

# Impact of COVID-19 on Trade, Peace and Health System in South Sudan

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*Working Paper - COVID-19\_016*

AFRICAN ECONOMIC RESEARCH CONSORTIUM  
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By

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# List of abbreviations and acronyms

ACCORD	African Centre for the Constructive Resolution of Disputes
AERC	African Economic Research Consortium
ARI	Acute Respiratory Infection
CDC	Centre for Disease Control and Prevention
COVID-19	Coronavirus Disease 2019
CTSAMVM	Ceasefire Transitional Security Arrangement Monitoring and Verification Mechanism
EOC	Emergency Operations Centre
EPI	Expanded Program of Immunization
FDI	Foreign Direct Investment
FY	Fiscal Year
GDP	Gross Domestic Product
IBP	International Budget Partnership
ICU	Intensive Care Unit
IMF	International Monetary Fund
ISPR	Institute of Social Policy and Research
JCC	Juba City Council
JG IDU	John Garang Infectious Disease Unit
MOH	Ministry of Health
NGO	Non-government Organization
NRA	National Revenue Authority
NSC	National Steering Committee
NTF	National Taskforce on COVID-19
OBS	Open Budget Survey
R-ARCSS	Revitalized Agreement on the Resolution of the Conflict in South Sudan
RJMEC	Reconstituted Joint Monitoring and Evaluation Commission
RRT	Rapid Response Team
RT-PCR	Reverse Transcription – Polymerase Chain Reaction
SMEs	Small and Medium-sized Enterprises
SOPs	Standard Operating Procedures
SSP	South Sudanese Pounds
TMEA	TradeMark East Africa

UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNMISS	United Nations Mission in South Sudan
USD	United States Dollar
WHO	World Health Organization

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## Executive summary

South Sudan is experiencing exponential rise in COVID-19 cases. The country is already struggling with the negative shock of the pandemic coupled with the climate shock, economic decline, political transition and crash in global oil prices that has put the economy in much deeper crisis than never before. COVID-19 adds to convergence of multiple crises that has further exacerbated the political and economic situation. Besides the trade sector shock, the pandemic has affected genuine progress in the peace process in the country. The onset of COVID-19 pandemic halfway into the formation of the new transitional government largely contributed to delayed completion of critical peace activities. Similarly, the pandemic increased pressure on the weak health system in South Sudan. The country's health system is mainly funded and serviced by donors and humanitarian agencies with limited government investment and service provision. The pandemic shifted the focus of many donors from combating deadly diseases such as malaria, diarrhoea and acute respiratory infection that threaten public health to COVID-19 response.

This paper explores the pandemic impact on the **trade sector** with specific focus on the cross-border trade, and also its underlying effect on the underfunded and fragile health system and fluid peace process in South Sudan. The research is grounded on the overall objective to **examine the impact of COVID-19 pandemic and government response mechanisms on trade, health system and peace process in South Sudan**. The research was commissioned by the African Economic Research Consortium (AERC) to assess the impact of COVID-19 pandemic in the socioeconomic, public health, and political transition in the region.

The study used secondary research method that focused on qualitative and quantitative analysis of available data from government entities and humanitarian partners. Secondary data on trade, revenue and government policies were accessed from the government institutions. Relevant literature and reports by humanitarian agencies, including international NGOs, UN agencies and think-tanks were reviewed.

## Key research findings

South Sudan trade balance decreased largely due to convergence of factors including COVID-19 that affected its economy. The government lost more than 67% of its expected revenue value per barrel of oil due to the global oil price crash further exacerbated by the pandemic. The immediate government policy response to the virus, like the partial lockdown, was detrimental to small and medium businesses that households depend on and government relies heavily for revenue generation. The pandemic also affected the volume of major commodities, including petroleum, food, agriculture, and medical products, which were affected due to global downturn in production and supply chain.

Besides the overall direct impact on trade, the pandemic led to reduction in the revenue generated by the government. This is because, reductions in trade volume means lower revenue generation. When there are increased imports and exports as well as growth in local businesses, government collects more revenues. Available data show that the government lost 96.1% of its revenues between April and June 2020 compared to the October to December 2020 quarter.

Similarly, the revenue generated by National Revenue Authority (NRA) and National Customs Services postulates indifferences in collections and figures. The NRA collects all taxes, including business and personal income taxes, as well as accepts tax remittances from businesses. While the National Customs Services largely collects all port revenues. The problem is that the government tax collection system has not been harmonized as both NRA and Customs Services continue to collect taxes in parallel systems; this has created unfavourable tax regime to businesses. This inconsistent system fuel triple taxation and discourage investment.

The drop in revenue collected by Juba City Council (JCC), especially from small, medium and petty businesses operating within the Council jurisdiction, points to the direct impact of the pandemic on SMEs. The trend in the revenue collected by JCC has very strong relationship between growth and decline in small and petty businesses across local markets. According to available data, JCC lost more than 97% of its revenue by end of June 2020. This trend reveals how much businesses have lost, or entities closed down at the peak of the COVID-19 pandemic.

The impact of COVID-19 on the peace process cannot be underestimated. The pandemic negatively influenced the behaviours and actions of political elites, especially regarding the implementation of key reforms to stimulate trade and deliver basic services. The political elites used the pandemic restrictions to stall implementation of key provisions of the agreement, including the urgent formation of the subnational levels of governments which are critical to the pandemic response at the lower level.

The work of civil society around advocacy and civic education on the peace process was not spared by the impact of the pandemic. The restrictions imposed by the government meant fewer bilateral advocacy and civic education activities were

held. This significantly reduced the influence of the civil society groups to push for the timely implementation of the agreement.

The pandemic affected the work of the peace agreement guarantors at national, regional, and global levels as many countries refocused their attentions back home. At the national level, the oversight bodies such as the Reconstituted Joint Monitoring and Evaluation Commission (RJMEC), which oversee the implementation of the agreement, were unable to effectively engage political elites and hold them accountable for the delays. The Ceasefire Transitional Security Arrangement Monitoring and Verification Mechanism (CTSAMVM), which is mandated to investigate violations of the permanent ceasefire, struggled to conduct its work during the active partial lockdown. As a result, disastrous defections ensued that went without proper investigations and hold perpetrators to account.

South Sudan has made progress in reducing maternal and child mortality and morbidity. But the threat of COVID-19 risks reversing the gains made over the past years. The health system has been severely affected by conflict and most recently by COVID-19. The pandemic threatens supply of human health resources, drugs and medical equipment by humanitarian agencies in addition to the limited investment in the health sector by the government.

South Sudan COVID-19 response is staggered with no consistency on testing, surveillance, risks communication and case management. The government has struggled to enforce its own public health guidelines in the country. South Sudan epidemiological capacity to detect and conduct timely surveillance is feeble, that has indirectly contributed to understanding the scale of the virus infection. Meanwhile, critical donor funding is dropping amid lack of government investment.

## **Lessons learnt and recommendations**

The government need to adapt trade and market policies and system that mitigates against disruption. The government can review and upgrade border points and local market arrangements to allow adherence to the health guidelines for vendors and buyers. In addition, strengthening the 'formal' financial market, like the banking and insurance sector, to not serve the middle class and elites alone but target the retail market, is critical to revamping Small and Medium-sized Enterprises (SMEs). This needs to change through government legislation and enforcement. The financial market should start to offer adapted loan facility to businesses with government guarantee.

The government and humanitarian partners have to invest in social safety net programmes that will ensure social provided tailored skills and capital for the petty business targeting women and youth. The humanitarian efforts in the food security and livelihoods sector need to be co-ordinated to respond to the economic and market shocks. Government should harmonize and lead donor aid and humanitarian support for livelihoods to ensure development aid address national development priorities. Fast track the establishment of the youth and women enterprise development fund as

per the provision of Chapter Four of the revitalized peace agreement. The government and humanitarian partners should expedite the legislation, establishment and operationalization of the enterprise fund for women and youth. This will increase business opportunities and employment that is critical to support the ailing economy.

Enforcing the implementation of relevant regional trade policy like the EAC trade policies will be relevant to South Sudan due its landlocked status. The government should quickly invest on policy and structural reforms that will boost cross-border trade and make business environment attractive to existing and new investors.

South Sudan tax regime remains complicated with different institutions applying various tariffs. The taxation and financial acts should be reviewed and harmonized for consistency. Reforms in the operationalization of these laws by different entities should be prioritized to create enabling environment for investment in the country.

The current revenue system of both Customs Services under the Ministry of Interior, and National Revenue Authority under the Ministry of Finance, both managing tax collection is not sustainable and increases tax irregularities. The government should introduce the use of technology in its work to adapt to the realities of COVID-19 context.

The government has a big opportunity for long-term economic recovery and revamping the trade sector through implementing a range of public finance reforms. The institutional and policy reforms in the ministry of finance, Central Bank of South Sudan, National Revenue Authority (NRA), and National Audit Chambers are critical to boosting investors trust in the economy. This further can attract foreign direct investment (FDI) in crucial sectors of the economy.

The government must implement the peace agreement to respond to COVID-19, economy, and social services delivery. This will provide the political stability and reforms that are critical drivers for better response mechanisms to the pandemic. The formation of the state and local governments creates the structures at the subnational level to enforce public health guidelines.

The government must step up its financing of the health sector. This must include increasing the annual budget allocation for the sector to at least 10%, and put money in key health system blocks such as training health cadres, procurement of medical supplies and upgrading physical infrastructures. The current funding and support by humanitarian partners is not sustainable. It is important that humanitarian partners and government integrate COVID-19 response into existing health programming to ensure the gains made over the past years are not lost. It also ensures the health system becomes resilient to shocks.

# 1. Introduction

South Sudan is recovering from brutal civil war that has killed thousands and displaced millions. The 2018 peace agreement was slowly jump-starting the declining economy and collapsed social sector, including health service delivery. But the onset of COVID-19 pandemic, coupled with the crash in global oil prices, has put the economy of South Sudan in much deeper crisis than never before. With a fragile peace process, widespread subnational violence, including highway attacks on passenger and goods vehicles, and weak institutions, COVID-19 has further exacerbated an already dire economic environment. The pandemic has negatively impacted the trade sector resulting from restrictions, deepen an ailing health system, and frustrated the peace process which is critical for economic recovery and reconstruction of the social services.

This research explores and analyses the impact of the pandemic on the trade sector with specific focus on the cross-border trade trends at the Nimule–Elegu border between Uganda and South Sudan as the case study. The analysis also examines the revenues generated and dollar value of goods imported and exported at the border due to the thin line between trade and business tariffs. This makes it critical to uncover the trade dynamics caused by urgent government policy changes aimed at combating the virus while attempting to maintain economic activities.

Moreover, the convergence of the pandemic and other crises, including economic decline, conflict, and climatic shocks, has had direct implications on the peace process in the country. The South Sudan peace process is built around reforms in different sectors, including trade sector and health system. But the outbreak of COVID-19 pandemic when the new transitional government was just formed changed the political calculus and continues to pose serious threat to the peace process. In this research, the paper examines the impact of COVID-19 on the peace process by studying the political behavioural change of political elites at national and regional levels towards the full implementation of key provisions of the agreement.

Similarly, COVID-19 came with additional strain on an already fragile and weak health system. The country's health system is mainly funded and serviced by donors and humanitarian agencies with limited government investment and service provision. The pandemic shifted the focus of many donors from strengthening the health system to responding to the new crisis. As such, this paper also assessed the impact and how COVID-19 shaped the health system within the broader sense of expected reforms and

investment in the sector. In a context like South Sudan, the pandemic shock is much deeper and compounds life-threatening diseases as meagre resources get deviated to support urgent response instead of investment in health system strengthening.

The overall research aims to contribute to policy discourse and influence national policy makers' response strategy to COVID-19 and its related impact on trade, health and the peace process. The research is grounded on the overall objective to examine the impact of COVID-19 pandemic and government response mechanisms on trade, health systems and peace process in South Sudan.

## 2. Macroeconomic and COVID-19 situation

The signing of the peace agreement in 2018 ushered renewed hope for economic growth as cross-border trade improved and oilfields were rejuvenated. The positive trajectory led to the increase in Gross Domestic Product (GDP) by 5.8% in 2019, with about 0.5% increase from 2018 estimates.<sup>1</sup> This growth was mainly driven by increased oil production and high oil prices above government estimates in the international markets as well as improved cross-border trade. Similarly, the annual inflation figures dropped from 83.5% in 2018 to 24.5% in 2019. In a recent report<sup>2</sup>, for the first time since 2013, the World Bank projected a positive economic outlook of the country. It estimated that South Sudan GDP is expected to grow at 7.9% in 2020, presenting a 23% net increase from 2019. The oil and mining sectors are expected to contribute 10.7% in GDP growth but agriculture will contract by 2.5% during the same period. However, this growth will largely depend on the progress in implementing the peace agreement, and peace and stability across the country. The steady improvement in the economy in 2019 was largely influenced by the gains in relatively stable political atmosphere and improvement in security around oilfields due to the peace agreement. But, the onset of the COVID-19 pandemic and its devastating impact on the economy due to border closures, crashing of the oil prices in the international market, resurgence of violence in some parts of the country and staggering peace process paint a pessimistic future of 2021 and beyond.

Despite the projected positive economic prospect of the country, South Sudan remains among the poorest nations in the world. The World Bank estimates that four out of five South Sudanese still live in poverty (survives on \$1.90 per day) as per international poverty measure, with hyperinflation of basic commodities in the markets, heavily indebted and rapidly changing foreign exchange rate market.<sup>3</sup> The parallel market trade the South Sudanese Pounds to United States dollar at average 330 SSP, about 46% above the Central Bank rate.<sup>4</sup> The government is struggling to finance its current US\$1.3 billion budget due to low revenues generated in the second half of its fiscal year. The government investment in key sectors such as education (9%), health (1.2%), agriculture and food security (0.1%) and water (0.1%) remains the lowest in the region despite the increased humanitarian needs across the country. Consequently, this has put additional pressure on humanitarian aid delivery. Equally, South Sudan has the lowest budget transparency and accountability indices. The Open Budget Survey (OBS) by International Budget Partnership (IBP), a think-tank that

analyses global budget making process, rated the country the lowest score across the three indicators (transparency 5%, participation 2% and oversight 54%)<sup>5</sup>. The lack of transparency in government budget management and execution means it is difficult to predict actual public spending on key sectors.

The world is experiencing a truly global crisis—the COVID-19 pandemic. Countries face varying levels of risk, and crises will increase far beyond the direct health impacts of the pandemic in South Sudan. The potential devastating impacts of the virus are exacerbated further for those already affected by crisis and living in fragile states with limited access to information, healthcare support, and lack of economic relief package.

The risk this pandemic presents to South Sudan is unique compared to other nations. The Africa Centre for Strategic Studies ranks the country as the most vulnerable African country to COVID-19 in a multi-factor index which assesses countries' preparedness including factors such as health system, urban population and density, displacement, and conflict. The fragile peace process, coupled with persistent intercommunal violence, disrupts public health system which is often already under-resourced, overstretched, and inaccessible.

Since the COVID-19 pandemic outbreak, the government has established a highly political national high-level taskforce, composed of senior officials chaired by the country's President and deputized by the First Vice President, and technical steering committee to co-ordinate its response. In the humanitarian system, a leadership team on COVID-19 was established to mobilize and harmonize partners' response plans. There is limited participation of local and national organizations, especially women-led organizations, in these mechanisms despite local actors playing a crucial role in pandemic response in South Sudan.

The country has a COVID-19 national response plan, but remains underfunded and not implemented. The disjointed response approach of highly political National Taskforce (NTF), on one hand, and the National Steering Committee (NSC) where international partners participate, on the other, means COVID-19 is likely to undermine efforts to respond to address the pandemic and its impact. The absence of a coordinated approach involving the NTF and NSC, as well as the lack of clarity by government to ensure uninterrupted movement of aid workers and cargoes weakened the response.



## **3. Methodology**

### **Research method**

The study utilized qualitative and quantitative analysis of available secondary data from government entities and humanitarian partners. Secondary data on trade, revenue and government policies were accessed from the government institutions. Relevant literature and reports by humanitarian agencies including international NGOs, UN agencies and think-tanks were reviewed to give context to the analysis. Limited primary data was collected through raw data from the concerned government institutions and analysed by the researcher. The study was conducted when movement restrictions, insecurity along highways and weak technology infrastructure limited the ability of the researcher to conduct primary interviews.

### **Data collection process**

The data analysed and presented in this research were from secondary sources. The study relied on trade data from the National Revenue Authority, Customs Services, Juba City Council, The National Bureau of Statistics, and Central Bank of South Sudan. Similarly, literature from the international NGOs, UN agencies, think-tanks, diplomatic missions, International Monetary Fund (IMF), the World Bank, and TradeMark East Africa (TMEA), were reviewed.

Due to scanty data received from formal government entities, the trend analysis was benchmarked in the following periods: (i) pre-COVID-19 from October to December 2019, and (ii) during COVID-19 from April to June 2020. These periods were purposively selected because (i) data for most months for all variables under study was available, and (ii) traditionally, trade volume increases between October and June of every year cycle influenced by rain patterns. During this time, businesses and humanitarian partners pre-position goods and supplies for the market ahead of the rain season. The researcher could not conduct full year (2019) and (2020) trend analysis because of insufficient data for all variables considered for analysis. Equally, careful consideration was given to the trading cycle based on accessibility trends due to security and rainfalls that influence trade volumes. This ensured that analysis of the specific impact of the pandemic can easily be traced regardless of other contextual factors.

## **Limitations**

This paper presents the findings of the pandemic impact on trade, health, and peace process, focusing on micro level indicators. The research was negatively influenced because of inadequate and insufficient accurate data for the period under study. Attempt to conduct annual trend analysis was not possible due to incomplete data for most months. South Sudan has no reliable trade information management system that can facilitate research and government planning. Even access to the scanty data with different entities is highly exclusive and challenging. As such, variations in intervals and trends are tentative but provide a glimmer of the situation in the country. The research is also limited to only secondary data analysis due to the restrictions on meetings, movement, access challenges resulting from insecurity, and a lack of technology in most government entities to facilitate virtual interviews at the time of the study. In addition, the topic of research remains very sensitive in the context of South Sudan. Further research is welcome on the COVID-19 impact at macroeconomic level.

## 4. Results and findings

### Impact on trade in declining economy

#### *Negative trade balance*

South Sudan is among the countries that witnessed convergence of factors that affected its trade balance and economy. In a country that relies on oil proceeds to finance 98% of its budget, the global slowdown in oil prices in international market presented the immediate economic shock<sup>6</sup>. By April 2020, the average price per barrel of Dar Brent traded at US\$23; this was deep decline from the average of US\$64 reported in January 2020. Although the government has not enacted its FY2020/21 budget for unknown reasons, in FY2019, the official government oil sales price estimates stood at US\$55 per barrel.<sup>7</sup> This is about 67% less of the expected value per barrel. The COVID-19 outbreak in the third quarter of FY2019/20 added pressure in an already struggling trade sector. The immediate government policy response to mitigate spread of the virus, including borders and airport closure, meant fewer goods and people traversed. The additional restrictions on movements, social gathering and local markets affected local businesses. Many small and medium businesses that depend on cross-border trade collapsed.

**Table 1: South Sudan export and import data<sup>8</sup>**

YEAR	MONTH	EXPORTS (Millions USD)	IMPORTS (Millions USD)	TOTAL TRADE	TRADE BALANCE (Millions USD)
2019	Jan-19	55	62	116	-7
	Feb-19	99	76	175	23
	Mar-19	211	71	283	140
	Apr-19	67	64	131	3
2020	Jan-20	63	71	134	-9
	Feb-20	29	68	97	-39
	Mar-20	1	71	73	-70
	Apr-20	42	59	101	-16

Source: IMF, DOTS (2020).

The country's trade balance was affected due to regional movement restrictions and increased surveillance that affected smooth and faster flow of goods. In Table 1, the export and import value variables measured during the same period of time in 2019 and 2020 shows significant variation for both export and import data. Evidently, the trade balance in 2019 (January to April) looks healthier compared to the same period in 2020. According to the data from the IMF, in February 2019, the country received US\$99 million in export and spent US\$76 million in imports, which gave a positive trade balance of US\$23 million. Similarly, in March and April 2019, the country received US\$211 million and US\$67 million in export values and US\$71 million and US\$64 million in imports values, respectively. Comparatively, during the same period in 2020, South Sudan exports and imports shrunk. For example, the data shows exports dropped to US\$29 million (February), US\$1 million (March) and US\$42 million (April), while imports remained largely higher at US\$68 million (February), US\$71 million (March) and US\$101 million (April). As a result, the average trade balance in 2020 stands at US\$-33 million compared to the +US\$40 million earned in 2019. This variation can be linked, not only to COVID-19, but also other protracted underlying factors, including poor road infrastructure, conflict, and climatic shocks. Traditionally, South Sudan trade volume is at its peak between November and April which is the dry season when the dilapidated road network is accessible to more than two-third of the country. At this time, local traders and aid agencies increase purchases and pre-position supplies ahead of the rains.

## ***Reduction in revenue generated by government***

**Table 2: Total revenues in taxes generated by Customs Service at Nimule–Elegu border**

(Exchange: \$1=169)

<b>Months</b>	<b>Oct 2019</b>	<b>Nov 2019</b>	<b>Dec 2019</b>	<b>Apr 2020</b>	<b>May 2020</b>	<b>Jun 2020</b>
SSP	4,240,701,326	3,720,647,058	326,516,949	259,683,280	38,702,483	26,321,356
USD	25,092,907.25	22,015,663.07	1,932,052.95	1,536,587.46	229,008.78	155,747.67

Source: South Sudan Customs Services, September 2020.

The impact of COVID-19 can also be analysed from the revenue generation perspective. This is because there is a very thin link between increased revenue collection and trade volume. When there is an increase in trade imports and exports, government collects more revenues. The revenue trend at Nimule Custom Services, the biggest trade entry port of the country, indicates decline. In Table 2, the total government revenues between October and December 2019 was US\$49.04 million compared to US\$1.92 million collected between April and June 2020. This presents a 96.1% drop in revenues collected. And in terms of monthly analysis, it shows that June 2020 was the most difficult month for trade as government collected only US\$155,747.67 compared to the October 2019 amount of US\$25,092,907.25. Both months fall within the end and start of the rainy season in the country and when the

pandemic had hit hard the region. While the government restrictions did not include movement of goods, the delays at entry borders and slowdown in regional and global production meant fewer goods were imported thus less revenues generated.

**Table 3: Total Revenues in taxes generated by National Revenue Authority**

(Exchange: \$1=169)

Months	Oct 2019	Nov 2019	Dec 2019	Apr 2020	May 2020	Jun 2020
SSP	2,474,166,499	3,160,237,03	3,565,811,058	3,286,554,998	2,981,345,561	3,002,627,663
USD	14,640,038.46	1,869,962.74	21,099,473.72	19,447,070.99	17,641,097.99	17,767,027.59

Source: National Revenue Authority, September 2020.

Similarly, the revenue generation analysis by the National Revenue Authority (NRA) postulates indifferences in collections. The overall NRA revenue generated before and during the pandemic shows positive trend. In the last quarter of 2019, the NRA collected US\$37.6 million in taxes compared to the US\$54.8 million it generated between April and June 2020 at the peak of the pandemic. However, the monthly turnover remains significantly lower in 2020 compared to December 2019 outlay. As indicated in December 2019, the NRA collected more than US\$21 million but this figure dropped to US\$17.6 million in May 2020 and US\$17.7 million in June 2020. The caveat in the NRA data is that, significant amount of revenue collected by NRA directly comes from the humanitarian agencies in form of personal income taxes on salaries and pension benefits, rents of properties and withholding taxes for goods and services. These taxes remained largely the same during the pandemic. Equally important is the remittance by corporate businesses such as the banking sector, oil firms, airlines, and insurance entities.

### ***Struggling small businesses affects local council revenue***

**Table 4: Total revenues in taxes generated by Juba City Council**

Months	Oct 2019	Nov 2019	Dec 2019	Apr 2020	May 2020	Jun 2020
SSP	544,980,723	874,032,321	964,123,947	23,456,210	24,678,451	13,901,789
USD	3,224,738.01	5,171,788.88	5,507,875.43	138,794.14	146,026.34	82,259.11

Source: Juba City Council, September 2020.

The Juba City Council (JCC) collects taxes from small, medium and petty businesses operating within the Council jurisdiction. The trend in the revenue collected by JCC has very strong relationship with growth and decline in small and petty businesses across local markets. This analysis helps to draw conclusion on extend the pandemic and the impact government response has had on local businesses. The JCC tax base largely depends on petty and small businesses mainly managed by women. The continued slowdown in revenue collection by JCC means significant number of small business traders have lost their businesses and assets. As shown in Table 3, JCC revenues collapsed at the peak of the COVID-19 pandemic as many petty, small

and medium businesses closed down and others never reopened to date. Towards the end of 2019, arguably the busiest months for households and businesses in preparation for the Christmas festivity, JCC collected US\$14.1 million in revenues. But this sharply dropped to US\$367,080 by the end of June 2020. This presents more than 97% revenue loss for the JCC. This trend reveals how much businesses have lost or entities closed down at the peak of the COVID-19 pandemic. The initial partial lockdown, delays in transportation of goods, and restricted movement of people affected the smallest businesses. Equally, significant proportion of petty and small businesses deal in perishable goods like food items and fruits which were lost in the aftermath of the restrictions. Despite the clear manifestation of the negative trend in operations of businesses that affected the tax base of JCC, this does not entirely preclude the enormous inconsistency in revenue collection, endemic mismanagement of taxes and lack of reliable tax data.

### ***Import levels of essential products***

**Table 5: Total import values of key products since 2017 in USD**

Products	2017	2018	2019	2020
Petroleum products	354,670,887	1,764,853,404	2,555,937,051	787,119,629
Food products	3,091,051	20,447,903	3,060,734	2,976,132
Agriculture products	0*	85,440,611	29,738,950	12,453,210
Medical products	19,876,125	30,098,258	54,991,972	34,890,543

\* No data received from concerned entity.

Source: South Sudan Customs Service, September 2020.

The study also measured the trade volume of key commodities in the country. The trade data of top import commodities illustrates significant fluctuations during the COVID-19 period and before the pandemic. But the data accuracy remains a big challenge as tax evasion is very high in the country. Table 5 indicates the comparative analysis of the trend in the trade sector since 2017 in terms of trade volume by key products imported into South Sudan. The country imports large amount of petroleum, food, agriculture and medical products. The analysis reveals that the country increased importation of petroleum products in 2020 at the value of US\$787.1 million alone. But it remains significantly lower than the imports in 2019 which was US\$2.5 billion and 2018 at US\$1.7 billion. Overall, imports of key commodities dropped in 2020 compared to the previous years. For example, food products reduced to US\$2.9 million in 2020 compared to US\$3 million in 2019, US\$20.4 million in 2018 and US\$3 million in 2017. Equally, medical products imports were lower at US\$34.8 million in 2020 compared to the US\$54.9 million in 2019. Similar trend is also witnessed in the importation of agriculture products at US\$12.4 million in 2020 compared to the US\$29.7 million in 2019. This basically shows the decline in trade between South Sudan and its neighbours in 2020 largely due to the pandemic restrictions and related factors that affected trade.

## **Impact on peace process**

### ***COVID-19 dominance over peace process***

The impact of COVID-19 pandemic on the implementation of the Revitalized Agreement on the Resolution of the Conflict in South Sudan (R-ARCSS) cannot be underestimated.<sup>9</sup> In February 2020, the new unity government was established at the presidency level, this was followed by the council of ministers in March. However, as the pandemic carnage unravelled, attention was shifted towards infection control. On the other hand, political elites used the pandemic as scapegoat to stall the implementation of key provisions of the agreement, including the urgent formation of the subnational levels of governments, security, and economic reforms which are critical to the pandemic response.<sup>10</sup> Relevant reforms in the macroeconomic, aid management, and social services sectors, including review of laws to improve business environment and strengthen the health system, were halted yet they are critical drivers for the successful pandemic response.<sup>11</sup> The pandemic aided political elites to change their behaviours on their commitment to deliver peace dividends to the public. A research by the Institute of Social Policy and Research (ISPR) revealed that 62.2% of the public believed COVID-19 has majorly affected the peace process. Similarly, at least 50.9% of the surveyed people believed the pandemic negatively changed the behaviours of political elites to renege from their commitments.<sup>12</sup> And another 65% perceived that the pandemic became the dominant political issue instead of the crucial peace process.<sup>13</sup> Some critical activities were affected, including the delay in the training of joint forces, movement of troops and deployments to provide security, review of the economic laws, and reconstruction of the social services because of the inability of political leaders to regularly meet and discuss implementation issues.<sup>14</sup>

### ***Impact on civil society work***

The work of civil society around advocacy and civic education on the peace process was not spared by the COVID-19 pandemic. And to greater extend, the government used the pandemic to further curtail basic freedoms for the civil society and citizens.<sup>15</sup> The restrictions imposed by the government meant fewer bilateral advocacy and civic education activities were held. This significantly reduced the influence of the civil society groups to push for the timely implementation of the agreement. The ISPR research found that 57.8% of the respondents interviewed believed that the pandemic negatively affected the ability of the civil society to conduct advocacy on the peace implementation because of government restrictions.<sup>16</sup> The inadequate sustained advocacy on the peace process enabled the political elites to renege from their commitment to implement the peace agreement to create conducive environment for business, stabilize the economy, and deliver basic social services including healthcare to the public as peace dividends.

## ***Impact on regional and international peace guarantors***

Similarly, the pandemic influenced diplomatic pressure by regional and international guarantors of the peace process as many countries refocused their attentions back home to manage the pandemic.<sup>17</sup> The much needed funding of the peace process was unavailable due to global pressure on donors.<sup>18</sup> At the national level, the Reconstituted Joint Monitoring and Evaluation Commission (RJMEC), which oversee the implementation of the agreement, was unable to effectively hold review meetings and engage political elites in the country and region to exert more pressure. On the same note, the Ceasefire Transitional Security Arrangement Monitoring and Verification Mechanism (CTSAMVM), which is mandated to investigate violations of the permanent ceasefire, struggled to conduct its work during the active partial lockdown. As a result, disastrous defections ensued that went without proper investigations and hold perpetrators to account. The report by ISPR found that both RJMEC and CTSAMVM effectiveness substantially dropped during the pandemic. This reluctance by the parties to the peace process increased incidents of insecurity, including highway attacks in some parts of the country that affected movement of goods and people across borders thus affecting trade.

## **Impact on health service delivery**

South Sudan health system is extremely fragile and weak to contend with a global pandemic. In a country where one medical doctor serves 65,000 patients and one midwife serves 39,000 women, COVID-19 makes it even worse.<sup>19</sup> Over the years, South Sudan has made significant progress in reducing maternal and child mortality and morbidity. But the threat of COVID-19 risks reversing the gains made is significant than never before.<sup>20</sup> While figures vary between sources, the WHO estimates the maternal mortality ratio to be 789 deaths per 100,000 live births.<sup>21</sup> This is the highest in the region, but significant reduction from the 2,085 ratio per 100,000 live births in 2010. Similarly, under-five mortality rate improved since 2005 as recent figures from 2015 indicate that under-five death rate dropped from 102 to 92.6 per 1,000 live births. The health system in South Sudan has been severely affected by years of conflict and lack of government investment in the sector.<sup>22</sup> This was further exacerbated by COVID-19. The sector is already experiencing shortage of human health resources, limited supply of drugs and medical equipment, lack of infrastructure, and very low investment<sup>23</sup>.

## **COVID-19 in South Sudan**

South Sudan was hit by second wave of Coronavirus as positive cases tripled in the beginning of 2021. By the end of January 2021, positivity return rate on sample test reached 14%. This was the highest rate recorded since the first case was announced



in April 2020. However, the overall COVID-19 infection rate remains the lowest in the region. As of March 31, 2021, the country had recorded a cumulative number of 10,197 cases.<sup>24</sup> The fatality rate from COVID-19 virus stands at 112, which is about 1.8% deaths of the total cases recorded. Since April 5, 2020 when the country announced its first case of the virus, it has conducted 132,246 tests, the lowest in the region. Despite the threat of COVID-19, malaria remains the top cause of death in the country, as more 51% mortality rate was recorded in 2020 alone.<sup>25</sup> Additionally, diarrhoea and acute respiratory infection (ARI) continue to pose serious public health risks.

These statistics do not reflect the realities on the ground. South Sudan testing capacity remains the lowest in the East African Community region. In April 2020, the government adopted a travel test policy for all domestic and international travels; this was pivotal in scaling up testing and surveillance. However, in May 2020, the government relaxed its domestic travel test policy which substantially affected the testing capacity and to greater extent the most reliable infection data. During this period, the country witnessed a spike in the number of cases. Consequently, the policy change weakened the efforts by government and stakeholders to know the scale of infection across the country. South Sudan epidemiological capacity to detect and conduct timely surveillance is feeble, that has indirectly contributed to underreporting the scale of the virus infection. Despite announcing several preventive measures such as social distancing, wearing masks and hand washing, the government has struggled to enforce these public health safety guidelines. Social stigma and inadequate coping mechanism in the pandemic time has further worsened response efforts to control the spread of the virus. Further, negative social norms, congested households, economic hardships, and lifting of the partial lockdown exposed the public to the risks of infections. This led to widespread community infection.

### ***Government preparedness and response***

South Sudan's weak health system makes it more susceptible to absorb a pandemic such as COVID-19. The country lacks basic primary and secondary healthcare infrastructure that are crucial ingredients to combating pandemics. Meanwhile, the social norms, cultural practices, high levels of poverty and population reliance on non-clinical medical advice are major concerns.<sup>26</sup> In the aftermath of the pandemic, the Government of South Sudan adopted different tools to combat the pandemic. Table 6 summarizes some of the initiatives to control the spread of the virus in the country.

**Table 6: Initiatives to control the spread of the COVID-19 virus in South Sudan**

<b>Response Activity</b>	<b>Trend Analysis</b>
Preparedness	A High-level Taskforce on COVID-19 was formed headed by the First Vice President but this was quickly dismantled and the Vice President for Service Cluster later took over. A National Steering Committee that included government and development partners and thematic technical working groups were all formed. The Ministry of Health (MOH) and WHO developed Standard Operating Procedures (SOPs) and guidelines on incident management, risks communications, case management, surveillance and contact tracing. A national level Incident Management Team was established; Emergency Operations Centre (EOC) with a call centre was established with support from UNDP. The MOH established 15 ICU beds, operationalization of the Rapid Response Team (RRT) and EOC mobiles. The government also acquired additional laboratory RT-PCR machines, personal protective equipment (PPEs) and opened 15 additional testing sites across the country.
Preventive measures	The government sanctioned partial lockdown that restricted movement of people in and outside the country. The travel test policy was adopted for all domestic and international travellers. Social gatherings were banned and religious services stopped. For humanitarian workers, agencies were asked to get pre-approval for travels to the states after observing quarantine for 14 days. International flight suspension with exceptions of planes bringing in health related cargo, such as medicine and medical equipment, and essential food items. The government also shut down the border and restricted movement; passenger bus prohibitions; evening curfews; and a mandatory 14-day quarantine period for any traveller arriving from a virus affected country.
Contact tracing	The Ministry of Health heightened contact tracing of individuals who had close contact with confirmed or suspected cases of Covid-19. A team of contact tracers contracted by MOH and WHO were recruited to follow-up contacts. The Rapid Response Team was in charge of home-based care, tracing and sample collection. It also provided psychosocial support and follow-up on travellers who arrived in the country.
Testing and laboratory capacity	The government expanded Dr John Garang Infectious Disease Unit (JG IDU) as a national public health laboratory centre that conduct tests and manage critical cases. With support from WHO and development partners, the national referral laboratory designated for COVID-19 hired additional trained laboratory technologists, upgraded infrastructure and upgraded the laboratory capacity from 300 tests to 800 per day. In addition to the JG IDU, the government set up 15 sentinel sites in the states and border points to conduct testing.
Case management	South Sudan has the lowest bed capacity for hospitalization in the region. The entire country has only 84 beds for managing COVID-19 patients. Dr John Garang Infectious Diseases Unit (JG IDU) provides the national isolation facility for COVID-19 patients' management, with five of the functional ventilators donated by several humanitarian partners, but the unit has only a capacity of less than 20 beds for admission.

Source: <http://www.moh.gov.ss/daily updates.php> <http://www.moh.gov.ss/covid-19.php>

The government developed a National COVID-19 Response Plan to tackle the spread and case management of the pandemic focusing in high risk areas. The plan outlines the response strategy and activities to be carried out over a six-month period, April to September 2020, with a financial requirement of some US\$10.9 million. As

the caseloads continued to surge in May 2020, the government reviewed the plan into a Comprehensive National Response Plan with financial requirement of over US\$140 million.<sup>27</sup> The focus shifted from preparedness to response and prevention, case management and surveillance. The national and state level co-ordination and response mechanism were formed with participation of humanitarian partners. This ensured that surveillance, risks communication and social mobilization, case management and contact tracing were stepped up to stop the spread of COVID-19 in the country. Through this plan, the government intends to reach more than 5,000,000 people with risk communications and social mobilization messages and 3,200,000 people received food assistance. But there is little progress to achieve due to resource constraints.<sup>28</sup>

### ***COVID-19 impact on disease burden***

South Sudan health system is mainly funded and serviced by donors and humanitarian agencies with limited government investment and service delivery. The impact of COVID-19 on the health system in the country can be analysed from the government, donors, and humanitarian partners' response in terms of service disruption, financing, and investment in key health system blocks. The aftermath of the pandemic followed by the preventive measures exposed the country's weak health system to unimaginable pressure. Many donors faced the difficult tasks of prioritizing routine health service delivery and funding immediate COVID-19 response. Meanwhile, the pandemic caught the government, donors, and humanitarian agencies unprepared. The instant national and regional lockdowns restricted movement of aid workers that caused serious delays in the movement of health workers and medical supplies across the country.

With COVID-19, the risk of increased deaths due to other common disease remains very high<sup>29</sup>. Malaria remains the leading cause of mortality and morbidity among pregnant women and children under-five who are the most vulnerable. The disease accounts for 47% of outpatient visits at health facilities, 30% of inpatient admissions, and 52% of all deaths<sup>30</sup>.

COVID-19 related disruptions have left many women and children in South Sudan without access to essential health services, and this poses high risks of maternal and child morbidity and mortality. The critical Expanded Programme for Immunization (EPI) was disrupted and the long term impact is even dire as exposure to unpredictable outbreak of diseases like measles and cholera continues to rage.<sup>31</sup> Restrictions in movement and delays of cargo at international border points broke down supply chain for EPI equipment and supplies. Coupled with poor road network, the timely delivery of EPI supplies is a concern. On the other hand, the pandemic has put the lives of health staff at higher risk, thus contributing to potential psychological trauma among health workers to continue to provide services.

## ***Health sector financing***

South Sudan has the lowest health expenditure in the East Africa Community. Yet the country leads in the worse health indicators in the region. Government investment in the sector ranks the lowest across sectors. In the fiscal year 2017/18, the government appropriated only 4% of the entire budget for health sector, and in 2018/19 and 2019/20 fiscal budget, health sector budget was allocated only 2% of the entire budget<sup>32</sup>. Even with such allocation, the sector continued to underspend largely due to untimely disbursement. Expenditure in the health sector is mainly health workers' salaries and office utilities with no major investment in infrastructure, training of cadres and medical supplies. Since 2012, the government has not procured drugs and medical equipment for its health facilities leaving donors to fill the gap. This makes such trend not sustainable given the growing and competing needs and priorities for donors in the country.

South Sudan remains among the top donor recipient in the health sector. The major health and COVID-19 response in the country is funded and managed by donors<sup>33</sup>. Generally, there are three main donor funding mechanisms for health in South Sudan. The external sources of funding constitute the largest proportion of the health financing. Since independence, donors have been financing more than 70% of total expenditure for health, covering 87% of the health facilities countrywide. The share of donor financing has remained constant over time, ensuring the delivery of basic health services in the states. However, the dependency on donors poses a problem for the type of health system that the government intends to develop that will be necessary to offer free, quality and sustainable primary healthcare, as stated in the South Sudan Transitional Constitution, 2011. This high donor dependency reveals a huge concern for financial sustainability for the health sector. This calls for government efforts to explore other options to finance the health sector in South Sudan.

The pandemic attracted immense funding response from various donors to support the government curb the spread of the virus. By the end of June 2020, donors had contributed more than US\$27 million in funding.<sup>34</sup> In addition, private companies donated more than US\$50 million worth of in kind medical and non-medical supplies, including aprons for protection, disposable gloves, surgical gloves, examination face shields, disposable respirators, masks, FFP2/N95 masks, gowns, surgical/isolation protective goggles, wraparounds, indirect vent biohazard bags, lab screening test kits, lab confirmation test kits, RT-PCR reaction kits, and ventilators, among others, to step up prevention response and case management. Most bilateral donors channelled their funding through the humanitarian system and private companies through the National Taskforce on COVID-19. Despite this positive gesture from different donors, there is little evidence of the impact as cases continue to surge amid weak testing and case management capacities. This is manifested in the lowest testing rate, weak testing capacity, limited bed capacity

with full ventilators, and weak surveillance. Meanwhile, the government has not provided any funding, equipment or supplies from its own national coffers. This has affected the consistent response to slowdown the infection and combat the COVID-19 related livelihoods impact on the most vulnerable. As the pandemic rages on across the world, donor funds to developing countries is shrinking, putting more pressure on the need for local financing of health services. And for this to take shape, the government needs to urgently focus on rebuilding the health system, but first ensure peace, stability and reforms are prioritized.

## 5. Discussion and conclusion

The onset of COVID-19 pandemic has increased vulnerability of the country that is already experiencing multiple shocks. South Sudan is struggling to contain devastating floods, hunger, disease outbreaks, economic turmoil, communal violence, and political transitions. Even the unpredictable macroeconomic situation poses additional risks of vulnerability. As this paper has pointed out, the convergence of these shocks, coupled with COVID-19, has imposed significant challenging state for a country in transition.

In the trade sector, the positive posture of the macroeconomic outlook is threatened by the impact of COVID-19 on cross-border trade, small and medium businesses have crushed due to the restrictions imposed by the government. With no government economic package to bail out ailing businesses that employ thousands of youth and women, recovery is nearly impossible in the short and medium term. The impact at household level will deepen hunger, malnutrition and psychosocial distress among many parents. While there are no official statistics to show the extend of job losses in the public, private and humanitarian sector, many middle class employees have lost jobs due to sudden project closures and business collapse due to the pandemic. Even the government has struggled to pay its public servants wages adequately and timely.

As the trade sector tumbles, government revenues shrunk. Although the country depends hugely on oil revenues, the global oil crash in 2020, coupled with the knock-on effects of the civil war and heavy transitional financial obligations to Sudan, makes the non-oil revenue sector insufficient to jump-start the economy. In 2020, the government witnessed steady decline of non-oil revenues especially at the Nimule–Elegu border between South Sudan and Uganda. The amount of revenues collected in 2020 remains lower than the expected target as per the last quarter of 2019. This is a major concern to an economy already facing distress from other factors including political instability and climate shock. Meanwhile, the NRA figures that pose positive trend compared to the taxes at border point offers hope for recovery, but it is only a fraction of expected non-oil revenue. The linkage of COVID-19 impact on trade and revenue generation is clearly stated; increase in trade volume means more revenues for government and vice versa. What has also come out in this study is that the parallel management of revenues creates unclear growth path in the economy. South Sudan revenue sector is manned by two institutions,

the Customs Services under the Ministry of Interior, and National Revenue Authority under the Ministry of Finance. Trade and revenue data management and access remains a big concern to help government plan relevant interventions. There is big opportunity on the government side to leverage the reforms in the peace agreement and partners' willingness to support transparent and accountable financial management in the trade sector.

On the peace process, nothing much can be achieved in terms of trade and basic social services unless there is peace, stability, and genuine political will for reforms. The delays and change of attitudes by elites brought by COVID-19 has caused immeasurable consequences to the country's transition. Due to COVID-19 and related restrictions, key peace implementation activities and timelines were missed. This is because political elites used the pandemic as an excuse to stifle the progress in the implementation. However, the consequence is that the government response to prevent the spread of the virus was affected because there were no subnational government institutions to enforce guidelines. The delay in forming the state and local government, national assembly and unification of the forces has affected the response mechanisms. Meanwhile, the peace monitoring bodies and guarantors in the region and beyond were unable to maintain the pressure on the parties to implement the agreement. The civil society and religious leaders' advocacy efforts and civic education stalled. Media attention turned away from disseminating and highlighting the implementation and holding elites accountable to covering COVID-19 response and preventive messages.

The COVID-19 pandemic caused major disruption to essential health services delivery in South Sudan. In a health system that is delivered by humanitarian agencies, the pandemic outbreak and government response exacerbated already dire health services. The preventive measures have limited movement of medical supplies and critical health personnel to peripheries. Such disruptions in essential health services led attention to be shifted away from responding to high risk causes of mortality and morbidity like malaria, pneumonia and diarrhoea to responding to the COVID-19 shock. Maintaining essential health services during and after the COVID-19 pandemic remains crucial to mitigate extend of negative impact and protect the gains made over the past years in reducing maternal and child mortality in the country.

The pandemic affected both the supply and demand for health services. On the supply-side, medical personnel providing essential health services have been diverted to respond to COVID-19. This has caused unintentional negative consequences in responding to other major diseases like malaria and acute respiratory infection which are among the top causes of death in the country. The weak health system is already exposed as the country struggles to manage the increasing cases of COVID-19 as well as continue to treat and prevent the spread of other diseases. The global supply chains for essential supplies and equipment have been disrupted due to production shifting focus to COVID-19 related supplies, declines in production due to disruptions in the availability of raw materials, and substantial delays in delivery times due to transport

and movement restrictions imposed by the government such as border closures. On the demand-side, health services need to continue to rise amid the devastating floods of 2020 and outbreaks of other diseases. The health cluster estimates that 3.3 million people, including 1.8 internally displaced and 300,000 refugees, are in need of health care services. Yet with COVID-19, struggling economy, and unpredictable peace process, there is little to be done to holistically address challenges facing the health system.



## 6. Lessons learnt and policy recommendations

**Implementation of the peace agreement is critical to sustained COVID-19 response, improves cross-border trade and delivers peace dividends:** Political stability and reforms enshrined in the agreement are critical drivers for better response mechanisms to the pandemic. The formation and function of the state and local governments creates the structures at the subnational level to enforce public health guidelines. Meanwhile, stable security environment will boost trade and revenues for the government to fund social services, including health service delivery. Regional and international actors should maintain focus on the peace process.

**Adapt local trade and market functionality to create favourable environments for SMEs to survive:** As the COVID-19 situation is anticipated to last longer and lockdowns no longer sustainable, the government should structure the markets to avoid major disruption of local trade and market systems. This can include government reviewing the local market arrangements to allow adherence to the health guidelines for vendors and buyers.

**Strengthen the ‘formal’ financial market to support SMEs:** The commercial banking and insurance sector needs to step out from the current model of operations—cash holding for corporate bodies and middle elites. With government support and regulation, they should initiate products to support local businesses to access financial services. The financial market is dominated with savings and withdrawals, and offering no loan facility to businesses. Even those who access the loans have to pay heavily in interest. The government should engage the financial institutions to provide loan facilities to small and medium businesses to revamp their operations. In addition, the government should pay its loans to commercial banks and suspend certain taxes for SMEs as economic relief package to businesses.

**Government and partners should invest in social safety net programmes:** The development partners, humanitarian agencies, and government should invest in social safety net programming that focuses, not only on short-term livelihoods assistance to the most vulnerable, but also build recovery activities to create jobs for women and youth. It is critical for the humanitarian effort in the food security and livelihoods sector to be co-ordinated to respond to the economic and market shock.

**Fast track the establishment of the youth and women enterprise development fund:** As per the provision of Chapter Four of the revitalized peace agreement, the government and development partners should expedite the legislation, establishment and operationalize the enterprise fund for women and youth. This will increase business opportunities and employment for women and youth. The government should focus on creating enabling environment for women to participate in the informal and formal economy. Enacting favourable laws that protect local businesses and investing in trainings and capital for women will boost local innovations in the trade sector.

**South Sudan stands to benefit from integrated regional trade policy:** The implementation of the relevant EAC trade policies will be relevant to South Sudan due to its landlocked status. The country still has no institutions to independently regulate and navigate through challenging times like in COVID-19 pandemic. Regional policy and programmes, including improved border management, e-taxation regime and e-commerce, will remove administrative hurdles and offer immediate opportunity to increase trade.

**Review and harmonize the taxation policy:** South Sudan tax regime remains complicated with different institutions applying various tariffs. The taxation and financial acts should be reviewed and harmonized for consistency. Reforms in the operationalization of these laws by different entities should be revised to remove the triple taxation. The national and state level tax regime should be clear and guided by legal frameworks. This is critical to boost investment in the country. The review and harmonization of the taxation laws should also reduce taxes on SMEs and personal income taxes on private sector employees to encourage domestic investment.

**Streamline revenue collection institutions:** The government inability to structure the revenue sector is counterproductive to its resource mobilization efforts. The current revenue system of both Customs Services under the Ministry of Interior, and National Revenue Authority under the Ministry of Finance, both managing taxation is not sustainable. It aids mismanagement of funds at a time the government desperately needs non-oil revenues to increase its income and finance critical economic and social service sectors. The government will benefit from the introduction of digital technology in its tax management to adapt to the realities of COVID-19 context.

**Government should invest in the health system:** The government should step up its financing of the health sector. This should include increasing the annual budget allocation for the sector to at least 10%, and put money in key health system activities, including decent remuneration of health workers, procurement of medical supplies, and upgrading physical infrastructures. The current funding and support by humanitarian partners is not sustainable as they focus on emergency health programming without creating the structures that will respond to similar health crisis in future.

**Sustain gains in the health sector:** The government's COVID-19 response should not be at the expense of addressing the leading causes of mortality and morbidity. There has been significant progress made in reducing disease burden and mortality rates in the last ten years. But these gains are at risk due to the focus shift to the pandemic in 2020. It is important that humanitarian partners and the government integrate COVID-19 response into existing health programming to ensure the gains made over the past years are not lost. It also ensures the health system becomes resilient to shocks.

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To strengthen local capacity for conducting independent, rigorous inquiry into the problems facing the management of economies in sub-Saharan Africa.

The mission rests on two basic premises: that development is more likely to occur where there is sustained sound management of the economy, and that such management is more likely to happen where there is an active, well-informed group of locally based professional economists to conduct policy-relevant research.

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