aimed at achieving a Transparent, Accountable, and Pro-Citizen Budget. Moreover, Strengthening ISPR's Institutional Capacity Project (SIICAP) was supported by the Open Society Foundation (OSF). For more details, contact ISPR at: info.ispr2017@gmail.com (https://ispr-ss.org/).