
The New Deal implementation in South Sudan

A South Sudanese civil society perspective paper





This paper has been produced by the sustainable peace, state building and development CSO working group (SPSBD-CSOWG) which is a working group composed of south Sudanese volunteers who are experts in the field of research, governance, diplomacy, international relations and state society dialogue. The working group exists for the purpose of generating context specific think pieces and position papers on a select list of topics to inform decision making at government, donor and civil society level. The work of the working group is coordinated with support from the South Sudan NGO Forum Secretariat with support received from the Civil Society Platform for Peace building and State building.

Disclaimer: *This perspective paper is a compilation of different key actor's views of the New Deal implementation in South Sudan. It presents key recommendations drawn from the opinions expressed by the different actors interviewed or engaged in the process of developing the paper. It by no means anchors on a specific position or values one position over the other. It is intended to present ideas for better implementation of the New Deal in the future. The views articulated in this paper do not necessarily reflect the views of all the South Sudan NGO forum membership.*

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EXECUTIVE SUMMARY

As a pilot country for the New Deal implementation, South Sudan was described as a burgeoning young nation steadily emerging from the crisis phase on the fragility spectrum into the reform and rebuild phase. A critical analysis however of the events two years post-independence would have revealed the true nature of the state of the nation. By late 2012, South Sudan had conducted its first Fragility Assessment as a country volunteer in the pilot for the New Deal, over a period of seven months, the Government of south Sudan and development partners began the process of developing a New Deal Compact by engaging in sub national consultations across the country. The purpose of the compact was to create a framework of improved partnership and mutual accountability between the Government of South Sudan and her development partners with the aim of fulfilling South Sudan's development vision. In December 2013, the signing of the New Deal compact came to a halt due to the shortcomings associated with the IMF staff monitored program. Shortly after, the country lapsed into a conflict precipitated by a political crisis within the government and the ruling party of SPLM.

This perspective paper analyses the relevance of the New Deal under the current circumstances created by the conflict in South Sudan and assesses the shortfalls of New Deal as a framework for aid effectiveness through literature review and perspectives harvested from a cross section of government, civil society and development partners.

The findings of this perspective paper by no means reflect a thorough interpretation of the full effects of the conflict in South Sudan or the complex dynamics that characterises South Sudan as a newly independent nation affected by numerous challenges.

It identifies areas for follow up actions and recommendations for establishing concrete building blocks necessary for the launching of the New Deal process in South Sudan situation allowing.

Key recommendations

Managing a Dynamic Context

- A consistent and continuous fragility assessment is necessary similar to an early warning system in order to depict the true state of affairs in the country, capturing trends and new developments.

Contextualization

- In some of the New Deal pilot countries like South Sudan, Liberia and Sierra Leone, events have occurred that have exacerbated their fragility status. It is imperative to identify key drivers of fragility linked to the changing context in each

country. In this way the fragility assessment will become useful to any on-going processes in the countries where it is applied.

Addressing ownership Issues.

- It is imperative that the New Deal process is country-owned and driven by the local state and non-state actors who remain engaged and keep monitoring the situation from the ground with the international actors contributing and supporting the processes.

Strengthening Methodology

- The fragility assessment should encompass a mixed methodology combining both qualitative and quantitative aspects and use of triangulation from other sources to ensure validity and verification of the data.

Establishing links with Regional and National assessment exercises

- For comprehensive and verifiable output, the assessment should establish links with existing national and regional conflict, early warning and other assessment exercises e.g. IGAD's CEWARN.

The role South Sudan Civil Society plays in laying a foundation for a better peace building and state building framework.

- Civil Society Organisations in South Sudan need to utilise the lessons that the crisis has exposed to carry out a thorough state by state evaluation of the drivers of conflict and fragility unique to each state which are subsequently affecting the drive to nationhood and locally driven development.
- Civil society organisations in South Sudan ought to formulate a home grown approach to engaging with the state catering to the unique political landscape, country context as well as principles and values that South Sudanese identify with.
- Civil society Organisations in South Sudan need to customise their role as social auditors to make it more palatable to the state without losing their independence or effectiveness.

The government and donors who are party to the New Deal at country level and in the IDPS should strengthen political dialogue.

- What is essential for the success of the New Deal is the generation of political buy in at the country level within the different levels of government and at global level among the governments of the member states of the IDPS.
- To move forward the government of South Sudan needs to invest in educating the different arms of the government on the lessons drawn from the New Deal process and the merits of resuscitating the New Deal.
- The donor governments need to ensure that the legislative and executive in their countries approve the necessary changes in their foreign assistance policies to enable the survival and functioning of the TRUST and FOCUS principles.

Politics

- In the spirit of reviving the New Deal, it is imperative that participation includes other government entities such as all line Ministries at the National and state level, commissions such as Human rights commission, the anti-corruption commission, traditional authorities, faith based blocs, local business blocs, citizen interest groups and the academia.

Political Dialogue and context sensitivity

- Effective impact driven political dialogue requires contextualisation of indicators, goals and objectives to the immediate environment in the

country and less attempt to consolidate or universalise them at the global level. This would strengthen the ability to measure the true impact of the goals and objectives and effect change at the grassroots as opposed to measuring global shifts.

- Target measurements in a fragile state like South Sudan needs to reflect the improvements made alongside deterioration in order to provide a true picture of the milestones achieved alongside what still needs to be done. E.g. a statement like, 40% of South Sudanese live on less than 1 dollar a day says the same thing as 60% of South Sudanese live on more than 1 dollar a day.
- It is imperative that the political dialogue approach that characterises the development architecture as it relates to peace building and state building at the country level is built upon the context of state-society relations and not just state-donor relations.
- An increased understanding among government entities, donors and civil society of what the IDPS exists for, its values, vision at global and country level and what it means for South

Sudan is essential for the successful revival of the New Deal in South Sudan.

Post Peace Agreement Outcomes

- In order to compel commitment from government of South Sudan, donors and civil society to the New Deal principles, the New Deal agenda must be enshrined in the milestones of any peace agreement that may result from the IGAD mediated peace process.

New Deal Framework and Civil society space

- The New Deal is the only framework South Sudan has that secures the space for civil society as key players in development. The current environment in South Sudan continues to shrink the ability of South Sudanese civil society to play a watch dog role in the crisis recovery and development agenda of the country. Reviving the New Deal for South Sudan is ultimately in the interest of not only the government but the civil society and the citizens of South Sudan.

Introduction

The New Deal for Engagement in Fragile States was forged between the g7+group of states (a voluntary coalition of initially seven and now twenty¹ conflict affected states) and international development partners (collectively known as the (IDPS) International Dialogue on Peace building and State building) at the High-Level Forum for Aid Effectiveness in Busan in 2011 as a mechanism of addressing key aspects of fragility in a bid to achieve development goals at the country level and the Millennium Development Goals (MDGs) at the global level. The New Deal was building on the 2005 Paris Declaration on Aid Effectiveness, the 2007 Principles for Good International Engagement in Fragile States and Situations, the 2010 Dili Declaration, and the 2011 Monrovia Roadmap.

The 5 peace building and state building goals (**PSGs**) designed as crucial components of the New Deal embodies the principles of **TRUST** and **FOCUS** on which countries develop a framework to overcome fragility.

The Peace building and state building goals (PSGs) form the programmatic areas upon which g7+ countries and donors are expected to define priorities that would enable progress towards attaining resilience and achieving the MDGs. The PSGs therefore rests on its adoptability by participating countries and they are;

1. Fostering inclusive politics
2. Establishing security
3. Increasing access to justice
4. Generating employment and improving livelihoods
5. Managing revenue and delivering services

The sequence of implementing the New Deal is defined within the **FOCUS** component which includes conducting a **Fragility** assessment, creating **One vision and plan**, establishing a

¹ Haiti, Chad, Guinea Bissau, Guinea, Sierra Leone, Liberia, Togo, Cote d'Ivoire, Central African Republic, Democratic Republic of Congo, Burundi, South Sudan, Comoros, Somalia, Afghanistan, Nepal, Timor-Leste, Papua, New Guinea and Solomon Islands.

Compact, Using the PSG's to monitor progress, and Supporting political dialogue and leadership.

The **TRUST** component of the New Deal centres on building confidence between the citizens, the state and development partners through warranting **Transparency** throughout the process, **Risk** sharing between participating states and donors, delivering aid **Using** and thereby strengthening country systems, **Strengthening** capacities through investing in reforming and supporting state institutions and by increasing the **Timeliness**, predictability and flexibility of aid delivery.

In late 2012, South Sudan conducted its first Fragility Assessment as a country volunteer in the pilot for the New Deal. There were stakeholders from Government, Civil Society and development partners from across the country assessing South Sudan's position along the fragility spectrum for each of the 5 PSG areas and identifying drivers of fragility therein.

Over a period of seven months, Government and development partners, began the process of developing a New Deal Compact by engaging in state consultations across the country. The purpose of the Compact is to create a framework of improved partnership and mutual accountability between the Government and development partners with the aim of fulfilling South Sudan's development vision namely the Vision 2040 and the South Sudan Development Plan through a shared agenda and dialogue among Government, development partners and civil society on critical nation building matters.



In December 15th, 2013, the country lapsed into a conflict precipitated by a political crisis within the government and the ruling party of SPLM that had been simmering for the better part of the year. This conflict has set into motion a course of events that have led to deaths, destruction,

mayhem and a protracted humanitarian crisis, the worst the country has faced since pre-CPA (Comprehensive Peace Agreement)² and has virtually brought the nation to its knees in all aspects.

Purpose

The purpose of this perspective paper is to analyse the relevance of the New Deal under the current circumstances created by the conflict in South Sudan centring on the 2012 fragility assessment and generate recommendations for the three main partners in the New Deal (civil society, the government and Donors) as well as the IDPS.

This paper assesses the new deal processes internationally and in country through the review of New Deal literature (mainly the 2012 fragility assessment report) and interviews with key informants from a cross section of government, civil society and development partners. It will be presented in two abridgments.

“Digest 1” will centre on the views harvested from **south Sudanese civil society members and members of the executive arm of the Government of south Sudan** who were aware, active and instrumental in the New Deal process in South Sudan

“Digest 2” shall capture the views from the **Key New Deal donors for south Sudan and parliamentarians from the National assembly** in Juba (south Sudan).

DIGEST 1.

New Deal Process in South Sudan

The New Deal in south Sudan was launched at a workshop on 10th August 2012 attended by 60 stakeholders that included central government, donors and civil society. This was followed by a fragility assessment workshop on 21st and 22nd August 2012 at the national level attended by 80

participants, half of whom were from the ten states. These participants were tasked with reflecting collectively on what each PSG means to south Sudan, examine the drivers of conflict, review progress that has been made in each PSG and explore outstanding challenges. A list of 68 country level indicators were identified during the workshop and an additional 17 by experts of the National Bureau of statistics. The fragility assessment had three key deliverables, (A fragility assessment report, a list of indicators and a lessons learned report). The fragility assessment report stipulated that the same root causes that prompted South Sudan to seek independence from Sudan continue to characterize the fragility of the country and that PSG 1 (legitimate politics) was generally viewed as the one area that has made the most progress which is an expected opinion from a newly independent country with high hopes and expectations. This view point has since been challenged in light of the recent political crisis. **The fragility assessment also placed south Sudan in the rebuild and reform stage of the fragility spectrum which is an improbable conclusion based on the views of only 80 participants at a two day workshop in Juba.**

The fragility assessment was one of the steps of the New Deal leading to the compact signing therefore the accuracy of its findings is crucial to the success of the New Deal in south Sudan.

Pursuing the New Deal compact was a key outcome of the south Sudan Economic partners Forum (SSEPF) in Washington DC in April 2013 alongside other key deliverables like initiating the IMF staff monitoring program, signing of a state building contract with the European Union to support salaries in the health and education sectors, establishing a Multi-donor Partnership Fund to support capacity building for good governance, investments in priority sectors and support for basic services and finally organising an Investment Conference to promote job creation, improved livelihoods and economic growth. These deliverables were not to be initiated as conditions attached to the New Deal compact but as parallel post SSEPF commitments that were to be monitored by respective joint donor – government committees.

Unfortunately for south Sudan the signing of the New Deal compact was tied to the

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<http://unmis.unmissions.org/Portals/UNMIS/Documents/General/cpa-en.pdf>

implementation of the IMF staff monitoring program and its related fiscal conditions which highlights a growing precedence that has been cited by many African governments about proposed targets being used as a set of conditions by aid providing giants like USA, UK and EU to force African countries to sign economic partnership agreements. This single act of tying the New Deal to the IMF staff monitoring program gave more prominence to PSG 5 (Revenue and services) at the expense of the other PSGs which destabilised the balance in the agreed set of priorities and benchmarks. *[This is further argued in Digest 2]*

The journey towards signing the compact was however hurried, congested and lacked citizen and state ownership. **The steering forces that drove the different steps of the New deal process where World bank, UNDP, Overseas Development Institute (ODI) through the several consultants instituted within government parastatles such as the Ministry of Finance commerce, investment and Economic Planning (MoFCIEP) and the National Bureau of statistics (NBS).** These consultants often produced most of the material and outputs of the new deal process even though it was always presented by government officials at events and meetings. This undermines the principle of local ownership which can be argued as a necessity brought about by the capacity gaps within state institutions however a practice such as expat secondment requires a succession plan or knowledge transfer system interlinked with credible, independent and zealous social auditing from south Sudanese civil society in order for it to deliver sustainable local capacity growth within government institutions in south Sudan.

Between 25th July and 27th August 2013 the Ministry of finance, commerce, investment and economic planning through its directorate of aid coordination spearheaded nine workshops and briefings to and with donors, government stakeholders, International and National NGOs. The New Deal compact state consultations kicked off on 31st August 2013 to 25th October 2013 covering ten towns in the ten states of south Sudan³. This means that **the entire outreach, awareness and consultation**

³ [Malaka, Rumbek, Wau, Bentiu, Bor, Juba, Torit, Aweil, Kuajok, Yambio] <http://www.grss-mof.org/events/>

exercise was cramped within four months which is not a sufficient amount of time to inform and harvest stakeholders' views.

In summary the fragility assessment was conducted and state consultations forming the foundation of the COMPACT were held across the country however the COMPACT was never signed. There seemed to be a break in political will between the state consultative processes and the national level process particularly at the National Legislative Assembly where key economic reforms linked with the New Deal were protested by parliament⁴ bringing the New Deal process to a halt. It was unrealistic and too soon to combine the New Deal with economic reforms, consequences of which were bound to be volatile⁵.

Analysis of the Fragility Assessment Findings



The most profound aspect of the fragility assessment was the narrative of South Sudan, the world's newest nation exiting from the crisis phase on the fragility spectrum and emerging into the reform and rebuild phase. Described as a country-driven assessment, this key finding perpetuated in a make believe manner a description of South Sudan's progress as a burgeoning young nation moving in the right direction albeit facing major challenges. A critical analysis however of events two years post-independence would have revealed the true nature of the state of the nation. Tensions within the ruling party of SPLM were palpable in

⁴ <http://www.reuters.com/article/2013/11/13/southsudan-currency-idUSL5N0IY2FS20131113>

⁵ Interview with John Maciek, Vice Chairperson, National Bureau of Statistics 2014

the months preceding the break out of the 15th December 2013 conflict. As far back as the February 2012 oil shutdown, the May 2012 Heglig crisis and the subsequent austerity measures subjected upon a bankrupt nation, there was sufficient evidence of an escalation in friction and a deterioration in relationships among key personalities within the party as the decision to shut down the oil production alludes.⁶ *The nature of politics, it seems, was and still is a major driver of fragility on the country. Nature of politics, administered through an ethnic hegemony and compounded by a highly militarized environment could only have presented a situation ripe for a collapse in the system as witnessed on the 15th December 2013.* It can be argued that sound and strategic political decision making could have averted the crisis however it was evident in the pattern of events post –independence that political decision making was mostly erratic and seemingly unpredictable. There was little in the way of substance to indicate a positive shift in the politics of the day to warrant optimism in the findings of the assessment particularly in the PSG of legitimate politics, the primary driver of the conflict and more so in the dimension of societal relations which was a catalyst used to fuel the conflict.

The fragility assessment relied on the false assumption based on the high scores allocated to PSG 1 that south Sudan is a single unit under one unifying cause when in fact south Sudan is an amalgamation of numerous units with various allegiances that perhaps was not so evident in 2012 when the fragility assessment was conducted amidst high anticipations by south Sudanese in the future of the new nation but is surely evident now.

Furthermore, the critical role of the nature of the politics in stabilising or destabilising the other PSGs was either played down or misinterpreted due to the barriers placed upon any attempts for an honest appraisal of the politics of south Sudan leading to an inaccurate assessment of the fragility status of the country. On the basis of this misinterpretation, it became difficult to make logical deductions as to the true position of South Sudan on the fragility spectrum.

⁶ De Waal, When Kleptocracy becomes insolvent: Brute causes of the South Sudan civil war 16-17

Emerging Issues

Ownership of the New Deal Process



The concept of the New Deal, conceived and launched at a global level was as a result of the unique challenges faced by fragile states to meet the targets of the Millennium Development Goals. Although it is a joint plan, necessitating the cooperation and participation of the governments, development partners and civil society, it is important to note that for the New Deal process to be successful, ownership by the local actors is pivotal. However, to a large extent, the design of the fragility assessment framework was driven by the international actors. Indicators were designed by country teams however the PSGs and dimensions were crafted out of the country context. Consequently, **the opportunity to gain substantive political commitment was lost. Furthermore, a significant amount of time was dedicated to international processes-design work and too little time was allotted to in country preparatory processes**, for instance 2 days were committed to undertaking the fragility assessment in the country, compared to 6 months of design work.

The 2 day workshop objectives were too ambitious. The primary objective which was the fragility assessment was overshadowed by the process of testing indicators, testing the spectrum etc. In future these processes need to be separated or the workshop days should be increased.

Methodology Issues

The fragility assessment was pegged as more of a qualitative process than a quantitative exercise⁷. Viewed from that perspective, there were a number of methodological concerns with regards to the design of the tool and the execution of the assessment. **The tool lacked instrument validity to the extent that it was unable to measure what it was designed to measure thereby making logical deductions impossible.**

Furthermore, the purpose of the tool was not clearly defined. **It was designed, it seems, with more emphasis on being able to compare results with other globally recognised fragility assessments than with its ability to investigate or explore the fragility status of the country.**

In addition, **the scoring of simple mean mechanism was unable to expose the intricacies and rationale underpinning the scores of which for a qualitative exercise, should have come across quite strongly.**

Design Issues

The assessment tool was designed to garner broad and comprehensive information to assess the fragility status of the country. After a review of the assessment process in South Sudan, it became clear that **a less complex mechanism would have been more practical to execute at the pilot stages.**

Furthermore, **the design of the analytical framework did not provide for the quantification of the results by translating the perceptions captured in the assessment into scores.** There is considerable agreement that weights should have been added to the scores since it can be argued that some sub-dimensions are more critical than others in increasing fragility in each country context.

The Country owned Country-led principle noble as it was should have been reflected more in a rigorous and candid contextual analysis of the country context.

It is necessary to re-assess the ranking and scoring of sub-dimensions with each fragility assessment conducted.

Analysis Issues

As part of the fragility assessment process, an extensive literature review was conducted

covering the South Sudan context through the pre-CPA and post-independence period. However **the analysis of the data did not explore the connections and interplay between the PSGs that could cause, escalate or deescalate situations that prompt fragility**, for instance, the effect of PSG 1, legitimate politics or PSG 5, revenue and services on the overall stability of the country.

Prioritization and Funding Issues

The priority of the fragility assessment, a core activity in the initial stages of the New Deal process was to determine the fragility status of the country however **it was ambitious in design** as it also sought to pilot the fragility assessment and the spectrum, identify drivers of conflict and identify indicators of progress to exit fragility. Furthermore, commitments to funding the in-country processes were not fully realised. This put a strain on the roll out of the series of processes.

The Crisis and its Effects



The crisis that erupted on the 15th December 2013 further compounded the challenges facing the New Deal implementation process in South Sudan. **The government fully preoccupied with handling the crisis and its ramifications on the country cannot participate in any capacity to revive the New Deal.** Trust among the core actors of the New Deal process has suffered and now sits on shaky ground.

Equally damaging were **the reactions of the donor community to reduce and in some areas completely cut direct funding and support of the government in response to the crisis.**

Understandably, focus of all the key players in the New Deal process has been diverted from

⁷ The Fragility Assessment Report; Limitations of Methodology

development work to emergency, relief and humanitarian assistance.

Recommendations

Managing a Dynamic Context



A main feature of a fragile state is the rapidly changing context. Given the unpredictable nature of the context in fragile countries, **fragility assessments should be conducted continuously over the course due to the changing dynamics in fragile countries.** This means that a continuously updated assessment similar to an early warning system is more appropriate rather than a snapshot assessment. A consistent and continuous assessment is necessary in order to depict the true state of affairs in the country, capturing trends and new developments. **In south Sudan, each state is characterised by its own unique drivers of fragility which merits a continuous updated assessment led at state level and consolidated at national level.** This will provide a thorough and accurate synthesis of information.

Contextualization

In South Sudan, conflict broke out in 15th December 2013, destabilising the country and throwing the New Deal proceedings in disarray. In Sierra Leone and Liberia, the Ebola outbreak has crippled the already weakened health systems and infrastructure. In these two instances, events have occurred that have exacerbated their fragility status. Ideally, the New Deal framework should be designed to sustain such shocks and support these countries prone to unpredictable challenges. **However,**

what has become clear particularly in the case of south Sudan is that the New Deal framework is not well equipped to handle these unique challenges in such a dynamic environment. This makes it imperative to identify key drivers of fragility linked to the changing context in each country. In this way, the assessment will become useful to any ongoing processes in the countries as it is in cadence with the rapidly changing situation.

Addressing Ownership Issues

In fragile states, conflict or unpredictable situations are prone to occur. A common occurrence is the exit of international actors as such, it is imperative that the New Deal process is country-owned and driven by the local state and non-state actors who remain engaged and can keep monitoring the situation from the ground with the international actors contributing and supporting the processes. **Engagement of a wider base of state and non-state actors in a more sustained manner dedicating time and resources to establishing good relationships with local actors to provide a concrete foundation through which the process is owned by the national actors.**

Strengthening Methodology

Clarity on the nature of methodology for the fragility assessment is paramount. **A distinction between a qualitative, quantitative or a mixed approach must be set and this should be determined after a contextual analysis has been conducted.** This will determine what methodology should be used. Based on this analysis, a more vigorous mixed methodology combining both qualitative and quantitative aspects is necessary to ensure validity of the data. Consequently, it is important to ensure verification of the data by use of triangulation from other sources. It is necessary as a key feature/approach in this assessment to then develop a list of respondents from a cross-section of south Sudan society to verify the findings and seek consistency in trends across the peace building and state building goals.

Establishing Links with Regional and National Assessment Exercises

For comprehensive and verifiable output, the assessment should establish links with existing

national and regional conflict, early warning and other assessment exercises. **IGAD's CEWARN has extensive data capturing and management systems resources within the country and region that may supplement and verify the data collected from the fragility assessment.**

South Sudanese civil society's role in laying a foundation for better peace building and state building framework

Civil society organisations in south Sudan need to utilise the lessons that the crisis has exposed to carry out a thorough state by state evaluation of the drivers of conflict and fragility unique to each state which are subsequently affecting the drive to nationhood and locally driven development. This can be done either jointly with the government or independently depending on the operating environment. The cracks in the fragility assessment conducted in 2012 provides important lessons from which civil society can draw ideas for an honest citizens oriented fragility assessment and develop the blue print for peace building and state building which the government can adopt as a resource for political dialogue and decision making in the rapidly changing environment that characterises south Sudan.

Civil society organisations in south Sudan ought to formulate a home grown approach to engaging with the state catering to the unique political landscape, country context as well as principles and values that south Sudanese identify with. This would require an honest evaluation of civil society organisations in South Sudan and their operating approaches/techniques that have either promoted or jeopardised peace building and state building in south Sudan.

Civil society organisations in south Sudan need to customise their role as social auditors to make it more palatable to the state without losing its independence or effectiveness. The role of civil society as social auditors would help make their value addition more understandable to the state, as it would provide the state institutions what they need which is a reliable source of an independent appraisal but more importantly recommendations of how to improve the weaknesses within state institutions. This would

help shift the interaction between civil society and the state from antagonising criticisms to support based state building.

The government and donor's party to the new deal at country level and in the IDPS should strengthen political dialogue

The political dialogue in the New Deal has suffered due to more emphasis allotted to technical processes that drive the outputs identified with New Deal symbolism such as the fragility assessment report, compact etc. However **what is essential for the success of the New Deal is the generation of political buy in at country level within the different levels of government and at global level among the governments of the member states of the IDPS.** This would create a healthy avenue for smoothening the political and systems shifts that is required in aid delivery and more importantly building better partnership relations at country and global level. **To move forward the government of south Sudan needs to invest in educating the different arms of the government on the lessons drawn from the New deal process and the merits of resuscitating the New Deal. The governments of the donor countries for the New Deal in south Sudan and IDPS need to convince their parliaments and executive to approve the necessary shifts in the aid delivery mechanisms in order for the TRUST and FOCUS principles to survive.**

DIGEST 2.

The New Deal framework gives emphasis to a concerted effort and collaborative relationships among key stakeholders particularly government, development partners and civil society in order to meet the challenges of nation building.

The **FOCUS** and **TRUST** principles of the New Deal underlines the value of the commitment, dedication and goodwill of all stakeholders in order to address or at the very least manoeuvre

through the complexities associated with the unique obstacles faced by fragile states.

With the successful conduct of the referendum in 2010-11, there was a glimmer of hope that governance in South Sudan was on the right track however shortly after independence, a series of events began to show a pattern of fitful political decision making consequences of which belied the true motivations. A quick succession of major decision making such as the oil shutdown shortly followed by the border dispute with Sudan subsequently leading to the Heglig war in 2012 were all examples of how extremely fragile the political situation was at that time. The Parliament, commonly viewed as the echoing chamber of the Executive, had nonetheless demonstrated an adeptness in law making in the months prior to independence that inspired confidence that as an institution, it could be relied upon to make decisions that were reflective of the mood and position of the people of South Sudan. However it became clear that both the Judiciary and the Parliament, arms of the government meant to be independent from the Executive were in fact far from it, as was the case in September 2013 when the new speaker of parliament Magok Rundial was endorsed as per directives of the president to the 95% SPLM parliamentary caucus, similarly two deputies, Mark Nyipuch and Jasmine Samuel were endorsed without voting by parliamentarians to replace Daniel Awet Akot and Fatima Nyawang Biliu, who resigned from their positions⁸. There have also been several cases where representatives of the administration at county level purported to dismiss judicial officers serving in the local court, without having any statutory authority to do so⁹. Such interference by the executive in the structure and functions of the legislature and judiciary has undermined the principle of separation of powers which is the cornerstone of an independent and impartial justice and legislative system. This has weakened the very institutions upon which any transitional milestones could be based to provide safeguards and guarantees of transparency and public accountability necessary for resuscitating the peace building and state building goals enshrined in the New Deal principles.

The escalation of political tensions for the most part of 2013 and the existence of a parallel

governance system that was seemingly attempting to comply with best practices of good governance lends credence to the fact that the existence of a strong and trusted political leadership committed to addressing a nation's challenges is a necessary ingredient for the viability of any joint or integrated partnership between government and other stakeholders and the revival of the New Deal process in south Sudan.

This paper is the second in a 2 series Digest capturing the trajectory and eventual demise of the New Deal process in South Sudan. In particular, **it focuses on the role of the key development partners and the parliamentarians in bringing to a halt the progression of the New Deal process** through the views and perspectives harvested from Key New Deal donors for south Sudan and parliamentarians from the National assembly in Juba (south Sudan).

Previously hailed by development partners as a success story amongst fragile countries piloting the New Deal, South Sudan's dramatic end to the New Deal chapter reveals an interesting insight on the remarkably complex challenges fragile countries face as they strive to achieve their peace building and state building goals. Applicable lessons can be learned from the failure of the New Deal process in south Sudan that can be used as a blue print for detecting the conditions necessary for the successful re-launch of the New Deal process such as political buy in at the National government level and state government level, political buy in and harmonization by the international donors at global level as well as country level, civil society's strong links/interface with citizens at the grassroots as well as with government at national and state level, respect and adherence to the citizens fundamental rights guaranteed in the transitional constitution by all stake holders.

⁸ Kiir directs parliament on nomination of new speaker, deputies (Sudan Tribune 3rd September 2013)

⁹ South Sudan: An independent judiciary in an independent state? (International commission of Jurists)

Central Issues

Optimism



The April 2013 south Sudan Economic partners Forum (SSEPF) in Washington DC unequivocally set the tone for optimism and positivity in relations between the international community¹⁰ and the government of South Sudan. After months of crippling austerity measures that largely weakened the economy compounded by the precarious relations with Sudan that were at the brink of volatile and open conflict, the news of the resumption of oil production and willingness of both governments to establish good relations seemed like the perfect gateway to the peace building and state building agenda that is largely carved out in the New Deal Framework.

Recommendations from the SSEPF include key reforms such as the IMF staff monitored program, the EU Budget support contract, the Multi-donor Partnership Fund, signing the New Deal compact, and the South Sudan Investment Conference. There was a definite coordinated approach by donors and sections from the civil society and government to give momentum to the process of assembling the compact. When viewed as a compromise process, the New Deal would have more likely captured broader interests of the government, civil society, the donor community and the population at large.

Initially, the New Deal process was viewed as a technocratic process focusing on the participation of a select few however a shift was made after discussions with the Ministry of Finance, Commerce, Investment and Economic Planning (MoFCIEP) to accept a more inclusive state wide consultative process. This was a useful change to the dynamics particularly as it

¹⁰ International Community here refers to Development partners, Diplomatic missions, International NGOs, International businesses

raised awareness about the New Deal in sections of the society across the 10 states. This coupled with the fact that **donor deliberations on country intervention priorities were going on simultaneously (Including the IMF fiscal reform discussions for south Sudan)**. These processes were mechanically kept separate even though both developed key policy actions when compared, bore several similarities. It can be surmised that optimism levels in the future of the country were at their highest since independence.

Political Will and Commitment to the New Deal

The Ministry of Finance, Commerce, Investment and Economic Planning (MoFCIEP) was the de facto lead government agency in the deliberations around the New Deal. Cogently, it was implicit that the Ministry had the mandate to represent the government's position on key reform issues pertinent to the New Deal however it became clear towards the end of the 2013 that **there was very little substantive engagement from the rest of the council of ministers**.

De Waal aptly described this phenomenon in his paper as role play by the 'Fake Ministry of Finance' promoting an outward appearance of high functionality while the "Real Ministry" is operated through backdoor dealings between South Sudanese officials, concealed from donors view¹¹.

Cracks began to show in the rosy view held by the donor community when the currency exchange rate adjustment, assured by MoFCIEP as backed by the Presidency was slammed by Parliament. **By the end of 2013, it was becoming clear that there was a general lack of political will and deliberate cover up of the real system of governance which was more akin to- a militarized, corrupt, neo-patrimonial system of governance¹². Furthermore, the ostensible sightlessness of the International Community towards this state of affairs meant that the very platform upon which the New Deal was being framed was propped by illusionary assumptions; of the general desire for good governance and**

¹¹ De Waal 'When Kleptocracy becomes Insolvent'; Greg Larson, Peter Biar Ajak, and Lant Pritchett, 'South Sudan's capability trap: build- ing a state with disruptive innovation' (Harvard University Kennedy School of Government, Center for International Development Working Paper No. 268, October 2013), p. 21.

¹² De Waal 'When Kleptocracy becomes Insolvent' 347

willingness to reform which was in fact a myth.

Politics

The crux of the difficulties in South Sudan lies in the unsustainable mode of governance that presents itself most evidently in seemingly fitful and unpredictable political decision making. In a multitude of ways, this mode of governance makes it extremely difficult to engage in a transparent manner with the governing entity. Nonetheless, relations with the international community are of some importance to the government understandably so since a loss of this relationship would mean a loss of legitimacy within the global order.

This then explains the attempts by the government to try and comply with or at the very least fake a mode of governance that is acceptable to the international community who then turn a blind eye to the 'real' mode of governance and economy that is usually bustling just beneath the façade of acceptability¹³. Politics has always been the Achilles heel of the New Deal process and although it was clear that government participation was limited and did not go beyond the few involved¹⁴, the compact was a good compromise document that promised continued dialogue realizing that not all elements could be added at once.

The politics of the day however did not allow room for compromise on peace building and state building issues with any other stakeholders except those internal actors that welded military power and have the potential of destabilising the territorial authority and control of the government.

In the spirit of reviving the New Deal, it is imperative that participation includes other government entities such as all line Ministries at National and state level, commissions such as Human rights commission, the anti-corruption commission, traditional authorities, faith based blocs, local business blocs, citizens interest groups and the academia.

¹³ Hutton 'South Sudan: From Fragility at Independence to a Crisis at Sovereignty' March 2014; (Clingendael Netherlands Institute of International Relations' Conflict Research Unit

¹⁴ The New Deal implementation in South Sudan – Perspective Paper – Digest 1

Political Dialogue and context sensitivity

Over 2012-2013 the documented milestones that demonstrate south Sudan's improvement or progress with the implementation of the New Deal have centred around the technical process and not much is demonstrated or documented in the political dialogue shifts at country level between government and donor institutions, among various government ministries, between national and state government, among donors and their home governments and legislatures and finally between civil society and government as well as with donors. **The fragility assessment being dominated by technical processes and deficient in meaningful political dialogue raises concerns about lack of genuine political commitment to the PSGs but also resonates the lack of political dialogue at the international level which undermines the pressure build up from country level to the International Dialogue of Peace building and State building (IDPS) to respond to the issues arising at country level.** This affects the sustainability of political dialogue around the drivers of conflict and fragility and how to address them, which is what the New Deal is intended to deal with.

Effective impact driven political dialogue requires contextualisation of indicators, goals and objectives to the immediate environment in the country and less attempt to consolidate or universalise them at the global level. This would strengthen the ability to measure the true impact of the goals and objectives and effect change at the grassroots as opposed to measuring global shifts.

Target measurements in a fragile state like south Sudan needs to reflect the improvements made alongside deterioration in order to provide a true picture of the milestones achieved alongside what still needs to be done e.g. a statement like, "40% of south Sudanese live on less than 1dollar a day" says the same thing as "60% of south Sudanese live on more than 1 dollar a day" however the latter reflects the positive change more than the former. Citizens in south Sudan are not often exposed to positive facts, which does not cultivate a spirit of progressive or positive thinking. It is essential that the political dialogue approach that characterises the development architecture as it relates to peace building and state building at country level as well as global level is built upon the context of state-society relations and not just state-donor relations both at country level and global level.

Parliamentarian's Reaction to the Exchange Rate Adjustment

In November 2013, the National Legislative Assembly soundly rejected the IMF-led currency exchange adjustment, following a huge outcry from sections of the population posing pertinent questions on the level of consultation and deliberation conducted on the issue and raising concerns on whether a study of the impact of such an action on the citizens was undertaken and taken into consideration.

The IMF staff monitored program discussions were on-going alongside the New Deal process in south Sudan and were insentiently kept separate. Following the South Sudan Economic Partners Forum (SSEPF) in April 2013, the agreed post SSEPF commitments were interlinked in some areas for example the signing of the New Deal compact was to coincide with the launch of the South Sudan Investment conference however each post SSEPF commitment was parallel to be monitored by respective joint-donor-government committees. **The fiscal reforms that later formed the conditions for the implementation of the IMF staff monitored program and consequently the signing of the New Deal compact would have been compatible with the layout of PSG 3 Economic Foundations and PSG 5 Revenue and Services.** Had the fiscal reforms been included as priorities within the PSGs, then the state consultation process of the New Deal much as it was hurried and cramped within 4 months, would have included some fiscal reform findings that would have helped inform the decision for implementation of the necessary fiscal reforms for south Sudan thereby complementing the New Deal and IMF Staff monitored program as parallel deliverables. However since this was not the case, the act by **the New Deal donors for south Sudan (UK, Denmark and Netherlands) using the IMF staff monitored program fiscal reform requirements as conditions to signing the New Deal compact echoes the practice of using mutually agreed development targets as conditions for economic agreements by international institutions and western donors in their engagements with African governments.**

The fiscal reforms required by the IMF in order to institute the staff monitored program were; the passing of the National petroleum management bill, the approval of the 2013-2014 National budget and the national exchange rate

adjustment by devaluating the south Sudan pound by 42%.

The Central Bank of South Sudan issued a directive in November 2013 to banks and stake holders citing the exchange rate regulatory change. Which meant that the South Sudanese pound would trade against the US dollar at a rate of 4.5 from the previous rate of 3.16. This directive was issued devoid of any counter attempts to cushion the effects of the shock on the population such as addressing the demand – supply equilibrium on the market, which would have hiked the black market rate to 6-6.5 against the US dollar.

An import based economy like South Sudan with nascent structural and institutional capacity was and is not in position to produce import substitutes since the currency devaluation would have made imports very expensive in favour of local producers. This means that the incentives of the currency devaluation would have ultimately not benefited the majority of local producers or business owners.

Economists have argued that the hash impact of the currency devaluation on the population would have been short lived, however considering the multiple constraints inhibiting the local private sector in South Sudan, it is unlikely that such an assumption would generate much merit.

It is upon such influences that the public outcry to the exchange rate adjustment prompted the National Legislative Assembly to reject the currency exchange rate adjustment.

The National Legislative Assembly's position may have indeed been representative of the population's general reaction to what was largely regarded as an unsolicited and spontaneous move pushed by IMF and the donor community. In fact, Members of Parliament raised concerns regarding the impact of this measure on the import based economy, taking the position that the burden to the consumers would be overwhelming and unbearable especially if the availability of foreign currency in the local market was controlled as has been the case since 2010 – resulting into a rallying of the black market rate to a much higher figure.

This stand by the parliamentarians is quite indicative of a lack of trust in the monetary policy making and regulatory institutions to 'handle' this reform according to best practices as it is evident and can be logically deduced that the existence of the vibrant dollar black market relies upon the availability of controlled dollars that are accessed mainly from the Central Bank.

However, there were also speculations that the parliamentarians' stand was an engineered reaction buoyed by un-informed popular consent designed to undermine a key economic reform agenda that would have curtailed the illicit foreign currency trade and harmed the interests of a few powerful individuals.

Concluding Remarks

Is it Business as Usual?

It is clear that the donor community cannot completely step back from supporting the government and the people of South Sudan particularly as the humanitarian crisis continues to worsen however it is now apparent that the modus operandi will not continue to be business as usual. In the aftermath of the conflict in December 2013, the donor community has struggled to strike the right balance on how to continue engaging with the government recognising the fact that they have very little leverage over the situation. Solutions being pursued at the regional level may have more impact however only an honest and progress centred peace agreement can restore some of the confidence lost.

In spite of the lost confidence, the donor community's emphasis on strengthening and building sustainable safeguards for the transparency and accountability apparatus both within government and independent from government is essential for cultivating an enabling environment for the New Deal in south Sudan as an instrument enshrined in whatever peace agreement that may result from the regional level peace process.

Post Agreement Outcomes

Re-ignition of the New Deal process would have to be cognizant of the fact that the main underlying principles of the New Deal are not shared by the government unless outcomes from a peace agreement reflect otherwise. Therefore in order to compel commitment from government, donors and civil society to the New Deal principles, the New Deal agenda must be enshrined in the milestones of any peace

agreement that may result from the peace process in Addis Ababa.

Recognizing that the current system of governance is unsustainable and incapable of sealing the deep fissures created by this violent conflict. Discussions ongoing need to address delicate issues that will establish peace all over the country, resolve inter and intra-party differences among key political leaders, propagate security reforms, institute a national peace, reconciliation and healing process that would address tribal politics and accommodate civil society participation and growth in the peace building and state building agenda of South Sudan. Short of these major pre-conditions, endurance of any peace agreement signed and any other subsequent compacts entered into on the basis of such an agreement including the New Deal will be untenable.

Political Dialogue

An increased understanding among government entities, donors and civil society of what the IDPS exists for, its values, vision at global and country level and what it means for south Sudan is essential for the successful revival of the New Deal in south Sudan.

The realization of effective political dialogue calls for commitment by government, donor and civil society in contextualisation of indicators, goals and objectives to the immediate environment in the country and less attempt to consolidate or universalise them,

Findings of the New Deal perspective paper open forum Discussion.



(L-R) Hafeez Wani, Moses Mabior, Dr Alfred Lokui

On 9th December 2014 an open forum discussion was held in Juba attended by participants from the government of South Sudan, Civil society, the donor community and South Sudan academia. The purpose of the open forum discussion was to present the findings of the New Deal perspective paper to a cross section of interest groups and generate feedback and critique regarding the analysis, findings and recommendations presented in the perspective paper.

Dr Alfred Lokui¹⁵ and Moses Mabior¹⁶ contributed as panellists and set the tone of the discussion.

Key Reactions (R) and Suggestions (S) from the open forum discussion.

(R) - What happened to the principles that have grown USA, UK and China to where they are in terms of progressive development? Has the g7+ and IDPS studied these principles and fundamental approaches that great nations like USA, UK and China have adopted to get them to the development peak they enjoy now as opposed to creating new systems? E.g. why do donor countries keep championing foreign investment as the answer to development in post conflict countries instead of championing growth of local industrialization or local

¹⁵ Alfred Lokui is Deputy Vice-Chancellor of Juba University, South Sudan. He gained his PhD at the University of Georgia (USA) and has taught at Dar es Salaam University, and at Moi University in Kenya and served as member of the policy advisory board at the Tanzania Centre for Development Cooperation, Arusha. He is a member of Centre for Peace and Development Studies at the University of Juba.

¹⁶ Moses Mabior is the Director of Aid coordination in the Ministry of Finance Commerce and Planning

manufacturing sector by natives of the post conflict countries?

(R) - It is important to understand to what extent methodology and tools applied in the New deal framework was able to tell us what we want to know. The New deal was promoted as a new approach to pursuing development in post conflict countries however generating citizen buy became difficult because the process did not articulate clearly where the previously applied frameworks went wrong in addressing development challenges in post conflict countries that the New Deal would resolve.

(R) - The New Deal frame work did not explore enough the issue of National identity of South Sudan. Perhaps because there was too much emphasis on being able to measure global shifts than country level shifts. Among all the countries piloting the New Deal, South Sudan was the only country that was a newly formed state; therefore the PSGs and indicators required some customization to accommodate the issue of National identity. We are in a situation where we don't even know what the south Sudan core is which is a fundamental issue to contend with. That is to say, what are the customs, values, practices, symbols that south Sudanese collectively identify with. At the moment the over 2 decade war has meant that thousands of South Sudanese were born and raised in different countries in the world and therefore are shaped by the environment in their adopted countries than their country of descent. Therefore crafting a National identity for South Sudan requires significant consideration in the New Deal approach.

(S) - The dialogue between government, civil society and donors is the cornerstone of the New Deal and Civil society is the lubricant that should come in to prob reform where there has been mistakes made, however their approach to engaging with government needs to change from confrontational to a more dialogue based approach. Civil society ultimately should lobby for peace and change their ways of engagement with government to address the issue and not attack personalities.

(S) - The real idea of the New Deal is still a useful instrument but we need to do things differently in order to utilize it. Where South Sudan is today is a pattern of behavioral change. Therefore harvesting from what has taken place

and determining how we can use it now is vital to us moving forward. Legitimate politics is paramount for any steps moving forward. Security is fundamental to dealing with fragility. The reform of security sector has to be done.

(R) – It is important to recall that the New Deal “hit the rocks” on the currency unification issue rather than the conflict outbreak on 15th December 2013. The IMF with donor support had indicated that it would not proceed with the staff monitored program in South Sudan without unification of the black market and official currency exchange rates. This in turn signalled to donors: *Watch out – invest here at your own risk*. The IMF argues that the South Sudanese Pound (SSP) is artificially and deliberately overvalued by the government; this severely distorts the economy; unification would at a stroke have closed the budget deficit and increased the in-country purchasing power of donor dollars by over 50%; Unification of the exchange rate was – and is thus indubitably in the interests of the country. However, it is clearly not in the interests of the relatively tiny group of connected individuals who have licenses to purchase dollars at the official rate of 3 SSP to then re-sell at then nearly 5 SSP at no benefit whatsoever to the economy. The government’s position was thus a test of political will, for the sake of a few vested interests. Where they prepared to take a decision of enormous benefit to the benefit of the country at large? The answer, unfortunately, was **no**; by failing to unify the exchange rates, the government thus signalled its lack of political commitment to development and in effect, a desire to continue holding the country to ransom.

Observers were also appalled at the manner in which the Governor of the Central Bank allowed himself to be intimidated by parliament, and reversed his decision to unify the exchange rate; this greatly undermined the credibility of the Central Bank as an institution.

(S) - Dialogue is the way forward mainly between government and civil society with donors coming in to support. South Sudan is a new country, she has to start somewhere. Dr John Garang said: *“We will begin from where other people are”* which means that in order for us to grow we don’t need to start from zero but build on what exists. The New Deal should be given another trial. Let’s Dialogue as equals. This

catalyzes true partnership. Additionally the New Deal is the only framework South Sudan has that secures the space for civil society which demonstrates its relevance in the current environment that continues to shrink the space for civil society to play their watchdog role

Appendices

1. De Waal ‘When Kleptocracy becomes Insolvent’; Greg Larson, Peter Biar Ajak, and Lant Pritchett, ‘South Sudan’s capability trap: building a state with disruptive innovation’ (Harvard University Kennedy School of Government, Center for International Development Working Paper No. 268, October 2013), p. 21.
2. De Waal ‘When Kleptocracy becomes Insolvent’ 347
3. Hutton ‘South Sudan: From Fragility at Independence to a Crisis at Sovereignty’ March 2014; (Clingendael Netherlands Institute of International Relations’ Conflict Research Unit <http://www.reuters.com/article/2013/11/13/southsudan-currency-idUSL5N0IY2FS20131113>
4. The Fragility Assessment Report; Limitations of Methodology
5. <http://www.reuters.com/article/2013/11/13/southsudan-currency-idUSL5N0IY2FS20131113>

Interviews Conducted

1. Vincent De Boer, Head of Cooperation, European Union
2. Paul Tholen, Deputy Head of Mission/Head of Development Cooperation, Kingdom of the Netherlands
3. John Maciek, Vice Chairperson, National Bureau of Statistics 2014
4. Abraham Jok Aring, (political advisor to the speaker of parliament)
5. Othum Rago financial advisor for the parliament/member of parliament
6. John Maciek, Vice Chairperson, National Bureau of Statistics 2014
7. Moses Mabior, Head of the Department of Aid coordination (Ministry of Finance, Commerce, Investment and Economic Planning)
8. Dr Alfred Sebit Lokuji, Deputy Vice chancellor, Administration and finance Juba University
9. Sirisio Louis Oromo, Director of University of Juba, Centre for peace and Development studies
10. Geoffrey L. Duke, Team leader, South Sudan Action Network on Small Arms

