

## **SOUTH SUDAN FIRST POLICY**

### **What is a South Sudan First Policy?**

A policy encouraging organizations and companies operating in South Sudan to purchase goods and services from local suppliers whenever possible. This approach is intended to help create jobs, build the local market, and contribute to peace and stability.

### **Why is there a need for a South Sudan First policy?**

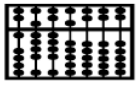
- Previous research on the local economic impact of international assistance shows that only a small portion of aid money pledged and spent on developing countries is actually channeled into the economies it is meant to help. Most of it is actually spent outside the country on imported and outsourced goods and services and on the salaries of foreign experts.
- Despite that, this small amount of money has a significant local impact. It generates taxable revenues for the host government, builds the private sector through new business opportunities, restores livelihoods by creating jobs and contributes to peace and stability.
- Adopting a South Sudan First policy and practice allows organizations and companies to significantly increase their local impact in South Sudan.

### **Why South Sudan?**

- A South Sudan First approach can help the newly independent country capitalize on international investment and aid by driving millions of new money into the South Sudan economy - simultaneously building capacity and ownership in the development process.
- Billions of dollars will soon be spent on South Sudan, but aid levels will drop off. Adopting a South Sudan First policy can help ensure that the international community's spending has the greatest possible impact on the ground and promotes economic growth by strengthening the private sector.

### **How do we know such an approach is effective?**

- Evidence shows that local purchasing dramatically boosts Gross Domestic Product (GDP), stimulating economic growth and job creation and supporting peace and stability.
- It presents an opportunity to spend the development dollar twice. For example, a donor can spend \$1m to build a hospital with imported goods and services and leave a hospital behind. Or they can use local suppliers to build a hospital and double their impact by also restoring livelihoods, generating tax revenue and revitalizing the local marketplace.
- A Host Nation First approach has been endorsed in other mission areas by the United Nations, United States State Agency for International Development and Department of Defense, the British Department for International Development and Ministry of Defense, and is in the spirit of the Paris Declaration on Aid Effectiveness. *This precedent can be adopted by donors and other international entities operating in South Sudan.*



***Peace Dividend Trust***

Building a Better Peace

How can I learn more?

- Peace Dividend Trust currently offers services that facilitate local procurement for both buyers and suppliers in Afghanistan, Haiti and Liberia. Find out about these projects and their results at [www.buildingmarkets.org](http://www.buildingmarkets.org) or [www.peacedividendtrust.org](http://www.peacedividendtrust.org)



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BUILD SOUTH SUDAN.**

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