The first year of peace in the South was overshadowed by deteriorating conflict in Darfur, with prospects for a political solution further receding. Tensions in the east also escalated. This prevented an improvement of Sudan’s international relations even as the oil economy continued to boom. Formation of new national and southern institutions was delayed by the death of southern leader John Garang, and the Government of National Unity (GNU) ended up being dominated by entrenched elites of the National Congress (NC). As the northern opposition was reluctant to join the GNU, and the Sudan Peoples’ Liberation Movement/Army (SPLM/A) focussed its attention on the South, the NC’s commitment to the spirit of the peace agreement was called into question.

**Domestic politics**

The year began with the signing, on 9 January, of the Comprehensive Peace Accord (CPA) between the Government of the Sudan (GoS), represented by Vice President Ali Osman Mohammed Taha, and the Sudan Peoples’ Liberation Movement/Army (SPLM/A), represented by its chairman John Garang. The CPA, outcome of two and a half years of negotiations, officially ended a civil war that had overshadowed most of the Sudan’s five decades of independence. The importance of the event was underlined by high-level international presence at the ceremony in Nairobi, attended i.a. by 12 African heads of state or government and by US Secretary of State Colin Powell. The CPA was ratified by the SPLM’s National Liberation Council on 24 January and by the National Assembly in Khartoum on 1 February. The SPLM opened offices in Khartoum, and GoS formal liaison missions in the SPLM-controlled South. President Omar Bashir and John Garang went on separate six-week tours of the country to promote the accord.

The National Constitutional Review Commission (NCRC) began to review the constitution on 30 April. Despite initial slow progress, it concluded its work on 26 June, and the Interim National Constitution was signed into law at the end of the six-month pre-interim period on 9 July. On this day, the old National Assembly and the national government were dissolved, and Garang was sworn in as the country’s First Vice President. His return to Khartoum a day before brought well over a million people (Garang spoke of six million) into the streets in the largest spontaneous popular demonstration that the Sudan had witnessed since the popular uprising that overthrew president Nimeiri in 1985. To mark the importance of the event, the UN secretary-general Kofi Annan attended the inauguration, as did the presidents of Kenya and Uganda. The Egyptian and Libyan leaders were conspicuously absent, but the Arab League was represented by its Secretary General, Amr Musa. In his inauguration speech, Garang proclaimed the beginning of a “second republic of the New Sudan” with freedom and justice for all – a vision that had been his guiding principle all along. He reached out especially to the marginalised people, and laid out five immediate political goals: a just settlement in Darfur and the East; making the CPA a truly national affair by bringing the opposition umbrella National Democratic Alliance (NDA) and other political forces on board; expulsion of the Ugandan rebel Lord’s Resistance Army (LRA) from Eastern Equatoria; and an end to sponsoring tribal militias in the South.

On 11 July, the state of emergency imposed in 1999 was lifted except in the three Darfur states, in Kassala, and in Red Sea, and the SPLA began to release detainees
held in connection with the conflict. But on 30 July, before he could make a decisive mark on the national scene, Garang died when the Ugandan presidential helicopter that had brought him back from a meeting with Ugandan President Museveni crashed in bad weather 15 km from New Site, Garang’s old headquarters near Kajo-Keita. His death triggered three days of riots and inter-ethnic violence in major cities, fuelled by rumours that the crash had not been an accident, and by the frustration of Southerners over the loss of a leader whom many had regarded as a living sign that change was possible, and as the strongest guarantor of their rights in a ‘New Sudan’. 111 people died and over 800 were injured in Khartoum alone. In Juba, 18 were killed, and 6 in Malakal. Many were arrested, and and around 500 people were sentenced to jail or flogging. Garang was buried in Juba on 6 August, on top of the city’s highest hill.

The SPLM acted swiftly and unanimously to appoint Salva Kiir Mayardit as successor to Garang as Chairman and Commander-in-Chief (1 August), quelling fears that Garang’s death might immediately derail the peace process. These fears were partly founded on tensions within the SPLM/A between Garang and his loyalists committed to the idea of a united ‘New Sudan’ on the one hand, and the majority of SPLM/A members favouring secession. Several field commanders were also not fully supportive of the CPA in the first place. In what many criticized as a unilateral move to sideline his opponents, Garang had dissolved the SPLM’s ‘parliament’ (the National Liberation Council) on 3 February – an act he later retracted. On 19 July, however, after assuming national office, Garang not only disbanded all prior administrative structures in the South ahead of the formation of the new southern government, but also replaced the 16-member SPLM Leadership Council with a new five-person council comprised of commanders particularly loyal to him. The demotion of 15 senior commanders caused major discontent. A week before his death, on 25 July, a bitter confrontation occurred between Garang and senior SPLA officers at a meeting in Rumbek, resuming the dispute 29 Nov-1 Dec 2004 that had nearly split the SPLA between Garang and Salva Kiir. Garang’s fatal trip to Uganda was said to have been an attempt to assure himself of the support of his old friend Museveni. Among Salva Kiir’s first acts in office was the reinstatement of the Leadership Council, in order to ensure himself broad support from senior colleagues. Observers commented that Salva Kiir did not command the same personal authority, built on shrewd politicking, a network of allegiances, and the power of force that had characterised Garang, but that he enjoyed wide support as an experienced and honest field commander who, although a Dinka himself, could open the way for a more inclusive and democratic style of leadership in the South. Contrary to John Garang, who had always maintained his vision of a united, democratic ‘New Sudan’ with equal rights for all and equal distribution of power and wealth, Salva Kiir’s focus appeared to be much more on the South, reflecting what all observers agreed was the majority view there favouring eventual secession. For politics at the national level, this meant that the SPLM after Garang was more ready to compromise over issues of equality and power sharing in a fundamentally restructured ‘New Sudan’, and rather follow a course that would not endanger their partnership with the National Congress (NC), so as not prematurely to threaten the path towards the southern referendum.

Salva Kiir was sworn in on 11 August as First Vice President in Khartoum and as President of the provisional Government of Southern Sudan. On 19 August, he appointed Riek Machar – a Nuer and old rival of John Garang – as his deputy, in a move to improve relations with the Nuer-based opposition South Sudan Defence Forces (SSDF, formerly led by Machar), who “received with jubilation” his coming to power.
On 31 August, the new national bicameral parliament was established (National Assembly with 52% of seats for the NC, 28% for the SPLM, and 20% for other northern and southern parties; Council of States with 2 representatives for each state). On 22 September, the Government of National Unity (GNU) was sworn in after prolonged negotiations (it was originally supposed to be formed before the end of the pre-interim period on 9 July). Although the CPA committed both parties to share “equitably and qualitatively” in all three clusters of government (sovereignty, economic sector, service sector), the key positions in all clusters were given to the NC (defence, interior, justice, finance, energy). This reinforced suspicions that the NC power elite was not seriously committed to the spirit of the CPA. Salva Kiir earned much criticism for failing to ensure greater influence at the national level for the SPLM. The most high-profile portfolio assigned to the SPLM, the Ministry of Foreign Affairs, was given to Lam Akol, an erstwhile break-away from the SPLM, while Salva Kiir, even after long negotiations, failed to secure the Ministry of Energy and Mining that plays a key role in controlling the country’s oil wealth. Conspicuously, most senior SPLM figures opted to aim for positions in the southern rather than the national government. This strengthened widespread belief that after the death of Garang, SPLM leaders primarily aimed at building a political structure and power base in the South, in preparation for secession.

On 29 September, the Transitional Legislative Assembly of Southern Sudan was inaugurated, with 170 members appointed by Salva Kiir from among eight parties after local consultations in the constituencies. On 31 September, the new governors of the Southern States took oath, and on 23 October, the new Government of Southern Sudan (GoSS) was established. Like the GNU, it was accused of being not representative and inclusive enough: only one out of six southern political parties other than the SPLM was given a cabinet post (the South Sudan Democratic Forum); Dinka, who make up 25% of the Southern population, entrenched their political dominance by occupying 45% of cabinet seats; women were given less than their promised share; and allies of Salva Kiir had ousted those close to the late John Garang. On 5 December, the Transitional Legislative Assembly adopted the Interim Constitution for Southern Sudan.

Deadlock in the border dispute over Abyei was interpreted by observers as an ominous sign for the limited effectivity of CPA institutions in the face of entrenched power interests. On 14 July, the Abyei Boundaries Commission (ABC) set up under the CPA to determine the borders of Abyei presented its report, which was welcomed by the Ngok Dinka of the area but violently rejected by the Miseiriyaa Arabs as well as by President Bashir. The delineation of the border was to determine who would be eligible to vote in the region’s referendum over whether Abyei shall be part of the political North or the South at the end of the six-year interim period. Contrary to the CPA, which had committed both parties to accept the ABC’s conclusions as binding and implement them immediately, Khartoum obstructed any such implementation.

Implementation of the military aspects of the CPA was a mixed success. UNSC resolution 1590 of 24 March mandated the United Nations Mission in Sudan (UNMIS) to monitor the ceasefire as GoS and SPLA troops disengaged. Soldiers began to arrive in late April, and on 8 May, UNMIS chaired the first meeting of the Ceasefire Joint Military Committee (CJMC) stipulated by the CPA to monitor military aspects of the CPA. Although over fifty countries committed to contribute to UNMIS, deployment was slow, causing the UN secretary-general to chide members for not living up to their promises. By 13 December, only 4,291 personnel out of an expected total 9,880 were in place. While the target of 30% redeployment of the
Sudanese army within a year was almost achieved, disarmament, demobilization and the reintegration of combatants did not begin in earnest. On the contrary, militias sponsored both by Khartoum and the SPLA reportedly continued to recruit new troops, and pro-Khartoum militias as well as the Ugandan LRA still received support from central government agents. Violent incidents, often inter-ethnic, continued to threaten security at the local level, especially in Upper Nile and Eastern Equatoria. Reflecting their resentment of the SPLA, some southern militias opted to be integrated into the national, not the southern regional army. By year’s end, the two sides still had not reached a status of forces agreement as stipulated in the CPA, which would establish the exact strength and location of their forces. The formation of a joint national army also made only slow progress. Of the Joint Integrated Units (JIU) that were to constitute the nucleus of this army, only one was deployed before the end of the year, composed of 1,500 members from both sides and stationed in Khartoum in September. Progress was made with the enactment of the Joint Integrated Units Act on 17 December and the establishment of the Joint Defence Board (JDB) on 29 December.

Many of the other key institutions agreed upon in the CPA that were to instigate and supervise the revision of the political system were not yet set up or not functional by year’s end (National Human Rights Commission, Civil Service Commission, National Electoral Commission, Land Commission, Resettlement Commission). In late October, a committee for law reform was set up to review the compatibility of extant legislation with the new interim constitution. Ominously, however, no steps were taken to reform the security services or the restrictive political parties law. Observers interpreted this as signs of the lack of good will on the part of the government to act in the spirit of the CPA. Signals to the contrary were not lacking. With public attention focussed on the urban riots following Garang’s death, the government on 4 August pushed through a new NGO law requiring government approval for any financing to be received by an NGO, and granting the government ample opportunities to restrict NGO activities, including through monitoring of their officials’ ‘morality’.

The Northern opposition spent most of the year trying to negotiate a larger share for themselves in the country’s new political institutions. On 16 January, the NDA signed a preliminary agreement with GoS in Cairo that aimed to lay down a framework for its integration into the post-CPA political structures. But only shortly before the end of the pro-interim period, and under pressure from Egypt, did the NDA officially endorse the CPA in an agreement signed with GoS in Cairo on 18 June. It formally joined the NCRC during its last days of work and thus backed the new interim constitution, but initially announced it would not enter the government before national elections scheduled for 2009. On 4 September, however, the Democratic Unionist Party (the strongest party in the NDA) announced its readiness to join the GNU. In October, the NDA accepted the seats offered to it in the new, appointed national and state assemblies, and at the end of November, NDA ministers were appointed to the GNU (sworn in 17 December) and the NDA took up its parliamentary seats. The mainstream Umma Party of Sadiq al-Mahdi, on the other hand, maintained greater distance from the government. On 1 June, it announced it had formed a new National Forces Coalition with Hasan al-Turabi’s Islamist oppositional Popular National Congress (PNC) and six smaller northern parties – a move entrenching its distance from the NDA, which Sadiq had left in 1999 and which the PNC never joined. Turabi, who had been transferred from Kober prison to house arrest on 28 April, was released on 30 June along with other members of his party,
and the ban on the party’s activities in place intermittently since April 2004 was lifted. The PNC increasingly positioned itself as representing the aspirations of the marginalized majority in Darfur, Northern and Eastern Sudan.

The armed opposition in the East rejected rapprochement. On 28-29 January, government security cracked down on Beja demonstrators in Port Sudan who demanded that their marginalisation receive equal attention to that of the South. Over 20 demonstrators were killed, and hundreds wounded. Violent demonstrations also spread to Kassala and Sinkat, and the government deployed troops across the east. On 24 February, the Beja Congress and the Rashayda Free Lions formed the Eastern Front, vowing to continue armed struggle until the people of the East, like those of the South, were given their due share in wealth and power. The ceremony marking the establishment of the Eastern Front was attended by representatives of the Darfurian opposition Sudan Liberation Army (SLA) and Justice and Equality Movement (JEM) and well as Eritrean government officials. JEM forces allegedly played a part when on 24 May, the Eastern Front killed fifteen government officers and abducted three Red Sea State parliamentarians due to participate in a conference in Kassala sponsored by GoS to promise the East more development aid (but no political change). The three were released on 6 September. On 20 June, the Eastern Front launched an attack on several government garrisons near Tokar. Practical integration of the Beja and Rashayda forces did not take place, however, and the Free Lions in December reached an understanding with the government that threatened Libyan-sponsored peace talks between GoS and the Eastern Front scheduled for January 2006.

Southern reconciliation proved difficult and proceeded only slowly. When on 18 January, some elements of the South Sudan Liberation Movement (SSLM – mainly Nuer from eastern Upper Nile) agreed to join the SPLA, this was immediately denounced by others in the SSLM. The Moi African Institute in Kenya sponsored a South-South Dialogue Conference on 18-21 April where over twenty southern political groups assembled to discuss and finally endorse the CPA, signing the Covenant of South Sudan. This meeting was, however, not properly attended by those southern groups that had been aligned with and armed by GoS, including the most powerful of them, the Nuer-based South Sudan Defense Force (SSDF) led by Paulino Matiep, which controlled much of the oil-rich Upper Nile state and was to be disarmed following the CPA. The SSDF had endorsed the CPA, but high-level talks with the SPLM were first held on 30 June-3 July, ending in failure over the SSDF’s demand to be given a share of power and military representation in the Joint/Integrated Units equal to the SPLM. The SSDF hoped that Salva Kiir would be more willing to compromise than John Garang, but the SPLM was too much taken up by internal power struggles after the death of Garang. In the GoSS sworn in on 24 October, only one cabinet post was given to a non-SPLM representative; it went to the South Sudan Democratic Front. Dialogue with the armed SSDF only resumed towards the end of the year.

Progress – if slow – in institutionalizing peace in the South was overshadowed by the deteriorating situation in Darfur. The conflict there had started for political reasons, but increasingly degenerated into a multitude of local community conflicts that according to local observers destroyed the social fabric of Darfur and led to an exacerbation and militarization of ethnic differences and ethnic conflicts.

By early 2005, over 2 m civilians had been affected according to most estimates (1.65-2.4 m IDPs; 250,000 refugees; at least 300,000 who died of malnutrition, disease, or direct violence). The Coalition for International Justice in April 2005
calculated the number of casualties between February 2003 and April 2005 at 390,000 (250,000 in camps, 140,000 in direct violence). By year’s end, the UN were talking of **2.4 m affected people – over a third of the population**, including 1.8 m IDPs and 220,000 refugees (the lower numbers were explained by better census figures available from the camps). There were widespread reports of systematic burning of villages (in January, the UN International Commission of Inquiry estimated that 700-2000 were completely or largely destroyed) and of crops, stealing of livestock, and raping of women. The destruction of the social fabric and economic base of such a large part of the population was recognized to have dramatic consequences for Darfur’s socio-political future, as the damage to the rural economy was set to develop into long-term displacement.

Large-scale armed attacks by GoS and janjaweed militias decreased after UNSC resolutions 1591 and 1593 in March, and there was hope that the security situation might stabilise. Although serious security incidents continued to happen, humanitarian access improved during the first half of the year, not least due to a massive international aid effort. By June, 11,500 aid workers were active in Darfur, and the UN reported coverage of 55-75% of the affected population. This development was offset, however, by splits among and within the rebel movements. JEM and SLA as well as splinter groups mounted not only attacks on government forces, but were also responsible for ambushing AMIS troops and humanitarian workers (in March, a USAID official was shot in the face; in early May, two WFP drivers were killed in an ambush). Increasingly, rebel groups fractured along tribal lines and fought among themselves, with AMIS reporting ‘relentless’ SLA attacks on JEM in all three Darfurian states since March in an effort to gain territorial advantages ahead of the resumption of negotiations in Abuja. Distance between the rebels’ political leaders (who spent most of their time abroad) and military leaders on the ground exacerbated problems of command and control and furthered war-lordism, leading to a militarization of ethnic differences and conflicts. Inside towns and camps, in places where AMIS was present, security – and thereby the humanitarian situation – stabilized, but only with regard to the risk of suffering direct violence. Outside these areas, it remained very poor, and UN officials deplored the continuing ‘climate of impunity’ reigning in the region. From September, a general upsurge in fighting again worsened the security situation and impeded humanitarian access. Aid agencies also had to cut back on operations due to funding shortages.

The UN, which had been accused in 2004 of being too soft on GoS, toughened its line at the beginning of 2005. On 25 January, the **International Commission of Inquiry on Darfur** presented its report pursuant to UNSC resolution 1556. Noting that GoS had not disarmed the janjaweed, who continued to attack civilians not only with tacit government approval, but in active coordination with and military support by the army, it concluded that while there was no evidence of pre-determined genocide, what was taking place in Darfur were crimes “no less serious […] than genocide”, “conducted on a widespread and systematic basis […] and may amount to crimes against humanity”. Following the recommendations of this report, the UNSC, UNHCHR, human rights groups and many international actors urged to refer the case to the **International Criminal Court (ICC)**. This was initially rejected by the US (which had opposed the establishment of the ICC in the first place), but in March, the US gave up their opposition, citing exceptional circumstances. This allowed the **UNSC** on 29 and 31 March to pass resolutions 1591 and 1593. In addition to reaffirming earlier resolutions, **resolution 1591** required UN member states to impose travel and economic **sanctions** on individuals who the UNSC has found to “impede
the peace process, constitute a threat to stability in Darfur and the region, commit violations of international humanitarian or human rights law or other atrocities […] or are responsible for offensive military overflights”. A sanctions committee established to monitor compliance was finalizing its report in December, said to point to violations of the arms embargo especially by Khartoum, Libya, Chad and Eritrea. **Resolution 1593** referred the allegations regarding crimes against humanity to the ICC, together with a confidential list of names of 51 individual suspects. On 6 June, the ICC Prosecutor formerly opened an investigation into the alleged war crimes committed in Darfur – the first ICC case opened against the will of the country concerned. The ICC began to gather information and monitor violations, but the situation on the ground did not allow it to start investigations inside Darfur, although GoS agreed to a future ICC visit there.

GoS, meanwhile, refused to hand over any Sudanese citizen to the ICC for investigation or trial, maintaining that the Sudanese court system was competent to deal with the accusations. On 28 March, as the UN was considering referral of the case to the ICC, Sudan announced it had arrested 15 members of the security forces who would stand trial over alleged atrocities in Darfur. On 7/9 June, immediately after the ICC accepted the case, Khartoum set up a **Special Criminal Court on the Events in Darfur** in El Fasher. The SLA and international bodies dismissed the court’s investigation of around 160 cases as a tactical move to divert attention from high-level officials to “petty criminals”. During the following six months, the court conducted six trials involving 26 defendants. It pronounced its first verdict on 13 August and until December convicted 13 defendants, resulting in sentences ranging from 9 months imprisonment to the capital punishment (imposed on 17 November on two lance corporals for torturing a man to death). None were related to the events of 2003/04.

With international public attention mounting, security forces on 30/31 May arrested two international aid workers of Médecins Sans Frontières (MSF) and charged them with “crimes against the state” after MSF had published a report documenting 500 cases where rape was used as a weapon in the conflict. Charges were dropped on 19 June, but at least twenty other aid workers were reportedly harassed over the summer in an attempt to intimidate and discourage them from investigating and reporting on atrocities on the ground.

The numbers of the AU’s monitoring force, the **African Mission in the Sudan (AMIS)**, gradually grew over the course of the year. An AU-led joint assessment mission in March recommended it to be increased from under 2,000 in January to 7,731 by the end of September, which the AU approved on 28 April, hoping this might help to stabilise security and allow for a return of IDPs, which would then be guaranteed by a possible extension to 12,300 troops by the second quarter of 2006. To support AMIS expansion, UN secretary general Kofi Annan co-chaired a donor conference in Addis Ababa 26-30 May, where donors pledged over $ 312 m worth of support (including military equipment, logistical support, and training, partly from NATO which on 9 June formally decided to coordinate airlift of troops with the EU). Although much less support actually materialised, this helped to expand the force to 6,964 by year’s end. But while AMIS was widely commended for improving security in areas where it was present, observers criticized both the slowness in building up its forces and its limited mandate, which only gave it the right to protect civilians “under imminent threat and in the immediate vicinity”. Pressure built up over the year among AMIS’ main donors in the EU and the US to supplant or complement AMIS with a larger UN force (AMIS was said to cost $ 200 m a year). But GoS refused any change
to AMIS’ mandate or its replacement by other international forces, and international consensus was not strong enough to change this. An AU/UN/donor joint assessment mission in December recommended merely that the force be brought up to its projected strength of 7,731 and take stronger action under its existing mandate.

On 5 July, the long-delayed fifth round of AU-sponsored negotiations in Abuja concluded with a Declaration of Principles calling for a federal system of government with “an effective devolution of power” and “an equitable distribution of national wealth”. Observers noted, however, that these general formulas (which were inspired by the CPA) only thinly covered the fact that no substantial progress was made. GoS appeared unwilling to make serious concessions, pointing out that it could not begin to unravel the provisions of the CPA, and playing on the fear of the international community that peace with the South might slip. The talks were also marred by growing divisions among the rebels themselves, both between SLA and JEM and within both organisations. Disputes unfolded increasingly along ethnic lines (Zaghawa vs. Fur; different Zaghawa clans among each other). Most acutely, they effectively split the SLA between Abd al-Wahed Mohammed Nur (the Fur chairman recognised as SLA leader by the AU) and Minni Akro Minawi, the Zaghawa military commander). At the sixth round of talks (15 September – 20 October), the SLA arrived with rival delegations, and on 28 October, Minni organised a field conference in Haskanita, Darfur, to have himself elected chairman (3 November). The conference was rejected by Abd al-Wahed. A series of reconciliation talks were then brokered between Nur and Minawi, and at the seventh round of negotiations, which opened on 28 November (for the first time with SPLM participation), the SLA initially arrived presenting a unified face. Abd al-Wahed later withdrew from the joint delegation, and negotiations continued without progress into the new year.

The SLA split not only hampered progress in the negotiations, but also contributed to increased fighting on the ground, with the Minni faction attempting to expand and consolidate their presence in South Darfur. AMIS registered a 50% increase in ceasefire violations by the SLA during 2005, in what observers interpreted as a strategy to obtain concessions from Khartoum by demonstrating military strength even at the risk of loosing international sympathies due to the civilian casualties incurred. The UN accused rebel forces just as the government of violating the ceasefire, and held the SLA responsible for ever more attacks on humanitarian workers, as well as for ambushing an AMIS patrol in October, killing four Nigerian soldiers. Meanwhile, GoS exploited the SLA’s increased activity to justify its refusal to disarm the janjaweed militias, saying it could not do so unless the rebels disclosed their positions. By year’s end, the UN stated that GoS had taken no serious steps to reign in the janjaweed, and that there was evidence that coordination between the army and janjaweed militias was continuing. Fighting in West Darfur escalated to such an extent that aid agencies were forced drastically to reduce their assistance.

Khartoum’s attempts to end the conflict through tribal reconciliation (without addressing larger issues of uneven distribution of power and wealth), promoted at an All-Darfur Conference on 21 December, were boycotted by SLM, JEM, SPLA, and the National Forces Coalition.
Foreign affairs

Support for peace and reconstruction in the South, attempts to resolve the conflict in Darfur, and efforts to exploit economic opportunities in a booming oil market were chief focal points of international interest.

On 20 January, the first diplomatic mission was opened in Rumbek (the temporary capital of the South until the establishment of the GoSS in Juba), representing Dutch and British interests. At a donors’ conference in Oslo on 11-12 April, the international community pledged much more funds to support the CPA and reconstruction in Sudan than the Joint Assessment Mission (JAM) led by UN agencies had suggested beforehand ($ 4.5 bn in aid and concessional finance for year years, of which $ 3 bn came from the US, the EU, and the UK). The JAM had identified reconstruction and capacity-building projects worth $ 2.6 bn. 38% of the amount pledged was actually reported in the course of 2005. Total reported assistance to Sudan in 2005 grew substantially to $ 1.7 bn. Since the Oslo conference, aid to the South tripled, reaching $ 680 m in 2005, and the focus shifted to development rather than emergency aid.

The US’ close intelligence cooperation with Sudan, initiated in 2000, made headlines in 2005. The US allegedly pressed the UN not to include Sudan’s National Security chief, Salah Abdallah Gosh (who visited the US 20-21 April), on the list of suspected war criminals submitted to the ICC, even though he was said to have orchestrated the janjaweed counter-insurgency in Darfur. All the while, the US administration maintained its charge that Khartoum’s actions in Darfur amounted to genocide – a view repeated by US Secretary of State Condoleezza Rice during her visit to Khartoum on 20 July. Legal action in the US against Canadian oil company Talisman for allegedly having “aided” war crimes did not prove successful, but US state pension funds and universities responded to divestment campaigns by selling shares in companies involved with the oil industry in Sudan. GoS attempts to obtain a lifting of sanctions following the CPA were unsuccessful. While the US, who in 1996 had withdrawn its ambassador to Khartoum, upgraded its diplomatic presence by appointing a new US chargé d’affaires (Cameron Hume, arrived 18 October), unilateral US sanctions imposed in 1997 were renewed on 1 November. A possible exemption to aid rehabilitation of the railway network was announced on 12 November following Salva Kiir’s first official visit to Washington as First Vice President. On the other hand, the US Senate on 18 November passed the Darfur Peace and Accountability Act calling for a sharpening of US and multilateral sanctions against the Sudanese government, a strengthening of the arms embargo and accelerated and expanded assistance to the African Union.

China and Russia continued to be among Sudan’s most important business partners and weapons suppliers. Chinese trade with Sudan grew by 70.7% year-on-year in June. Both countries opposed UN sanctions, but abstained on UN resolution 1591. China agreed to contribute 435 soldiers to UNMIS for engineering and medical work; Russia decided to send 200 troops. France, which long had pursued a rather conciliatory course towards Sudan, angered GoS by being a driving force behind UN resolution 1592.

Libya was mostly concerned with trying to avert a stronger UN or Western role in Darfur. In May, Tripoli organised a mini-summit in search of an ‘African solution’ to the conflict. The leaders of Libya, Egypt, Sudan, Eritrea, and Chad rejected non-African intervention and supported AU-sponsored peace talks in Abuja. Libyan attempts to mediate in the conflict in the East were less welcomed by GoS.
Relations with Eritrea were poor for most of the year as Eritrea continued to support the Eastern Front. From October, however, the SPLM mediated better relations, and on 7 December, Asmara and Khartoum agreed to normalize relations and resume air and road links. Progress was made in the border dispute with Ethiopia, with agreements on border coordination of border security (28 November) and border demarcation to be undertaken in 2006.

Chad reportedly supported JEM rebel Mohammed Salih Harba who after a failed coup attempt against JEM leader Hasan al-Khalil in April began to operate autonomously. In the second half of the year, Chadian president Idriss Déby, under pressure from opposition at home, ever more openly supported the Sudanese Zaghawa rebels, leading in turn to increased support by Khartoum for the Chadian rebel RDL. Janjaweed raids into Chad on 26 September, in which at least 75 people were killed, heightened tensions with Khartoum, and relations progressively deteriorated over the rest of the year. From October, Chadian rebels based in Darfur increased their cross-border raids, and when they (unsuccessfully) attacked Adré on 18 December, Chadian president Idriss Déby said his country now was in a “state of belligerence” with Sudan.

Kenyan and Ugandan expansion into the Southern Sudanese market progressed slower than investors there had hoped. Both countries agreed to contribute troops to UNMIS. Relations with Uganda were dominated by the LRA continuing to mine roads and attack civilians around Juba. Sudan renewed its permission for the Ugandan army to pursue the LRA into Sudanese territory and to use Yei and Juba airports. The SPLA also attacked the LRA, which was repeatedly moving back and forth across the border with DR Congo, but it also offered to mediate between the LRA and the Ugandan government. Saudi Arabia sought Sudanese cooperation in its fight against Islamist terrorist threatening Saudi security (agreement signed in March), and further expanded its investments (December: establishment of a joint real estate holding company).

Egypt attempted to deflect international pressure from Khartoum without openly opposing the UN. The Egyptian contingent to AMIS was reinforced (but faced resentment from IDPs), and Egypt committed 1,100 soldiers to UNMIS (796 of whom were dispatched on 21 June). At the Oslo donors’ conference in April, Egypt pledged $ 10 m in reconstruction aid. Implementation of the Four Freedoms Agreement of 2004 was discussed, but practical steps taken only slowly. In early August, the Sudanese-Egyptian Bank was inaugurated, and on 13 November, both countries agreed to open their respective markets to promote private trade and investment. The year ended on a tragic note as 30 Sudanese migrants (including 12 children and 8 women) died and over 2,000 were arrested when Egyptian police violently broke up a three-month sit-in in central Cairo protesting against UNHCR’s ways of handling resettlement cases and discrimination they suffered in Egypt.

Socioeconomic developments

The oil economy (over 80% of export revenue was due to crude oil sales, and during the first quarter of 2005, 82% of exports went to China) continued to boom, supported by soaring international prices (40% above the 2004 average), even though output rise (ca. 10%) fell considerably short of expectations. This was due chiefly to hold-ups related to pipeline construction that prevented the new PetroDar fields (Blocks 3 and 7) from coming on stream as foreseen in July, delaying production start into 2006. Oil production was estimated at an average 332,500 b/d in 2005, slightly
up from the 312,900 b/d estimate for 2004. Reliable production and export data were not published as they were subject to political dispute, with GoSS fearing that Khartoum was deliberately understating output. While the IMF estimated crude oil exports to have grown to $3.9 bn (up from $3.1 bn in 2000), Ministry of Finance figures showed only an unlikely low $2.2 bn.

In August, Sudan granted its first large-scale offshore and the first gas concession, located in Block 15 (Red Sea), to a consortium dominated by China National Petroleum Corporation (CNPC) and Malaysian Petronas. Petronas also outbid the Indian Oil and Natural Gas Company (ONGC) to build a new 100,000 b/d refinery in Port Sudan, to be equally owned by Petronas and the government, similar to the government’s arrangement at the Al-Jaili refinery north of Khartoum where work to expand capacity to 100,000 b/d made good progress.

Real GDP growth accelerated to 7% (up from 5.2% in 2004), despite the delay in production start from Blocks 3 and 7. Agriculture (55% growth in cereal production due to above-average rains and new cultivation by southern returnees), services and construction also contributed to GDP growth, although non-oil exports (particularly from sesame, cotton, and sheep) declined sharply year on year by the third quarter, affected by poor rains in 2004 and growing domestic demand.

Foreign direct investment (FDI) grew even more rapidly than before, reaching an estimated $2.4 bn (up from $1.4 bn in 2004). Most of this was Chinese, Indian, and Malaysian money directed at the oil sector, though the government continued to encourage FDI in other sectors previously dominated by the state, notably in sectors attracting Gulf investors such as irrigated agriculture, telecoms and banking. A subsidiary of EBD Lebanon began to implement its 2004 contract to upgrade Khartoum’s sewage network, and other infrastructure projects were developed on a similar basis.

The continuing oil boom, influx of foreign money, and domestic private sector lending (which had grown by 60% year-on-year in August) contributed to driving consumer prices up more quickly than in previous years. The poor harvest in 2004-05 also helped to increase food prices. Inflation returned reached almost 14% in July, but rigorous government action brought it down to an annual average of around 9%, still missing the IMF/government target of 7.5%. The Sudanese Dinar, which for years had been relatively stable against the US Dollar, strengthened by 8.5% to reach SD 231 by December, reflecting the massive amounts of foreign currency entering the country as a consequence of the oil boom. This also drove import spending, which grew from $3.6 bn in 2004 to an estimated $5.5 bn in 2005. With exports estimated at $4.9 bn, the trade account, which had briefly moved into surplus by September, ended negative, and due to growing income repatriation by foreign oil companies, the current accounts deficit grew to an estimated $2 bn (up from $0.9 bn in 2004).

At 103% of GDP, Sudan’s external debt remained enormous, growing by about $1 bn to $27.3 bn. GoS hopes that some of this debt could be forgiven or rescheduled in the wake of the CPA did not materialize as the international community made such measures conditional on progress in Darfur.

Disputes over oil concessions in the South marred north-south confidence. In August 2004, the SPLM had struck a deal (finalised in April 2005 by the SPLM-formed Nile Petroleum Corporation) granting UK-based While Nile (in which Nile Petroleum was given a 50% share) exploration rights in a 67,000 km² area (‘Block Ba’) that forms part of ‘Block B’ where French Total has held a concession since 1980. Total had suspended operations there during the civil war, but had continued to pay annual license fees and renewed its concession with GoS on 21/12/2004, planning
to revitalise it following the CPA. Following the SPLA’s deal with White Nile, Total threatened to take the issue to court, but recognized that Southern Sudanese sympathies did not favour the French. Meanwhile, White Nile (through Canadian Terra Seis) completed seismic evaluations in preparation for exploratory drilling. The ongoing dispute over Block Ba notwithstanding, Nile Petroleum in June signed another production sharing agreement with Moldovan Ascom to develop Block 5b, where Petronas has held a 41% concession from GoS since 2001, and where Swedish Lundin in December announced it would resume work on its own 24.5% share. Petronas, for its part, signed a contract with GoS in March to develop the Thar Jath field within Block 5a.

In the South, slow institution building delayed noticeable economic progress. Until legal formation of the GoSS, Khartoum had only agreed (in May) to advance $60 million to the SPLM, out of $700,000-1,200,000 million projected by the World Bank/UNDP-led Joint Assessment Mission and others in March. Apart from internal power struggles and the delay caused by the death of Garang, shortage of funds was thus another reason hampering the setup of functioning institutions in the south. With the NC controlling both the energy and the finance ministries, and no public auditing system of the oil revenues, GoSS was in a weak position to determine its due share of the oil wealth. This was compounded by an ongoing dispute over whether or not the Heglig oil field, one of the country’s largest, was part of the South. The National Petroleum Commission (NPC), a key CPA instrument tasked to settle such issues, was finally established on 30 October, but had still not become functional by the end of the year. Neither did the Fiscal and Financial Allocation and the Monitoring Commission, formed on 19 November, begin their work. By mid-March 2006, it was finally announced that GoSS would receive $702 million in oil income for 2005.

As the planned southern banking institutions provided for in the CPA were only slowly taking shape (southern directors of the restructured Bank of Sudan were appointed on 20 November), the South was plagued by with the divided currency situation it had inherited from the war years (an attempt to introduce a New Sudan Pound in April was technically flawed and unsuccessful). Infrastructure development, a daunting task in this region, was slow to start; private initiatives took the lead. Mobile telephone services were set up in Rumbek and Juba, and Internet access in Rumbek, Yei, and Yambio. Regular commercial flights resumed from Juba to Khartoum, Entebbe, and Nairobi. In early September, the important Juba-Yei road was reopened, linking Juba to Uganda.

The good harvest in 2005/06 masked serious food shortages across vulnerable parts of the country, due to the previous year’s poor harvest as well as to security problems in Darfur and insufficient marketing infrastructure in the South, where, a survey by Action Contre la Faim (ACF) found a nutritional emergency in over 60% of the area covered. Over 500,000 returnees to the South constituted an additional challenge to the fragile food security, especially as international aid agencies such as UNHCR complained of having received only half the funds required to assist in reintegration.

Work on the Merowe dam (the largest hydropower project under construction in Africa, aimed at doubling Sudan’s energy capacity) continued in spite of mounting criticism (including violent clashes in November/December) over its negative impact on the environment and on local society.

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