Wednesday, 15th July, 2026

Joint Statement of the National employees' Unions on the implementation of the National Social Insurance Fund (NSIF) Act 2023 and the Ministry of Labour Public Circular No. 5/2026

We, the undersigned representatives of the National Employee workers' Trades, Unions, and Workers Society of South Sudan in the Oil sector Joint Operating Companies (JOCs); Dar Petroleum Operating Company (DPOC) National Staff Union (DNSU), Greater Pioneer Operating Company (GPOC) South Sudan Workers' Trade Union of Petroleum and Mining sub-office, Sudd Petroleum Operating Company (SPOC) Cooperative and Society and the Nation Employees Union of South Sudan (NEUSS) representing National Employees of NGOs, Diplomatic Missions, International Organization and other private entities issue this Joint Statement renewing our earlier calls following extensive consultations among our members regarding the implementation of the National Social Insurance Fund (NSIF) Act 2023 and the issuance of the Ministry of Labour's Public Circular No. 5/2026.

The Joint Statement reflects the collective position of the private sector National Employees across South Sudan who will be directly affected by the compulsory remittance of National Social Insurance contributions under the Act.

At the outset, we reaffirm that we **support the principle of social insurance** and recognize its importance in protecting workers against social and economic risks. We therefore do not oppose the establishment of a National Social Insurance Fund (NSIF) as a national social protection institution.
However, we are equally convinced that a compulsory contributory social insurance scheme can only succeed where it is founded upon legality, inclusivity, transparency, institutional independence, professional governance, financial integrity and the confidence of contributors. Our concern, therefore, lies **not in the objective of the Act, but in the manner in which it is presently being operationalized.**

Before outlining our concerns, it is important we clarify the unique nature of the National Social Insurance Fund (NSIF) . Unlike government institutions or state-owned corporations that manage public assets or collect taxes and other government revenues, the NSIF is fundamentally a **custodian of employees' deferred earnings** and National Social Insurance (NSI) contributions are **not taxes, fees, or public revenue**; they are compulsory savings deducted directly from employees' salaries and matched by employers for the exclusive benefit of the contributing National Employees and their dependents as provided by the law.

For that reason, the success and sustainability of the NSIF depend not only on legal compulsion but, more importantly, on the confidence and willingness of employees and employers to entrust the Fund with their lifelong savings. Such confidence can only be earned through transparent and inclusive governance, legal compliance, institutional independence, transparent management and prudent stewardship of contributors' funds.

Our shared concerns

Following consultations with employees across the affected sectors, we have identified the following common concerns:

1. **Institutional readiness and sequence**

The current implementation appears to have commenced before the Ministry of Labour had demonstrably completed the institutional, operational, and governance prerequisites necessary for administering compulsory workers' contributions. We observed that Circular No. 5/2026 was issued **BEFORE** the prerequisites, such as transparent and inclusive constitution of the Board of Trustees and Executive Management, availability of **contributor-informed** regulations, operational manuals, digital platforms, financial control mechanisms, and conduct of employer and employee registration and public awareness programmes.

Employees believe and demand that prior to the establishment of rigorous, transparent and inclusive governance systems, regulations, operational manuals, digital platforms, financial control mechanisms, employer and employee registration, and public awareness programmes should precede compulsory remittance. Therefore, directing (through the circular) employers to commence remitting contributions before completing the institutional, legal, and operational prerequisites, and only subsequently announcing the development of many of these foundational systems through the NSIF's public communications appears akin to **putting the cart before the horse**.

2. **Governance and Independence**

We have observed a shift in the appointment, management, and posture of key position holders in the Board of Trustees and Executive Management, contrary to the NSIF Act 2023. In particular, we have observed that the Chairperson of the Board of Trustees was likely nominated by the Ministry of Labour in what appears to be the creation of an ex officio position or appointed by the members of the Board of Trustees, contrary to Section 11 (1) of the National Social Insurance Fund Act 2023. We also observed that the Managing Director was appointed in contravention of Section 36 (1) and (4) of the NSIF Act 2023. The same is also true for all other officials of the Board and Executive Management who were silently assembled without the due processes required and desired by the NSIF Act 2023.

Employees therefore demand that the governance and management structures of the National Social Insurance Fund (NSIF) be constituted fully in accordance with the National Social Insurance Fund (NSIF) Act 2023, the best practices for governing and managing a National Social Insurance Scheme as is the case in the world, and that the appointment to the Board and Executive Management of the Fund follow transparent, merit-based and legally compliance procedures.

Lastly, we have observed that the Undersecretary Ministry of Labour is made the Chairperson of the Board of Trustees, and as the Board of Trustees has much governing powers over the Fund according to the NSIF Act 2023, we see this as too much concentration of powers and a compromise of the independence of the Ministry of Labour to provide its neutral oversight, accountability and policy direction to the Fund. We urge that the NSIF should not be treated like any other state corporation, as it is a **trustee**, simply task with management of employees' mandatory deductions (savings) to be paid to them at a later time, rather than a public revenue/tax generating institution. The credibility of the Fund depends significantly upon employees'

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trust, willingness and public confidence in the independence, competence and integrity of its governing and managing structures.

3. Representation of Contributors to the NSIF Board of Trustees

According to the NSIF Act 2023, the primary and only financial contributors to the NSIF are the employees and employers from the relevant sectors. The government only establishes the legal framework, ensures effective oversight, and safeguards contributors' funds. Therefore, the credibility of employees' and employers' representatives is key to ensuring employees' and employers' willingness to contribute and to be confident in the scheme.

We have observed that the people or bodies purporting to represent employees and employers were not duly nominated to the Board of Trustees by the credible membership organizations of employees and employers. It is very likely that these individuals quietly self-nominated or that the Ministry of Labour nominated them without the consensus of their membership organizations. In particular, the so-called **Social Insurance Beneficiaries Union (SIBU) of Mr. Elijah Manyok Jok** exists largely as a briefcase union as the National Employees only became aware of its existence through the announcement of NSIF itself dated Friday, June 26, 2026. The same applies to the purported representative of the employers **Mr. Bol Andrew Wieu**. Many employers or their associations are largely unaware of his nomination to the NSIF Board of Trustees.

The National Employees demand that the representatives of employees and employers on the Board of Trustees be reconstructed through transparent, lawful and inclusive nomination processes by genuinely representative organizations in full compliance with the NSIF Act 2023.

4. Transition from Circular No. 3/2010

The transition from the Ministry of Labour and Public Service Circular No. 3/2010 to the National Social Insurance Fund (NSIF) requires greater clarity. Although the National Social Insurance Fund (NSIF), rather than the Ministry of Labour, announced through its official Facebook page on Wednesday, 1 July 2026, that the implementation of Circular No. 5/2026 would not apply retrospectively, we consider this clarification insufficient.

Employees seek clear guidance regarding:

- Accrued contributions;
- Pending obligations;
- Employees approaching retirement;
- Employees working on contracts that are based on uncertain short-term donor funding;
- Employers holding accumulated National Social Insurance contributions; and
- Equitable treatment of contributors during the transition.

All such concerns are critical and remain unresolved. Furthermore, a clarification of such legal and policy significance ought to have been communicated through an official circular or directive issued by the Ministry of Labour, which initially issued Circular No. 5/2026, rather than through a social media post by the NSIF. This has created unnecessary uncertainty regarding institutional roles, accountability and the proper exercise of statutory mandates, thereby further eroding employees' and employers' confidence in the implementation of the scheme.

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5. **Labour Market Realities**

A substantial proportion of South Sudanese employed in NGOs, diplomatic missions, and the private sector work under short-term, project-based, or renewable contracts due to the unpredictability of donor projects and the economic health of the country.

Consequently, employees seek clarification regarding the practical implications of the qualifying contribution periods provided under the Act, particularly for:

- Employees engaged on short-term contracts;
- Workers approaching retirement;
- Employees experiencing interruptions in employment; and
- Highly mobile labour within the humanitarian and development sectors.
- High turnover in the Oil sector's employment, particularly among JOCs secondees, where staff are usually recalled after a short period of time.

Due to the short-term nature of employment contracts in these sectors coupled with rampant unemployment, as well as the uncertainty on what will happen to the contributions by employees already approaching retirement before the introduction of NSIF, employees fear contributions won't be easily accessible if not totally inaccessible to the rightful owners based on the conditions laid out in the NSIF Act 2023.

In addition, while the employees recognize that the qualifying periods, contribution structure and benefit formulas are established by the Act, they wonder if a credible formal South Sudan-specific Actuarial Valuation and other labour market studies were done to establish rates, formulas, qualifying periods and other parameters.

Employees therefore demand a review in light of South Sudan's labour market, whether these statutory parameters remain appropriate or whether legislative refinement may be warranted before enforcement of the Act.

6. **Meaningful stakeholder consultation and participatory decision-making.**

A national social insurance system ultimately depends upon meaningful core stakeholder participation. The National Employees, employers, and other critical stakeholders, through their officially designated representative organizations, were not meaningfully consulted in all the legislative processes before the issuance of Circular No. 5/2026 and after the Ministry of Labour and NSIF announced major changes/directives. It was only after the National Employees had raised their concerns that the Ministry of Labour, Ministry of Humanitarian Affairs, and NSIF held very few meetings with the NGO Forum. Other employers, such as the Diplomatic Missions, JOCs and other private sector entities stipulated in the NSIF Act 2023, were not consulted. Employees, the foundation on whom the Fund rest on their shoulders, were NEVER consulted on both the legislative processes and the operationalization of the NSIF Act 2023.

Employees respectfully submit that broad stakeholder consultation on the operationalization of the NSIF Act 2023, public awareness, transparent communication, and participatory decision-making should precede major implementation decisions affecting contributors' lifelong savings and retirement security. Until such credible consultations take place, the credibility of the NSIF is in serious doubt, and employees and employers will be hesitant regardless of compulsion to contribute.

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7. **Public trust and institutional credibility.**

Finally, this matter extends beyond technical implementation. It concerns the confidence of South Sudanese workers in public institutions entrusted with safeguarding their lifelong savings.

The success of any national social insurance scheme depends not merely upon legislation and rushed compulsion, but upon public trust, institutional credibility, transparency, accountability, and demonstrated capacity to protect contributors' interests over many decades.

Employees respectfully submit that public confidence in any new private sector contributory social insurance scheme is influenced by the broader performance of existing public pension and retirement benefit systems. It is a matter of public knowledge and concern that almost, if not all, South Sudanese public servants have experienced significant challenges in accessing their retirement and pension benefits under the existing South Sudan Pension Fund. Without attributing responsibility for those challenges, employees respectfully request that the Ministry of Labour and the public consider whether it is ethically and logically sound for a private sector social insurance scheme to be very urgent and to succeed in a place where a public pension fund hasn't.

The Ministry of Labour and the public may also wish to consider the ethical and public policy question of whether confidence in a new national social insurance scheme would be strengthened by first demonstrating consistent effectiveness, accountability, and timely delivery under the existing South Sudan Pension Fund.

In light of the above, we respectfully demand the following from the Ministry of Labour:

1. Cancel the implementation of the Ministry of Labour Public Circular No. 5/2026 pending an inclusive, comprehensive review of the implementation framework.
2. Allow the continued application of the Ministry of Labour and Public Service Circular No. 3/2010 as an interim transitional arrangement until the statutory prerequisites for implementation have been fully satisfied and agreed with the employees, employers, civil society, and development partners.
3. Establish an inclusive national consultative process involving relevant state institutions, employers, employees, professional bodies, civil society organizations and development partners on the content and operationalization of the NSIF Act 2023
4. That, pending the conclusion of an inclusive consultative process and the attainment of consensus among all key legitimate stakeholders to the National Social Insurance Fund (NSIF), all NGOs, Diplomatic Missions, JOCs and other Private Sector Entities shall maintain the existing arrangements under Circular No. 03/2010, and shall not remit social insurance contributions to the National Social Insurance Fund (NSIF) under Circular No. 5/2026. Such remittances should only commence after all legal, procedural, operational, management and governance concerns have been comprehensively addressed and agreed upon by the affected national employees and other relevant stakeholders.
5. Review the governance and management arrangements of the National Social Insurance Fund (NSIF) to ensure full compliance with the NSIF Act 2023 and internationally accepted standards of social insurance scheme governance. These include the constitution of the Board of Trustees and Executive Management, availability of contributor-informed regulations, operational manuals, digital platforms, financial control mechanisms, and conduct of employer and employee registration and public awareness programmes

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Commission an independent and credible national actuarial valuation, labour market assessment, demographic analysis and financial sustainability study to scientifically establish the appropriate contribution rates, qualifying periods, benefit structures, funding requirements and other key parameters of the National Social Insurance Fund, and use the findings to review and, where necessary, amend the Act before full implementation.

We strongly believe that a matter involving employees' lifelong savings, retirement security, and social protection cannot succeed without broad national consensus, public trust, institutional credibility, and full stakeholder participation. Accordingly, any final decision on the implementation framework should only be reached through full agreement and meaningful consultation among Employees, Employers, Civil Society, Government, and Development Partners. We assert that the previous arrangement under Circular No. 03/2010 already provided the required national employees' social insurance and was widely accepted by employees and employers.

We strongly caution that any attempt to compel the employers to remit contributions without the consent of national employees may expose the NSIF to serious legal and ethical challenges. Such a measure would equate the Fund to the Public Pension Fund that we are all aware of its financial health and can be viewed as funding an institution that undermines labour rights. It may also be argued that compulsory remittance to underdeveloped institution deprives beneficiaries of their rightful earnings and infringes the lawful requirement that wage deductions generally need employees' consent. Our appeal to the Ministry is to cancel circular number 05/2026 and reinstate the previous circular number 03/2010.

In light of the foregoing concerns and the absence of a satisfactory resolution, our Legal teams remain instructed to institute legal actions challenging the Ministry of Labour Public Circular No. 05/2026 and to pursue all lawful remedies available under the laws of South Sudan, as well as other applicable international labour standards and legal instruments. We remain committed to engaging respectfully and constructively toward a sustainable and trusted social insurance system for all employees in South Sudan.

Signed:

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