

FUTURE ENGAGEMENT BETWEEN SOUTH SUDAN AND THE REPUBLIC OF SUDAN

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Framing the Issue

South Sudan was born out of a divorce that culminated from a clearly non-consensual marriage. For decades, the people of the South and North lived in a state of war as the South sought to separate from a union it considered oppressive and that disadvantaged its people. The demand for autonomy from the North was evidenced by the overwhelming support in the referendum that led to the creation of South Sudan. The people of South Sudan expected that the dissolution of the union would end many years of conflict between the two nations. However, now after almost one year since the separation, the post-divorce relations between the two Sudans are on a downward trend; one that could easily result in escalation of war. Without good relations, the high expectation of a better future will remain a mirage. In fact, unless the recurring disputes are resolved amicably and soon, it will be hard to talk about development in South Sudan at all.

It should not be a surprise that relations between the two nations are deteriorating, due to several key outstanding issues. First, the civil war was a bitterly contested battle that left deep scars on both sides. The prolonged conflict greatly eroded the trust between the people of the North and those in the South, which in turn has reduced the probability of a negotiated settlement when disagreements occur. Unfortunately, these two countries seem to approach all their dealings with suspicion and mistrust. Second, not all the sources of the irreconcilable differences that led to the split in the first place were resolved before the separation. It is like a divorce that is hurriedly put together before the parties have agreed on how to share marital property, as well as deal with outstanding debts and the raising of children. Put simply, before the independence of South Sudan, the two countries had not reached an agreement on how to address issues that would continue to tie them together even after the separation. Finally several external actors, whose interests do not neces-

sarily align with those of either South Sudan or the Republic of Sudan, have complicated the situation and contributed to the hardening of the positions taken by the two countries.

What's at Stake?

Three key issues stand as the most important sources of discontent between the two nations: border demarcation, nationality, and the use of the oil pipeline.

Border Demarcation

The Comprehensive Peace Agreement (CPA) guided the relations between the two countries from the end of war to the referendum for secession. The established framework for secession included the issue of border demarcation, specifically in highly contested areas. Unfortunately in their eagerness to gain independence, the southern Sudanese states that would become the sovereign state of South Sudan did not insist on full resolution of all issues associated with their independence from the Republic of Sudan. Among the issues left unresolved was the border between South Sudan and the Republic of Sudan. According to John Campbell of the Council on Foreign Relations in Washington, D.C., nearly 20 percent of the border between South Sudan and the Republic of Sudan remains to be demarcated. Abyei, Southern Kordofan (which contains the disputed Heglig oil field) and the Blue Nile regions are three of nine heavily contested border sites—and both countries are fighting for the control of these areas due to the amount of oil, mineral, and arable land resources they hold (USIP 2010).

As the saying goes, good fences make good neighbors. For neighboring nations to live in peace, it is critical that there be mutual recognition and respect of the boundary that separates their territories. For South Sudan and the Republic of Sudan, the border remains contested and has been the main factor defining the relationship be-

tween the two nations. Since the referendum, there have been numerous episodes of hostilities propagated by both countries and each has undermined the sovereignty of the other through continued support of rebels in the opposing territory. With former South African President Thabo Mbeki as mediator, the two sides finally agreed to meet in April 2012 for talks to resolve border-related conflicts and settle on a permanent boundary. However, negotiations were suspended when violence erupted in several border regions, resulting in the capture by South Sudan armed forces of an oil field at Heglig in the Republic of Sudan. South Sudan has since retreated and removed its troops from the Heglig oil fields, which account for 75 percent of all oil produced in the Republic of Sudan (Deutsche Welle 2012). At the time of this report, negotiations have resumed and representatives from both countries are participating in African Union-sponsored talks in Addis Ababa. Unless the issue of fully adjudicating the border is resolved in the near future, the prospects of moving South Sudan toward a positive developmental trajectory are dim.

Nationality

The other major unresolved issue that continues to adversely impact harmonious relations between the two Sudans pertains to the resolution of nationality. According to the International Organization for Migration (IOM), “a[n] estimated 4 million Southern Sudanese were displaced during the civil war, IOM has tracked over 2.5 million returning to South Sudan since 2005, with over 360,000 returning in 2011 alone.” Leaders from Juba and Khartoum initialed the Four Freedoms Agreement [FFA] in March 2012. The FFA would give citizens of both countries the freedom of residence, freedom of movement, freedom to undertake economic activities and freedom to acquire and dispose of property in either country. However, finalization of the deal stalled and Khartoum mandated that South Sudanese nationals currently resident in the Republic of Sudan must leave the territory by April 2012. According to a Government of South Sudan (GoSS) press release (May 6, 2012), Khartoum, under pressure from the IOM, extended the deadline for the mandated exodus of South Sudanese to May. Returnees trapped in Kosti, a city near Khartoum, are excluded from the deadline because the two governments have settled on a different return migration strategy for them. The

IOM called the movement of the South Sudanese a “massive logistical challenge,” which requires providing for the transportation and sanitation of the displaced persons. The GoSS has committed \$50 million to repatriation of South Sudanese citizens in coordination with the FFA.

These countries will need to deal with the issue of nationality and establish conditions for continuous engagement. As neighbors, they will benefit by establishing protocols that make it easy for the people from the two nations to cross the border in order to engage in trade, cultural exchanges and other mutually beneficial activities. According to the IOM, the returnees on both sides of the border are opening up new trade routes and driving demand in both countries. Peaceful engagement will lead to economic benefits for the Republic of Sudan and South Sudan.

The Oil Pipeline

Oil accounts for as much as 98 percent of South Sudan's public revenue. In addition, it is a significant contributor to the country's gross domestic product and the major basis of its current struggle with the Republic of Sudan. Since independence, all of South Sudan's oil has been transmitted through pipelines belonging to the Republic of Sudan, where it is also prepared and exported. In January 2012, South Sudan shut down all oil production and refused to use pipelines and port facilities belonging to the Republic of Sudan to prepare and ship its oil to overseas markets. They took this action to protest what South Sudan believed were exorbitant transport fees charged by the Republic of Sudan for the use of the latter's pipelines, as well as rumors that the Republic of Sudan was stealing South Sudan's oil. South Sudan has rejected both the African Union's and the Republic of Sudan's offers to resolve the stalemate (Financial Times 2012). The loss of revenues from the exported oil has forced the South Sudanese government to develop and implement a 3.45 billion South Sudanese Pound (SSP) austerity budget, which, according to Finance Minister Kosti Manibe Ngai, will result in significant cuts in government expenditure, including critical areas such as agriculture, local government development, education and health. The bulk of government revenues in the austerity budget are earmarked for defense purposes (GoSS 2012).

The pipeline shutdown has greatly exacerbated already bad relations between the two countries and will cost the two nations a great deal. The lost oil receipts are expected to cause depreciation of the SSP, increase inflation and result in a depletion of oil reserves. Socially, inflation is likely to lead to food insecurity even for individuals who only participate partially in the cash economy. This is due to the fact that domestic food production only accounts for 53 percent of local consumption, with imported food items accounting for the rest (GoSS 2011). Having access to oil revenues is crucial to both countries and it is in their best interest to resolve the dispute. Although the bulk of known oil reserves are in South Sudan, the pipeline through the Republic of Sudan will remain vital to South Sudan for the foreseeable future. Although the GoSS has started plans for the construction of an alternative pipeline through Kenya, this is not a simple matter and will take years before it is actually operational. Even as border issues are negotiated, reaching an agreement on the pipeline is of utmost urgency.

Policy Recommendations:

The very survival of South Sudan is intractably tied to friendly relations with its neighbor to the north. Thus, the following policy suggestions are vital to success:

- ***The two Sudans must continue negotiations.*** It is in the best interest of the two nations to maintain peace and establish mutually beneficial interactions. The divorce was inevitable but so is the need for continuous engagement. Unfortunately, the leadership's behavior in both countries over the past year has been largely uncompromising as both have taken hard and sometimes irrational positions. In the process, both governments are undermining their countries' prospects for development. The peace dividend that was expected to benefit both nations, especially South Sudan, is being squandered at a very high rate.
- ***Other nations can help as third party mediators, but the impetus is left to the Sudans.*** There is no question that the CPA has achieved remarkable success, but this success can be negated if the issues discussed here are not resolved. The CPA is a classic example of the remarkable power of nego-

tations, even between parties with differences that may appear irreconcilable. There are already various ongoing efforts to bring both countries to a negotiated settlement but these need to be ratcheted up and, like the CPA, should engage more players with the African Union taking the lead. For example, the U.N. Security Council has unanimously, with unexpected votes from the People's Republic of China and the Russian Federation, approved a resolution that threatens economic and diplomatic measures against South Sudan and the Republic of Sudan if further violence occurs. However, the key players remain South Sudan and the Republic of Sudan—the two must accept the reality that only give and take can bring forth durable resolution to these contentious issues.

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