



United Nations Mission in South Sudan (UNMISS)

Media & Spokesperson Unit
Communications & Public Information Office

MEDIA MONITORING REPORT

FRIDAY, 22 NOVEMBER 2013

SOUTH SUDAN

- Governors' Forum to convene in Juba (*Catholic Radio Network*)
- SPLM branch office in Warrap splits over calls to remove governor (*Sudantribune.com*)
- Yellow fever cases on North-South Sudan border (*Sudantribune.com*)
- Kala-azar infections on the rise (*Gurtong*)
- Lakes state chiefs arrested and "tortured" (*Sudantribune.com*)
- UNMISS trains 140 legislators in Wau (*Voice of Hope*)
- Western Bahr el Gazal secures \$48 million investment pledge (*Sudantribune.com*)
- Yei Mayoress calls for self-employment (*Easter Radio*)
- Government cautions traders over hiking prices (*Gurtong*)
- Fuel price normalizes in Torit (*Gurtong*)

OTHER HIGHLIGHTS

- Sudan's NCP reformists decide to form new political party (*Sudantribune.com*)
- Uganda welcomes Kony surrender but will not protect him from the ICC (*Sudantribune.com*)

OPINION

- OPINION - Devaluation in South Sudan – Theoretical and policy confusion in finding a working exchange rate (*by Garang Atem Ayiik on SouthSudanNation.com*)

- Parliament approves presidential appointees without vetting (*Catholic Radio Network*)
- Women seek amendment on customary law (*Catholic Radio Network*)
- Finance minister says ready to cooperate with Parliament (*Gurtong*)
- Minister says oil money is for loan repayment, no salaries (*Gurtong*)
- Civil servants told: more pay delays inevitable (*Eye Radio*)
- Civil servants unpaid as South Sudan struggles to repay loans (*VoA News*)
- Warrap activists collect signatures to remove governor (*Sudantribune.com*)
- Lakes MPs urge governor to repeal alcohol ban (*Eye Radio*)
- Upper Nile to build home for street children (*Gurtong*)
- Sudan, South Sudan's Nile, Dar Blend exports to hit 300,000 b/d next year (*platts.com*)
- Floods ease on Uganda-South Sudan trade route (*Sudantribune.com*)
- Government warns traders: do not raise prices (*Eye Radio*)
- Local traders suffer business monopoly in South Sudan (*Easter Radio*)
- Sudan agreement on border demilitarization finalized (*Radio Miraya*)
- CAR held surrender talks with warlord Kony – UN, AU (*Reuters*)

NOTE: Reproduction here does not mean that the UNMISS Communications & Public Information Office can vouch for the accuracy or veracity of the contents, nor does this report reflect the views of the United Nations Mission in South Sudan. Furthermore, international copyright exists on some materials and this summary should not be disseminated beyond the intended list of recipients.

Highlights

Governors' Forum to convene in Juba

Catholic Radio Network Juba, 22/11/13 - The Office of the President will host a four-day Governor's Forum to discuss ways of transparent and accountable service delivery.

A press statement issued on Thursday said the forum would run from November 26 to 29 at Freedom Hall in Juba.

The ten state governors, legislators, ministers and development partners are expected to discuss actions on political, fiscal and administrative policies.

The forum is also expected to offer a platform for a broader discussion on corruption, post-independence issues and state concerns.

President Salva Kiir Mayardit will open the forum and Vice President James Wani Igga will facilitate deliberations.

Vice President James Wani Igga will also launch 'The South Sudan Millennium Development Goals Status Report, 2013' during the session. ([Back to Top](#))

SPLM branch office in Warrap splits over calls to remove governor

Sudantribune.com Juba, 21/11/13 - The leadership of South Sudan's governing Sudan People's Liberation Movement (SPLM) branch office in Warrap state is sharply divided over a recent letter demanding removal of governor Nyandeng Malek Deliec.

Since her 2010 gubernatorial election as the SPLM candidate, Malek's administration has been dogged by repeated allegations of taking arbitrary actions such as using government agents to harass critics, widespread of misappropriation of the public funds, lack of cooperation with the legislature, constitutional violations and lack of social and political competence to run state affairs.

The smoldering confrontation between her and the state parliament erupted into a full scale political confrontation when her hand-picked finance minister, Majok Bol Kur, was impeached in late 2010 by lawmakers over a failure to explain irregularities in the annual budget.

In 2011, 33 out of the 49 MPs at the Warrap state voted to remove her from the office after she was accused of negligence in regard to the death from hunger and diseases of more than 300 civilians in a rural part of the state.

The assembly argued that the food shortages and health issues could have been addressed had the governor and her cabinet been more proactive.

The attempt to oust Malek failed as not enough MPs voted for her removal.

Malek, in October this year, appointed and swore in a new cabinet without either the approval from the house or the SPLM secretariat in the state.

The failure to take new government to the parliament and the ruling party generated political protests from both institutions.

The SPLM secretariat reacted to her decision by calling for her immediate removal, while the parliament passed a resolution pointing out that failure to take the cabinet to the state assembly was "a violation of the state constitution".

The governor, however, denies any violation arguing that she only made minor changes and therefore she did not have to get approval for her reshuffle.

She also questioned the SPLM secretariat's claim that as governor, she needed to first consult them before making any changes to her cabinet.

But William Deng Nhial, an acting Secretary General of SPLM in the state, argues that the governor in her capacity as chairperson of the party in the state, is required to consult the secretariat. This, he said, was needed so that they can assess the governor's plans and programs.

"The letter of withdrawal was written by the leadership of the state secretariat. It was not the work of an individual as it is being claimed. The secretariat sat down in a meeting and came out with the decision to withdraw confidence from the governor because she decided act contrary to the interest of the SPLM. Those claiming that it was not the official position of the SPLM are getting it wrong. Those talking like that are those who are in the cabinet", Nhial told Sudan Tribune from Kuacjok, the capital of the state.

The official said he was reacting to a statement by Luka Lual Madhang, Warrap's minister of youth and sports, who identified himself in the release as the acting secretary for information, culture and communication.

Madhang said that the decision to remove confidence in the governor was the work of an individual acting out of anger because he was not appointed in the new cabinet.

"This person has been in politics since 1975. He served with several governments in the then united Sudan. He also served in this state at various positions from 2008 until recently but has never complained whenever reshuffled is made. He was always one of the people to congratulate the governor by coming out to say that the decision of the governor was excellent. He has never asked the governor to take the cabinet to the SPLM. He only started asking the governor to take the cabinet to the SPLM for consultation when he found out that he had been left out of the cabinet", Madhang told Sudan Tribune on Thursday.

Madhang said he and three others who hold key positions in the state secretariat were not informed of the decision, but were surprised when it became public in the media.

"I did not know. I was not informed. Also the SPLM Secretaries in all the six counties were not informed. It was just decision of an individual. It was only the work of the deputy chairperson. It is not the work of the secretariat. So it is official and therefore does not represent the view of the SPLM", explained minister Madhang.

He added that the Secretary General of the SPLM in the state, Makuc Makuc, had only started complaining since he was removed from his position as a political advisor to the state governor.

Malek is the only female governor in South Sudan's 10 states. The other nine states are run by male politicians, all from the ruling SPLM except Western Equatoria state, where Joseph Bakosoro won as an independent candidate. He, however, returned to the SPLM after winning the election.

South Sudan's president Salva Kiir recently acknowledged that there has been political tension in states where the governor was not also held the position of state chairperson of the SPLM. He has pledged to resolve this before the next elections, which are scheduled for 2015.

[**\(Back to Top\)**](#)

Yellow fever cases on North-South Sudan border

Sudantribune.com Juba, 21/11/13 - An outbreak of Yellow fever disease has been reported on South Sudan areas, which border Sudan, humanitarian partners operating in the new nation said.

At least 40 suspected cases of the disease were reportedly recorded between 3 October and 17 November, with 10 associated deaths in Sudan's South and West Kordofan states.

Yellow fever is an acute viral hemorrhagic disease reportedly transmitted by infected mosquitoes

"The case fatality rate is 25 per cent", the UN Office for the Coordination of Humanitarian Affairs (OCHA), said in its weekly report.

“In response to the disease, a vaccination campaign was launched on 29 October targeting 100,000 people in South and West Kordofan”, it added.

Up to 80,000 people, OCHA said, have since been vaccinated, while a series of health education campaigns will soon be launched on radio stations, schools and mosques to sensitise the population.

“In South Sudan, surveillance has been enhanced and strengthened in the border areas, including in Maban and Yida refugee settlements, which host refugees from the affected areas of Sudan”, it stressed, adding that, “No suspected cases have so far been reported in South Sudan”.

Yellow fever, according to OCHA, was last recorded in South Sudan 10 years ago, when 178 people were infected in its Eastern Equatoria state. [\(Back to Top\)](#)

Kala-azar infection on the increase – MSF

Gurtong Juba, 22/11/13 - Medecins Sans Frontieres (MSF) on Wednesday reported an increase of kala-azar infection in Jonglei State. MSF says cases of the infection are more than in previous years.

A press statement released said that, the cases are high in northern Jonglei and Upper Nile States where MSF is currently treating hundreds of them.

In the Lankien health facility alone, MSF teams have treated nearly 360 kala azar patients in October 2013, higher than the last major peak of 2010.

“A greater percentage of the new patients we have admitted for kala azar in the past three months are children, most of whom are malnourished. We are also treating adults, but our main concern now is that most patients are arriving late to the clinic, especially those coming from far away locations,” says Alison Buchanan, MSF’s kala azar specialist in Lankien.

As its part of intervention, MSF said it has set up treatment centres in eight locations in northern Jonglei, and support Malakal Teaching Hospital in Upper Nile State.

“Together with the Ministry of Health and other health agencies, the current strategy is to bring diagnostic and treatment services closer to the communities to improve access, facilitate early diagnosis and treatment and thereby save lives”, say Raphael Gorgeu, MSF Head of Mission.

However, with a limited number of health facilities, no other means of transport, and inaccessible roads, many patients suffering from the disease are forced to walk long distances to access treatment, with some arriving late, and often in terrible condition.

Chool Jock, a 24 year-old woman, too weak to walk, was carried on a stretcher by her family members to the MSF hospital in Lankien.. They walked for 12 hours.

“The journey is long, and not safe, so I waited for my brothers to take me to the hospital. As two of us were sick in the family, my younger sister in a worse condition than I, got the first priority, and then they later came back for me,” says Chool.

“These patients know of no other medical facilities around here. They need to know where else they can seek treatment, so that they reach us earlier,” adds Alison.

MSF operation it is expecting to treat in total more than 1500 patients.

There are fears that, with the remoteness of the areas, more patients could be suffering silently in areas where they due to lack of access of health facilities. [\(Back to Top\)](#)

Lakes state chiefs arrested and "tortured"

Sudantribune.com Rumbek, 21/11/13 - Authorities in South Sudan’s Lakes state on Tuesday arrested three chiefs from Rumbek Central county after they allegedly criticised the caretaker governor at a 16 November community event.

Governor Matur Chut Dhuol had, during a meeting held at Akon Buoi town hall, requested the chiefs to speak to their clans in order to stop the cycle of cattle raiding and violence.

The chiefs, however, responded by questioning the legality of the governor's tenure and accused him for making disparaging comments about their women.

Dhuol was appointed by South Sudan's president Salva Kiir in January after he sacked his predecessor Chol Tong Mayay.

Under South Sudan's transitional constitution, an election should have been held within 60 days of the new governor being appointed. No gubernatorial elections for the three South Sudanese states which have lost their elected leaders this year are currently planned before the general elections in 2015.

The regional court president of Malek payam [district], Mabor Alier Chepuou-nyuoc asked Dhuol about insensitive comments he is alleged to have made during his visit to the area last month.

Dhuol is alleged to have said he had "not seen a beautiful woman in Malek."

On Tuesday, security agents close to the Lakes state governor are alleged to have detained the three chiefs without arrest warrants.

A family member, who requested anonymity, said the three chiefs were arrested after a verbal order from the governor.

Those arrested included, Mabor Alier Chepuou-nyuoc, from the regional court of Malek payam, Guong Akoldit Ruoc, the Mayom payam executive chief and Makur Chawul Kang, a sub-chief from Matangai payam.

Alier's relative said that he was arrested because he questioned the governor over his rude comments about Malek women, allegedly saying that they were "ugly".

"Chief Alier asked the governor whether he went to Malek to see problems faced by the people there or to look for a beautiful woman," said the relative, who preferred anonymity.

A senior police officer in the state, who asked not to be named, confirmed the arrests, but failed to explain why they were arrested or on whose order.

He said that "many cases [of arrests] are by passing police" adding that "all arbitrary arrested cases are taken to Langcok military prison".

David Kockedhia, a lawmaker representing Rumbek Central county in state parliament, said that family members who had visited the prison had reported to him that the chiefs had been "tortured" and "mistreated".

Kockedhia said that the "chiefs are [being] beaten, mistreated, abused and their clothes were being removed".

"They are now staying naked inside prison", he added, further stressing that the state was becoming more "unstable".

Located in the northern part of Rumbek Central County, Langcok military prison was set up in February, a month after the caretaker governor came to power. [\(Back to Top\)](#)

UNMISS trains 140 legislators in Wau

Voice of Hope Wau, 22/11/13 - United Nations Mission in South Sudan or UNMISS Information Sector in Wau trained 140 members of the State Legislative Assembly on good governance, rule of law, human and child rights and arms and roles of the government.

The training targeted MPs of Wau, Jur River, Raja counties and the Municipal Council, Voice of Hope reported.

UNMISS Assistant Information Officer Michael Marko Wondi said the training was one of the core mandates of the Mission to strengthen human resource development.

He said the training aimed at enlightening MPs on their mandate to supervise and monitor executives and the judiciary.

Mr Marko said the capacity building programs will continue in line with the process of nation building.

He said the next phase of the training will target women, youth organizations and media practitioners. [\(Back to Top\)](#)

W. Bahr el Ghazal secures \$48 million investment pledge

Sudantribune.com Juba, 21/11/13 - A two day investment conference finished on Wednesday in South Sudan's border state of Western Bahr el Ghazal resulting in \$48 million in investment commitments.

Around 150 participants representing eight international companies, fifty local companies, as well as state and central level government officials attended the event in Wau town, the state capital.

The objective of the forum, according to the document Sudan Tribune obtained, was to showcase the investment opportunities available in priority sectors and to discuss the benefits of investing in the state.

Government and international company representatives at the forum made presentations on their operations and potential areas of interests for investment. Bilateral meetings and discussions with representatives of each potential investor were held with the state government, the results of which were later shared at the roundtable discussions.

Key priority areas identified at the conference included agriculture and forestry, housing and water, energy, physical infrastructure, attracting a total of around \$48 million.

Agriculture and forestry attracted a commitment of up to \$10 million much of which will be channeled to create a tree plantation, to develop a market for quality wood for finished furniture products and a create a fruit orchard to produce processed fruits for local and international markets.

Such investment, if implemented, will create jobs for up to 400 people in the first five years for tout growers who will be provided with a ready market.

Physical infrastructure saw investment commitments valued at up to \$30 million, with investors interested in the construction of housing in Wau for both rental and commercial markets.

"The housing will be solar powered to create self-contained powered communities. The government has also entered into a commitment with an investor who is interested in constructing fuel distribution stations complete with super markets and service stations along the highways to neighbouring states and for a total investment of up to 250,000 dollars", the statement reads in part.

The state government in a bid to encourage investment in the area, will construct 30 kilometres of paved roads within Wau town. There are also plans to provide street lights for all markets in the town.

Similar plans will later be extended to Jur River and Raja counties through an investment of around \$6.4 million dollars.

"The state government will work closely with newly established business registry office in Wau town to facilitate business registration for all international and local investors", the statement adds.

Western Bahr el Ghazal is one of the states of South Sudan keen to attract foreign investment despite being hindered in this quest by security concerns as well as by a shaky infrastructure and power cuts.

The central government, whose annual budget depends largely on oil exports, is striving to boost the economy but progress has been undermined by the growing challenge compounded with allegations of rampant corruption and mismanagement. [\(Back to Top\)](#)

Yei Mayoress calls for self-employment, flexibility

Easter Radio Yei, 22/11/13 - Yei Municipality Mayoress called on 106 graduates of Yei Vocational Training Centre on Wednesday to seek ways of self employment instead of relying on government employment.

Oba Cecilia Tito said government recruitment opportunities were limited to accommodate many people, Easter Radio reported.

She encouraged women to be multipurpose and not to depend on tailoring as the only job to earn their living.

Ms Oba warned that tailoring might not settle all their demands.

The Mayoress appreciated the Norwegian Peoples Aid for supporting the vocational centre since its establishment in 2007

Civil Society Development project manager Nina Pedersen urged the graduates to put the knowledge acquired into practice. [\(Back to Top\)](#)

Government cautions traders over hiking prices

Gurtong Juba, 22/11/13 - The South Sudanese Minister of Cabinet Affairs Hon. Martin Elia Lomuro on Wednesday cautioned traders over hiking prices of goods and services in relation to the recent attempt to devalue the SSP currency.

Lomuro said traders who want to exploit the current economic situation in the country should be reported to the relevant authorities, calling citizens to make a move once they come across such practice (hiking of commodity prices).

The call officially came after residents in Gudele, Juba on Wednesday threw stones at government vehicles in protest of increase in water price supplied by tankers.

“It is criminal if you just increase prices for political games,” Lomuro said.. “Citizens have the right to report if they feel that they are being exploited.”

He said the intervention on traders who increase prices of goods and services on wrong assumptions do not need the intervention of the law but citizens should deal with them.

Following a decision by the Central Bank and the Ministry of Finance last week to devalue the country’s currency, some parliamentarians yesterday claimed that, the move has caused some increases on prices of commodities in the market.

Though parliament last week revoked the decision, reasons as to why the move was taken by the two government agencies are yet to be presented to the parliament. [\(Back to Top\)](#)

Fuel prices normalizes in Torit

Gurtong Torit, 22/11/13 - Fuel price in Torit, the state capital of Eastern Equatoria State has normalized following arrival of sufficient fuel in state on Wednesday.

There was scarcity last week which resulted to increase in fuel prices in the state. The price of benzene (petrol) has reduced from SSP 30 per 1.5 litres of a container to the usual SSP 7 and same for diesel.

On Thursday, the Eastern Equatoria State motorists joyfully celebrated as two tankers each carrying more than 35,000 litres of fuel arrived in Torit.

HASS Petrol Station Attendant, Mr. Bertina Roya, on behalf of the HASS Management, expressed pleasure over the arrival of fuel to the region. A diesel tanker with capacity of 35,000 litres arrived on Tuesday.

Only HASS Company has responded to meeting high demand for fuel in the state. The other fuel stations are yet working on it.

HASS Company transports fuel from Kenya's Port Mombasa via Kampala to South Sudan through Nimule entry point.

Earlier due to high fuel prices, some boda-boda operators parked their machines but have since resumed business.

It could clearly be seen as a number fuel stations visited by Gurtong had totally been left closed but each of their respective station attendants confirmed that fuel was on the way from Juba and others via Nimule.

Some Torit residents lamented on the suffering related to transport by Boda-Bodas, the main transport facility within Torit town.

On Sunday, the South Sudan Electricity Corporation said that the power shortage has been experienced in Juba due to lack of fuel in addition to money to maintain electricity supply.

The Electricity Corporation Manager's Engineer Beck Awan said the company needs money to repair faulty generators that supply power to Juba but remains hopeful they were also waiting for a fuel consignment expected to be delivered by Nile Petroleum Oil Company.

Meanwhile, the national government plans to complete two power projects worth \$350 million by 2015.

The projects include the Fula dam in Nimule worth US\$100 million to generate 40 megawatts and a 300 megawatt thermal plant in Unity state, which is expected to cost about US\$250 million. [\(Back to Top\)](#)

Sudan's NCP reformists decide to form new political party

Sudantribune.com Khartoum, 21/11/13 - A reformist group of the National Congress Party (NCP) decided to form a new political party officialising their split from the ruling party over calls for reforms, transparency and democratic changes.

The reformists led by the former presidential adviser, Ghazi Salah Al-Deen Al-Attabani rejected last week an ultimatum issued by the NCP Shura council giving them 10 days to bull back from their public criticisms against the party and be more disciplined.

But the leader of the reformists group swiftly reacted to the offer saying the stance of the Shura body confirmed their point of view that it is no longer possible to reform the NCP.

"We assure the Sudanese people that our decision to form a party far from the National Congress Party is a decision-in-principle and we are working to achieve it" Attabani said last week.

In a short statement he published at his FaceBook page on Thursday, the reformist leader announced that they decided to name this new party "Reform and Renaissance Party".

"Today in a meeting held at the house of Ghazi Salah Al-Deen Al-Attabani, attended by a wide range of supporters of the Reform Movement, we selected the Reform and Renaissance Party as the name of the new party", he said.

He further said the decision was taken after voting on three options : (Reformist Movement, Justice and Reform and Reform and Renaissance).

The splinter group considers that the NCP failed to implement the programme of the Islamic movement and to establish an Islamic state after 24 year of rule in Sudan. They also denounce corruption and lack of democratic freedoms in the country.

However, sources from the group said Attabani refused to add "Islamic" to the name of the new group stressing that it should remain open to all the Sudanese without religious discrimination.

The second dissidence takes place 14 years after a breakaway led by the former leader of the party Hassan Al-Turabi in 1999. At the time Al Attabani was one of the leading member who signed a motion against him.

The reformists are expected to register their new party and launch a political campaign preparing themselves for the general elections of 2015.

They may conclude an alliance with other opposition Islamist parties like the Popular Congress Party of Hassan Al-Turabi or the far right Just Peace Forum led by Al-Tayeb Mustafa who is also the uncle of the president Omer Al-Bashir.

The opposition coalition of the National Conesus Forces did not react to the internal struggle among the NCP factions, but Turabi met Ghazi two months ago after his open criticism to the bloody repression of September protests.

In an interview with Agence France Presse on Thursday Mustafa said the ruling party cannot be reformed.

He further criticised his nephew Omer Al-Bashir saying he sticks to power and refuses change.

Bashir "wants to stay in power" to protect himself from arrest warrants issued by the International Criminal Court over alleged war crimes committed in Darfur, he said. [\(Back to Top\)](#)

Uganda welcomes Kony surrender but will not protect him from the ICC

Sudantribune.com Kampala, 21/11/13 - Uganda's military on Thursday welcomed reports of negotiations on possible surrender of the leader of the rebel Lords Resistance Army (LRA), but cautioned it will not be able to protect him from prosecution by the International Criminal court (ICC).

Media reports have quoted officials from Central Africa Republic (CAR) as saying they are in contact with the LRA leader who, they say, is in bad health and wants assurance over his security after surrendering.

The AFP news agency quoted CAR President, Michel Djotodia saying that his government was in negotiations with Kony. "Joseph Kony wants to come out of the bush. We are negotiating with him."

Kony and his senior commanders were indicted by The Hague based ICC in 2005. He is accused of war crimes and crimes against humanity.

In an interview with Sudan Tribune on Thursday, the deputy spokesperson of the Uganda's military, Robert Ngabirona said they welcome reports of the notorious rebel leaders' surrender.

"We welcome him back home. We have an open amnesty for the LRA and indeed some LRA fighters who abandoned rebellion have been educated, rehabilitated and integrated in the Uganda Peoples Defence Forces(UPDF)", said Ngabirano.

The army spokesman, however, added that if the LRA leader surrenders he will not be protected from prosecution by the ICC.

"Kony is wanted by the ICC. If he surrenders, well and good. We welcome him but the ICC will have to pick on from there."

The military spokesman however said Uganda had not yet received any official communication from CAR on the negotiations it is having with the LRA.

In northern Uganda where for 20 years, the LRA wrecked havoc displacing nearly two million people from their homes at the peak of the conflict, news of Kony's reported plan to surrender has been received with scepticism

"Kony will not surrender," said Sam Lawino, a journalist who extensively covered the conflict in northern Uganda before the LRA was flushed out of the country in 2006.

"Kony fears the ICC. I don't think he will surrender with the ICC there. It could just be a new tactic by the LRA", said Lawino.

"I will be surprised if Kony surrenders. I doubt he will," said a resident of Gulu town who did not want to be named. Gulu was at the epicentre of the conflict in the region.

Talks between the LRA and the Ugandan government ended inconclusively in the South Sudan capital of Juba, with the key sticking point being the ICC indictments which the LRA leadership wanted dropped. The Ugandan government said, as it is saying now, that it does not have the powers to drop the ICC charges.

News of LRA surrender has also been received with scepticism in Washington. An American official stated that some LRA rebels had been in contact with the government in CAR but Kony was not among them.

"At this time, we have little reason to believe that Joseph Kony is part of this group," the State Department official said.

The US has a USD 5 million dollar bounty on Kony's head.

The American advocacy group, Invisible Children, which has been at the forefront of the highlighting the atrocities of the LRA in northern Uganda and in the Great Lakes region cautioned on Thursday that Kony could be playing an old trick.

"Any report that Kony may want to negotiate a surrender should automatically be met with caution. None of our local sources have substantiated the claims that there is a direct communication with Kony", said the Chief Executive of the charity, Been Keesey, in a blog post adding "Additionally, Kony has used and abused the call for peace talks many times... usually at moments when his power is the weakest."

On Wednesday this week Invisible Children presented a petition to the Ugandan parliament signed by over 3,500 community members affected by the LRA conflict in four countries in the Great Lakes while calling on the international community and regional governments to do more in ending the conflict.

The fight against the LRA rebels by armies in the Great Lakes region stalled after Seleka rebels who took over power in CAR in March this year ordered foreign troops to leave its territory.

But Uganda's deputy army spokesman, Robert Ngabirano said the Ugandan army is still in CAR, but only at designated assembly points and with instructions not to hunt for the LRA.

"We have soldiers at assembly points but not fighting. We are waiting for orders from our Commander-in-Chief and the African Union (AU)", said Ngabirano.

About 3,000 AU troops, with assistance of 100 military advisers sent by US President Barack Obama, were fighting the LRA until they were ordered to leave the country by the new government in CAR. [\(Back to Top\)](#)

OPINION - Devaluation in South Sudan: Theoretical and policy confusion in finding a working exchange rate policy

By Garang Atem Ayiik on SouthSudanNation.com Nairobi, 21/11/13 - In a circular from Central Bank of South Sudan (CBoSS), The Bank directed banks and other stakeholders about its regulatory change it made on 11 November 2013 to exchange rate policy. The dollar was to sell at 4.5 SSP from 3.16 SSP reducing the value of pound about 42% against the dollar.

The directive was rescinded by CBoSS after parliament did a mob justice to the governor. On 14th November 2013, the author was invited to Wake Up Juba through a phone call as a panellist that discussed the devaluation case.

This article benefited from the author's thesis, 'Efficiency Management of Foreign Currency in Developing Countries: A Case of South Sudan,' presented and approved for award of masters of Art in Economic Policy and Management at the University of Nairobi'.

The aims of this article are to provide an appraisal of the current exchange rate policy, and evaluate devaluation policy by underpinning arguments in economic theory and in South Sudan economic fundamentals.

As I said while on Wake Up Juba, the intention of Central Bank was noble, how the approach was wrong. To be precise, the policy that was proposed by CBoSS is actually the same recommendation that the author presented in his thesis at the University of Nairobi in July 2013.

The difference is that the author took care of the short-term misery that the policy will causes to the public and proposed some interim economic helmets that the Central Bank ignored.

As a result, CBoSS provided a window for parliament to mob justices the governor into accepting 'withdraw now'.

The current fixed exchange rate has many flaws. First, it has lead to growth of shallow financial institutions that are building long-term financial instability in the future. As at end of November 2012, there were about 18 banks and 68 bureaus whose incomes are mainly from currency trading.

Second, allocating dollars to banks and bureaus has accelerated inequality and distributive injustices; the author throughout his studies has always financed his studies through buying dollars in the black market and so do many needy South Sudanese.

Thirdly, allocation of dollars has institutionalized rent-seeking behavior through licensing and allocation.

Fourthly, fixed exchange rate passes the obligation to Central Bank to maintain the exchange rate at 3.16 SSP even at times when reserves wither; a case was during oil shutdown.

With the above flaws, and mandated by Central Bank Act 2011, the CBoSS has incentive to evaluate its exchange rate policy and change the policy if appropriate.

Exchange rate policy has two extremes; float and fixed exchange rates. However, in between, there are many types. The type of exchange rate chosen by a country is determined by integration into global financial system, country specifics economic disturbances exposure, economic structure, and exchange rate risks.

I believe neither fixed or float exchange rate is appropriate for South Sudan but dirty float with strong CBoSS influences will be workable.

In this regards, first, South Sudan has only one export product – oil. If anything affects flow of oil, the ability of CBoSS to support a fixed rate is in doubt; I believe CBoSS was almost at this point of not sustaining the fixed rate before oil production resumption.

Second, a weak financial system that is not integrated into global economy renders helpless Fleming–Mundell of feedback and self-regulating view through the capital market.

South Sudan is an import country with many constraints on its export sector that inhibits short increase in export production, a key point ignored by many analysts and economists.

With oil export, transported through unreliable pipelines, it become very risky for CBoSS to run a fixed exchange rate.

Furthermore, as an import country, exchange rate can not be allowed to float as this will increase the prices causing misery to the public in short term – be aware that local production is not going to respond to devaluation incentive.

The author has established during his research that inflation and exchange rate move together (correlated) in South Sudan.

From my analysis of theoretical and economic realities of South Sudan economy, and aware of key flaws in managing fixed exchange rate in a weak institutional set up, I agreed to a need to change the exchange rate policy by the CBoSS.

In a nutshell, I agreed that the current rogue exchange market needs to be disciplined. However, I differ with CBoSS in its approach.

In the course of my research, it is worth to note that dollars supplied by CBoSS to the market are not based on any economic data – neither demand nor exports are considered.

A trend analysis of dollars supply for 2011 – 2012 does not provide any meaningful relationship. An indication that dollars supply is done on an ad hoc basis.

This justifies that equilibrium is never met and that is why there is a black market.

The lesson is that if the price of a dollar is increased to 4.5 SSP and demand/supply equilibrium is not met at this rate, the black market will go up.

In the case of the devaluation policy that was proposed, the exchange rate in the black market I supposed was going to stabilize at about 6-6.5 SSP.

Hence from black market perspective, the policy was going to disturb the two-market equilibrium prices but the fundamentals were the same. The policy was not going to solve the black market problem.

Critical in economic policy is the objective. There are two key objectives of exchange rate policy; macroeconomic stability and international competitiveness.

Devaluation was going to increase the prices of imports instantly for about 42%. There has been argument even from respected South Sudanese economists and analysts that the increase was going to be a short-term problem.

Devaluation encourages exports and discourages imports. In theory, if exports are encouraged, firms and individuals are expected to act rationally by investing in exports that has been subsidised.

What these economists and analysts ignored are structural problems that will not allow the subsidies to trickle to the export sector.

In the case of South Sudan, insecurity, infrastructures, technology, capital, entrepreneurship, institutions and attitude are key impediments to workability of Fleming–Mundell on whose basis much analysis and policy relied.

It will take long for local producers to produce import–substitutes.

Elasticity and multiplier are going to be inconsequential in minimizing the impacts of devaluation. The theory did not consider these impediments and hence applying a theory without appraising it, is suicidal.

With minimum export sector and structural impediments to its growth, the author would not recommend international competitiveness as an objective to be pursued with exchange rate policy.

I believe only macroeconomic stability is achievable with this tool.

There is need to focus on local production for local consumption as current economic structure does not permit huge increase in exports.

This article illustrated three weakness of the devaluation policy that was proposed by CBoSS. One, it ignores to address weakness in estimating market demand and supply and hence not providing solution to black market it pretended to eradicate; second, the policy ignores the unique structural socio-economic fundamentals of South Sudan and, finally, the policy deviates from providing macroeconomic stability to South Sudan.

The author believes no policy that does not address these key issues was going to succeed. How did the most knowledgeable economic institution fail to address these issues in its policy?

My hypothesis is that this policy was initiated to fail. Could it be that donors, development partners or Khartoum bothered CBoSS with devaluation?

Just to cover its back, could it be that CBoSS proposed a policy that it was aware was not workable and likely to cause uproar and likely to be stop by the public?

Then CBoSS goes back to the old order of allocating dollars to banks and bureaus! The author leaves this to academic and policy curiosity.

The author believes that we could have done something different to minimize the attention the policy caused and the affected constituents.

In this regards, the author proposes that CBoSS should not have interfered with the official rate instantly; the rate should have been left at 2.96 SSP. However, the author supports the view that banks and bureaus should bid for the dollars from 2.96 SSP as in the proposed policy. This will lead to gradual depreciation of pound in the long run.

However, CBoSS will have control on the depreciation as it will control the supply of dollar amounts.

This would have many effects; first, it will diminish the black market incentives and reducing black market role.

Second, it will gradually weed out shallow financial institutions that are building future financial tsunami.

Third, it would enable CBoSS to protect the citizens by keeping depreciation within acceptable limits.

As this happens, policies should be instituted to solve current structural impediments that I believe could inhibit growth of export sector rendering the economic foundation on which the policy was built unworkable.

In addition to internal challenges of fixed exchange rate, there are external factors that could have softened CBoSS to lean towards float exchange rate regime.

The economic changes in Sudan, Khartoum probably asked South Sudan to devalue its currency to reduce possible currency arbitrage between the two Sudans.

Liberalized monetary system is a requirement for candidates joining East Africa Community. With recent passion to join the community, this could also influence and thirdly, as a float rate is good for the World economy, donors and development partners might have advised CBoSS to devalue the pound and lastly, I believe CBoSS was in a tight economic position in regards to sustaining a fixed exchange rate during oil shutdown and that is why it was passing part of the obligation to the public through depreciation.

The author believes none of these institutions is our enemy or economic commander, CBoSS is at liberty to accept policies that take care of its current and future macroeconomic fundamentals.

After the dust settles, there are key lessons, one, there is need for consultations between government institutions, civil societies and relevant professions on any policy.

Second, rejection of the policy by parliament has exposed the Bank as weak and non-consultative institution whose policies are not reliable and acceptable and this will encroach on the independent of the Bank.

Third, rejection of the policy confirms time value for money – people are concerned with immediate gains not long term theoretical fundamentals.

It is my view that nothing is right between the old order and the new policy. We need something between and that is what the whole nation must aspire for.

We should neithe allow a few brokers to run the foreign exchange market nor should we allow misery to the masses with the proposed policy.

Garang Atem Ayik is a Certified Public Accountant, holds B.A in Economics (Moi University) and expected to graduate with master in Economic Policy and Management at the University of Nairobi in 2013. He can be reached at bwanagatem@yahoo.com or +211955115299

For further information or media enquiries please contact:
UNMISS Spokesperson
Tel.: +211 (0) 912 06 7149 or Mobile: +211 (0) 912 396 539

United Nations Mission in South Sudan - Public Information Office

www.unmiss.unmissions.org