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# SUDESA DEVELOPMENT FUND

*CATALYZING PUBLIC-PRIVATE PARTNERSHIPS FOR LASTING CHANGE*

**CREATED BY**

EUSL AB

*Care to Change the World*

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# SUDESA Development Fund

## Chapter 1 — Preamble and Legal Basis

### 1.1 Establishment.

This Charter establishes the SUDESA Development Fund (“SDF”) as a ring-fenced financing window within the Digital Transformation Investment Facility (“DTIF”), administered by the South Sudan Development and Social Equity Agency (“SUDESA”) under the oversight of the Joint Steering Committee (“JSC”). The SDF’s purpose is to retain a transparent national development margin for Government-prioritized initiatives that are consistent with Agenda for Social Equity 2074 and the Seven Agreements.

### 1.2 Legal foundations and hierarchy.

The SDF derives its authority from the Host Country Agreement establishing SUDESA, the DTIF Charter and Operating Manual, and the SUDESA Governance Manual. In the event of inconsistency, the following order of precedence shall apply: (i) Host Country Agreement; (ii) DTIF Charter; (iii) this SDF Charter; (iv) SUDESA Governance Manual; and (v) JSC-approved operating policies and templates.

### 1.3 Standards and compliance.

Financial reporting and internal control for the SDF shall conform to International Public Sector Accounting Standards (IPSAS); environmental and social risk management shall conform to the African Development Bank’s updated Integrated Safeguards System (ISS) and/or the World Bank Environmental and Social Framework (ESF); procurement disclosure shall conform to the Open Contracting Data Standard (OCDS); and cybersecurity, data governance, and incident management shall follow profiles under NIST Cybersecurity Framework 2.0 and the roadmap of ISO/IEC 27001:2022. These references are incorporated by reference for purposes of interpretation and implementation ([IPSASB 2024 Handbook](#); AfDB ISS—effective 31 May 2024; [World Bank ESF](#); [OCDS Documentation](#); [NIST CSF 2.0](#); [ISO/IEC 27001:2022](#)).

### 1.4 Scope of application.

The SDF applies to all programs, projects, and activities financed from its ring-fenced resources, including but not limited to digital public infrastructure, quick-win social infrastructure, agricultural value-chain enablers, and Agenda 2074 social equity initiatives, provided that such activities satisfy the conditions precedent and ongoing covenants in this Charter and the DTIF Charter.

### 1.5 Duration and survival.

This Charter shall be coterminous with the DTIF unless amended or terminated by the JSC in accordance with Chapter 15 of the DTIF Charter. Survival clauses shall apply to audit, disclosure, data retention, and remedies.

### 1.6 Privileges and immunities.

Nothing in this Charter shall be construed as a waiver of any privileges and immunities conferred under the Host Country Agreement or applicable law.

## Chapter 2 — Definitions and Interpretation

### 2.1 Definitions.

For the purposes of this Charter, the following terms shall have the meanings set out below:

- (a) **“Charter”** means this SUDESA Development Fund Charter and Operating Manual, as amended from time to time.





- (b) **“DTIF”** means the Digital Transformation Investment Facility governed by the DTIF Charter and Operating Manual.
- (c) **“JSC”** means the Joint Steering Committee with supreme oversight of SUDESA and DTIF governance decisions.
- (d) **“DTSC”** means the Digital Transformation Steering Committee exercising technical assurance and stage-gate functions.
- (e) **“SDF”** means the ring-fenced SUDESA Development Fund established herein.
- (f) **“National Development Margin (NDM)”** means a fixed, JSC-approved percentage of **Mobilized Resources** credited to the SDF, net of approved administrative fees and indirect cost recovery.
- (g) **“Mobilized Resources”** means all resources committed to or through DTIF for eligible activities, including grants, concessional loans, aligned trust funds, and qualifying PPP proceeds.
- (h) **“Financing Eligibility Baseline (FEB)”** means the minimum sovereign digital, fiduciary, safeguards, and transparency controls that must be achieved and certified by the DTSC as a **condition precedent** to any SDF allocation. The FEB encompasses, at a minimum: (i) enterprise data classification and a sovereign hosting statement; (ii) a **Zero-Trust** security baseline and incident notification procedure aligned with **NIST CSF 2.0** and an **ISO/IEC 27001** roadmap; (iii) designation and liaison with a national **CERT**; and (iv) operational procurement disclosure consistent with **OCDS** ([NIST CSF 2.0](#); [ISO/IEC 27001:2022](#); [OCDS](#)).
- (i) **“Eligible Use”** means an application of SDF resources consistent with Chapter 5, applicable safeguards (AfDB ISS/World Bank ESF), and disclosure requirements (AfDB ISS; [World Bank ESF](#)).
- (j) **“OCDS Publication”** means end-to-end publication of procurement data and documents across planning, tender, award, contract, and implementation stages in conformance with the latest **OCDS** version and guidance ([OCDS](#)).
- (k) **“IFR”** means a quarterly Interim Financial Report prepared in accordance with **IPSAS** and DTIF templates ([IPSASB 2024](#)).
- (l) **“External Auditor”** means an independent auditor appointed under DTIF procedures and performing audits in accordance with **ISA** and public-sector assurance principles of **INTOSAI ISSAI 100** ([ISSAI 100](#)).
- (m) **“ESG Instruments”** means environmental and social risk management instruments required under AfDB ISS and/or World Bank ESF (e.g., ESIA, ESMP, SEP, LMP, RAP).
- (n) **“MEL”** means the unified Monitoring, Evaluation, and Learning system aligned with Agenda 2074, including ROI indicators and public dashboards.

## 2.2 Interpretation.

Headings are for convenience only and do not affect interpretation. Unless the context otherwise requires, words in the singular include the plural and vice versa; references to statutes or standards include their successors and amendments; and references to “including” mean “including without limitation.”

## 2.3 Incorporation by reference.

The DTIF Charter, SUDESA Governance Manual, applicable procurement regulations and complaints mechanisms, and the Disclosure Policy are incorporated herein by reference to the extent not inconsistent with this Charter ([World Bank Procurement Regulations, Nov. 2020](#)).

## Chapter 3 — Purpose and Scope

### 3.1 Statement of purpose.

The SDF exists to provide a **predictable, rules-based national development dividend** from resources mobilized through the DTIF, thereby enabling the Government to finance priority initiatives that (i) accelerate digital transformation and sovereign capability, (ii) modernize agricultural value chains, and (iii) advance social equity under Agenda 2074, while respecting fiduciary, safeguards, and transparency obligations recognized by development partners ([IPSASB](#); AfDB ISS; [World Bank ESF](#); [OCDS](#)).

### 3.2 Objectives.

The objectives of the SDF are to:

- (a) convert a defined share of Mobilized Resources into a ring-fenced National Development Margin credited to the Government for Eligible Uses;
- (b) ensure that allocations occur only after FEB certification by the DTSC and under the decision authority of the JSC;
- (c) embed auditable financial management (IPSAS), procurement transparency (OCDS), and safeguards (AfDB ISS/World Bank ESF) to sustain donor confidence; and
- (d) generate measurable Return on Investment (ROI) through reduced leakage in public spending, improved procurement value-for-money, post-harvest loss reduction via cold-chain investments, trade enablement under AfCFTA, and cyber-risk reduction, with results verified under the MEL system ([OCDS](#); [FAO/IIR cold-chain brief](#); [UN ECA on AfCFTA trade gains](#); [NIST CSF benefits](#)).

### 3.3 Scope of activities.

The SDF may finance, inter alia, (i) digital public infrastructure and data-protection/compliance capabilities necessary to meet the FEB, (ii) quick-win social infrastructure (including education, health, and water access) where procurement and safeguards compliance can be assured, (iii) agricultural value-chain enablers (including CEHA clusters and cold-chain pilots) that reduce losses and unlock market access, and (iv) Agenda 2074 social equity programs evidenced by MEL indicators. All SDF-financed activities shall be designed and implemented in accordance with the standards cited in clause 1.3 and the definitions in clause 2.1 (AfDB ISS; [World Bank ESF](#); [OCDS](#)).

### 3.4 Relationship to DTIF disbursement conditions.

Allocations from the SDF do not create an entitlement to disbursement. All commitments and disbursements remain subject to the conditions precedent and covenants under the DTIF, including FEB certification, procurement and disclosure readiness, safeguards clearance, and availability of resources, as determined by the JSC upon advice of the DTSC ([World Bank Procurement Regulations](#); [OCDS](#)).

### 3.5 Transparency and publication.

The Secretariat shall publish, at minimum, the SDF's allocations, project descriptions, procurement records in **OCDS** structure, applicable ESG instruments, ROI/MEL results, and audited financial statements, subject to lawful redactions. Publication shall be in machine-readable formats to facilitate independent verification and public scrutiny ([OCDS](#); [IPSASB](#)).

## Chapter 4 — Sources of Funds and Credit Rules

### 4.1 Nature of the SDF resources.

The SUDESA Development Fund (SDF) constitutes a ring-fenced window within the DTIF. It is credited with a defined National Development Margin (NDM) from Mobilized Resources and with any additional resources expressly earmarked for the SDF by development partners or the Government. All receipts, balances, and flows shall be recorded and reported under IPSAS-compliant financial statements and Interim Financial Reports (IFRs) ([IPSASB 2024 Handbook](#)).

### 4.2 Mobilized Resources covered.

“Mobilized Resources” include grant proceeds, concessional loan disbursements, aligned trust-fund contributions, and qualifying PPP proceeds credited to DTIF-controlled designated accounts. For concessional loans, the NDM is computed on **actual disbursements**, not commitments, to ensure prudence and traceability in public financial management ([IPSASB 2024](#)).

### 4.3 Net-of-fees principle.

The NDM is calculated **net of** EUSL’s approved administrative fee and indirect cost recovery, as recognized under the Funding & Remuneration provisions in the Seven Agreements package. This preserves donor cost-recovery integrity and avoids double counting while mirroring the rules-based approach accepted in multilateral trust-fund practice ([World Bank Procurement & TF practice overview](#)).

### 4.4 Crediting event and timing.

The SDF shall be credited upon **value date of receipt** of Mobilized Resources into DTIF designated accounts. For multi-tranche operations, the NDM is computed per tranche. The Secretariat records the credit within five (5) business days of the value date and discloses the credit in the next IFR ([IPSASB 2024](#)).

### 4.5 Custody and treasury.

All SDF balances shall be held in segregated designated accounts. Idle balances may be invested under a conservative treasury policy prioritizing capital preservation and liquidity, consistent with DTIF’s investment guidelines and public-sector audit principles (**ISSAI 100**) ([ISSAI 100](#)).

### 4.6 NDM schedule (percentage bands).

The NDM shall be set by JSC resolution and may be expressed as a flat rate or a tiered schedule. For adoption at first sitting, the Secretariat shall table **Schedule A (NDM)** with at least two options:

1. **Option A (Flat Rate): [1.5%]** of all Mobilized Resources, net-of-fees.
2. **Option B (Tiered): [3.0%]** on the first **[USD 250,000,000]** of cumulative Mobilized Resources per fiscal year; **[2.0%]** on the next **[USD 250,000,000]**; **[1.0%]** thereafter.

Selection of the schedule shall consider macro-fiscal space, donor preferences, and the SDF pipeline. The JSC may adjust the schedule annually, with public disclosure in the DTIF **Annual Results Report** ([OCDS/Disclosure practice](#)).

### 4.7 Additional endowments.

The Government or development partners may endow the SDF through specific appropriations or grants, subject to DTIF safeguards and disclosure obligations (**AfDB ISS; World Bank ESF; OCDS**) (AfDB ISS—effective May 31, 2024; [World Bank ESF](#); [OCDS](#)).

## Chapter 5 — Eligible and Ineligible Uses

### 5.1 Purpose of Eligible Uses.

SDF allocations shall finance **Government-prioritized development initiatives** that produce measurable value consistent with Agenda 2074 and the ROI logic set forth in the Ninth Agreement, provided that all conditions precedent and covenants are met.

### 5.2 Eligible Uses (closed list).

An allocation shall qualify as an **Eligible Use** only if it falls within one of the following categories and complies with safeguards and disclosure requirements:

(a) **Digital public infrastructure and compliance enablers:** investments essential to meet or maintain the **Financing Eligibility Baseline (FEB)**, including sovereign hosting readiness, e-procurement platform integration with **OCDS** publication, cybersecurity operations (**NIST CSF 2.0** profiles; **ISO/IEC 27001:2022** roadmap), identity and registry interoperability, and incident management/CERT liaison ([NIST CSF 2.0](#); [ISO/IEC 27001:2022](#); [OCDS](#)).

(b) **Quick-win social infrastructure:** education, health, and basic services projects with a credible completion horizon not exceeding **[18]** months and fully compliant procurement and safeguards pathways (**AfDB ISS**; **World Bank ESF**; **OCDS**) (**AfDB ISS**; [World Bank ESF](#); [OCDS](#)).

(c) **Agricultural value-chain enablement:** CEHA clusters, cold-chain pilots (pre-cooling, storage, logistics), quality and SPS readiness, and market-access infrastructure to reduce post-harvest losses and enable regional trade (FAO/IIR evidence on loss reduction; ECA/UNCTAD on AfCFTA gains) ([FAO/IIR cold-chain brief](#); [UN ECA—AfCFTA 33% intra-Africa trade uplift](#); [UNCTAD](#)).

(d) **Social equity initiatives under Agenda 2074:** programs with MEL-tracked outcomes on inclusion, employment readiness, gender equity, or digital literacy, tied to verifiable indicators and public dashboards.

### 5.3 Ineligible Uses (closed list).

The SDF shall **not** finance: (i) recurrent salaries and wage increases; (ii) political activities or campaign expenditures; (iii) debt service outside DTIF-approved structures; (iv) activities lacking approved safeguards instruments where required; (v) activities that cannot be disclosed per **OCDS** without lawful redaction; (vi) any purpose contravening data-protection, cybersecurity, or AML/CFT obligations (including interim directives under the **AU Malabo Convention**) ([Malabo Convention—treaty text](#)).

### 5.4 Procurement and disclosure condition.

Each SDF-financed activity shall be procured under applicable national rules aligned to the **World Bank Procurement Regulations** and must publish planning, tender, award, contract, and implementation data in **OCDS** structure. A functioning complaints/appeals mechanism and standstill periods shall apply to thresholds determined by the JSC ([World Bank Procurement Regulations, Nov. 2020](#); [OCDS](#)).

### 5.5 Safeguards and GRM.

SDF-financed activities shall undergo ESG screening and apply required instruments under **AfDB ISS** or **World Bank ESF**, including SEA/SH protocols and a grievance redress mechanism with 48-hour serious-incident notification to the DTSC and competent authorities (**AfDB ISS**; [World Bank ESF](#)).

## Chapter 6 — Conditions Precedent and Ongoing Covenants

### 6.1 Gatekeeping principle.

No commitment or disbursement from the SDF shall occur unless the DTSC issues a written stage-gate opinion certifying that the Financing Eligibility Baseline (FEB) is met for the relevant activity and that all other conditions precedent below are satisfied.

### 6.2 Conditions precedent to first SDF allocation for any Beneficiary activity.

The following conditions shall be satisfied and documented in the allocation dossier:

(a) **Digital controls and security:** adoption of an enterprise data-classification policy and sovereign hosting statement; implementation of a Zero-Trust baseline aligned with NIST CSF 2.0; designation and liaison with a national CERT; and an incident notification standard with 48-hour reporting for serious events; an approved ISO/IEC 27001:2022 roadmap for the relevant entities ([NIST CSF 2.0](#); [ISO/IEC 27001:2022](#)).

(b) **Procurement transparency:** operational **OCDS** publication pipeline for the activity's procurement packages, including beneficial-ownership disclosure where practicable, and a complaints mechanism consistent with good international practice ([OCDS](#); [World Bank Procurement Regulations](#)).

(c) **Legal readiness:** issuance of interim directives on lawful processing, data-protection principles, DPIA triggers, breach reporting, and CERT cooperation pending enactment of data-protection, digital identity, cybersecurity, and e-procurement statutes, consistent with the **AU Malabo Convention** ([Malabo Convention](#)).

(d) **Fiduciary readiness:** preparation of **IPSAS-compliant IFR templates**; opening/confirmation of designated accounts; and launch of independent **external audit** procurement in accordance with **ISA** and **ISSAI 100** ([IPSASB 2024](#); [ISSAI 100](#)).

(e) **Safeguards and MEL:** ESG screening and, where applicable, preparation and disclosure of required instruments under **AfDB ISS** and/or **World Bank ESF**; activation of MEL indicators and baseline for the activity (AfDB ISS; [World Bank ESF](#)).

### 6.3 Ongoing covenants.

Following first allocation, the Beneficiary and implementing entities shall:

- maintain FEB controls and publish procurement data in **OCDS** for all related packages;
- (ii) submit **quarterly IFRs** and an **annual IPSAS financial statement** inclusive of SDF notes;
- (iii) implement and update ESG instruments and report incidents within the stipulated timelines;
- (iv) maintain cyber and data-protection measures, conduct DPIAs where triggered, and keep the **ISO/IEC 27001** roadmap current; and
- (v) report MEL indicators and ROI evidence into the public dashboard ([IPSASB 2024](#); [OCDS](#); [NIST CSF/ISO 27001](#), <https://www.iso.org/standard/27001>; AfDB ISS/World Bank ESF, <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>).

### 6.4 Remedies for non-compliance.

Material deviation from the FEB, failure to publish required **OCDS** data, lapse in IPSAS reporting, or breach of ESG/SEA-SH protocols shall constitute grounds for **temporary suspension** of SDF disbursements by JSC resolution. A **cure period of [30] days** shall be granted where appropriate. If



unresolved, the JSC may **reallocate** unspent funds and require a corrective-action plan with deadlines. All such actions and rationales shall be publicly disclosed ([OCDS/Disclosure](#); [ISSAI 100](#)).

### 6.5 Certification and record-keeping.

The DTSC stage-gate opinion, JSC resolution, safeguards clearances, and disclosure evidence shall form part of the official allocation file maintained by the Secretariat, available for **external audit** and public inspection subject to lawful redactions ([IPSASB 2024](#)).

## Chapter 7 — Governance and Decision-Making

### 7.1 Oversight architecture.

The Joint Steering Committee (JSC) shall exercise supreme oversight of the SDF. The Digital Transformation Steering Committee (DTSC) shall provide binding technical assurance on the Financing Eligibility Baseline (FEB) and related digital, fiduciary, and transparency controls. The SUDESA Secretariat shall administer day-to-day operations, maintain official records, and prepare all submissions to the JSC and DTSC. This tripartite structure ensures a separation of policy, assurance, and execution consistent with public-sector assurance principles endorsed by INTOSAI ISSAI 100 and with management and reporting lines required for financial statements prepared under IPSAS ([ISSAI 100](#); [IPSASB 2024 Handbook](#)).

### 7.2 Authority of the JSC.

The JSC shall: (a) approve the National Development Margin (NDM) schedule and any amendments thereto; (b) adopt allocation resolutions specifying purpose, amount, implementing channel, and disclosure requirements; (c) approve the SDF annual plan, financial statements, and the Annual Results Report; (d) decide on suspensions and remedies in the event of material non-compliance; and (e) amend this Charter in accordance with the DTIF order of precedence. JSC resolutions shall be recorded in formal minutes and disclosed subject to lawful redactions pursuant to the Disclosure Policy and Open Contracting Data Standard (OCDS) publication commitments ([OCDS](#)).

### 7.3 DTSC stage-gate assurance.

The DTSC shall issue a written **stage-gate opinion** prior to any SDF commitment or disbursement, confirming: (i) FEB compliance for the relevant activity; (ii) operational readiness of **OCDS** publication across planning, tender, award, contract, and implementation; (iii) the status of cybersecurity and data-protection controls aligned with the **NIST Cybersecurity Framework 2.0** and the **ISO/IEC 27001:2022** roadmap; and (iv) satisfaction of safeguards screening and instrument preparation under **AfDB ISS/World Bank ESF** as applicable ([NIST CSF 2.0](#); [ISO/IEC 27001:2022](#); AfDB ISS; [World Bank ESF](#)).

### 7.4 JSC decision rules and quorum.

The JSC shall meet quarterly and ad hoc as required. Quorum shall be two-thirds of voting members. Routine matters shall be decided by simple majority; allocations above thresholds set in the SDF annual plan, changes to the NDM schedule, and any suspension or reallocation decisions shall require a **qualified majority of seventy-five percent (75%)** of voting members. **Reserved matters**, including Charter amendments affecting fiduciary controls, disclosure, and safeguards, shall require unanimity.

### 7.5 Subcommittees.

The JSC shall constitute standing subcommittees: **Audit & Risk, Ethics & Compliance, and Safeguards & Inclusion**. The Audit & Risk Subcommittee shall oversee external audit engagement and follow-up, IFR timeliness, treasury adherence, and risk disclosures in accordance with IPSAS and public-sector auditing norms; the Ethics & Compliance Subcommittee shall oversee conflicts of interest, sanctions screening, and whistleblowing; the Safeguards & Inclusion Subcommittee shall oversee ESG instrument

quality and survivor-centered SEA/SH protocols as contemplated under AfDB ISS/ESF ([IPSASB 2024 Handbook](#); AfDB ISS; [World Bank ESF](#)).

#### **7.6 Conflicts of interest and recusal.**

Members of the JSC, DTSC, and Secretariat shall disclose any actual or perceived conflicts of interest and recuse themselves from deliberations and voting as appropriate. Conflict disclosures and recusals shall be minuted and referenced in relevant allocation files. Procurement-related conflicts shall be handled in accordance with the complaints mechanism set out in Chapter 9 and the principles in the **World Bank Procurement Regulations** ([Procurement Regulations, Nov. 2020](#)).

#### **7.7 Records, disclosure, and public communication.**

The Secretariat shall maintain a complete, tamper-evident record for each allocation, comprising the DTSC stage-gate opinion, JSC resolution, safeguards clearances, IFR references, and **OCDS** identifiers. Public communications shall draw exclusively on disclosed documents to preserve parity of information and to satisfy transparency expectations embedded in **OCDS** implementation guidance ([OCDS](#)).

#### **7.8 Emergency measures.**

Where urgent action is required to avert significant harm or to preserve asset value, the SUDESA Executive Director may authorize temporary measures within established ceilings, subject to **ex post** DTSC notification within forty-eight (48) hours and JSC ratification at the next sitting. Such measures shall remain subject to all fiduciary, safeguards, and disclosure obligations.

## **Chapter 8 — Financial Management and Treasury**

### **8.1 Accounting framework and financial reporting.**

The SDF shall prepare quarterly **Interim Financial Reports (IFRs)** and annual financial statements on an **IPSAS** basis, with SDF balances, flows, and investment income shown in dedicated notes. Material SDF commitments and undisbursed balances shall be disclosed with reconciliation to the DTIF general ledger ([IPSASB 2024 Handbook](#)).

### **8.2 Segregation of duties and internal control.**

Financial management shall implement appropriate segregation of duties covering initiation, verification, approval, and recording, consistent with public-sector internal control good practice and the assurance principles of **ISSAI 100**. The Secretariat shall maintain an internal control framework, document key controls, and report control deficiencies to the Audit & Risk Subcommittee with agreed remedial actions and deadlines ([ISSAI 100](#)).

### **8.3 Banking and designated accounts.**

SDF resources shall be held in segregated designated accounts opened under DTIF banking arrangements. Authorized signatories shall be approved by the JSC. Bank reconciliations shall be performed monthly and reviewed by an official not involved in cash-management operations.

### **8.4 Investment policy.**

Idle SDF balances may be invested in low-risk instruments consistent with DTIF's investment guidelines, prioritizing capital preservation and liquidity. Investment income shall accrue to the SDF unless otherwise mandated by the donor-specific agreement and shall be disclosed in IFRs and annual statements ([IPSASB 2024 Handbook](#)).



### 8.5 External and internal audit.

The JSC shall procure an **independent external auditor** in accordance with the **World Bank Procurement Regulations**, with terms of reference referencing **ISA** standards and public-sector adaptations; management representation letters and audit-issue trackers shall be submitted to the Audit & Risk Subcommittee. Internal audit, if established, shall adopt a risk-based plan covering cash management, procurement-to-pay, and disclosure controls ([Procurement Regulations, Nov. 2020](#); [ISSAI 100](#)).

### 8.6 Foreign exchange and currency risk.

Where SDF allocations or investments involve foreign exchange exposure, the Secretariat shall apply conservative conversion practices and disclose realized/unrealized FX impacts in IFRs and annual statements under IPSAS financial-instrument and foreign-currency guidance ([IPSASB 2024 Handbook](#)).

### 8.7 Treatment of interest, refunds, and recoveries.

Interest earned, refunds of advances, liquidated damages, and other recoveries attributable to SDF-financed activities shall be credited to the SDF unless a donor-specific instrument provides otherwise. All such items shall be disclosed and auditable.

### 8.8 Sanctions screening and integrity controls.

The Secretariat shall operate sanctions screening for counterparties and beneficial owners consistent with the integrity expectations embedded in the **World Bank Procurement Regulations** and applicable donor policies. Screening outcomes and any restrictions imposed shall be referenced in procurement and contract files ([Procurement Regulations, Nov. 2020](#)).

### 8.9 Records retention.

All SDF financial and supporting records, including bank statements, reconciliations, IFR workpapers, and audit correspondence, shall be retained for a minimum of **ten (10) years** or such longer period as may be required by applicable law or donor agreements. Digitized records shall meet authenticity and integrity requirements.

## Chapter 9 — Procurement, Transparency, and Complaints

### 9.1 General rule.

All procurement financed in whole or in part from the SDF shall be conducted under applicable national procurement law as aligned to the **World Bank Procurement Regulations for IPF Borrowers (Fourth Edition, Nov. 2020)**, with **OCDS** publication across the full contracting lifecycle. Where donor-specific rules apply, the more stringent standard shall govern ([Procurement Regulations, Nov. 2020](#); [OCDS](#)).

### 9.2 Planning and strategy.

Each SDF allocation shall include a procurement plan and, where proportionate, a **Project Procurement Strategy for Development (PPSD)** consistent with the World Bank framework. The plan shall specify market approaches, qualification criteria, lotting to facilitate SME participation, evaluation methods, and contract management arrangements, and shall be disclosed in summary form with **OCDS** identifiers ([Procurement Regulations, Nov. 2020](#); [OCDS](#)).

### 9.3 Methods and thresholds.

Open competitive procurement shall be the default method. Alternative methods (limited competition, direct selection, framework agreements) may be used where justified and approved by the JSC against method-selection criteria in the Procurement Regulations. Thresholds and review modalities (prior/post) shall be set annually and disclosed.

#### 9.4 End-to-end disclosure.

The Secretariat shall ensure timely publication of planning notices, tender documents, clarifications, evaluation reports or summaries, award notices with supplier information, signed contracts, amendments, and implementation updates (deliverables, milestones, payments) in **OCDS-conformant** formats. Where feasible, **beneficial-ownership disclosures** shall be collected and published to strengthen competition and integrity ([OCDS](#)).

#### 9.5 Contract administration and change control.

All contracts shall include measurable deliverables, milestones, and acceptance criteria. Contract amendments shall be justified in writing, reviewed for value-for-money implications, and published with updated **OCDS** releases to preserve an auditable trail ([OCDS](#)).

#### 9.6 Complaints and standstill.

A proportionate **complaints mechanism** shall be available for all SDF procurements, including a defined **standstill period** prior to contract signature for competitive processes, instructions for filing, time limits, acknowledgement and response timelines, and escalation to an independent review panel. Outcomes of complaints shall be recorded and published in summary form, consistent with the principles articulated in the **World Bank Procurement Regulations** ([Procurement Regulations, Nov. 2020](#)).

#### 9.7 Debarment and sanctions.

Suppliers, contractors, or consultants debarred or suspended by relevant multilateral development banks or by competent national authorities shall be ineligible for SDF-financed contracts for the duration of such sanctions, subject to applicable cross-debarment frameworks and national law. The Secretariat shall document screening results in procurement files and disclosure records ([Procurement Regulations, Nov. 2020](#)).

#### 9.8 Market engagement and capacity.

Where justified, the Secretariat may conduct market-sounding exercises, pre-bid conferences, and training for domestic market participants to improve competition quality and delivery, with materials disclosed to ensure equal access to information. Such activities align with the transparency and data-use objectives of **OCDS** implementation ([OCDS](#)).

#### 9.9 Data integrity and interoperability.

Procurement systems shall maintain data integrity and audit trails; **OCDS** releases shall include persistent identifiers to enable linkage with MEL indicators and financial data. Integration with the Government's e-procurement and financial-management systems shall be pursued to strengthen **value-for-money** analytics and public reporting in line with international guidance ([OCDS](#); [IPSASB 2024 Handbook](#)).

## Chapter 10 — Safeguards and Risk Management

### 10.1 Purpose and applicability.

This Chapter establishes mandatory environmental, social, governance, security, and cyber/data-protection requirements for all activities financed in whole or in part from the SDF. These requirements are binding on the Government, implementing agencies, contractors, and sub-contractors, and shall be construed consistently with the **African Development Bank's updated Integrated Safeguards System (ISS)** and the **World Bank Environmental and Social Framework (ESF)**. Where both frameworks apply, the more stringent provision shall govern.



## **10.2 Risk classification and proportionality.**

Each SDF-financed activity shall undergo safeguards screening and be assigned a risk classification consistent with AfDB ISS/ESF taxonomy (e.g., High/Substantial/Moderate/Low, including Financial Intermediary), with the scope of instruments and supervision calibrated to the risk class. The Secretariat shall record the classification in the allocation file and disclose it together with the instrument list.

## **10.3 Required instruments.**

Based on the screening, the implementing agency shall prepare and disclose the applicable instruments, which may include Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), Stakeholder Engagement Plan (SEP), Labour Management Procedures (LMP), Resettlement Action Plan (RAP), biodiversity and cultural-heritage plans, and any other instrument required under the ISS/ESF. All instruments must be cleared prior to procurement of works or commencement of activity and shall be accessible to the public in machine-readable formats.

## **10.4 Stakeholder engagement, grievance redress, and SEA/SH.**

All SDF-financed activities shall ensure meaningful, inclusive stakeholder engagement and maintain project-level Grievance Redress Mechanisms. Allegations of Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) shall be handled through survivor-centered protocols and reported to the Secretariat and competent authorities within forty-eight (48) hours, with safeguards for confidentiality and non-retaliation.

## **10.5 Climate, health, and safety.**

Activities shall incorporate climate-risk screening and community health and safety measures proportionate to the risk profile as contemplated under the ISS/ESF. Where relevant, designs shall reference Good International Industry Practice and applicable Environmental, Health, and Safety Guidelines.

## **10.6 Cybersecurity, data protection, and digital risks.**

Digital risks—including information security, privacy, identity misuse, and service continuity—form part of safeguards and shall be managed through profiles under the **NIST Cybersecurity Framework 2.0**, supported by an **ISO/IEC 27001:2022** information security roadmap. Activities involving personal data shall conduct data protection impact assessments where triggers are met and maintain incident-response procedures with 48-hour reporting to the DTSC and competent authorities.

## **10.7 Open contracting and integrity.**

To mitigate integrity risks, the procurement lifecycle (planning, tender, award, contract, implementation) and associated documents shall be disclosed in conformance with the **Open Contracting Data Standard (OCDS)**, including beneficial-ownership data where practicable. The publication record shall be used for real-time risk monitoring and value-for-money analytics.

## **10.8 Risk register and assurance.**

The Secretariat shall maintain a consolidated risk register for all SDF-financed activities, tracking classification, instrument status, incidents, and corrective actions. The Audit & Risk Subcommittee shall review the register quarterly and report material changes to the JSC. Risk assurance activities shall align with **INTOSAI ISSAI 100** principles and be reflected in IPSAS-compliant reports.

## **10.9 Independent reviews and incident management.**

Where warranted by risk class or at the JSC's request, the Secretariat shall commission independent third-party audits or reviews of safeguards and security controls. Serious incidents shall be notified

within forty-eight (48) hours, investigated promptly, and disclosed in line with legal and survivor-protection requirements.

#### **10.10 Non-compliance and remedies.**

Material non-compliance with safeguards, security, disclosure, or data-protection obligations constitutes grounds for suspension of SDF disbursements until remedied, without prejudice to reallocation or other corrective measures under Chapter 6. All suspensions and cures shall be recorded and publicly disclosed.

## **Chapter 11 — Monitoring, Evaluation, and Learning (MEL) and ROI**

### **11.1 System integration and standards.**

The SDF shall operate within the unified MEL system adopted for SUDESA and DTIF and aligned to **Agenda 2074**. Evaluation practice shall draw on the **OECD DAC 2019 adapted criteria** (relevance, effectiveness, efficiency, impact, sustainability, coherence), applied proportionately to activity scope and risk.

### **11.2 Results framework and indicators.**

Each allocation shall define a results chain and indicators at output, outcome, and, where feasible, impact level, with disaggregation by sex, age, disability, and location. Procurement indicators shall be derived from **OCDS** datasets and linked to unique ocid identifiers; financial indicators shall reconcile to IPSAS-compliant IFRs and annual statements.

### **11.3 ROI methodology.**

The Secretariat shall estimate and report **Return on Investment (ROI)** across four principal pathways:

- (a) **Procurement value-for-money and transparency gains** evidenced by competition, pricing, and delivery metrics derived from e-procurement and OCDS publication; international practice demonstrates that modernized procurement and disclosure improve outcomes and reduce leakage.

- (b) **Post-harvest loss reduction and value-chain enablement** through CEHA clusters and cold-chain interventions; evidence indicates substantial baseline losses in perishable value chains and material reductions where cold chains are deployed.

- (c) **Trade enablement under AfCFTA**, with sectoral gains in agri-food as standards and logistics improve; continental analyses project sizable increases in intra-African trade under full implementation.

- (d) **Cyber risk reduction**, measured as avoided incident losses and downtime, using cost-benefit methods consistent with **NIST CSF** use cases and the Gordon–Loeb economic model for cybersecurity investment prioritization.

### **11.4 Baselines and targets.**

Within ninety (90) days of the first fiscal year in which SDF allocates resources, the Secretariat shall establish quantitative baselines and annual targets for the indicators above, publish them on the public MEL dashboard, and update them annually.

### **11.5 Reporting and verification.**

The Secretariat shall submit **Quarterly Performance Reports** and an **Annual Results Report** consolidating outputs, outcomes, ROI estimates, and learning. Data used for ROI calculations—including OCDS releases, safeguards status, incident logs, and financials—shall be published in machine-readable formats and subjected to independent verification in accordance with MEL protocols and public-sector audit principles.

### 11.6 Evaluations and management response.

The JSC shall commission mid-term and completion evaluations for materially significant allocations or portfolios, applying the OECD DAC criteria. Management responses with time-bound actions shall be disclosed alongside evaluation reports.

### 11.7 Learning and adaptation.

Findings from monitoring, incident reviews, and evaluations shall be tracked in a learning log, with designated owners and due dates for uptake. The JSC may direct changes to allocation criteria, procurement approaches, or safeguards measures where learning indicates a material improvement in value-for-money or risk reduction.

## Chapter 12 — Disbursement Modalities and Flow of Funds

### 12.1 Modalities.

Disbursements from the SDF shall be executed through one or more of the following modalities, as specified in the JSC resolution and consistent with DTIF procedures: **Advance**, **Reimbursement**, and **Direct Payment**. The use, documentation, and reconciliation of these modalities shall follow practices reflected in the **World Bank Disbursement Guidelines for Investment Project Financing** and any applicable Disbursement and Financial Information Letters.

### 12.2 Conditions for disbursement.

No disbursement shall be made unless the DTSC has issued a current **stage-gate opinion** confirming FEB compliance for the relevant activity and the Secretariat has verified: (i) cleared safeguards instruments and, where required, permits; (ii) operational **OCDS** publication for the relevant procurement packages; (iii) MEL tagging and baseline registration; and (iv) availability of budgeted SDF resources.

### 12.3 Documentation and statements.

For **Reimbursement** and **Advance** modalities, Statements of Expenditure or full documentation (as applicable) shall be submitted in the form prescribed by the Secretariat, cross-referencing contract identifiers, **OCDS** oid, and safeguards clearances. For **Direct Payment**, original invoices and acceptance certificates shall be provided. All disbursements shall reconcile to **IPSAS-compliant** IFRs and annual statements.

### 12.4 Designated accounts and ceilings.

SDF funds shall be held in segregated designated accounts with ceilings set by the JSC. Replenishment shall occur upon documentation of eligible expenditures or upon reaching minimum balance thresholds, in accordance with the Disbursement Guidelines.

### 12.5 Currency, exchange, and eligible period.

Disbursements may be made in the currency of the designated account or in the supplier's invoicing currency, subject to prudent foreign-exchange management. Eligible expenditures are those incurred within the period specified in the JSC resolution and related financing instruments; the cut-off and any grace period shall be communicated in writing and aligned with the applicable disbursement letter conventions.

### 12.6 Suspension and refund.

The JSC may suspend disbursements in whole or in part upon material non-compliance with FEB, safeguards, procurement disclosure, or fiduciary obligations. Amounts found to be ineligible or

misapplied shall be refunded to the SDF designated account or offset against subsequent disbursements. Decisions and rationales shall be disclosed in the next IFR and Annual Results Report.

#### **12.7 Co-financing and parallel financing.**

Where activities are co-financed with development partners, disbursement arrangements shall respect the co-financier's requirements as set out in the financing or co-financing agreements; in case of conflict, the more stringent fiduciary control shall apply, and the JSC resolution shall specify the applicable rule set.

#### **12.8 Financial closure and completion.**

Upon completion, the Secretariat shall issue a financial completion statement and a portfolio completion note summarizing outputs, outcomes, ROI, and lessons, reconciling all advances, refunds, and balances. These shall be subject to external audit and disclosure.

#### **12.9 Service levels and timelines.**

The Secretariat shall acknowledge disbursement requests within five (5) business days and, where complete and compliant, process payment instructions within ten (10) business days. Exceptions and delays shall be recorded with reasons and communicated to the applicant.

[World Bank Document](#) Enhancing Government Effectiveness and Transparency

[The African Continental Free Trade Area Agreement and agricultural development: challenges and prospects](#)

## **Chapter 13 — Conflicts of Interest, Ethics, and Sanctions Screening**

#### **13.1 Ethical principles and fiduciary integrity.**

All persons engaged in the governance, administration, or implementation of SDF-financed activities shall adhere to the highest standards of integrity, impartiality, and accountability. Decisions shall be taken solely in the interest of achieving the objectives of this Charter and the DTIF, free from any undue influence or personal gain.

#### **13.2 Conflict of interest disclosure and recusal.**

Any actual, potential, or perceived conflict of interest must be disclosed in writing to the Secretariat and recorded in the official allocation file. Members of the JSC, DTSC, or Secretariat with a declared conflict shall recuse themselves from deliberations and voting on the matter concerned. Recusals shall be minuted and disclosed in the Annual Results Report.

#### **13.3 Prohibited conduct.**

The following conduct is strictly prohibited:

- (a) Solicitation or acceptance of any advantage, financial or otherwise, that could improperly influence decision-making;
- (b) Collusion, bid-rigging, or any practice that restricts competition in procurement;
- (c) Misrepresentation of facts in financial, technical, or safeguards documentation;
- (d) Retaliation against whistleblowers or complainants.

#### **13.4 Whistleblowing and protection.**

The Secretariat shall maintain a confidential whistleblowing channel for reporting suspected fraud, corruption, SEA/SH, or other prohibited practices. Reports shall be acknowledged within seven (7) business days, investigated promptly, and escalated to the Audit & Risk Subcommittee and competent



authorities as required. Whistleblowers shall be protected against retaliation in accordance with applicable law and donor standards.

### **13.5 Sanctions screening and eligibility.**

All suppliers, contractors, consultants, and implementing partners shall be screened against:

- (a) National sanctions lists;
- (b) Multilateral development bank debarment lists, including the World Bank Group's cross-debarment framework;
- (c) Any additional lists required by co-financiers.

Entities subject to active debarment or suspension shall be ineligible for SDF-financed contracts for the duration of such sanctions. Screening results shall be documented in procurement files and referenced in OCDS disclosures.

### **13.6 Enforcement and remedies.**

Confirmed violations of this Chapter shall constitute grounds for:

- (a) Suspension or termination of contracts;
- (b) Recovery of misapplied funds;
- (c) Referral to national law enforcement and/or donor integrity offices;
- (d) Public disclosure of enforcement actions, subject to due process and lawful redactions.

## **Chapter 14 — Disclosure and Data Publication**

### **14.1 Transparency principle.**

The SDF shall operate under a presumption of maximum transparency, subject only to lawful confidentiality constraints. Disclosure is a condition of funding and a core element of fiduciary and reputational risk management.

### **14.2 Scope of disclosure.**

The Secretariat shall publish, at minimum:

- (a) The SDF Charter and any amendments;
- (b) JSC resolutions on allocations, suspensions, and remedies;
- (c) Procurement data and documents across the full lifecycle (planning, tender, award, contract, implementation) in conformance with the **Open Contracting Data Standard (OCDS)**;
- (d) Safeguards instruments (ESIA, ESMP, SEP, LMP, RAP, etc.) and SEA/SH protocols;
- (e) MEL indicators, baselines, and quarterly/annual performance reports;
- (f) IPSAS-compliant IFRs and audited annual financial statements;
- (g) ROI dashboards and evaluation reports.

### **14.3 Format and accessibility.**

All disclosures shall be made in machine-readable formats and published on the official SUDESA/DTIF web portal. OCDS releases shall include persistent identifiers (ocid) to enable linkage between procurement, financial, and MEL datasets. Metadata shall comply with open-data standards to facilitate interoperability and reuse.

### **14.4 Timeliness.**

- (a) Procurement notices and tender documents: prior to bid submission deadlines;
- (b) Award notices: within five (5) business days of contract signature;

- (c) Contract documents and amendments: within ten (10) business days of execution;
- (d) IFRs: within forty-five (45) days of quarter-end;
- (e) Annual financial statements and audit reports: within six (6) months of fiscal year-end;
- (f) MEL dashboards: updated quarterly.

#### **14.5 Exceptions and lawful redactions.**

Disclosure may be withheld or redacted only where necessary to protect:

- (a) National security interests;
- (b) Personal data, in compliance with data-protection law and interim directives;
- (c) Commercially sensitive information, provided that such redaction is narrowly tailored and justified in writing.
- (d) All exceptions shall be logged and disclosed in summary form.

#### **14.6 Verification and assurance.**

The Audit & Risk Subcommittee shall review disclosure compliance quarterly. Independent verification of OCDS datasets and MEL dashboards shall be commissioned annually and published alongside the Annual Results Report.

## **Chapter 15 – Amendments, Review, and Duration**

**15.1 Purpose and Scope.** This Chapter governs the formal review of this Charter, the thresholds and procedures for its amendment, and its duration and survival. It shall be read in harmony with the Digital Transformation Implementation Framework (“DTIF”), including any schedules and annexes thereto, and, where expressly stated in the DTIF, the DTIF shall prevail in the event of conflict.

**15.2 Biennial Review by the Joint Steering Committee.** The Joint Steering Committee (“JSC”) shall conduct a comprehensive review of this Charter at least once every two (2) years, measured from the Effective Date and each second anniversary thereafter. The review shall assess strategic alignment with the Fund’s mandate, governance and compliance performance, financial management and controls, fiduciary duties, risk management, safeguards, and coherence with the DTIF.

#### **15.3 Amendment Thresholds.**

**15.3.1 Ordinary Amendments.** Amendments to operational or administrative provisions of this Charter shall require not less than a two-thirds (2/3) majority of the JSC members entitled to vote and present or represented at a duly convened meeting.

**15.3.2 Reserved Matters.** Amendments affecting (a) the composition, powers, or voting procedures of any governing body; (b) dispute resolution; (c) financial obligations, funding terms, or distributions; (d) audit, inspection, or disclosure rights; or (e) remedies and enforcement, shall require unanimous consent of the JSC. Where any financing or donor instrument confers consent rights or negative covenants in respect of amendments to provisions referenced in this Clause, no such amendment shall be effective without the written consent required under the applicable instrument.

**15.3.3 Technical Schedules.** The Secretariat may update technical schedules, forms, or annexes that do not alter substantive rights or obligations, to reflect changes in law, standards, or references, provided that such updates are promptly notified to the JSC and are deemed approved unless objected to by at least one third (1/3) of JSC members within thirty (30) days of notice.

**15.4 Amendment Procedure.** Any proposal to amend this Charter shall be circulated in writing to all JSC members at least fourteen (14) days prior to the meeting at which it is to be considered, together with an impact memorandum addressing legal, financial, operational, and compliance implications. Adopted amendments shall be recorded in the minutes, assigned a sequential identifier, and consolidated into the next official version of the Charter. Amendments shall take effect on the date specified in the adopting resolution or, failing such specification, upon adoption.

**15.5 Duration; Coterminous Term with the DTIF.** This Charter shall remain in full force and effect for the duration of the DTIF mandate. Any extension, renewal, suspension, or termination of the DTIF shall automatically and correspondingly extend, suspend, or terminate this Charter, save for the survival provisions stated herein. Early termination of this Charter may occur only by written agreement of the Parties acting through the JSC and in compliance with any financing covenants then in effect.

**15.6 Survival.** Without prejudice to any accrued rights or obligations, the following provisions shall survive expiration or termination of this Charter for a period of five (5) years, or for such longer period as may be required by applicable law, financing instruments, or audit standards: audit and inspection; books and records; disclosure and reporting; confidentiality; anti-corruption and sanctions compliance; indemnities and remedies; limitation of liability; governing law and dispute resolution. The survival of dispute resolution shall include the enforcement of any award or determination rendered pursuant to Chapter 16.

**15.7 Wind-Down and Transition.** Upon expiration or termination, the Secretariat shall prepare a wind-down plan for approval by the JSC, addressing outstanding commitments, treatment of uncommitted funds, record retention, notice to stakeholders, and any transitional services reasonably necessary to protect beneficiaries and counterparties. No termination shall relieve any Party of payment or performance obligations accrued prior to the effective date of termination.

**15.8 No Implied Waiver.** No delay or omission in exercising any right under this Chapter shall operate as a waiver thereof, nor shall any single or partial exercise preclude any other or further exercise of such right or the exercise of any other right.

## Chapter 16 – Dispute Resolution

**16.1 Definitions.** For purposes of this Chapter, a “Dispute” means any controversy, claim, question, or disagreement arising out of or in connection with this Charter, its breach, interpretation, performance, or termination. A “Financing-Specific Dispute” means a Dispute that directly concerns (i) the commitment, disbursement, use, repayment, or recovery of funds; (ii) donor or lender covenants; or (iii) guarantees, indemnities, or security interests issued in connection with the Fund. An “Operational Dispute” means any other Dispute concerning day-to-day implementation, programmatic priorities, administrative actions, or technical performance that does not primarily concern the foregoing financing items.

**16.2 Guiding Principles.** The Parties shall act in good faith to resolve Disputes expeditiously, proportionately, and in a manner that preserves continuity of essential Fund operations and compliance obligations.

**16.3 Tier One – Negotiation (Internal Escalation).** Any Dispute shall first be notified in writing and referred to the Secretariat and the Chair of the JSC for good-faith negotiations. The JSC shall convene, or cause to be convened, a meeting (which may be virtual) within thirty (30) days of such notice to

attempt resolution. If not resolved within thirty (30) days following such meeting (or within such other period as the Parties may agree in writing), the Dispute shall proceed to mediation under Clause 16.4.

**16.4 Tier Two – Mediation.** If negotiations fail, the Parties shall submit the Dispute to mediation under the UNCITRAL Mediation Rules (2021) (the “Mediation Rules”), by a mediator jointly appointed by the Parties, or, failing agreement within fifteen (15) days, by an appointing authority acceptable to the Parties. Mediation shall commence within thirty (30) days of the request and conclude within forty-five (45) days thereafter, unless extended by written agreement. Mediation communications shall be confidential in accordance with the Mediation Rules.

**16.5 Tier Three – Arbitration for Financing-Specific Disputes.**

**16.5.1 Agreement to Arbitrate.** Any Financing-Specific Dispute not resolved by negotiation or mediation shall be finally settled by arbitration under the UNCITRAL Arbitration Rules (as revised in 2013) (the “Arbitration Rules”).

**16.5.2 Seat, Language, and Governing Procedural Law.** The seat of arbitration shall be Stockholm, Sweden (or such other neutral venue as the Parties may agree in writing). The language of the arbitration shall be English.

**16.5.3 Appointing Authority and Tribunal.** The Secretary-General of the Permanent Court of Arbitration (“PCA”) shall act as appointing authority, unless the Parties agree otherwise in writing. The tribunal shall comprise three (3) arbitrators, unless the Parties agree to a sole arbitrator.

**16.5.4 Interim Measures and Court Support.** The arbitral tribunal may order interim measures as permitted by the Arbitration Rules. A request to a competent court for interim or conservatory measures shall not be deemed incompatible with, or a waiver of, the agreement to arbitrate.

**16.5.5 Consolidation and Joinder.** Subject to the Arbitration Rules and with the consent of affected parties, related arbitrations arising from substantially the same facts or instruments may be consolidated, and necessary or appropriate parties may be joined.

**16.5.6 Confidentiality.** Unless otherwise required by law or donor covenants, the existence of the proceedings, submissions, evidence, and award shall be treated as confidential by the Parties and the tribunal, consistent with the Arbitration Rules.

**16.5.7 Finality and Enforcement.** Any award shall be final and binding upon the Parties. Recognition and enforcement may be sought under the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958).

**16.6 Operational Disputes – Internal Governance Determination.** Operational Disputes shall be resolved through internal escalation: first to the Secretariat, then to the Chief Executive (or equivalent), and finally to the JSC. The JSC’s written determination shall be final within the Fund’s governance framework and not subject to arbitration unless the Operational Dispute materially and demonstrably affects a financing obligation or covenant, in which case Clause 16.5 shall apply.

**16.7 Sovereign Immunity; Limited Waiver.** To the extent any Party is, or may be deemed, a sovereign or a state-controlled entity, such Party irrevocably (i) agrees to arbitration as provided herein; and (ii) waives any claim to immunity from jurisdiction or enforcement in respect of arbitration proceedings and the recognition and enforcement of any arbitral award rendered pursuant to this Chapter, in each case solely to the extent permitted by applicable law and limited to property not protected by applicable law (including property used for diplomatic or military purposes). Nothing in this Clause shall



be construed as a general waiver of immunity from execution against assets enjoying protection under applicable law.

**16.8 Coordination with Parallel Proceedings.** Where substantially related proceedings are commenced in other fora, the Parties shall promptly confer to minimize duplication and risk of inconsistent outcomes. The tribunal constituted under Clause 16.5 may take into account such parallel proceedings in scheduling, sequencing, or granting interim measures.

**16.9 Cross-Reference to the DTIF Dispute Provisions.** This Chapter adopts the tiered approach set out in the DTIF and shall be interpreted consistently therewith. In the event of any express conflict between this Chapter and the DTIF dispute provisions, the DTIF dispute provisions shall prevail to the extent of such conflict.

**16.10 Tolling; Time Bars.** The initiation of negotiation under Clause 16.3 or mediation under Clause 16.4 shall toll any contractual limitation periods applicable to the Dispute until the earlier of (i) the conclusion of mediation; or (ii) ninety (90) days from the notice commencing negotiations, whichever occurs first, without prejudice to any statutory limitation periods.

**16.11 Continued Performance.** Unless otherwise directed by the JSC or ordered by a court or tribunal of competent jurisdiction, the Parties shall continue to perform their undisputed obligations during the pendency of any Dispute.

#### Notes / References

1. [UNCITRAL Mediation Rules \(2021\)](#),
2. [UNCITRAL Arbitration Rules](#)
3. [Permanent Court of Arbitration](#)
4. [Convention on the Recognition and Enforcement of Foreign Arbitral Awards](#)

Signed in Juba, Republic of South Sudan, on [Date].

#### For the Government of the Republic of South Sudan

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

#### For the European Social Label (EUSL)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_