



Bank of South Sudan (BoSS)



Strategic Plan 2023-2027: the Summarized Version

(Approved by the Board of Directors)

December, 2022

Juba

Acronyms

AfDB:	African Development Bank	IFRSs:	International Financial Reporting Standards
AU:	African Union	IMF:	International Monetary Fund
BCM:	Business Continuity Management	ISO:	International Standards Organization
BOD:	Banking Operations Department	IT:	Information Technology
BoSS:	Bank of South Sudan	ITD:	IT Department
BS:	Board Secretariat	M&E:	Monitoring and Evaluation
BSA:	Banking Supervision Application	MFIs:	Microfinance Institutions
BSC:	Balanced Scorecard	MoFP:	Ministry of Finance and Planning
BSD:	Banking Supervision Department	NBS:	National Bureau of Statistics
CBDC:	Central Bank Digital Currency	NGOs:	Non-governmental Organizations
CD:	Currency Department	NPS:	National Payment Systems
CPC:	Chief Policy Coordinator	NPSD:	National Payment Systems Department
CPD:	Corporate Planning Department	PESTEL:	Political, Economic, Social, Technological, Environmental and Legal/Policy
CPRD:	Communications and Public Relations Department	R-NDS:	Revised National Development Strategy
DG, AF:	Director General, Administration and Finance	RSD:	Research and Statistics Department
DG, BSRS:	Director General, Banking Supervision, Research and Statistics	SSP:	South Sudan Pound
DG, CBO:	Director General, Currency and Banking Operations	SWOT:	Strengths, Weaknesses, Opportunities and Threats
DG1:	Directorate for Banking Supervision, Research and Statistics	TD:	Training Department
DG2:	Directorate for Currency and Banking Operations	UN:	United Nations
DG3:	Directorate for Administration and Finance	USD:	United States Dollars
EAC:	East African Community		
ERP:	Enterprise Resources Planning		
FD:	Finance Department		
Fin-Techs:	Financial Technologies		
FMD:	Financial Markets Department		
GDP:	Gross Domestic Product		
HQ:	Head Quarters		
HR:	Human Resources		
HRD:	HR Department		
IAD:	Internal Audit Department		
ICT:	Information Communications Technology		

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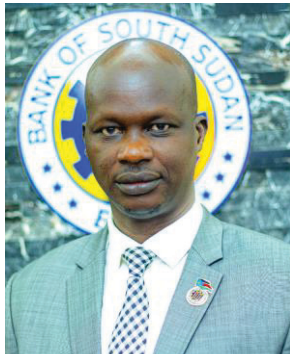
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Members of BoSS Board of Directors

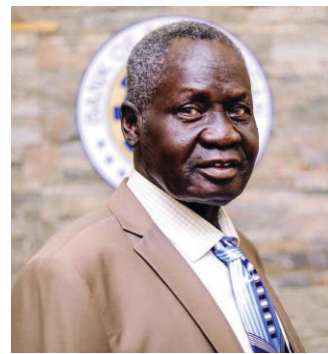
A. Executive Members of the Board



Hon. Johnny Ohisa Damian
Board Chairperson and BoSS Governor



Hon. Dr. Addis Ababa Othow Akongdit
BoSS 1st Deputy Governor



Hon. John Maciek Acuoth
BoSS Deputy Governor

B. Non-Executive Members of the Board



Hon. Nyel Gordon Kuol



Hon. Dr. Tabitha Eliaba Kenyi



Hon. Dr. Adil Atanasio Surur



Hon. Weituy Luony Baboth



Hon. Wani Buyu Dyori

Foreword from the Board Chairperson

Dear colleagues,

First of all, it gives me great pleasure and honor to launch the second Strategic Plan 2023-2027 of the Bank of South Sudan (BoSS).

The Bank is mandated by the BoSS Establishment Act, 2011 to carryout monetary and foreign exchange functions and operations as well as to deliver banking services to the government. In doing so, the Bank is expected to pursue the primary objective of maintaining monetary and domestic price stability as well as meeting other objectives pertinent to the financial and payment systems. The Bank is also expected to support the general economic policies of South Sudan.

To realize these objectives effectively, the Bank adopted a strategic performance management approach using the Balanced Scorecard framework through which it developed and implemented its first strategic plan (2018-2022). This exercise has paved the way for the Bank to be more strategically focused, achieve some strategic results and draw lessons for the second strategic planning cycle.

In the second strategic planning exercise, we have made sure that the 2023-2027 strategy is aligned to the national Vision (Vision 2040), the Revised National Development Strategy, and the mission and vision of the Bank. The strategic results we envisage to achieve are: satisfied customers and engaged stakeholders; stable and predictable inflation and exchange rates; sound and developed financial sector and payment systems; efficient and reliable processes; and, a capable, learning and growing institution.

At this juncture, I would like to stress that developing a very good strategic plan is not an end in itself. Implementation is the most important and the most challenging phase in strategic performance management. Therefore, I call upon all employees of the Bank to exert their utmost effort and demonstrate coordination, team work, commitment, self-initiation and creativity towards the successful implementation of this strategic plan. In this regard, I also expect the departments to align their operational activities and plans with this strategy.

I also plead to our external stakeholders to continue to extend their support the Bank in making this strategy a success.

In all your efforts, I would like to assure you that the Board and the Top Management will demonstrate strategic leadership and extend the necessary support.

Thank you.



Hon. Johnny Ohisa Damian
Governor and Chairman, Board of Directors
BoSS

Acknowledgement

Dear colleagues,

As the First Deputy Governor of the Bank of South Sudan, I salute and congratulate you for the launching of the 2023-2027 strategy of our Bank by the Board. I am pleased our bank has developed a new strategy, which is the light guiding us in our journey to success.

This strategic plan was developed with high-level ownership and engagement of the Board, the Top Management as well as participation of the Senior Management, the Staff and some external Stakeholders.

Let me take this opportunity to express my deep appreciation to the Board for their strategic leadership and unwavering support to this project. I would also like to recognize all Director Generals, Directors, Deputy Directors and Staff of the Bank at the headquarters and branches for showing interest and for engaging themselves in the planning process.


I would also like to express my deep appreciation to our Strategy Consultant Dr. Atakilt Hagos Baraki (Ph.D.) and our Balanced Scorecard Champions for conducting a comprehensive organizational assessment and strategy benchmarking in the Bank of Uganda and the National Bank of Rwanda; delivering training sessions on Balanced Scorecard; writing up and validating the draft SWOT/PESTEL analysis report and the strategic plan document in several workshops; and, enhancing employee buy-in.

I would also like to acknowledge the management and staff of our sister institutions - the Bank of Uganda and the National Bank of Rwanda for sharing their rich experience in strategic management. In this connection, I extend special thanks to the three BoU experts who reviewed and delivered training on cascading. I would also like to acknowledge all the stakeholders who filled in the questionnaires as well as the representatives from the IMF, the World Bank, the AfDB and the Ministry of Finance who give us their inputs on the draft strategic plan.

Last but not least, I would like to express my high-level appreciation to Dr. Majok Kuol Mading - the Director of Corporate Planning Department, and his Staff for managing the Project successfully.

In conclusion, I call upon all BoSS employees and Stakeholders to continue to collaborate and work as a team throughout the strategy implementation phase, which is the most important and yet challenging part. Let us uphold BoSS core values and develop a productive organizational culture. May the almighty God help us in our strategy implementation journey!

Thank you.



Hon. Dr. Addis Ababa Othow Akongdit
First Deputy Governor,
Bank of South Sudan

Definition of Key Concepts

Balanced Scorecard: refers to a methodology or an integrated tool for strategic performance management as well as a planning, communication and measurement tool.

Cascading/Alignment: the process of bringing the strategy down to the day-to-day operations of lower levels units of the organization and the employees; aligning the operations and services with the Vision, Mission, Core Values and Strategic Objectives and Strategic Initiatives of the organization; and, recognizing and rewarding good performance as well as ensuring accountability.

Core Values: the principles that guide human thinking, behavior and action within the organization and processes such as human resources (HR) management and development.

Mission Statement: a statement that describes the identity or purpose of the organization, what it does, and possibly the customers it serves. It is crafted taking into account the mandate.

Objective Commentary: a statement describing the nature and scope of a Strategic Objective to facilitates the development of performance measures and identification of strategic initiatives.

Organizational Assessment: the process of assessing the internal environment of an organization to identify its internal strengths and weaknesses as well as the external environment to identify opportunities and threats/risks that potentially affect the organization either positively or negatively, which is also known as SWOT/PESTEL analysis. Organizational assessment also involves conducting mandate analysis and Stakeholder analysis, as well as identifying the enablers, challenges and strategic issues.

Organizational structure: is the method by which work flows through an organization through the chain of command and horizontal coordination. It clarifies the roles and functions of the various entities in the organization, specifies the job positions, grades and job descriptions. It allows groups to work together within their individual functions to manage tasks. The different types of organizational structure include hierarchical, flat, functional, divisional, and matrix structure. An organogram pictorially depicts what the structure looks like at corporate or department level.

Overarching Result: means the overall result that materializes as a result of the realization of the Strategic Results. It can also be understood as the articulation of the result implied in the Vision Statement.

Performance Evaluation: means measuring performance overtime against indicators of performance (Key Performance Indicators) to: (a) determine the level of achievement and the performance gap; (b) analyze the causes for the performance gap; (c) take remedial actions that help fill the performance gap and improve performance; and, (d) learn from success and failure and draw lessons for improvement.

Performance Gap: the difference between the actual result and the desired result where a result can be accomplishment of activities, delivery of outputs or realization of outcomes.

Performance Measures: key performance indicators that help in tracking progress in achieving the desired results that are associated with Strategic Objective or projects. They help in determining the type of data to be collected and analyzed, in establishing performance gaps, in establishing trends as well as in shaping contents of performance reports. Performance measures should be CREAM:

- a) Clear - clear to the implementers;
- b) Relevant - relevant to the objective they intend to measure;
- c) Economical - enable collection of the required data with the lowest possible data collection cost;
- d) Adequate - collectively capture the scope of the objective); and

e) Monitorable – are within the control of the implementers.

Performance Monitoring: following up the implementation of planned activities and projects; reviewing and tracking progress; identifying and immediately address planning and/or implementation problems; keeping the work on track; and, letting the management know when things are going wrong before it is too late. Monitoring involves collecting, recording and analyzing performance data.

Performance Report: an oral or written report that clearly indicates the level of actual performance (accomplishment of activities and achievement of results) vis-à-vis what has been planned; the performance gap; the reasons for the performance gap; and recommendations for improvement.

Performance Target: a quantitative specification of Performance Measures to be met during the strategic plan implementation period. Performance Targets should be stretched but achievable.

Perspectives: different lenses through which an organization sees itself in planning for and measuring performance, which can be from the eye of Customers/Stakeholders; Finance; Internal Process; and, Learning and Growth (Internal/Institutional Capacity).

Stakeholders: the direct recipients or beneficiaries of the Bank's services (i.e., Key Stakeholders) and the entities who are not direct recipients of the Bank's services but have a stake or interest in how the Bank operates, its performance and the welfare of its Customers (i.e., other Stakeholders).

Strategic Initiatives (Projects): actionable enabling programs/projects that help fill the gap between the current state (the baseline) and the desired (future) state (Performance Target).

Strategic Issues: the issues that emanate from the Organizational Assessment and that should be addressed in the new strategy.

Strategic Objectives: the DNA or building blocks_of the organization's strategy. They specify the organization's strategic intent; help translate strategic results into concrete actions (i.e., they are the basis for action plan); and, integrate the various components of the strategy.

Strategic Results: means the grand results that are meant to be achieved when the organization achieves smaller desired results/outcomes corresponding to the Strategic Objectives. Each Strategic Focus Areas should have one Strategic Result corresponding to it.

Strategic Focus Areas: the strategic areas or pillars of excellence on which the Bank intends to focus on during the strategy implementation period on the basis if the findings of the Organizational Assessment.

Vision Statement: a statement stating what the organization aspires to be in the future, given its mandate/mission. It serves as a guiding light or a point of focus of effort over the long term.

1. Introduction

1.1 Background

Bank of South Sudan (BoSS) came into existence as soon as South Sudan got its independence in July 2011. It was established by the "Bank of South Sudan Act, 2011" in accordance with the provisions of Article 53(3)(b) and Article 85(1) of the Transitional Constitution of the Republic of South Sudan, 2011. Accordingly, the Bank was established as an autonomous body with the primary objective to maintain monetary and domestic price stability. Other objectives that are subordinated to this primary objective are to: (a) foster the liquidity, solvency and effective functioning of a stable market-based financial system; and (b) promote a safe, sound and efficient national payment system, which aims to maintain the stability of the financial system as a whole. Without prejudices to the primary objectives, the Bank is also entrusted with the objective of supporting the general economic policies of the GOSS in promoting sustainable economic growth of the Republic of South Sudan.

In order to meet the primary and other objectives, BoSS developed its first strategic plan (2018-2022) and launched it in March 2018. Since then, the Bank has been exerting efforts to implement its strategy in a context filled with a multiplicity of internal and external challenges. Apart from the experience gained with respect to strategy formulation, the Bank was able to implement some of the projects that were part of the strategic plan, realize certain results, and draw lessons from its successes and implementation weaknesses/challenges.

The year 2022 marks the end of the first strategic plan implementation period. As a continuation of the effort to manage its performance strategically and transform the Bank into a mission/vision-oriented, strategy-led organization, the Top Management of the Bank envisaged developing the second Strategic Plan (2023-2027). This document, therefore, presets the Bank's 2023-2027 Strategy.

1.2 The Strategic Planning Framework Employed (Balanced Scorecard)

In developing this Strategic Plan, the Bank adopted the Nine-Step to Success Balanced Scorecard (BSC) Framework of the Balanced Scorecard Institute (Figure 1).



Figure 1: The Nine-Step Balanced Scorecard Framework TM of the Balanced Scorecard Institute

The Bank adopted the first six (6) steps of the BSC Framework in developing its strategy. In this strategy development stage, the Bank:

- 1) Carried out an Organizational Assessment;
- 2) Laid down the Strategic Foundations (Strategy), including identification of the Strategic Focus Areas, Strategic Results and Perspectives; and, validation of BoSS Vision, Mission and Core Values;
- 3) Developed ten (10) Strategic Objectives and prepared Objective Commentaries;
- 4) Crafted a Strategy Map, which is the diagrammatic representation of the cause-and-effect relationships among the Strategic Objectives and a tool for telling the story of how BoSS intends to create value to its Customers and Stakeholders;
- 5) Identified Performance Measures or Key Performance Indicators (KPIs) for each Strategic Objective, set Performance Targets; and
- 6) Identified and prioritized relevant Strategic Initiatives (projects).

1.3 The Planning Approach and Process

In developing the 2023-2027 Strategy, BoSS followed a hybrid approach in which it employed a professional support from an external certified strategy consultant and a team of internal Balanced Scorecard Champions. In order to engage the internal Stakeholders in the strategic planning process and ensure common understanding, buy-in and ownership, the Bank delivered trainings on strategic management to the Champions as well as the senior and supervisory management. It also conducted several workshops to validate the SWOT/PESTEL analysis report and the draft strategy at various levels. Finally, the strategic plan document was reviewed and endorsed by the Executive Committee and approved by the Board in December 2023.

2. The Context in South Sudan

2.1 General Background

South Sudan got its independence in 09 July 2011, which was accompanied by hope and optimism for peace and development. Despite the previous impacts of the recurrence of conflict in 2013 and 2016 that negatively affected efforts to strengthen peace and realize economic growth prospects, South Sudan has a great potential for economic growth and economic diversification due to its abundant natural resources.

After the conflict and until 2018, South Sudan experienced economic contraction, as measured by real GDP per capita, household disposable income, food security and poverty levels, physical infrastructure and delivery of services, including education and health¹. The 2018 revitalized peace agreement and formation of the Revitalized Transitional Government of National Unity (R-TGONU) in 2020, have opened a door for strengthening institutions, stability and sustainable economic development. Consequently, the economy has shown a sign of recovery after the 2018 peace agreement due to resumption of oil production. Nevertheless, the economic gains have been disrupted by occurrences of localized conflicts, emergence of the Covid-19 pandemic and climate shocks (mainly flooding).

On the positive side, gross foreign reserves increased in the post-2018 period from 31 million in 2018/19 to 48 million in 2019/20, and further up to 173 million 2020/21. Supported by a significant decline in money growth and exchange rate stabilization, the overall rate of inflation declined from 123 percent in July 2018 to 11.3 percent in August 2021². As BoSS revamped the foreign exchange rate auction system through weekly auctions of the IMF's Rapid Credit Facilities (RCFs) to commercial banks and Forex bureaus, the gap between the market and official exchange rates declined from 250 percent in January 2021 to about 1 percent in August 2021.

Currently, South Sudan's economy is less diversified as it depends heavily on oil export earnings, which contribute to about 90 percent of revenue. Undeniably, efforts for state building and economic recovery have been constrained by the slow peace building process, weak institutions, continued subnational conflicts, weak economic diversification, and lack of fiscal discipline, corruption, and poor delivery of services.

With peace and stability strengthening gradually, South Sudan has a potential for economic diversification through growth in agriculture and non-oil minerals. Finalization of the Transitional Financial Arrangement (TFA) with Sudan, which was around 5 percent of GDP (IDA and IMF, 2020)³ opens a considerable fiscal space for the Government by easing the significant pressure on the budget. The graduation of the unified forces on the 30th of August 2022 is likely to contribute to containing localized conflicts and ensuring stability.

¹ World Bank (2022a). South Sudan Economic Monitor: Towards a Jobs Agenda, Fifth Edition, February 2022.

² World Bank (2022b). Directions for Reform: A country Economic Memorandum for Recovery and Resilience in South Sudan.

³ IDA and IMF (2020). Republic of South Sudan: Joint World Bank-IMF Debt Sustainability Analysis, November 2022.

2.2 Macroeconomic Overview

2.2.1 Gross Domestic Product (GDP)

BoSS Statistical Bulletin (Aug. 2022) indicates that South Sudan's real GDP showed recovery in the post-2018 period as compared to the 2016-2017 period. It increased from 20.97 billion SSP in 2017 to about 25.24 billion SSP in 2021. The share of the oil sector in GDP, which was as high as 52 percent gradually declined from 2015 onwards, reaching as low as 22 percent in the 2019-2021 period. Economic recovery has been facilitated by events such as the Rapid Credit Facility (RCF1 and RCF2) of the IMF in the second quarter of 2021; maintenance of the 2018 Revitalized Peace Agreement; easing of travel restrictions; growth in world crude oil prices and improvements in non-oil revenue collection (see BoSS Statistical Bulletin, Aug. 2022). Nevertheless, economic activities were disrupted by measures to contain the spread of COVID-19, mainly social distancing as well as restrictions on movement and business operating hours.

As a result of the peace dividend, the projected rebound in oil production and exports supporting partial economic recovery, real GDP was projected by AfDB to grow by 2.5 percent in 2022⁴ while the Monetary Policy Committee of South Sudan projected it to grow in 2022 by 6.47 percent⁵.

2.2.2 Inflation

Inflation stood at 12.67 percent in the fourth quarter of 2021. Despite the rise from the third quarter of 2021, which was 2.44%, the inflation rate exhibits a generally declining trend between Aug. 2017 and Aug. 2022⁶. Food accounts for about 70 per cent of the overall Consumer Price Index (CPI). Most of the food commodities consumed in South Sudan are imported from neighboring countries especially the East African partner states of Uganda and Kenya and occasionally Sudan. As a result, the CPI inflation component still has elements of imported inflation. Figure 2 depicts the trends in inflation between August 2017 and August 2022.

Stability in the prices of commodities in the EAC partner states such as Uganda, Kenya and Tanzania in the fourth quarter of 2021 had positive impact on prices in South Sudan. In addition, the following factors have contributed to price stability in South Sudan: (a) public financial management reforms; (b) the recovery of global oil prices that have reduced the fiscal deficit to 1.2 percent of GDP in 2021; and (c) the narrowing down of the current account deficit to 2.3 percent of GDP in 2021 because of improved oil revenue.

⁴ AfDB, African Economic outlook team. African Economic Outlook. Countries Notes, Abidjan: AfDB, African Economic outlook team, 2021 (as cited in BoSS Quarterly Macroeconomic Review, Fourth Quarter 2021).

⁵ BoSS (2022). Macroeconomic Conditions (of South Sudan), 03 Oct. 2022.

⁶ BoSS Quarterly Macroeconomic Review, Fourth Quarter of 2021.

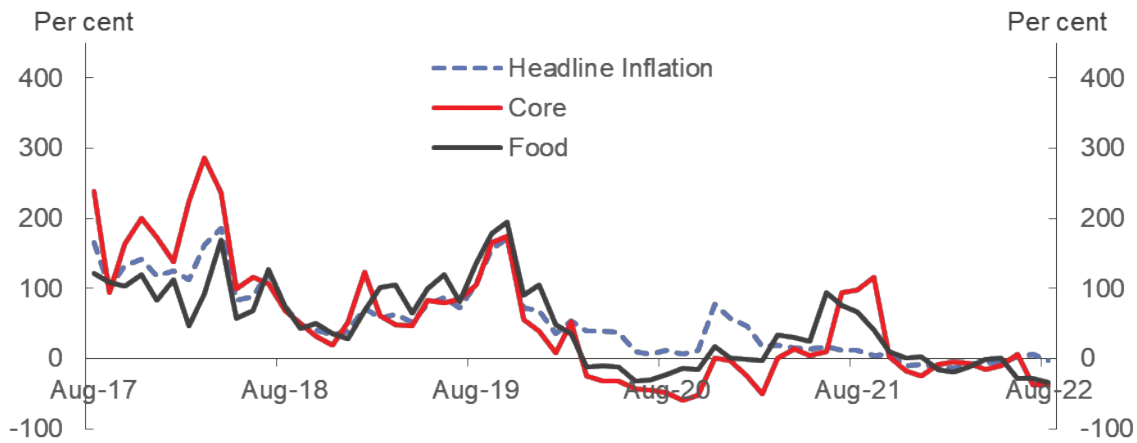


Figure 2: South Sudan Annual (Year on Year) inflation Rate (Aug. 2017-Aug. 2022).
 Source: BoSS (2022). Macroeconomic Conditions (of South Sudan), 03 Oct. 2022.

2.2.3 Money Supply and Exchange Rates

Growth in money supply (M2) has generally picked up after Dec. 2021 as compared to the period after Aug. 2018 and significantly increased in recent period. It increased to an average of 16 percent in the fourth quarter of 2021 from 5 percent in the third quarter of the same year. In nominal terms, it increased from SSP 279.52 billion in the third quarter of 2021 to SSP 323.74 billion in the fourth quarter of the same year⁷. It again started to pick up sharply between May and July 2022 mainly due to the increase in net credit to government by the central bank. Figure 3 depicts the trends in inflation between August 2018 and August 2022.

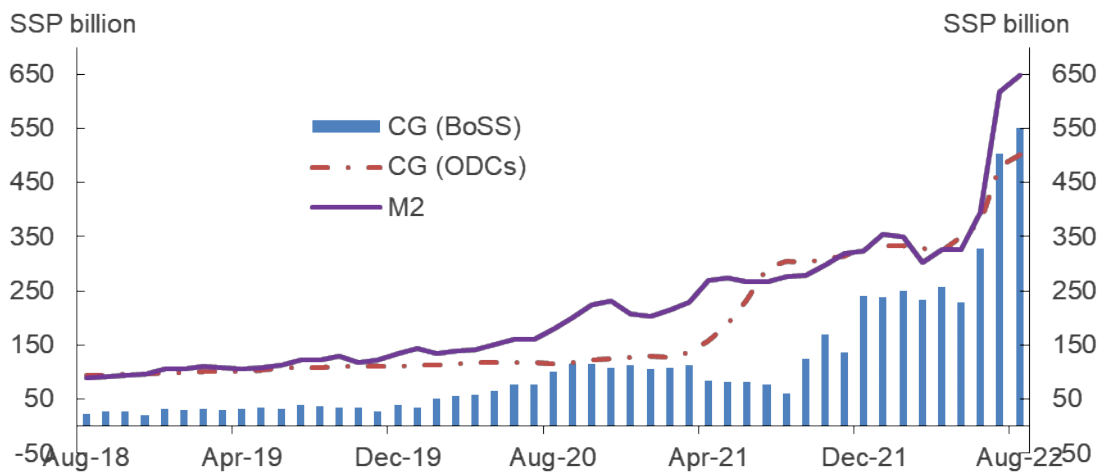


Figure 3: Money supply (Aug. 2018 – Aug. 2022).
 Source: BoSS (2022). Macroeconomic Conditions (of South Sudan), 03 Oct. 2022.
 Note: CG means Credit to Government; ODCs means other depository corporations.

⁷ BoSS Quarterly Macroeconomic Review, Fourth Quarter of 2021.

Since April 2021, BoSS implemented a policy of gradual liberalization of the foreign exchange market. Despite the recent surge in the foreign exchange rate in the parallel market, the premium between the official (indicative) rate and the parallel market rate has virtually been eliminated. Between October 2018 and June 2021, the parallel market exchange rate was significantly higher than the BoSS (indicative) rate. After June 2021, however, the Bank managed to narrow down the premium between the two rates through the auctioning of the USD to the commercial banks. While the bidding rate before June 2021 was higher than the BoSS indicative rate, it has converged with the other two rates after June 2021, especially since the third quarter of 2021.

In the third quarter of 2021, the official (indicative) and parallel market exchange rate converged at 400 SSP/1USD, which was a remarkable achievement for the Bank of South Sudan. In its effort to stabilize the exchange rates and prices in the market, the Bank of South Sudan has injected about USD 525.27 million into the market since December 2020. Since December 2020, BoSS has mopped out about SSP 261.41 billion from the market.

The report on macroeconomic conditions of South Sudan published on 03 October 2022 revealed that the SSP has been depreciating over time. Though the SSP showed appreciation against the USD in some months of 2021, the SSP has depreciated from average of 450/1USD to about 620/1USD in October 2022. The increase in borrowing by the government from the BoSS has contributed to depreciation of the SSP against the USD.

2.2.4 Private Sector Credit and Interest Rates

Despite the fact that commercial bank lending in South Sudan is generally low, private sector credit has continued to expand at a faster rate. It increased by about more than 89.56 percent on annual basis at the end of the fourth quarter of 2021. The increase is in line with the growth in broad money and driven mainly by an increase in demand for manufacturing of goods, energy and water, foreign trade, financial services and household sector⁸. In absolute terms, credit to the private sector in recent periods increased from an average of SSP 27,195.67 million in March 2022 to about SSP 42,748.49 million in July 2022.

Average deposit rates remained almost zero since 2018. For instance, the October 2022 report of BoSS on macroeconomic conditions indicated that deposit rates amounted to 0.05 percent on the first quarter of 2021 and 0.4 percent in the last three quarters of the same year. BoSS rate stood at 15% since 2018, except a decline of 0.52% below 15% during the time period between July 2019 and July 2020. Generally, lending rates of commercial banks have remained stable but slightly above the BoSS rate during the time period between July 2021 and July 2022⁹. According to the October 2022 report of BoSS on macroeconomic conditions, the interest rate on loans (i.e., the lending rate) for the first quarter of 2021 was 14.48 percent while it reached 17.21 percent in the fourth quarter of the same year.

⁸ BoSS Quarterly Macroeconomic Review, Fourth Quarter of 2021.

⁹ BoSS (2022). Macroeconomic Conditions (of South Sudan), 03 Oct. 2022.

2.2.5 Gross International Reserve Position and Oil Production

BoSS Quarterly Macroeconomic Review of the fourth quarter of 2021 indicates that South Sudan's foreign reserves position (mainly, Euro, Sterling, and US Dollars) has increased by 167.08 percent in the fourth quarter of 2021, which is equivalent to 70 days of import cover (two months and ten days). Though this is a significant improvement as compared to the fourth quarter of 2020, it is below the required three months' standard of import cover.

The Macroeconomic Review for the fourth quarter of 2021 shows that South Sudan's crude oil production remained stable at about 4.5 millions of barrels between October 2019 and October 2020. Nevertheless, oil production showed fluctuation and a generally declining trend after October 2020 while monthly average crude oil price showed a consistent increase after March 2020 despite the decline in third quarter of 2022 from nearly 120 USD/barrel to close to 90 USD per barrel. This led to higher-than-projected oil revenues.

2.2.6 Trade Balance

Despite the trade surplus of 56.59 million USD in the fourth quarter of 2021, South Sudan has been experiencing trade deficit. Trade deficit amounted to 5.5 percent of GDP in 2020/21 due to the decline in import demand caused by the Covid-19 pandemic. However, it stood at 20.3 percent of GDP in 2019/20¹⁰. The BoSS Quarterly Macroeconomic Review for the fourth quarter of 2021 also indicates that South Sudan's trade balance remained negative between the fourth quarter of 2019 and the third quarter of 2021.

2.2.7 External Debt

According to the December 2022 draft report uploaded on the official website of the Ministry of Finance and Planning on 16th January 2023, South Sudan's outstanding external debt stock amounts to USD 2,575,462,670. The creditors are the World Bank (USD 106,999,03; the IMF (USD 226,500,000); the AfDB (USD 22,742,218); and, other creditors (USD 2,219,221,421)¹¹. The draft report provides the details of the external debt stock.

2.3 The policy context

2.3.1 The Revised-National Development Strategy (R-NDS)

In a bid to align BoSS strategic plan 2023-2027 with the national vision and strategy, a brief review of the Revised National Development Strategy was carried out, as summarized below:

- 1) National Vision: "Vision 2040: towards freedom, equality, justice, peace and prosperity for all"
- 2) Goal: Consolidate peace, stabilize the economy and return to sustainable development.
- 3) Objectives:
 - a) Establish and/or strengthen institutions for transparent, accountable and inclusive governance.
 - b) Foster macroeconomic stability and lay foundations for the diversification of the economy.

¹⁰ World Bank (2022a). South Sudan Economic Monitor: Towards a Jobs Agenda, Fifth Edition, February 2022.

¹¹ Republic of South Sudan Ministry of Finance and Economic Planning (2022). Stock take of External Debt of the Government of South Sudan, Draft Report, December 2022 (<http://www.mofep-grss.org/documents/>).

- c) Build critical infrastructure for sustainable development, including roads, energy, public buildings and broadband capability.
- d) Increase support to the social sector for human capital development and protect the vulnerable population, to leave no one behind.
- e) Mainstream gender in all development policies and programmes and empower women and youth as drivers of growth and nation-building.

The priority areas of the R-NDS are Constitution, rule of law, security and peace; macroeconomic stability; economic and social development; governance; infrastructure; and environment and climate. Macroeconomic stability as one of the priorities of the R-NDS to which BoSS is expected to contribute aims to: Strengthen public financial management; manage natural resources; manage consumption, savings and investment; promote inclusive growth; and, diversify the economy.

The R-NDS is articulated in terms of five (5) clusters. The economic cluster is expected to address some issues: inadequate macroeconomic data; over-dependence on oil with no clear strategy for diversification; very narrow private sector base and negligible presence and influence of South Sudanese in the private sector; and, instability and uncertainties in the macroeconomic landscape. Expected outcomes of the economic cluster, in which Bank of South Sudan is a member, are: (a) macroeconomic stability; and, (b) economic diversification.

Among the performance targets for 2024 include to increase the ratio of non-oil GDP from 3 percent to 7.5 percent; increase share of capital expenditure as a percentage of total government expenditure from 6 percent to 10 percent; increase feeder roads rehabilitated or constructed from 760 to 1000 km and construction of major highways from 250 km to 500km; and, mobile phone penetration from 6 percent to 17.5 percent. Hence, effort is made to align this strategic plan (2023-2037) of BoSS with the objectives and priority areas of the R-NDS.

2.3.2 Policy options proposed by development partners

The World Bank's Country Economic Memorandum (CEM) proposes three policy directions with policy options for the short-term, medium-term and long-term. The three policy directions are:

- 1) Focus on getting the basic rights, with particular attention paid to peace, macroeconomic stabilization, and institutional strengthening;
- 2) Improve oil sector governance to strengthen the sector's contribution to the economy; and
- 3) Support agriculture sector resilience in order to exit the food insecurity trap.

Among the policy options under the first policy direction that could potentially yield technical and/or financial support to BoSS include:

- a) Short-term: Improve budgetary transparency; align resource allocation to the National Development Strategy; ensure coordination and credibility of fiscal, exchange rate, and monetary policies.
- b) Medium-term: Increase investment in basic infrastructure, and eliminate restraints on domestic and regional trade; and, facilitate production of timely and quality national statistics.
- c) Long-term: Take advantage of South Sudan's comparative advantage in agriculture to diversify the economy; and, close critical technical capacity and governance gaps in key government functions.

3. Organizational Assessment

3.1 Analysis of BoSS Mandate

A mandate is a legally provided authority or official order to carry out a policy or course of action or to undertake certain functions and operations or to deliver certain services. Hence, BoSS mandate (as provided in the BoSS Establishment Act, 2011) provides the basis for the very existence of the Bank and determines what the institution does. The Act mandated the Bank to pursue monetary functions and operations, foreign exchange operations as well as other functions. As a foundation to the development of the Bank’s Strategy, the Bank carried out an analysis of its mandate.

As defined in the Act, the primary objective of the Bank is to maintain monetary and domestic price stability. The Bank also has other objectives: (a) to foster the liquidity, solvency and effective functioning of a stable market-based financial system; and, (b) to promote a safe, sound and efficient national payment systems (NPS), which aims to maintain the stability of the financial systems as a whole. Furthermore, the Bank is expected to contribute in meeting wider objectives: (a) support the general economic policies of the Government; and, (b) promote sustainable economic growth.

The Act also stipulated the specific mandates of BoSS in relation to: (a) monetary function and operations; (b) foreign exchange function and operations; and, (c) banking services. The Bank is also mandated to collect economic and financial data related to its objectives and mandated tasks; publish monthly information concerning the total amount of SSP in circulation and the official foreign exchange reserve of the Bank; and represent South Sudan in international affairs in accordance with specific provisions of the Act. During the mandate analysis, some gaps in the Act were identified. The gaps are clearly indicated in the detailed SWOT/PESTEL analysis report, which is provided as a separate document.

3.2 Stakeholder Analysis

3.2.1 Primary Stakeholders and their needs

S. N	Primary Stakeholders	Needs and expectations	Impact on BoSS
1.	The Government of South Sudan and its agencies	<ul style="list-style-type: none"> • Efficient and reliable banking services (deposits and withdrawals) • Stable prices and exchange rates • Adequate foreign exchange reserve • Efficient and reliable national payment systems • Developed financial sector • A general reserve for covering possible losses • Adequate supply of bank notes in line with the economy • Strong and sustainable partnerships with local and international agencies • Timely and quality advisory services on monetary and banking policy for sound decision making • Loans, advances and sovereign guarantees when deemed necessary • Timely and quality economic and financial data/information 	Very high

S.N	Primary Stakeholders	Needs and expectations	Impact on BoSS
3.	Forex Bureau and mobile money service providers	<ul style="list-style-type: none"> • License and clear regulation • Timely official exchange rate information • Efficient payment system and banking services 	Medium
4.	The general public: citizens, universities, private businesses, NGOs, development partners, etc.	<ul style="list-style-type: none"> • Reliable and timely statistical data and information (e.g., data on official/indicative exchange rate, currency awareness, information about the monetary policy of the Bank) 	Medium
4.	Bank employees	<ul style="list-style-type: none"> • Information about BoSS laws and strategy • Sound and clear policies, procedures, operational plans, systems, etc. • Opportunities for training and career growth • Good administration • Conducive work environment (health and safety, adequate facility, furniture, equipment, internet service, etc.) • Timely decision and direction • Adequate and timely supply of inputs/materials to do the job • Reasonable compensation and benefits; career development and growth; clarity of duties and responsibilities; and, timely feedback on performance 	Very High
5.	Board of Directors	<ul style="list-style-type: none"> • Reliable, complete and timely performance reports • Effective implementation of the Bank's strategic and annual plans, budgets, policies, procedures and board resolutions • Feedback on the implementation status of plans, policies and board resolutions 	Very High

3.2.2 Other Stakeholders and their needs

S.N	Stakeholders	Needs and expectations	Impact on BoSS
1.	Development Partners (IMF, World Bank, AfDB, EAC central Banks, etc.); other central banks in the region	<ul style="list-style-type: none"> • Collaboration and commitment to agreements • Efficient and effective execution of partner-financed projects • Good governance (transparency and accountability) • Harmonization of regulations, policies and systems with EAC • Good reputation/image 	High
2.	Media	<ul style="list-style-type: none"> • Accurate and timely information, cooperation 	High
3.	The citizen of South Sudan (the general public)	<ul style="list-style-type: none"> • Price and exchange rate stability; economic growth • Safe and sound financial system • Financial inclusion (access to banking services) 	High

		<ul style="list-style-type: none"> • Availability of currency notes and adequate currency in circulation • Efficient and reliable banking/financial sector • Depositor protection 	
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3.2.3 Behavior BoSS desires from its Stakeholders

S.N	Stakeholders	The behavior we desire
1.	Regulated entities	<ul style="list-style-type: none"> • Compliance with the Banking Act as well as the regulatory frameworks and specific requirements/procedures of BoSS • Seek banking services within the working hours of the Bank • Handle currency properly (clean currency)
2.	Government	<ul style="list-style-type: none"> • Respect the independence/autonomy of BoSS • Fiscal discipline • Support and act towards the coordination of monetary, fiscal and other policies • Pass laws and regulations timely (the Legislature) and law enforcement • Controlling the open trading and illegal outflow of foreign currency • Ensuring security in BoSS HQ and Branches
3.	Board of Directors	<ul style="list-style-type: none"> • Strategic leadership • Timely and relevant decision/approval • Monitoring and follow-up on implementation of its resolutions, taking corrective actions
4.	Employees	<ul style="list-style-type: none"> • Positive attitude, good behavior and work culture • Commitment, professionalism and work discipline • Compliance with the Bank's policies, procedures and manuals • Owning and implementing the Bank's Strategy
5.	The Media	<ul style="list-style-type: none"> • Demonstrate professionalism, objectivity and accuracy in informing the public
6.	The citizen of South Sudan	<ul style="list-style-type: none"> • Knowing the mandate of the BoSS • Putting money in commercial banks rather than at home • Properly knowing and handling the currency • Reporting suspicious acts of counterfeiting and money laundering
7.	Development Partners	<ul style="list-style-type: none"> • Mutual understanding and sustainable collaboration • Financial and technical support; experience sharing • Programs/projects that consider the need of BoSS and the context • Clarity of intent (transparency) and institutionalized engagement

3.3 Corporate Governance, Organizational Structure and Human Resources (HR)

As per the provisions of Chapter III of the Bank of South Sudan Act 2011, the Board of Directors is the highest policy and decision making body. It is composed of six (6) non-executive members and three (3) executive members (i.e., the Governor and two Deputy Governors). The Act also stipulates that the Bank shall have three (3) Director Generals charged with implementing policies approved by the Board; an Internal Auditor (Chief Internal Auditor); a Chief Financial Officer; and, a Head of Financial Supervision.

Currently, the Bank is organized into three (3) Directorates: the Banking Supervision, Research and Statistics Directorate, the Currency and Banking Operations Directorate, and the Administration and Finance Directorate. Each of the three Directorates has departments that are further sub-divided into division, sections and units. The organizational structure of BoSS is attached as Annex.

3.4 Summary of enablers and challenges

Based on the findings of the SWOT/PESTEL analysis, the enablers and challenges are summarized below:

3.4.1 Enablers: strengths + opportunities

- 1) The Bank's ability to stabilize the exchange rate in the past two years to 2% by increasing the supply of dollars mainly through auctions (despite recent disruptions)
- 2) BoSS was able to maintain a foreign currency reserve of up to 2.3 months of imports though it is still inadequate.
- 3) Availability of domestic currency (SSP) reserves in adequate amount. The amount of Money kept as reserve continuously increased from 12 bln SSP in 2018 to 27 billion and 82 billion SSP in 2019 and 2020, respectively. It further increased to 118 billion SSP in 2021.
- 4) BoSS exercised its mandate as a Lender of Last Resort by giving loan to three banks that faced liquidity issues.
- 5) On average, BoSS generated income/revenue of SSP 3.65 bln/year.
- 6) Availability of Board of Directors; some Board committees; some competent and committed DGs, Directors and D/Directors; and, and committees of the management.
- 7) Majority of the professional Staff are educated; some are competent, disciplined and committed.
- 8) Some of the Unclassified Staffs are disciplined, hard- working, qualified (educated), committed, good in communications.
- 9) BoSS has a culture of endurance and accommodating diversity.
- 10) BoSS has designed some policies (e.g., procurement policy and procedure, HR policy and procedure, planning, M&E policy, job descriptions, etc.).
- 11) Practice of strategic planning; existence of clear Vision, Mission and Core Values.
- 12) Banking services are being provided even beyond normal working hours and during weekends; data on currency in circulation is known daily.
- 13) BoSS has designed and implemented some policies and procedures.
- 14) BoSS has completed some strategic initiatives; other projects are in progress.
- 15) Availability of some systems including the upgraded Core Banking System, BSA, Outlook email system, CISCO line, and deployment of Office 365.
- 16) Though inadequate, there is some improvement in physical resources and facilities.
- 17) Improving partnerships with IMF, World Bank, AfDB, EAC and other central banks in the region.
- 18) Improvements in political support from the government, relative peace and political stability, PFM reform.
- 19) Gradually improving road infrastructure, solar power potential and related efforts.
- 20) There is potential and effort to generate foreign currency by exporting Gum-Arabic, Gold, timber, etc.
- 21) Availability of graduates and young work force in South Sudan, which can be productive if trained.
- 22) Growing culture in using mobile money; the development of CBDC and Fin-Tech globally.

- 23) Joining EAC brings opportunities for building IT infrastructure and for harmonizing policies.
- 24) The natural environment and natural resources potential in South Sudan offers great potential for food production, energy generation, exports and economic diversification.
- 25) Availability of BoSS establishment Act, 2011, and budgetary independence, despite some gaps.
- 26) The R-NDP goal for the economic cluster to foster macroeconomic stability provides guidance.
- 27) The Government's resolution to sell all hard currencies to the Bank will help build the foreign currency reserves.
- 28) The initiative for having a unified currency in EAC and the move for harmonizing policies, structure and systems within the EAC will bring many advantages.

3.4.2 Challenges: weaknesses + threats

- 1) There are some gaps in the existing BoSS Establishment Act, 2011, which are constraining the Bank's mission effectiveness.
- 2) The external challenges the Bank has been facing may continue in the future (e.g., lack of operational independence from MoFP, frequent top leadership changes, external interferences in the operations of BoSS, not channeling international trade payments and all foreign currency income through BoSS, excessive advance payments such as sovereign guarantees and overdrafts, gaps in quality of statistical data, citizens keeping their money at home, etc.).
- 3) Underdeveloped financial sector, low level of financial inclusion, limited commercial bank lending; local money transfer and mobile banking companies are not formally registered and regulated (no regulation).
- 4) Gaps in organizational structure, job grades and salary structure; inadequate salaries and understaffing in some departments.
- 5) Limited managerial and supervisory competence (knowledge, skills and behavior).
- 6) Limited technical, professional, technological and behavioral competence among the Classified Staff.
- 7) Lack of English language, numeracy and technical skills among many Unclassified Staff.
- 8) Considerable gaps in attitude and behavior and aspects of unproductive organizational culture.
- 9) Less efficient and less effective core and support processes.
- 10) Lack of proper implementation of existing policies and procedures; some regulatory frameworks, policies and procedures are either not available or are not amended.
- 11) Gaps in project management (project planning, budgeting, implementation and follow-up, etc.); quality-related problems in some of the construction projects.
- 12) Limited capacity in terms of technology-assisted systems/software.
- 13) Rumbek Currency Center is not yet operationalized.
- 14) Serious capacity gaps in terms of physical resources and facilities in HQ and Branches (e.g., office and meeting space, IT/ICT Hardware, modern strong room, vaults, Staff café, gym, club; disaster recovery center, etc.).
- 15) Gaps in establishing and maintaining further partnerships, Stakeholder engagement and Corporate Social Responsibility.
- 16) Threats coming from the political, economic, social, technological, environmental and legal/policy environments. For example:
 - a) Unanticipated conflicts and insecurity
 - b) Continued political/external interferences

- c) Very low economic diversification, high dependence on oil; low food production
- d) Imported inflation due to global economic shocks
- e) Limited access to and poor quality of economic and social infrastructure (roads, education health, etc.)
- f) High foreign debt, corruption, nepotism, currency counterfeiting, money laundry
- g) Cyber security threats;
- h) Poor or lack of technological infrastructure at national level
- i) Limited mobile network coverage in the country
- j) Climate change and pollution (oil leakages, water pollution, etc.)
- k) Absence of some national/sectoral policies and strategies
- l) Weak policy implementation at national level
- m) Absence of legal frameworks for regulating non-bank financial institutions

3.5 Strategic issues

Based on findings of the organizational assessment and summary of enablers and challenges, the following twelve (12) strategic issues are identified:

a) Issues related to public awareness and Stakeholder confidence

- 1) Undertaking strategic communications, enhancing public awareness and gain support/collaboration, including the awareness of the Banking and Finance Committee of the Parliament
- 2) Incorporating Corporate Social Responsibility in the Bank's Strategy
- 3) Rebranding BoSS and building its image
- 4) Supporting macroeconomic policy making and sustainable economic growth by aligning BoSS Strategy with the R-NDP, providing strong policy advice, actively participating in national and regional initiatives

b) Issues related to external partnerships and collaborations

- 1) Strengthening existing partnerships with IMF, World Bank, AfDB, EAC and Foreign Mission Embassies
- 2) Further strengthening partnerships with other central banks in the region and create partnerships with other central banks beyond the region; establishing new partnerships (sign MoUs)
- 3) Soliciting financial and technical support
- 4) Complying with the specific agreements, rules and procedures for expenditure funded by development partners
- 5) Developing and implementing Stakeholder engagement strategy/plan
- 6) Strengthening the Bankers' Association
- 7) Undertaking a well-designed benchmarking of other institutions (with checklist)

c) Issues related to price and monetary stability (mission-effectiveness)

- 1) Strengthening the efforts for exchange rate stability to sustain the stability in the past two years

- 2) Addressing the issue of policy coordination and other external challenges that have affected BoSS mission-effectiveness
- 3) Strengthening economic research and monetary policy formulation; stabilizing prices
- 4) Developing foreign currency reserves; undertaking investment of the foreign reserves
- 5) Addressing the challenges constraining financial market operations

d) Issues related to financial sector and payment system development

- 1) Finalizing and operationalize the National Payment System
- 2) Supporting financial sector development, financial inclusion and commercial bank lending
- 3) Finalizing the study on CBDC and putting forth recommendations for policy action
- 4) Finalizing and operationalizing the Deposit Insurance Fund to ensure depositors

e) Issues related to HR competence (knowledge, skills and attitude/behavior)

- 1) Addressing the issue of understaffing
- 2) Building managerial, supervisory and Staff competence (knowledge, skills and awareness), engagement, commitment, motivation and performance
- 3) Filling the gaps in attitude, behavior and work discipline

f) Issues related to organizational culture

- 1) Further assessing gaps in organizational culture
- 2) Improving organizational culture

g) Issues related to efficiency and effectiveness of internal processes and operations/services

- 1) Increasing supervision and inspection of commercial banks, supervising Forex Bureaus, taking corrective actions
- 2) Regulating commercial banks concerning NGOs and diplomatic missions
- 3) Issuing currency in serial numbers, issuing used currency instead of issuing new currency only
- 4) Modernizing the classification of fit and unfit currency and currency counting; improving currency handling and disposal practices; making decision regarding the small SSP notes and coins
- 5) Operationalizing Forex clearing in all currencies in full scope; modernizing the clearing house
- 6) Making account-to-account payments rather than paying in cash
- 7) Increasing the number of days commercial banks transact (deposit) with BoSS
- 8) Taking practical steps to improve the efficiency and effectiveness of administrative and management support processes, including internal control and risk management processes
- 9) Improving strategic performance management, change management and project planning, budgeting, implementation and follow-up; assuring project quality
- 10) Revitalizing the Internal Audit function to ensure its operational independence and scope of Auditing; strengthening internal control and risk management
- 11) Operationalizing the Pensions Scheme; improving Staff benefits
- 12) Addressing issues pertaining Staff safety, health and health care cover
- 13) Enhancing institutional memory (library, record keeping and archiving)
- 14) Implementing succession planning

h) Issues related to internal income and revenue

- 1) Diversifying sources of revenue and income and rationalizing costs
- 2) Improving prudence of financial resource (budget) utilization and control

i) Issues related to internal regulations, policies, procedures and manuals

- 1) Determining the gaps in policy implementation; implementing the existing regulations, policies and procedures with discipline
- 2) Amending the existing policies that have gaps
- 3) Designing new policies, procedures and operational manuals

j) Issues related to corporate governance, organizational structure and salary scale

- 1) Strengthening the effectiveness of Board Committees; activating all committees, developing charters for all committees
- 2) Amending BoSS organizational structure, job grading, job descriptions, and salary scale in a manner that addresses the gaps indicated under sub-section 3.6
- 3) Strengthening transparency and accountability
- 4) Revising the salary structure to make it more clear and equitable across the grades

k) Issues related to IT/ICT-enabled Systems

- 1) Activating all modules of the Core Banking System (with Staff training) and making it compatible with the NPS
- 2) Finalizing the ERP system; automating and integrating the administrative and management support processes
- 3) Automating performance measurement, vault management, records and archive management, notes destruction, etc.
- 4) Putting in place new systems and upgrading/updating and fully operationalizing existing systems (core banking system, NPS, Bloomberg system, foreign currency buying and selling management system, automating BoSS Clearing House, etc.)
- 5) Upgrading/operationalizing IT/ICT infrastructure and Hardware or putting in place new ones (e.g., finalizing IT/ICT infrastructure for the Data center, replacing outdated computers/printers/scanners, upgrading CISCO and connecting all offices, acquiring genuine MATLAB, R, STATA software; migrating to TIER 3 Data Center, finalizing and operationalizing CCTV access control system, acquiring project management software, records and archives management system/software, vault management system, etc.)

l) Issues related to physical resources, facilities and relationships

- 1) Speeding up the construction of the new HQ to fundamentally solve problems related to acute shortage of working and meeting space, strong rooms, vaults, Staff car parking area, day care facility, gym, and club
- 2) Operationalizing the Rumbek Branch and Currency Center as well as Malakal Branches
- 3) Improving availability and distribution of ICT/IT hardware (computers, printers, photocopiers, etc.)
- 4) Constructing branches in states where needed/feasible; building new offices in Branches

- 5) Establishing School/Institute of Banking Studies; equipping the Training Center with mounted LCD projectors, furniture, printers, computers, flip chart stands, etc.
- 6) Renovating the existing HQ, constructing a warehouse/store, Staff quarters and guest houses (residential houses) in Juba and branches
- 7) Constructing new Staff lounge/café and subsidizing Staff meals; operationalizing the Staff club
- 8) Increasing the number of Staff service buses/vehicles in HQ and the Branches
- 9) Establishing a central archive; constructing disaster recovery center
- 10) Addressing the technical issues related to the generators
- 11) Establishing internal clinic and equipping it with necessary equipment, materials and medical Staff
- 12) Improving Internet and CISCO connectivity and BoSS Website
- 13) Improving employee-employee and employee management relationships and team work.

4. Strategy/Strategic foundations

4.1 Mission, Vision and Core Values

Mission – why we exist?

"To ensure price stability and sound financial systems in support of sustainable economic growth in South Sudan"








Vision – the desired picture of future success:

"To be a credible central bank in fostering price and financial system stability"



Our Core Values – the principles guiding our thinking, behaviour and actions:

TAPET

	Transparency	We make our decisions and actions clear to customers and stakeholders and stand scrutiny.
	Accountability	We take responsibility for our decisions and actions.
	Professionalism	We strive to be skillful and competent and deliver quality results with integrity.
	Excellence	We innovate solutions to problems, improve our performance continuously and go extra miles to deliver standard services.
	Team Work	We work in cooperation and synergy and share skills, knowledge and experience.

4.2 Overarching Result, Strategic Focus Areas and Results

4.2.1 Overarching Result (Vision Result): what does success mean for us?

As articulated in the Vision statement, BoSS aspires to be a credible central bank. This will be measured by its success in ensuring price stability, exchange rate stability and financial system stability. Figure 4 depicts the Vision is decomposed into these three measurable grand results along with the performance indicators for the 2023-2027 period.

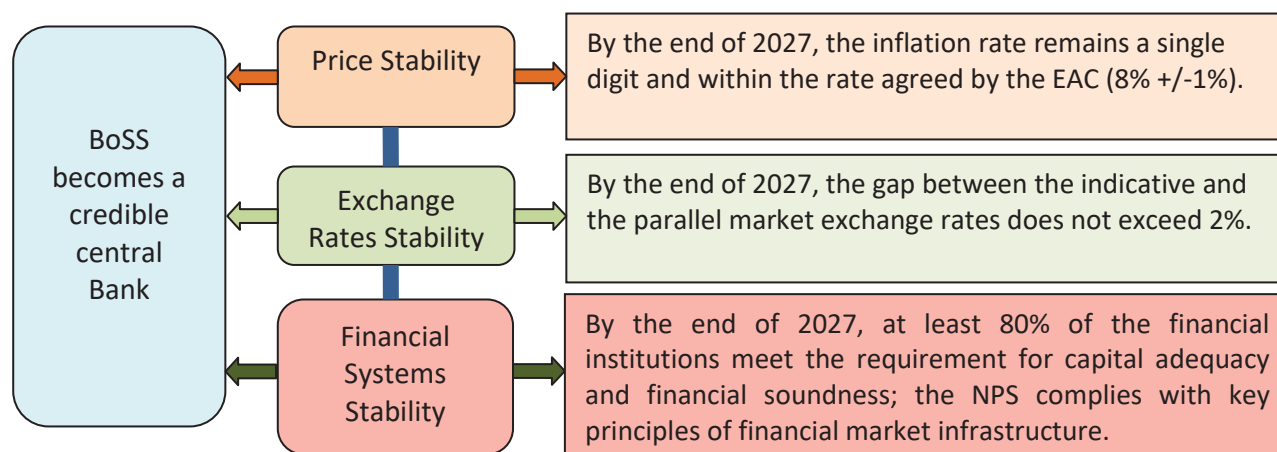


Figure 4: The Overarching Result for the 2023-2027 period

4.2.2 Strategic Focus Areas, Desired Results/Outcomes and Strategic Results

A. Strategic Focus Areas

In the 2023-2027 period, BoSS will redirect its focus on five (5) Strategic Focus Areas, which are identified taking into account the strategic issues. Table 1 presents the Strategic Focus Areas.

Table 1: Strategic Focus Areas for 2023-2027

S.N.	Strategic issues to be addressed	Strategic Focus Areas
1.	a) Issues related to public awareness and Stakeholder confidence b) Issues related to external partnerships and collaborations	Stakeholder Confidence
2.	Issues related to price and monetary stability	Price and Monetary Stability
3.	Issues related to financial sector and payment system development	Financial Sector and Payment System Development
4.	a) Issues related to efficiency and effectiveness of internal processes and operations/services b) Issues related to BoSS income and revenue	Operational and Service Excellence (Digital Transformation)
5.	a) Issues related to HR competence (knowledge, skills & attitude) b) Issues related to organizational culture c) Issues related to corporate governance, organizational structure and salary scale d) Issues related to internal regulations, policies, procedures and manuals e) Issues related to IT/ICT-enabled systems f) Issues related to physical resources, structure, facilities and relationships	Institutional Transformation

B. Desired Results/Outcomes and Strategic Results

Strategic Focus Area	Desired results/outcomes	Strategic Result
Stakeholder Confidence	Improved external Stakeholders' satisfaction, collaboration, engagement and BoSS image	Satisfied Customers; engaged Stakeholders
Price and Monetary Stability	1) Low and stable inflation (CPI) 2) Stable exchange rates 3) Adequate foreign currency reserves	Stable and predictable inflation and exchange rates
Financial sector and payment systems development	1) Inclusive financial services (financial inclusion) 2) Increased compliance of financial institutions with BoSS and the Banking Act's requirements 3) Increased participation of financial institutions in the financial markets 4) The NPS complying to key Principles of Financial Market Infrastructure (PFMI)	Sound and developed financial sector and payment systems
Operational and Service Excellence (Digital Transformation)	1) Efficient and reliable core and support processes 2) Income covers operational costs 3) Prudent budget utilization	Efficient and reliable processes (both manual and automated)
Institutional Transformation	1) Employees are competent (Knowledge, Skills and Attitude) and meeting expected performance targets 2) Employees are satisfied and engaged 3) Productive organizational culture 4) Progress in the maturity level of BoSS in managing performance 5) Adequate and well-functioning infrastructure, systems, structure, facilities; motivated Staff	A capable, learning and growing institution

4.3 Perspectives

S.N	Perspective	Questions of concern
1.	Stakeholder	What value should we create to our external Stakeholders?
2.	Finance	To maximize value to our Stakeholders, how should we perform financially?
3.	Internal Process	To satisfy the needs of our external Stakeholders, at which business processes must we excel?
4	Institutional Capacity	To excel in our processes and to leverage on our resources, what capacities must BoSS possess and utilize?

5. Strategic Objectives and Strategy Map

5.1 Strategic objectives

Taking into consideration the Strategic Focus Areas, the desired results/outcomes as well as the Strategic Results, the Bank intends to realize ten (10) corporate-level Strategic Objectives during the 2023-2027 planning period. Table 2 contains the Strategic Objects, which are arranged across the four Perspectives.

Table 2: Strategic Objectives for the 2023-2027 period

S.N	Perspective	Strategic Objective	Linked to:
1.	Stakeholder	1) Increase External Stakeholders' Confidence 2) Enhance Price Stability 3) Enhance Exchange Rate Stability 4) Enhance Financial System Development and Soundness	Theme 1 Theme 2 Theme 2 Theme 3
2.	Finance	5) Optimize BoSS Financial Performance	Theme 4
3.	Internal Process	6) Enhance Efficiency & Reliability of Core Processes 7) Enhance Efficiency & Reliability of Support Processes	Theme 4
4.	Institutional Capacity	8) Enhance Employee Competence 9) Improve Organizational Culture 10) Improve the conduciveness of the work environment	Theme 5 Theme 5 Theme 5

5.2 Strategy Map and the Value Creation Story

5.2.1 BoSS Strategy Map

A Strategy Map is a pictorial representation of the cause-and-effect relationship among the Strategic Objectives in the value creation chain across the four Perspectives. It helps narrate the story of how the Bank intends to create value to its Stakeholders. Figure 5 depicts the Strategy Map.

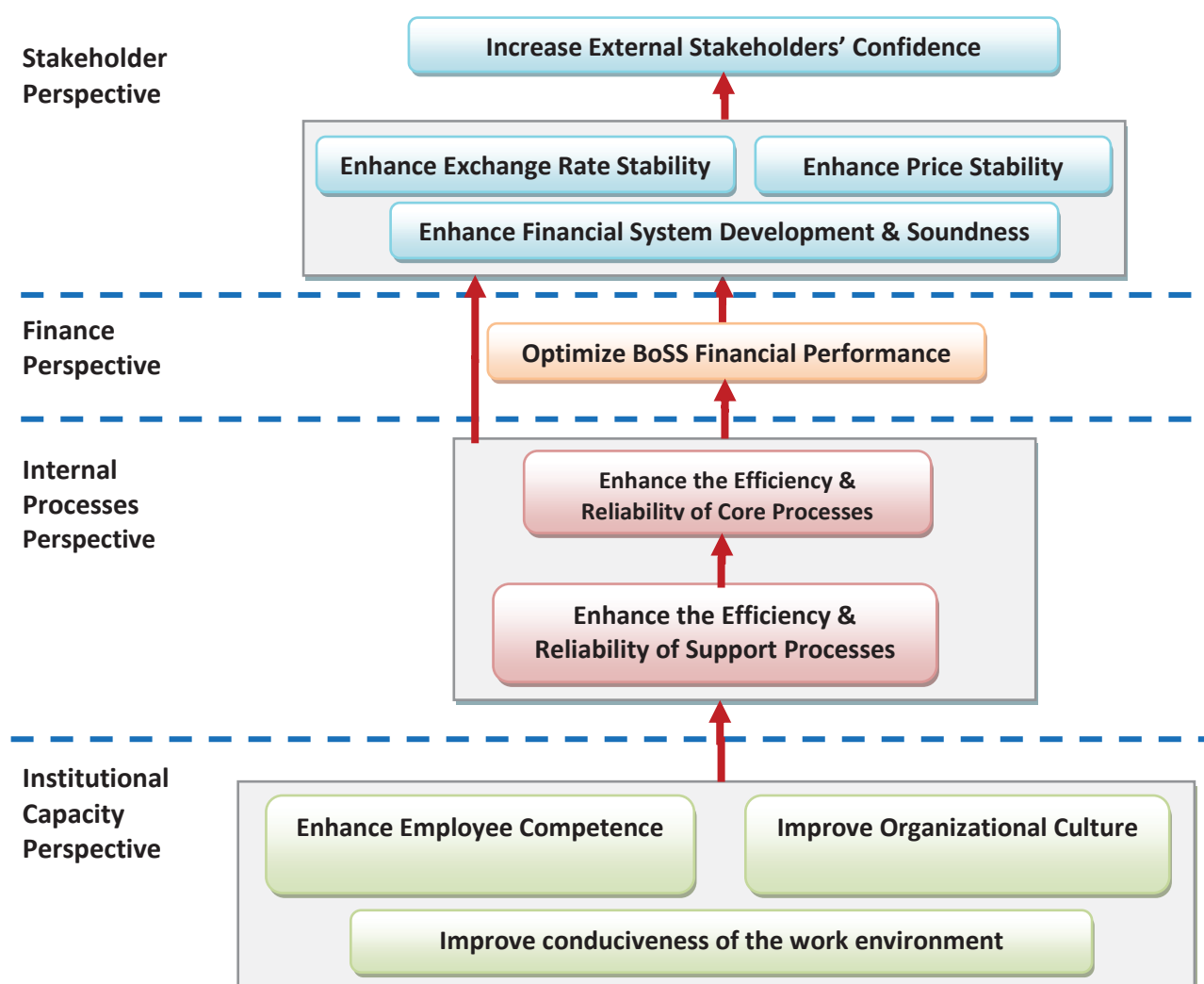


Figure 5: BoSS Strategy Map for the 2023-2027 Strategy

5.2.2 The Value Creation Story: how BoSS creates value to our Stakeholders

As depicted on Figure 5, the 10 Strategic Objectives, combined together, help the Bank create value to its Stakeholders. Generally, there is a cause-and-effect relationship among Strategic Objectives across the four Perspectives. That is, realization of the Strategic Objectives under the Institutional Capacity

Perspective contributes to the realization of the Strategic Objectives under the Internal Process Perspective. When the Strategic Objectives under the Internal Process Perspective are realized, they contribute to the realization of the Strategic Objective under the Finance Perspective as well as the Strategic Objectives under the Stakeholder perspective. Likewise, realizing the Strategic Objective under the Finance Perspective contributes to realization of the Strategic Objectives under the Stakeholder perspective.

Specifically, if the Bank is able to improve the conduciveness of the work environment, enhance employee competence and motivation and improve organizational culture, it will be able to enhance the efficiency and reliability of the core and support processes. This in turn contributes to: (a) the optimization of financial performance; (b) financial system development and soundness; (c) price and exchange rate stability; and (d) confidence of external Stakeholders. Furthermore, optimization of BoSS financial performance supports the realization of the four (4) Strategic Objectives under the Customer/Stakeholder perspective.

There is also an internal cause-and-effect relationship among the two (2) Strategic Objectives under the Internal Process Perspective. Logically, the support functions are there to support the core operations and function. Hence, when the support processes are efficient and reliable, they can help in enhancing the efficiency and reliability of the core processes. Similarly, there is a cause-and-effect relationship among the Strategic Objectives under the Stakeholder Perspective. That is, when the Bank is able to enhance price and exchange rate stability as well as the development and soundness of the financial system/sector, external Stakeholders' confidence increases.

6. Performance Measures, Targets and Strategic Initiatives

Strategic Objective 1: Increase External Stakeholder Confidence

Objective Commentary	Expected results/Outcomes	Performance Measure	Target
Stakeholders' confidence refers to the trust the external Stakeholders have on the Bank's success in stabilizing prices and exchange rates, as well as in enhancing financial system development and soundness. It also refers to Stakeholders' satisfaction with the Bank's actions in support of macroeconomic policy making and sustainable economic growth in South Sudan; and, the timeliness, reliability, accessibility, and quality of the banking services/operations. Success in realizing this objective implies high Stakeholder engagement, improved BoSS image, and reduced negative publicity. Building Stakeholder confidence necessitates keeping the Stakeholders informed about the Bank's mandate, actions, achievements and challenges as well as partnering, consulting and collaborating with them in areas of common interest. It also requires compliance of BoSS with laws, regulations, and agreements/MoUs as well as taking concrete actions in support of Corporate Social Responsibility.	Improved Stakeholders satisfaction, collaboration, engagement and BoSS image Corporate Strategic Initiatives (CSI): 1) Finalize amendment of BoSS Establishment Act, 2011 2) Develop a strategy for financial sector development in support of the NDS	M1-1: External Stakeholder satisfaction index (%) ¹² (institutional Stakeholders)	75%

Strategic Objective 2: Enhance Price Stability

Objective Commentary	Expected results/Outcomes	Performance Measure	Target
Stable price means absence of sharp fluctuations in domestic prices. Hence, price stability means low and predictable inflation. Achieving price stability requires effective monetary policy formulation, communication and enforcement. It also requires the coordination of monetary, fiscal and other policies that affect prices as well as concerted efforts to absorb (responding to) external shocks.	Low, stable and predictable rate of change in domestic prices as measured by the CPI Corporate Strategic Initiatives (CSI): 1) Review and reactivate the national macro-economic policy coordination mechanisms to streamline policies and to solve challenges external to BoSS 2) Review the framework for monetary policy formulation	M2-1: Annual inflation rate ¹³ (Headline Inflation) M2-2: Broad money (M2) growth rate	8%+/-1% 15%+/-1%

¹² Customers/Stakeholders' satisfaction levels for 2018, 2019, 2020 and 2021 were 62.79%, 67.4%, 50.55% and 68.34%, respectively.

¹³ The targets for M2-1, M2-2, M3-1 and M3-2 are set taking into account the agreed upon target by the EAC. The baseline for headline inflation for 2021 was 12.2%.

Strategic Objective 3: Enhance Exchange Rate Stability

Objective Commentary	Expected Results/Outcomes	Performance Measure	Target
<p>Stable exchange rate (i.e., the value of SSP against a foreign currency) means minimal fluctuations in the value or purchasing power of the SSP against other currencies over time. It also means a minimum difference between the official/indicative exchange rate and the rate in the parallel market. Ensuring stable exchange rate requires developing foreign currency reserves and supplying the foreign currency to meet demands as well as prioritizing and regulating its utilization.</p>	<ol style="list-style-type: none"> 1) Stable exchange rates 2) Adequate foreign currency reserves 	<p>M3-1: The premium between the indicative and parallel market exchange rate (in %)</p> <p>M3-2: Number of months of imports that can be covered by the foreign currency reserve</p>	<p>2%</p> <p>3 months for 2023; 9 months (for 2024 onwards)</p>
<p>Corporate Strategic Initiatives (CSI): Develop regulations and strategy for building foreign currency reserves: a) A strategy for building the foreign currency reserves b) A regulation for buying and selling Gold and guideline for exporting gold c) A regulation to encourage foreign remittance</p>			

Strategic Objective 4: Enhance Financial System Development and Soundness

Objective Commentary	Expected Results/Outcomes	Performance Measure	Target	
<p>This objective refers to the development of an inclusive financial sector/services, financial markets and operationalization of an efficient, safe and sound NPS. This incorporates the identification and management of systemic risks as well as development of local financial institutions and special banks that finance specialized economic and social endeavors/sectors.</p> <p>It also means that the regulated entities are liquid/solvent, resilient to shocks and compliant with the prudential and regulatory requirements (i.e., requirements pertinent to internal risk control as well as liquidity and capital adequacy).</p>	<ol style="list-style-type: none"> 1) Inclusive financial services (financial inclusion) 2) Increased compliance of financial institutions with BoSS and the Banking Act's requirements 3) Increased participation of financial institutions in the financial markets 4) The NPS complying to key principles of financial market infrastructure (PFMI) 	<p>M4-1: % of adult population having a bank account in formal financial institutions¹⁴</p> <p>M4-2: % of adult population using mobile money services</p> <p>M4-3: Regulated entities' compliance index (%)</p> <p>M4-4: % of commercial banks meeting the Liquidity Coverage Ratio (LCR) (the 20% liquidity ratio)</p> <p>M4-5: % of commercial banks complying to capital adequacy requirements</p> <p>M4-6: % of commercial banks participating in term deposits</p> <p>M4-7: Compliance level of the NPS to key Principles of Financial Market Infrastructure (PFMI)</p>	<p>20%</p> <p>30%</p> <p>80%</p> <p>70%</p> <p>80%</p> <p>70%</p> <p>95%</p>	
	<p>Corporate Strategic Initiatives (CSI):</p> <ol style="list-style-type: none"> 1) Conduct a study that helps deepen the money markets 2) Finalize and operationalize the NPS establishment project and develop a regulatory sandbox for financial technologies (<i>Fin-Techs</i>) 3) Finalize the establishment of the Deposit Insurance Fund 4) Propose a Strategy for National Financial Inclusion (NFI) and financial literacy 5) Develop legal frameworks for regulating non-bank financial institutions (micro finance Institutions, Insurance Companies, SACCOSs) 6) Conduct a study and develop a proposal for establishing capital/stock markets. 7) Continue the study on CBDC and develop CBDC regulatory framework, if feasible 8) Develop regulations for: <ol style="list-style-type: none"> a) Agent (Umbrella) Forex b) Strengthening the Credit Reference Bureau c) Formalizing local money transfers and mobile money transfer companies 			

¹⁴ The baseline for adults between age 20 and 80 years old is 12.8% (Source: BoSS Research and Statistics Department).

Strategic Objective 5: Optimize BoSS Financial Performance

Objective Commentary	Expected results/ Outcomes	Performance Measure	Target
Optimizing financial performance means maximizing income and revenue and control over the utilization of financial resources to ensure prudent utilization. The various sources of income and revenue may include income from Forex transactions, foreign operation charges, investments, commissions, license fees, sundry income, clearing operation fees, interest income, credit reference bureaux fees, accounts opening fees, donations and grants (in SSP) and others.	1) Income covers operational costs	M5-1: Operational cost to income ratio/year	<=1
	2) Prudent budget utilization	M5-2: %budget utilized for intended purpose/year	90%
Corporate Strategic Initiatives (CSI) 1) Develop a strategy for diversifying sources of revenue and income 2) Develop a proposal for rationalizing costs			

Strategic Objective 6: Enhance Efficiency and Reliability of Core processes

Objective Commentary	Expected results/ Outcomes	Performance Measure	Target
This objective refers to the efficiency and reliability of core processes. The core processes of the Bank are those processes dealing with the operations and functions of the Bank, mainly supervision, research and statistics as well as currency, banking operations, NPS and financial markets. This means that services are delivered within the shortest possible time or timely (as per predetermined operational standards) and are not prone to errors.	Efficient and reliable core processes	Internal customers' rating on the efficiency and reliability of the core processes (%)	75%
	Corporate Strategic Initiatives (CSI): 1) Modernize currency management by: 2) Automating vault management 3) Installing the bank note processing system 4) Finalize the SWIFT Direct Connectivity Project. 5) Operationalize the Bloomberg system (in financial markets). 6) Build the capacity of external data providers (i.e., the NBS and others) 7) Operationalize the queuing system in banking operations or install a new system. 8) Develop a regulatory framework to enhance the inter-bank market and develop a Forex interbank trading platform (including international organizations) 9) Activate all modules of the Core Banking System (with staff training) or introduce a new system. 10) Establish a knowledge management center		

Strategic Objective 7: Enhance Efficiency & Reliability of Support Processes

Objective Commentary	Expected results/ Outcomes	Performance Measure	Target
<p>This objective refers to the efficiency and reliability of support processes. These include the key processes in the administrative support functions (i.e., HR, Finance, Support Services, IT, and Training) as well as those in the management support functions (i.e., Corporate Planning, Internal Audit, Risk and Compliance Management, Communications and Public Relations, the Executive Office and the Board Secretariat).</p> <p>This means that support services are delivered within the shortest possible time or timely (as per predetermined service standards, policies and procedures) and are not prone to errors to the satisfaction of internal customers. This objective also incorporates other aspects such as performance/ project/change management.</p>	<p>Efficient and reliable support processes</p> <p>Corporate Strategic Initiatives (CSI):</p> <ol style="list-style-type: none"> 1) Finalize and operationalize the ERP Project 2) Conduct IT systems audit based on ISO Standards 3) Put in place records management and central archive system 4) Develop a framework for budgeting 5) Implement programs for continuous improvement of business processes (e.g. quality management 9000 series) 6) Adopt a project management policy and methodology (e.g., PRINCE 2 methodology) 7) Conduct an assessment on internal controls, operational risk management and business continuity 8) Develop risk management and business continuity management (BCM) policy; BCM framework and plan 9) Develop an information security and confidentiality policy 10) Strengthen change and performance management: <ol style="list-style-type: none"> a) Develop a corporate-level change management policy b) Review the performance management policy, including the management of institutional and individual performance as well as performance-related recognition, reward and incentives 	<p>Internal customers' satisfaction with the efficiency and reliability of the support services (in %)¹⁵</p> <p>Uptime for critical IT systems</p>	<p>75%</p> <p>97%</p>

¹⁵ The baseline for 2021 for DG 3 was 53.8%.

Strategic Objective 8: Enhance Employee Competence

Objective Commentary	Expected results/ Outcomes	Performance Measure	Target
Employee competence incorporates knowledge, skills and attitude of BoSS employees, including managerial, supervisory, professional and technical competence. Managerial and supervisory competence (i.e.. the competence of DGs, Directors, D/Directors and Heads of Division/Section/ Unit) incorporates capabilities in planning, organizing, staffing/engaging, controlling, directing, decision-making, coaching/mentoring, communications, coordinating, monitoring, evaluation and reporting. It also incorporates their ability to align the operational plans and budget to the strategy, managing institutional and employee performance, building professional and technical competence of the Staff (both Classified and Unclassified) through on-the-job/off-the-job, internal/external, short-term/long-term trainings (including e-learning) to do their jobs, use systems, deliver services and achieve desired results. It also refers to their ability to understand, properly interpret and implement laws, policies, procedures and operational manuals.	1) Employees are competent (Knowledge, Skills and Attitude) and meeting expected performance targets	M8-1: %employees whose job performance evaluation result exceeds 70%	75%
	2) Employees are satisfied and engaged	M8-2: %employees trained/year on strategic training topics (including e-learning)	80%
	3) Departments deliver results	M8-3: Employee job satisfaction index	70%
		M8-4: Departmental performance rating	70%
		Corporate Strategic Initiatives (CSI): 1) Design employee Competency Framework at all levels 2) Design and implement employee capacity building program (with projects) 3) Introduce “Back to school program” for the Unclassified Staff 4) Introduce a Personal Improvement Program (PIP) for underperforming employees	

Strategic Objective 9: Improve Organizational Culture

Objective Commentary	Expected results/ Outcomes	Performance Measure	Target
Organizational culture is the collection of values, expectations, and practices that guide and inform the actions of employees. It is the collection of traits that make BoSS what it is. A productive organizational culture entails or supports improvements in relationship, cooperation, work discipline and team work.	1) Productive organizational culture	M9-1: Organizational culture index	70
	2) Progress in the maturity level of BoSS in managing performance	M9-2: Level of strategic management maturity	Level 3
	Corporate Strategic Initiatives (CSI): 1) Introduce a program for developing organizational culture (including mainstreaming the Core Values, rebranding BoSS) 2) Conduct strategic management maturity assessment 3) Develop and implement Staff team building program		

Strategic Objective 10: Improve Conduciveness of the Work Environment

Objective Commentary	Expected results/ Outcomes	Performance Measure	Target
<p>This objective refers to improving the conduciveness of the work environment, including the organizational structure, salary scale and benefits, IT infrastructure, physical infrastructure/resources and facilities both in the headquarters and branches of the Bank. It is also concerned with the alignment of the structure with the Strategy and availability of career path for Staff career development. Conducive work environment motivates employees to perform better and deliver expected results.</p>	<p>Adequate and well-functioning infrastructure, systems, structure, facilities; motivated Staff</p> <p>Corporate Strategic Initiatives (CSI):</p> <ol style="list-style-type: none"> 1) Amend the organizational structure of BoSS 2) Operationalize the Rumbek Currency Center, Rumbek & Malakal Branches. 3) Equip the Data Center with IT facility 4) Continue and finalize the new Headquarters construction project. 5) Construct new: <ol style="list-style-type: none"> a) Cash processing center (including strong room, destruction center, etc.) and vaults in the existing HQ b) Staff lounge/café and warehouse/store in existing HQ. c) Staff residential quarters and guest house d) New Branch offices (Bor, Aweil, Yambio, Kuacjok) e) Institute of Monetary/Banking Studies f) New Training Center g) Center for central registry and archive 6) Renovate the existing Headquarters and Branches 7) Build and operationalize a Disaster Recovery Center (DRC). 8) Improve connectivity by upgrading: (a) The CISCO Line; and, (b) Internet connectivity. 	<p>M10-1: Overall satisfaction level of BoSS employees on the conduciveness of the work environment</p>	<p>70%</p>

7. Implementation Strategy/Tactics

Strategy execution is the most important, and yet, the most challenging task in strategic performance management. Strategy implementation has, in fact been, the major challenge in the first strategic planning exercise of BoSS. By considering the challenges BoSS faced in the past and recommendations in the literature for effective strategy execution, this section outlines some courses of action (tactics) for effective strategy execution.

1) Build an effective leadership/management team

Successful strategy (balanced scorecard) implementation depends on sponsorship, support and commitment of the top leadership as well as the senior and supervisory management. Therefore, building the strategy leadership team and building its capacity should get prior attention during implementation. This can be achieved by delivering trainings to the leadership/management on various topics that support strategy implementation, including strategic management, leadership, managerial and supervisory skills, emotional intelligence, change management, and so on. Towards this end, the CPD and HRD should collaborate in planning and organizing such trainings.

2) Assign ownership of Strategic Objectives and Strategic Initiatives (projects)

Successful strategy (balanced scorecard) implementation also requires assigning ownership of Strategic Objectives and Strategic Initiatives to relevant entities and individuals in the Bank. Therefore,

- a) Objective owner or Strategic Objective Team Leader (i.e., Director General) should be assigned to each Strategic Objective. For the management support functions, the Objective Team Leader should be the CPC/Director. The Strategic Objective Team should constitute Directors of the departments that can play a role in implementing the Strategic Objective by either being direct implementers or by providing necessary information to the implementing departments.
- b) The Objective Owners should follow up the implementation of the Strategic Objectives assigned to them, follow up the implementation of the Strategic Initiatives falling under that Strategic Objective and make a presentation (report) to the Ex-Com. In this regard, the CPD will provide technical support in consolidating the corporate-level report.
- c) Project owner (Director) and project manager (D/Director or head of Division/Section) should be assigned to each Strategic Initiative (project).
- d) Each Project Owner should set up one steering team for each project in consultation with relevant directorates and departments. Project Steering Teams shall steer the implementation, monitoring, evaluation and support to the project. A Project Steering Team for a particular project may constitute members from various departments depending on their relevance and expected contribution to successful implementation of the project. If the project is to be implemented within one department only, the D/Director and heads of division/section within the department shall be members of the project steering team.

3) Align departmental operational plans with the Strategy and employees' day-to-day activities with department/division-level plans

Successful strategy implementation necessitates aligning departmental plans with the corporate-level Strategy. Similarly, it requires the alignment of the plans of divisions with departmental plans and the day-to-day activities of individual employees with division-level plans. Therefore,

- a) Directorates and departments should prepare their annual/operational plans in alignment with the corporate-level strategy. In doing so, they should identify the Strategic Objectives to which the department is likely to influence significantly, taking into account the purpose statement of the department. In cascading to the department level, cascading teams should ask the question “which corporate-level strategic objectives does the department significantly influence, given the purpose statement and the key processes of the department”? Each department should also identify those Strategic Initiatives (from the list of strategic initiatives in the strategic plan document allocated to the department) that should be implemented in that particular financial/budget year for which the annual plan is being prepared. They may also identify and include department-level initiatives in their annual/operational plans.
- b) Departments should further cascade the department-level plans to the divisions by asking the question “which department-level strategic objectives does the division significantly influence, given the purpose statement and the key processes of the division”?
- c) The CPD should facilitate the process of developing departmental and divisional annual/operational plans and provide technical support to ensure alignment of the plans with the corporate-level strategy.
- d) The HRD should facilitate and coordinate the preparation of individual employee plans in alignment with division-level plans and the job descriptions relevant to the job holder.

4) Solicit Funds and Technical Support from Partners and engage the Stakeholders

Implementation of the strategic initiatives that are included in this strategic plan will require additional financial resources (apart from BoSS budget) and technical support. Therefore, the Top Management should share the strategic plan document with and solicit funds and technical support for the main projects from partners, including the development partners and other central banks in the region and beyond. The Top Management should also engage the Stakeholders in line with the Stakeholder engagement strategy of the Bank.

5) Align budgets with the Strategy

Strategy implementation is deemed to failure if it is not supported by financial resources. Therefore,

- a) Departments should prepare budget proposals based on the departmental annual plans that are aligned with the strategy. The budget proposal should include expenditure plans for carrying out operational activities, the Strategic Initiatives assigned to the department, departmental operational initiatives as well as enabling activities such as trainings, professional certifications, workshops (e.g., for venue, lunch and refreshment, etc.).
- b) The Budget Committee and the decision-making bodies (Ex-Com and the relevant Board committee) should review budget proposals in a way that ensures their alignment with the strategy.

6) Communicate the strategy to enhance awareness and gain Stakeholder buy-in

Awareness about the strategy and Stakeholder buy-in is a key success factor for implementing the Strategy. Therefore, awareness creation programs should be organized and implemented at various levels by relevant entities (e.g., CPRD, Top Management, CPD, etc.) using various communication strategies, including:

- a) Making the issue of strategy implementation an agenda of meetings at Board, Ex-Com, Directorate, Division/Section levels;
- b) Conducting face-to-face trainings on the Strategy in the headquarters and branches;

- c) Distributing the hard copy and/or soft copy of the Strategy document to internal and external Stakeholders;
- d) Uploading the approved strategic plan document on BoSS website;
- e) Printing and posting elements of the Strategy (mainly mission, vision, core values, strategic focus areas, strategic results, and strategy map) on print media such as banners, posters, brochures, magazine (e.g., the Infospot) as well as electronic media such as the Outlook email system and television and radio programs; and
- f) Inserting an activity in events such as general staff meetings, staff harmonization events and strategy launching event to enhance awareness on the Strategy (e.g., question and answer session/quiz on topics related to the Strategy followed by prize for winners).

7) Ensure cross-departmental coordination

Despite the fact that directorates and departments are created to make the work more manageable, each department cannot implement its operational plans and projects without coordinating with other departments. In many cases, the output of one department is an input to another department. Furthermore, all departments require support from the support functions. In this regard, it is imperative to employ coordination mechanisms such as integrating processes with technology, establishing cross-departmental teams and holding cross-departmental (joint) meetings. Departments that have input-output relationships should also sign Service Level Agreements based on agreed time and quality standards as well as other specifications. In this regard, CPD should facilitate the preparation and signing of Service Level Agreements for all related departments.

8) Prepare action plans, manage projects and provide strong project implementation support

Action plans help translate a strategy into action. Project management also plays a significant role in successfully implementing projects. In this regard,

- a) Annual operational plans should be broken down into specific action plans.
- b) The project owner, project manager and the project steering team should collaborate and craft a detailed action plan for the respective projects. The action plan should indicate the project purpose, objective, deliverables, major activities (milestones), timetable, entities or individuals responsible for implementing the activities, as well as outline the assumptions, risks and mitigation strategies (as indicated in the BoSS Planning and Evaluation Policy Guideline).
- c) The project owner should provide leadership, follow-up implementation, and submit project performance report while the project steering team should periodically evaluate progress and tackle implementation challenges.
- d) Each project manager should maintain project documents, records and data indicating the status of implementation of the project.
- e) Corporate planning should provide strong project implementation support by activating the Change Management Division.

9) Put in place a strategic plan implementation coordination mechanism

Lack of proper coordination has been among the gaps during the implementation of the first strategic plan. To fill this gap, there should be a mechanism or body that coordinates the implementation of the strategic plan. In addition to the project implementation support and follow-up to be given by the Corporate Planning

Department, a committee consisting of the Strategic Objective Team Leaders (Objective Owners) should be formed. This committee shall

- a) Coordinate the implementation of the Strategic Plan;
- b) Solve cross-directorate or cross-departmental implementation issues and challenges;
- c) Bring the issues/challenges that are beyond its control to the attention of the Ex-Com with possible solutions (recommendation) by proposing inclusion of the issues in the meeting agendas of the Ex-Com.

10) Manage change and tackle change resistance

The Strategy at large and each project that is contained in the strategic plan document entail some sort of change that is either organization-wide or departmental in scale. Whenever there is change, change resistance is likely to occur. Therefore, a change management strategy and plan should be prepared by project managers and project owners respective to each project by taking into account the change management policy of the Bank. As part of this effort, the forms and possible sources of change resistance should be identified and addressed.

11) Align employee competencies with the strategy

Successful implementation of the Bank's Strategy cannot be realized without its people. Therefore, the HRD in collaboration with the Top Management and relevant committees should emphasize:

- a) Assigning the right talent to the right roles through Staff recruitment, transfers and promotions;
- b) Continuously building employee knowledge, skills and attitude (mid sets) through generic trainings; job-specific and system/software trainings; professional certifications; selective attachments; coaching and mentoring; succession and career growth planning; and, Staff sensitization programs on policies and procedures.
- c) Encouraging the sharing of knowledge and skills among employees at the department and corporate levels. This can be done, for example, by having a presentation after training, assigning internal staff as trainers, etc.
- d) The HRD in collaboration with the ITD should also look for online trainings (e-learning) opportunities in addition to face-to-face trainings.

12) Develop an organizational culture that supports the strategy

Counter-productive organizational cultural aspects are detriments to successful Strategy implementation. Therefore, emphasis should be given to the task of developing an organizational culture that is productive. The HRD, in collaboration with BoSS employees in managerial and supervisory positions, should carry out activities, which can fall within the Strategic Initiative for organizational culture development, such as:

- a) Periodically assessing organizational culture using scientific theories/tools;
- b) Taking concrete actions to minimize and ultimately eliminating existing unproductive cultural aspects that were identified during the SWOT analysis;
- c) Consciously inserting and encouraging productive culture such as being communicative, punctual and time sensitive, mutual respect, using authority responsibly, problem solving, engaging everyone fairly, etc.; and
- d) Playing an exemplary role in demonstrating such productive cultures.

13) Align the organizational structure with the Strategy and Improve processes

Organizational structure is an important tool for implementing the Strategy. Similarly, efficiency and effectiveness of business processes play a significant role in implementing operational plans and projects. Therefore, the Top Management should emphasize implementation of Strategic Initiatives (by relevant department such as HRD and CPD) for improving its organizational structure and streamlining and improving the end-to-end processes.

14) Monitor and evaluate performance and give decisions and feedbacks for improvement

Successful strategy implementation requires periodic performance reviews, timely decisions and feedbacks for continuous performance improvement and learning. In this regard,

- a) Departments should periodically monitor progress (i.e., daily, weekly, and monthly), conduct performance reviews/evaluation quarterly and at the end of the financial/budget year and periodically submit performance reports.
- b) Internal monitoring and evaluation (M&E) by directorates, departments and divisions should be followed by feedbacks to implementers and remedial actions to fill performance gaps and address challenges.
- c) The CPD should consolidate and circulate feedbacks based on findings of the performance analysis as well as the decisions and feedbacks from the Ex-Com and the Board.
- d) Directorates and departments should constantly refer to the Performance Measures Data Definition Table (PMDDT) as well as the provisions of the Planning and Evaluation Policy Guideline in undertaking monitoring, evaluation and reporting activities.

15) Link rewards and recognitions with results and ensure accountability/consequences

Linking rewards and recognitions with implementation results as well as ensuring accountability for failing to perform helps in further implementing the Strategy by providing the right signal to implementers. Therefore,

- a) The Human Resources Management Committee (as provided in the HR Policy) should develop criteria for identifying and selecting best performing individuals, teams and departments and recommend recognition/reward in tandem with the level of achievement.
- b) The HRD should calculate annual job performance evaluation results for each employee and submit to the Committee for the purpose of identifying best performing individuals;
- c) The CPD should determine performance levels for each department and submit the information to the committee for the purpose of identifying best-performing departments;
- d) Departments should identify and propose (to the committee) best-performing divisions with tangible evidence;
- e) Immediate supervisors should identify reasons for poor performance at the individual employee level;
- f) The Top Management should institute accountability (at least on quarterly basis) against directorates and departments for non-performance and/or for failure to timely submit quarterly performance reports based on information obtained from CPD and the directorates.

16) Periodically scan the environment and amend the Strategy when necessary

The internal and external environment is dynamic rather than being static. That is, the environment is always subject to changes. Assessing the environment at the time of Strategy preparation and ignoring the

changes that occur thereafter makes the Strategy rigid. Therefore, the Board, the Top Management, the Senior Management as well as the CPD should periodically assess the environment and identify emerging opportunities and threats/risks and amend the Strategy and annual plans accordingly. In doing so, the Bank may:

- a) Amend some elements of the Strategy such as Performance measures and Targets;
- b) Identify and incorporate new Strategic Initiatives; and
- c) Eliminate obsolete or unnecessary Strategic Initiatives.

17) Digital transformation and automation of performance management

In addition to people and resources, technology or digital transformation is a key determinant of efficiency and effectiveness in strategy implementation. Digital transformation refers to the integration of digital technology into all areas of a business, fundamentally changing how the organization operates and delivers value to its Stakeholders. It helps improve productivity, increase agility and reduce inefficiency. Therefore, the Bank should emphasize digitization/automation of its processes, including performance measurement and reporting (i.e., BSC automation). In this regard, experience from sister institutions such as the National Bank of Rwanda, which has automated 87% of its processes, may be drawn through benchmarking.

18) Benchmarking

Many of the Strategic Initiatives that are included in this project are new to the Bank. Therefore, project owners and managers should consider compiling the experiences of best-performing institutions (e.g., central banks in the region) through benchmarking. In this regard,

- a) The team that is assigned to conduct the benchmarking exercise should prepare a well-crafted checklist, communicate the checklist to the benchmark institution ahead of time, effectively utilize the checklist during the benchmarking endeavor, prepare a benchmarking report, and utilize the best practices as inputs for the Strategic Initiative.
- b) The project owner and the project manager should make sure that a benchmarking report is submitted by the team and the best practices are used as inputs.

19) Quality assurance and performance auditing

Successful strategy implementation requires putting in place quality assurance and performance auditing in order to check if performance reports are reflecting the reality on the ground. Therefore, the Top Management should:

- a) Strengthen the Corporate Planning Department to undertake quality assurance activities in order to validate quarterly performance reports before submission to the Ex-Com;
- b) Occasionally set up and deploy ad-hoc supervision team(s);
- c) Make sure that the Internal Audit Department carries out performance auditing as part of its auditing activities in line with the new Internal Audit Charter.

8. Objective Team Leaders

This table shown the Strategic Objective Team Leaders and Objective Team Members and points out which Strategic Objective will be cascaded by which Directorate/ Department

S.N	Strategic Objective	Objective Team Leader (Owner)
1.	Increase External Stakeholder Confidence	CPC
2.	Enhance Price Stability	DG, BSRS
3.	Enhance Exchange Rate Stability	DG, CBO
4.	Enhance Financial System Development & Soundness	DG, BSRS
5.	Optimize BoSS Financial Performance	DG, AF
6.	Enhance Efficiency & Reliability of Core Processes	DG, CBO
7.	Enhance Efficiency & Reliability of Support Processes	DG, AF
8.	Improve Employee Competence	DG, AF
9.	Improve Organizational Culture	DG, AF
10.	Improve the conduciveness of the work environment	DG, AF

9. Performance Monitoring, Evaluation, Reporting, Feedbacks and Reviews

9.1 Performance Monitoring, Evaluation, Reporting and Feedbacks

In order to determine whether the Bank is moving on the right track in implementing this strategic plan and determine the extent to which the desired results/outcomes are realized, the mechanisms for performance monitoring, evaluation, measurement, reporting and feedbacks should be made clear in advance. Therefore, the details concerning the mechanisms for periodic performance monitoring, evaluation, measurement and reporting should be indicated the corporate-level annual plan document.

While periodic performance monitoring should be carried out on daily, weekly and monthly basis, performance evaluation and reporting should be carried out on quarterly basis. Each department (through the relevant Strategic Objective Team Leader) should submit quarterly annual reports to the Corporate Planning Department for measurement (using performance measurement software), report consolidation and submission at the corporate level. Performance feedbacks should also be provided at all levels as well as by the CPD, Ex-Com and Board.

9.2 Strategic Plan Implementation Review and Amendment

In order to accommodate emerging changes in the internal and external environment and improve the strategic plan, a strategic plan review and amendment should be carried out at least once in five years (e.g., after the first two years of the strategic plan implementation period). As a result of the mid-term review, some of the components of the strategic plan may be amended. For example:

- 1) The Performance Measures and Targets may be amended if found unrealistic.
- 2) New strategic initiatives/projects may be added while one or more of the existing projects may be cancelled out if they are deemed irrelevant or obsolete.
- 3) Project owners and project managers may be changed.
- 4) The Performance Measure Data Definition Table may be amended as a result of proposed changes (e.g., regarding the frequency of data collection and reporting as well as bodies responsible for data collection and reporting).

Furthermore, a summative evaluation should be carried out in the fifth year in order to:

- 1) Determine the extent to which the Strategic Objectives are implemented and the expected results/outcomes corresponding to each Strategic Objective are realized;
- 2) Determine the implementation status of the Strategic Initiatives and the outputs/outcomes of this initiatives;
- 3) Identify the implementation success stories (best practices) and challenges that occurred during the strategic plan implementation period;
- 4) Draw lessons, conclusions and recommendations for the next strategic planning cycle, including recommendations with respect to:
 - a) Improvements to the various components of the strategy such as Mission, Vision, Core Values, Strategic Focus Areas, and Strategic Objectives, Performance Measures;
 - b) Solutions for addressing the main implementation challenges;
 - c) Improving project management; and
 - d) Other issues.

Annex: BoSS Organizational Structure

ORGANIZATIONAL STRUCTURE OF BANK OF SOUTH SUDAN

