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STRATEGY STATEMENT 2006–08

December 2005

USAID/Sudan 2006–08 Strategy Statement

I. Program Rationale

One of the main drivers of conflict in Sudan has been the historical concentration of wealth and power in the central government in the North, at the expense of the marginalized majority in the rest of the country. This marginalization, coupled with racial and religious discrimination, resulted in a brutal civil war between the North and the South that has ravaged the country for all but 11of the last 50 years. The signing of the Comprehensive Peace Agreement (CPA) on January 9, 2005, by the Sudan People's Liberation Movement (SPLM) and the Government of Sudan (GOS) brought an end to Africa's longest running conflict. The agreement, a product of more than two years of high-level negotiations with substantial engagement from the U.S. government, addresses the causes of war and instability in Southern Sudan. The Government of National Unity (GNU) and the Government of Southern Sudan (GOSS) have been established, and a fragile peace now dominates relations between the North and South. Ethnic cleansing and conflict continues to rage in Darfur and eastern Sudan, and South-South tensions persist. Internally displaced persons (IDPs) live in temporary camps and have not returned home. The CPA must succeed and continue to serve as a model for talks on power and wealth sharing.

This new strategy responds to the significant challenges and many opportunities in supporting the Southern Sudanese transition from war to peace as a result of the CPA. It does not address USAID's response to the conflict in Darfur or crisis in the East. These will be addressed separately from this document. USAID's new program will assist in achieving a just and lasting peace through successful implementation of the CPA. Geographically, the new strategy focuses on vulnerable areas in the South, the Three Areas (Abyei, Blue Nile, and Southern Kordofan), and Khartoum and maintains the flexibility to respond to flashpoints as they arise. Programmatically, the strategy has shifted from a sectoral focus to a cross-cutting multi-sectoral approach that supports the implementation of and reduces the threats to the CPA.

A. Major Stabilization Challenges to be Addressed and Relevance to U.S. Strategic and Foreign Policy Interests. Sudan is the U.S. government's highest priority country in Africa due to its importance for counterterrorism and regional stability, as well as the magnitude of human rights and humanitarian abuses. President Bush appointed a special envoy to represent him during the North-South peace negotiations, and high-level officials from both the State Department and USAID played a critical role in bringing the CPA to fruition. It is within this context that USAID/Sudan is mandated to support the implementation of and reduce the threats to the CPA. Despite the ending of the conflict and the signing of the CPA, Sudan remains vulnerable due to the proliferation of weapons, the presence of rival military forces, the absence of virtually any infrastructure outside of Khartoum, and the weakness of institutions of governance.

Numerous challenges persist. The CPA brings high expectations from citizens for tangible peace dividends, honest power and wealth sharing, and an end to the insecurity that has displaced more than 4 million people in Southern Sudan and caused an additional 550,000 refugees to flee to neighboring countries. The reintegration and safe transition of displaced and other affected people, including ex-combatants and orphans, is essential. To ensure stability, communities where they reintegrate will need assistance developing water systems, health systems, schools, transportation routes, vocational training, and business and agricultural inputs. Implementation of the CPA is slow. Institutions and capacities are nascent throughout Southern Sudan, and the political and administrative infrastructure of the new

governments remain weak. Joint integrated units of the SPLM and Sudanese Armed Forces (SAF) have yet to be properly established, and SAF withdrawal from garrison towns is proceeding slowly.

USAID has an exceptional opportunity to work with new government entities to support a reform agenda that, if successful, will advance U.S. foreign policy interests in fostering stability not only in Sudan, but throughout the Horn of Africa. This strategy recognizes the potential and actual threats to the CPA, while supporting the political and economic stabilization process that is crucial to consolidating peace and buttressing the GOSS and GNU. USAID/Sudan's strategy contributes to the joint USAID–State objective to achieve peace and security and embraces USAID's fragile states strategic approach as outlined in the Strategic Framework for Africa.

B. Primary Sources of Fragility. USAID is positioned to respond to five key threats to the implementation of the CPA:

> **Sources of Fragility Addressed by the USAID/Sudan Strategy**
> Political will to implement the CPA
> Potential for resumption of conflict in the Three Areas
> Weak institutional capability of the GOSS
> South-South tensions
> High expectations

Political Will to Implement the CPA. Sudan has a poor record of participatory and inclusive governance. One of the main drivers of conflict in Sudan has been the historical concentration of wealth and power in the hands of a small clique in the central government in the North at the expense of the marginalized majority in the rest of the country. Capacity is weak among the GOSS, state governments in the Three Areas, and opposition members of GNU ministries, commissions, and legislative bodies. The transfer of oil revenue from the North to the South is of particular concern.

Potential for Resumption of Conflict in the Three Areas. The Three Areas are addressed by two separate protocols in the CPA—"The Resolution of Conflict in Southern Kordofan (Nuba Mountains) and Blue Nile States" and "The Resolution of Abyei Conflict"—that seek solutions to the political, administrative, economic, and social conflicts in these areas. Both the North and the South made significant compromises regarding the Three Areas. Critical issues that gave rise to conflict in these areas—land rights, Islamic law, the right to self expression and freedom of identity, imbalanced development, and autonomy or self-rule—have been deferred to complex political processes and commissions outlined in the protocols. Since the Three Areas have the greatest SPLM presence in the North, resolving issues and implementing the protocols will test the parties' commitment to genuine reform and unity. In addition, because the states are part of the frontline between North and South, renewed conflict in these areas could easily escalate between the SPLM and SAF.

The Abyei Protocol recognizes the Ngok Dinka's historic claim for a referendum to join Southern Sudan. With its significant oil reserves, Abyei is an important test of the National Congress Party (NCP) commitment to the CPA. Currently, more than 80 percent of Abyei's people are displaced outside the area, and the Abyei government had yet to be appointed more than a year after the signing of the CPA. Furthermore, the joint SPLA–SAF military and police forces needed to ensure security for citizens' return are not yet integrated.

Weak Institutional Capability of the GOSS. The CPA established peace between the North and South through wealth- and power-sharing agreements that include, among others, an autonomous GOSS. However, the nascent GOSS lacks the institutional capacity and the core institutional structures required to respond to the needs of its citizens. The GOSS needs to create an enabling environment for financial and legal sector development and deliver an economic and social infrastructure that provides essential services and improves the standard of living. If the GOSS fails to equitably deliver these peace dividends and address corruption that may arise, the risk of conflict will increase as disaffected ethnic groups could take up arms to achieve their political aims or solve their economic woes. As the GOSS has not had experience managing significant revenues in the past, the potential for mismanagement and

corruption exists. This, together with the prospects of exploitation of other natural resources (such as teak), requires that systems of management and accountability be put in place immediately. As such, anticorruption will be a major theme of USAID's efforts to strengthen the institutional capacity of the GOSS. Equally important is the ability of the GOSS to communicate governmental processes, decisions, and priorities to the people in Southern Sudan in order to reduce tension and feelings of alienation.

Continued South-South Tensions. Inter- and intra-ethnic tensions and conflict over power and natural resources (grazing lands, water, oil, teak, and food) remain at the heart of South-South tensions. The presence of other armed groups will continue to threaten stability until they are integrated into either the SPLA or SAF. Strains are likely to be exacerbated by the return of internally displaced persons and refugees to areas that have yet to develop the infrastructure and services necessary for them to reestablish their lives and livelihoods. Peace, reconciliation, access to accurate and reliable information, and dialogue between key groups—people to people, civil society organization to civil society organization, and political party to political party—will help to manage conflict within the South and ensure that the foundation for stability outlined in the CPA is not undermined.

High Expectations. Meeting the perception that the CPA will bring a viable peace to the Sudanese people is critical to the CPA's implementation. Expectations for a visible peace dividend are extremely high, and USAID's anticipated activities seek to buttress the CPA with tangible results. Without support to governance, social services, IDPs, and infrastructure, disenfranchisement and feelings of alienation could return, reigniting the potential for conflict. Citizens, for example, need to feel that the CPA is equitable in resource distribution mechanisms throughout historically marginalized areas. Basic services need to be visible throughout the urban areas of the South. USAID will address these concerns with a view toward managing expectations and ensuring a peace dividend for the Sudanese people.

Averting and resolving conflict by consolidating peace, managing crises, and promoting stability, recovery, and democratic reform are monumental tasks for the GNU, the GOSS, Three Areas state governments, and Sudanese citizens and civil society organizations. Overall lack of security and rule of law are also threats to implementation of the CPA, and USAID will work closely with other U.S. government agencies that are addressing these issues. Security is a major area of concern, and police in the South cannot be expected to provide necessary security services in the near future given their limited capacity. Political tensions will rise if the amalgamation of police from garrison towns and the SPLA is not properly executed and if the command and control structures of civilian security forces between the North and South remain unresolved. In addition, rival armies have yet to integrate into joint units to serve former garrison towns and the Three Areas, formal and informal militia forces that were not part of the CPA remain armed, small arms are readily available, and funding for security sector reform and disarmament, demobilization, and reintegration has yet to be secured. Increased attacks by the Lord's Resistance Army in Southern Sudan are undermining previously stabile regions of Equatoria. As long as these serious security issues remain unresolved, society will remain militarized and a culture of violence will keep stability elusive.

C. Key Global Issues and Special Concerns

Need for Humanitarian Assistance. Despite improved physical security, food security remains vulnerable due to population movements across Sudan and the general lack of services, infrastructure, and government administration in the South, East, and Three Areas. The main population movements are related to displacement resulting from the ongoing hostilities in Darfur, and IDPs from Northern urban centers returning to the Three Areas and the South. The UN World Food Program estimates that 26 percent of the Sudanese population is malnourished, and food security will likely remain fragile in the near term due to increased demand from returnees, lack of agricultural market structures and essential public and social services in the South, unstable commodity prices, and vulnerable populations' lack of access to food. Recent improvements in the supply of goods around Juba and Yei are being threatened by

escalating LRA attacks, and the inadequacy of water and sanitation is seen in the outbreak of watery diarrhea in many towns in the South.

Implications of Extractive Industries. Sudan offers excellent prospects for exploitation of oil, artisanal mining, and timber, but controversy around the ongoing extraction of these natural resources is one of the root causes of the North-South civil war, and could play a role in any of the key threats to CPA implementation. The CPA sought to address sources of conflict by establishing joint North-South institutions to monitor revenue-sharing compliance, including the National Petroleum Commission and the Fiscal and Financial Accounting Management Commission (FFAMC). However, delays in the start-up of these commissions have caused friction and monitoring petroleum contracts and revenue flows is a technically complex task for which the SPLM is not prepared. The GOSS will start its operations at near complete dependency on oil revenues, which increases the risk of corruption and conflict; misuse of resources and revenues would diminish citizens' support for their new government and the potential for sustainable development. Each of the Three Areas falls within blocks designated for oil exploration, and gold is already being mined and exported in Blue Nile, which could exacerbate boundary issues. SPLM arrangements for teak export have already frayed and disputes between civilians and military have erupted. USAID will help track the flow of oil revenues from the North to the South and assist the GOSS in designing a performance-based budget and establishing a tracking system for expenditures.

D. Linkage to U.S. Government Initiatives. USAID/Sudan's program has and will benefit from the U.S. government's Africa Education Initiative and Global HIV/AIDS Initiative. The program also includes activities that contribute to the following special concerns: polio, clean energy, dairy, displaced children, and orphans.

II. Program Structure

A. Hypothesis and Anticipated Results.
USAID/Sudan's new strategy focuses on supporting the implementation of and reducing threats to the CPA, including providing peace dividends that help maintain the CPA's viability and addressing the root factors that fuel conflict. The program aims to contribute to the goals articulated in the Strategic Framework for Africa of "averting and resolving conflict" and "promoting

> **Geographic Focus**
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> Three Areas: Abyei, Southern Kordofan, Blue Nile
> Juba and other key urban areas
> Upper Nile and Jonglei
> Central and Eastern Equatoria
> Northern Bahr el Ghazal and Warub

stability, recovery, and democratic reform." Achieving these two objectives will enable the mission to work toward its goal of a just and lasting peace secured through successful implementation of the CPA.

Based on the lessons learned from the 2004–06 Interim Strategic Plan, USAID will focus on key geographic areas—places that have been identified as vulnerable in the South, the Three Areas, and Khartoum—so that the programming averts and resolves conflict and increases stability in Sudan. Durable stability is contingent on real change in governance, service delivery, infrastructure, food security, reintegration of returnees and ex-combatants, and greater public perception of a visible peace dividend. Moreover, if more efficient and legitimate governance is achieved, deeper political and economic reforms can be implemented in the South that will further improve the lives of all Sudanese and reinforce stability countrywide. Given the uncertain and ever changing political and economic landscape, USAID will remain flexible so that it can respond as necessary if new threats to the CPA emerge. As stated earlier, this strategy focuses on the implementation of the CPA and includes Southern Sudan, the Three Areas, and Khartoum. Darfur and the east will be addressed in a separate document, which will be written during 2006.

The proposed programming is a multi-sectoral approach that supports the implementation of and reduces threats to the implementation of the CPA. This approach diverges significantly from traditional sector-

based programming by focusing on averting and resolving conflict and promoting stability, recovery, and democratic reform. Every activity, whatever its source of funding, will look to build institutional and human capacity, increase access to accurate and reliable information, and develop systems for participatory governance, accountability, transparency, and infrastructure development.

Humanitarian and development assistance programs will work in tandem to achieve results. For example, emergency health care programming through USAID's Office of U.S. Foreign Disaster Assistance (OFDA) delivers high-impact health services in areas where a large number of displaced are expected to resettle. These services are also provided as a peace dividend in areas that have a history of South-South conflict. Child survival and health (CSH) funds will provide similar services in urban centers and the Three Areas. USAID partners in these areas will work with the governments to ensure that they develop systems for transparent and accountable financing and oversight of health care delivery, enhancing citizen perception of their legitimacy and effectiveness. In education, USAID partners will rapidly expand non-formal and alternative education systems (such as distance learning through radio-based programs) for those most at risk—primarily youth, women and girls, returnees, ex-combatants, and those associated with fighting forces. Similarly, livelihood programming supported by international disaster and famine assistance (IDFA), transition initiative (TI), and development assistance (DA) funds will focus on the same at-risk populations by building skills and generating income in areas of high return and providing credit and developing small businesses in geographic hotspots such as select urban areas, state capitals, and counties. All USAID partners will therefore monitor and report on multi-sectoral intermediate results as well as sector-specific common indicators.

USAID's strategy includes two Strategic Objectives and a Program Support Objective, each of which have a three-year timeframe (2006–08).

> Strategic Objective No. 9: Avert and Resolve Conflict
> Strategic Objective No. 10: Promote Stability, Recovery and Democratic Reform
> Program Support Objective No. 11

<u>Strategic Objective 9: Avert and Resolve Conflict.</u> USAID believes that support for the implementation of the power- and wealth-sharing protocols, as well as the protocols pertaining to the Three Areas, is needed to avert and resolve conflict between the North and South. Work with government and civil society will also be needed to reduce South-South tension and establish a more secure environment for the return of IDPs, refugees, ex-combatants, and those associated with fighting forces.

IR 9.1: Support Implementation of the CPA at the GNU Level. The success of the CPA depends on a number of factors. One of them is the meaningful participation of the National Congress Party and the SPLM in both the GNU and the GOSS. In the North, the transition from being the Government of Sudan to being a Government of National Unity presents many challenges. To assist in this transition, however, the people of Northern and Southern Sudan must see that the GNU is governing effectively and differently. USAID will identify select ministries and commissions to support in their efforts to implement the CPA. These institutions will complement USAID's programming with the GOSS Finally, to track citizen's views of the CPA and other governance issues, USAID will conduct focus-group research in both the North and the South.

IR 9.2: South-South Tension Reduced. To reduce tensions in the South, USAID will support dialogue at three key levels of society: people to people, civil society organization (CSO) to civil society organization, and political party to political party. USAID will also support institutional development among CSOs that promote women and marginalized groups; civic education messages of peace building, tolerance, and anti-corruption; and the resolution of core issues, such as access to natural resources and meeting expectations of peace dividends.

IR 9.3: Implementation of the Protocols for the Three Areas Advanced. The resolution of issues that gave rise to conflict in the Three Areas was deferred to processes outlined in the protocols. Solutions will test all parties' commitment to genuine reform and unity to secure a just and lasting peace. The U.S. government made a special commitment to support these protocols during the peace process. For the Protocol for the Resolution of Conflict in Southern Kordofan (Nuba Mountains) and Blue Nile States, USAID will assist in developing state government capacity, including supporting the ratification and dissemination of the state constitutions and providing technical assistance to the state Ministries of Finance and Planning, Education, and Health. USAID will also advance the coordination of state and non-state actors in a common recovery strategy for the Three Areas.[1]

The Protocol for the Resolution of Abyei Conflict addresses the significant oil reserves in Abyei and allocates two percent of the revenue to the nine sections of the Ngok-Dinka. The protocol focuses predominantly on the Ngok-Dinka, and recognizes the Abyei peoples' historic claim for a referendum to determine if they want to join Southern or Northern Sudan. By protecting the rights of the Ngok-Dinka to what the Misseriya perceive as their exclusion from both potential oil revenue and access to pasture, Abyei has become possibly the most fragile region addressed in the CPA. USAID will specifically target livelihood interventions to Misseriya areas, as well as to the Ngok-Dinka. As in the rest of the Three Areas, USAID will address potential violent conflict by supporting people-to-people peace processes, civil society organization to civil society organization dialogue, community monitoring, rapid response, institutional development of CSOs that promote women and marginalized groups, and education services through radio-based, non-formal education and literacy programs. Additionally, because 80 percent of the Abyei population has been displaced, USAID will focus on returning IDPs, as spelled out under IR 10.4. Abyei is an important North-South transit point for IDPs and trade, and as such, USAID will also concentrate on HIV/AIDS, information, and protection.

Strategic Objective 10: Promote Stability, Recovery, and Democratic Reform. To promote stability, recovery, and democratic reform, USAID believes that the GOSS must establish core governance structures, strengthen urban areas, reintegrate people affected by conflict, and develop an electoral system that will be conducive for free and fair elections. To manage crises, the results outlined under SO9 must be achieved.

IR 10.1: Core Institutional Structures for an Effective, Transparent, and Accountable GOSS Developed. To establish an effective and legitimate GOSS, core institutional structures of government must be effective, accountable, transparent, and focused on anti-corruption efforts. USAID will target assistance to seven key ministries and five GOSS institutions. Ministries-in-a-box—quick institutional capacity-building materials provided by USAID's Office of Transition Initiatives (OTI) to support the standing up of the GOSS—will support these ministries and institutions by providing office supplies, furniture, generators, and other materials. All capacity-building and training programs will place an emphasis on the need for building transparent processes. Support will include establishing budget transparency, tracking expenditures, increasing public awareness to governmental decision making processes, and establishing effective mechanisms for asset declaration and merit-based personnel regulations. Training for the new GOSS civil service will focus on topics of leadership, public management, financial management, accounting, and computer literacy in an effort to strengthen the skills that are needed for maintaining an honest and transparent government.

IR 10.2: Selected Urban Areas Strengthened. Southern Sudan's urban centers—many of them former garrison towns—will experience significant population growth as the SAF departs, IDPs return, and Southern Sudanese migrate in search of employment and access to public and social services. Stability will potentially be threatened by sharp increases in concentrated, urban populations demanding visible

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[1] Specifically, this expands the Nuba Mountains Programme for Advancing Conflict Transformation (NMPACT) to cover all of Southern Kordofan and implement a similar approach in Blue Nile.

peace dividends, disenfranchised unemployed groups (youth and ex-combatants in particular), and health hazards presented by a concentration of population in areas with inadequate public services. The sum total of such threats could quickly translate into unmanageable urban unrest, while urban development would create significant opportunities for recovery. USAID will contribute to an enabling urban environment where citizens and their representative civil society groups rely on effective local government to oversee accountable management of infrastructure and public services and ensure that basic social service are available, income-generating opportunities are increased, and jobs are created. Activities will initially target the cities of Juba, Wau, and Malakal. Additional support to other towns or flashpoints may be provided.

IR 10.3: An Electoral System Conducive for Free and Fair Elections Established. In an effort to support the democratic transformation of the Sudan, the CPA stipulates that national, GOSS, and state elections be held no later than the end of the fourth year of the interim period (July 2009). The CPA also specifies that the census be completed by the end of the second year of the interim period (July 2007). The ability of the new government to conduct a national census is an important step in providing citizenship, rights, and democratic reform. It is equally important to ensure that the rights of displaced persons are protected and that the census accurately captures the population in the Three Areas to secure popular representation in these pivotal boundary lands. To ensure an accurate and timely census, USAID will provide technical assistance to the South Sudan Center for Statistics and Evaluation.

Publicity is one of the most important factors in a successful census enumeration and elections. USAID's democracy and governance program and education program, in conjunction with OTI, plans to conduct a radio-based civic education program designed to raise awareness of the CPA, the new constitutions, civic rights (particularly voting rights), and voting procedures. This program will be aided by the wide distribution of radios to targeted audiences, as well as face-to-face opportunities to debate and discuss important issues concerning the implementation of the peace process, the GOSS, constitutional rights and responsibilities, the census, and voting rights. In addition, to prepare for elections, USAID will assist in development of political parties, and link political party work in the South with political parties in the North.

IR 10.4: Persons Affected by Conflict Reintegrated. The CPA set the stage for South Sudan's internally displaced populations to return to their homes in 2006 and beyond. Sudan's 22-year North-South civil war left the world's greatest concentration of displaced people—more than 4 million people were forced from their homes in Southern Sudan, 550,000 of whom went to neighboring countries. Many of these people have been displaced for more than two decades. USAID will invest in essential services and community infrastructure to stabilize the vast war-affected rural areas of the South and the Three Areas where most IDPs and refugees are expected. Services such as clean water, primary health care, education, and food security will be provided through a community-based approach serving both resident communities and returning IDPs and refugees.

During the timeframe of this strategy, USAID will address problems in the Three Areas by: providing essential services and jobs to IDPs; increasing assistance to key areas where returnees are likely to congregate to avert health, water, power, and sanitation crises; coordinating regional meetings with partners and counterparts to plan continued and new program endeavors; and increasing advocacy with GOSS to facilitate safe and voluntary returns.

To enhance stability in urban areas, USAID envisions an essential package of services that includes five major components: 1) building effective local government structures; 2) increasing the capacity of local urban agencies to map and plan resource use for expanding populations; 3) improving urban infrastructure (buildings, roads) and public services (water, sanitation, power); 4) increasing access to basic social services (education, primary health care) in urban areas; and 5) increasing private sector employment

opportunities (microfinance, business development, quick-start employment), especially among ex-combatants and youth.

To address critical grievances and the most likely points of conflict, USAID will expand its pilot Customary Land Security Project to more fully cover Blue Nile and South Kordofan.

B. The Program Support Objective. This objective supports a variety of cross-cutting activities that contribute to achieving results under the new strategy and enhance management of mission resources, including mechanisms for capacity building, monitoring and evaluation, audits and special studies, logistics, program management, and administrative support.

III. Cross-Cutting Themes

A. Gender. Gender issues will be addressed under each strategic objective and women will equitably participate in all USAID-funded activities. The SPLM is committed to addressing women's political participation and has instituted a quota system to ensure representation in government. USAID will work to help women fulfill their potential by providing leadership training and integrating gender into leadership, public administration, and financial management training so that a more balanced view of women's roles emerges within civil administration and civil society. Women are fundamental to building peace and resolving South-South conflict. Woman-headed households—along with youth and other marginalized groups—will be specially targeted for distribution of radios to ensure that they have access to information that will enable them to participate in community decision making. To support girls' education in both formal and non-formal settings, USAID focuses on access and retention, including promoting women into the teaching profession, providing scholarships to secondary-school girls aspiring to become teachers, developing gender-sensitive curriculum and educational materials, and encouraging mentorship and advocacy for girls' education. There is also a strong focus on improving the health status of women and children as a means of improving overall health throughout Southern Sudan. USAID is focusing on reintegrating those associated with fighting forces (mostly women and children) and IDPs.

B. HIV/AIDS. USAID's strategy for HIV/AIDS (other infectious diseases, family planning, and reproductive health) is part of a unified U.S. government response to the epidemic in Sudan. The strategy is multi-sectoral with activities in prevention, care, and support integrated into interventions under all mission intermediate results. Activities will vary in different geographic areas, as a result of the epidemiology of HIV/AIDS in the region. In the newly defined geographic targets, HIV/AIDS activities will focus on urban areas, the Three Areas, and in areas where IDPs are concentrated. In addition, HIV/AIDS prevention and care form part of the bundle of high-impact health services provided by OFDA and CSH. USAID will also implement an aggressive response in Southern counties bordering Congo, Uganda, and Kenya to prevent the escalation of HIV/AIDS in Western and Central Equatoria and later, along the border with Ethiopia, to mitigate the risks presented by increased trade, improved transportation, and refugee return.

USAID's HIV/AIDS strategy is further bolstered by REDSO's Transport Corridor Initiative (TCI), which will address HIV/AIDS in the context of regional transport corridors and provide prevention services to truck drivers along regional border roads. USAID-funded Safe-T-Stops will provide drivers with such comprehensive services as voluntary counseling and testing, treatment for sexually transmitted diseases, and awareness-raising activities. USAID plans to assess a number of sites for selection by the end of 2006.

C. Youth. The young people of Southern Sudan have never known peace. Their lives are profoundly affected by conflict, and many chose or were forced to join fighting forces (including both formal and informal militia groups) or become associated with them. If these young people remain idle or disenfranchised they are more likely to return to violence to meet their needs. If provided with

opportunity, however, they can contribute to the stabilization of their communities and help to consolidate the peace. Engaging Sudan's youth is critical to USAID's conflict mitigation strategy. Activities involving youth cut across USAID's programs in Sudan, with an emphasis on skill development, health, and income generation.

D. Security. Security sector needs are large, but while USAID's legal and financial capacity to assist is constrained, its activities will seek to minimize insecurity. USAID will support the reintegration of ex-combatants and those associated with fighting forces through programs focused on labor-based infrastructure, microfinance, and adult literacy and accelerated learning programs, such as in Agricultural Training Centers. USAID will focus on preventing gender-based violence, protecting returnees, and de-mining, and, with support from the Displaced Children and Orphans Fund, develop specific activities for former child soldiers.

IV. Regional Context

Sudan is at a crossroads that will determine whether it can resolve conflict and transform its government into a more democratic and broad-based entity—or whether war in the South will resume of conflicts in Darfur and the East will continue to escalate and destabilize the region as a whole. Ensuring human and state security in Sudan requires regional approaches that address underlying causes and consequences of conflict. Critical issues include small arms proliferation and forced migration due to ongoing instability and environmental fragility. In addition, potential control of extractive industries, mass movements of IDPs and refugees, and militias are among the issues that could destabilize the ongoing peace processes and exacerbate conflict flashpoints along the borders between Sudan and Uganda, Congo, and Eritrea. The war on terrorism has reordered security priorities in the region and, in some instances, redefined national interests and policies that affect fragile frontier lands. Approaches must address the legacy of conflict, yet harness Sudan's leadership and participation in regional multi-state organizations. The massive post-conflict reconstruction investments in the South are particularly vulnerable to misappropriation and misuse because of the lack of governance capacity to ensure transparency and accountability.

V. Indigenous Expertise, Donor Coordination, and Public-Private Partnerships

A. Indigenous Expertise. USAID's capacity development, skills transfer, and training program will utilize the expertise of Sudanese from both inside and outside Sudan. Up to 150 highly qualified Sudanese in the diaspora will be recruited to return to Sudan for voluntary service programs ranging from one to 12 months. These volunteers will take part in training-of-trainers workshops that facilitate skills transfer, particularly in health, education, and economic growth. The pilot program in health and education will provide valuable lessons for the subsequent expansion of this effort to place significant numbers of highly skilled Sudanese from the diaspora in other sectors to contribute the rebuilding of Sudan.

B. Donor Coordination. Historically, donor coordination mechanisms have rested with the national government entity engaging the donor community to achieve results. The World Bank–United Nations Joint Assessment Mission (JAM) has highlighted the fact that in the early stages of CPA implementation, the nascent GNU and GOSS will lack the institutional capacity to manage the Multi-Donor Trust Fund being housed by the World Bank. USAID is working with other donors in Sudan across humanitarian and reconstruction sectors to promote short-term and long-term transformation, including institutional strengthening, for the government to take the lead on donor coordination. From engaging with the European Union on rural roads construction to working with UNICEF on innovative education packages, USAID is a central member of the donor coordinating team operating in Sudan and will continue to play a pivotal role as Sudan's largest bilateral donor.

C. Public-Private Partnerships. Public-private partnerships offer opportunities to expand the way USAID carries out its assistance mandate. USAID is currently exploring opportunities to work with the Global Development Alliance. The current sanctions, however, preclude USAID from engagement with the private sector in Sudan, but USAID will continue to monitor the legal procedures and will pursue opportunities when the situation changes.

Annex: Acronyms

AASAP	Abyei Area Strategic Action Plan
ABC	Abyei Boundary Commission
AEC	Assessment and Evaluation Commission
AIDS	acquired immune deficiency syndrome
CPA	Comprehensive Peace Agreement
CSO	civil society organizations
DA	development assistance
DCOF	Displaced Children and Orphan's Fund
DDR	demobilization, disarmament, and reintegration
EU	European Union
FAO	Food and Agricultural Organization
FFAMC	Fiscal and Financial Accounting Management Commission
GNU	Government of National Unity
GOS	Government of Sudan
GOSS	Government of Southern Sudan
HIV	human immunodeficiency virus
ICASS	international cooperative administrative support services
IDFA	international disaster and famine assistance
IDP	internally displaced person
INL	International Narcotics and Law Enforcement
IO	international organization
JAM	Joint Assessment Mission
JIU	Joint Integration Unit
LRA	Lord Resistance Army
MDTF	Multi-Donor Trust Fund
NCP	National Congress Party
NDA	National Democratic Alliance
NGO	nongovernmental organization
OE	operating expenses
OFDA	Office of Foreign Disaster Assistance
OTI	Office of Transition Initiatives
REDSO	Regional Economic Development Services Office
SAF	Sudan Armed Forces
SK	South Kordofan
SO	strategic objective
SPLA	Sudan Peoples Liberation Army
SPLM	Sudan Peoples Liberation Movement
SSDF	Southern Sudan Defense Force
TCI	Transport Corridor Initiative
TDY	temporary duty
TI	transition initiatives
UN	United Nations
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Educational Fund
UNDP	United Nations Development Program
USDH	U.S. direct hire
WB	World Bank
WFP	World Food Program
WHO	World Health Organization