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PRESS STATEMENT
Institute of Social Policy and Research (ISPR)
On the Approval of the USD 2 Billion Roads Project Backed by Gold Collateral

The Institute of Social Policy and Research (ISPR) welcomes the decision of the Council of Ministers, chaired by H.E. Salva Kiir Mayardit, to approve the USD 2 billion national road infrastructure project aimed at constructing and upgrading over 1,031 kilometers of strategic roads across South Sudan.

Infrastructure development remains a cornerstone for economic growth, national integration, improved trade, and access to essential services. The proposed upgrading of key corridors including Juba–Yei–Kaya, Yei–Faraksika–Maridi, Juba–Lobonok–Moli Junction, and Wau–Raja–Boro Medina demonstrates a recognition of the urgent need to improve connectivity within the country.

However, while ISPR acknowledges the strategic importance of this initiative, we express serious concerns regarding the overall project cost and financing structure, particularly the use of national gold reserves as collateral.

Concern Over Cost and Value for Money

At USD 2 billion for approximately 1,031 kilometers, the implied cost per kilometer appears significantly high when compared to regional benchmarks. For example, in neighboring Uganda, the Koboko–Yumbe–Moyo road project (approximately 103–105 km) is estimated at USD 130.8 million — translating to about USD 1.25 million per kilometer.

This comparison raises legitimate policy and public finance concerns:

- Does the approved cost reflect competitive market rates?
- Was there an open and transparent procurement process?
- Does the agreement meet South Sudan’s public procurement and value-for-money requirements?
- Has a detailed technical and financial feasibility assessment been made public?

Public infrastructure investments must align with the principles of transparency, accountability, and fiscal responsibility. Any deviation risks undermining public trust and placing unsustainable burdens on future generations.

Gold as Collateral – A Strategic National Asset

Gold reserves are sovereign assets belonging to the people of South Sudan. The decision to back a sovereign guarantee with gold requires heightened scrutiny. ISPR emphasizes that: The terms of the sovereign guarantee must be publicly disclosed.

- The repayment structure and risk exposure must be clearly defined.
- Parliament must exercise full oversight authority.

- Communities in gold-producing areas must be meaningfully consulted.

Communities where gold mines are located are primary stakeholders. Their rights, environmental protection, benefit-sharing arrangements, and local development priorities must be respected and safeguarded.

ISPR Recommendations

To Parliament:

1. Conduct a comprehensive review of the sovereign guarantee arrangement.
2. Demand a detailed cost breakdown per kilometer.
3. Commission an independent technical and financial audit.
4. Ensure strict compliance with procurement laws and anti-corruption standards.

To the Council of Ministers:

1. Reconsider and reassess the cost structure in line with regional benchmarks.
2. Ensure transparency of contractual terms.
3. Protect national gold reserves from undue fiscal risk.
4. Strengthen public communication and stakeholder engagement.

To the Ministry of Roads and Bridges:

1. Provide technical justification for the project cost.
2. Benchmark road construction costs regionally.
3. Establish robust monitoring and quality assurance mechanisms.
4. Guarantee competitive and transparent procurement processes.

Conclusion

ISPR supports infrastructure development as a national priority. However, development must be guided by sound public policy, fiscal discipline, transparency, and the protection of national assets.

We respectfully call upon the Council of Ministers to reconsider the cost implications of this project and ensure that it reflects true value for money and fully complies with South Sudan's procurement and public finance regulations.

Issued by:



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