THE BRENTHURST FOUNDATION

Discussion Paper 2010/05

'EVERYTHING IS AT ZERO'

Beyond the Referendum – Drivers and Choices for Development in Southern Sudan

A STUDY REPORT

Strengthening Africa's economic performance

Contents

About the Authors

This Discussion Paper is the result of a research visit to Juba, Khartoum, Addis Ababa and Djibouti from 1–11 November 2010 conducted by a delegation of The Brenthurst Foundation, comprising: Hon. Luisa Dias Diogo, former prime minister, Mozambique; Hon. Patrick Mazimhaka, former Deputy Chair: Commission of the African Union, Rwanda; Lt.-Gen. (rtd.) Chris Brown, UK; Professor J. Peter Pham, National Committee on American Foreign Policy, US; Mauro De Lorenzo, Templeton Foundation, US; HE Torben Brylle, former EU special envoy to Sudan and current Ambassador to Austria, Denmark; and Drs Greg Mills & Terence McNamee and Ms Leila Jack.

Published in November 2010 by: The Brenthurst Foundation
E Oppenheimer & Son (Pty) Ltd
PO Box 61631, Marshalltown 2107, South Africa
Tel +27–(0)11 274–2096 · Fax +27–(0)11 274–2097
www.thebrenthurstfoundation.org

Layout by Sheaf Publishing, Benoni

Executive summary

This Discussion Paper examines the political and economic challenges facing Southern Sudan. The aim of this paper is not to add to the extensive body of recent studies speculating on the various scenarios and potential consequences of the referendum slated for 9-15 January 2011, which should decide whether Southern Sudan separates from the northern part of the country and becomes an independent state. Serious efforts are currently being made by the parties themselves, the African Union, regional partners, the UN and other international stakeholders to address the immediate issues that might arise in the run-up to and following the referendum. This Paper, rather, focuses on the major developmental challenges that need to be tackled urgently in Southern Sudan, regardless of the referendum’s outcome, in order to improve the lives and prospects of its long-suffering inhabitants.

Key findings of the Paper include:

Southern Sudan will need to build and reinforce economic linkages with the northern economy in order to develop rapidly and help guard against renewed North-South conflict.

Interdependence with the north could take the form of a common currency; soft borders for trade and people flows; co-management of the White Nile and oil pipeline. Means to formalise these ties might include a customs union; increased cross-border infrastructure; revenue sharing; and new politico-economic structures for ‘joint administration’ of specific resources and interests.

Senior policy makers in Southern Sudan should focus on the twin interconnected priorities of establishing a tax base and private sector development rather than compete for aid flows.

To make agriculture the primary engine for non oil growth, a robust framework for encouraging commercial-level private investment should be devised. Aid should be carefully aligned to assisting this end.

A significant re-balancing of Southern Sudan’s massive expenditure on defence with other budget priorities is essential. The international community’s best option for assisting budget re-alignment would be via a comprehensive DDR process, with particular emphasis on the Reintegration component.

Confidence-building measures between North and South, such as joint exercises and mutual disarmament, will be central to ensuring stability and security in the vital border region.

Introduction

The relationship between Southern Sudan and the northern part of the country has reached a historic juncture. A referendum slated for 9–15 January 2011 should decide whether Southern Sudan becomes a separate state, while a parallel poll, which by statute should take place at the same time, should determine whether the oil-rich Abyei region in the centre of the country joins the North or the South.

Referendum facts

Voter registration for the Southern Sudan referendum will take place from 14 November–1 December 2010. The registration papers will be exhibited from 1–13 December, and after objections have been heard and corrections made, the final list is to be published by 4 January 2011. Voting is over a seven-day period from 9–15 January, with 30 days allowed until 14 February to certify results. The ‘transitional period’ covered by the CPA formally ends on 9 July 2011. The vote is carried by 50% plus 1 with a minimum requirement of 60% registered voter turnout.

These referenda were the central features of the Comprehensive Peace Agreement (CPA) signed by the Government of Sudan and the Sudanese People’s Liberation Movement/Army (SPLM/A) at Naivasha on 9 January 2005. The CPA ended 38 years of civil war (1955–72; 1983–2005) in which at least two million people died, five million were displaced, and the South reduced to a humanitarian catastrophe and developmental backwater. Today, the two main protagonists which will decide the country’s fate are the SPLM from the South and ruling party in the North, the National Congress Party (NCP).

At the time of writing, voter registration for the referendum has just begun. Overall, there are two possible scenarios:

Unity: This could occur as a result of the vote in the southern referendum. Should the referendum fail to occur, the likely result would be a crisis-strewn co-existence between the two sides, which may involve periods of armed conflict, whether North–South or intra-South.

Separation: This could happen in two ways:

- First, peacefully through the staging of the southern referendum (on time or otherwise). An on-time process is unlikely, for technical as much as political reasons, to include the referendum on the future of Abyei. A decision on this region could be the subject of a latter referendum or as part of a sideline agreement worked out between the two main parties, including not only Abyei, but also the debt issue (some $36 billion), the division of revenue between North and South (currently split roughly 50:50), the dropping of sanctions against the North and its removal from the US list as a terrorist-sponsoring state, and the suspension, or otherwise, of the International Criminal Court (ICC) indictment of President Al-Bashir and two colleagues. Without some concessions, Bashir’s government may not survive the ‘political defeat’ which secession of the South would entail.

- Second, by the South going ahead with secession without reaching an agreement with the North on other issues (the so-called Unilateral Declaration of Independence or ‘independence by other mechanisms’ scenario[*]), using the argument that it is acting in accord with the ‘general will’ of its populace. The UDI scenario would probably result in violence, especially in the border areas where military forces of both sides have been re-armed and pre-positioned. The resulting conditions beyond that of ‘semi-war, semi-peace’ are likely to produce political instability in both centres and constrain development, especially in the under-developed South.

> ‘Secession is favoured by South Sudanese because the Sudanese state has been built around excluding them – it was not built to realise their aspirations … Khartoum has failed to build a state to manage our diversity. In this sense the [current] Sudanese state is a failed state.’
>
> *Pagan Amum, GoSS Minister of Peace and CPA Implementation,*
> *Juba, 4 November 2010*

As it stands, the unity scenario is least likely given the long-term independence aspiration among Southerners. But each of these outcomes raises questions about how the external community should respond – and the effectiveness of the measures at its disposal, from aid to sanctions, diplomacy to development.

The sentiment among most Southerners polled strongly favours independence. A survey published by the National Democratic Institute for International Affairs (NDI) in September 2010[1] found that not only did ‘Southern Sudanese continue to express an extremely strong yearning for separation from the North’, but that they were strongly opposed to making concessions (for example on oil) or any delay on the referendum.

> 'There has been no development in South Sudan. We have no roads, no bridges, no water, no power, nothing at all, no hospitals, and no schools – everything is at zero.'
>
> *President Salva Kiir,*
> *Juba, 3 November 2010*

And even if the referendum goes ahead smoothly, it asks at least as many questions as it provides answers. Radical ethnic, religious, cultural, urban/rural, nomadic/pastoral, fault-lines exist across Sudan, and not only between but also within the North and South, which will not be solved instantly by a decision on separate statehood.

The purpose of this paper is, however, not to add to the extensive literature[2] speculating on various outcomes and their consequences. Serious efforts are currently being made by the parties themselves, the African Union, other regional partners, the UN and other international stakeholders to address the immediate challenges so as to secure a peaceful transition after the expiry of the interim period. This paper, rather, focuses on the one variable that remains constant in both scenarios, which is long-term and strategic in nature: The ability of the South – where 'everything', in the words of its President, 'is at zero' – to develop and improve the lives of its ten million people.

The Nature of the inheritance

Southern Sudan is acknowledged as having some of the world's worst infrastructure and living conditions. These conditions are a product of war and sustained economic neglect, but also a consequence of the geography of Southern Sudan, a vast land-locked territory over 2 000kms from its nearest major port in Mombasa, Kenya.

Map No. 3707 Rev. 10 UNITED NATIONS
April 2007

Department of Peacekeeping Operations
Cartographic Section

Comparative scary statistics[3]

	Southern Sudan	Khartoum and Northern Areas
Poverty	• More than 90% of the population currently live on less than USD1 per day. • Although chronic hunger has decreased, it is still 18%. • 4.3 million people face food insecurity and require food aid.	• Chronic hunger stands at 9%.
Maternal Mortality	• One out of seven women who become pregnant will probably die from pregnancy-related causes. • Only 10% of all deliveries are attended by skilled health personnel. • There are only 10 certified midwives.	• 70% of all deliveries are attended by skilled personnel.
Child Mortality	• Infant mortality is 170 per 1 000 live births. • Although the under-five mortality rate has decreased, one out of every 7 children will die before their fifth birthday (135 per 1 000 live births).	• The infant mortality rate is 70/1 000 live births. • The under-5 mortality rate is 104/1 000 live births.
Immunisation	• Only about 10% of children are fully vaccinated, one of the lowest rates in the world. • Only 28% of children receive measles vaccination before their first birthday.	• 56% of children are fully vaccinated.
Malaria	• Malaria is considered hyper-endemic, accounting for more than 40% of all health facility visits. • 88% of households do not have an Insecticide-Treated Net.	• 77% of households do not have an Insecticide-Treated Net.
HIV/AIDS	• In 2007 the HIV/AIDS prevalence was estimated at 3.1%, but increasing. • More than 70% of women aged 15–49 has no knowledge about HIV prevention.	• More than 54% of women aged 15–49 has no knowledge about HIV prevention.
Water and Sanitation	• More than 50% of the population does not have access to improved drinking water. • Only 6.4% of the population has access to improved sanitation facilities.	• 42% of the population does not have access to improved drinking water. • 41% of the population has access to improved sanitation facilities.
Primary Education	• Less than 50% of all children receive 5 years of primary school education. • While 1.3 million children are enrolled, only 1.9% completes primary school education. • For every 1 000 primary school students there is only one teacher. • 85% of adults do not know how to read or write.	• 93% of all children receive 5 years of primary school education. • 44% of adults do not know how to read or write.
Gender	• 92% of women cannot read or write. • Only 27% of girls are attending primary school. • A 15 year old girl has a higher chance of dying in childbirth than completing school.	
Displacement	• Since January 2008, 187 000 people have been displaced by tribal and armed conflict in Southern Sudan.	

At the time of the signing of the CPA in 2005, there were just 4kms of tarred road in all of Southern Sudan. Its roughly ten million people were served by just three surgeons. Today, illiteracy is around 90%, primary education reaches only half the population, and nearly one in five southerners face chronic hunger. It is the largest operation of the World Food Program (WFP) worldwide, even though Sudan, a country the size of Texas or France, and rich in land and water (with the White Nile running northwards through Juba onto Khartoum and into Egypt – see the Box below), has the resources to become self-sufficient. Sudan supplies, at most, only half of its two million tonnes of cereal needs, the rest being imported mostly via the WFP. According to the UN, an estimated 4.3 million people require food aid in 2010, up from one million in 2009.[4]

The Landcruiser Brigade

About 95% of Southern Sudan's income ($2bn annually) is from the oil revenue sharing agreement. Oil comprises in turn 50% of the North's income.

Aid comprises another $1.5–$2 billion per year, around 70% of which is typically devoted to emergency relief, primarily food aid. Humanitarian aid is mostly funded through contributions to UN agencies and NGOs, though a Common Humanitarian Fund managed by UNDP accounts for about 10% of humanitarian spending, and has disbursed nearly $700m since 2006. The Global Fund has spent more than $200m since 2005 on health programs. Longer-term development, including infrastructure, is funded from two Multi-Donor Trust Funds (MDTFs) administered by the World Bank, one for the North and one for the South. Six hundred million dollars have been contributed to MDTF–South, though only $225m has been transferred to implementing partners, and even less actually expended. This helps explain GoSS' claim that only 25% of the MDTF budget reaches them. MDTF projects are co-funded with GoSS out of its oil revenues – it has so far contributed $178m of its own funds toward MDTF projects. MDTF–North has attracted $235m and disbursed $168m.

There are an estimated 160 international NGOs in Southern Sudan.

Today, too, only one in 50 children completes primary school. With 1 700 deaths per 100 000 live births, little wonder the average southerner lifespan is 42 years – compared to the northerners' 59. Yet the South faces a greater challenge than the North in providing for a burgeoning young population; between both areas, more than 40% of population is under 14 and the median age is just 18.

Not all of these problems are Sudanese. Although the donor community has pledged nearly $6 billion in aid since 2005 for humanitarian relief and reconstruction in the South, less than $525 million had arrived by the start of 2010.[5]

The state of the roads

'In 2004, much of USAID's expenditure shifted to roads. There was then just 4kms of paved road in South Sudan. Today all the major centres across ten states are linked, albeit by dirt roads which are vulnerable to the rainy season. The cost of roads is high: $200+ million for the 192kms paved link between Juba south to the Uganda border at Nmula. This should cut travel time from 8 to under 3 hours. The total cost of linking all the towns in the south is estimated to be $7+ billion.

Of that, only one-third had reportedly been spent given the South's capacity and bureaucratic constraints.

Sudan is a remarkably crowded house of NGOs, the international community and their Landcruisers, servicing a variety of needs from training to conflict resolution and service delivery. Combined with a shortage of housing and goods, this explains why the cost of rentals (around $12 000 per month for a basic house) and services such as car hire ($200 per day without fuel) is so high. Juba has doubled in size to around 500 000 people in the last five years, of whom only 30% are estimated to have access to safe water.

Sudan has a total of 37.5 billion barrels of proved oil reserves, from which it produces 490 000 barrels daily.[6]

This gives the country the fifth largest reserves in Africa. Production is sourced to two major fields plus some smaller areas along the North–South border. The older and larger production area, covering the Heglig and Unity Fields (Blocks 1, 2, and 4), is operated by the Greater Nile Petroleum Operating Company, a joint venture of the China National Petroleum Corporation (CNPC, 40%), Malaysia's Petronas (30%), India's Oil and Natural Gas Corporation (ONGC, 25%), and the Sudan National Petroleum Corporation (Sudapet, 5%). It produces about 210 000 barrels per day of Nile Blend. The second major field, located in the Melut Basin and consisting of Blocks 3 and 7, is operated by Petrodar, a consortium of CNPC (41%), Petronas (40%), Sudapet (8%), the China Petroleum and Chemical Corporation (Sinopec, 6%), and Tri-Ocean Energy of Kuwait (5%). It produces approximately 200 000 barrels per day of Dar Blend, a heavy and highly acidic crude.[7] About half of the Greater Nile production area falls within the borders of Southern Sudan, mainly in Unity State, with much of the rest of it in the disputed Abyei region. All of Block 3 and most of Block 7, the majority of the Petrodar area, is in Southern Sudan's Upper Nile and Jonglei States. Overall, between 70–80% of Sudan's known oil reserves lie within Southern Sudan.

Outside of natural resources (i.e. oil, timber and mining), agriculture presents the greatest opportunities for development and growth. Ninety percent of the population is involved in this sector, but it remains hamstrung by appallingly low yields and a lack of spending. Less than 2% of the GoSS budget goes into this sector. As Lt.-Gen. Riek Machar, the Vice-President, puts it: 'In terms of arable land, there is big potential for agriculture: sugar, cotton, fruit canning and forestry.' He pleads: 'My dream is that this place becomes an economic hub. We have the resources, but we need capital to create wealth.' The Minister of Agriculture Anne Itto argues that far from being a basket-case for humanitarian relief, 'South Sudan would be able to feed Africa.'

Business leaders in Juba cite the major challenges to Sudan's growth as being a combination of land rights, a lack of power (the total national generating capacity is 3.5MW), poor roads, an uncertain regulatory environment, a very high cost structure (everything has to be imported from fresh produce to fuel), and the existence of parallel national and state taxation regimes. On the plus side, company and personal taxation are low, security has improved (despite the numbers of veterans), government is receptive to business input into legislation, and the workforce has demonstrated a capacity to learn quickly (despite the high-levels of illiteracy).

Tax in Southern Sudan

Personal: <300 SP* – Zero

300–5 000SP – 10%

>5 000SP – 15%

Company: 10–20%

** Sudanese Pounds (SP1 = $2.50)*

Infrastructure issues are perhaps the easiest to address in the South, however. More problematic, potentially, is managing the rivalries and various nationhoods of a multi-ethnic society such as Southern Sudan. The SPLM has long pointed a finger at the NCP for flaming ethnic tensions in the South, as part of a divide-and-rule strategy. Such tensions cost the lives of an estimated 2 500 tribesmen in 2009 alone, displacing tens of thousands. But tensions are not only the exclusive domain of the NCP: Violence over grazing rights, water access and stock-theft has been part of the scene way before the NCP took over power (as the National Islamic Front) in 1989. Such fissures stem in part from different visions of modernity: of those who come from the rural areas, and those who favour a more modern state. Yet in development terms, this is a false dichotomy; rural–urban linkages will be crucial for sustainable growth in the South. More intractable, perhaps, are the ethnic differences: the Dinka make up the largest tribal grouping, and power is contested not only among more than two dozen Dinka sub-groups but also with the other major tribes including the Nuer and Shilluk.

Sudan is deemed one of the most corrupt nations world-wide, although Northerners dismiss the ranking as a political ploy. On Transparency International's 2010 Corruption Perception Index, the only countries ranked worse than Sudan are Somalia, Myanmar and Afghanistan.[8] According to one seasoned regional observer, corruption is 'no less in the North than South, but certainly more spoken about in Juba'. Corruption is also a result of local governments having tiny budgets to work with in meeting high expectations: Resulting in what is referred to as 'double' or 'triple' taxation in taking goods across state boundaries.

> 'There are three main reasons why Sudanese will resolve their problems: People do not want to go back to war. The years of peace have brought distinct benefits to both the North and South. And there are shared interests such as oil between the two states.'
>
> *Western Diplomat, Juba,*
> *5 November 2010*

Of course, statistics can easily be exploited to heighten fears over the dangers of secession. Decades of unity with the North has not brought development to the South. A separate South – if that's the people's choice – is not necessarily predestined to be a failed state. But much will have to be done – especially by the Southerners themselves, who must not rely too heavily on the hoard of well-wishing visitors, foreign consultants and advisors who have flooded into the South in the run-up to the referendum. Critically, an adequate balance will need to be struck between the fundamental need for South Sudanese ownership of their own future and the need for external engagement from development partners and, not least, from private investors.

Meeting challenges & realising opportunities in Southern Sudan

If the doomsday predictions about an independent Southern Sudan are not to be realised, a South government will have to commit itself to a reform programme addressing security, governance (curb corruption, respect human rights, etc) and socio-economic development. And the international community should respond by engaging in broad-based support to establish a mutually agreed governance and development 'compact'. Such an approach is relevant *vis-á-vis* an independent as well as a united, 'autonomous' South.

This document outlines *six key issues* – and choices – which could, if tackled sensibly, shape Southern Sudan's development in a positive way.

1. The importance of a win–win result

It is often forgotten that two, not one, new states will emerge if the referendum results in secession. The North will also require new institutions and a new economic basis. Indeed, this change could not only prove to be a blow to Northern prestige given the 'loss' of one-quarter of its people and one-third of its territory, but to its economy given its dependence (around 56% of government revenue) on oil, this coming at a time when the economy is already straining with a shortage of foreign currency and high prices. Thus it would be prudent in the circumstances to seek a soft landing, diplomatically and economically, for the North to help guard against a wider conflagration and economic collapse.

Finding the means to effect a 'win–win' rather than a 'zero–sum' outcome will not be easy. It will demand both sound leadership decisions in the South and a high level of synergy among international partners. It will also require a commitment to reinforce and build the linkages and interdependence between the two economies which already exist.

Repairing a national psyche

'The war over 50 years destroyed everything. It destroyed things that weren't even there. We need to change from [getting] relief; we need to change from the dependency syndrome … We can feed Africa.'

Agriculture Minister Anne Itto,
Juba, 4 November 2010

The negotiated post-2011 arrangements on co-existence must be established in areas of vital interest to both parties irrespective of the outcome of the referendum; in a new 'united' relationship (because the current 'one country two systems' constitution expires at the end of the CPA in July 2011) or between two separate states. Of particular importance are sharing of wealth (i.e. oil revenues) and the status of respective North and South minorities (citizenship). At the same time, the blow to the North could be softened not only by these measures, but external actions aimed at reducing international isolation – including the deferral of the ICC indictment, the dropping of sanctions, and the sharing (with the South) and forgiveness of debt.

A Northern Sudan without the South will still face the fundamental causes of conflict, the challenges from the marginalised regions, notably Darfur (but also the East), the quest for democratic transformation and respect for human rights and other basic values. No viable approach to the challenges in Sudan can exclude the conflict in Darfur – a conflict which, since it broke out in 2003, has displaced an estimated two million people and may have caused as many as 400 000 deaths.

Win–win prospects

The ties that could positively bind the two parts of the Sudan include:

- Common currency
- Soft borders for trade and people flows
- Management of the White Nile
- Trade routes via Port Sudan
- The oil pipeline

The means to formalise this include:

- Confederation
- Customs union
- Shared training, including of military officers
- Revenue sharing
- Increased cross-border infrastructure

Encouragingly, within Southern Sudan there is more comity between the various political and tribal groups today than at any point since the CPA was signed in 2005. The 'Final Communique' of the recent All Southern Sudanese Political Parties Conference recognised the imperative of peace and reconciliation, and commended President Kiir's amnesty to groups or individuals who had previously rebelled against the GoSS.

To be sure, it is hardly surprising that the disparate and often competing factions in the South have coalesced around the aim of achieving independence. This cohesion and unity evident in the run-up to the referendum may be difficult to sustain over the medium- to long-term, however, if the post-referendum politics of Southern Sudan are not managed carefully.

The potential for conflict exists along numerous intra-South faultlines, which in the past have erupted into brutal armed clashes costing thousands of lives. Divisions between historically fluid groups in the South such as the Dinka, Nuer and the various groups in the equatorial region were hardened under colonial native administration, so that tribes became increasingly 'ethnicised'. Although the SPLM has been the primary political vehicle for nearly three decades, within the South there are myriad political allegiances based on tribal identities, which have been both exacerbated and enunciated by the country's North–South civil war. In the early

1990s tribal violence between the Nuer and Dinka, fuelled in part by perceptions of the latter's domination of the SPLM/A, led to the fracturing of the SPLM. More recently, the organisation's failure to hold its 'annual' liberation council meeting for the past two and half years might reflect fears within the leadership that it would have exposed new fissures that have emerged within the party. Crushing poverty, land disputes and the absence of the promised peace dividend are all potential sparks for renewed conflict in the South. Lastly, the return and reintegration of IDPs in the South, whose estimated numbers range from two to four million, may also create new triggers for violence if contentious issues such as overlapping claims of land ownership are neglected by the post-referendum government.

> 'The civil service we inherited has been packed with ghost employees. That alone makes it neither civil, nor a service. Service demands competence while civility entails awareness of the public good. Drastic measures are, therefore, needed to exorcise the ghosts and build capacity of our public service at all levels.'
>
> *President Salva Kiir,*
> *Inaugural Address, Juba,*
> *May 2010*

Healing the scars left over from decades of war and forging a new political accommodation in the South will not be easy, but there are grounds for optimism. Lessons learned from the post-conflict experiences of several countries point to the ameliorating impact on faultlines of economic development, especially jobs. There is therefore a need to ensure that particular attention is given to providing continuous employment for demobilised soldiers. Jobless former soldiers have the greatest potential to undermine reconciliation because they are easy prey for 'spoilers': usually powerful men such as warlords or tribal chiefs, intent on exploiting the new post-referendum political dispensation for their narrow aims. Returning refugees are another potential source of instability, although experience has shown that if countries are able to provide at least basic education for all young returnees then that in itself will be one of the most effective mechanisms for conflict resolution in the medium- to long-term. In the wider context, research has shown that violence around faultlines usually breaks out in the context of poor governance and the spark of economic grievance. In the case of Southern Sudan, if deprived populations perceive that any new government in Juba distributes goods in a patently unfair manner, they are more likely to protest by violence. A fundamental means of cementing societal cohesion and promoting conflict resolution is to build and maintain good governance so that the 'constituency of losers' in Southern Sudan is never large or powerful enough to threaten societal order. In other words, if the number of people in Southern Sudan who feel aggrieved because the post-referendum resource allocation is unfair, biased or corrupt is relatively low, they will probably be unable to initiate violence which is self-sustaining or challenge the authority of the new government in the event of secession.

2. The limits of aid

The second key choice is to recognise the limits of aid. This means focusing the attention of senior policy-makers on the twin priorities of taxation and private-sector development, especially by means that they will have full control over, such as designing regulation in such a way that it does not put unnecessary obstacles in the way of entrepreneurs, foreign and domestic, large and small. This is the path that the successful post-crisis countries in Africa have followed, such as Rwanda, Liberia, Tanzania, and Ghana.

Taxation can paradoxically be a boon to democratisation, just as it was in medieval England, because it encourages citizens to organise politically around revenue issues rather than ethnic or geographical allegiances. Governments primarily focused on competing for aid flows, on the other hand, tend to be less accountable to their citizens and less democratic over time.

This choice may in fact be forced upon Southern Sudan if it agrees to assume any of the burden of Sudan's $36 billion external debt. The international law of state succession is relatively clear that the seceding state does not assume the debts of the parent state, but the Southern leadership may judge it expedient to agree to this condition in negotiations with Khartoum in exchange for other concessions, for example in relation to Abyei.[9] A strategy of that sort would carry some risks. Even under the HIPC mechanism, it would take Southern Sudan many years to discharge a substantial debt, and during that time its ability to borrow from multilateral sources at concessional rates could be restricted, which would make it much more difficult to fund the expensive infrastructure projects upon which Southern Sudan's future prosperity depends. The IFIs have also been reluctant to allow countries with regular natural resource revenues to benefit from HIPC. Southern Sudan will also likely join the small club of very poor countries who, because substantial natural resource rents artificially raise their per capita GDP, are not able to borrow from the World Bank at the most concessional rates.

Most donors have good programs focused on private sector competitiveness and tax reform, and they are not necessarily expensive to implement. But because Sudan has been in a humanitarian emergency for decades, other priorities have naturally always seemed more urgent. USAID, the World Bank, the IFC, and the African Investment Climate Facility can all be approached for more technical advice and funding, in this area, and the GoSS can use the World Bank's Doing Business indicator series, which it has signed up to (with USAID funding), as a benchmark for initial policymaking.

Nile waters

One of Sudan's greatest resources is the Nile River, from which it derives some 75% of its fresh water. The river is itself formed by the joining at Khartoum of the White Nile, which flows from the great lakes of equatorial Africa, and the shorter Blue Nile, whose remotest source is the Felege Ghion spring in the Ethiopian highlands, which contributes nearly 90% of the water carried by the Nile proper. A 1929 agreement between Great Britain and Egypt, which was reinforced by the 1959 Nile Waters Agreement between Egypt and Sudan, allocated 55.5 billion cubic meters (bcm) of water annually to the former and 18.5 bcm to the latter. With the total Nile flow estimated to be only 84 bcm, virtually nothing is left to the other eight states in the river's basin, which were not parties to the accord because they were either colonies at the time or, in the case of Ethiopia, ignored entirely.

In the event of a vote for secession by Southern Sudan, how the two states emerging from Sudan divide up the allocation will be a significant issue, one that has not been discussed much in the negotiations to date. Given the importance that the Government of Southern Sudan has placed on agricultural development as a driver for economic growth, access to water resources will be critical. It is no less important for the North of the country which does not enjoy the South's relatively abundant seasonal rainfall. Moreover, with neighbouring countries, especially Ethiopia, seeking to exploit the river for their own development, this can either be a source of greater regional conflict or the motivation for increased co-operation and integration.

Of course, a crucial component of economic competitiveness – the quality of transportation, communications, and energy infrastructure – is hugely expensive. But private–public consortia can play a role here too, just as they are in the new railway being planned from Tanzania through Rwanda to DRC, provided the Government of Southern Sudan is poised to lead.

3. Private sector development

As noted, the Southern Sudan economy is overwhelmingly dependent on oil revenue. Although 80% of the land is reputedly arable, only 10% is cultivated, a result mainly of war, a lack of extension services, poor (especially road) infrastructure, and basic technology. Yet huge opportunities present themselves for agriculture goods; not only in ensuring local self-sufficiency, but also in exports to other areas, especially North Africa and the Middle East. And poverty-alleviation will require private sector-led growth and diversification

In 2009, recognising that improving the living standards for its people would require it to shift away from aid-driven relief and rehabilitation towards economic growth and development, the Government of Southern Sudan began a process of international and domestic consultation that included a study of the experiences of Rwanda, Ghana, and Liberia. The result was a draft *GoSS Growth Strategy* that was intended as 'a short and concise statement of broad principles which will guide government policy toward promoting broad-based economic growth'.

The objective for the Growth Strategy was laid down in the Interim Constitution of Southern Sudan: 'The overall goal of economic development strategy in Southern Sudan shall be the eradication of poverty, attainment of the Millennium Development Goals, guaranteeing the equitable distribution of wealth, redressing imbalances of income and achieving a decent standard of life for the people of Southern Sudan' (Art. 40 § 1).

Commendably, the Growth Strategy notes that among the many factors that drive economic growth, 'the most important is new investment', and that:

> Experience has shown that it is the *private sector* which is the key driver of investment and economic growth. Government-owned and operated businesses are generally far less successful because they lack the competition, specialist knowledge and skills that make private firms efficient. It is the competition between businesses which encourages them to operate as efficiently as possible and leads to a dynamic economy … business and enterprise should be left to the private sector.

In terms of priorities, the Growth Strategy also acknowledges that the GoSS' current dependence on oil for 98% of its revenues is unsustainable given that current reserves are expected to run out over the next 25 years; hence the imperative to develop the non-oil economy. Yet the document admits that there are in Southern Sudan some key constraints, including insecurity, high transportation costs, and multiple taxation by both the GoSS and the authorities of the various states and counties. The document also stipulates that 'government action must focus primarily on the rural areas since the vast majority of the population live there' and growth in the agricultural sector would most immediately impact the largest number of people.

SAB Miller in Southern Sudan

The world's second-largest brewer, SAB Miller, has made a $45 million investment in Southern Sudan, which opened in 2006. This was facilitated by the establishment of the CPA and the lifting of the *sharia* ban on alcohol. This greenfield investment had to involve the establishment of a profit-sharing with a local tribe over land use, and the establishment of a water purification plant and 3.5MW solar (15%) and diesel (85%) electricity generation facility. It bottles 10 800 beer and soft-drinks daily, showing that a world-class facility can be created with the right attitude and appetite for developing country risk.

It illustrates the need for investors in Southern Sudan to be 100% self-sufficient, and the high cost structures. For example, in Europe a worker on the minimum wage earns an average serving of beer in 18 minutes; in Africa this is 3 hours; and in Southern Sudan (where a beer is 2.5 times more expensive than in South Africa), 7 hours.

While the Growth Strategy's analysis is generally solid, what has been thus far less consistent is the requisite follow up by the GoSS. The document itself exists only in draft form and has not, more than one year later, been finalised even as an official expression of ideals and priorities. Moreover, with most of the political attention in Southern Sudan focused on the referendum on self-determination, not much has been done to move the Growth Strategy beyond the enunciation of 'broad principles'. For example, given the importance given to agriculture and that sector's potential, the passage of the 2009 Land Act, the regulations to implement have still not been promulgated. Likewise, given the budgetary constraints faced by the GoSS, overcoming some of the infrastructure obstacles to growth will be heavily reliant on continued donor funding. Furthermore, there seems to be a disconnect between the document's correct emphasis on the private sector as a driver of growth and the lack of a vision for how significant private investment might be attracted to the agricultural sector.

Southern Sudan stands at the cusp of a not only historic moment, but also a unique opportunity. The circumstances surrounding its coming into existence gives the nascent state an incredible amount of international goodwill and support, while its very newness means that there are as yet no entrenched interests which would otherwise constrain its potential for growth. It is in the best interest of everyone – the government and people of Southern Sudan, their neighbours and the rest of the international community, and investors – if from the outset a climate was created which facilitated long-term investment. This means that the GoSS should prioritise those challenges which are most likely to create barriers to doing business.

Abyei

The CPA established a ‘special administrative status’ for the Abyei area of Sudan’s South Kordofan state, defining the territory as that of ‘the nine Ngok Dinka chiefdoms transferred to Kordofan in 1905’ by British colonial authorities. Following a series of disputes, the Permanent Court of Arbitration at The Hague redrew the borders of the district to contain 10 459 square kilometres.

The territory is significant because of its oil, accounting for 25% of Sudan’s total production as recently as 2005. And the CPA gave residents of the territory the right to decide whether they wish to remain with the North or go with the South in a referendum concurrent with the overall poll on Southern Sudan.

Determination of who is a ‘resident’ of the territory and thus entitled to participate in the referendum is unresolved. The region is inhabited by a number of peoples, most prominently the Ngok Dinka, as well as the Misseriya Arabs whose nomadic existence takes them through large portions of the area during the migrations of their herds.

While the total population of the district is disputed, it is thought to number less than 100 000. However, both North and South have invested the dispute with considerable political meaning, making the issue especially emotive, complicating the efforts to pull off the January 2011 referendum on Southern Sudan.

After basic security, this list would include productive infrastructure (in the case of Southern Sudan, roads in particular), simplifying business registration and licensing, assuring an efficient system for the enforcement of contracts, reducing the tax burden, controlling corruption, and allowing for the repatriation of profits. The creation of a GoSS Ministry of Investment in June 2010 as a (nearly) ‘one-stop shop’ for potential investors is a positive step, but there must be follow-through to ensure that the transforming power of market dynamics and the creativity of the private sector are harnessed strategically in the service of development of Southern Sudan.

4. The key role of infrastructure and land

The mantra of GoSS has been ‘Roads, Roads, Roads’ in an effort to get things to and from markets. While infrastructure is essential, it is an insufficient requirement for development. For those investors willing to accept working in ‘less structured environments’ where land rights are fluid, it is possible to bargain and negotiate away through the absence of formal title and registration clarity and systems. But this is unlikely to work for those wanting legal security. Thus land title may be an impediment to growth. Current efforts to address this through policy and, possibly, the institution of a long-term leasehold, is part of the answer. The remainder resides in the creation of a working justice system and regulatory oversight.

Turning to the donor community's concentration of effort, were it to embrace a 'build-out-from-Juba' approach (even if by default) that might entail some risks; namely, destabilising whatever post-referendum political balance is struck, should this approach be seen as favouring some areas or groups over others. Conversely, the building of infrastructure in the more remote northern areas might help establish markets to the North, thus binding the two potential states to each other, lessening, however marginally, the likelihood of conflict.

Agriculture in Southern Sudan

Southern Sudan has extraordinary potential for agricultural development. Only 10% of its 640 000 km^2 land mass is cultivated though 80% is arable.

Major crops include sorghum, maize, rice, sunflowers, cotton, sesame, cassava, beans, and peanuts. Other crops include coffee, tea, sugar, and tobacco. There is also growth potential in fruits and vegetables such as bananas, mangoes, lemons, pineapples, tomatoes, potatoes, and cabbages. Currently, the region depends on food imports from neighbouring countries.

Forestry also has significant growth potential. Forests cover some 30% of territory. Acacia, mahogany, and teak constitute the likely products of a timber industry. Gum Arabic and charcoal production can also be developed.

Livestock, especially in Upper Nile and Bahr al-Ghazal States, is an important component of the agricultural economy of the Southern Sudanese, especially for food security and employment, in addition to the cultural significance. It is estimated that Southern Sudan has a total population of 12m head of cattle and 11m sheep and goats.

Fisheries also offers potential.

GoSS wants to make agriculture the primary engine for non-oil growth. But this goal faces several constraints, including lack of use for improved technologies and inadequate financing. A robust framework encouraging commercial-level private investment would help considerably.

It is not easy to balance economic and political considerations when planning major infrastructure. Yet clearly both economic and political factors must be taken into account in order to both promote economic growth and preserve stability. On the one hand, infrastructure is too costly to be allocated solely on political grounds: roads need to be built between places where there is economic activity, or good reason to believe there will be. On the other hand, being cut out from new infrastructure is a powerful symbol of marginalisation in a new state, and can serve to catalyse political grievances.

Southern Sudan is far from qualifying for assistance under the competitive criteria of the US Millennium Challenge Corporation (MCC), but the way in which MCC infrastructure projects are planned could serve as a model that the Southern Sudan government may wish to adopt. The main features are: (1) a rigorous, objective, publicly-available calculation of the Economic Rate of Return of a given project; and (2) an in-depth participatory process at the community level that national governments are required to conduct in the process of developing their compact proposal to the MCC.

> ‘Government officers who do not know enough to know that our real wealth is in the renewable natural resources of South Sudan – land, water and forests – and in the industry of our people – farmers, herdsmen and fishermen – shall have a short life in my government.’
>
> *President Salva Kiir,*
> *Inaugural Address, Juba,*
> *May 2010*

5. Security implications

An independent Southern Sudan would face a key dilemma: How to reduce expenditure on security, while maintaining stability, disarming local communities and militias (or at least defusing crises peacefully), and investing in increased absorptive capacity in the economy to create jobs for the ex-combatants, as alluded to above.

If the vote is for secession, as appears certain, the security implications for the North are not a mirror image of a unity vote in the South. Although the stigma of an Islamic state losing a third of its land and more than half of its potential wealth would be immense, both internally and throughout the Arab world, the regime, like most Islamic institutions, is better founded than in the South. Moreover, the security implications for the North would depend on its reaction to a secession vote. Calling into question the fairness of the referendum might deflect some of the heat. Armed reaction, risky though that might be, could deflect more. Neither would help the North’s case, let alone the overall security situation.

For the South the perceived external threat from the North remains the main driver for spending 40% of GDP on defence over the last 5 years. The South’s ability to maintain this level has been artificially inflated by both the oil ‘windfall’ and international aid. Both are hostages to fortune in the post-referendum period. The North may still have a significant military edge over the South, but the likelihood of a return to all-out war is reduced, given the international focus and the SPLA’s qualitative improvements which suggest stalemate as the most likely outcome. More likely is the armed continuation of running sores as yet unhealed by the CPA: primarily Abyei (already being described as the potential ‘Kashmir’ of Sudan) and border delineation. Add to this the security implications of whatever deal emerges on oil revenue, including the security of shared infrastructure. Internally, although pre-election euphoria has created a confidence that tribal disputes could be controlled, the security implications of a reduction in coherence will increase as a factor post-referendum.

Flash points

- Abyei
- Border demarcation
- Militarisation
- Revenue sharing agreement
- Economic contraction
- Violent pogroms

The likely security choices for the North revolve around the level of resistance to the result of the referendum. If all-out war is perceived as suicidal in Khartoum, the temptation to undermine the South by subversion through political and tribal opposition elements will be significant, but would likely be met in equal measure by the South. (‘The Dinka may be uncontrollable’ is a refrain frequently voiced in the North, even by comparatively objective academics and journalists.) The potential for a long running but relatively low level of violence is largely in the hands of the North; that balance, however, clearly depends on the detail of any post-referendum settlement.

The security choices for a fledgling Southern Sudan revolve predominantly around the continuing level of funding for defence against both external threat and internal security. The North’s proposal of a non-aggression pact is worthy of serious consideration, although it has no truck with the GoSS at present. At the very least there is a need for a coherent package of confidence-building measures which would reduce the potential for armed conflict. Both sides have to a greater or lesser extent dragged their heels in the implementation of the CPA,[10] but the South could build Northern confidence by meeting its outstanding CPA obligations. SSR

The military & police picture

The South has an army of 140 000–180 000 soldiers organised into ten divisions, and made up of former SPLA (Sudanese People’s Liberation Army), SSDF (South Sudan Defence Force) and SAF (Sudan Armed Forces) members. Though some claim this number to be as high as 300 000, problems of ‘ghosting’ (for the purpose of claiming salaries of soldiers who do not exist) have inflated numbers. Literacy runs at 15% and the force is barely trained, though combat hardened. It is funded by an estimated 40% of the national budget. At the minimum (private soldier) wage of $100 per month (more than 3 times the comparable Ethiopian wage, and more than Kenya’s or the SAF), at least $250m goes on personnel costs alone.

The Police Force numbers 30 000. Fresh efforts are being made to recruit suitably educated candidates to a force that is, by southern politicians’ own admission, problematic on account of its formation around and reliance on ex-guerrillas.

appears to have made recent progress from the initial disastrous attempts to turn unwanted soldiers into policemen, but there is a long way to go. The latest batch of educated police trainees is dwarfed by the rump which, in turn, is dwarfed by an Army still heavily engaged in ‘policing’. Further Demobilisation, Disarmament and Reintegration (DDR) is effectively on hold, but must resume if the SPLA salary bill (simple maths puts it at least $250m annually, but precedent suggests double that) is to be redistributed both externally into other areas of the economy and internally towards reintegration of former soldiers into society and their ongoing healthcare and pensions, all of which are essential elements of a successful DDR programme. Moreover, the SPLA salary structure needs to be reviewed if sufficient headroom is to be created to impact in other areas.

The security choices for the international community are focused on the extent to which it is prepared to guarantee post-referendum peace. Even if the mission of United Nations Mission in Sudan (UNMIS) remains valid, its structure is not optimised for its current tasks, let alone the likely post-referendum requirements. The future of UNMIS is tied to the referendum, but planning need not await its outcome. Northern insistence on completion of the UNMIS mission by the end of the interim period and Southern adherence to security self-reliance point to a transition to an observer mission, focused on ensuring that the North and South maintain soft borders for trade and people flow as advocated above. Despite the South’s apparent insistence on self-reliance for defence, there is also a wider choice for the international community on how to react to a return to armed conflict. The other side of this coin is the extent to which the international community is

> 'The South, whether in war or peace, has been a liability. In war it was bleeding the North. In peace, it was costing the North for development. It has always been a burden and has never contributed to the North's economy until very late, when oil was found. All we lose [from secession] is this continuous bleeding. But we will lose a lot from a strategic point of view, when we see it from the view of prestige and nationalism.'
>
> *Member of the NCP Leadership Council,*
> *Khartoum, 5 November 2010*

willing to apply pressure on Southern Sudan to readjust its budget priorities and/or continue to supply humanitarian aid to the current level. If not a non-aggression pact, the brokering of a range of confidence-building measures, including disengagement of forces, offers the international community a further opportunity to contribute to the ongoing security of Sudan.

Lest we forget the African Union–United Nations Hybrid Mission in Darfur (UNAMID), reflections on which will be required if Darfur borders a future separate Southern Sudan.[11] For the international community, the choice in relation to Sudan's security is whether to continue with Darfur as its focus or to engage in some form of consolidation/rationalisation of the AU and UN missions, which would be a formidable task. That said, there would appear to be scope for both greater efficiency, co-ordination and, for the AU, influence, particularly if confidence building measures between North and South could be effectively guaranteed under the auspices of the AU.

Key to Southern Sudan's economic success appears to be a rebalancing of the dynamic between expenditure on defence and other budget priorities while maintaining adequate security and absorbing demobilised SPLA soldiers into civil society. Adequate security, at least in the minds of the Sudanese, North and South, can be achieved by confidence-building measures which include visible reduction in forces on both sides, in line with the CPA. This needs to be bolstered by an international commitment, both military and in terms of sanctions etc, to making the resurgence of armed conflict painfully unattractive. The international community's best option for assisting budget realignment would appear to be assistance with the DDR process, particularly the 'R' element. A combination of these measures plus donor pressure for budgetary reform appears to be the best chance for economic and social development.

6. The lure of international methods

Political facilitation: There has been some limited external advocacy for the appointment of a High Representative for Southern Sudan. The putative advantages of a High Rep – it can bind the international community firmly into solutions to the problems facing the state – are in this case outweighed by the disadvantages, however. An independent Southern Sudan would face external as well as internal threats; the High Rep construct lacks the authority to deal with the former. Nor has the GoSS expressed any interest in the idea.

With regard to the current negotiations, the mediating role played by ex-South African President Thabo Mbeki as Chair of the AU High Level Implementation Panel (AUHIP) is vital. But what of the future? One possibility may be a permanent forum established to regulate political issues between the two parties, constituted by themselves but with international support and presence. Additionally, and with a view to the long-term, the establishment of new politico/economic structures for 'joint administration' of specific resources (oil) and interests, which would also promote greater interdependence between North and South.

Development and policy: One DDR expert has observed that 'Money helps, but government and society has to own its own programme for it to be successful. Money is just a lubricant'. While a variety of lessons can be learnt from the experience of others – and this has indeed been the aim of the Ministry of Regional Co-operation in its initial outreach – in development, as in other areas of policy, local ownership is key. The GoSS has a tremendous asset in this regard: Its strength lies in the galvanising and mobilisation of virtually the entire population to its objectives. Its biggest challenge is, however, that the common enemy – Northern hegemony – might soon disappear, and with it the ties that bind a fragmented and sometimes fractious South. This presents a considerable challenge to leadership to refocus and take the population along with it.

Conclusion: a period of choices

Sudan's history has often turned on historical dates: The 1924 decision disallowing people living north of the 10th parallel to go further south, and for people south of the 8th parallel to go further north; the 1955 mutiny by Southern army officers, which sparked civil war; independence on 1 January 1956; General Gaafar Nimeiry's 1969 coup; the Addis Ababa peace agreement of 1972; the return to war in 1983 following President Nimeiry's decision to abrogate the Agreement; the 30 June 1989 coup that brought then-Brigadier Omar Al-Bashir and the National Islamic Front to power; and, more recently, the 2004 Machakos Protocol between

Khartoum and the SPLA and the subsequent Comprehensive Peace Agreement of 9 January 2005. Future events may be shaped in a similarly dramatic way, including through the referenda on Southern self-determination and on the status of Abyei as well as the results of the 'popular consultations' in the Southern Kordofan and the Blue Nile areas.

That said, whatever the nature of their resolution, there is a much longer struggle ahead to meet the countless socio-economic challenges that will need to be addressed after the referendum. For the various parties, these involve the following:

The South: In making the transition from a liberation struggle to national government, Juba will have to focus on demilitarisation and reintegration including the withdrawal of forces from the North, the consolidation of democracy, the management of tribal differences, poverty alleviation, and infrastructure and economic development. It may have to accommodate up to half a million Southerners fleeing south if things go very badly. It will also have to manage not only its regional partners, but keep donors onside as their priorities invariably shift and the rules of their engagement with a responsible government (rather than loose grouping of local forces) change, increasing conditionality and domestic responsibility. Without this, the current crowded house of donors could quickly empty regardless if the referendum goes well or badly.

The North: Not only might Khartoum have to manage the potential movement of up to one million northerners currently based in the South, but it will simultaneously have to deal with conflict in Darfur. But there is a significant silver lining in all of this. It could offset the heavy weight of its $36 billion external debt, and normalise relations with the West – and the United States in particular. It is unlikely to use its share of the South's oil revenue, at least immediately, given that it holds the trump card of the pipeline to Port Sudan. But fresh domestic political tensions may emerge, and will need to be watched closely, as a secessionist referendum result could embolden hardliners. It could also trouble the leadership's relationship with the Arab world, given the loss of prestige in 'losing' the South.

> 'The diplomatic and development process has to be African led. It cannot be driven by the outside world.'
>
> *Western Diplomat, Khartoum,*
> *7 November 2010*

Both North and South: Regardless of whether they are one or two states, with 40% of Sudanese living along the border and 30% of northern tribes as nomads, together both sides need to resolve ongoing issues, including tribal patterns of movement, revenue sharing, and the management of natural resources (i.e oil) and their transmission (i.e. the pipeline), infrastructure development, and the safeguarding of property held by each other's citizens.

The International Community: For both Africa and the wider external community, the priorities are, first and foremost, to prevent war, safeguard the agreement and ensure its provisions, and pull together to devise a programme that assists both the South and North and recognises their social and economic interdependence. For the South, this has to include walking the talk on land reform, bureaucratic streamlining, and dealing with corruption. Aid has to shift, quickly, from aid to development. And Southern Sudan would be a good place to start with an aid regime that is measured in large part by its (positive) impact on private sector development.

The AU has demonstrated its engagement by putting in place the AUHIP, which is mandated to and currently active in dealing with the post-referendum (including Abyei) issues. Before long it will have to stand up to the issue of recognition. In the light of our findings, we would stress the need to, firstly, monitor closely the economic impacts of separation, while emphasising the importance of finding modalities for interdependence; secondly, find the means to scrutinise security issues including demobilisation and disarmament especially in the border region, while devising means such as joint border units, joint exercises and staff exchanges, to improve the levels of security; and thirdly, ensure that the international community remains engaged in a positive way both diplomatically and through development spending.

'We would like to have a peaceful state in the South. If war erupted between the southerners themselves, it would affect all Sudan.'

Mohamed Mandour Elmahdi,
Member NCP Leadership Council, Khartoum, 6 November 2010

Whether Southern Sudan is more or less viable as an independent state or as part of a united one is a critical question but largely academic. All signals point to secession of the South from the North sooner rather than later. Notwithstanding the initial euphoria independent statehood will generate in the South, its development and security challenges are only likely to grow in the near term.

Acknowledgments

The Brenthurst Foundation would like to thank all the organisations and individuals in Sudan, Ethiopia and Djibouti who assisted the research team with their visit, in particular HE Erastus Mwencha, Deputy Chair of the African Union Commission in Addis Ababa; the staff of the Middle East and Africa Studies Center in Khartoum, especially Ambassador Osman Alsayed; and Sudan's Ambassador to Djibouti Ambassador Hassan El-Talib; the representative of the Government of South Sudan in Pretoria, Dr John Yoh; and also Mr Peter Bior Alier; and CJTF-HoA in Djibouti, especially Rear Admiral Brian Losey; and Dr Marie Besancon. All views however remain the author's alone.

Endnotes

1 Andrea Levy, *Southern Sudan at the Crossroads: Citizen Expectations, Aspirations and Concerns about the Referendum and Beyond*. Washington DC: NDI, 30 September 2010.

2 See, for example, Alan Schwarz, *Scenarios for Sudan: Avoiding Political Violence Through 2011*. Washington: US Institute of Peace Special Report 228, August 2009; Peter Kagwanja and Thomas Kimaru, 'Sudan's Last Chance for Durable Peace'. *Open Democracy*, 28 October 2010; Human Rights Watch, *Democracy on Hold: Rights Violations in the April 2010 Sudan Elections*, June 2010; Katherine Almquist, 'Renewed Conflict in Sudan', *Contingency Planning Memorandum No.7*. New York: Council on Foreign Relations, March 2010; Jair van der Liyn, *Sudan 2012: Scenarios for the Future*. The Hague: Clingendael, March 2009; and Anna Rader, 'Overcoming the Past: Prospects for Peace in Sudan', Forthcoming Paper. 2010.

3 This data is drawn from the various Sudan Household Surveys, WHO, UNDP, UNESCO, and OCHA.

4 Half population of South Sudan short of food – UN', Reuters, 2 February 2010.

5 'Southern Sudan development hindered by the World Bank', *The Guardian*, 18 February 2010.

6 *BP Statistical Review of World Energy*, June 2010.

7 US Department of Energy, Energy Information Administration, Sudan Country Analysis Brief, September 2009.

8 At http://www.sudantribune.com/spip.php?article36745.

9 Permanent Court of Abritration, *In the Matter of an Arbitration Before a Tribunal Constituted in Accordance with Article 5 of the Arbitration Agreement Between the Government of Sudan and the Sudan People's Liberation Movement/Army on Delimiting Abyei Area, 22 July 2009*.

10 See http://www.aec-sudan.org/docs/aec/2010_AEC_January_Evaluation-en.pdf.

11 The concept of joint integrated units envisaged under the CPA has proved unsuccessful: that is not to say that the concept is unworkable if, as with joint operations between Kurdish and Iraqi armed forces, they are effectively monitored and mentored.

Annexures

			Sudan Foreign Aid Statistics, 2005–2010				
Vehicle	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**Total**
Common Humanitarian Fund	$110 985 459	$108 800 810	$151 128 410	$154 379 604	$153 431 151	$0	$678 725 434
SRF–South	$12 541 989	$13 038 163	$0	$0	$0	$0	$25 580 152
MDTF–South	$139 564 900	$68 049 000	$52 650 500	$47 784 500	$66 567 600	$627 600	$375 244 100
MDTF–North	$22 255 500	$47 361 400	$21 667 900	$62 509 700	$14 219 300	$524 900	$168 538 700
Peacebuilding Fund	$8 400 000	$0	$0	$0	$0	$0	$8 400 000
MDG Achievement Fund	$0	$8 918 644	$25 000	$0	$0	$0	$8 943 644
Global Fund A/TB/M	$0	$38 296 873	$39 685 701	$18 170 000	$44 823 615	$62 740 154	$203 716 343
USA Bilateral	$320 721 000	$972 800 000	$848 150 000	$710 460 000	$738 660 000	$758 970 000	$4 349 761 000
EU Bilateral	$159 600 000	$189 000 000	$277 840 000	$254 680 000	$299 410 000	$212 810 000	$1 393 340 000
Total	$774 068 848	$1 446 264 890	$1 391 147 511	$1 247 983 804	$1 317 111 666	$1 035 672 654	$7 212 249 373

NB: These figures represent an estimate of expenditures, not pledges. Figures for 2010 are partial. Since 2005, GoSS has contributed $178 500 000 toward MDTF-approved projects, while GoNU has contributed $264 200 000.

Sources: OECD DAC Database, UNDP, World Bank, USAID, ECHO

Cumulative MDTF Contributions					
Fund	CHF	MDTF-S	MDTF-N	SRF-S	Total
Netherlands	$143,181,268	$138,200,000	$105,600,000	$36,335,300	$423,316,568
Norway	$79,991,020	$156,400,000	$44,200,000	$0	$280,591,020
UK	$354,040,843	$74,800,000	$57,700,000	$75,482,959	$562,023,802
Canada	$0	$60,200,000	$17,500,000	$0	$77,700,000
EU	$0	$59,800,000	$0	$0	$59,800,000
Sweden	$85,103,150	$34,000,000	$18,300,000	$0	$137,403,150
Spain	$35,329,140	$16,900,000	$14,200,000	$0	$66,429,140
Finland	$0	$30,080,000	$0	$0	$30,080,000
Germany	$0	$12,000,000	$0	$0	$12,000,000
World Bank	$0	$5,000,000	$5,000,000	$0	$10,000,000
Denmark	$5,271,911	$8,100,000	$0	$0	$13,371,911
Italy	$0	$3,400,000	$2,100,000	$0	$5,500,000
Egypt	$0	$1,000,000	$0	$0	$1,000,000
Iceland	$0	$500,000	$300,000	$0	$800,000
Ireland	$21,796,087	$0	$0	$0	$21,796,087
Greece	$0	$0	$100,000	$0	$100,000
Total	$724,713,419	$600,380,000	$265,000,000	$111,818,259	$1,701,911,678
Expenditures	-$678,725,435	-$375,244,100	-$168,538,700	-$25,580,152	-$1,248,088,387
Balance 11/10	$45,987,984	$225,135,900	$96,461,300	$86,238,107	$453,823,291

Source: http://www.mdtfsudan.org