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European Union Committee

18th Report of Session 2010–12

The EU and Sudan: on the Brink of Change

Report

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NOTE:

Evidence is published online at <http://www.parliament.uk/hleuc> and available for inspection at the Parliamentary Archives (020 7219 5314)

References in footnotes to the Report are as follows:

- Q refers to a question in oral evidence;
SUD 1 refers to written evidence as listed in Appendix 2.

Summary

In 2005 a Comprehensive Peace Agreement (CPA) between the government of Sudan and the Sudan People's Liberation Movement in the South, witnessed by the EU and others, ended decades of civil war. In January 2011 the South of the country voted decisively for independence: 9 July was set as the date. The CPA and the holding of the independence referendum in the South were major achievements.

In this report, we examine the challenges facing Sudan, North and South, and the contribution which the European Union can make to ensuring that two viable and stable states are created. We assess the risk that the new country of South Sudan will fail as a state as high, even if the international community maintains the current levels of assistance and support.

The EU does not need to be in the lead among international organisations to make an important contribution to both North and South. A priority must be to join with the United Nations, African Union and United States to press the parties to resolve the outstanding disputes, notably the inflammatory situation in Abyei where the holding of a referendum and the demarcation of the border are critical issues. The other areas in need of urgent attention are Southern Kordofan and Blue Nile State, debt, borders and citizenship. The distribution of revenues from oil is also a key issue. While we acknowledge the importance of the conflict between the government of Sudan and Darfur, the report deals with it only inasmuch as it impacts on North/South relations.

In the North the EU must continue its development aid, despite the difficulties caused by the government of Sudan's lack of cooperation with the International Criminal Court. Politically, the EU must press the country's leadership to support the establishment of the South as a successful independent state.

In the South the EU's key role will be to work with other international organisations to build the administrative structures necessary to sustain a sovereign state. In particular the new country needs to develop the capacity to absorb the international assistance on offer. Corruption must be tackled and transparency must be improved in the economic and financial sectors to help ensure that all the South's considerable oil wealth is put to work for its people. The EU must put its full support behind efforts to resolve the problem of militias in the South, which have the potential to destabilise the country. The EU must continue its extensive aid programmes and ensure that its contribution is fully coordinated with others. We see a potential leadership role for the EU in the development of the justice sector.

We believe that the EU's role in the South is a test case for the new European External Action Service, and we are concerned that the EU has not yet built up its presence in Juba sufficiently or quickly enough. It must appoint an effective Head of Delegation with experience of political and development work in a country affected by conflict.

The EU and its Member States must be prepared to invest time, finance and practical resources in South Sudan for the foreseeable future. As a symbolic demonstration of commitment to the new country and for maximum impact, EU Member States should coordinate their acts of recognition of the new state.

FIGURE 1
Sudan—Provinces, Main Towns and CPA Boundary



Source: Reproduced by permission of Oxford University Press.

OUNP Material: “War and Survival in Sudan’s Frontierlands: Voices from the Blue Nile” by Wendy James (2007):

Map 1: Sudan Provinces, main towns and CPA boundaries from p. vi.

The use of this map does not imply endorsement or acceptance by the Committee of the boundaries and names shown and designations used.

The EU and Sudan: on the Brink of Change

CHAPTER 1: SUDAN: A NATION DIVIDED

Introduction

1. For decades Sudan has been beset by serious problems: its links with terrorism in the 1980s and 90s, its desperate need for humanitarian aid and the longest running civil war in Africa. But in 2005 more hopeful news emerged when a peace settlement was reached between the North and the South. In January 2011, the people of South Sudan made clear in a referendum their desire for independence and on 9 July the largest country in Africa will make history when it separates into two sovereign and independent states.
2. The referendum was one of the provisions of a Comprehensive Peace Agreement, signed in 2005 under pressure from the international community, which demonstrated the importance of the world's support for the future of both states of Sudan. But the decision to set the date of independence as 9 July, just 6 months after the referendum, presented formidable challenges: a new state and economy to build in a land-locked South Sudan; with oil, but lacking in state capacity and infrastructure; a newly configured state in the North with an uncertain future; set against a heritage of civil war and distrust with serious remaining disputes unresolved.
3. The European Union played a small but important part, as a witness to the signing of the Comprehensive Peace Agreement (CPA),¹ (paragraphs 7–10 and Box 1 below). Since then the EU collectively, and its Member States individually, have intensified their involvement, appointing a Special Representative, and supporting the North and South and the African Union—both politically with messages of support and concern, and practically with humanitarian aid totalling 136.6 million euros in 2010.² For its part, Sudan is a member of the Cotonou Agreement,³ though its failure to ratify the revised agreement has led to problems (see Chapter 4 below).
4. This report summarises the problems faced by the North of Sudan and the new state of the South and the role of the international community. It focuses on the EU's action so far and the added value the EU can and should contribute to preventing conflict and building and supporting the new state in the South, as well as working to ensure that the northern part of Sudan remains stable. Without international support, and commitment by the parties to resolve deep-seated problems, the risk of creating two failed states in the east of Africa is real. While we acknowledge the importance of the conflict between the government of the North in Khartoum and Darfur, the

¹ The other witnesses were the African Union, Egypt, Inter-Governmental Authority on Development (IGAD), Italy, Kenya, League of Arab States, Netherlands, Norway, Uganda, UK, UN, US.

² SUD 2

³ The revised Cotonou Agreement (2005) is the treaty that sets the framework for the EU's relations with African, Caribbean and Pacific (ACP) countries.

report deals with it only inasmuch as it impacts on North/South relations. For the purposes of this report, we refer to “Sudan” when discussing the whole of the country as it currently exists, and to “the North”, “North Sudan” or “northern Sudan”, and “the South”, “South Sudan” or “southern Sudan” when referring to the territories which will become the two new states. The maps we use by kind permission of Oxford University Press and Drilling Info International do not imply endorsement or acceptance by the Committee of the boundaries and names shown and designations used. (Border issues are considered in paragraphs 69 to 73).

5. This report was prepared by the Sub-Committee on Foreign Affairs, Defence and Development Policy whose members are listed in Appendix 1. Those from whom we took evidence are listed in Appendix 2. We are grateful to them all.
6. **We make this report to the House for debate.**

The 2005 Comprehensive Peace Agreement (CPA)

The North/South civil war

7. From 1955, just before independence in 1956, until 2005, with a break between 1972 to 1983, the North and South of Sudan were locked in a civil war. The South, largely African, with Christian and indigenous religions, was neglected by the predominantly Arab and Muslim North of the country. The conflict reignited in 1983 when a South Sudanese rebel movement, the Sudan People’s Liberation Movement (SPLM) and its military wing, the Sudan People’s Liberation Army (SPLA), took up arms against the Sudanese government.⁴ The signature of a Comprehensive Peace Agreement (CPA) between the government and the SPLM/A on 8 February 2005 opened the way for peace, and for the SPLM to take part in the government of national unity in Khartoum. The SPLM/A also led a separate regional government in South Sudan headed by First Vice-President of the Republic of Sudan and President of the government of Southern Sudan, General Salva Kiir Mayardit.⁵
8. The CPA (see Box 1 below) was a breakthrough. The negotiations were mediated by the East African grouping of states, the Intergovernmental Authority on Development (IGAD), with support from the international community, in particular the Troika (UK, US and Norway, see Box 3). One key provision was a referendum on independence for South Sudan. However, a number of the most difficult questions were left for future resolution (see Chapter 2).

BOX 1

The 2005 Comprehensive Peace Agreement (CPA)

The 2005 Comprehensive Peace Agreement (CPA) between the SPLM/A and the government of Sudan aimed to end the civil war between North and South.⁶ The agreement, which remains in force until 9 July 2011, provided for:

⁴ Because of the close association between the SPLM and the SPLA, the acronym SPLM/A is in frequent use and will be used in this report unless it is necessary to separate them for accuracy, and to distinguish between their roles, as here.

⁵ SUD 2

⁶ This box is largely based on the information contained in the Chatham House report by Edward Thomas “Decisions and Deadlines—a Critical Year for Sudan”, January 2010, <http://www.chathamhouse.org.uk>

- A referendum on independence for South Sudan, as well as a government of South Sudan, financed from southern oil revenues.
- A government of national unity in Khartoum and an appointed National Legislature. One-third of posts in those institutions were assigned to historically under-represented southern Sudanese.
- Special power- and wealth-sharing arrangements for the Three Areas of Abyei, Blue Nile and Southern Kordofan; as well as determination of the status of the Three Areas (referendum in Abyei and “popular consultations” in the other two areas).⁷

The CPA recognised three armed forces:

- The Sudan Armed Forces (SAF) under the command of President Bashir; the SPLA commanded by the President of South Sudan; and Joint Integrated Units (JIUs) with soldiers drawn from both sides.

Other elements of the CPA aimed to address the causes of conflict by:

- investing resources in Sudan’s impoverished peripheries and developing fair systems for the use of land and natural resources.
- holding of presidential and parliamentary elections (held in 2010).
- consulting people in the war-affected North/South borderlands about their future and physically demarcating the border.
- changing political and security structures in order to make a reality of Sudan’s constitutional commitment to human rights and creating an inclusive national bureaucracy.
- addressing the traumas and injustices of war through a process of national reconciliation.

9. The January 2011 referendum in South Sudan resulted in an overwhelming 98.83% vote for independence.⁸ The EU’s Special Representative (EUSR), Dame Rosalind Marsden, told us that it had been held successfully in a peaceful and credible fashion and on time, for which all the parties deserved credit.⁹ She said the international community, including the EU, had maintained pressure on the parties to fulfil their commitments and the EU’s direct contact had been a contributory factor to the success of the referendum.¹⁰ Sara Pantuliano (Overseas Development Institute) believed that the transition to the referendum demonstrated the value of involvement by the international community.¹¹
10. **The successful negotiation of the Comprehensive Peace Agreement and the largely peaceful holding of the referendum on the independence of the South were considerable achievements by the governments in, and the people of, North and South Sudan. They were supported by the international community, including the**

⁷ The referendum on Abyei and the popular consultations have not yet taken place and are a major point of contention between North and South.

⁸ Figures announced by the Southern Sudan Referendum Commission on 7 February 2011, www.bbc.co.uk

⁹ Q 175, see also FCO, SUD 2

¹⁰ Q 175

¹¹ Q 63

European Union, in a laudable demonstration of sustained international commitment to the parties. However, the challenges ahead are great and major issues remain unresolved.

The North without the South

11. The government of national unity in Khartoum is a coalition of the northern National Congress Party (NCP) and the southern Sudan People's Liberation Movement (SPLM). The government is led by President Omar Bashir, who came to power in a military coup in June 1989.
12. Gill Lusk (Sudan Studies Society of the UK and Africa Confidential) commented that the Sudanese government was a civilian one, but run by the security services.¹² She described its immediate aim as survival. She said that its long-term policy was to establish its version of Islamic rule.¹³ For Paul Murphy (Saferworld) and Sara Pantuliano, this meant that the Sudanese government's ethos was rooted in Islam, though economic and power issues had had a major influence.¹⁴ Sara Pantuliano reflected that, following the 1989 coup in Sudan, the leadership's aim of establishing a "modern Islamic state" had in fact originated in reaction by the youth of the country against traditional patriarchal politics.¹⁵
13. Sara Pantuliano told us that the government was not monolithic; a group existed behind the President, but there were other groups, whom she described as doves and hawks, leading to tensions. The President had asserted himself more since the International Criminal Court (ICC) indictments (see paragraphs 15–18 below). She thought that there was no strong opposition group, though civil society had recently matured significantly.¹⁶ The people were resilient and many were well educated. She added that Sudan would benefit and become a strategic player if its economic and political potential could be unlocked.¹⁷
14. Sara Pantuliano thought that a long-term aim of the North was its own rehabilitation. This had been a key element leading to the success of the peace talks when promises had been made, particularly by the US administration, such as debt relief and removing Sudan from the list of state sponsors of terrorism.¹⁸

The ICC indictments—impact and consequences

15. In 2009, President Bashir was indicted by the International Criminal Court (ICC) in The Hague on charges of genocide, war crimes and crimes against humanity, relating to Darfur. A further indictment was added in 2010. As a consequence, he risks arrest if he visits a country which has signed up to the ICC. FCO Minister Henry Bellingham MP told us that the UK had urged the President to cooperate with the ICC to clear his name, since such restrictions on travel, including possibly to the South in the future, would be

¹² Q 28

¹³ QQ 20–22

¹⁴ Q 58

¹⁵ Ibid

¹⁶ QQ 57, 62

¹⁷ Q 96

¹⁸ Q 81

a “massive impediment” for a president.¹⁹ Roger Middleton (Chatham House) commented, however, on the surprising number of countries the President was still visiting.²⁰

16. The Minister told us that the EU’s policy of avoiding all but “essential contact” with ICC indictees had implications for the EU’s engagement with the President. Decisions on what constituted essential contact was made on a case by case basis; action to prevent conflict could under certain circumstances be considered essential.²¹
17. Gill Lusk was clear that the involvement of the ICC, in which the UK and France were seen as the main protagonists, had been necessary in drawing attention to the lack of accountability in the North; the EU’s support in this had been productive.²² She thought that the human rights abuses in Sudan and the lack of justice and transparency were a matter of concern, which the international community should highlight to a greater degree.²³ Paul Murphy told us that there were divergent opinions, not on the indictment itself, but on whether the timing was conducive to the political initiatives being conducted, with the South and in the Darfur process.²⁴
18. A further consequence of the ICC indictments is to complicate the delivery of the EU’s development aid to Sudan. It has also given the North a pretext to expel NGOs from Darfur²⁵ (see Chapter 4).

Conflict, and the Darfur/South Sudan link

19. Conflict continues between the Sudanese government and Darfur in the west and regions in eastern Sudan. Darfur has been in a long-running and high-profile conflict with the Khartoum government. While it is not the subject of our report, it does impact on the North/South conflict. Nick Westcott (Managing Director Africa, EU External Action Service), believed that Darfur was the biggest remaining problem for the North, and a “thorn in the relationship” between Khartoum and the EU. He hoped that the EU could use the resolution of the North/South issue as a stimulus to resolve the Darfur problem and re-establish a formal partnership with the North.²⁶ The Minister also expressed the UK Government’s concern about these conflicts.²⁷
20. Gill Lusk commented that a common factor between Darfur and the South was their conflict with the government in Khartoum. She said that when peace talks with the South had started in earnest in 2000, the Sudanese government had taken the opportunity to redeploy to Darfur forces which

¹⁹ Q 247

²⁰ Q 27. See also FCO press statement of 11 May 2011 in which the British government expressed disappointment that Djibouti had hosted President Bashir in defiance of ICC arrest warrants. The President also visited Kenya in August 2010 for the inauguration of the new constitution, but was not arrested.

²¹ SUD 2

²² QQ 37–39

²³ Q 52

²⁴ Q 85

²⁵ Zangl (Commission) Q 217

²⁶ QQ 153, 154

²⁷ Q 224 and Middleton, Lusk QQ 54, 55

were no longer needed in the South.²⁸ The Minister told us also that in the past arms had filtered through to the South from armed groups in Darfur. The role of the UN Mission in Sudan (UNMIS, see Box 3) would be important.²⁹

21. Roger Middleton added that the SPLM in the South had made some half-hearted efforts to bring Darfur rebel groups together to formulate a common negotiating position for the peace negotiations with the Khartoum government. He thought that this could potentially be a role for the new South Sudan government.³⁰

The impact of the loss of the South

22. The North remains a fragile country on which the separation of the South will have a profound impact. The SPLM will leave the coalition government in Khartoum, and the North will lose skilled administrators to the South, as well as valuable oil-producing territory and population—a fifth of the population according to His Excellency Mr Abdullahi AlAzreg, Ambassador of Sudan in the UK.³¹ Roger Middleton warned of the uncertainties and potential changes in the North which the separation would create; ignoring them could create problems for the future.³²
23. FCO Minister Henry Bellingham MP thought that the sense of loss felt by the North should not be underestimated. At a practical level, there were 20,000 South Sudanese in the army, 3,500 in the security services and 10,000 civil servants, for whom redundancy payment would be needed.³³
24. We asked witnesses how the North was likely to react to the separation of the South. The Ambassador of Sudan assured us of his government's acceptance of the result of the referendum and that the government would support the South. Its policy was to create friendly relations between the two countries. North Sudan "will be the first country to recognise the newborn state of South Sudan on 9 July," and would apply for its embassy to be the first in the new country. He recognised that "unless there is a viable state in the South, the North will suffer".³⁴
25. The Minister thought that the political leadership would be "tested to the full". Some of the younger generation of politicians were forward thinking, recognised what would happen and understood the implications for Sudan's relations with the South. The challenge for the North was to create wealth away from oil, for example through trade, agriculture and opening its borders.³⁵ Roger Middleton thought that the NCP had accepted that South Sudan would secede and that the North would not try to stop it.³⁶
26. Dame Rosalind Marsden, EU Special Representative on Sudan, told us that northern opinion was divided on handling the South. Some sensibly believed

²⁸ Q 7

²⁹ Q 257

³⁰ Q 7

³¹ Q 100

³² Q 53

³³ Q 245

³⁴ Q 99

³⁵ Q 246

³⁶ Q 29

that two viable states were needed, that the stability of the North would depend on the stability of the South, and that each side had the ability to destabilise the other. Others, however, might resent losing part of their territory.³⁷ Sara Pantuliano added that, without cooperation, the North would also suffer economically, since the prosperity of the North relied on oil production in the South.³⁸

27. The Minister expressed concerns about claims that the NCP had tried to destabilise and overthrow the government in the South, but thought that the problem could be overcome.³⁹ Michael Ryder (UK Special Representative for Sudan) commented that there was a long history of mutual interference between North and South.⁴⁰
28. Other witnesses expressed doubts about the North's attitude. The Head of the Southern Sudan Liaison Office in London, Dr Daniel Peter Othol, said that the relationship between the North and South was amicable "until we know otherwise".⁴¹ Gill Lusk went further: she said that the government in Khartoum was "the elephant in the room" and she clearly distrusted its intentions, believing that the Sudanese government would like to destabilise the South.⁴²
29. We asked whether the Khartoum government expected a reward for its cooperation on the referendum. Roger Middleton agreed that it would, whether that was postponement of the ICC's indictments of President Bashir or de-listing by the US of Sudan as a sponsor of terror and an ending of US sanctions. Gill Lusk added debt relief to this list, but believed that the Khartoum government had had no option but to cooperate.⁴³
30. **The EU should not underestimate the psychological and physical impact on the North of the loss of the South, which will create potentially destabilising uncertainties in the North, such as changes in the political and demographic dynamics and how to handle the loss of oil revenues. The EU and the rest of the international community should ensure that, in dealing with the problems of the South, the interests and problems of the North are not neglected, not least because they could lead to renewed North/South conflict.**
31. **In all its dealings with the government in the North, the EU and the international community must reinforce the message that it is not in the interests of the North to destabilise the South, including by the use of proxies and support to rebel groups. The EU should encourage the Khartoum government to look to the future and stress the benefits that peace will bring for both North and South.**
32. **Over the longer term the Commission and Member States should look at the possibilities for developing trade with and investment in the North, to increase its viability as a stable and economically**

³⁷ Q 181, see also the Minister Q 225

³⁸ Q 84

³⁹ Q 239

⁴⁰ Ibid

⁴¹ Q 99

⁴² QQ 1, 3, 52

⁴³ QQ 16, 29

sustainable state after it loses the South and its oil. Equally the North must be encouraged to invest in the South.

33. **Despite the size of the challenge it is essential to solve the remaining conflicts in Darfur and eastern Sudan as a matter of urgency. If they are neglected there is very little prospect of a lasting peace between the North and South. The EU High Representative and her staff, and Member States individually, should press the Khartoum government and the rebel movements to respect their commitments and engage seriously in negotiations.**

The South without the North

34. We discuss here the many challenges facing the South. In Chapter 5 we deal in more detail with the problems and the practical assistance the EU is giving and should give.

A “pre-state”

35. Since the 2005 CPA the South has had a high degree of autonomy, with its own government, run by the SPLM/A under First Vice-President Salva Kiir, a legislative assembly, judiciary and police and a human rights commission.
36. The South, neglected for years, was described to us by Sandra Pepera (Department for International Development) as a “pre-State,” but not a failed state.⁴⁴ She told us that, with a population of nine million, there were still only around 100 kilometres of paved road in a large country.⁴⁵ As Gill Lusk put it: “there is everything to do ... there is no real infrastructure ... no hard-topped roads at all between towns ... and in some areas you can’t travel for six months of the year because of the rains.”⁴⁶ There are few schools and hospitals and the health sector is weak.⁴⁷
37. One tribe, the Dinka, currently dominates the government. Dame Rosalind Marsden was encouraged by First Vice-President Salva Kiir’s recognition of the need for power-sharing with other tribes. He had signalled to a meeting of all southern political parties his aim of setting up a broad-based government post-independence and drafting a new permanent constitution in an inclusive consultative process.⁴⁸ Dr Othol told us that the question of tribe was not important as far as he was concerned: “we are not bothered if all the Cabinet ministers in South Sudan come from one tribe, provided that they are up to the job. But ... you have to please everybody”.⁴⁹
38. Sara Pantuliano thought that the young government was finding it difficult to assert its legitimacy over all 10 states of the South. Development of government in the southern capital Juba had progressed, but the situation in other states remained fragile.⁵⁰ Roger Middleton told us that, while Ministers and First Secretaries were mostly competent, basic skills and experience below that level, such as organising meetings and keeping accounts, were

⁴⁴ Q 226, Westcott Q 151

⁴⁵ Q 249

⁴⁶ Q 47

⁴⁷ Q 205

⁴⁸ QQ 175, 192, 193

⁴⁹ Q 120

⁵⁰ Q 63

missing. South Sudan was not destined to be a failed state but it faced “massive challenges”; independence was not the end of a project, but the beginning.⁵¹ The Minister told us that 70% of the southern civil service was functionally illiterate and that 51% of South Sudanese lived below the poverty line. Only one per cent of households had a bank account and the UK estimated that only 40% of the country had access to basic primary services.⁵²

Conflicts and insecurity

39. The South also suffers from serious internal conflict and many people have been killed in South/South conflicts as well as in the North/South conflict. The unifying factor provided by the desire for separation from the North and independence will recede, now that independence has been achieved. Roger Middleton warned that, in the absence of reconciliation between the rival factions in the South, problems would arise in five to 10 years’ time. The factions retained bitter memories and had only recently been accommodated in the broader SPLM/A structure.⁵³
40. The drivers of conflict are complex and the Minister listed grazing rights, natural resources, water, political and ethnic historic divisions, the legacy of 40 years of war, poverty, the degradation of institutions and the ready supply of weapons.⁵⁴

Population movements

41. The South has already experienced extensive population movements. Sophie Vanhaeverbeke (Commission, DG ECHO) told us that, after the CPA in 2005, two million people had returned to South Sudan. There was now a further movement of population from the North to the South.⁵⁵ Michael Ryder estimated that there were a further 30–40,000 people on the move.⁵⁶ Gill Lusk told us that many southern Sudanese were living destitute at the border between the North and South, unable to get back. She said that the two million people who had moved from the North and from refugee camps in neighbouring countries, particularly in Kenya and Uganda, to South Sudan had found that there was no land, housing, jobs or food for them. The international community, and donors in particular, had so far failed to address this major humanitarian problem adequately.⁵⁷ Sara Pantuliano agreed that the international community had failed to help migrants to the South with integration on arrival. Some returning to the North had found difficulty settling back.⁵⁸
42. Dr Othol described the “huge problem” of the returnees. He said that the South did not have the structures in place to accommodate them. While returnees could be given a piece of land, of which there was plenty, the

⁵¹ Q 49

⁵² Q 248

⁵³ Q 39, also Quince Q 138

⁵⁴ Q 262

⁵⁵ Q 205

⁵⁶ Q 254

⁵⁷ Q 43

⁵⁸ Q 80

government would not be able to give the returnees money to build the infrastructure they needed.⁵⁹ Roger Middleton commented that the situation of returnees was also a source of disputes as land which had been left had been taken over by others, adding to existing problems of inter-ethnic violence over land resources and cattle raiding in some states of the South.⁶⁰

43. A more hopeful side of this picture is that some southerners who have worked in the North and some returning from countries such as the UK, Australia and the US are likely to bring education and much needed administrative expertise.⁶¹

Oil wealth

44. On the positive side, the South has huge oil wealth. Sandra Pepera (DfID) said that, by the end of the six-year CPA period, the South would have received around US\$ 11 billion of oil revenue. Great poverty existed, but it was not a poor country. The Norwegians, who led on the oil issue, believed that with some stability and a more healthy investment climate, an increase of possibly 50% of production from the current fields was possible.⁶²
45. However, the Sudanese Ambassador told us that the South had done nothing to create infrastructure or build health or education facilities with the revenue it had received from oil extraction up to January 2011, which he put at US\$ 9.5 billion.⁶³ Dame Rosalind Marsden confirmed that no one knew exactly where the oil revenue had gone, apart from payments to the SPLA, which was the largest single part of the South Sudan budget. This left very little for basic services which were paid for by the international community.⁶⁴ Gary Quince (Commission, DG DEVCO) also described the use of the oil revenues as “very opaque.”⁶⁵ The problem of dividing profits from oil extraction between North and South is also unresolved.
46. The other asset described to us was the spirit of a people used to having very little. The Minister recounted that, at the time of the referendum, he had been struck by the sheer joy of the voters, the orderly queues and the absolute belief in the sanctity of democracy.⁶⁶
47. **We note that, although great poverty exists in South Sudan, its revenue from oil means that in GDP terms it is a rich country. By the end of the CPA period, the government in the South will have received in the order of US\$ 11 billion in oil revenues from the North, yet the country is still largely undeveloped, with very little infrastructure or basic service provision. The UK and the EU should strongly urge the government of South Sudan to address the problems of the unequal distribution of wealth, and the lack of participation, transparency and accountability in public institutions, including in the area of financial management. The EU should press both North**

⁵⁹ QQ 125–126

⁶⁰ Q 43–45

⁶¹ Q 43

⁶² QQ 249, 251

⁶³ Q 115

⁶⁴ Q 202

⁶⁵ Q 132

⁶⁶ Q 248

and South Sudan to adhere to and implement the Extractive Industries Transparency Initiative.⁶⁷

48. **It would appear that much of the considerable wealth accumulated by the South from the oil revenue has not been properly accounted for (though much of it goes to paying SPLA wages). This is a priority for attention. The EU should liaise with the US, who lead on economic governance in the South, to ascertain whether expertise from Member States could assist in setting up a proper accounting system with accountability for expenditure. The EU should also call on the new government of South Sudan to enhance its ability to use both oil revenue and aid money effectively, by building up structures for budgeting, appropriate expenditure, and auditing.**
49. **The desire for democracy in the South may be frustrated if the partition of the country and the political dynamics result in a situation where only one political party is tolerated.**

⁶⁷ The Extractive Industries Transparency Initiative (EITI) seeks to improve the transparency of revenues paid and received by companies and governments once a mining contract has been agreed.

CHAPTER 2: REMAINING POTENTIAL CONFLICTS

50. This Chapter describes the key remaining sources of conflict between North and South Sudan.
51. The CPA was a major step forward, not least in calling a halt to the conflict between the North and South. It established sufficient trust for both sides to believe they could engage with the other but three of the most difficult problems—the areas of Abyei, Southern Kordofan and the Blue Nile State—were left for later resolution, for which the help of the international community will be needed. In addition, a number of other issues have arisen: wealth-sharing, including oil, debt, the border, citizenship and security. These are outlined below.
52. We asked the Sudanese Ambassador and Dr Othol, for their views. Both stated their commitment to resolving the remaining issues in an amicable manner, but when we asked about the specific problems, it was clear that major unresolved differences remained.⁶⁸

The issues

Abyei

53. Abyei is a small region of Southern Kordofan (10,000 square kilometres in a country of 2.5 million square kilometres),⁶⁹ located in North Sudan on the border with South Sudan, and is inhabited by two tribes: the Dinka Ngoc and the Misseriya (see Box 2 below). The nomadic and northern-based Misseriya were described by the Sudanese Ambassador as a difficult people,⁷⁰ while Sara Pantuliano considered them to be a destabilising factor in the North.⁷¹

BOX 2

Abyei

Abyei is one of the Three Areas that experienced large-scale violence during Sudan's civil war. It is located in North Sudan, in Southern Kordofan state, on the border with South Sudan. However, the Dinka Ngoc people from the South comprise the vast majority of the resident population. Abyei holds substantial oil reserves.

Abyei's special status was recognised in the CPA, which specified that a separate referendum should take place in the territory on whether to join the North or the South. No referendum has yet taken place because of disagreements between the ruling National Congress Party (NCP) in the North and the SPLM in the South on what constitutes a resident, and therefore the electorate.⁷² The NCP sees the Misseriya as an important political constituency and argues that the nomadic Arab Misseriya tribes, who cross through the Abyei area on a seasonal basis with their cattle, should be eligible to vote. The SPLM believes that only the Dinka Ngoc, who are permanent Abyei residents and some of whom hold key positions in the SPLM, should be able to participate.

⁶⁸ QQ 99, 106–112

⁶⁹ Q 100. The figure of 2.5 million square kilometres refers to both North and South Sudan.

⁷⁰ Q 106

⁷¹ Q 84

⁷² Q 3

In 2008 the parties sought arbitration by the Permanent Court of Arbitration (PCA) in the Hague, which ruled on the issue in 2009, redrawing the boundaries of the enclave, reducing its size and allocating a substantial part of its oil wealth to the North.⁷³

In early January 2011 there were clashes between elements of the Misseriya tribe and the SPLA/Joint Integrated Police Unit (JIPU). At least fourteen people were killed in further clashes at the beginning of May 2011. In order to restore calm, the Secretary-General of the UN on 6 May 2011 appealed to the two sides to implement short-term measures immediately, as agreed in the Kadugli agreements of January 2011 and the Abyei agreement of 4 March, and to adhere to the timetable for their implementation. These agreements committed both sides to the total withdrawal of all unauthorised forces from the Abyei area, leaving the maintenance of security to the Joint Integrated Units (JIUs) and Joint Integrated Police Units, which are made up of personnel from both sides.

On 5 May 2011, the governments of Sudan and South Sudan committed themselves to implementing the Kadugli agreements with the assistance of the United Nations. Haile Menkerios, the UN Secretary-General's Special Representative for Sudan, pledged that the United Nations Mission in Sudan (UNMIS) would support temporary security measures while a solution was being sought.

Despite these assurances violence resumed in late May. A UN spokesperson said that the UN had asked South Sudan to investigate attacks on its peacekeepers by what "may have been southern police or soldiers." On 24 May, Baroness Ashton issued a statement that the EU was "very concerned" about the security situation in Abyei. The statement strongly condemned the recent violence there, which saw "Sudanese Armed Forces occupying the town and civilians being driven out". On 25 May, Baroness Verma stated that the UK Government condemned both the attack on Abyei town by the Sudanese armed forces on 21 May and the attack by the SPLA on a joint Sudanese armed forces and UN convoy on 19 May. The Government urged the parties to negotiate and to use the good offices of former President Mbeki's African Union High-Level Implementation Panel (AUHIP).⁷⁴

Following further incidents in late May and the occupation of Abyei by the northern Sudanese Armed Forces (SAF), on 3 June the UN Security Council demanded that the government of Sudan withdraw immediately from Abyei and condemned its "continued maintenance of military control over the Abyei area and the resulting displacement of tens of thousands of residents of Abyei."⁷⁵

Troika envoys (US, UK, Norway) issued a statement on 4 June, expressing deep concern over the situation. They called upon both parties to agree immediately on security arrangements, withdraw all unauthorised forces from Abyei, and work towards a permanent solution. This could either be achieved through holding the planned referendum or an alternative agreement consistent with the spirit and letter of the CPA.⁷⁶

⁷³ Middleton Q 325

⁷⁴ HL Debates, 25 May 2011, cols 1822–1824

⁷⁵ UN Security Council, Presidential Statement, S/PRST/2011/12

⁷⁶ http://www.regjeringen.no/upload/UD/Vedlegg/fredsarbeid/sudan_troika110604.pdf

54. Roger Middleton was hopeful that an accommodation could be reached on Abyei, not least because of the Permanent Court of Arbitration ruling redrawing the boundaries, (see Box 2) which, he believed, had lessened the North's economic motivation for retaining it.⁷⁷ Gill Lusk, however, told us that the North was retreating from previous agreements concerning the Abyei electorate and that she was suspicious that the North would use the Abyei issue to destabilise the South.⁷⁸ The Minister told us that the Troika (US, UK, Norway) had criticised the South's decision to pull out of the CPA negotiations over Abyei.⁷⁹
55. Dame Rosalind Marsden told us that former President Mbeki, the Chairman of the AU High-level Implementation Panel, leading on the subject, had presented six possible options but the parties had so far been unable to agree on a solution, despite the Hague Arbitration ruling, which both parties had agreed should be final and binding. On the ground, the local Misseriya had objected that the ruling was unfair and the situation was now deadlocked with hardened positions on both sides. A permanent political settlement was needed.⁸⁰
56. The Sudanese Ambassador was optimistic that it would be solved "eventually". A British demarcation team was helping to solve the problem, for whom he expressed appreciation.⁸¹
57. **The problem of Abyei is potentially the most intractable of the problems facing North and South Sudan, and the one which is the most inflammatory, as has been shown by the existing level of conflict. The EU should call upon the parties to agree immediately on security arrangements, withdraw all unauthorised forces from Abyei, and work towards a permanent solution. This could take the form of the planned referendum or an alternative agreement consistent with the spirit and letter of the CPA. The EU should offer support to former President Mbeki and the African Union High-Level Implementation Panel. The EU should also be prepared to offer support for and, if requested, participate in a peace-keeping operation in Abyei.**

Southern Kordofan and Blue Nile State

58. Apart from Abyei, the status and future of two other regions—Southern Kordofan and Blue Nile State—remains to be settled. They had their own protocol in the CPA requiring popular consultations. While located in the North, they have links with the SPLM through tribal allegiances. Roger Middleton thought that the international community, while concentrating on the referendum and Abyei, had failed to focus on the potential for these two regions to cause trouble between the North and South, since they had large armed populations and bitter memories of the civil war.⁸² The latest fighting in Southern Kordofan and the attack on Kadugli, including the burning of churches, seems to bear this out.

⁷⁷ Q 3

⁷⁸ Q 5

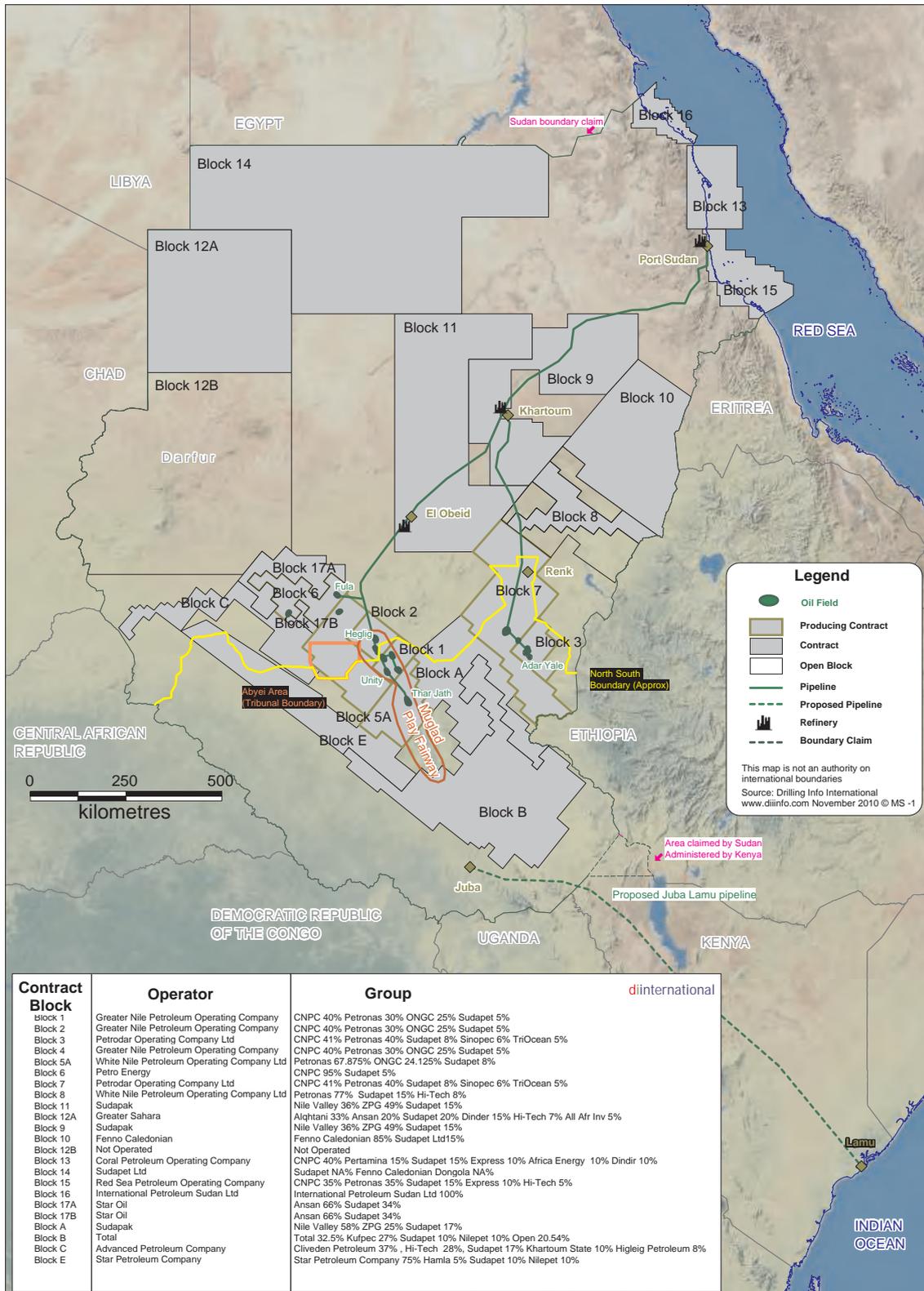
⁷⁹ Q 236

⁸⁰ Q 179

⁸¹ Q 100

⁸² Q 3

FIGURE 2
Map of Sudan Oil and Gas Contracts Map



Source: Reproduced with permission from Drilling Info International

The use of this map does not imply endorsement or acceptance by the Committee of the boundaries and names shown and designations used.

Oil resource distribution

59. One of the key issues for the future prosperity of both North and South is the distribution of oil wealth: the majority of the oil wells are in the land-locked South, while the pipelines run through the North to Port Sudan.⁸³ The percentage of Sudan's oil located in the South was given as 72% by the Sudanese Ambassador, and 80–85% by the Representative of Southern Sudan, which was a clear illustration of some of the basic difficulties which lie ahead in solving the problem.⁸⁴
60. The southern government is almost totally dependent on oil revenue (95–99% according to Roger Middleton); for the North this figure is 30–40%. Roger Middleton maintained that this in effect made a return to war economically disastrous as neither could afford the revenue loss. Agreement between the two was essential.⁸⁵
61. A transitional revenue sharing arrangement was made at the time of the CPA. For the future, the Sudanese Ambassador outlined a Norwegian solution, described as “financial transitioning”, which he argued the EU should support. Drawing lessons from past experience of similar secessions, the North would continue to take part of the revenue from petroleum, whether produced in the South or North, on the basis that the North had undertaken the initial exploration and investment. In the first year, the North would continue to receive 50% of the revenue, with the percentage diminishing until it reached zero after six years.⁸⁶
62. Gary Quince (Commission, DG DEVCO) thought that the Norwegian suggestion provided a possible solution for the future. At present, though, there were problems as payments from North to South seemed to be delayed and to cover only current expenditure.⁸⁷ The Minister understood that South Sudan is technically still owed US \$250 million by the North in outstanding oil revenues.⁸⁸
63. The Minister told us that South Sudan was looking at the possibility of a new pipeline running to the South, but this would not happen quickly, necessitating a short-term agreement on oil revenues.⁸⁹ Dr Othol thought that it would take the South about three years to find a different route, to Lamu or Mombasa (Kenya).⁹⁰
64. **The majority of Sudan's oil is in the South, and we judge that the South is unlikely to be able to make alternative arrangements in the near future to route its oil to the sea without using the current pipelines which run through the North. A transitional arrangement for oil wealth sharing, such as that suggested by the Norwegians, is therefore essential and the EU should support the Norwegians in advocating an arrangement which is acceptable to both sides and which takes account of the possibility that South Sudan may in the**

⁸³ Dr Othol Q 104

⁸⁴ Q 112

⁸⁵ Q 30

⁸⁶ Q 103

⁸⁷ Q132

⁸⁸ Q 236

⁸⁹ Q 236

⁹⁰ Q 112

future build pipelines to the south. An agreement on the sharing of future oil revenues is needed urgently.

Debt

65. Sudan's national debt is substantial: the Minister put the figure at over US\$37 billion, and the Sudanese Ambassador put it at US\$32 billion. The Minister thought that this gave the EU leverage to ensure that the outstanding parts of the CPA were completed and that the North cooperated on the remaining issues and on Darfur. The UK was one of the creditors. International co-operation would be needed to reconfigure this debt and determine exactly how it was to be used as a lever. He said that it would be "unthinkable" to launch South Sudan with a huge debt burden.⁹¹
66. The Minister told us that the North needed progress on debt relief and US sanctions, which prevented trade between the US and Sudan. These problems also impacted on UK banks which provided finance for UK and European countries wanting to trade with Sudan.⁹² Gary Quince told us that the EU was a small player in terms of what was owed by Sudan.⁹³
67. The Sudanese Ambassador made a plea for the EU's help in lifting American unilateral actions. In his view, the EU was a key player and could assist with relief on Sudan's debt, 70% of which he stated consisted of interest and fines. If this was not lifted it would be contrary to sustainable peace and stability.⁹⁴
68. **Debt relief is an important lever which the international community can use to persuade the parties to the conflict to negotiate agreements. While the EU itself is not a large creditor some Member States, such as the UK, are, and they should work collectively with the US and international financial institutions to find an equitable solution, making best use of the leverage to put pressure on the two parties to solve their differences peacefully.**

Borders

69. The border between South and North Sudan has not yet been finally delimited and demarcated, nor have arrangements been made for border management and policing. This task is made more difficult by the presence of nomadic people used to seasonal relocation with their herds. Roger Middleton told us that old colonial service maps showed clearly where the border should be but there had been no demarcation with concrete posts and the exact position of some 25% of the border was still not agreed.⁹⁵
70. The Ambassador of Sudan told us about the North's proposal for a "soft border" between North and South, which he defined as a "legal, recognised border" over which the movement of trade, nomads and others should be as easy as possible. The North would not, he said, make arrangements difficult; they might resemble the border arrangements between Sudan and Ethiopia,

⁹¹ QQ 236–238

⁹² Q 246

⁹³ QQ 139, 236–238

⁹⁴ Q 101

⁹⁵ Q 6

which worked well. He said that Abyei was the only disputed border. The EU could provide technical assistance in the demarcation process.⁹⁶

71. Dr Othol contested the “soft border” suggestion as “a non-starter”. The South’s proposal was that corridors would be open for the Misseriya and their cattle in grazing times provided they did not cause problems to the inhabitants of the area they were grazing in. In the wet season, they would have to return to where they were settled. They would not be allowed to own land in the South.⁹⁷ He put the extent of the border which had been demarcated as 80%. The important issue was resources, including the location of the oil wells, where there was a dispute.⁹⁸
72. Sara Pantuliano thought that the borders were the critical area where the EU could bring its own experience of the political and economic process that led to the integration of the EU, as well as on more specific border arrangements between countries. Technical support could be provided, building on the EU’s strengths.⁹⁹
73. **The EU should play a role in assisting with border demarcation and finding solutions on border management, drawing on experience within the region. Transit arrangements will need to be made so that the nomadic people can continue to feed and water their cattle throughout the year without upsetting the settled peoples. Without this, effective border management will be difficult or impossible to achieve and could be a major source of tensions.**

Citizenship

74. The citizenship and border issues are linked. More southerners live in the North than the reverse. Both the Sudanese Ambassador and Dr Othol rejected the idea of dual citizenship.¹⁰⁰ Dame Rosalind Marsden commented to us that the North had indicated that it could agree to the freedom for southerners to work (except in government jobs), live and travel in the North, without being citizens. She thought progress had been made, except on the length of the transitional period.¹⁰¹ She said that the African Union High Level Implementation Panel (AUHIP), in the lead on the subject, was concerned that the short period of transition supported by the North could lead to statelessness for some people.¹⁰² She added that land ownership was sensitive for the South, which resisted the idea that northern nomadic peoples could derive land rights for migrating through an area, such as Abyei, for several months in the year.¹⁰³
75. **The EU should assist discussions on citizenship, in particular the arrangements for the Sudanese to become a citizen of one state or the other, given that both sides appear to reject dual citizenship. It will be important to ensure that the transition period is sufficiently long to avoid individuals becoming stateless.**

⁹⁶ Q 108

⁹⁷ Ibid

⁹⁸ Q 110

⁹⁹ Q 75

¹⁰⁰ QQ 108–111

¹⁰¹ Q 178

¹⁰² Ibid

¹⁰³ Ibid

76. **At the time this report was finalised in mid-June, none of the problems outlined in this chapter has been resolved and the date of southern independence on 9 July is imminent. If these issues cannot be solved before 9 July, the international community, including the EU, must continue to exert pressure on the parties to resolve them after the independence of the South.**

CHAPTER 3: INTERNATIONAL INVOLVEMENT AND ISSUES

77. This Chapter describes the involvement of international actors in Sudan as well as efforts to prevent the proliferation of small arms and light weapons.

The key players—the EU working with others

78. The EU operates in a crowded field of international players—the United Nations (UN), African Union (AU), the Intergovernmental Authority on Development (IGAD), the Assessment and Evaluation Commission and a Troika of the US, UK and Norway (see Box 3 below). Additionally, the US, China and Sudan’s neighbours individually play a key role, as well as Norway, which has led on the oil question.
79. We asked our witnesses about the role of the many other international players engaged in Sudan, and on the way in which they coordinated with each other and with the EU, in order to establish how the EU could achieve the maximum impact in working with them.
80. Our witnesses stressed the importance of international engagement and assistance to ensuring a peaceful and smooth transition. The international community’s disengagement which had followed the signing of the CPA had, for example, led to difficulties between the North and South.¹⁰⁴ The Minister told us that international coordination was good: it was clear who was doing what and who could add the most value where.¹⁰⁵ Paul Murphy believed strongly that the EU should understand what he called “the hierarchy of influence” among the international organisations. The EU’s role was primarily to work with the existing institutions rather than trying to impose new ones.¹⁰⁶
81. Dame Rosalind Marsden told us that the government in the South was currently working closely with donors on a 3-year development plan and was prepared to listen to international advice.¹⁰⁷ This was confirmed by Dr Othol who welcomed international, including EU, assistance.¹⁰⁸

BOX 3

International Actors in Sudan

The UN

The UN has two missions in Sudan, comprising more than 30,000 personnel: UNMIS (10,429 uniformed personnel), established on 24 March 2005, following the signature of the CPA and mainly aimed at supporting its implementation; and UNAMID (2007), with 23,129 uniformed personnel for Darfur.¹⁰⁹ A new UNMIS mandate is under consideration. Since early 2010, the UN Secretary General has also had a Special Representative (UN SRSG) in Sudan, Haile Menkerios. There is a UN Country Team which includes UNDP, OCHA, UNHCR and provides humanitarian and development assistance.¹¹⁰

¹⁰⁴ Pantuliano, Middleton QQ 63, 54

¹⁰⁵ Q 267

¹⁰⁶ QQ 73, 74, 90, 91

¹⁰⁷ QQ 175, 192, 193

¹⁰⁸ Q 101

¹⁰⁹ 30 April 2011 figures

¹¹⁰ SUD 2

The African Union (AU)

The AU High-level Implementation Panel (AUHIP) was appointed in 2009 with a mandate to follow up the recommendations of the AU Panel on Darfur and assist with implementation of the CPA. It is led by former presidents Thabo Mbeki of South Africa, Pierre Buyoya of Burundi and Abdulsalami Abubakar of Nigeria. The negotiations it conducts are divided into four themes and working groups on citizenship, security, financial, economic and natural resources (including oil revenues), and international treaties and legal issues. President Mbeki and the UN SRSG have devised a division of labour with the UN focusing on trying to ensure that the parties fulfil their CPA commitments, and AUHIP looking more at the future arrangements between North and South.

Intergovernmental Authority on Development (IGAD)

The Intergovernmental Authority on Development is a regional grouping of Uganda, Ethiopia, Eritrea, Djibouti, Kenya, Somalia and Sudan which led the North/South peace talks which produced the CPA.

Assessment and Evaluation Commission (AEC)

The AEC was formed as part of the CPA to monitor its implementation. Chaired by the British diplomat Sir Derek Plumbly, its members represent Kenya, Norway, Ethiopia, the Netherlands, Italy, the UK and US, as well as the Sudanese Government of National Unity. Observers come from the AU, the League of Arab States, the EU and the UN.

The Troika (US, UK, Norway)

The US, UK and Norway were all witnesses to the CPA and have been particularly involved in advancing it and keeping international attention focused on the North/South issue.¹¹¹ Norway has been closely involved in the CPA's provisions on oil issues, and has been instrumental in designing the proposed wealth sharing agreement between the North and South (see paragraphs 61–62 above).¹¹² (See also paragraphs 96–98 and 133–137 for the roles of the US and UK).

EU joint working with the UN

82. The EU has contributed to conflict prevention and peace-building between North and South by supporting the UN Mission in Sudan (UNMIS). Over 40% of the costs of UNMIS are funded by EU Member States through assessed contributions. Dame Rosalind Marsden wrote that the EU welcomed the strong leadership shown by the UN Special Representative of the Secretary General (UN SRSG), Haile Menkerios, with whom it had a good relationship.¹¹³ She said that the EU worked closely with and supported him. On the North/South issue it had been helpful to have a strong leader who, with the EU's encouragement, coordinated and discussed political messaging.¹¹⁴

¹¹¹ Q 8

¹¹² Q 19, Fotiadis Q 132

¹¹³ SUD 7

¹¹⁴ QQ 184, 188

83. **UNMIS plays a vital role in monitoring the Comprehensive Peace Agreement and in defusing military tensions between the two sides, including in hotspots such as Abyei. EU Member States which are members of the UN Security Council should ensure that any UN mission operating in North or South Sudan has a robust mandate to protect civilians and monitor compliance with North/South security arrangements, as well as adequate troops and military capability.**

Working with African organisations

84. The EU also works closely with the leading African players on Sudan, supporting former President Mbeki and the AUHIP financially and providing experts and technical support for the Panel, which has the lead role in mediating between the North and South (see Box 3). It has also provided technical support to the Assessment and Evaluation Commission.
85. Gill Lusk told us that many Sudanese, especially in the North, took a poor view of the AU's role and felt that it had been too engaged with the Khartoum government, including supporting President Bashir on the subject of the ICC indictments.¹¹⁵ Øystein H. Rolandsen, Peace Research Institute Oslo (PRIO), also thought there was considerable scepticism about the AU's ability to deliver results which matched its ambitions.¹¹⁶ This view was contested by Sara Pantuliano.¹¹⁷ Sara Pantuliano and Paul Murphy emphasised the importance of the AU's support for the peace process, as well as its role in Darfur.¹¹⁸
86. Dame Rosalind Marsden told us that the EU had deliberately chosen to give strong support to former President Mbeki and to allow him to take the lead role in trying to facilitate agreement on post-referendum issues because he had high-level access to both President Bashir and First Vice-President Salva Kiir. The EU was providing technical support to the panel in some of the negotiations.¹¹⁹ The EU had also strongly supported former President Mbeki's efforts to get an agreement in which both sides would renounce any efforts to destabilise each other.¹²⁰
87. We asked our witnesses about the potential role for the EU using its relationships with Sudan's neighbours. Paul Murphy thought that the EU could enhance its role, influence and visibility if it could ensure that African engagement was sustained, by aligning itself with the AU and the Intergovernmental Authority on Development (IGAD, see Box 3 above), whose key actors were Uganda, Ethiopia and Kenya, as well as Sudan.¹²¹
88. Nick Westcott told us that the EU had consistently tried to support African regional groupings, such as SADC,¹²² ECOWAS,¹²³ the East African Community (Kenya, Uganda, Tanzania, Burundi, Rwanda) and IGAD, as a

¹¹⁵ Q 24

¹¹⁶ SUD 6

¹¹⁷ Q 76

¹¹⁸ Q 71

¹¹⁹ Q 184

¹²⁰ Q 181

¹²¹ QQ 73, 74, 90, 91

¹²² Southern African Development Community

¹²³ Economic Community of West African States

means of stimulating economic growth by creating larger markets and freeing up internal trade and because they had played a useful role in minimising and resolving conflict and maintaining peace. He said that the EU would support South Sudan's integration into at least one or more of these groupings to improve the prospects for stability. He thought South Sudan would naturally want to strengthen relations with its neighbours, particularly those which had been a lower priority for the Khartoum government, and to diversify its links.¹²⁴

89. The Sudanese Ambassador expressed appreciation for the role played by the EU and cited the EU's support of the AUHIP as an example.¹²⁵ Roger Middleton also told us that EU/AU relations were improving and increasing in effectiveness on the political level with common objectives on the outcome in Sudan.¹²⁶
90. **We have been impressed by the increasingly assertive role of the African Union (AU) recently in Africa, in particular, in working successfully with both sides in Sudan towards the referendum in South Sudan. The EU should continue to support the efforts of the AU's High Level Implementation Panel under former President Mbeki to resolve the outstanding areas of conflict.**

Sudan's neighbours

91. Sudan's neighbours have an important role to play in its future. This applies in particular to Uganda and Kenya, which provide a corridor to the sea for South Sudan if it does not want to use North Sudan. Roger Middleton told us that South Sudan's food, goods and mechanical goods were imported predominantly through Uganda and Kenya, which consequently had extensive investment and interest in the South.¹²⁷ If new pipelines are built through the territory of the South's southern neighbours to the sea, these relationships will increase in importance. According to Paul Murphy, Uganda's support for the South stemmed from a desire for self-protection from influence from North Sudan. Kenya had been sympathetic to the southerners over the years and had considerable economic interests in the South.¹²⁸ According to PRIO, its influence in the peace process should not be underestimated.¹²⁹ Roger Middleton thought that the EU's relations with Sudan's neighbours were reasonably good and potential remained for developing them which had not so far been explored sufficiently.¹³⁰
92. To its north, Sudan has borders with both Libya and Egypt, with which Sudan has long-standing links. Depending on developments there, Egypt could play a stabilising or unsettling role in relation to northern Sudan. Paul Murphy said that there had been some demonstrations in Sudan, mostly student-based in the North, but the authorities had moved swiftly and

¹²⁴ Q 156

¹²⁵ Q 101

¹²⁶ Q 41

¹²⁷ Q 40

¹²⁸ Q 90

¹²⁹ SUD 3

¹³⁰ Q 41

effectively to stop them.¹³¹ Nick Westcott confirmed that events in countries to the north were likely to have an impact on Sudan.¹³²

93. Meles Zenawi, the Ethiopian Prime Minister, who is also host to the African Union in Addis Ababa, has played an important role in the most recent talks. Roger Middleton stressed the importance of Ethiopia, which shares a border in the east of Sudan with both the North and the South, with communities who live in Ethiopia and Sudan. Ethiopia shares resources on the Nile with northern Sudan, exports electricity to Sudan and buys some 85% of its refined petroleum products from Sudan. Ethiopia had the capacity to make a positive difference to the development of the situation in Sudan, but he was not sure if it was being fully used.¹³³ For Paul Murphy, one of Ethiopia's strategic assets was the influence it had on President Bashir.¹³⁴ He also believed that South Sudan could derive economic benefit from tapping into the East African Community.¹³⁵
94. **South Sudan will need to develop its own bilateral relations with its neighbours, independently of the North. These neighbours will play an increasingly important part in its future, politically, economically and in the security field. The EU should use its influence with Sudan's neighbours, in particular Kenya, Uganda, Ethiopia and Eritrea to impress upon them the need to assist the new state where they can, as the stability of the whole region is at stake.**
95. **The EU should encourage regional trade and economic integration, by supporting South Sudan's membership of the Inter-Governmental Authority on Development (IGAD) and future membership of the East African Community (EAC).**

The US

96. In recent decades the US and Sudan have had a chequered history centred largely on security issues. In the 1990s Sudan for a time harboured terrorist leaders including Osama Bin Laden, and in 1993 the US designated Sudan as a state sponsor of terrorism. In 1997 the US imposed economic, trade and financial sanctions, with further sanctions in 2007, relating to the Sudanese government's role in Darfur. In 1998 the US launched cruise missiles on military targets in Khartoum following the East African Embassy bombings. At the same time, the US has made major donations to alleviate food shortages and in 2001 appointed a presidential envoy for peace to explore a possible US role in ending Sudan's civil war and enhancing the delivery of humanitarian aid. A new Sudan strategy was announced in 2009, which included implementation of the CPA.¹³⁶
97. Dame Rosalind Marsden told us that the Obama administration had made Sudan a high priority since the autumn of 2010 and its investment of senior management time and political effort had had a positive impact. It was the largest donor of humanitarian assistance to Sudan. The aid to the South had

¹³¹ Q 60

¹³² Q 154

¹³³ QQ 40, 41

¹³⁴ Q 90

¹³⁵ Q 40

¹³⁶ US Embassy to Khartoum website: sudan.usembassy.gov/ussudan_relations.html

focussed on economic governance, public sector financial management and attempting to improve procurement procedures. For the US, progress on Darfur was also important.¹³⁷ Roger Middleton spoke of the importance of American shuttle diplomacy in maintaining pressure on the parties.¹³⁸ For Gill Lusk the US's involvement in the Troika was all-important and the US was the only country feared by the Khartoum government.¹³⁹

98. **The US has been a key actor in obtaining the Sudanese government's consent to the establishment of South Sudan. In order to resolve the many outstanding issues, not least Abyei, the EU should encourage the United States to continue its use of incentives to and pressure on the Khartoum government to find solutions. The USA's ability to remove Sudan from its list of "terror states" gives it great leverage.**

China

99. Our witnesses emphasised the importance of the role played by China in Sudan, in particular its contribution to building the infrastructure (for example, the oil industry and dams).¹⁴⁰ We were struck that all those who commented saw possibilities for the EU to work with China in Sudan, where the Chinese have considerable commercial and financial interests. Roger Middleton compared Sudan's 2009 US\$210.95 million imports from the UK with those from China which were valued at US\$1,875.85 million. Around half of Sudan's oil exports went to China. China was now also developing good relations with South Sudan with high-level visits and investment in hotels, restaurants and roads.¹⁴¹
100. The Minister thought that the EU and UK had many common interests with China and should not be afraid of working with the Chinese, in particular to support stability in North and South Sudan. He said that China had played a positive role in supporting the CPA and could become a "force for good in Africa". Moreover, no solution to the debt problem was possible without Chinese cooperation; they were the most significant creditors, and were owed just under US\$10 billion.¹⁴² The EU was also in discussion with the Chinese about their small arms supplies to Sudan.¹⁴³
101. Dame Rosalind Marsden told us that the Khartoum government had had a strategic relationship with China for some time. She also noted the increasing links between Beijing and the government of the South, with an expanding Chinese mission in Juba. Given China's interests in the North and South, it shared the EU's interest in a stable and constructive relationship between them. She believed that the Chinese would agree to sending the message to both sides that they should fulfil the peace agreement and agree on post-referendum arrangements.¹⁴⁴ Nick Westcott was also firm that there was scope for working with the Chinese.¹⁴⁵

¹³⁷ QQ 185–187, Westcott Q 168

¹³⁸ Q 54

¹³⁹ Q 16

¹⁴⁰ Marsden Q 195–197

¹⁴¹ QQ 32, 40–42, see also Taylor, SUD 1

¹⁴² Q 237

¹⁴³ QQ 241, 260

¹⁴⁴ QQ 195–197

¹⁴⁵ Q 160

102. On the negative side, we were told by the Swedish International Peace Research Institute (SIPRI) that China supplied arms, including small arms, to Sudan. It had assisted Sudan to create its own arms industry and to develop its nascent aircraft industry. At the political level, China, with Russia, also continued to oppose a UN arms embargo on the whole of Sudan.¹⁴⁶
103. Dr Ian Taylor (Aberdeen University) had observed the beginnings of an evolution of Chinese policy towards Sudan in 2007, consistent with its efforts to reassure the world of its desire to be a responsible power. After initially seeking to undermine international efforts to resolve the Darfur and South Sudan crises, it now sought to put pressure on Khartoum to engage with the international community, without straying outside its policy of non-interference in the internal affairs of others.¹⁴⁷
104. Paul Murphy agreed on China's interest in stability and in changing its exploitative image. He also saw scope for the EU to engage in practical security and conflict issues and to develop the relationship. China would also respond better to the EU engaging on their arms exports to Sudan than to a specific Member State.¹⁴⁸ Professor Stephen Chan (SOAS) also saw the potential for a collaborative relationship between the EU and China on Sudan.¹⁴⁹
105. Both the Sudanese Ambassador and the Representative of South Sudan in the UK welcomed their relationship with the Chinese. The Ambassador told us that China had made oil exploration possible and was giving Sudan financial support, investment and loans without conditions (except for conventional loan conditions). China was therefore popular in Sudan and its work supported peace. "China is our friend", he stated.¹⁵⁰ Dr Othol echoed this view, though he pointed out that the international contracts between the two countries would have to be adapted to take account of southern interests. In particular the South would like China to make proper advance provision (homes, schools and primary healthcare units) for the people it displaced in the course of exploring for oil.¹⁵¹
106. **The EU should work with the Chinese, who have a good and influential relationship with both North and South Sudan. The Chinese appear to be playing a helpful political role there, not least to protect their considerable economic, financial and commercial interests in the country. We believe that a productive EU relationship with China could assist the stability of Sudan, North and South. The dialogue should focus on security matters and the EU should continue to press the Chinese government to encourage the Khartoum government to respect its peace commitments and to negotiate in good faith with the South and on Darfur. Not least, the EU should seek the cooperation of the Chinese in encouraging more transparency in Sudan's oil sector, which should help to reduce the diversion of funds.**

¹⁴⁶ SUD 4

¹⁴⁷ SUD 1

¹⁴⁸ Q 94

¹⁴⁹ SUD 5

¹⁵⁰ Q 104

¹⁵¹ Ibid

Arms proliferation

107. The EU imposed an arms embargo on the whole of Sudan in 1994, which is broader than the UN arms embargo imposed on non-state belligerents in 2004, and subsequently expanded. The EU has been instrumental in advancing the issue at the UN. According to the Stockholm International Peace Research Institute (SIPRI), the EU's embargo is not likely to cover the South when it becomes independent and Member States will need to decide whether to amend the embargo, or to rely on individual Member States to assess arms export licence applications against the criteria of the EU Common Position defining common rules governing control of exports of military technology and equipment.¹⁵²
108. Small Arms Survey¹⁵³ emphasised that it was incumbent on each EU Member State to establish and enforce a penalty for breaches of the EU embargo, something that was “not always undertaken”. There appeared to be inadequate end-use monitoring by exporting Member States and poor export risk assessment, allowing diversions of arms from countries outside the EU to Sudan.¹⁵⁴
109. Small Arms Survey told us that shipments, including heavy weaponry such as battle tanks, were going to South Sudan, and involved shipping operators, brokers and charterers based in EU countries, as well as elsewhere. They considered that this raised “serious questions” about the adequate enforcement of the EU embargo. They believed that EU Member States therefore needed to take action to investigate any accusations of violations of the EU embargo by EU nationals—whether direct or indirect—in a timely manner, and to penalise offenders; to monitor end-users when exporting arms both within and outside the EU; and to conduct adequate risk-assessments when exporting to non-EU Member States, particularly to known suppliers to Sudan.¹⁵⁵
110. Small Arms Survey told us that the appearance of latest model Chinese-made small arms and ammunition among the Sudanese Armed Forces and associated militias had been a striking feature of the Darfur conflict. Chinese state-led investment, particularly in the oil industry, had provided both the resources and the motivation for Chinese arms sales.¹⁵⁶
111. The Minister thought that the EU's embargo was important, particularly for the new South Sudan. If, however, the government of South Sudan was able to monitor the movement of weapons and put controls in place, the UK might support lifting the embargo for the South. A close watch was being kept on shipments. He said that a survey had estimated that there were 2.7 million small arms in Sudan, with 923,000 in the South, of which the government had control over only 200,000.¹⁵⁷ SIPRI told us that several countries bordering the South had been involved in supplying arms to different factions in Sudan.¹⁵⁸

¹⁵² SIPRI, SUD 4, and Common Position 2008/944/CFSP

¹⁵³ The Small Arms Survey is an independent research project located at the Graduate Institute of International and Development Studies in Geneva, Switzerland. It is a centre of expertise on all aspects of small arms and armed violence.

¹⁵⁴ SUD 8

¹⁵⁵ SUD 8

¹⁵⁶ Ibid

¹⁵⁷ QQ 257–259, 261

¹⁵⁸ SUD 4

112. We sought information on the origin of these arms. At the top of SIPRI's list were Russia, China, Belarus and Iran, the main suppliers of major conventional arms and military equipment to the armed forces of North Sudan. Ethiopia and Kenya had supplied or facilitated the transfer of arms and military equipment to South Sudan. SIPRI said that it was assumed that Kenya had facilitated the transfer of arms from Ukraine to the South in recent years. SIPRI named Belarus, Serbia and Ukraine as suppliers of arms and military equipment to both North and South in recent years. Representatives of these countries had attended EU seminars on export controls, but had not reconsidered their arms transfers to Sudan. SIPRI believed that the EU could do more at the political level to stop arms exports from these countries.¹⁵⁹
113. SIPRI thought that the secretive arms procurement policy of the government of South Sudan raised doubts about how far EU Member States had tried to promote responsible and transparent arms procurement, or had used their presence to monitor government arms procurement.¹⁶⁰ Re-exports and diversions were also a problem. EU Member States could pay greater attention to re-exports or diversions to Sudan of their arms exports, of which there had been some evidence. SIPRI added that some EU companies were involved in arms transfers to countries bordering Sudan, which were then re-exported, and other EU companies had commercial links to arms suppliers to Sudan.¹⁶¹
114. Roger Middleton told us that both North and South had invested heavily in improving their military technology, improving hardware in the interim period before southern secession. Gill Lusk said that Iran had been active in exporting arms to North Sudan, with Iranians in Sudanese military factories assisting in making unmanned aerial vehicles.¹⁶²
115. **In view of the serious threat to stability in North and South Sudan due to the proliferation of small arms and light weapons, the EU and its Member States should take stronger measures than at present to monitor and enforce the EU arms embargo on Sudan. It should also use its expertise in this field to address the problem, by encouraging countries which export arms, or provide for the passage of arms to Sudan, to implement an arms embargo like the one introduced by the EU.**
116. **EU Member States should pay greater attention to the risks of exporting arms to countries bordering North or South Sudan or those known to have strong military ties with Sudan. At the same time, the EU should impress upon Sudan's neighbours the risks associated with transferring arms to Sudan, both for Sudan and the region.**
117. **The EU should consider ahead of the South's independence if and how its embargo will apply to the new state. Any EU arms embargo must be fully implemented by all EU Member States.**

¹⁵⁹ Ibid

¹⁶⁰ Ibid

¹⁶¹ Ibid

¹⁶² Q 46

CHAPTER 4: THE EU'S SPECIAL ROLE

EU organisation

118. The EU's major political engagement in Sudan began in 2005, with its involvement as a witness to the CPA and the appointment of its first Special Representative in July 2005. Before that its involvement was largely in the field of development and humanitarian aid. The EU currently has a permanent Delegation in Khartoum, headed by Carlo de Filippi, and a subordinate office in Juba with a permanent but small staff of two.¹⁶³ How coordination between the Commission and the EEAS will work in practice is not yet clear. However, Dame Rosalind Marsden told us that in November 2010 the EU High Representative had established a Sudan Task Force in Brussels to strengthen EU coordination on Sudan.¹⁶⁴
119. Nick Westcott (Managing Director Africa, EEAS) told us that the EU's objective was to have a new Head of Delegation in South Sudan, effectively an ambassador, in place by 9 July if possible. The Council and Member States and European Parliament had first to approve the opening of a new Delegation; then the job had to be advertised and someone recruited. An additional problem was that the EU was constrained on the number of posts allowed, so that reallocation would be needed from elsewhere in Africa. Expanding the accommodation would also take time.¹⁶⁵ Paul Murphy emphasised the importance of the EU appointing a Head of Office in Juba at the right level to be influential and visible.¹⁶⁶
120. The EUSR, Dame Rosalind Marsden, appointed in 2010, is based in Brussels. She told us that she visited Khartoum, Juba, Darfur and elsewhere for over half of each month and was probably the main interlocutor for First Vice-President Salva Kiir and senior ministers.¹⁶⁷ Sara Pantuliano thought that it did not matter that the EUSR was based in Brussels, provided there were full EU delegations and as long as the EUSR travelled to the country frequently. She emphasised the importance of the personality of the individual fulfilling the role of EUSR: both the previous and current EUSRs had engaged robustly with Sudan. She praised Dame Rosalind Marsden's knowledge and understanding of the difficulties and complexities of Sudan, which should help to develop a more coherent EU strategy.¹⁶⁸
121. Dame Rosalind Marsden told us that the role of the EU and three Member States (UK, Italy, Netherlands) as witnesses to the CPA gave the EU a formal locus to intervene with the parties on its implementation, which they had done. The EU was also a member of the oversight body for the peace agreement, the Assessment and Evaluation Commission, through which it could also intervene. Despite some limitations, the Commission was quite active with monthly plenary meetings at ministerial level for the parties and at ambassadorial level for the international community, and working groups on specific areas such as security and wealth-sharing, and field trips.¹⁶⁹

¹⁶³ QQ 128, 129

¹⁶⁴ SUD 7

¹⁶⁵ Q 149

¹⁶⁶ Q 69

¹⁶⁷ Q 176

¹⁶⁸ QQ 64, 68, 69

¹⁶⁹ QQ 183, 184

The European External Action Service (EEAS)

122. Fokion Fotiadis, Director General for Development in the Commission, told us that the EU saw the handling of Sudan as “a test case of whether the EU—in the framework of the new set up of the external service, the new treaty—can deliver something that will make a difference in allowing this new state to survive, instead of it becoming a failed state from the outset”. Member States had agreed to work together on development issues.¹⁷⁰
123. The Minister emphasised the role of the EU’s External Action Service (EEAS); the EU, working collectively through the EEAS, could achieve much more than different countries in the EU taking separate positions. The EU possibly saw Sudan as a test case for how much value it could add in bringing the EU together.¹⁷¹
124. Dame Rosalind Marsden had been encouraged by the high level of interest from Member States in support for South Sudan and their desire for coordination.¹⁷² Paul Murphy also thought that, with the creation of the EEAS, the EU could increase its political influence if the will and opportunity were there. The EU had great potential to play a significant role.¹⁷³
125. Tearfund (a relief and development charity) thought that, in the light of the recent changes in the EU’s management structures and roles, EEAS responsibilities should be clearly identified and adhered to.¹⁷⁴
126. **We are very concerned that the EU has not built up its presence in Juba sufficiently or quickly enough. Given the size of the task ahead this must be acted upon immediately. The EU’s performance in South Sudan will be a test for the effectiveness of its new External Action Service. We strongly urge the EU to expedite the administrative procedures for appointing a new Head of Delegation and setting up a fully functioning and expanded office with adequate accommodation. It is essential that the EU appoint a highly competent individual with experience of political and development work in a country affected by conflict to head the Juba Delegation.**

EU policy

127. Dame Rosalind Marsden described the EU’s policy on Sudan, based in particular on the agreement by EU Foreign Ministers on 26 July 2010, as being that the EU should pursue the following objectives:
- implementation of outstanding CPA priorities;
 - stability, security and development in Sudan; maintaining and improving relations with both Khartoum and Juba;
 - security and a political resolution to the conflict in Darfur;
 - addressing the root causes of conflict in Sudan, including the marginalisation of peripheral regions;

¹⁷⁰ Q 128

¹⁷¹ Q 227

¹⁷² Q 204

¹⁷³ Q 64

¹⁷⁴ SUD 3

- justice, reconciliation and respect for human rights, including full collaboration with the International Criminal Court;
 - humanitarian access throughout Sudan.¹⁷⁵
128. Dame Rosalind Marsden added that, following the outcome of the referendum, the EU remained committed to engaging both North and South Sudan in the promotion of democratic governance, respect for human rights and a peaceful and prosperous future for all Sudanese people. To this end, the EU would step up its dialogue with both North and South and was ready to play its part in underpinning the development of two viable states.¹⁷⁶

EU coherence

129. Given the multiplicity of actors and tasks, we questioned whether there was a danger of confusion between the activities of the EU and those of its own Member States. Dame Rosalind Marsden saw scope for strengthening coordination to maximise the EU's impact, which she believed was also the aim of Member States. She did not think this would detract from their ability to pursue their bilateral activities. She also saw a public diplomacy problem; in the past, insufficient attention had been given to explaining to the Sudanese people what the EU was doing and how the efforts of the EU and Member States came together.¹⁷⁷ Paul Murphy also looked for greater convergence between policies of key European actors which would enable resources to be used more effectively, without taking away from historical bilateral relationships.¹⁷⁸
130. Sara Pantuliano pointed to an advantage that the EU had over individual Member States: the agendas of individual countries changed depending on their parliamentary imperatives, whereas the EU had been able to maintain a more technical relationship over the transition years.¹⁷⁹ She believed, however, that the proliferation of special envoys to Sudan—from EU Members, North America and Australia—was a problem. A more coherent position around one EUSR would be an asset.¹⁸⁰ Gill Lusk commented on the difficulty of achieving a common foreign policy when that policy needed to be strong.¹⁸¹
131. For the Minister, an important role for the EU was to ensure that individual Member States coordinated their activities, adding value where they could and preventing duplication.¹⁸²

Key EU Member States

132. We were struck by the importance attributed by our witnesses to the role played by individual EU Member States in assisting Sudan, compared with their collective efforts in the EU.

¹⁷⁵ SUD 7

¹⁷⁶ Ibid

¹⁷⁷ Q 191

¹⁷⁸ Q 78

¹⁷⁹ Q 63

¹⁸⁰ Q 65

¹⁸¹ QQ 9, 12–13

¹⁸² Q 233

The UK

133. Witnesses remarked particularly on the importance of the UK's historical links with and knowledge of Sudan. The UK played an important part in the negotiation of the CPA and is still seen as an influential player.¹⁸³ The appointment in August 2010 of a former British ambassador to Sudan, Dame Rosalind Marsden, as the EU's Special Representative (EUSR) for Sudan increased its weight. The UK has its own Special Representative in Michael Ryder. It has opened a new 25-strong office in the EU compound in Juba, headed by a consul-general, with an MOD representative, and a stabilisation unit. After independence, the consulate-general will become an embassy or, if South Sudan joins the Commonwealth, a high commission.¹⁸⁴
134. Roger Middleton thought that it was harder for Brussels and the EUSR to take a leadership role on Sudan, when individual Member States, such as the UK, had a strong interest and a strong domestic Sudan lobby. We asked why, if a country had a historical long-standing interest, this should be an impediment to the formation of a common approach. Roger Middleton replied that in theory this should benefit the EU, but the power of the Sudan lobby in the UK should not be underestimated.¹⁸⁵
135. Roger Middleton also believed that the UK's membership of the UN Security Council and its relationship with the US had reinforced its position, especially in the Troika, and enabled the UK to have a stronger voice on Sudan than the EU as a whole. We pressed him on whether the EU had willingly given a lead role to the UK. He responded that EU priorities had not been dissimilar to UK priorities and cooperation between the UK's Special Representatives and the EU had been good.¹⁸⁶
136. The Minister told us that EU policy closely reflected the UK approach, in terms of level and areas of engagement and overall objectives. The UK had engaged actively with individual Member States and in Brussels to encourage strong alignment.¹⁸⁷ The UK had constantly been at the forefront of discussion on Sudan at the EU Foreign Affairs Council meetings in recent months, driving them, but with great support from the EU.¹⁸⁸ The UK's priorities were the added value of its aid; the way in which the EU built capacity; the completion of the CPA; and keeping the world's focus on both North and South Sudan.¹⁸⁹
137. **For historical and domestic political reasons, the UK has taken a leading role on Sudan in the EU. We welcome this and believe that the UK should continue to play a lead role as it brings a body of valuable experience and expertise to bear. We welcome the Government's decision and early announcement that it intends to open an Embassy in South Sudan, which should be adequately staffed to deal with the challenges ahead.**

¹⁸³ Middleton Q 8

¹⁸⁴ Q 248

¹⁸⁵ QQ 12–14

¹⁸⁶ QQ 9–14

¹⁸⁷ SUD 2

¹⁸⁸ Q 226

¹⁸⁹ Q 268

France, the Netherlands and Italy

138. Apart from the UK and Norway, which leads on the oil issue, the other active European States are France, which has commercial oil interests with Total in the state of Jonglei; the Netherlands and Italy, which have played a political and humanitarian role, in particular as witnesses to the CPA.¹⁹⁰ Dame Rosalind Marsden wrote that EU Member State interests in the energy sector included a Finnish company and a Luxemburg-based company which had both signed contracts on hydrocarbon exploration.¹⁹¹

The EU's political and diplomatic role

139. One of our concerns was that Sudan might drop down the list of EU and UK priorities. The Minister assured us that, despite all the other crises with which the UK had to deal, Sudan was one of the two or three key priorities for the UK in sub-Saharan Africa. And the EU had, for example, discussed Sudan and agreed Council conclusions on five occasions in the past 12 months.¹⁹²
140. Witnesses stressed to us the importance of looking at, understanding and addressing the whole of Sudan and its problems—North/South Sudan issues, Darfur and the problems in the east.¹⁹³ Sara Pantuliano and the Commission (DG ECHO) also emphasised the importance of consistent attention to all Sudan's problems rather than switching emphasis from one to the other, which had occurred in the past.¹⁹⁴
141. Roger Middleton thought that the EU did indeed have “a whole Sudan policy”, which also included full cooperation with the ICC. In the last few years, it had overwhelmingly focused on the North/South issue, and trying to assist in the completion of the CPA and ensuring that a referendum took place on time, freely and fairly.¹⁹⁵ Nick Westcott told us that the appointment of the EUSR had also enabled the EU to increase its engagement significantly and its ability to “be informed of what exactly is going on and our ability to influence”.¹⁹⁶
142. Dame Rosalind Marsden thought that the EU recognised the need for a holistic approach, interpreted as including economic governance, strengthening civil society, the media and parliamentary oversight, and supporting the anti-corruption commission. In the North, the EU had maintained a dialogue with the advisory council on human rights.¹⁹⁷
143. However, we also heard criticism of the EU's past international engagement. The NGO Concordis International felt that the processes leading to both the CPA and the 2006 Darfur Peace Agreement had been selective and had failed to deal with Sudan's conflicts in a comprehensive manner. The current negotiations between the North and South risked the same shortcoming, which should be remedied. It recommended a more comprehensive,

¹⁹⁰ QQ 32, 104

¹⁹¹ SUD 7.

¹⁹² Q 225

¹⁹³ QQ 183, 184

¹⁹⁴ Q 63, also Zangl Q 205, Vanhaeverbeke Q 223

¹⁹⁵ QQ 8, 18

¹⁹⁶ Q 149

¹⁹⁷ Q 190

consultative and inclusive process to build peace.¹⁹⁸ The Norwegian Institute, PRIO, also doubted whether the EU's structure and *modus operandi* fitted it to achieve the flexibility, long-term perspective and consistency needed to play an active role in supporting North-South negotiations.¹⁹⁹

Exerting influence

144. One of the EU's contributions to the peace process has been in the public and private messages it has sent to the two sides. Dame Rosalind Marsden told us that the High Representative had taken part in the UN Secretary-General's High Level Meeting on Sudan in New York on 17 September 2010, which had sent a clear message to the parties about the need for a peaceful, credible referendum which should be held on time. Similar messages were reflected in a series of Foreign Affairs Council Conclusions in November and December 2010 and January 2011. Consistent international pressure, including from the EU, was an important factor that had contributed to the success of the referendum.
145. Dame Rosalind Marsden thought that the EU's role should be to put pressure on the parties to fulfil their commitments by July and to exercise restraint when incidents occurred. In order to prevent conflict, it should underpin a constructive relationship between North and South with strong and clear messages. It should also continue to work on Darfur.²⁰⁰
146. As far as the North was concerned, Dame Rosalind Marsden believed that the EU should encourage the government to look at an inclusive consultative process with all the stakeholders as they reviewed their constitution and to look again at the relations between the centre and the periphery, which in Sudan had been one of the underlying causes of conflict and tension. For the South, she believed that the EU should develop a dialogue on governance, human rights and democratisation.²⁰¹ The EU could play a particular role on election monitoring and support for democracy and human rights.²⁰²
147. Paul Murphy told us that he would like to see the EU try to encourage dialogue between different parties in the North about their future, especially on key issues relating to the development of the constitution, which would determine the future stability of the country.²⁰³
148. **We endorse the view that the EU should put pressure on the parties to fulfil their commitments by 9 July and to exercise restraint when incidents occur. The EU should underpin a constructive relationship between North and South with strong and clear messages.**

Human rights activities

149. The EU has raised concerns about the human rights situation in Sudan, including the continued targeting of civilians and use of militias in Darfur, the detention without trial of human rights activists, journalists and opposition politicians and the non-accountability of the security forces. The

¹⁹⁸ SUD 10

¹⁹⁹ SUD 6

²⁰⁰ Q 189

²⁰¹ Ibid

²⁰² Q 180

²⁰³ Q 80

EU lobbied for the extension of the mandate of the UN Special Rapporteur on Human Rights and, subsequently, the UN Independent Expert on Human Rights in Darfur.²⁰⁴

150. Sara Pantuliano pointed to the EU's contribution in funding civil rights groups to work on human rights issues, which had made a contribution to the vibrancy of some of the civil society organisations in the North. However, an attempt to replicate that support in the South had been less successful.²⁰⁵
151. **The EU has established a respected role in Sudan, supporting peace processes, encouraging the parties to fulfil previous agreements and to negotiate in good faith, supporting the African Union's mediation efforts, and appointing a respected and experienced Special Representative. We commend the EU for its activity so far and urge it to continue to play this role, ensuring that those who represent the Union continue to be expert and committed.**
152. **This Committee has consistently emphasised the importance of including human rights issues in the EU's dealings with third countries and we commend the support provided by the EU for human rights projects in Sudan. The EU Special Representative should continue to give high priority to human rights issues in her dialogue with Khartoum and Juba. The EU should also continue to provide significant support to human rights activities in both North and South Sudan.**
153. **While the EU must do all in its power to ensure the success of the new independent South Sudan, it must make it clear that in the longer term a positive and deep relationship between the EU and South Sudan will depend upon the Juba government's ability to deliver a broadly democratic state that complies with the norms set out in the revised Cotonou agreement to which South Sudan is expected to accede.**

EU-Sudan trade and investment

154. We were interested to see how little reference was made by our witnesses to trade issues. We presume, as the Minister said in written evidence, that this is because UK and EU action in Sudan is "driven by the imperative of conflict prevention, stability and human rights, rather than by commercial interests." The main areas of opportunity for foreign investment are oil and gas, agriculture and construction, though Sudan is not a major trade partner for the EU. European Commission trade statistics showed imports from Sudan to the EU for 2009 as 0.1% of overall imports. The export percentage figure was too small for inclusion.²⁰⁶
155. Sandra Pepera thought that the EU could assist on trade. If South Sudan acceded to the East African Community, it would have access to preferential trading relations under the EU's regional Economic Partnership Agreement. The EU was already looking at an "everything-but-arms" (EBA) preferential trade agreement.²⁰⁷

²⁰⁴ SUD 7

²⁰⁵ Q 70

²⁰⁶ SUD 2 and http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113480.pdf

²⁰⁷ Q 249. The EU's Economic Partnership Agreements form an integral part of the Cotonou Agreement.

156. The Sudanese Ambassador advocated expanding trade between the EU and Sudan, and sought increased investment in Sudan as a means to support peace.²⁰⁸
157. **The EU should adapt its trade and economic policies towards North and South Sudan to maximise the opportunities for broad-based, diversified and sustainable economic development while protecting the natural environment.**
158. **While trade with Sudan is likely to be low on the list of immediate priorities, the EU and its Member States should look in the longer term at how, once security and stability are established, they could encourage companies to invest in and trade with both North and South.**

Practical assistance

Peace-building

159. The EU has a number of existing instruments to support conflict prevention and peace building. Dame Rosalind Marsden told us that the EU had drawn on the following:²⁰⁹
- an intervention (3 million euros) under the EU Instrument for Stability to support AU/UN efforts to assist the Darfur peace process. The activities include strengthening the capacity of a Joint Mediation Support Team, aiding the preparations of the parties for negotiations, consultations with civil society, confidence-building measures and public information;
 - a second intervention (15 million euros) under the Instrument for Stability to support the referendum and post-referendum process, the provision of basic services in South Sudan as a peace dividend and support to the AU High Level Implementation Panel (see Chapter 3 on the African Union role);
 - support under the Peace Building Initiative to encourage dialogue between the parties to the CPA. A successful Concordis project, funded with 2 million euros from the 9th European Development Fund (EDF) (2000–2007), focused on promoting cross-border dialogue between communities in the North/South border area to generate local stabilisation proposals.

Dame Rosalind Marsden said that the EU would step up its support for stabilisation and development during the run-up to South Sudan's independence and beyond. Interventions could specifically focus on the border region and the security sector.

160. The Minister gave us a small example of practical activity by the EU which had been carrying out model projects aimed at demarcating and facilitating services along livestock migration routes in Blue Nile State and Southern Kordofan.²¹⁰

²⁰⁸ Q 101

²⁰⁹ SUD 7

²¹⁰ Q 245

Support for the elections and referendum

161. The EU supported the 2011 South Sudan referendum and the 2010 elections. It provided funding and technical expertise to support the South Sudan Referendum Commission in Khartoum and the South Sudan Referendum Bureau in Juba; and deployed a large Electoral Observation Mission to build confidence in the referendum process. The EU also provided technical and financial support to the 2010 elections and deployed a large Election Observation Mission. This Mission drew attention to significant flaws in the conduct of the elections.²¹¹
162. **The EU should continue to offer support to the governments of both North Sudan and South Sudan for the conduct of their future elections along the same lines as its assistance to the governments for their 2010 elections and the 2011 referendum.**

*Development and humanitarian aid**Background*

163. Dame Rosalind Marsden wrote that, in the decade prior to signature of the CPA, EU-Sudan relations had been based primarily on provision of emergency humanitarian aid. From 1994 until 2005, EU aid to Sudan totalled over 500 million euros in relief assistance. The 2005 CPA led to the resumption of EU development assistance to Sudan after a 15-year interlude. Its aim was to support the implementation of the CPA by:
- delivering peace dividends to the most vulnerable people in the conflict-affected areas (Darfur, South Sudan, Eastern Sudan and the Transitional Areas);
 - supporting a gradual democratic transition; and
 - contributing to sustainable, pro-poor development.²¹²

Humanitarian aid

164. The Commission has an extensive humanitarian programme in Sudan: in recent years annual funding levels have exceeded 100 million euros. Peter Zangl (Commission, DG ECHO) told us that in humanitarian aid terms it was a “tremendous amount”.²¹³ The bulk of this assistance has been for Darfur but the allocation to the South has increased since 2009, where the priority from 2005 to 2009 has been to support the reintegration of returnees. Since 2009, the Commission has increased its focus on emergency preparedness and response due to inter-tribal fighting and food insecurity. The Commission also supported humanitarian contingency plans in the run-up to the South Sudan referendum by providing an additional 17 million euros for the pre-positioning of food and non-food items.²¹⁴
165. Peter Zangl said that humanitarian aid was neutral and did not have the aim of reducing conflict because that could be seen as taking sides. However, he

²¹¹ SUD 2

²¹² SUD 7

²¹³ Peter Zangl, Commission, Q 205

²¹⁴ SUD 7

said that conflict was often linked to shortages of resources. Seen from this angle, the EU's humanitarian aid could have a beneficial "collateral impact" by contributing to reducing one of the possible origins of conflict.²¹⁵

166. Some witnesses underlined the importance of bridging the gap between emergency relief and development aid. Saferworld thought that the EU had sought to link relief, rehabilitation and development in its aid programming.²¹⁶ Tearfund recommended re-introducing the Commission's "Humanitarian Plus" programme, which had previously been successful in bridging this gap.²¹⁷
167. **We commend the generosity of the Commission's commitment to addressing humanitarian needs in Sudan through its annual aid programme. The EU's humanitarian programme for Sudan is not a conflict resolution tool but in practice it can help to lower tensions. It is important that the EU's humanitarian aid reaches the most vulnerable people, including in remote parts of South Sudan.**
168. **The EU should also ensure that there are no gaps in assistance in areas from which humanitarian aid is withdrawn pending the introduction of development aid. The Commission should consider re-introducing the Humanitarian Plus programme.**

Development aid

169. The Commission mobilised 400 million euros of development assistance for Sudan under the 9th EDF (2002–2007), of which 45% was allocated to South Sudan. The EU's current and future development aid is intended to bring a peace dividend to the people in those areas of Sudan, both in the North and in the South, most affected by war. Dame Rosalind Marsden wrote that the EU contributed to conflict prevention and peace-building by improving food security, rural development and the delivery of basic services, such as water, which helped to reduce the risk of conflicts driven by competition for resources. Similarly, in areas receiving large numbers of returnees, the provision of services was likely to reduce tension between returnees and host communities.²¹⁸

Problems in delivering aid

170. The government of Sudan's failure to cooperate with the ICC because of its indictments of President Bashir has had a considerable impact on EU development cooperation with Sudan (see Chapter 1, paragraphs 15–18). According to Dame Rosalind Marsden, Sudan has not been eligible for 336 million euros (earmarked for the period 2008–2013) to which it would otherwise have been entitled under the 10th EDF.²¹⁹ To overcome this problem, the EU has established a "Special Funds Programme" which provides 150 million euros²²⁰ over the period 2011–2013 for Sudan. The targeted sectors are:

²¹⁵ Q 206

²¹⁶ SUD 9

²¹⁷ SUD 3

²¹⁸ SUD 7

²¹⁹ Ibid

²²⁰ Unspent funds from the 9th EDF

- food security/rural development—71 million euros
 - delivery of basic services—47 million euros
 - democratic governance and rule of law—24 million euros
171. The Commission will manage the implementation of this programme and funds will not pass through Sudanese government channels. Approximately 40% of the funds will be devoted to the North and the remaining 60% to the South. Studies are underway to formulate specific programmes in each sector with the objective of approving them during the second half of 2011.
172. Dame Rosalind Marsden wrote that “the perspective of continuing development cooperation with Khartoum in the framework of Cotonou appears difficult and innovative ways to maintain the relationship will have to be explored”.²²¹
173. **We are concerned that the government of Sudan’s lack of cooperation with the ICC is hindering EU development cooperation with North Sudan. There is a strong risk that this could have a detrimental effect on the ground. While we acknowledge the complexity of the situation, we support the EU Special Representative’s call for continued exploration of innovative ways to maintain the EU’s development relationship with the Khartoum government, in order to continue to assist the people of Sudan and reduce further conflict and suffering.**

EU aid strategy

174. Paul Murphy identified the lack of a Country Strategy Paper (CSP)²²² for Sudan as a problem and stressed the urgency of a new strategy based on an analysis which built on local views, rather than those of capitals, and which would provide a strong “conflict transformation framework” and a list of priorities. The new CSP should be based on a thorough and updated conflict analysis.²²³
175. **The EU should develop new interim Country Strategy Papers for both North and South Sudan and ensure that its development programming is based on a thorough and updated conflict analysis. A key objective should be to maximise opportunities to mitigate conflict and support peace-building.**

²²¹ SUD 7

²²² A Country Strategy paper is used by the EU as a multi-annual aid programming and strategic analysis document

²²³ QQ 66, 67, 78

CHAPTER 5: BUILDING THE STATE OF SOUTH SUDAN

176. In Chapter 1 (Section on “The South without the North”) we outlined the problems facing the new state in the South. This Chapter goes into more detail on the needs of the South and examines the practical steps the EU can take, particularly in the field of development, to assist South Sudan in building a viable and peaceful state.

Needs and governance

177. The Minister told us that the EU was determined to establish a clear partnership with the government of South Sudan, including on good governance, human rights and poverty reduction.²²⁴ The EU’s distinctive contribution was helping to build local and central government structures, supplying missing expertise and avoiding duplication with other countries. He said that currently no major donor was focusing on the justice sector, though he hoped this would happen in the future.²²⁵ Sandra Pepera (DfID) saw the problem not as one of money but of absorption, policy and capacity. South Sudan would also have to unlearn the undemocratic and conflict-laden behaviour learnt from its relationship with the North.²²⁶
178. Sandra Pepera identified a major problem, with which the EU could assist: South Sudan still had a long way to go in accepting and understanding what it meant to be a sovereign state and achieving a “maturing understanding of its international responsibilities”.²²⁷ Importantly it was also missing its own “vision for the future”. Before 10 July, the EU needed to know what South Sudan was for, and not just what it had been against in the past.²²⁸ The EU had taken part in a “Core State Functions programme”, which had identified what South Sudan needed in order to emerge as a sovereign state, which included judicial support.²²⁹ The EU had a range of instruments that could be brought to bear and she saw a role across the board for the EU.²³⁰
179. For Nick Westcott, the EU’s aim was to “support the new government in delivering to the people the better deal that they believe is possible”. Collectively, the EU had the means at its disposal to help, both financially and with experience and resources, through its development programme and its experience in establishing peace and security in other areas. Support for accountability would also be important; a “grain of public accountability” existed in South Sudan and the EU’s aim was to build institutions to reflect that.²³¹ Dame Rosalind Marsden also thought that South Sudan was an area where the EU could, if it had a coherent and comprehensive approach, work with the government and other donors to make a significant impact.²³²
180. Saferworld confirmed Mr Westcott’s point about “extremely high” expectations in the South for a better life after independence. Localised conflict resulted from

²²⁴ Q 248

²²⁵ See also Pantuliano Q 80

²²⁶ QQ 251, 267

²²⁷ Q 226

²²⁸ Q 267

²²⁹ Q 229

²³⁰ Q 249

²³¹ QQ 158, 151

²³² Q 204

competition over resources between communities, exacerbated by an absence of security and justice provision. The EU's development assistance could affect the likelihood of conflict, both positively and negatively. It was therefore crucial that the EU's programming of development assistance take into account its impact on the fragile situation; address the underlying causes of conflict; and deliver sustainable development.²³³

181. The Associate All-Party Parliamentary Group (APPG) on Sudan wrote that South Sudan “desperately needs the right balance of skills and post-conflict training to help it emerge from conflict and poverty”. The support of regional bodies like IGAD would be critical. Kenya, Uganda and Ethiopia were already providing civil servants, health workers and teachers or offering training in their own institutions. The APPG Sudan also called for the improvement of the business environment in South Sudan.²³⁴
182. Agriculture is one of the areas mentioned to us by witnesses as an area for development in order to diversify the economy of Sudan away from oil (see paragraphs 25, 154 and 217). Southern Sudan has largely untapped livestock resources, adequate rainfall, fertile land, and water availability and, with assistance, could develop a flourishing agriculture sector and become a major producer of a wide range of agricultural commodities. So far, development of this sector has been prevented by the civil war and the resulting economic isolation of the region. Constraints to agricultural production and marketing include poor infrastructure, lack of access to capital, low-level agricultural technical efficiency and skills in production, marketing, and business management.²³⁵ Consequently, only 4% of arable land is cultivated and livestock production is 20% of its potential, and malnutrition and food insecurity is prevalent in South Sudan's rural economy.²³⁶ Another political problem arises over the need to balance the availability of land needed for modern large scale farming enterprises with the demands of a predominantly rural population engaged in subsistence agriculture.
183. The EU is working to increase agricultural production by building up the capacities of the Ministries of Agriculture and Animal Resources. Funding is channelled through bilateral projects and contributions to multilateral instruments such as the Multi-Donor Trust Funds (MDTFs). The EU and some Member States have been coordinating plans which have been discussed with the government of South Sudan. The EU aims to focus on supporting rural smallholders and areas where there is a concentration of ex-combatants and returnees.²³⁷
184. Dr Othol spoke of the problems of the returnees: “we will be faced with very big problems of the expectations of the people, they want accommodation, schools and hospitals. You, the international community, will come to our rescue. If we put our priorities on the table, which will probably be the basic human needs of health, education, water and sanitation, we would like you to come quickly and pick up some of these things ...”²³⁸ The Sudanese Ambassador also said that he had been instructed by his government to

²³³ Saferworld, SUD 9.

²³⁴ SUD 11, see also Pepera, DfID QQ 229, 230

²³⁵ USAID website: http://www.usaid.gov/locations/sub-saharan_africa/sudan/agriculture.html

²³⁶ Information provided by the Department for International Development

²³⁷ Ibid

²³⁸ Q 125

appeal to the Committee to use its good offices with other European countries to help the people of South Sudan, especially the returnees.²³⁹ For Dr Othol, the southern government needed to persuade the EU to bring in funds through NGOs. He told us that the EU was playing a role in many areas, mostly humanitarian, law enforcement and security.²⁴⁰

185. **The expectations of the South Sudanese government for the future are high, in particular for support from the international community. Their prime need is for administrative capacity building, not least so that they can absorb the assistance which they need from the international community to enable them to fulfil fully the functions of a sovereign state. The EU should use the existing instruments at its disposal to assist in the task of strengthening weak institutions, building an effective police force and judicial and dispute resolution institutions, and addressing powerful ethnic and political grievances and intense competition over land and natural resources. Helping to build the necessary structures of civil society of South Sudan should be a major EU contribution to a future successful state.**
186. **South Sudan needs to diversify its economy away from dependency on oil. Agriculture is an obvious area for development as it would enable the South to feed its people, including the returnees, and would reduce the need for expensive imports. We urge the EU and Member States to contribute their expertise to developing South Sudan's agriculture by assisting in building the infrastructure which will enable the rural economy to grow.**
187. **South Sudan lacks skilled health workers and teachers, as well as administrators. The support of regional bodies like IGAD will be critical and Kenya, Uganda and Ethiopia have provided civil servants, health workers and teachers or offered training in their own institutions. The EU should explore whether it could provide some financial, technical or logistical support to IGAD for this initiative. The EU should also work with non-governmental organisations with expertise in these fields.**

Corruption

188. Corruption was described by Gill Lusk as “a huge issue” which donors could attempt to tackle, not only by not bribing people, but also by talking about accountability. Dame Rosalind Marsden told us that First Vice-President Salva Kiir had signalled clearly and publicly his zero tolerance of corruption. He needed long-term international support for this stand.²⁴¹
189. **Given the high levels of corruption in South Sudan, the EU should give firm support to First Vice-President Salva Kiir in his professed commitment to eliminating corruption from the system. Without this, South Sudan will not be able to establish a fully functioning and efficient government or economy.**

Security and rule of law

190. Dame Rosalind Marsden wrote that the Government of South Sudan (GoSS) had repeatedly emphasised its need to build capacity in core

²³⁹ Q 126

²⁴⁰ Q 101

²⁴¹ QQ 48, 192, 193

governance functions. Governance and rule of law was one of the areas already highlighted for support under the “Special Funds” programme²⁴² for South Sudan. An EU mission visited Juba in February 2011 and concluded that:

- South Sudan would face significant stabilisation and state-building challenges for a number of years;
- the EU should do more to try to manage conflict risks, particularly in the volatile North-South border area;
- the EU should use its range of instruments to support stabilisation in the South, working closely with the UN and other donors and taking account of the GoSS’s own priorities.

The Mission also identified a number of possible options for additional EU support.²⁴³

191. The UN Development Programme had suggested that the EU engage in building up the justice sector in South Sudan after independence. The UN Department of Peacekeeping Operations had also indicated an interest in such an EU action.²⁴⁴
192. In Chapter 1 we described the threat to security and stability in South Sudan from armed militias, such as George Athor’s group and the Lord’s Resistance Army, and in Chapter 3 we outlined some of the problems of arms supplies reaching Sudan from outside the country, which needed to be addressed. There are also problems caused by cattle rustling and inter-communal violence over land, grazing and water resources.
193. Lieutenant General George Athor Deng is a former member of the SPLA who resigned as the SPLA’s Deputy Chief of Staff in 2006 after falling out with other leaders. He stood for election as governor in the state of Jonglei, the largest in South Sudan, but was defeated and subsequently, in April 2010, launched an insurgency. The SPLA estimate that he has 2,000 fighters and claim that arms have been supplied by the North. In October 2010 First Vice-President Salva Kiir pardoned most rebels, including Athor, after agreeing a truce. Athor did not attend the peace talks but agreed a ceasefire shortly before the referendum. In February 2011, however, Athor’s forces attacked civilian returnees in Jonglei, when deaths were estimated at 200. He retains the ability to cause havoc.²⁴⁵ The Minister told us that southern militia groups, such as that run by George Athor, could destabilise the country. He expressed concern about Athor’s actions; a real threat could emerge if he succeeded in merging some of the other militias into his own.²⁴⁶
194. The Lord’s Resistance Army (LRA), though very small in numbers (some 200 in all countries according to the Minister)²⁴⁷ had the potential to cause a disproportionate amount of harm to the population, as it has done in neighbouring countries.²⁴⁸ If the Democratic Republic of Congo is successful

²⁴² SUD 7

²⁴³ Ibid

²⁴⁴ Ibid

²⁴⁵ Information from Africa Confidential, February 2011.

²⁴⁶ QQ 248,262

²⁴⁷ Q 262

²⁴⁸ Q 40

- in its call for the withdrawal of UN peacekeepers from its territory, despite the UN Secretary General's warning that armed groups remain a significant threat there, this could have a negative and destabilising effect on South Sudan.²⁴⁹
195. Sandra Pepera told us that there had been no direct northern support of the LRA for 18 months. However, Dame Rosalind Marsden commented that it was widely believed in the South that the North might be providing some support for militia groups—and perceptions were important and added to distrust between the two sides. The SPLM had publicly accused the North of providing support for the militias responsible for some incidents, such as one in Malakal, following which the South had suspended talks on the future North/South relationship.²⁵⁰ The Minister told us that the capacity of the government of South Sudan to monitor the movement of weapons would be important.²⁵¹
196. Witnesses also told us of the need to develop the law enforcement sector. Fokion Fotiadis informed us that the EU was working on increasing the capacity of the police and justice system.²⁵² Dame Rosalind Marsden confirmed that in the past five years, the EU had provided 70 million euros in support to the governance sector in Sudan, including capacity-building support to the judiciary, legislative assembly and Ministry of Legal Affairs in South Sudan. She added that the GoSS had requested continued EU support in this area.²⁵³
197. The FCO/DFID Sudan Unit told us that the justice sector had been highlighted as one of five top priorities in the GoSS draft 3-year development plan, under the heading of conflict prevention and security. However, there was currently no major donor responsible for, or prominent in, the justice sector. The EU, and separately the US, had recently undertaken systematic assessments of the justice sector but the scope of their possible support to South Sudan was not yet clear.²⁵⁴
198. **Proliferation of arms and armed militias in the South, in particular the group led by George Athor, threatens the stability of the new country. We applaud First Vice-President Salva Kiir's attempts at reconciliation with George Athor, although they have not so far been successful. The EU must support the efforts of the government of South Sudan and the UN Mission to build peace and bring militias and banditry under control.**
199. **Despite its small numerical size, the Lord's Resistance Army has the potential to cause extensive disruption and terrorise the civilian population in South Sudan. Working with the African countries concerned, the EU and the international community should make a concerted effort to address this threat, including by identifying and blocking the financing of the LRA. We are concerned that the possible withdrawal of UN peacekeepers from the neighbouring Democratic Republic of Congo could make it more difficult to eliminate the LRA presence in the DRC, with a consequential effect on South Sudan.**

²⁴⁹ <http://reliefweb.int/node/402545>

²⁵⁰ QQ 199, 265

²⁵¹ Q 257

²⁵² Q 138

²⁵³ SUD 7, see also Q 203

²⁵⁴ Information provided by the FCO, 12 May 2011

200. **We welcome the EU’s support for South Sudan in the field of governance, and believe this should continue. Nevertheless we are concerned that no major donor has taken the lead in helping South Sudan to build up the justice sector. Without an effective and independent judiciary free from corruption and based on a stronger legislature, there will be no rule of law in South Sudan. The EU should raise this matter as a priority with the government of South Sudan and its international partners in order to ensure that the justice sector benefits from strong leadership as well as substantial technical and financial support.**

Reintegration of the SPLA

201. The disarmament, demobilisation and reintegration (DDR) of former soldiers will be a priority in the new state. This will include downsizing the SPLA. Currently South Sudan spends a large proportion of its budget on the SPLA, including pensions for former combatants. This is unsustainable.
202. A solution will not, however, be easy. Dame Rosalind Marsden informed us that the EU and some Member States had supported UNDP’s Interim DDR Programme for ex-combatants in South Sudan and the Three Areas. Unfortunately, the programme had stalled, due to a lack of political will by the two CPA parties and practical problems with implementation. Short-term reinsertion benefits could not meet the expectations of veterans in the absence of any structure for long-term pensions and the limited absorptive capacity of local economies to support alternative livelihoods. In February 2011, donors and the government of South Sudan requested suspension of the programme. It was currently under review.
203. Gill Lusk told us that most military training aimed at transforming former rebels into a national army was provided by private military and security companies from the UK, US and South Africa. Some companies were funded by their governments, for example by DfID in the UK.²⁵⁵
204. Sandra Pepera informed us of another difficulty with disarmament. The UK, with six other Member States, had funded a CPA-related DDR programme, separate from that of the UNDP. However, its continuation was threatened by the problem of verification: “people are ... handing [the arms] in at one door and going around the back and collecting them again.” The Europeans—the Dutch, Italians, Germans, Spaniards, French, Swedes and British, with other bilateral members of the pooled fund—were taking a firm position.²⁵⁶
205. During the conflicts in Sudan, mines were laid which affect the potential development of agriculture as well as killing and maiming people. The landmine/“explosive remnants of war” (ERW) problem in Sudan remains largely unknown, as no systematic approach to mine laying and no mapping were carried out. Assessments have indicated that 21 of the 26 states of Sudan have been affected by landmines/ERW contamination.²⁵⁷ The UN’s

²⁵⁵ QQ 19, 33

²⁵⁶ Q 259

²⁵⁷ http://reliefweb.int/sites/reliefweb.int/files/reliefweb_pdf/node-237766.pdf 2007 ReliefWeb report with a Project Proposal for Humanitarian Mine Action by Sarvatra Technical Consultants

Mine Action Office (UNMAO) is mandated by UN Security Council Resolution 1590 and the CPA to coordinate, facilitate, accredit and conduct quality assurance of all mine action activities in Sudan. Since 2005 a total of 661 people have been either killed or injured by ERW in Sudan. In 2010, the number of landmine and ERW victims reported increased by 35% compared to the previous year, partly as a result of access to areas that were hitherto inaccessible, especially in the eastern states.

206. The Commission has provided support for demining. A five million euro project, which ended in December 2010, supported the deployment of landmine impact survey teams, marking and/or clearing high priority areas and raising mine awareness and mine clearance local capacity.²⁵⁸
207. **Restructuring the SPLA will be a key challenge. It will be vital to embed a new culture of civilian control and oversight of the armed and security forces in South Sudan. The EU may be able to advise the government of South Sudan in this area as part of a coordinated international effort. It will also be necessary to raise awareness of human rights and fight corruption within the SPLA and South Sudan police force.**
208. **The EU should explore whether it could assist South Sudan in developing an effective framework for small arms control, consistent with existing initiatives. It could also offer support to voluntary civilian disarmament initiatives, taking account of lessons learned from previous unsuccessful programmes of forceful disarmament.**
209. **The SPLA needs to be downsized as it is transformed into a regular army. We recognise the potential for destabilising the South if SPLA wages are not paid and if large numbers of people are released who will require alternative employment. This is therefore also an economic problem and an aim should be to diversify the economy in order to create alternative employment as well as wealth.**

International aid coordination to South Sudan

210. International development aid for reconstruction and development in both North and South Sudan is coordinated by Sudan Multi-Donor Trust Funds (MDTFs) (see Box 4 below). Gill Lusk considered their effectiveness to be limited as they lacked coordination and were overly bureaucratic. Tearfund was also concerned about the use of Trust Funds, as previously they had taken a long time to become operational. A review was needed to learn the right lessons.²⁵⁹
211. On the other hand, Peter Zangl (Commission, DG ECHO) said that humanitarian coordination had improved markedly since the UN Office for the Coordination of Humanitarian Affairs (OCHA) had returned to South Sudan.²⁶⁰

²⁵⁸ SUD 7

²⁵⁹ SUD 3

²⁶⁰ Q 208

BOX 4

Donor Coordination Mechanisms in South Sudan for Development Aid

A number of coordination processes are underway between the international community and Government of South Sudan (GoSS). In September 2010 a list of core state functions were identified and agreed by GoSS and donors. Donor activities have since been aligned as far as possible with these, with additional resources made available to support those not already covered. The GoSS have subsequently identified further areas which are considered to be critically important to the successful emergence of South Sudan as an independent state. The UK and other donors are currently making efforts to ensure that support is provided to these areas.

The South Sudan Development Plan is currently being drafted by the GoSS with the active support and engagement of the international community. It will serve as an interim Poverty Reduction Strategy Paper (PRSP) and will run from July 2011 for three years. DFID is supporting this process by co-chairing the Conflict Prevention and Security Pillar. This planning process was partially based on the Budget Sector Working Group process which DFID has also been supporting.

In a speech delivered in May 2011 the GoSS Minister of Finance said that the three-year development plan would contain three priorities:

- (1) build a transparent, democratic and accountable state;
- (2) defend the sovereignty and territorial integrity of South Sudan, and promote peace within South Sudan;
- (3) promote private sector-led economic growth and sustainable development, improving livelihoods and reducing poverty.

The GoSS Minister welcomed technical assistance, capacity-building and funding, but he said that donors should “align behind the South Sudan development plan”. He also stressed that it was time to create “improved mechanisms of mutual accountability” between South Sudan and its international partners. Good governance and the fight against corruption figured prominently in the speech.

Multi-Donor Trust Funds (MDTFs)

The Sudan Multi-Donor Trust Funds (MDTFs) were established following the signature of the CPA to facilitate donor coordination of development assistance to both North and South Sudan. They are funded by donor countries and managed by two technical secretariats, one for the MDTF-National, which focuses on war-affected areas of Northern states (based in Khartoum), and a second for the MDTF-Southern Sudan (based in Juba). The Trust Funds are administered by the World Bank, working together with UN partners, donors, civil society, and the respective governments. However, they have been criticised for being slow, bureaucratic and lacking a coordinated approach (see section below).

Joint Donor Team

The Joint Donor Team supports the government of South Sudan through a number of mechanisms: the MDTF (see above) is the principal of these; the Sudan Recovery Fund (SRF), which focuses on rural recovery and community security; the Capacity Building Trust Fund (CBTF) which supports the GoSS in strengthening the public sector and building capacity; the Basic Services Fund (BSF); and the Strategic Partnership Arrangement (SPA) for governance and the rule of law. The Joint Donor Team was set up by the UK, Canada, Denmark, the Netherlands, Norway and Sweden.

EU aid coordination

212. EU aid to Sudan is coordinated both in Brussels and on the ground in Sudan. The EU Delegation and representatives of the embassies of EU Member States in Sudan meet regularly. In February, Development Ministers agreed to pursue a “joint programming” approach for South Sudan.²⁶¹ Coordination with other donors also takes place in Brussels and on a regular basis in Khartoum and Juba.²⁶²
213. Roger Middleton told us that the EU’s development aid was mainly distributed through donations to other multinational organisations, principally the World Bank, but also the UN and UNICEF, with some sent directly to non-governmental organisations (NGOs) and via the MDTF for South Sudan.²⁶³
214. Dame Rosalind Marsden wrote that programming large-scale development assistance for South Sudan would be a particular challenge. Innovative ways to channel development aid would have to be explored given the so far “disappointing” performance of the Multi-Donor Trust Fund. Multi-annual programming of EDF funds for South Sudan would have to await the accession of an independent South Sudan to the Cotonou agreement. In the meantime, the Commission had produced an *ad hoc* programming document (adapted to the structure of a Country Strategy Paper) for the 150 million euros special funds programme, which could be a starting point for assessing further programming needs. The Government of South Sudan’s Three Year Development Plan would also be a key reference document for planning and programming development assistance to South Sudan. The EU had the sectoral lead on natural resources.²⁶⁴
215. Sandra Pepera thought that, following an intervention by the UK with the Commission, there was a more pragmatic and practical Juba-driven programming exercise which it was hoped would get an effective mechanism established by 9 July.²⁶⁵
216. In May 2011, the Commission put forward a new proposal to channel an additional 200 million euros of unspent EDF funds to South Sudan, which the UK has supported. The FCO also drew the Committee’s attention to two risks: first, that the Government of Sudan risked reacting negatively to what would be perceived as a further exclusion from European partnership. The second was the fragility of South Sudan, since EU and international aid had the potential to overwhelm the weak absorption capacity of the new state.²⁶⁶
217. The APPG on Sudan thought that better coordination of aid was urgent and essential: “Large donors still seem ready to pour more money in despite the corruption and lack of transparency”.²⁶⁷ This had led to bottlenecks in the past, notably in the World Bank MDTF. However, we were encouraged that

²⁶¹ 22 February 2011 Informal Development Ministers’ Meeting in Brussels.

²⁶² SUD 7

²⁶³ Q 34–36

²⁶⁴ SUD 7

²⁶⁵ Q 232

²⁶⁶ House of Lords website—<http://www.parliament.uk/business/committees/committees-a-z/lords-select/eu-select-committee/publications/>—Government Explanatory Memorandum 9800/11 of 11 May 2011

²⁶⁷ SUD 11

the APPG welcomed the EU's new joint initiative to speed up coordination and focus on key sectors such as agriculture, health and education. The APPG called for DFID's aid budget for Sudan to be increased to take into account the needs of two separate states.

218. Gary Quince (Commission, DG DEVCO) added that the establishment of a full office in Juba was the first priority in order to deliver aid on the ground. In March 2011 there had been two people: it was planned that the office would grow to 10. Office space was a problem and it was doubtful if the political objective of a fully functional delegation would be achieved by July. The second challenge was to build up local capacity, which was a problem due to the weakness of government institutions.²⁶⁸
219. **In its work, the EU should continue to give high priority to ensuring the effective coordination of aid to South Sudan as it is essential that the government of South Sudan is not burdened with incoherent offers of assistance. The EU should seek to align its aid with the priorities of the government of the South, as set out in its 3-year development plan. As far as possible, the EU and its Member States should conduct joint needs assessments and programming.**
220. **We are also very concerned that EU programming and delivery of major aid programmes is too slow and that the EU is unable to react quickly and flexibly enough to South Sudan's needs. The EU should address this problem.**
221. **The World Bank-administered Trust Fund does not seem to have been effective and we would urge the UK and EU to exercise caution in any decision to set up a similar mechanism in future.**

Future development cooperation with South Sudan

222. Following independence, South Sudan is expected to apply to become an ACP country, ratify the Cotonou Agreement and thus become eligible for EDF funding.²⁶⁹ There were different opinions among our witnesses on how long this could take following the expected independence of South Sudan on 9 July. Gary Quince outlined the different steps in the process, which could only start once South Sudan was independent.²⁷⁰ The APPG on Sudan were concerned that ratification could take more than a year.²⁷¹ Similarly, the Minister stressed that it was essential to avoid a development funding gap during the various processes.²⁷²
223. **It is important that there is no gap in EU development cooperation with South Sudan at independence. We urge the Government and the EU to take steps to ensure that South Sudan can accede to the revised Cotonou agreement and access funds under the 10th European Development Fund as soon as possible. We welcome the EU Special Funds programme for Sudan as an interim mechanism.**

²⁶⁸ QQ 128,129

²⁶⁹ SUD 7

²⁷⁰ QQ 130–131

²⁷¹ SUD 11

²⁷² QQ 255–256

224. **We conclude that the EU should continue to play a subordinate but key role in the establishment of South Sudan as a viable and successful state. It should play to its strengths while at the same time encouraging the continued, and so far successful, division of tasks between the various regional and UN organisations. During these challenging times, the EU should work to strengthen the authority, effectiveness and respect of those organisations, such as the African Union and the Intergovernmental Authority on Development.**
225. **While the EU does not need to be in the lead to be effective, it should, as an individual contribution, continue its extensive aid programmes and ensure that they are coordinated with efforts of other donors. There is, however, a potential leadership role for the EU in the justice sector.**
226. **The risk that the new country of South Sudan will fail as a state is high, even if the international community maintains the current levels of assistance and support. It is clear that the EU and its Member States must be prepared to invest time, finance and practical resources in South Sudan for the foreseeable future. As a symbolic demonstration of commitment to the new country and for maximum impact, EU Member States should coordinate their acts of recognition of the new state.**

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

Chapter 1: Sudan; a nation divided against itself

The 2005 Comprehensive Agreement (CPA)

The North-South civil war

227. The successful negotiation of the Comprehensive Peace Agreement and the largely peaceful holding of the referendum on the independence of the South were considerable achievements by the governments in, and the people of, North and South Sudan. They were supported by the international community, including the European Union, in a laudable demonstration of sustained international commitment to the parties. However, the challenges ahead are great and major issues remain unresolved (paragraph 10).

The North without the South

The impact of the loss of the South

228. The EU should not underestimate the psychological and physical impact on the North of the loss of the South, which will create potentially destabilising uncertainties in the North, such as changes in the political and demographic dynamics and how to handle the loss of oil revenues. The EU and the rest of the international community should ensure that, in dealing with the problems of the South, the interests and problems of the North are not neglected, not least because they could lead to renewed North/South conflict (paragraph 30).
229. In all its dealings with the government in the North, the EU and the international community must reinforce the message that it is not in the interests of the North to destabilise the South, including by the use of proxies and support to rebel groups. The EU should encourage the Khartoum government to look to the future and stress the benefits that peace will bring for both North and South (paragraph 31).
230. Over the longer term the Commission and Member States should look at the possibilities for developing trade with and investment in the North, to increase its viability as a stable and economically sustainable state after it loses the South and its oil. Equally the North must be encouraged to invest in the South (paragraph 32).
231. Despite the size of the challenge it is essential to solve the remaining conflicts in Darfur and eastern Sudan as a matter of urgency. If they are neglected there is very little prospect of a lasting peace between the North and South. The EU High Representative and her staff, and Member States individually, should press the Khartoum government and the rebel movements to respect their commitments and engage seriously in negotiations (paragraph 33).

The South without the North

Oil wealth

232. We note that, although great poverty exists in South Sudan, its revenue from oil means that in GDP terms it is a rich country. By the end of the CPA

period, the government in the South will have received in the order of US\$ 11 billion in oil revenues from the North, yet the country is still largely undeveloped, with very little infrastructure or basic service provision. The UK and the EU should strongly urge the government of South Sudan to address the problems of the unequal distribution of wealth, and the lack of participation, transparency and accountability in public institutions, including in the area of financial management. The EU should press both North and South Sudan to adhere to and implement the Extractive Industries Transparency Initiative (paragraph 47).

233. It would appear that much of the considerable wealth accumulated by the South from the oil revenue has not been properly accounted for (though much of it goes to paying SPLA wages). This is a priority for attention. The EU should liaise with the US, who lead on economic governance in the South, to ascertain whether expertise from Member States could assist in setting up a proper accounting system with accountability for expenditure. The EU should also call on the new government of South Sudan to enhance its ability to use both oil revenue and aid money effectively, by building up structures for budgeting, appropriate expenditure, and auditing (paragraph 48).
234. The desire for democracy in the South may be frustrated if the partition of the country and the political dynamics result in a situation where only one political party is tolerated (paragraph 49).

Chapter 2: Remaining potential conflicts

The issues

Abyei

235. The problem of Abyei is potentially the most intractable of the problems facing North and South Sudan, and the one which is the most inflammatory, as has been shown by the existing level of conflict. The EU should call upon the parties to agree immediately on security arrangements, withdraw all unauthorised forces from Abyei, and work towards a permanent solution. This could take the form of the planned referendum or an alternative agreement consistent with the spirit and letter of the CPA. The EU should offer support to former President Mbeki and the African Union High-Level Implementation Panel. The EU should also be prepared to offer support for and, if requested, participate in a peace-keeping operation in Abyei (paragraph 57).

Oil resource distribution

236. The majority of Sudan's oil is in the South, and we judge that the South is unlikely to be able to make alternative arrangements in the near future to route its oil to the sea without using the current pipelines which run through the North. A transitional arrangement for oil wealth sharing, such as that suggested by the Norwegians, is therefore essential and the EU should support the Norwegians in advocating an arrangement which is acceptable to both sides and which takes account of the possibility that South Sudan may in the future build pipelines to the south. An agreement on the sharing of future oil revenues is needed urgently (paragraph 64).

Debt

237. Debt relief is an important lever which the international community can use to persuade the parties to the conflict to negotiate agreements. While the EU itself is not a large creditor some Member States, such as the UK, are, and they should work collectively with the US and international financial institutions to find an equitable solution, making best use of the leverage to put pressure on the two parties to solve their differences peacefully (paragraph 68).

Borders

238. The EU should play a role in assisting with border demarcation and finding solutions on border management, drawing on experience within the region. Transit arrangements will need to be made so that the nomadic people can continue to feed and water their cattle throughout the year without upsetting the settled peoples. Without this, effective border management will be difficult or impossible to achieve and could be a major source of tensions (paragraph 73).

Citizenship

239. The EU should assist discussions on citizenship, in particular the arrangements for the Sudanese to become a citizen of one state or the other, given that both sides appear to reject dual citizenship. It will be important to ensure that the transition period is sufficiently long to avoid individuals becoming stateless (paragraph 75).
240. At the time that this report was finalised in mid-June, none of the problems outlined in this chapter has been resolved and the date of southern independence on 9 July is imminent. If these issues cannot be solved before 9 July, the international community, including the EU, must continue to exert pressure on the parties to resolve them after the independence of the South (paragraph 76).

Chapter 3: International involvement and issues**The key players—the EU working with others***EU joint working with the UN*

241. UNMIS plays a vital role in monitoring the Comprehensive Peace Agreement and in defusing military tensions between the two sides, including in hotspots such as Abyei. EU Member States which are members of the UN Security Council should ensure that any UN mission operating in North or South Sudan has a robust mandate to protect civilians and monitor compliance with North/South security arrangements, as well as adequate troops and military capability (paragraph 83).

Working with African organisations

242. We have been impressed by the increasingly assertive role of the African Union (AU) recently in Africa, in particular, in working successfully with both sides in Sudan towards the referendum in South Sudan. The EU should continue to support the efforts of the AU's High Level Implementation Panel

under former President Mbeki to resolve the outstanding areas of conflict (paragraph 90).

Sudan's neighbours

243. South Sudan will need to develop its own bilateral relations with its neighbours, independently of the North. These neighbours will play an increasingly important part in its future, politically, economically and in the security field. The EU should use its influence with Sudan's neighbours, in particular Kenya, Uganda, Ethiopia and Eritrea to impress upon them the need to assist the new state where they can, as the stability of the whole region is at stake (paragraph 94).
244. The EU should encourage regional trade and economic integration, by supporting South Sudan's membership of the Inter-Governmental Authority on Development (IGAD) and future membership of the East African Community (EAC) (paragraph 95).

The US

245. The US has been a key actor in obtaining the Sudanese government's consent to the establishment of South Sudan. In order to resolve the many outstanding issues, not least Abyei, the EU should encourage the United States to continue its use of incentives to and pressure on the Khartoum government to find solutions. The USA's ability to remove Sudan from its list of "terror states" gives it great leverage (paragraph 98).

China

246. The EU should work with the Chinese, who have a good and influential relationship with both North and South Sudan. The Chinese appear to be playing a helpful political role there, not least to protect their considerable economic, financial and commercial interests in the country. We believe that a productive EU relationship with China could assist the stability of Sudan, North and South. The dialogue should focus on security matters and the EU should continue to press the Chinese government to encourage the Khartoum government to respect its peace commitments and to negotiate in good faith with the South and on Darfur. Not least, the EU should seek the cooperation of the Chinese in encouraging more transparency in Sudan's oil sector, which should help to reduce the diversion of funds (paragraph 106).

Arms proliferation

247. In view of the serious threat to stability in North and South Sudan due to the proliferation of small arms and light weapons, the EU and its Member States should take stronger measures than at present to monitor and enforce the EU arms embargo on Sudan. It should also use its expertise in this field to address the problem, by encouraging countries which export arms, or provide for the passage of arms to Sudan, to implement an arms embargo like the one introduced by the EU (paragraph 115).
248. EU Member States should pay greater attention to the risks of exporting arms to countries bordering North or South Sudan or those known to have strong military ties with Sudan. At the same time, the EU should impress upon Sudan's neighbours the risks associated with transferring arms to Sudan, both for Sudan and the region (paragraph 116).

249. The EU should consider ahead of the South's independence if and how its embargo will apply to the new state. Any EU arms embargo must be fully implemented by all EU Member States (paragraph 117).

Chapter 4: The EU's special role

EU organisation

The European External Action Service (EEAS)

250. We are very concerned that the EU has not built up its presence in Juba sufficiently or quickly enough. Given the size of the task ahead this must be acted upon immediately. The EU's performance in South Sudan will be a test for the effectiveness of its new External Action Service. We strongly urge the EU to expedite the administrative procedures for appointing a new Head of Delegation and setting up a fully functioning and expanded office with adequate accommodation. It is essential that the EU appoint a highly competent individual with experience of political and development work in a country affected by conflict to head the Juba Delegation (paragraph 126).

EU coherence

The UK

251. For historical and domestic political reasons, the UK has taken a leading role on Sudan in the EU. We welcome this and believe that the UK should continue to play a lead role as it brings a body of valuable experience and expertise to bear. We welcome the Government's decision and early announcement that it intends to open an Embassy in South Sudan, which should be adequately staffed to deal with the challenges ahead (paragraph 137)

The EU's political and diplomatic role

Exerting influence

252. The EU should put pressure on the parties to fulfil their commitments by 9 July and to exercise restraint when incidents occur. The EU should underpin a constructive relationship between North and South with strong and clear messages (paragraph 148).

Human rights activities

253. The EU has established a respected role in Sudan, supporting peace processes, encouraging the parties to fulfil previous agreements and to negotiate in good faith, supporting the African Union's mediation efforts, and appointing a respected and experienced Special Representative. We commend the EU for its activity so far and urge it to continue to play this role, ensuring that those who represent the Union continue to be expert and committed (paragraph 151).
254. This Committee has consistently emphasised the importance of including human rights issues in the EU's dealings with third countries and we commend the support provided by the EU for human rights projects in Sudan. The EU Special Representative should continue to give high priority

to human rights issues in her dialogue with Khartoum and Juba. The EU should also continue to provide significant support to human rights activities in both North and South Sudan (paragraph 152).

255. While the EU must do all in its power to ensure the success of the new independent South Sudan, it must make it clear that in the longer term a positive and deep relationship between the EU and South Sudan will depend upon the Juba government's ability to deliver a broadly democratic state that complies with the norms set out in the revised Cotonou agreement to which South Sudan is expected to accede (paragraph 153).

EU-Sudan trade and investment

256. The EU should adapt its trade and economic policies towards North and South Sudan to maximise the opportunities for broad-based, diversified and sustainable economic development while protecting the natural environment (paragraph 157).
257. While trade with Sudan is likely to be low on the list of immediate priorities, the EU and its Member States should look in the longer term at how, once security and stability are established, they could encourage companies to invest in and trade with both North and South (paragraph 158).

Practical assistance

Support for the elections and referendum

258. The EU should continue to offer support to the governments of both North Sudan and South Sudan for the conduct of their future elections along the same lines as its assistance to the governments for their 2010 elections and the 2011 referendum (paragraph 162).

Development and humanitarian aid

Humanitarian aid

259. We commend the generosity of the Commission's commitment to addressing humanitarian needs in Sudan through its annual aid programme. The EU's humanitarian programme for Sudan is not a conflict resolution tool but in practice it can help to lower tensions. It is important that the EU's humanitarian aid reaches the most vulnerable people, including in remote parts of South Sudan (paragraph 167).
260. The EU should also ensure that there are no gaps in assistance in areas from which humanitarian aid is withdrawn pending the introduction of development aid. The Commission should consider re-introducing the Humanitarian Plus programme (paragraph 168).

Problems in delivering aid

261. We are concerned that the government of Sudan's lack of cooperation with the ICC is hindering EU development cooperation with North Sudan. There is a strong risk that this could have a detrimental effect on the ground. While we acknowledge the complexity of the situation, we support the EU Special Representative's call for continued exploration of innovative ways to maintain the EU's development relationship with the Khartoum government,

in order to continue to assist the people of Sudan and reduce further conflict and suffering (paragraph 173).

EU aid strategy

262. The EU should develop new interim Country Strategy Papers for both North and South Sudan and ensure that its development programming is based on a thorough and updated conflict analysis. A key objective should be to maximise opportunities to mitigate conflict and support peace-building (paragraph 175).

Chapter 5: Building the state of South Sudan

Needs and governance

263. The expectations of the South Sudanese government for the future are high, in particular for support from the international community. Their prime need is for administrative capacity building, not least so that they can absorb the assistance which they need from the international community to enable them to fulfil fully the functions of a sovereign state. The EU should use the existing instruments at its disposal to assist in the task of strengthening weak institutions, building an effective police force and judicial and dispute resolution institutions, and addressing powerful ethnic and political grievances and intense competition over land and natural resources. Helping to build the necessary structures of civil society of South Sudan should be a major EU contribution to a future successful state (paragraph 185).
264. South Sudan needs to diversify its economy away from dependency on oil. Agriculture is an obvious area for development as it would enable the South to feed its people, including the returnees, and would reduce the need for expensive imports. We urge the EU and Member States to contribute their expertise to developing South Sudan's agriculture by assisting in building the infrastructure which will enable the rural economy to grow (paragraph 186).
265. South Sudan lacks skilled health workers and teachers, as well as administrators. The support of regional bodies like IGAD will be critical and Kenya, Uganda and Ethiopia have provided civil servants, health workers and teachers or offered training in their own institutions. The EU should explore whether it could provide some financial, technical or logistical support to IGAD for this initiative. The EU should also work with non-governmental organisations with expertise in these fields (paragraph 187).

Corruption

266. Given the high levels of corruption in South Sudan, the EU should give firm support to First Vice-President Salva Kiir in his professed commitment to eliminating corruption from the system. Without this, South Sudan will not be able to establish a fully functioning and efficient government or economy (paragraph 189).

Security and rule of law

267. Proliferation of arms and armed militias in the South, in particular the group led by George Athor, threatens the stability of the new country. We applaud First Vice-President Salva Kiir's attempts at reconciliation with George Athor, although they have not so far been successful. The EU must support

the efforts of the government of South Sudan and the UN Mission to build peace and bring militias and banditry under control (paragraph 198).

268. Despite its small numerical size, the Lord's Resistance Army has the potential to cause extensive disruption and terrorise the civilian population in South Sudan. Working with the African countries concerned, the EU and the international community should make a concerted effort to address this threat, including by identifying and blocking the financing of the LRA. We are concerned that the possible withdrawal of UN peacekeepers from the neighbouring Democratic Republic of Congo could make it more difficult to eliminate the LRA presence in the DRC, with a consequential effect on South Sudan (199).
269. We welcome the EU's support for South Sudan in the field of governance, and believe this should continue. Nevertheless we are concerned that no major donor has taken the lead in helping South Sudan to build up the justice sector. Without an effective and independent judiciary free from corruption and based on a stronger legislature, there will be no rule of law in South Sudan. The EU should raise this matter as a priority with the government of South Sudan and its international partners in order to ensure that the justice sector benefits from strong leadership as well as substantial technical and financial support (paragraph 200).

Reintegration of the SPLA

270. Restructuring the SPLA will be a key challenge. It will be vital to embed a new culture of civilian control and oversight of the armed and security forces in South Sudan. The EU may be able to advise the government of South Sudan in this area as part of a coordinated international effort. It will also be necessary to raise awareness of human rights and fight corruption within the SPLA and South Sudan police force (paragraph 207).
271. The EU should explore whether it could assist South Sudan in developing an effective framework for small arms control, consistent with existing initiatives. It could also offer support to voluntary civilian disarmament initiatives, taking account of lessons learned from previous unsuccessful programmes of forceful disarmament (paragraph 208).
272. The SPLA needs to be downsized as it is transformed into a regular army. We recognise the potential for destabilising the South if SPLA wages are not paid and if large numbers of people are released who will require alternative employment. This is therefore also an economic problem and an aim should be to diversify the economy in order to create alternative employment as well as wealth (paragraph 209).

International aid coordination to South Sudan

EU aid coordination

273. In its work, the EU should continue to give high priority to ensuring the effective coordination of aid to South Sudan as it is essential that the government of South Sudan is not burdened with incoherent offers of assistance. The EU should seek to align its aid with the priorities of the government of the South, as set out in its 3-year development plan. As far as possible, the EU and its Member States should conduct joint needs assessments and programming (paragraph 219).

274. We are also very concerned that EU programming and delivery of major aid programmes is too slow and that the EU is unable to react quickly and flexibly enough to South Sudan's needs. The EU should address this problem (paragraph 220).
275. The World Bank-administered Trust Fund does not seem to have been effective and we would urge the UK and EU to exercise caution in any decision to set up a similar mechanism in future (paragraph 221).

Future development cooperation with South Sudan

276. It is important that there is no gap in EU development cooperation with South Sudan at independence. We urge the Government and the EU to take steps to ensure that South Sudan can accede to the revised Cotonou agreement and access funds under the 10th European Development Fund as soon as possible. We welcome the EU Special Funds programme for Sudan as an interim mechanism (paragraph 223).
277. We conclude that the EU should continue to play a subordinate but key role in the establishment of South Sudan as a viable and successful state. It should play to its strengths while at the same time encouraging the continued, and so far successful, division of tasks between the various regional and UN organisations. During these challenging times, the EU should work to strengthen the authority, effectiveness and respect of those organisations, such as the African Union and the Intergovernmental Authority on Development (paragraph 224).
278. While the EU does not need to be in the lead to be effective, it should, as an individual contribution, continue its extensive aid programmes and ensure that they are coordinated with efforts of other donors. There is, however, a potential leadership role for the EU in the justice sector (paragraph 225).
279. The risk that the new country of South Sudan will fail as a state is high, even if the international community maintains the current levels of assistance and support. It is clear that the EU and its Member States must be prepared to invest time, finance and practical resources in South Sudan for the foreseeable future. As a symbolic demonstration of commitment to the new country and for maximum impact, EU Member States should coordinate their acts of recognition of the new state (paragraph 226).

APPENDIX 1: FOREIGN AFFAIRS, DEFENCE AND DEVELOPMENT POLICY SUB-COMMITTEE (EU SUB-COMMITTEE C)

The Members of the Sub-Committee which conducted this Inquiry were:-

Baroness Bonham-Carter of Yarnbury
 Lord Inge
 Lord Jay of Ewelme
 Lord Jones
 Lord Jopling
 Lord Lamont of Lerwick
 Lord Radice
 Lord Selkirk of Douglas
 Lord Sewel
 Lord Teverson (Chairman)
 Lord Trimble
 Lord Williams of Elvel

Declarations of Members' Interests

Lord Inge
Member Council IISS
Advisor to Aegis

Lord Jay of Ewelme
Chairman, Merlin, medical aid NGO which works in Darfur and South Sudan

Lord Jopling
Lady Jopling, Patron of Hope and Homes for children which operates in Sudan

Lord Lamont of Lerwick
Category 1: Directorships
Chairman, Small Companies Dividend Trust
Chairman, Jupiter Adria plc
Director, Balli Group plc (steel and commodity trading house)
Director, Compagnie Internationale de Participations Bancaires at Financieres (Investment Company) (partly paid through Fintrade)
Director, Jupiter Second Split Trust plc
Director, RAB Capital plc
Director, Phorm Inc (personalisation technologies)
Director, Stanhope Gate Developments
Category 2: Remunerated employment
Adviser, North American Foreclosure and Distressed Opportunities Fund LLP
Consultant, Consensus Business Group (formerly Rotch Property)
Member, Advisory Board, MerchantBridge & Co (investment company)
Member, Advisory Board, Hermitage Global Fund
Member, Advisory Board, Pasco Risk Management Limited
Category 10: Non-financial interests (a)
Chairman, British-Iranian Chamber of Commerce
Category 10: Non-financial interests (c)
Member, Advisory Board, Iran Heritage Foundation

Lord Radice
Member of Board of Policy Network

Lord Selkirk of Douglas

*Mining shares in Churchill Mining, Alexandra Mining, President Petroleum, Anvil Mining, Quadra Mining, Taseko Mines and Western Copper. Lord Selkirk is not aware any of these have major interests in the Sudan.
Patron of Hope and Homes for children which operates in Sudan*

APPENDIX 2: LIST OF WITNESSES

Evidence is published online at www.parliament.uk/hleuc and available for inspection at the Parliamentary Archives (020 7219 5314)

Evidence received by the Committee is listed below in order of receipt and in alphabetical order. Witnesses without a * gave written evidence only. Witnesses marked with * gave both oral and written evidence. Witnesses marked with ** gave oral evidence and did not submit any written evidence.

Oral evidence in chronological order

**	(QQ 1–55)	Sudan Studies Society of the UK, Gill Lusk
**		Chatham House, Roger Middleton
**	(QQ 56–96)	Overseas Development Institute (ODI), Sara Pantuliano
*		Saferworld, Paul Murphy
**	(QQ 97–127)	His Excellency Mr Abdullahi AlAzreg, Ambassador of Sudan to the UK, Mr Mohamed Eltom, Deputy Head of Mission, Embassy of the Republic of Sudan, London
**		Dr Daniel Peter Othol, Head of the Mission, Southern Sudan Liaison Office in the UK
**	(QQ 128–141)	European Commission, Development and Cooperation Directorate General (DG DEVCO)
**	(QQ 142–172)	European External Action Service (EEAS)
*	(QQ 173–204)	Dame Rosalind Marsden, EU Special Representative for Sudan, European External Action Service (EEAS)
**	(QQ 205–223)	European Commission, Humanitarian Aid and Civil Protection Directorate General (DG ECHO)
*	(QQ 224–268)	Henry Bellingham MP, Parliamentary Under-Secretary of State, Foreign and Commonwealth Office
**		Department for International Development (DfID)

Written evidence in order of receipt

	(SUD 1)	Professor Ian Taylor, University of St Andrews
*	(SUD 2)	Foreign and Commonwealth Office
	(SUD 3)	Tearfund
	(SUD 4)	Stockholm International Peace Research Institute (SIPRI), Paul Holtom and Pieter Wezeman
	(SUD 5)	Professor Stephen Chan OBE, PhD, School of Oriental and African Studies (SOAS)
	(SUD 6)	Peace Research Institute Oslo (PRIO), Øystein H Rolandsen
*	(SUD 7)	Dame Rosalind Marsden, EU Special Representative for Sudan, European External Action Service (EEAS)

- (SUD 8) Small Arms Survey. Sudan Human Security Baseline Assessment (HSBA) project, Eric Berman
- * (SUD 9) Saferworld
- (SUD 10) Concordis International, Peter Dixon
- (SUD 11) Associate All-Party Parliamentary Group on Sudan

Alphabetical

- ** His Excellency Mr Abdullahi AlAzreg, Ambassador of Sudan to the UK, Mr Mohamed Eltom, Deputy Head of Mission, Embassy of the Republic of Sudan, London
Associate All-Party Parliamentary Group on Sudan (SUD 11)
Professor Stephen Chan OBE, PhD, School of Oriental and African Studies (SOAS) (SUD 5)
- ** Chatham House, Roger Middleton
Concordis International, Peter Dixon (SUD 10)
- ** Department for International Development
- ** European Commission, Development and Cooperation Directorate General (DG DEVCO)
- ** European Commission, Humanitarian Aid and Civil Protection, (ECHO)
- ** European External Action Service (EEAS)
- * Dame Rosalind Marsden, EU Special Representative for Sudan, European External Action Service (EEAS) (SUD 7)
- * Henry Bellingham MP, Parliamentary Under-Secretary of State, Foreign and Commonwealth Office (SUD 2)
- ** Dr Daniel Peter Othol, Southern Sudan Liaison Office in the UK
- ** Overseas Development Institute (ODI), Sara Pantuliano
Peace Research Institute Oslo (PRIO), Øystein H. Rolandsen (SUD 6)
- * Saferworld, Paul Murphy (SUD 9)
Small Arms Survey. Sudan Human Security Baseline Assessment (HSBA) project (SUD 8), Eric Berman
Stockholm International Peace Research Institute (SIPRI) (SUD 4), Paul Holtom and Pieter Wezeman
- ** Sudan Studies Society of the UK, Gill Lusk
Professor Ian Taylor, University of St Andrews (SUD1)
Tearfund (SUD 3)

APPENDIX 3: GLOSSARY OF TERMS AND ABBREVIATIONS

ACP	The African, Caribbean and Pacific Group of States
APPG	Associate All-Party Parliamentary Group
AU	African Union
AUHIP	African Union High-Level Implementation Panel
BSF	Basic Services Fund
CBTF	Capacity Building Trust Fund
CPA	Comprehensive Peace Agreement
CSP	Country Strategy Paper
DDR	Disarmament, Demobilization and Reintegration
DfID	Department for International Development
DG DEVCO	Directorate General for Development and Cooperation
DG ECHO	Directorate General for Humanitarian Aid and Civil Protection
EAC	East African Community
EBA	Everything But Arms Trade Preferences
EDF	European Development Fund
EEAS	European External Action Service
ECOWAS	Economic Community of Western African States
EUSR	European Union Special Representative
EU	European Union
FCO	Foreign and Commonwealth Office
GoS	Government of Sudan
GoSS	Government of Southern Sudan
GoNU	Government of National Unity
ICC	International Criminal Court
IGAD	Intergovernmental Authority on Development
JlUs	Joint Integrated Units
LRA	Lord's Resistance Army
MDTFs	Multi-Donor Trust Funds
NCP	National Congress Party
NDA	National Democratic Alliance
NGO	Non-Governmental Organisation
OCHA	Office for the Coordination of Humanitarian Affairs (UN)
PRIO	Peace Research Institute Oslo
PRSP	Poverty Reduction Strategy Paper

SADC	Southern African Development Community
SAF	Sudan Armed Forces
SIPRI	Stockholm International Peace Research Institute
SOAS	School of Oriental and African Studies
SPA	Strategic Partnership Arrangement
SPLA	Sudan People's Liberation Army
SPLM	Sudan People's Liberation Movement
UN	United Nations
UNAMID	African Union/United Nations Hybrid operation in Darfur
UNDP	United Nations Development Programme
UNHCR	The United Nations Refugee Agency
UNMIS	United Nations Mission in Sudan
UN SRSG	UN Special Representative of the Secretary General
US	United States