



## Activity brief (December 2014)

### Technical Assistance to the Ministry of Petroleum, Mining and Industry, South Sudan

1 August 2012 – 30 April 2015



**Background:** Since South Sudan's independence in July 2011, the country's economy has been almost completely dependent on petroleum revenues. The shutdown of South Sudan's oil production in January 2012, due to an ongoing dispute with neighbouring Sudan over oil export fees, greatly weakened its fledgling economy and left the Government without revenues.

**Objective:** The activity's key objective is to support the implementation of the legislative, regulatory and institutional framework for the development of South Sudan's minerals sector.

**Activity description:** Recognising the South Sudanese Government's need to diversify its revenue base, the Australian Government is funding a two-year technical assistance program within the Ministry of Petroleum, Mining and Industry ('the Ministry'). The activity, delivered under the AAPF, has recruited a strategic minerals sector adviser from Adam Smith International to assist the Ministry to establish a governance framework for the minerals sector and to build the capacity of the Ministry to administer the sector.

Over the course of this activity, the Ministry will lead the development and protection of South Sudan's mineral resources and establish the necessary regulatory environment for attracting private investment and negotiation of exploration and mining agreements. The timeframe for the activity was initially one year, and it was subsequently extended for another year. The extension will further equip the Ministry to ensure that resources are extracted in a sustainable way to maximise revenues, protect the environment and contribute significantly to local community development.

Over the course of the activity, the adviser will assist the Ministry by:

- providing strategic advice and operational support;
- promoting responsible investment in the mining sector;
- supporting institutional strengthening and capacity building of staff;
- preparing an action plan for the implementation of a mining cadaster system; and

- fostering increased bilateral and multilateral relations in the mining governance sector.

#### Results to date:

In November 2012, after just three months into the activity, the adviser played a key role in facilitating the passage of the mining bill through the South Sudanese Parliament. The bill was subsequently enacted into law. The law formally established the Ministry and granted it the legal mandate to operate as the regulator of the sector. Furthermore, the mining legislation helps to foster foreign investment, economic growth and social development, and it formally establishes a mining cadastre to issue and manage mining licences.

#### Other key results:

- The drafting of the Mining (Mineral Titles) Regulations has been completed.
- The Exploration and Mining Agreement Regulations have been drafted and will be developed within the Ministry to address principle policy issues as well as technicalities.
- The adviser has supported the Ministry to develop an action plan for the implementation of a manual mining cadastre.
- The drafting of the Community Development Regulations are at an advanced stage.

**Expected outcomes:** Outcomes for the remainder of the activity include improved:

- functioning and efficiency of the Ministry through the institutional review process;
- capacity of the Ministry to sustainably administer the mining sector;
- capacity of the Ministry to effectively promote responsible investment in the mining sector; and
- capacity of the Ministry, with trained staff, to administer and manage a fully functional digital cadaster system.

<b>Date approved:</b>	28/03/2012
<b>Implementation partner:</b>	Ministry of Petroleum, Mining and Industry, South Sudan
<b>Total cost:</b>	AUD 1 822 468