

BTI 2010 | Sudan Country Report

Status Index	1-10	3.53	# 116 of 128	
Democracy	1-10	3.02	# 118 of 128	↗
Market Economy	1-10	4.04	# 104 of 128	➔
Management Index	1-10	3.27	# 109 of 128	

scale: 1 (lowest) to 10 (highest) score rank trend

This report is part of the Transformation Index (BTI) 2010. The BTI is a global ranking of transition processes in which the state of democracy and market economic systems as well as the quality of political management in 128 transformation and developing countries are evaluated.

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Key Indicators

Population	mn.	40.4	HDI	0.53	GDP p.c.	\$	1989
Pop. growth	% p.a.	2.2	HDI rank of 182	150	Gini Index		-
Life expectancy	years	58	UN Education Index	0.54	Poverty ²	%	-
Urban population	%	42.6	Gender equality ¹	-	Aid per capita	\$	54.6

Sources: UNDP, Human Development Report 2009 | The World Bank, World Development Indicators 2009.

Footnotes: (1) Gender Empowerment Measure (GEM). (2) Percentage of population living on less than \$2 a day.

Executive Summary

The Comprehensive Peace Agreement (CPA), signed and first implemented in 2005, set the context for the key developments in Sudan from 2007 to 2009. Final implementation of the agreement is scheduled for 2011. The ongoing conflict in Darfur and the International Criminal Court's (ICC) indictment of President Omar al-Bashir for crimes against humanity in Darfur rank as the two other central issues.

Implementation of the Comprehensive Peace Agreement has been marked by both progress and delay. Though the two-party Government of National Unity (GNU), comprised of the military-backed National Congress Party (NCP) and the southern-based rebel Sudan People's Liberation Movement/Army (SPLM/A), has managed to survive, it is under considerable strain. Trust between the two parties remains limited. The new Government of South Sudan (GoSS) has made some progress in areas such as providing education, but people in this war-torn region are frustrated by its inability to more quickly capitalize on the peace. This frustration has contributed to a rise in ethnic tensions in southern Sudan. Southern Sudan's prospects for an orderly and consensual exercise in self-determination are poor. Contested partition of the country remains the most probable outcome.

The Sudanese government and the various rebel groups have made little progress on resolving the Darfur conflict. Negotiations between them have yielded few results. Meanwhile, low-intensity conflict continues on the ground. The ICC's indictment of President al-Bashir complicates the situation by potentially causing more Sudanese to support their president in the upcoming elections.

Sudan continued its rapid economic growth from 2007 to 2009, though without any corresponding economic transformation. Oil exports, which began in 1999, continued to grow towards 500,000 barrels per day, though the global financial crisis caused revenues available to both the GNU and the GoSS to decline sharply at the end of 2008. Before the financial crisis,

prospects for the development of Sudan's agricultural potential looked encouraging. These prospects have now declined once more. Plans to expand Sudan's service sector in order for it to play a leading regional role have also been put on hold.

History and Characteristics of Transformation

Sudan is currently making its fourth attempt at a transition to a multiparty government. The first, from 1953 to 1956, replaced the autocratic rule of the Anglo-Egyptian condominium with an independent state based on a liberal democratic constitution. A coup in 1958 ended this period of democracy and brought General Ibrahim Abboud to power. General Abboud was himself overthrown by a popular uprising in 1964, which ushered in a second period of multiparty democracy. This lasted until another military coup in 1969, which brought Gaafar Nimeiri to power. Nimeiri's regime governed until 1985 when it too was brought down by a popular uprising. For the third time, the old liberal democratic system was restarted only to fall to yet another coup in 1989.

The military regime that came to power in 1989 was of a different character to its predecessors. It drew support from the Muslim Brotherhood and sought to institute both Islamic law and a single-party rule by the National Congress Party. Fighting intensified, however, in the non-Muslim south, where Sudan's second civil war since independence had been ongoing since 1983. At first, the new government attacked the southern rebels in hopes of achieving swift victory. The attack failed and the southern-based Sudan People's Liberation Movement/Army (SPLM/A) went on the offensive, though it too proved incapable of victory. By 2000, both sides perceived that neither could win and that negotiations would be the only way to end the draining years of conflict.

In the name of introducing Islamic law and building a new Islamic society, the Sudanese government established the most repressive rule in Sudan since its independence. The government detained thousands in the north as well as in the south, often in "ghost houses" where the detainees were subject to torture and general abuse. A significant number died. Many others, especially members of the professional class, fled the country and went into self-imposed exile.

However, the government's attempt at Islamizing the country made little progress and led to increasing international isolation. By 1999, the ruling party was irrevocably split. President al-Bashir favored pragmatic policy making, while Hasan al-Turabi, the ideological guru of the National Congress Party, wanted the role of the military to fade and an Islamic democracy to evolve. Al-Bashir won out and Sudan made moves toward peace with the south. Peace also meant added security for the country's new oil export sector, which was being developed by China in particular. At the same time as steps toward peace with the south were beginning,

however, the security situation in Darfur in the west and in eastern Sudan started to deteriorate, partly in response to the rebels sense that the National Congress Party was excluded them from the political process. A major new war erupted in Darfur that brought intense international pressure for a robust international intervention.

Negotiations began in late 2001 and in 2002 the parties signed the framework Machakos Protocol (followed by a number of other protocols). In January 2005, they signed the Comprehensive Peace Agreement. An attempt to secure peace in Darfur failed in May 2006. In October 2006, the government signed an agreement with the opposition group Eastern Front known as the Eastern Sudan Peace Agreement (ESPA). One of the main objectives of the Comprehensive Peace Agreement is to hold a multiparty democratic election in 2009 (this will likely be postponed at least until 2010). Another of its central goals is a referendum in the south in 2011 on the issue of whether the southern territory will unify with the north or move toward complete independence.

Transformation Status

I. Democracy

Since signing the Comprehensive Peace Agreement (CPA) in 2005, the Sudanese government has made slow but steady progress toward anticipated democratic elections in 2009. The new interim constitution promises a more complex type of democracy than the simple plurality system of former parliaments. The 2009 elections will include the first national election of an executive president. The majority of the parliament will be elected on a plurality basis, but some members will be chosen on a proportional representation basis using a national list system. 25% of parliamentary seats will be reserved for women. There will also be elections for the state governors and state legislatures as well as local elections. Following the elections, a permanent constitution will be drawn up. Democratization is overshadowed by both the International Criminal Court's challenge to the legitimacy of the president and by the prospects of the exercise of self-determination in southern Sudan in 2011. Most Sudanese expect the conduct and outcome of this vote on self-determination to be contested through the ICC's warrant for the arrest of the Sudanese president.

1 | Stateness

Sudan possesses two armies, one in the north and one in the south. Should there be a contested partition of the country, any new conflict will take on the characteristics of an inter-state war. In the meantime, the state's monopoly on the use of force has become confined to the central areas of northern Sudan and those parts of southern Sudan now under the control of the Government of South Sudan (GoSS). In Darfur, a number of rebel groups are engaged in widespread conflict, which, absent an agreement between the rebels and the government, a combined U.N. and AU protection force (UNAMID) has been unable to contain. Security in parts of the east, the South Kordofan state and the south remains fragile.

Monopoly on the use of force

The unresolved issue of Sudan's identity has been the country's central political question since independence. The current regime re-affirmed an Islamic identity after seizing power in 1989, and the Comprehensive Peace Agreement confirmed the continuation of Islamic law in the north. The agreement, however, did not extend the writ of Islamic rule to southern Sudan. It also specified that the south

State identity

will have a referendum on the issue of independence from the north in 2011. Provincial opposition parties, including those in Darfur, support the agenda of a “New Sudan,” a united and secular state with equal rights for all.

Islamic law is officially at the center of Sudan’s constitution, though it is not enforced as harshly as it was in the 1990s. Christian churches are also allowed to practice. In the south, the law is secular in character and all religious communities have equal status.

No interference of religious dogmas

Basic administration is effective in the central areas of northern Sudan, but weaker in the east and only partly operative in some areas of Darfur in the west. Here, tribal leadership and security officers form an informal administration. Administrative staff are usually poorly trained and paid. Corruption is rife. People acceptable to the National Congress Party often fill senior posts. The Government of South Sudan (GoSS) is endeavoring to establish an effective administration, but thus far it remains weak, especially in rural areas. The shortage of educated manpower in the region remains one of the GoSS’s major problems. Institutions established by the abortive Darfur Peace Agreement, including the Transitional Darfur Regional Authority, are non-functional.

Basic administration

2 | Political Participation

The present Government of National Unity (GNU) is made up overwhelmingly of National Congress Party (NCP) and Sudan People’s Liberation Movement (SPLM) leaders, none of whom has been democratically elected. In 2008 the government moved to implement three of the steps in the Comprehensive Peace Agreement designed to bring about free and fair elections in 2009. The first step was the holding of a national census, which is significant for the distribution of parliamentary seats and constituency boundaries. The second step was the passing of the electoral law, which legislated a mixed system of pluralistic and proportional representation. The third step was the formation of a nine-person electoral commission to oversee the preparations for the elections. All three steps, however, took longer than scheduled and may lead to delays in the holding of the elections. Furthermore, the prospects of fair elections are overshadowed by the ICC’s arrest warrant against President al-Bashir, which has turned the electoral process into an unofficial plebiscite on his presidency. The legislation and administrative mechanisms for the vote on self-determination in southern Sudan are not yet in place.

Free and fair elections

The Government of National Unity (GNU) has been weakened by continuing distrust between its two main parties. In late 2007, the Sudan People’s Liberation Movement (SPLM) went so far as to withdraw from the GNU, though it re-joined the government by the end of the same year. While the distrust persists, neither

Effective power to govern

party wishes to be responsible for the total collapse of the coalition government. The Government of South Sudan's effectiveness is limited by the hardship of establishing a wholly new government in a region devastated by decades of war.

Free association has improved since the signing of the Comprehensive Peace Agreement, but difficulties persist. Political parties are now free to operate and can hold public meetings, though security forces keep a close eye on activities. Demonstrations, including party rallies, are discouraged unless held by the government on issues such as Darfur. Civil society groups have also grown and enjoy more freedom of association; however the National Congress Party (NCP) itself has tried to mitigate critique by encouraging pro-government Islamist NGOs. In the south, Christian churches in particular enjoy free association. The government has repeatedly postponed reforms to security laws and is suspicious of any organizations that it suspects of having sympathies with the International Criminal Court.

Association /
assembly rights

The Sudanese press has greater freedom than in previous years, and the number of newspapers has expanded. Nevertheless, the government still constrains the press. Security officials scrutinize the media and can censor any particular edition of a newspaper, or suspend it for a period. This situation causes a certain amount of self-censorship. The National Congress Party (NCP) dominates national radio and television, though a spread of access to satellite and internet sources in urban areas has made media harder to effectively control. Though still in its infancy in the Sudan, Internet access also grew in numbers from 2007 to 2009.

Freedom of
expression

3 | Rule of Law

During the last two years, the National Congress Party (NCP) has continued its efforts to keep a strong grip on all areas of power, though some challenges have been made. Executive power under the terms of the Comprehensive Peace Agreement lies with the presidency, which is comprised of a president and vice president from the National Congress Party and a first vice president from the Sudan People's Liberation Movement (SPLM). NCP and SPLM members hold most of the seats in the national legislature with the former having an overall majority. Despite this, the legislature does voice some criticism of the executive. Efforts to reform the judiciary are underway, though the Ministry of Justice is still exercises considerable influence over judicial developments and appointments. The Government of South Sudan (GoSS) has a similar judicial structure, though here the SPLM controls both the executive branch and the legislature.

Separation of
powers

Following the coup in 1989, the new military regime seriously undermined the independence of the judiciary. The government's introduction of a new Islamic constitution in the 1990s further damaged it. People now view many judges as

Independent
judiciary

poorly trained and corrupt. After the signing of the Comprehensive Peace Agreement, however, international organizations such as the UNDP, the Heidelberg-based Max Planck Institute for Comparative Public Law and International Law as well as the American Bar Association have begun training Sudanese judges in order to try to improve their skills and the independence of the judiciary. In the south, the new government is effectively building the judiciary from scratch.

The international community regards Sudan as very corrupt. Sudan's government places little if any check on the behavior of its office holders and has decisively rejected the results of the International Criminal Court's investigation of senior figures including the president. Thus far the government's commitment to establishing domestic accountability mechanisms has been symbolic at best. The Government of South Sudan (GoSS) has yet to establish any effective mechanisms for oversight of budget and the use of public office for personal gain.

Prosecution of
office abuse

Human rights violations have markedly increased in Sudan since 1989. In the 1990s, detentions without trial became commonplace and many involved the use of torture in so-called ghost houses, that is, covert torture chambers where prisoners have been denied basic human rights. This resulted in a number of fatalities. The brazenness of such human rights violations has decreased, but both Sudanese and international human rights groups have continued to draw attention to repeated abuses. The rebellion in Darfur since 2003 has greatly added to the number of human rights abuses; for those people being affected by this conflict, civil rights are more or less non-existent.

Civil rights

4 | Stability of Democratic Institutions

Since independence in 1956, Sudan has had three periods of democratic rule, the last of which ended with a coup in 1989. Its democratic institutions, however, have never achieved a second election in any of these eras. The three democratic periods all witnessed generally weak and unstable coalition governments, which undermined the reputation of democratic institutions. The interim constitutional arrangements set forth in the Comprehensive Peace Agreement are more complex than the previous systems, and the inclusion of a directly elected executive president is intended to strengthen the forthcoming elected government.

Performance of
democratic
institutions

Though the signatories to the Comprehensive Peace Agreement have repeated their commitment to democratic institutions, serious doubts remain. The National Congress Party (NCP) and the Sudan People's Liberation Movement (SPLM) both lack democratic credentials. Both parties began as armed factions and have retained coercive and authoritarian structures for much of their existence. Some people feel that the NCP aims to maintain its power in the north whatever the outcome of elections. Similar views are expressed concerning the SPLM in the southern Sudan.

Commitment to
democratic
institutions

5 | Political and Social Integration

The party system in northern Sudan has a long history. It evolved after World War II with two dominant parties, the Umma Party backed by the followers of the Mahdist movement and the Democratic Unionist Party supported by the Khatmiyya Sufi sect. Both parties plan to participate in the elections scheduled for 2009, though it remains to be seen how much support they have after nearly 20 years in the political wilderness. The military regime in power since 1989 has also evolved its own party, the National Congress Party (NCP), and has used its dominant position in the state to strengthen it. The regime feels very confident about the forthcoming elections. In 1999, a split in the NCP resulted in the formation of new Islamist opposition, the Popular Congress Party (PCP), which could make inroads into the NCP's natural constituency among younger Islamists. In the south, where political parties lack wide confessional bases, few parties have emerged with any strength. Instead, the ruling Sudan People's Liberation Movement (SPLM) is seeking to build its own party, but its effectiveness in the region is circumscribed by ethnic factors. Some in the SPLM would like to see it become more of a national movement particularly by embracing marginalized communities in eastern and western Sudan. It is unclear if this strategy will be vigorously pursued.

Party system

Sudan has a long tradition of influential interest groups, even under military regimes. Following the coup of 1989, however, the military regime has repressed these groups in the name of pursuing an Islamic agenda. The regime even encouraged replacement institutions within civil society. Since the signing of the Comprehensive Peace Agreement (CPA) former interest groups have re-emerged, often encouraged by the international community. Many civil society groups are highly dependent on external funding and political protection. They are therefore extremely dependent on the government's willingness to permit this external support.

Interest groups

The Sudanese have shown their acceptance of democratic norms in the past and have not succumbed readily to coercive efforts by the state. This anti-coercive tendency showed itself in the two popular uprisings of 1964 and 1985, which overthrew military regimes and restored democracy. After the uprisings, however, subsequent coalition governments did much to undermine confidence in the functioning of democratic government. Many of the voters in the upcoming elections will be young people who have no experience of the earlier democratic periods. It remains to be seen how strong their commitment to democratic norms will be.

Consent to democratic norms

Sudan has a tradition of associational activities, especially in the area of providing voluntary educational known as the ahlia schools. In addition, the limited provision of state support for social services, especially in rural areas, has led to the self-

Associational activities

generation of a variety of associational activities. Economic cooperatives have also grown in parts of the country, especially ones geared toward helping small farmers with the marketing of agricultural products. If peace comes to Darfur and the south experiences more development, prospects are good for more activities of this kind, especially at local and regional levels.

II. Market Economy

6 | Level of Socioeconomic Development

Uneven processes of political and socioeconomic development in Sudan's various regions have created a major barrier to its overall development. Historically, development of the modern economic sector grew from the northern riverine region, especially the capital Khartoum, and the irrigated area immediately south of it between the White and Blue Niles known as the Gezira. In the colonial period, this region was home to extensive cotton production, which formed the backbone of the economy. In the rainy areas to east and west of the Nile, development of gum arabic, sesame and groundnuts by traditional methods was later supplemented by mechanized production. The northern riverine business elite controlled much of this commercial development. As a result, local communities were increasingly exploited. In the south, an era of little development preceded the exportation of oil, which began in 1999. Many of the region's inhabitants feel that they have not benefited much from oil revenues and this sense of economic marginalization has bred discontent in the east and west. Oil revenue now provides more than half of the national budget and 90% of the Government of South Sudan's (GoSS) budget. The result of this is a concentration of wealth among a small elite and a high level of dependence on fluctuating oil prices.

Socioeconomic
barriers

Uneven development has contributed to conflict in the past, especially in the south. Although the civil war ended with the signing of the Comprehensive Peace Agreement (CPA), the situation remains fragile. Meanwhile, the new conflict that opened in Darfur in the west has remained an obstacle to development in that region.

The lack of services creates another severe hindrance to development. Though educational services have expanded, their quality is often quite low; the introduction of Arabization after 1989 has also had negative consequences for the education of non-Arabs. The government's effort to expand services have increased following the CPA, but it remains a slow process.

Sudan's high economic barriers are also reflected in international rankings such as the UNDP's 2008 Human Development Index, where Sudan occupies position 146 out of 179 with a low HDI value of 0.526.

Economic indicators		2004	2005	2006	2007
GDP	\$ mn.	21683.9	27386	36401.5	46227.9
Growth of GDP	%	5.1	6.3	11.3	10.2
Inflation (CPI)	%	8.3	8.5	7.2	8.0
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	7.0	8.4	9.7	5.2
Export growth	%	28.1	9.4	0.4	33.6
Import growth	%	20.9	38.7	8.2	-4.4
Current account balance	\$ mn.	-818.2	-2768.0	-4811.2	-3268.4
Public debt	\$ mn.	11547.3	11074.8	11663.4	12337.4
External debt	\$ mn.	18188.0	17379.7	18226.5	19126.4
Total debt service	% of GNI	1.6	1.5	0.9	0.9
Cash surplus or deficit	% of GDP	-	-	-	-
Tax Revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	11.8	17.1	16.7	14.8
Public expnd. on edu.	% of GDP	-	-	-	-
Public expnd. on health	% of GDP	1.4	1.4	1.4	-
R&D expenditure	% of GDP	0.3	0.3	-	-
Military expenditure	% of GDP	5.7	4.3	4.2	-

Sources: The World Bank, World Development Indicators 2009 | UNESCO Institute for Statistics | International Labour Organization, Key Indicators of the Labour Market Database | Stockholm International Peace Research Institute (SIPRI), Yearbook: Armaments, Disarmament and International Security.

7 | Organization of the Market and Competition

The Sudanese government presents the country's economy as liberalized with market-based competition but in reality progress is slow. The National Congress Party's (NCP) leadership and supporters benefited considerably from the privatization program of the 1990s. Others can get into the market, but this requires considerable effort and a good deal of networking.

Market-based competition

The government claims that it is anti-monopoly but in practice has done little to prevent the development of monopolies and cartels. In the field of arms and security, which is off-budget, military-based companies form clear monopolies. The Ministry of Energy in Khartoum and the leadership of the Sudan People's Liberation Movement (SPLM) in the south tightly control the oil sector.

Anti-monopoly policy

Foreign trade has been liberalized with new foreign countries coming into the picture, especially China, India, Malaysia and Russia. South Korea and Japan continue to have a presence. A good deal of business is also transacted through the Gulf states, especially in the United Arab Emirates.

Liberalization of foreign trade

Since the early 1980s, the introduction of Islamic banks, mostly financed by Saudi Arabia and the Gulf states, has changed Sudan's banking system. By the 1990s, the government required that all banks operate according to Islamic principles. Following 9/11, the U.S. government suspected that Islamic terrorists were using Sudan's banks (Osama bin Laden and al-Qaeda were based in Sudan from 1991 to 1996). Since then, Sudanese and U.S. security services have cooperated to prevent this. Nevertheless, the United States still imposes sanctions on Sudan, which affect day-to-day operations such as the impossibility to use international credit cards. The south is endeavoring to establish its own non-Islamic banking system in cooperation with the neighboring countries of Uganda and Kenya.

Banking system

8 | Currency and Price Stability

The Government of National Unity (GNU) has continued to follow a conservative policy with regard to containing inflation. The introduction of the new Sudanese pound, replacing the old dinar, has gone well, as inflation currently stands at 9%. The Sudanese pound is a free-floating currency and has been fairly stable at about £S2 to the U.S. dollar. The response to the budget crisis of late 2008 is likely to result in inflationary pressures.

Anti-inflation / forex policy

Much depends on the price of oil for the maintenance of macrostability. The rise in world oil prices in 2007-2008 led many to hope that Sudan's government would increase new investment in public services, but such expectations were dashed by the fall of prices at the end of 2008. In light of the sudden global recession, oil

Macrostability

prices are not expected to recover significantly for the foreseeable future. The 2009 national budget was massively cut to just 47% of the 2008 figure. There are also hopes for a strengthening of the agricultural sector with a number of foreign investors showing an interest for the first time since the 1970s, partly driven by rising world prices. With these prices falling again, however, this interest may wane. In the south, where most of the country's oil reserves are to be found, the Government of South Sudan (GoSS) is overwhelmingly reliant on the oil sector. Sudan has a huge foreign debt (almost \$40 billion), but thus far the government has simply avoided paying more than a small part of the interest due.

9 | Private Property

The state officially owns all land, but recognizes private property rights, especially in urban areas, although squatters have regularly had land confiscated. After 1989, the new regime seized property belonging to a number of leading families associated with the ousted regime. By now, the government has returned most of it. Rural areas have experienced more problems, especially where traditional communal ownership has not been recognized. Communal lands were instead leased to private individuals and companies for mechanized agriculture. Such problems have arisen in the Nuba Mountains and Blue Nile region in particular. Issues of land and property rights are also a dimension of the Darfur conflict in the west, especially between those who are mainly pastoralists and the settled farming communities. In the south, local communities in and around the new oil fields were often displaced with little regard for their land rights. In addition, many people displaced in the civil war and now returning home to find that their lands have been taken by others, including the former leaders and soldiers of the Sudan People's Liberation Army (SPLA).

Property rights

Private enterprise has grown in recent years, despite continuing problems with bureaucracy and corruption. This growth has included the privatization of formerly state-run enterprises, which were often in poor condition. In this and other areas, private enterprise has often been associated with the regime and its supporters.

Private enterprise

10 | Welfare Regime

For the large majority of the population social safety nets are often associated with ethnic and regional factors. The state itself offers only rudimentary medical services even in urban areas, though the wealthy can purchase private medical care. Local, national and international NGOs provide some medical services for the poor. In areas of conflict, most notably in Darfur, even humanitarian relief cannot be delivered safely. More than 2 million Darfurians rely on international assistance. The state and private sector provide limited resources for pensions. Provision for the unemployed is very limited.

Social safety nets

Opportunity is unequal on a number of fronts. The government has placed restrictions on women working, though these have tended to ease in recent years especially as women have often performed better than men in education. People from rural areas have generally not had the same opportunities for education and associated social advancement as those from urban areas. Equality of opportunity has also been lacking on ethnic and regional grounds. People from the south in particular have not had the opportunities enjoyed by northerners.

Equal opportunity

11 | Economic Performance

Sudan's economy had its strongest period of growth after the country became an oil exporter in 1999. Since then, its output has risen to 500,000 barrels per day and with rising world prices oil revenues became the driver of growth in both the public and private sectors. The downturn in oil prices beginning in mid-2008 coupled with the prospect of world recession calls into question this newfound success. This will lead to a slowdown in the country's current building boom and its hopes to develop a thriving regional service sector. It could also lead to a reduction in the significant level of remittances, largely from Sudanese in the Gulf. Finally, the recession could reduce the Gulf states' recent interest in investing in Sudan's agricultural sector, which has considerable potential.

Output strength

12 | Sustainability

While there are government agencies that claim to be responsible for environmental matters, in practice little has been done at a time when desertification along the southern fringe of the Sahara is having an impact on Sudan. This is particularly apparent in the Darfur crisis, which is in part due to environmental decay in the face of rising population. Damaging environmental practices continue, especially in the areas of commercial mechanized agriculture where there is little concern for long-term sustainability. Rapid urbanization in the north has also put a strain on the local environment.

Environmental policy

Education policy was hard hit by the efforts to build an Islamic educational system after 1989. The numbers in education increased, but the curriculum was largely arabized and a good deal of time was spent on Islamic education. Lack of investment in qualified staff and infrastructure hastened the decline in the quality of education. Since the signing of the Comprehensive Peace Agreement, the government has made efforts to reverse this, including the partial restoration of English as a medium of instruction in higher education. Much remains to be done before students attain the standards of the older generation. In the south, education was virtually halted by the civil war, and the region's only university was transferred to the north. Action is now underway to reverse these trends, including returning higher education to the south, but it will take years to repair the damage inflicted after 1989.

Education policy /
R&D

Transformation Management

I. Level of Difficulty

Structural constraints lie largely in the machinery of the state itself. The Government of National Unity (GNU) is still unable to govern Darfur. In the south, the new Government of South Sudan (GoSS) still faces major challenges in setting up regional administration, in spite of the oil settlement giving the region a reasonable revenue base. Across most parts of the country, especially outside of the major cities, the federal states have difficulty maintaining and financing their administrations.

Structural
constraints

Sudan has a long tradition of civil society, especially connected with the professions, trade unions and student bodies. After 1989, however, the Islamist regime associated many aspects of civil society with secularism and potential opposition, which resulted in a period of substantial repression. The regime also encouraged its supporters to establish new civil society organizations designed to replace those it was repressing, especially for women and youth. However, since the signing of the Comprehensive Peace Agreement, the government has eased restrictions and a number of new civil society groups have emerged, some with international support. In the south, the tradition of civil society organization has centered on ethnic groups and the Christian churches, which sometimes operate with international support.

Civil society
traditions

Ethnic, religious and social tensions have been a major feature of Sudan since its independence in 1956. The conflict between the Arab Muslim north and the African Christian south is the most commonly known, largely because it has often been simplistically presented in the media. It was this so-called “national” conflict that was brought to a halt with the signing of the Comprehensive Peace Agreement in 2005, which has largely held ever since. Though clashes have occurred since then on the north-south border, they have been widely contained with the help of the U.N. monitoring force. Major conflict erupted in Darfur in 2003-2004 and continues at a low intensity level, in spite of a hybrid U.N.-AU protection force. The Government of South Sudan has given much attention to containing ethnic conflict in the south, though some areas remain fragile. The elections scheduled for mid-2009, but likely to be postponed, could exacerbate tensions across the country.

Conflict intensity

The major conflict on the horizon is associated with the exercise of self-determination in southern Sudan scheduled for January 2011, which is unlikely to pass in an orderly and consensual manner. Both north and south have intensively re-armed with the purchase of new weapons systems and reorganized their respective armed forces.

II. Management Performance

14 | Steering Capability

The Comprehensive Peace Agreement (CPA) established a program that was intended to set priorities, though some have been more fully implemented than others. It established the Government of National Unity (GNU), which instituted power-sharing between the two parties to the CPA. Although the Sudan People's Liberation Movement withdrew from the GNU for a period in 2007, the GNU has remained in place and is set to continue operating until the elections scheduled for 2009. Relations between the two parties nonetheless remain tense. There are significant concerns about other aspects of the CPA. After much delay, a census was held, but the results have been delayed until mid-February 2009, a situation which could further postpone the elections, perhaps as late as 2010. Other problems include the delay in settling the border area between north and south and a dispute over the area of Abyei. In addition, opposition parties question whether the partners in the GNU, especially the NCP, are really committed to holding free and fair elections. The continuation of the Darfur crisis has also led some critics to question the NCP's commitment to finding a solution to the situation, despite its stated seriousness. The ICC's arrest warrant against President al-Bashir has dominated all other political issues in late 2008 and early 2009 and could paralyze all other priorities in the country.

Prioritization

A number of issues of implementation have emerged since the signing of the Comprehensive Peace Agreement (CPA) in 2005. The agreement stated the goal of creating a civil service commission to make the national civil service more reflective of the country's heterogeneous society, especially by recruiting more southerners. Progress toward this goal has been slow and the civil service remains largely unreformed. With regard to the military, progress has been made in re-deploying the army to the north, and turning the Sudan People's Liberation Army into the regional army of the south. In both cases, much money has been spent on developing the armed forces. Less progress has been made in establishing a joint

Implementation

integrated unit that would bring both northern and southern units under one command. Progress was also slow with regard to land reform, which is an important issue especially for areas such as Darfur. The distribution of oil revenues between the Government of National Unity (GNU) and the Government of South Sudan (GoSS) in accordance with the CPA has been another area of contention, though some progress was made after the Sudan People's Liberation Movement withdrew temporarily from the GNU. Progress in the establishment of an independent judiciary has also been slow. The 2009 elections required the formulation of electoral law and the establishment of an electoral commission, both of which took place after long delay. The CPA established an Assessment and Evaluation Commission, but its impact was less than many had hoped it would be.

Taken individually, the National Congress Party (NCP) and the Sudan People's Liberation Movement (SPLM) have learned as time has passed since 2005. The NCP, having held power since 1989, has become increasingly pragmatic and has proved to be adaptable to its central concern of holding on to as much power as possible in the changing circumstances. For the SPLM, a guerrilla army for 20 years, the learning curve has been particularly high. This difficult transition was made even more so by the SPLM's loss of its outstanding leader, John Garang, in a helicopter crash shortly after the Comprehensive Peace Agreement (CPA) was signed. Under its new leader, Salva Kiir, the SPLM appears principally concerned with building its power base in the south. Its attitude toward seeking power in the north appears ambiguous. Since the CPA requires both parties to be in the Government of National Unity (GNU) they have learned to adapt toward each other, but trust and cooperation appear to remain in very short supply. In Darfur, however, both the GNU and rebel groups have shown little sign of policy learning. The struggle continues.

Policy learning

15 | Resource Efficiency

As indicated, a major part of the budgets of the Government of National Unity and the Government of South Sudan is spent on the military. The only possible favorable outcome of this military spending is that it could potentially deter both sides from returning to war; apart from that military spending wastes much of the resources in a country in which the majority of the population remain very poor. During the high oil price period, spending on services increased, especially on education in the south where the years of civil war had destroyed much of what had been established there. A fall in prices will likely restrict further development.

Efficient use of assets

Continuing differences between the partners in the Government of National Unity (GNU) have limited policy coordination. These differences led to the temporary withdrawal of the Sudan People's Liberation Movement (SPLM) from the government in 2007, before concessions by the National Congress Party (NCP)

Policy coordination

brought them back. Trust between the two parties remains limited. In addition, the two parties appear to be working on different agendas. The NCP appears to be seeking to consolidate its position in northern Sudan while preparing for the national elections. Meanwhile, the new leader of the SPLM, Salva Kiir, spends little time in the capital, Khartoum, even though he is the GNU's first vice president. He appears to be concentrating on his dual role as head of the Government of South Sudan (GoSS) and commander of the new southern army being created from the Sudan People's Liberation Army (SPLA).

Sudan has a poor record of confronting corruption. For decades, a culture of corruption has persisted with only occasional and not very successful attempts by the government to address it. Both parties in the Government of National Unity have accused each other of corruption in spite of the hopes expressed at the time of the signing of the Comprehensive Peace Agreement.

Anti-corruption
policy

16 | Consensus-Building

The Comprehensive Peace Agreement included both the right of southern Sudan to hold a referendum on secession in 2011 and the commitment by both parties to working to make unity attractive to the southerners. Both parties have since increasingly questioned the other's commitment to this consensus. The Sudan People's Liberation Movement (SPLM) suspects that the National Congress Party (NCP) has not done nearly as much as it could to create a genuine sharing of power in the Government of National Unity (GNU). Instead, it views the NCP as determined to maximize its political domination. In turn, many in the NCP believe that since the death of leader John Garang the SPLM has increasingly favored the eventual breakaway of the south in 2011. The danger of a militarily contested partition of the country is high.

Consensus on goals

While the Comprehensive Peace Agreement committed Sudan to return to multiparty elections in 2009, concerns persist about the progress in this direction. It took a long time for the political parties' law to be put in place. There were delays with the electoral law. Finally, the electoral commission was also established well after it was due. Because of all these delays, public disagreement about the ability to hold the elections on time abounds. The overall outcome is a worrying loss of confidence in the electoral program. Doubts about the democratic intent of Sudan's central political players are justified. The continuing conflict in Darfur also raises concerns about Sudan's democratic progress as parts of that region might not be able to participate in the upcoming country-wide elections.

Anti-democratic
veto actors

The Comprehensive Peace Agreement (CPA) was a potential breakthrough in conflict management for the Sudan. It aimed to establish peace between the warring parties after decades of conflict and also to open the political system for others to

Cleavage /
conflict
management

participate. Though hopes were high, relations between the parties to the CPA have remained strained. The CPA may even have inadvertently exacerbated conflict in Darfur by sending the message to the Darfur rebels that a share of power was predicated on the use of force. The rebels of the Eastern Front signed a peace agreement with the Government of National Unity, which despite its perceived fragility has held thus far.

Civil society has experienced something of a revival since conflict ended in the south, but it remains limited. The National Congress Party (NCP) appears unwilling to allow certain groups in civil society, such as those involved in human rights, to gain influence or to confront or weaken its dominance. At the same time, the NCP encourages Islamic organizations, even if these organizations are not directly a part of the Islamist movement that the NCP itself represents.

Civil society participation

At the time of the signing of the Comprehensive Peace Agreement (CPA), some argued for the establishment of a mechanism for reconciliation, such as happened in South Africa after the end of apartheid. Neither party to the CPA wanted its past to be investigated in this way and thus nothing was done, leading to criticism that the perpetrators of conflict got away with it and have since become the main beneficiaries of the peace. The International Criminal Court prosecutor has taken the radical position that there should be no negotiation with the Sudan government while President al-Bashir remains in power. The prospects of a middle way involving truth, reconciliation and domestic accountability mechanisms are poor.

Reconciliation

17 | International Cooperation

The Comprehensive Peace Agreement (CPA) was in part a result of effective international cooperation. In addition to Sudan's neighbors in the Inter-Governmental Authority for Development (IGAD), the United States, the United Kingdom and Norway (supported by the European Union), were active throughout the whole peace process. Since that time, the international community has not always been supportive. The Darfur crisis in particular has caused strain. While the United States continues to share intelligence with Sudan in connection with the war on terror, it is strongly critical of the Darfur situation and is the only country to refer to it as genocide. The U.N. Security Council has debated whether to intensify sanctions, but China and Russia remain critical of any such move. The Security Council is likewise divided over the ICC's indictment of President al-Bashir.

Effective use of support

Sudan has forged a close relationship to China since the mid-1990s, when China began heavily investing in the development of Sudan's oil industry. Sudan started exporting oil in 1999, with China the principle recipient. In July 2008, China was reportedly in talks with Sudan about the exploration of additional crude oil reserves

in Darfur. If this project develops it will be the first oil exploration in Darfur since the outbreak of heavy fighting in 2003. Because of this close relationship, Sudan looks to China for support in the U.N. Security Council with regard to the expected indictment of President al-Bashir over Darfur. China may be hoping that its other African allies in the United Nations will call for a deferment of al-Bashir's indictment in order to give time for the peace talks to progress.

Some in the international community, especially the United States and the EU, have repeatedly questioned the seriousness of both parties to the Comprehensive Peace Agreement as a result of its slow implementation. There has been no credible international cooperation on the International Criminal Court's arrest warrants. International partners have adopted divergent policies towards Sudan, ranging from strong public condemnation and enforcement of targeted sanctions (the United States) to diplomatic support (China and Russia). Many governments have pursued parallel and sometimes contradictory policies, including engagement on some issues and condemnation on others. In this confused context it is difficult to assess the credibility of international cooperation, but it is safe to conclude that Sudan uses international cooperation in a tactical manner in pursuit of short-term goals.

Credibility

Regional cooperation through the Inter-Governmental Authority for Development (IGAD) was a vital part of the Comprehensive Peace Agreement (CPA). Since 2005, however, some problems have arisen, especially over Darfur, where poor relations with Chad have worsened the situation in the region. There have also been links between Eritrea and one of the rebel factions in Darfur. Other neighbors have generally been supportive of the CPA, with concern in Egypt and Saudi Arabia of the implications of the possible separation of the south. Ethiopia and the East African countries are endeavoring to develop their commercial links with the south in particular. The African Union has been strongly supportive of Sudan on the ICC issue.

Regional
cooperation

Strategic Outlook

Sudan is in the midst of a lengthy and complex transition from autocracy and civil war to multiparty democracy and a decision on its future sovereignty as one country or two. The Comprehensive Peace Agreement (CPA) delineated this path and it remains the only realistic program to that end. Its failure could return the country to further conflict in the south and a worsening situation in Darfur and perhaps other areas of northern Sudan. The implementation of the CPA requires a multitude of developments.

The Government of National Unity (GNU) should be maintained until the next elections in order for a democratic government to take shape. In spite of tensions between the National Congress Party (NCP) and the Sudan People's Liberation Movement (SPLM), it appears likely and should be supported at all levels.

Next, all parties should accept the results of the 2008 census when they are announced in 2009. These results will influence both the distribution of resources and the constituency boundaries for the elections. The acceptance of the census is likely to be contentious, because the SPLM is already claiming a figure for the southerners that is higher than the census is expected to declare. The SPLM argues perhaps legitimately, that the remote areas of the south were impossible to count accurately.

Another requirement for successful implementation of the CPA is the settling of the border dispute between the north and south and specifically the position of the region of Abyei. Progress toward an agreement on the north-south border has been slow and difficult. The NCP did not accept the findings of the international commission on the disputed region of Abyei, and the issue has now gone for fresh international arbitration. Darfur should be incorporated into the CPA process through a movement toward peace in the region. The NCP has taken the initiative by offering a fresh ceasefire. Thus far, however, the main rebel groups have been unwilling to accept the terms of engagement with the NCP. The SPLM has endeavored to develop its own links with the rebels but thus far to no clear effect.

The elections, if they cannot in fact be held by July 2009 as laid down by the CPA, should take place as soon as possible thereafter. The delays thus far in the steps leading up to the elections must not lead to their long-term postponement. The elections are vital for the construction of a more legitimate form of government.

An effective federal system needs to be established across all areas of the country. At present, most of the threats to Sudan's stability are of a regional and local character. Successful decentralization of government through a viable federal system is vital. The implementation of financial reforms and the delivery of some form of a peace dividend are needed in order to build support for the CPA within the population at large. The CPA was met with considerable popular enthusiasm when it was signed in 2005, but its slow implementation poses a real danger of fostering disillusionment among ordinary people.

Finally, the international community should establish and maintain a consensus with regard to Sudan, as it did in the development of the CPA. The Darfur crisis, which itself was partly related to the CPA through Darfurians' sense of exclusion, has distracted the international community from issues of implementing the CPA. At the same time, nations disagree about how to handle the Darfur crisis. Darfur must be kept within the framework of the whole of Sudan and incorporated into the comprehensive CPA process.

As the shadow of the ICC's indictment of President al-Bashir looms, Sudan's failure to achieve these complex tasks in 2009 and 2010 will jeopardize prospects for an orderly and consensual exercise in self-determination and create a high risk for a return to armed conflict on a large scale.