"U.S. Policy on Sudan and South Sudan: The Way Forward"

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Thank you for joining me today for this important exchange, and a special thanks to the Atlantic Council for hosting us here today. President Obama appointed me as his Special Envoy for Sudan and South Sudan just over one year ago. It has been an eventful—and in many ways devastating—year in the two Sudans. I welcome this opportunity to put forth our views of the situation in both countries and to share ideas and goals. These goals are framed by our over-arching policy orientation, which is: two vibrant and prosperous states, which enjoy the benefits of peace, and of full partnership with the international community.

I will begin by assessing the origins of the conflict in South Sudan, I will offer some thoughts on the peace process, and I will identify what we believe are the six pillars that must frame a solution and a political transition. Turning to Sudan, I will review prospects for a National Dialogue, and consider a path by which Sudan can end its conflicts, initiate a meaningful political process, and begin to realize a more peaceful, inclusive, and prosperous future. Lastly, I will offer some thoughts on our bilateral relationship with Sudan, before wrapping up with considerations on the continuing relationship between Sudan and South Sudan.

SOUTH SUDAN

Successive U.S. Administrations—as well as many dedicated individuals and institutions—have for many years enjoyed a special relationship with the people of South Sudan; a relationship forged during Sudan's long civil war and the struggle for peace and self-determination. When the South Sudanese chose independence in 2011, all of us shared in the sense of promise. And that is why—just three years later—the conflict that erupted in December 2013 and quickly spiraled out of control prompted not only shock, but a sense of sadness, and of disappointment, at the opportunity squandered. A country which enjoyed a chance to start afresh, one with a hopeful population, plentiful natural resources, and a great deal of regional and international goodwill, had surrendered its golden opportunity. It is critically important that the country's political leaders—on all sides of this senseless conflict—understand the disappointment that is shared by its friends, inside of government and out, in Washington and across the United States. But it is equally important that the people of South Sudan know that the commitment of their friends in America will endure; it will outlast the senseless war that now grips the country. We will support the people of South Sudan in ending this conflict, in reconciling their communities, and in realizing the promise now deferred.

Wider Conflict Origins

While the immediate and contested events of December 2013 are important to determine responsibility for crimes committed and to prevent future conflict, understanding the current crisis—and shaping a credible transition and sustainable peace—requires a wider lens, a look to the broader context and dynamics that set the stage for this year's war. Many factors can be identified as root causes, including: weak institutions, overcentralization, slow progress in security sector reform, corruption and financial mismanagement, and unresolved war-era tensions between communities. But, above all, this conflict is the product of a failure of leadership. A collective failure by those who had helped to deliver South Sudan its independence, not least among them the dominant political party that controlled government—the SPLM. During the long civil war and the ensuing Comprehensive Peace Agreement (CPA) period, opposition to the regime in Khartoum was

the unifying principle. But when independence was realized in 2011, that common denominator disappeared—and no new unifying vision took its place. Because of the injustices, underdevelopment, and conflict that the South had so long endured, the task that confronted the nation at its inception would require all hands on deck. Building a peaceful and prosperous state was—and is—an enormous task, one that requires a unity of purpose among the South Sudanese, and the cooperation of its many international partners. But the void that followed "liberation" should have been filled by new ideas, a new agenda; new political programs and organizing principles might have emerged in the SPLM. But political ambition and a power struggle instead filled that void. And the people of South Sudan are now paying the price, as the aspirational principles of "justice, equality, diversity, human rights, and decentralization" that catalyzed the struggle lay abandoned.

In describing the failure to transform from a mandate of liberation to one of nation-building, one prominent government and party official told me in January, "shame on us, shame on us; we failed to learn the lessons of those African liberation movements that have gone before us". And the devastating consequences for the country's development, its health and education, its service delivery, its demilitarization, its collective healing, its infrastructure development—in sum, for its people—now stand plainly before us.

The Way Forward

Where to go from here? Let me say again, as it deserves repeating, that the United States is and will remain committed to a peaceful and prosperous future for South Sudan and its people—this is a long-term commitment that will outlast my tenure and that of this administration. It is because of this partnership—shared by many other capitals—that I am confident South Sudan can recover, can seize its missed opportunity.

The post-conflict transition will take months, years, and in some instances a generation. But today, I would like to focus on the immediate task at hand—what we can together do in the near term to end the fighting, initiate a political transition, and set the stage for long-term success. I have spent the majority of the last nine months in the region, working hand-in-hand with South Sudanese stakeholders and Intergovernmental Authority on Development (IGAD) partners to help shape a peace process, wielding encouragement and diplomatic pressure as necessary. Activities we supported have included: forging regional and international unity behind the IGAD-led process; negotiating a Cessation of Hostilities Agreement; creating a Mechanism to monitor and verify compliance with that agreement; revising the UNMISS mandate to sharpen its focus; negotiating humanitarian access, providing support to the AU Commission of Inquiry, and developing a multi-stakeholder process that can grapple with solutions and shape a political transition, the content of which I will return to shortly.

But before I do, I want to place special emphasis on the centerpiece of our policy approach to the peace process and to the desired end state: inclusivity. Throughout the CPA period and again after independence, authoritarian tendencies, elite decision-making, and un-democratic practices were among the principal grievances identified by South Sudanese outside the small circles of power. A concentration on the interests of elites was a prime ingredient in the making of this conflict. As such, yet another elite accommodation among the very actors responsible for the fracturing of South Sudanese society will not—cannot—alone deliver a sustainable peace. Let me repeat that: an elite accommodation among the individuals and factions at the heart of this crisis will not—cannot—deliver a sustainable peace on its own. Since the IGAD mediation process began, our policy has been to help South Sudanese constituents and regional partners shape a process

that is broadly inclusive, one that reflects the interests and aspirations of a wide range of stakeholders, from all walks of South Sudanese society. Without them, any peace deal will lack the ownership necessary to mitigate future fragmentation. Only when a majority of South Sudanese are invested in, and served by, a new national dispensation will it be too resilient to break. The stakeholders participating in the peace process thus confront the most momentous of tasks. And to this end, I will remind those at the peace talks of a sentiment I have heard from many ordinary South Sudanese: that they must view their seat at the table not as a right, but as a responsibility. A responsibility to put national interests first, and a responsibility to reflect the views of a diverse polity.

There has throughout this crisis been too great an emphasis on who can and should lead the country going forward, an unfortunate but familiar characteristic of South Sudan's highly personalized politics. The focus cannot only be on who occupies the presidential palace, but on what needs to be done to put South Sudan on a path to peace and prosperity—what I call the transitional agenda. Defining the transitional agenda will in turn enable the South Sudanese to decide who is best equipped to implement that agenda. These decisions are intertwined. In this regard, I would like to outline six areas that we believe South Sudanese stakeholders should address as they develop the transitional agenda, and which are necessary to restore broad confidence of the people of South Sudan. In each area we have lent support to the mediation and stakeholders through sharing ideas, enlisting resource experts, and drawing on lessons learned from other post-conflict transitions:

- 1. Transitional Security Arrangements: Immediate measures are necessary to put an end to the fighting, including: disengagement and separation of forces, cessation of attacks on civilians, sustained humanitarian access, withdrawal of foreign forces, monitoring of agreed demilitarized areas, and ultimately re-deployment of forces and signature of a permanent ceasefire. In the longer run, efforts to fundamentally reform the security sector must resume, and this task should be mandated to a broadly representative transitional mechanism, with a direct role for international partners.
- 2. Transitional Governance Arrangements: Given our long partnership with South Sudan, rumors abound as to whom we support, whom we don't, and whom we want to lead the forthcoming transition. But the truth is this—we have no personality prescription. Rather, the United States is focused on strengthening the institutions and supporting the development of a transitional agenda; as I said, it is our view that defining the agenda is as essential a task for the negotiators as who is chosen to implement it, and in what leadership configuration. We believe a transitional government should accommodate voices, directly and indirectly, from all of South Sudan's communities and political constituencies. For a transition to be effective, the responsibilities, powers, and decision-making modalities must be clearly defined—not only for the principals but also for a transitional cabinet and supporting transitional mechanisms. I would like to state clearly for the record, and for all South Sudanese, that the United States is, above all, eager to stand with those who choose peace, those who put their people ahead of political ambition, and those who recognize that the challenge ahead is bigger than any one individual, any one party, or any one ethnic community.
- **3. Public Financial Management**: Responsible management of South Sudan's natural resource revenue and spending will, of course, be a central element of a viable transition. South Sudan's leaders must know that, when it comes to restoring donor partnerships, there can be no "business as usual". Those who welcomed donor funds to address the country's vast development agenda, while diverting the country's national resources into private pockets, must be disabused of the notion that the international community will alone bear the recovery and development burden. Juba must have a financial stake in the challenges at

hand, and transitional mechanisms should be structured so as to achieve transparent and accountable management of state finances. Many South Sudanese have drawn attention to these issues in the wake of the crisis, and rightly seek a greater voice in how the country's resources are allocated.

- 4. Justice, Reconciliation, and Healing: There is likewise among South Sudanese an appetite for mechanisms that will address new, as well as long-deferred, questions of accountability and reconciliation. We fully support IGAD, the AU, and South Sudanese stakeholders in their desire to ensure accountability and reconciliation are prominent elements of a transitional agenda. To this end, we have lent our support to the African Union's Commission of Inquiry. We applaud the AU for moving swiftly to establish this entity, and appreciate the widespread consultations undertaken by President Obasanjo and his team. We look forward to their detailed findings and recommendations on appropriate transitional justice mechanisms. This will be an important moment not only for South Sudan, but for African leadership on these issues.
- 5. A Revised and Reinvigorated Permanent Constitution Process: After independence, the fledgling constitutional process was slow, neglected, and under-funded. Rather than harnessing this process to engage citizens in a dialogue about post-independence goals and aspirations, political leaders in Juba were instead focused narrowly on an elite power struggle within the party. The current peace negotiations are not the forum through which to forge a new constitution; rather, stakeholders should revisit the terms of the constitutional *process* itself, revising the terms where necessary and vesting it with the political weight needed to make it the kind of transformative process it could have been. A reinvigorated constitutional process may be the surest way to give many neglected South Sudanese communities a platform to voice their ideas, and to invest them in a post-transition dispensation.
- 6. Roadmap to New Elections: New elections should be held at the end of a transition, but they cannot be constructive if conflict, instability, or ethnic polarization persists; transitional security arrangements must have brought about a modicum of security, justice and reconciliation mechanisms must have taken root and begun to address impunity and restore confidence. Meanwhile, a review of existing legislation, an updated voter registration roll, sufficient funding and technical preparation, and adequate political space and protections are all necessary benchmarks if elections are to deliver what they intend to—representative institutions that can deliver the services and development now deferred.

Humanitarian Crisis: While peace negotiations continue, we remain ever mindful of the devastating, and man-made, humanitarian crisis unfolding before us. More than 1.8 million people have been displaced, and four million face acute food insecurity. The United States has thus far contributed \$720 million of emergency relief, and will remain committed to alleviating this dire situation. However, insecurity, access restrictions, and harassment of humanitarian actors continue to hinder the delivery of life-saving assistance. We continue to push all parties to allow humanitarian access, by river, road, and air. And while modest success has been achieved through these efforts, there remains a long way to go. The warring parties bear full responsibility for this crisis and the suffering of their fellow South Sudanese, and I want to reiterate that those obstructing humanitarian access run the risk of U.S. sanctions.

The IGAD Peace Process

Despite the tireless efforts of the mediation effort led by regional partners, and the diplomatic reinforcement of the United States and our Troika, EU, and other partners, both the government and the opposition have failed to engage the process in good faith or to fully honor their commitments. Both have likewise failed to seize political opportunities, to exercise visionary leadership, or to take positions that would have regained

for them the confidence lost in the eyes of so many South Sudanese. Despite the advances codified in the January 23, May 9, and subsequent agreements, both sides have attempted to walk-back their commitments, weaken the process, narrow its scope, and exclude others from the negotiating table. All while continuing a senseless fight on the battlefield.

We cannot stand idly by as the warring parties neglect the suffering of their people. Thus, in addition to our diplomatic efforts, President Obama signed an Executive Order establishing targeted individual sanctions—travel bans and asset freezes—in April. These punitive measures target any individual who threatens the peace and security, obstructs the peace process, violates transitional agreements, obstructs delivery of humanitarian aid, or is deemed responsible for human rights abuses. We have listed four individuals to date, and are currently considering the cases of others who may meet these criteria. These measures are intended to press the parties toward a negotiated political solution.

To this end, the time has come for the broader international community to send the same clear message by authorizing targeted UN Security Council sanctions; a unified signal that this senseless war is unacceptable and that those responsible will pay a price. Let me make clear that such measures will not target the state, but rather those individuals who continue to drive the country's downward spiral. We must instead stand with those individuals ready to exercise bold leadership and to articulate a way out of the crisis.

If this current round of IGAD-led talks fails to yield a solution, and if the 45-day deadline passes, we must all be ready to move swiftly—increasing our pressures, reconsidering the scope and format of our engagement, and acting decisively to ensure South Sudan does not slip into a perpetual state of low-intensity conflict, ethnic division, and weak government. Neither the region—nor the international community—can allow this to happen.

SUDAN

As much as the conflict in South Sudan has demanded our collective attention this year, we have maintained an equally sharp focus on Sudan. Sudan presents a uniquely challenging set of circumstances, but also an important set of interests. Our relationship with Khartoum has been strained for many years, above all because of the injustices suffered by so many of its people. I would like to briefly review where we have been, and where we are now, as understanding past pitfalls and missed opportunities will be critical in understanding how to avoid them going forward, and how to help pave a road toward a sustainable peace, a normalization of U.S.-Sudan relations, and restoration of a relationship based on mutual understanding and shared interests. I will then outline what we see as the key elements of a process by which Sudan might end its multiple conflicts, confront fundamental issues of governance, and realize a more inclusive future. To this end I will discuss the role of the United States and the international community in supporting the Sudanese people in this task. And let me say here, that our commitment to the people of Sudan—and to their collective aspirations—will remain equally steadfast.

Some three decades ago, I served as Sudan Desk Officer at the State Department. It was a time when relations between our two countries were very different than they are today. At that time, cooperative relations enabled us to champion debt relief and support economic development. We shared common objectives with regard to the region and its security, as well as a military-to-military relationship. Sudan was in a period of relative peace, with the South enjoying a degree of autonomy. A major American oil company was then actively engaged in exploration in Sudan, some 15 years before oil would come online and become the country's principal source of revenue. A look back to this period demonstrates that relations between our

two countries need not be defined by antagonism, mistrust, or economic and political sanctions. Instead, they can be defined by good will, cooperation and shared mutual interests—a theme I will return to later.

Even at that time, a center-periphery imbalance existed. This fundamental flaw in the structure of the Sudanese state would widen under ensuing governments, marginalizing more than a few of Sudan's diverse communities. The concentration of power and resources meant gross neglect of the needs and aspirations of those outside the center. As the political landscape continued to evolve, expressions of religion, culture, and identity that did not match those of the riverine elite, and of the ascendant Islamists, were suppressed. War resumed, and in time, the political arena became increasingly cynical, ideas and discourse gave way to corruption and nepotism, and the state was drained of talent and resources. The consequences of this slow deterioration are particularly evident today when one examines the dire state of the Sudanese economy.

Strained by a huge current account deficit and the loss of billions in oil revenues, the government has turned to extraordinary measures to shore up its emptying coffers. Inflation has surpassed 45%. High unemployment and a weakening currency mean families struggle to make ends meet. Sudan owes creditors some \$45 billion in debt, and has suspended payments even on its most recent loans. Meanwhile, military spending and the prosecution of two wars are bankrupting an already ailing economy. But beyond the numbers is a loss of confidence. Sudanese entrepreneurs are investing elsewhere and what is left of the country's professional class is again leaving Sudan, disillusioned by corruption, misrule, and economic woes. The question on the minds of many is this: will this dire state of affairs prompt the leadership to undertake real reforms?

National Dialogue

In January 2014, President Bashir delivered a much heralded policy speech, one that caught the attention of Sudanese and international observers alike. While many dismissed it as empty rhetoric, the commitment to undertake a national dialogue and the identification of the core challenges to be addressed therein: "peace, political freedoms, poverty"—and especially the reference to national "identity"—were both welcome and worthy of note. While such initiatives have in the past proven disappointing, many wondered whether the state of the economy, the costs of continuing wars, internal National Congress Party (NCP) dynamics, and scheduled elections might this time provide for openings and some chance for meaningful discourse. Or would this be yet another empty exercise—a thinly veiled attempt to bridge the regime to unfair elections and a renewed air of legitimacy?

In June, Secretary Kerry and his Troika counterparts, the UK and Norway, together welcomed the "stated intent" of the ruling party to initiate a national dialogue, something many Sudanese had long called for. He noted then that "a common understanding of the dialogue process, and the desired goals", coupled with an environment conducive to openness and inclusivity, would invite the broadest participation and offer the best chance for success". But to date, realization of the promised National Dialogue remains uncertain. In the intervening months, details of the purported dialogue were few, and actions taken by the government appeared to run contrary to its stated intent—actions which further constrained political space and hardened doubts of the skeptics. The government also indicated it would press ahead with elections as scheduled, in April 2015. This timeframe simply cannot allow for a meaningful political process, and the increasing attention on election preparation was viewed by many as an attempt to scare opposition parties into joining a dialogue before the train left the station.

But many Sudanese resisted the pressure, and articulated their views as to what would constitute a conducive environment for their participation in a dialogue. These declarations brought diverse opposition elements together, and were followed by a series of principles signed by opposition actors, and at least nominal government representatives—under AU facilitation. This unity of opposition—even if tactical—prompted renewed interest and hope about the possibility of a credible dialogue. President Thabo Mbeki, Chairman of the AU Panel, then returned to Khartoum to secure President Bashir's endorsement of these principles and of a process to make the dialogue a reality. These are encouraging signals, but of course the proof will come in timely and measurable progress toward dialogue and agreed reforms.

Principles: On Peace and Democratic Governance in Sudan

In this regard, I would like to draw attention today to the set of Principles on Peace and Democratic Governance in Sudan—which we issued together with Troika colleagues last month (September 18). These principles reflect the views of many Sudanese on the resolution of conflict and the character of a credible dialogue. I will summarize them here as follows: First, there is no military solution to Sudan's conflicts, and compartmentalized and regional approaches to peacemaking cannot address grievances and aspirations that are national in character. Next, dialogue should address fundamental issues of governance, inclusiveness, resource-sharing, identity, and social equality at a national level. And lastly, a conducive environment is essential for any dialogue to succeed, and the outcomes of a dialogue might ideally: 1) uphold the country's territorial integrity, 2) accommodate its unique diversity of peoples, cultures, and religions; 3) yield an inclusive governance arrangement that allows for participation in democratic institutions, and 4) agree a timeline and benchmarks for the holding of legitimate national elections. It is with these principles in mind that we and other international partners will follow progress toward conflict resolution, dialogue and ultimately national elections.

And let me say here that while the ruling party is principally responsible for initiating a credible dialogue, we have regularly stressed to the armed opposition that they too must engage constructively in building a process toward political—not military—solutions. We have encouraged the armed and unarmed opposition to themselves champion National Dialogue—not simply to wait for the government or criticize its inaction, but to seize this valuable opportunity to articulate a common agenda and build national consensus toward comprehensive solutions.

Conflict with Peripheries

While we welcome the prospect of a credible National Dialogue, we remain deeply concerned about the ongoing conflicts in both the Two Areas and Darfur, where new fighting, large-scale displacement, attacks against civilians, and a humanitarian crisis remain the dominant narrative. Instability in Sudan's peripheries is costly, it is unsustainable, and it has caused undue strain on all Sudanese—center and periphery alike. And the recurring military offensives (and counter-offensives) are all the more senseless given the reality, proven season after season, that neither side can win this war. This fact has become a source of division within the Sudanese political class, where some regret the endless state of conflict and the perpetual reliance on security solutions. It is also a source of resentment among some in the military, who regret the proliferation of paramilitary activity and hearken back to an era when the army was a proud institution characterized by respect and professionalism.

These conflicts—in Darfur, in the Two Areas, like those previously in the East and in the South, each had unique manifestations, but they were all symptoms of a common national ill. For too long, the focus of conflict resolution efforts in the peripheries—and the supporting international architecture—was focused regionally. Fortunately, the international community has increasingly come to recognize this reality, one framed eloquently in 2009 by President Mbeki, when he described not a "Darfur problem in Sudan", but a "Sudan problem in Darfur". We must ensure that this recognition is reflected in our own policy approach, that of other engaged countries and institutions, and in the international architecture we mandate to resolve conflict.

The advent in 2012 of the Sudan Revolutionary Front further illustrates the point, as different armed movements (and unarmed actors)—aware of the government's attempts to isolate them and address their grievances through separate processes—coalesced in recognition of the national nature of their struggle and of any sustainable solution.

In Darfur, the government and one rebel movement signed the 2006 Darfur Peace Agreement (DPA), but this failed to change Darfur's realities. Five years later, the Doha Document for Peace in Darfur (DDPD) was signed—but again, it lacked the endorsement of the major Darfuri armed movements. Again, the DDPD, despite its efforts to engage those most affected by conflict, its thoughtful provisions, and its continuing potential to deliver local recovery and development, has gone largely unimplemented. As with prior regional agreements, civilian security, meaningful governance reforms, accountability, and an equitable distribution of resources remain elusive. Instead, we have sadly witnessed a resurgence of violence in Darfur, as well as in the Two Areas, much of it again generated—directly and indirectly—by the state.

In addition to clashes between armed opposition and the Sudanese Armed Forces, aerial bombardment and the introduction of so-called "Rapid Support Forces (RSF)" proved particularly devastating to civilian populations. RSF units have not only fought opposition movements, but attacked civilians, burned villages, and displaced thousands as part of what appears to be a deliberate campaign. Meanwhile, inter-tribal fighting and shifting alliances, conflict between opposition factions, and opportunistic banditry, when coupled with dried-up patronage networks and laid atop a competition for resources, have made for an increasingly complex security landscape. And the continuing environment of impunity contributes to sustained cycles of violence.

Meanwhile, the joint United Nations-African Union peacekeeping mission in Darfur (UNAMID)—with a broad mandate to boost security, protect civilians, and implement successive peace agreements—while at the same mediating new peace—continues to face challenges. These include attacks on peacekeepers, key personnel and asset shortages, and access restrictions. The mission has also been met with performance criticism. To this end, the UN Security Council last month adjusted the mandate so as to maximize the mission's impact and focus on the core task of civilian protection. We are meanwhile working with the UN, AU, and troop contributing partners to reinforce our collective support for UNAMID.

In the Two Areas, where another 100,000 people have been newly displaced in the last six months, an escalation of conflict can be attributed largely to two government offensives, including RSF assaults and heavy aerial bombardment. These bombardments include what appears to be deliberate targeting of humanitarian infrastructure and supply lines, to include hospitals and clinics. I have been closely involved in intermittent talks over the last year between the government and the SPLM-North, facilitated by the AU Panel. Talks struggled to advance in part because there was no realistic mechanism to make parallel progress

for Darfur—again a recognition that neither an end to fighting nor political solutions could be reached in compartmentalized fashion. What was needed was a path for all parties to confront Sudan's problems together, in the context of a national framework.

The Way Forward

With this in mind, I'd like to outline what we see is a viable way forward toward a meaningful National Dialogue that brings the armed groups on board, and helps bring a permanent end to the conflicts. These three steps constitute the approach now being advanced by President Mbeki and the AU Panel, and we fully support them in this regard:

- 1) Resumption of <u>Security Talks</u>, toward cessation of hostilities arrangements and humanitarian access in both Darfur and the Two Areas. These two tracks must necessarily be advanced in a parallel and coordinated manner, and should be facilitated by the AU Panel with support from the UN. Each track must address local issues, but broader coordination is necessary to reflect the realities of armed engagement on the ground. These agreements should also identify a common path to a permanent ceasefire, to hinge on inclusive political dialogue and a broadly endorsed outcome.
- 2) A <u>Pre-Dialogue</u> meeting outside Sudan, bringing together representatives of the government, opposition parties, the armed opposition, and other important constituencies, who together agree the terms, timeline, and objectives of the National Dialogue..
- 3) Additional <u>Confidence-Building Measures</u> would then signal good faith and create an environment conducive to open dialogue. These might include release of political prisoners, easing of restrictions on political activity and public expression, and mutual observance of agreed Cessations of Hostilities.

These steps would provide the groundwork to begin a credible National Dialogue inside Sudan, ideally facilitate by President Mbeki or another independent actor. Meanwhile, it is essential that the international community speaks with one voice in support of this strategy, including key voices from the African Union, the Arab League, Qatar, China, Europe, the Troika, and Sudan's immediate neighbors. Again, we welcome the stated intent of the National Dialogue, and will continue to follow it closely.

US-Sudan Bilateral Relations

This brings me to a final and critically important discussion, of our bilateral relationship with Sudan. The relationship between Khartoum and Washington has for too long been characterized by mistrust and miscommunication. So deep is the mistrust, and so infrequent is the opportunity for constructive dialogue, that the underlying interests and objectives are often miscommunicated. Let me make absolutely clear, that the United States' long term interest in Sudan is—as it is in every country—a normal bilateral relationship, where our countries work together on common interests. Our interest is a democratic and prosperous Sudan, one at peace with itself and with its neighbors. It is a Sudan with which the United States can trade, can partner, and can contribute to the unbounded potential which African states and America can achieve together, as partners.

Our concern for marginalized populations, our interests in the resolution of deadly internal conflicts, and our support for democratic governance derive from principles that reach far beyond Sudan's borders. They orient us in our posture toward states and partners around the globe, and they will remain enduring elements of any U.S. relationship with Sudan. But we stand ready to work with the Sudanese on these issues, and on a range

of other areas of mutual interest and potential cooperation. The majority of the Sudanese people have no interest in a collapsing economy, no interest in war or divisive politics, no interest in extremism or international isolation. They seek what we seek, a new chapter in Sudan, one in which this country of vibrant communities and rich history succeeds.

Despite the disappointments of the past, I believe there remains an opportunity to realize a better relationship; and we must engage toward this end. We cannot accept a Sudan mired in conflict or a relationship lost to mistrust—the tumult of the region in recent years demonstrates the vital importance of stability and mutual engagement. We must together chart a course forward. To this end, I reiterate my readiness, and that of my government, to engage the Sudanese in a more frank and frequent exchange, to visit Khartoum, and to discuss the full range of issues that frame our bilateral relationship.

SUDAN – SOUTH SUDAN: Continuing Inter-Connectivity

In closing, I would like to address the relationship and continued inter-connectivity between Sudan and South Sudan, which remains critically important to us, to the region, and to the long term strategic interests of both countries. The September 27 Agreements of 2012—which the United States played a critical supporting role in brokering—identified solutions for critical post-referendum issues, helped prevent renewed conflict between Sudan and South Sudan, and—importantly—recognized the inevitability and opportunity of their continued inter-connectivity. And while many successes can be cited, many critical elements also remain unimplemented. And thus while focus has turned to the domestic situations in both countries, and while domestic stability is a critical ingredient in solid relations between the two states, we must also remain vigilant about the state of bilateral relations between the two. Areas to watch include:

- 1. Trade and Mutual Economic Viability: The economic interests of the two countries are, for the foreseeable future, best served by continued economic cooperation and the notion--popularized at separation--of "two mutually viable states". Oil production remains a lifeblood for both, and a renewed and equitable agreement on the joint export of oil—to be revisited in 2016—is a necessary bedrock of mutual economic viability in the medium term. Meanwhile, as the largest concentrations of populations in both countries are located near the shared border, the full potential of cross-border trade and movement remains unrealized. Free trade and movement across historical corridors can build a value chain that binds and stabilizes the borderlands and the two countries. Furthermore, the September 27 agreements included an arrangement in which Sudan agreed to assume all pre-secession sovereign debt, provided the two countries work together to secure debt relief from creditor countries. We've welcomed Sudan and South Sudan's flexibility in extending this so-called "zero option", and we remain available for discussions with the Sudanese on the steps necessary to realize debt relief. We will meanwhile continue to press Juba to follow through on its commitment to joint outreach.
- 2. Borders and Security: Recent history demonstrates that instability in one state can register deep impact in the other. The two countries' shared border—one of the longest in Africa—remains a centerpiece of this security interdependence. Political tension in 2011, the presence of oil reserves near the border, disputes over demarcation, the market for cross-border trade, and the proximity of populations meant this frontier was then, and remains, both a critical security concern and a frontier of essential cooperation. Fortunately, the dangerous postures assumed by armies on either side in 2011 did not escalate, but the posturing underscored the need for a border security and maintenance regime. The mechanisms

envisioned in the September 27 agreements—principally the Safe Demilitarized Border Zone (SDBZ) and its ten crossing corridors—were intended to facilitate joint border management and reduce the trust deficit. But neither side has invested the political capital necessary to fully operationalize these mechanisms and thereby realize the opportunities of a normalized border. Unless and until these mechanisms are operationalized, the border will remain both an irritant and a drag on shared potential. In this context, I want also to reiterate our strong concern about destabilizing activity being advanced on both sides of the border, and call for an end to support to armed proxies, as agreed. The vision of two countries living side by side in peace will not be fulfilled as long as either state continues to pursue such narrow and short-sighted cross-border activity. It must end now.

3. Abyei: Sadly the final status of Abyei remains unresolved, its people marooned in a state of limbo and insecurity. And as long as it is unresolved, and seasonal migrations continue without agreed terms, the potential to draw the two countries back into wider conflict persists. An inward turn in both countries—most notably in South Sudan—has virtually stopped all bilateral negotiations on outstanding post-referendum issues—including the final status of Abyei, while concurrent disputes over the establishment of joint local administration has brought progress on local stability, administration, and development to a halt. We remain deeply concerned about this fragile situation, and are working with UNISFA to help improve the humanitarian situation and manage tensions. The final resolution of this dispute, however, is the responsibility of both governments, and we continue to believe the September 2012 Mbeki Plan remains the most viable path to fair and lasting resolution of this dispute. In the interim, we must do all we can to improve the lives and livelihoods of the residents of Abyei, as well as of those who regularly migrate through the area.

In closing, let me underscore that focused U.S. engagement with Sudan and South Sudan is as robust—and remains as important—as at any time in recent history. And to that end I welcome the continued engagement, advocacy, ideas, and support of the many dedicated individuals and institutions who have long been friends of the people of Sudan and South Sudan.

I thank you, and look forward to your thoughts and questions.