

NEW DEAL COMPACT

Background information on a New Deal compact for South Sudan



The challenges South Sudan has faced in its first two years of independence underline that nation-building is a highly complex task. In the context of recurring economic uncertainty and periodic outbreaks of insecurity, a New Deal compact between the Government and the international community presents an opportunity to cement a stronger partnership for peace- and statebuilding, based on mutual accountability.

The Government of South Sudan is strongly committed to building a united, peaceful and prosperous nation and the results of reforms that have been delivered so far, stand as testament to this. Since the signing of the CPA in 2005 and independence in 2011, the Government has made significant progress in creating the policies, institutions and systems a newly independent country needs. While much remains to be done, South Sudan is slowly beginning to overcome a four decade legacy of civil war, marginalisation and neglect that have led to tremendous deficits in health, education, agriculture, infrastructure, and governance.

Through the Government's engagement with the **g7+ group of fragile states**, South Sudan has benefitted from the experience of countries that face similar challenges. South Sudan has also worked through the g7+ on improving the engagement of international partners who seek to accompany fragile states on the path to stability.

The difficult past 18 months have shown, however, that progress is precious, fragile, and seldom achieved alone. South Sudan had to deal with severe shocks, as it stood at the brink of international conflict, suffered food shortages, grappled with internal tensions, and sought to host new refugees. The greatest challenge, however, has been the loss of 98 percent of Government revenue after oil production was shut down in January 2012. Up against such challenges, some did not expect the young nation to survive. However, with resolve, prudence and international support, South Sudan strove to stabilize the macro-economy, protect core Government functions and catalyse reforms.

In the coming months and years, South Sudan will continue to face significant obstacles to peace- and statebuilding. An improved framework of cooperation between RSS and its international partners will therefore be indispensable. At the **South Sudan Economic Partners Forum** in Washington in April 2013, the Government presented its strategy for the way forward, and proposed a compact, based on the **New Deal for Engagement in Fragile States**, to reinvigorate its partnership with the international community.

The **New Deal compact** will provide a stronger, longer-term basis for South Sudan's partnership with the international community. The New Deal builds on decades of lessons learned about how best to address what matters most to in fragile states. It provides clear goals to strengthen state-society relations, and puts the Government in the lead of South Sudan's development. In that spirit, the envisaged New Deal compact for South Sudan will outline a set of **benchmarks and mutual commitments** – more robust economic and political reforms by South Sudan, and more transparent, predictable, and targeted international assistance – that not only strengthens host country systems but works through them.

For international partners the compact means not just living up to the principles of the New Deal but also providing the funding for sustainable results. A number of support instruments are being developed to support the compact, including budget support programmes, a new pooled fund, and private sector initiatives. Once the New Deal compact is concluded, these instruments will become fully active.

In short, the compact will boost South Sudan's international credibility, highlight key reform achievements of the Government, generate flexible financial support, and help to communicate South Sudan's progress abroad and at home.

Developing the Compact will be an inclusive, country-owned and Government-led process. Over the coming months, the Government will work with international partners to design the compact, and will engage with many stakeholders across South Sudan to gather their input. It is expected that the compact will be signed in November 2013.

ABOUT THE NEW DEAL

The New Deal is a global reform initiative that seeks to accelerate development progress in fragile and conflict-affected states. Launched at the 4th High Level Forum on Aid Effectiveness in November 2011, the New Deal proposes five peacebuilding and statebuilding goals (PSGs), focuses on new ways of engaging Governments and donors, and identifies commitments to build mutual trust.

Developed through the International Dialogue for Peacebuilding and Statebuilding, the New Deal has been endorsed by more than 40 countries and organisations, including the g7+ group of fragile states and all of South Sudan's key partners. South Sudan is a pilot country for New Deal implementation.

The New Deal commits countries and their partners to FOCUS on new ways of engaging to support transitions out of fragility, based on a country-led fragility assessment, a country-led vision and plan, a compact to implement the plan, and the use of PSGs to monitor progress.

The New Deal also aims to build mutual TRUST through managing aid and resources more effectively and aligning them to results. New Deal partners commit to advance transparency, risk management and the use of country systems, strengthen national capacities, and improve timeliness and predictability of funding. The idea of a compact between Government and international partners is at the heart of the New Deal.

Supporters of the New Deal

