Summary of Agreements between Sudan and South Sudan
(Notes from Signing Ceremony, Addis Ababa, 27 September 2012)

The Republic of Sudan and the Republic of South Sudan signed nine agreements on a range of issues that they have been negotiating since 2010 initially in accordance with the Post-Referendum Arrangements negotiations provided for in section 67 of the Southern Sudan Referendum Act, 2009 as elaborated upon in the Mekelle Memorandum of Understanding of 23 June 2010. The Parties have also been engaged in the negotiation of outstanding Comprehensive Peace Agreement (CPA) issues, and have now reached several Agreements relating to CPA and post-secession issues.

1. The Agreement on Security Arrangements

This Agreement reaffirms the commitment of the two States to renounce war and to implement all the security agreements and arrangements reached in previous negotiations. These include Agreements relating to the immediate withdrawal of any forces to the side of the border.

Specifically, the two States agree to operationalise immediately the Safe Demilitarized Border Zone (SDBZ) in accordance with the administrative and security map presented to them by the AUHIP in November 2011. The Agreement makes provision for special arrangements for the “14 Mile Area”, which involve the complete demilitarization of the Area overseen by the Joint Political and Security Mechanism (JPSM) and supported by the mechanisms under the JPSM. The Parties will maintain the status quo of the joint tribal mechanisms for the resolution of disputes. The Parties agree immediately to open the ten (10) agreed border-crossing corridors linking the two States.
2. **The Framework Agreement on the Status of Nationals of the Other State**

This Agreement was first initialed on 13 March 2012. It provides principles and mechanisms for the treatment by each State of the nationals of the other State. The key principle is the Four Freedoms: residence, movement, economic activity, and the right to acquire and dispose of property, which each State is to assure for the nationals of the other State. The Agreement establishes a Joint High Level Committee to oversee the range of issues relating to nationals of the other State. The Parties agree to elaborate the four freedoms in order to facilitate their full implementation within the two States.

3. **The Agreement on Border Issues (including demarcation)**

The Agreement on border issues is a consolidation of a range of issues relating to the overall management of the border (the area either side of the boundary between the two States). The Agreement adopts two key principles: a “soft border” and an “integrated border management approach” (IBMA). A soft border will ensure a peaceful, safe and secure border between which the flow of people, trade and livestock will remain unhindered. The Agreement makes special arrangements for transhumance (seasonal movement of livestock for pasture) and guarantees the continuance of nomadic livelihoods.

The principles of the IBMA will foster the better coordination and management of various activities along the border, under the oversight of the Joint Border Commission, and with the participation of all key actors, including the border communities.

The Agreement recommits the two States to establish institutions for completing the demarcation of the boundary within specified period.

4. **The Agreement on Trade and Trade-Related Issues**

The Parties have agreed, as an interim measure, that each State shall pursue an independent trade policy while considering the possibility of common policies. They each agree to adhere to trade policies of the regional and international organizations to which they belong. The two
States pledge to foster trade relations including through joint ministerial and technical committees to foster trade relations. At a future date, the two States shall adopt a long-term trade policy for the benefit both States.

5. The Agreement on a Framework for Cooperation on Central Banking Issues

Through the Central Banking Agreement, the two States acknowledge the need for cooperation in the management of a monetary and fiscal policy, with the goal of maintaining confidence, controlling inflation and avoiding destabilizing exchange-rate fluctuations. Each State will continue to adhere to international finance and banking standards.

The Agreement establishes various committees to support financial stability between the two States by developing systems and procedures that will enhance cooperation in the area of central banking.

6. The Framework Agreement to Facilitate Payment of Post-Service Benefits

With the secession of South Sudan, many individuals who had previously worked in the public service, either for the Government of the Sudan or the Government of Southern Sudan, ceased to be eligible to work in the public service as a consequence of new rules associated with nationality. Accordingly, new arrangements for the continued payment of pensions and other post-service benefits were needed for such individuals, as well as for others who had already retired from public service.

This Agreement affirms the obligation to continue to pay pensions and benefits and establishes the principles and mechanisms that will ensure uninterrupted, timely and convenient payment arrangements for citizens of either State, wherever they might be residing.

7. The Agreement on Certain Economic Matters: Division of Assets and Liabilities, Arrears and Claims and Joint Approach to the International Community

The secession of South Sudan necessitated an agreement on how to deal with the assets and liabilities of what was previously one State. The two
States adopted a comprehensive approach to the treatment of assets and liabilities, arrears and claims.

The two States agreed that Sudan would retain all external debts and assets ("the zero option") on condition that Sudan obtains debt relief, within two years, through the Highly Indebted Poor Countries initiative. In the event that debt relief is not secured within this period, the division of the liabilities would be reviewed.

The two States have also agreed to approach the international community jointly to find ways of alleviating Sudan’s debt burden and to seek an end to sanctions imposed on Sudan. This Joint International Approach would also seek to secure international financial assistance for both States. Lastly, the two States agreed to the mutual forgiveness of all government-to-government arrears and claims.

8. The Agreement concerning Oil and related Economic Matters

Oil is a critical resource for Sudan and South Sudan. Under the Oil Agreement, the two States undertake to cooperate fully to ensure the resumption of production of oil by South Sudan, and to provide for the transportation and processing of that oil within the territory of Sudan. Specifically, the Parties have agreed to processing, transportation and transit fees which fees reflect the special circumstances of the relations between the two States. The Agreement will enable South Sudanese oil to reach the international markets and thus to make a direct contribution to the economy of South Sudan, and consequently to Sudan.

The Agreement also contains provisions to ensure a cushion for the Republic of the Sudan against the economic shock arising from the secession of South Sudan, and the resulting loss of oil revenues to the Sudan. Accordingly, the Agreement provides for Transitional Financial Arrangements (TFA) whereby the Republic of South Sudan will make a substantial financial contribution to Sudan to be transferred over a period of three and a half years (i.e. 42 months).

The “Joint International Approach” cited in the Agreement on Certain Economic Matters, and by which the two States will participate in seeking to secure debt relief and financial support for Sudan’s debt, is part of the package of measures, alongside the TFA, for ameliorating the adverse...
economic effects of the secession. The third limb of that package is the unilateral economic measures that Sudan will take to diversify its economy and strengthen its economic resilience.

9. The Cooperation Agreement

The Cooperation Agreement, signed by the two Presidents of the Sudan and South Sudan, brings together the themes in the other Agreements. It affirms the overriding principle by which each Party pledges to seek the mutual viability of the two States. The Agreement also recognizes the abiding connections between the peoples of South Sudan and Sudan, and sets out the basis for developing a cooperative relationship in all fields of mutual interest, that will ensure the prosperity of both States.

The two States pledge to implement all the Agreements into which they have entered, and generally to maintain peaceful relations with each other. Each State has agreed to ratify within its National Assembly the above Agreements that have been signed, and accordingly to ensure the broadest national support for these measures.