



### PRESS RELEASE

**Arusha 24<sup>th</sup> June, 2024 – Thomas Sankara**, once said, “Under its current form, that is imperialism-controlled, debt is a cleverly managed re-conquest of Africa, aiming at subjugating its growth and development through foreign rules. Thus, each one of us becomes the financial slave, which is to say a true slave”.

Today, a South Sudanese citizen, **Mr. Kanybil Noon**, supported by three other concerned East African citizens: **Ms. Diana Nyakairū Gichengo**, **Mr. Andrew Karamagi** and **Mr. Deus Valentine Rweyemamu**, and backed by a group of South Sudanese activists, have filed a case against the Government of South Sudan, at the East African Court of Justice (EACJ) demanding that a huge oil-backed loan taken by the Government be declared an odious debt that is neither binding to nor payable by the citizens of South Sudan.

The people of South Sudan have long been the victims of mass atrocities committed against them because of lawlessness brought about by poor governance. The case filed is not any different as it just seeks to magnify one of the many cases of poor governance that has been demonstrated by the current regime sitting in Juba, South Sudan.

Previously, the executive arm of government has set a trend of procuring oil-backed loans which have been confirmed to be to the detriment of the South Sudanese citizenry, a good example being a \$30 million loan scandal of 2018 where the government procured a loan of the said amount backed by proceeds of crude oil, and as part of the deal, South Sudan’s Ministry of Petroleum committed to award contracts for oil cargo to Trinity energy, a so called South Sudan’s largest privately-owned, independent energy entity that surprisingly had never before traded crude oil.

The Government of South Sudan is on the spot once again for taking out a loan with a foreign private entity domiciled in the United Arab Emirates (UAE) and placing its entire oil reserves as collateral for the same, in an arrangement that will see the oil reserves and oil revenue of South Sudan tied up for up to 20 years. This is information contained in a **Head of Terms** document that has been made public by various media houses and further confirmed by the **Panel of Experts on South Sudan** which is established pursuant to United Nations Security Council Resolution 2206 (2015) who published a Report with the title “**Final Report of the Panel of Experts on South Sudan submitted pursuant to Resolution 2683 (2023)**”. The UNSC Panel opined that while the agreed interest rate in this particular agreement is lower than many of the Respondent’s existing commercial loans, the Agreement expressly specifies that all oil delivered as repayment for the loan will be valued at **United States Dollar 10 discount per barrel**, substantially reducing the value of South Sudanese oil exports for many years.



This loan agreement was not tabled in parliament as required by law, neither were the citizens of South Sudan involved in making the decision on this deal where an illegitimate government basically has mortgaged the entirety of the oil reserves of the country, a resource which is the main source of sustenance of the country's economy for current generations and generations to come.

**As a result, Mr. Kanybil Noon, backed by fellow citizens from other EAC Partner States,** has filed a case against the Government of South Sudan (GoSS), seeking the following reliefs: -

- a) A DECLARATION that the loan procured by GoSS is an **ODIOUS DEBT**, neither binding to nor payable by the citizens of South Sudan;
- b) A DECLARATION that GoSS has violated principles of the rule of law, good governance and human and people's rights through failures to observe: -
  - i) Its own Constitution;
  - ii) Public Financial Management Act;
  - iii) Other National Laws
- c) A DECLARATION that the acts/ omissions by GoSS have severely violated the several rights enumerated above and, in so doing, violated the commitments that it has made under: -
  - i) Articles 6(d), 7(2) and 8(1)(c) of the EAC Treaty;
  - ii) Articles 1, 2, 9, 13 and 21 of the African Charter;
- d) A DECLARATION that the acts/ omissions by GoSS have violated the principle of inter-generational equity;
- e) AN ORDER that this Debt Agreement be declared unlawful
- f) AN ORDER that, in line with the provisions of the African Union Transitional Justice Policy Framework (AUTJPF), GoSS, through its relevant organs, undertakes thorough investigations of all breaches of the Constitution or laws of South Sudan, and all possible criminal offences or ethical infractions that may have been committed by government officials and/ all other persons, with a view to prosecution and recovery of assets due to the people of the Respondent;
- g) AN ORDER to GoSS to pay costs to the Applicants jointly and severally;
- h) Any such other Orders, Remedies or Directions as the Court may deem fit to grant;
- i) AN ORDER that GoSS periodically reports to the Court the status of implementation of the above Orders of the Court.

Resources Backed Loans are of particular concern given that they exacerbate debt levels and impose a burden on citizens. More so, they are problematic in that they are poorly designed, poorly negotiated do not comply with Public Finance Management laws especially when they exceed debt ceilings and most of



them will end up being commercial loans due to international prices manipulations. There is need for African countries to realize that Resource backed loans present an inter-generational economic complication which will affect their own children and grand-children and other future generations. Africa is a resource-rich continent that has for decades sold itself cheaply to countries of the west, in return for high interest rates and other unfavourable loan terms. Africa holds the bargaining chip and should be able to dictate terms for the loans they receive, without involving natural resources which are in its absolute sense, irreplaceable.

Signed and released in Arusha, Tanzania on Monday 24<sup>th</sup> May, 2024

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#### **Notes to Editors**

This case has been initiated by a group of South Sudanese activists, and filed in the name of a South Sudanese citizen, **Mr. Kanybil Noon**, supported by three other concerned East African citizens: Ms. Diana Gichengo, Mr. Andrew Karamagi and Mr. Deus Valentine Rweyemamu, and backed by a group of South Sudanese activists,.

The Pan African Lawyers Union (PALU) is a continental membership forum for African lawyers and lawyers' associations. PALU was founded in 2002, by African Bar leaders and eminent lawyers, to reflect the aspirations and concerns of the African people, and to promote and defend their shared interests. It brings together the continent's five regional lawyers' associations, over fifty-four national lawyers' associations and over 1,000 individual lawyers. It is a prominent litigant at the African Court on Human and Peoples' Rights and the East African Court of Justice, both based in Arusha, Tanzania.