



Cross-border trade: fuelling conflict or building peace?

An exploration of cross-border trade between Sudan and Uganda and the implications for peacebuilding

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September 2009

conciliation
resources

Cover: A trader in Uganda sits atop a truck heavily laden with goods bound for Sudan.

Source: Euan Denholm/IRIN

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In places emerging from conflict, trade offers opportunities to revitalize a region, re-establish relationships and build new links between communities estranged by violence. This study explores how trade policy and practice along the Uganda-Sudan border is contributing to peacebuilding and socio-economic recovery in the region – and in some cases is exacerbating or creating tensions that require careful management. It examines existing policy frameworks and documents the experiences of traders, businesses, trading associations, border communities and government officials in Southern Sudan and Uganda. Finally, it concludes that important changes in policy and practice are urgently needed to help make the most of trade's potential to aid peacebuilding and recovery.

The impact of trade

Cross-border trade has boomed since Sudan's Comprehensive Peace Agreement (CPA) was signed in 2005 and the Lord's Resistance Army (LRA) withdrew from northern Uganda. The importance of this trade for the region's recovery and long-term prosperity, peace and stability cannot be overemphasized. It has created jobs, increased government revenue, provided goods and services in Southern Sudan and given small-scale traders and farmers much-needed cash. It is also providing a platform for reconciliation among Ugandan and Sudanese communities that were cut off from each other for years or found themselves on opposing sides because of the conflict.

This study found however that most trade currently takes place between businesses in Kampala and Juba or other major towns. Border communities have only limited involvement: many are still struggling to revive livelihoods damaged by years of conflict and displacement and have little to trade. Enabling these communities to increase their production and become involved is crucial.

Trade is made up almost entirely of exports from or via Uganda to Southern Sudan, where demand is high for artisans, goods and service industry staff. Most trade is highly informal with more established businesses only recently becoming involved. Although the main economic benefits are currently felt in Uganda, the flow of goods and services to Southern Sudan has helped improve food security and to meet critical gaps in the market, including in skilled labour.

Southern Sudan's access to the East African market is essential for its food security. Some groups however suggest the volume of imports may discourage local production and cause 'micro-inflation' elsewhere. In Gulu,

northern Uganda, for example, most food prices have risen sharply since 2007. Some people blame cross-border trade and have called for tighter regulation, saying it is a potential cause of food insecurity. Care is needed however in attributing price increases solely to cross-border trade. Global and regional increases in food costs are also responsible. Small-scale farmers interviewed said poor rainfall and a lack of seeds and oxen for cultivation were their main constraints in increasing production.

Conflict has also had an enormous impact on the skills base in Southern Sudan and northern Uganda, where most of the population is under 18 years old, with limited or no education or marketable skills. Many have either grown up as refugees, internally displaced or fighting in different armed groups. They are unfamiliar with farming, despite it being the region's main livelihood. From a peacebuilding perspective, their current economic hardship could trigger future conflict, as they are likely to be lured into armed groups or criminality. Harnessing their capacities and energy is key to peace and prosperity.

Greater effort is needed to ensure the groups most affected by conflict can become involved and reap the benefits of cross-border trade. Concerns that businesses in Kampala and Juba currently benefit much more than border communities and smaller businesses must be addressed to prevent this continuing to undermine opportunities for local wealth and job creation. Empowering young people and small farmers could help put cash in their pockets and create a strong incentive for greater production. Trade also appears to be controlled by individuals with political and military connections: many interviewees believed officials are profiting at the expense of wider society. Corruption among customs officials especially in Sudan and traffic police in Uganda, lack of business integrity and multiple taxes also undermine trade. If left unchecked, these practices may develop their own war economy and add further political complexity to the layers of tension in both places.

Policy frameworks

Key policy frameworks largely support attempts to promote peaceful and inclusive cross-border trade. Sudan's peace agreement includes complex accommodations on issues of wealth sharing, interpretation of which has led to many groups and agents collecting money at international borders and state boundaries, although this was not the drafters' intention. Implementation of other key CPA provisions is behind schedule. Inter-communal conflicts and failure by the Khartoum government to fully support and speed up CPA implementation may potentially spark

renewed instability. These practices are severely damaging the Southern Sudan government's reputation and undermining development of a sense of state legitimacy. In some cases it is directly harming attempts by communities to re-establish their livelihoods. If left unchecked it could result in violence.

The Peace Recovery and Development Plan for Northern Uganda (PRDP), recognizes the potential importance of cross-border trade with Sudan and the Democratic Republic of Congo (DRC) to the north's recovery. Yet two years after the PRDP began, there are few visible outputs and the communities it is meant to serve still do not understand it. The Ugandan government risks losing an opportunity to show its commitment to address past wrongs and bring the north economically into line with the rest of Uganda. Effective PRDP implementation would boost cross-border trade and local peoples' confidence in governmental regeneration programmes; for example increasing the supply of oxen for cultivation would help increase agricultural production for home consumption with surplus for trade.

The Uganda-Sudan Agreement on Mutual Cooperation is an extremely important framework for building mutually beneficial links for Southern Sudan and Uganda. Currently few people know about it, including civil society organizations working on cross-border reconciliation.

Relations between foreign traders and their hosts

Southern Sudan has large numbers of foreign traders: mostly Ugandans but also Kenyans, Ethiopians, Eritreans and Congolese. Sudanese traders visiting Uganda are fewer in number and mainly buy manufactured goods or farmers' produce. There are, however, concerns that this trade is not mutually beneficial and has also imported problems such as prostitution, which has grown since Southern Sudan opened up. This inevitably brings increased risk of HIV and other sexually transmitted diseases at a time when health and support services are struggling to cope.

Foreign traders also have serious security fears. The situation in Southern Sudan remains highly erratic and banditry, cattle raiding and disputes between various ethnic groups over land ownership and grazing rights are increasingly marked by violence. State institutions of law and order are still developing and are largely absent from ordinary peoples' lives. Some traders have been attacked and killed, causing ill feeling among affected communities. Such incidents can easily be seen as part of a wider problem and tensions can quickly escalate.

In the medium to long term, growing frustration among some groups, particularly youth, about limited economic opportunities could result in resentment towards foreign traders and business people. Southern Sudan's government, the business community and others can help build stronger relationships between local communities and foreign traders by encouraging foreign businesses

to employ more nationals in line with the Investment Promotion Act of 2009, and by providing training schemes and apprenticeships.

Harnessing local government capacities in northern Uganda and Southern Sudan

Domestic trade in Uganda is inadequately facilitated, with sometimes excess production in one area and acute shortage in another. At the district level in the north, there is limited knowledge of trade policies and practices and their relationship to peacebuilding. There are no specific forums to discuss such issues, or to facilitate dialogue between district commercial officers and the conflict-affected population about the opportunities and challenges posed by cross-border trade. Civil society organizations also have limited access to information and rarely meet their counterparts across the border. Local governments could play an important role in providing market information to producers and local businesses.

Civil society organizations

Trading associations exist in both Uganda and Southern Sudan. Given the concerns raised by traders and business people from both sides, it is surprising that formal contact has not been established between Juba and Kampala. Such links could build greater understanding between traders and create opportunities for business partnerships. Trading associations can be an important source of early warning when tensions arise and a means of developing trust and understanding between communities. They can help resolve incidents before they escalate and also circulate market information.

Creating a framework for cross-border trade and peacebuilding

Cross-border trade is playing a vital role in recovery and reconciliation efforts but important changes to policy and practice are needed to help harness its peacebuilding potential and avoid exacerbating conflict. Section 8 of this study outlines specific recommendations for the Ugandan and Southern Sudanese governments, local government officials, civil society organizations, border communities and businesses. These include the need to:

- ensure local communities along the border benefit from the trade boom
- expedite institutional reform in customs revenue collection in Southern Sudan
- provide accurate market information to producers and traders
- encourage business associations to work together to promote high standards of integrity
- empower civil society and local government authorities to handle individual incidents before they escalate
- include conflict-affected communities and their representatives in trade policy design, implementation and monitoring.

2.1 The context

The involvement of Sudan and Uganda in each other's politics and conflicts has been a fact of life for the people of Southern Sudan and Uganda for many years. The conflict that started in 1986 and was sustained by the Lord's Resistance Army (LRA) is now a regional issue directly affecting Uganda, Southern Sudan, DRC and Central African Republic (CAR). The civil war between north and south Sudan also caused tension and insecurity in the wider region for many years.

Southern Sudan

The signing of the Comprehensive Peace Agreement (CPA) between the Sudanese government and the Sudan People's Liberation Movement/Army (SPLM/A) in 2005 was a major step towards ending over two decades of devastating conflict that killed an estimated two million people and displaced four million. It brought almost immediate unparalleled improvements in security and freedom of movement for many Southern Sudanese. Approximately two million Southern Sudanese refugees and internally displaced people (IDPs) have returned home since 2005.

However, systems of governance and institutions are still nascent and fragile and concern is growing both within and outside Southern Sudan about levels of corruption. Many groups feel there has been no real peace dividend. Southern Sudan remains massively underdeveloped: infrastructure is still non-existent in most places and access to social services limited.

Insecurity continues to affect many parts of Southern Sudan and appears to be increasing. In April 2009, over 177 people were killed in clashes in Jonglei State. Western Equatoria has also suffered serious deterioration in security, much of which is attributed to renewed LRA activity following the apparent collapse of the Juba peace process between the LRA and the Ugandan government, and the subsequent joint military operation by Uganda, Southern Sudan and DRC. Cattle raiding in Southern Sudan and northern Uganda is also a great source of tension and violence between communities in some areas.

Many important CPA tasks have not yet been completed. The demarcation of the border between the north and south is not agreed, despite the recent ruling by the Permanent Court of Arbitration in The Hague. This has serious implications for some communities and the long-term prospects for peace. In other parts of Southern Sudan, issues over the demarcation of boundaries between different ethnic groups and land ownership and access rights are sources of tension.

Integrated north-south military units have been formed to monitor border areas but tensions have several times escalated into fighting among these units. The successful disarmament, demobilization and reintegration (DDR) of ex-combatants poses significant challenges as do the large number of small arms in circulation among the wider population. The tension surrounding DDR and the payment of salary arrears to soldiers was highlighted in March 2009 when disgruntled SPLA soldiers staged demonstrations in many parts of Southern Sudan, blocking transport routes and disrupting normal life in several major towns.

In 2010 the first ever democratic elections are to be held and in 2011 the Southern Sudanese will decide whether or not they wish to separate officially from the north. The run-up to both events is likely to be challenging.

Northern Uganda

Armed conflict has affected large parts of northern Uganda for over two decades. For much of this time the Ugandan government was fighting the LRA insurgency. The conflict has led to loss of human security, the dismantling of social and traditional systems and the destruction and degradation of vital infrastructure, such as roads, water, health and education services and productive assets. At the height of the insecurity (between 2002 and 2004) almost two million people were internally displaced.

In July 2006, the Southern Sudanese government launched a peace initiative, commonly known as the Juba peace process, which began with the signing of a Cessation of Hostilities Agreement under which the LRA withdrew most of their remaining forces from northern Uganda. Most LRA forces left both northern Uganda and Southern Sudan and joined the leadership in DRC. The humanitarian situation in northern Uganda improved dramatically and since 2006 over a million internally displaced people have returned to, or near to, their homes and restarted productive activity.

During 2006 and 2007 substantial progress was made and the negotiating teams drafted a final peace agreement. However the LRA's leader, Joseph Kony, has refused on several occasions to sign it. Following a series of attacks in Southern Sudan and DRC in which several people were killed and women and children abducted, Uganda, Southern Sudan and DRC launched a joint military operation against the LRA in late December 2008. This operation did not result in the death or capture of the LRA leadership and its long-term implications for regional security and the north are currently unclear. While the apparent collapse of the peace process caused renewed fear among the local population, to date there has been no LRA activity in northern Uganda and this is considered



A couple from a village near Yei in Southern Sudan, whose shop was reportedly looted in an LRA attack, June 2007.

unlikely in the short term. Long-term prospects are highly dependent on the evolution of the regional security situation including prospects for stability in Southern Sudan and DRC.

The impact of conflict on cross-border relationships

In recent years the conflict in northern Uganda and the civil war in Southern Sudan have severely disrupted or damaged relationships between communities, including trading links. Some communities with historical trading ties were isolated from each other by the insecurity. Other communities that once enjoyed close ties and connections, including trade links, found themselves on opposite sides of conflicts, and their relationships were severely damaged by the violence and mutual distrust.

The Ugandan government has been a strong and consistent supporter of the SPLM/A. There were close ties between the government and SPLA throughout Sudan's civil war and these continued with the newly formed Southern Sudan government after the CPA was signed. In the early 1990s the Khartoum government, anxious to fuel existing divisions within Southern Sudan and to destabilize northern Uganda, began supporting the LRA as well as groups including the Equatoria Defence Forces (EDF).

The LRA established a presence in Southern Sudan in 1993-4 and frequently fought alongside the EDF and the Sudan Armed Forces. The LRA quickly gained a reputation for being the most deadly of the Khartoum-aligned forces and it attacked many villages in Western Equatoria. From 2002 the Uganda People's Defence Forces (UPDF) officially began to pursue the LRA in Southern Sudan. In 2005 the EDF switched its alliance to the SPLA and began fighting the LRA. During its move from Southern Sudan

to north-eastern DRC in 2006, the LRA attacked several communities west of the River Nile. Gross human rights abuses have been committed by the LRA in north-eastern DRC and Western Equatoria. Some of the worst atrocities have occurred since the December 2008 relaunch of military operations against the group.

LRA attacks on communities in Southern Sudan from the 1990s severely damaged cross-border relationships among groups who had hitherto shared close ties, and in some cases were drawn from the same Acholi ethnic group. Attacks in areas west of the Nile and in Western Equatoria created animosity and suspicions towards Ugandan Acholis among other ethnic groups. The presence of the UPDF, who are viewed with suspicion and hostility by some communities in Southern Sudan, has hardened attitudes towards Ugandans more generally. Local communities feel that a foreign war has been exported to their soil with disastrous results.

In northern Uganda and many parts of Southern Sudan the return of large numbers of IDPs and refugees to their land – and particularly the resumption of farming in northern Uganda – has resulted in a vast increase in agricultural produce available for cross-border trade and market demand for such produce. If the security situation were again to worsen, the capacity for agricultural production and access to markets would quickly deteriorate.

The role of trade

In many post-conflict situations trade offers opportunities to re-establish contacts and relations between communities, and build new links. It has the potential to reinforce peace and underpin reconciliation. Conversely, any perception that it is conducted unfairly, that it is exploitative in nature, dominated by or serving the interests of a select elite, or

marginalizing specific groups, risks fuelling unresolved tensions and creating new conflict dynamics.

2.2 Objectives

Despite the long history of inter-connectedness between different communities in the region, most conflict and peacebuilding policy prescriptions have been country-specific. Much of the academic discourse and research carried out in the region has also been either agenda-based or country-specific. How developments in one country affect developments in another is overlooked.

While donors, governments and agencies acknowledge that conflict transformation and peacebuilding should in principle reflect the cross-border nature of a conflict, many agencies may struggle to do this in practice. This is because politically (in terms of representation and staff) and operationally (in terms of funding and the use of bilateral and multilateral development and humanitarian instruments), programmes are organized predominantly on a country-by-country basis.

With this in mind, Conciliation Resources commissioned research to assess the contribution of cross-border trade policies and practices to conflict dynamics, peacebuilding and socio-economic recovery in the region. Specific areas of study were:

- Informal trade. To what extent is informal trade contributing to socio-economic recovery in the region? What are the channels through which informal trade takes place? What are the obstacles, risks and opportunities posed by informal trade?
- Cross-border trade and border crossing. Is there evidence that formal and informal trade across the border is contributing to or undermining peacebuilding in the region and, if so, how? To what extent does formal and shadow trade interact with conflict dynamics in the region? Is there a potential for cross-border

economic activity to contribute to peacebuilding and, if so, how?

- Policy frameworks and practice. How do existing regulatory and policy frameworks shape the dynamics of cross-border economic activity? Do the frameworks strengthen or undermine the peacebuilding potential of cross-border economic activity? To what extent do policy frameworks and practice facilitate the peacebuilding potential of cross-border economic activity? To what extent do the existing frameworks and practice generate conflict or facilitate peacebuilding?

It is hoped that the findings of this study will be used to inform and further develop a set of evidence-based recommendations on cross-border movement and trade for consideration by different stakeholders: (1) governments in Kampala and Juba; (2) local governments; (3) civil society organizations; (4) communities; (5) businesses.

2.3 Approach

The study draws on various sources including a literature review of key policy documents, statistical analysis, and a combination of semi-structured interviews and focus group discussions which were used to obtain the views and perceptions of key informants and groups. Twenty days of fieldwork were undertaken:

- five days in Juba, Southern Sudan
- ten days on the Uganda-Sudan border (Nimule)
- five days in West Nile (Uganda) and Kaya (Sudan)

The initial findings of the study were presented at a workshop held in Kampala in June 2009, attended by representatives of the Ugandan and Southern Sudanese governments and civil society and development partners. Further follow-up on various issues was also undertaken during another visit to Juba. The comments and feedback received informed the final version of the report.



Southern Sudan's director of trade, Augustine Kenyi, and a Ugandan academic discuss ways to improve trade across their border at Conciliation Resources' workshop in Kampala, June 2009

3.1 History of Uganda-Sudan trade

Formal and informal cross-border trade has taken place across the region for many centuries. The River Nile has always been an important feature and in the past it was used extensively to transport commodities to and from markets. In the colonial era, ferries and barges plied the river between Pakwach in Uganda and Nimule and Juba in Sudan. Pakwach also offered access by rail to the rest of East Africa. West Nile and northern Uganda were important areas for the production of cotton and other agricultural goods.

Sudanese communities living along the common border between Kitgum District in Uganda and Magwi County in Southern Sudan recount how market days provided important opportunities for trade and accessing wider markets, and also brought people together strengthening social networks.¹ Inter-marriages between these communities took place and some traditional and clan leaders are responsible for communities on both sides of the border.

Nevertheless, the remains of the fort at Patiko, situated in Gulu District in northern Uganda, are a poignant reminder that trade in the region has sometimes taken on extremely unpleasant forms. The fort was originally established by slave traders as a holding centre for slaves and ivory plundered in East Africa prior to their transshipment further north. In the 1860s and 1870s more than an estimated 30,000 slaves were transported from Uganda and Southern Sudan each year to markets in Khartoum - for every slave sold, nine died on the journey.²

More recently, during the turbulent rule of Idi Amin (1971-79), Ugandan communities near the border came to rely on Sudan for the supply of some manufactured goods and foodstuffs. The civil war in Southern Sudan and conflict in northern Uganda severely disrupted all aspects of life, including trade, but northern Uganda nonetheless remained an important transport conduit for Southern Sudan from East Africa.

3.2 Statistics and trends

Trade has risen significantly since the CPA signing and withdrawal of LRA rebels from northern Uganda. In 2006 informal exports from Uganda to Sudan were worth an estimated US\$7.8 million, rising to US\$8.6 million in 2007. However the real figures are almost certainly much higher,

with data from Southern Sudan suggesting that imports from Uganda alone were worth US\$55 million in the last year. The Uganda Bureau of Statistics estimated that imports from Sudan to Uganda were worth US\$517,000 in 2006 and US\$456,000 in 2007. The trade figures for 2008 are still being compiled but the overall volume of trade will almost certainly have increased further in the past year. As the figures demonstrate, exports from Sudan to Uganda are currently insignificant (less than US\$500,000 in 2007).

Many banks have moved into northern Uganda, or expanded their operations there, following the rapid increase in trade and expanding demand. These include the Kenya Commercial Bank (KCB), which has also established operations in Southern Sudan. One main reason KCB has established a base in Gulu is to service the demand by business people for safely transferring money between northern Uganda and Juba.

At least one major supermarket chain (Uchumi) is exploring opening an outlet in northern Uganda to cater for the Sudanese market. Kampala-based agro-processing industries (eg vegetable oil) are also reportedly considering leasing or establishing warehousing space in Gulu to cater for this growing market. Victoria Seeds Ltd has already established a seeds processing and packaging plant in Gulu for both the domestic and cross-border market. Toyota has opened a service centre in Gulu ostensibly to tap into the great demand from Southern Sudan for servicing and repair. Several businesses still seem to be cautious about making long-term investments in Southern Sudan and prefer to establish bases in northern Uganda as a less risky way of being closer to the Southern Sudanese market, as well as capturing business from the growing market in northern Uganda.

Despite the entry into the market of these larger trading companies most trade remains highly informal in nature and is conducted by small- to medium-scale business people who carry merchandise across the border using rented vehicles or bicycles. For example women fish sellers in Gulu recount how they have organized themselves into groups to hire a vehicle and go and sell dried fish in Juba.

3.3 Types of goods and services traded

Imports to Southern Sudan are dominated by the demands of the Juba market – the town's population is growing daily, swelled by the return of displaced people and refugees. Most people returning from the Southern

¹ Schomerus, Marieke. *Perilous border: Sudanese communities affected by conflict on the Sudan-Ugandan border* (2008)

² Posnansky, Professor Merrick. 'The archaeology of imperialism', paper presented at Annual Meeting of the Society for Historical Archaeology (2008)



Source: Graham Cunningham

Dried fish sellers in Gulu market, northern Uganda. Most sellers are women. Many fish sellers travel as far as Juba with this popular product.

Sudanese diaspora are also choosing to settle in Juba. There is a growing demand for goods and services elsewhere in Southern Sudan, particularly as refugee return has gathered pace. Foodstuffs remain the major import and include perishable items, livestock, grains, processed foods and beverages (including alcohol). The food trade has been mainly informal with major suppliers only recently establishing themselves. Petrochemical products, motor vehicles and, increasingly, construction materials are also significant imports. Consumer electronics and other manufactured items also feature but a large number of these types of goods are still sourced from Khartoum.

There is a continuing demand for personnel for service industries in Juba and rising opportunities for other skilled workers, including builders and artisans. Although accurate figures are not available, there are at least 100,000 immigrant workers in Southern Sudan most of them from Uganda and Kenya. There are also significant Ethiopian, Eritrean, Congolese and Somali communities and a number of other groups.

A noticeable feature, particularly in Juba but also in areas around border crossings, is the growing commercial sex trade. While commercial or transactional sex was undoubtedly a feature of life in Southern Sudan before, the trade has grown visibly with sex workers coming or being brought to Southern Sudan from across the region.

There are uncorroborated reports of Juba being used as a regional base for money laundering and even counterfeit currency and drugs transshipment. A garage operator was recently arrested in Gulu trying to change counterfeit dollars he claimed to have received as payment for services rendered in Southern Sudan. This study was unable to determine the accuracy of most of these reports but, given the transitional, fragile and emerging nature of systems of governance and authority in Southern Sudan and the rapid opening up and expansion of population movements and trade routes, it would be surprising if this were not a risk.

3.4 Main trade routes and corridors

The main overland routes between Uganda and Sudan are those at Bibia/Nimule in Amuru/Magwi County serving Juba and at Oraba/Kaya in Koboko/Morobo County serving Yei and Juba. Both crossing points are increasingly busy. Several smaller crossing points and routes exist at Ngomoromo and Madi Opei in Kitgum District and Difule in Moyo in Uganda serving Torit and Kajo Keji in Sudan respectively.

Major improvements are planned for road links between Gulu and Nimule (with tarmac to begin being laid in 2010) and Arua and Oraba. In the long term a rail link is planned between Pakwach and Juba, a project which was announced by the late John Garang in Gulu in 2004.

Table 1: Broad classification of trading groups in Juba

Group/sub group	Main areas of trade/interest
<p>Northern Sudanese traders (2 main groups)</p> <p>Darfurian traders – long-term presence in the area</p> <p>Representatives/outlets of Khartoum-based business people</p>	<p>Traditional dealers in electronics and other imported goods (mainly via Khartoum)</p> <p>Various goods – including confectionery and beverages</p>
<p>Southern Sudanese traders (3 groups)</p> <p>Returnees – from East Africa and Khartoum</p> <p>Traders with a long established presence in Juba</p> <p>"New" business people/traders (perceived by many to be benefiting from government grants)</p>	<p>East African goods, clothing, shoes and electronics (some imports from East Africa, others from Khartoum)</p> <p>Food/agricultural produce – consumer items including vehicle import. Some with strong links to Yei and kinsmen in West Nile.</p> <p>Establishment of bars, hotels, clubs, construction companies etc.</p>
<p>Ugandan traders (2 main groups)</p> <p>Kampala-based traders – almost all groups represented but heavy presence of Baganda business people</p> <p>Northern Uganda-based traders (many from Arua)</p>	<p>Ugandans form the largest external trading group. Both sub-groups involved in all aspects of trade – particularly the import of food, alcohol and East African goods. However Ugandans also feature prominently in the service sector with an estimated 5000 working in Southern Sudan as taxi drivers, hotel workers, builders, artisans and vendors. Ugandans also feature prominently in the hotel, bar and restaurant trade.</p>
<p>Other external traders (6 groups)</p> <p>Kenyan traders</p> <p>Somalis</p> <p>Ethiopians</p> <p>Eritreans</p> <p>Congolese</p> <p>West Africans</p>	<p>Largest external group after Ugandans. Import East African goods and major players in hotel and service industries. Kenya Commercial Bank established in Juba.</p> <p>Have established a niche role in the supply of petro-chemicals Hotels, restaurants, bars, tinned beer imports</p> <p>Similar to Ethiopians but have also established interests in the supply of bottled water</p> <p>Cloth, timber, cosmetics, hairdressing</p> <p>Clothing, cosmetics, hair products</p>

3.5 Groups involved in trade

Juba

Key trading groups in Juba are worthy of specific mention and exploration in this study, given the dominance of the city's market in terms of goods and services. A broad classification and description is set out in table 1 above.

As previously outlined, much trade is still highly informal in nature, with many suppliers still selling off the back of trucks or running relatively small market stalls in Juba.

However in some business areas, most notably the hotel sector and the supply of beverages and petrochemicals, foreign business people have entered into agreements and partnerships with Sudanese counterparts.

Beyond Juba

The freedom of movement now possible in Southern Sudan (which is enshrined in the CPA), means external traders and Southern Sudanese are also rapidly setting up in new locations such as Yei and Torit. External traders involved in this business are more likely, although not exclusively,

to be those living in major towns in northern Uganda and Southern Sudan (for example Kitgum wholesalers trading with Ikatos and Torit or those in Arua with Yei).

Small-scale traders living adjacent to the border

Opportunities are still extremely limited for small-scale traders and producers who live immediately adjacent to border areas to benefit from cross-border economic activity. This study found little trade takes place between these groups despite their close proximity and past ties. While inter-communal tensions resulting from the conflict may play some part in the slow re-establishment of trading ties, in most cases it reflects people on both sides of the border are only just returning home and are struggling to re-establish their livelihoods at even a subsistence level. As a result, their ability to engage in trade is still very limited. Much existing trade literally passes them by.

However, there are opportunities for cross-border trade to play an important part in helping these communities to recover economically and play a part in the rebuilding of relationships that were broken or strained as a result of conflict. Increased opportunities for small-scale trading between border communities can be envisaged as communities re-establish themselves, and these need to be proactively explored and further developed.

Sudanese buyers in Uganda

Compared with the number of Ugandan traders in Sudan, the number of Sudanese traders travelling to Uganda is relatively small. They deal almost exclusively in goods and produce for sale in Sudan. While still small in overall terms, the purchase of agricultural produce by Sudanese business people in northern Uganda is becoming increasingly significant and is having several important impacts (discussed further in Section 5).

3.6 Trading associations and organizations

Uganda

The Uganda National Chamber of Commerce and Industry was established in 1933 by a group of Indian business people. Following the expulsion of the Ugandan Asians in 1971 it became largely non functional but was reactivated in 1986. It now has over 2000 members and a presence in most districts including strong local representation in several northern districts.

The Private Sector Foundation is an umbrella private sector body made up of 75 business associations, corporate bodies and public sector agencies that support private sector growth. It is a partner with the government in several private sector growth initiatives. The foundation has been managing a US\$70 million World Bank-funded project on behalf of the Ugandan government to support improved competitiveness in the private sector as well as several other donor-funded projects.

Other groups involved in trade on both sides of the border include farmers unions and small, often informal, groups of small traders.

Southern Sudan

A chamber of commerce has existed in Juba for several years and has over 22 members including both Southern and northern Sudanese traders. Several other main towns have formal and informal trading groups. Ugandan traders in Juba have also formed the Ugandan Traders Association.

The role of chambers of commerce and other trading associations is to advocate for favourable business environments through the effective representation of its members and interaction with governments and other bodies. Most associations also seek to protect their members from exploitation and other unfair business practices, as well as providing information, training opportunities and promoting trading links.

3.7 Government agencies and departments involved in trade policy

Uganda

The Ministry of Tourism, Trade and Industry takes the lead on the development and implementation of trade policy, and has a dedicated Department of External Trade. The Ministry of Foreign Affairs is closely involved in helping to carry forward and negotiate issues surrounding international trade. Uganda has established a consulate in Juba, which has been closely involved in liaison on trade issues.

Southern Sudan

The Ministry of Commerce and Industry is responsible for the development and implementation of trade policy. The Ministry of Regional Cooperation has been closely involved in taking forward issues related to trade at the international level. The Southern Sudanese government has an established liaison office in Kampala, which has been closely involved in discussions on matters related to cross-border trade.

Key policies relating to trade are identified and discussed in the next section.

4.1 Peace agreements

The CPA chapter on Wealth Sharing (Chapter III) is particularly relevant to this study. Section 6 is concerned with the sharing of non-oil revenue and outlines who is entitled to and responsible for the collection of taxes and duties. It states that the Government of National Unity is entitled to legislate, raise and collect customs and import duties. It details taxes the Southern Sudan government is entitled to raise and collect which, although not including customs duties, is open to some interpretation. It goes on to detail the taxes that states and regions are entitled to raise and collect, which includes taxes on agricultural produce and certain border charges or levies.

The wording and provisions of much of the CPA reflect the need to reach consensus and broad agreement both between the parties and within their constituencies. As a result, the document by necessity contains a large number of tradeoffs and in certain places is open to differing interpretations. Chapter III is no exception, and the impact of this on cross-border trade is discussed at length in Section 6.

The extent to which the provisions of the Juba Agreement can currently be taken into account is questionable given that it has not been signed by the LRA leadership. The agreement makes no specific mention of cross-border trade but strongly emphasizes the importance of economic and social recovery in northern Uganda and the equitable distribution of resources for national development.

4.2 Peace Recovery and Development Plan for Northern Uganda

Released by the Ugandan government in October 2007, the Peace Recovery and Development Plan (PRDP) recognizes the need for a comprehensive framework for post-conflict recovery in the north. The rationale for the PRDP focuses on several key issues:

- a need to support ongoing political dialogue and existing commitments
- a need to support the resolution of conflict and the fostering of growth and prosperity under a framework, adapted to conflict contexts in the north, to ensure the adequate coordination, supervision and monitoring of ongoing interventions
- the fostering of political, security and development links to ensure post-conflict socio-economic recovery and investments
- the mobilization of resources to address development gaps.

The PRDP has four strategic objectives: (1) consolidation of state authority; (2) rebuilding and empowering communities; (3) revitalization of the northern economy; (4) peacebuilding and reconciliation. The cost of programmes and activities covered by the PRDP has been put at US\$606 million. The Office of the Prime Minister (OPM) is responsible for the coordination of the PRDP, which is seen by the government and donors as a coordination framework for all programmes and projects in northern Uganda.

While all PRDP objectives are pertinent to this study, Strategic Objective 3 – the revitalization of the economy – highlights the potential importance of cross-border trade with Sudan and DRC and the need for key infrastructure including transport links to be rehabilitated and improved. Specific programmes and interventions still need to be clarified and developed.

Two years after PRDP's launch it is still little understood by the communities it is meant to serve and there are few visible outputs. The Ugandan government risks losing an opportunity to show communities its commitment to address past wrongs and bring the region economically into line with the rest of the country. Effective PRDP implementation would boost cross-border trade in many ways: for example restocking the supply of oxen used to help with cultivation would not only boost local peoples' confidence in the government's regeneration efforts but also increase their agricultural production for home consumption with surplus for trade.

4.3 Uganda National Trade Sector Development Plan

The plan envisages the implementation of trade policy through five year rolling sector plans. It provides schedules for implementation and an indicative resource envelope of over US\$14 million over five years.

The Ugandan government's overall objective in terms of international trade is to ensure effective integration into regional and multilateral trading systems. Under the policy and associated implementation plan, Juba is prioritized along with Arusha, Geneva and Brussels for the early deployment of a trade officer. This highlights the importance that the Ugandan government attaches to maintaining and further developing trading links with Southern Sudan.

4.4 Southern Sudan Investment Promotion Act 2009

This Act is intended to provide provisions for the encouragement of investment. It details ways in which this is to be achieved including the provision of land for investors, guarantees against forced nationalization and exemption from taxes or duties for certain goods.

Particularly pertinent to this study are some of the stated objectives of investment, which include the creation of employment opportunities, directly or indirectly for nationals.

4.5 Agreement on Technical, Economic, Political, Social and Cultural Cooperation

In 2007 the governments of Uganda and Southern Sudan signed an agreement on a wide range of issues related to areas of mutual cooperation. This comprehensive agreement covers infrastructure development, communications, law and order, education and training, health, local administration and governance, finance, trade and investment, immigration and customs, refugees, and defence and security. From the point of view of this study, several issues are worthy of specific mention:

- Infrastructure development. Agreement to jointly source financial assistance to build a railway line from Pakwach to Juba via Yei, and from Gulu to Juba via Nimule, and to upgrade major roads linking Southern Sudan and Uganda.
- Trade and investment. Agreement that the parties shall put in place common policies to facilitate and promote trade and investment, including streamlining taxation and removing obstacles to trade and investment; that Uganda shall supply Southern Sudan with foodstuffs, manufactured goods and materials and that the parties shall identify and promote exports and imports; that the parties will promote and facilitate the creation of formal and informal linkages between respective private and public sector organizations, notably chambers of commerce, manufacturers associations, investment authorities and tourism promotion boards.
- Private and informal sector. Recognizing the large number of Ugandans in Southern Sudan and Southern Sudanese in Uganda involved in the private and informal sectors, the parties undertook to establish mechanisms to support and protect the nationals of the two parties who are involved in these sectors.
- Immigration and customs. That the parties shall cooperate and coordinate in areas of immigration and customs to remove obstacles to the free movement of people, goods and services.

Under the agreement a Joint Commission of Cooperation was established, comprising ministers and other representatives and chaired by the respective foreign ministers. Meetings are to be held annually. The need to engage and involve the private sector and civil society is noted.

4.6 The impact of frameworks on economic activity and peacebuilding

Existing policy frameworks broadly support attempts to promote cross-border economic activity and ensure it is appropriately regulated and conducted in a way that is beneficial and safe for all concerned. However, developing policy and making sure it is implemented as intended is, in practice, more difficult. As previously discussed, the CPA's complex accommodations on issues such as revenue collection have resulted in the emergence of multiple revenue collection agencies and considerable confusion – although this was certainly not the intention. The next section explains how this is harming trade and creating tension.

The Ugandan PRDP recognizes the importance of cross-border trade with Sudan and DRC, and the need for key infrastructure including transport links to be rehabilitated and improved. However, specific programmes and interventions are still to be clarified and developed and it is important that these properly take into account cross-border trade issues and their peacebuilding potential. This is also discussed in greater detail in Section 6.

The 2007 agreement on mutual cooperation provides an extremely important and useful framework for building links that are mutually beneficial and inclusive for both Southern Sudan and Uganda. It recognizes the need to streamline taxation arrangements and remove obstacles to trade. It also highlights the need for the safety of traders and business people to be guaranteed and makes provision for the inclusion of civil society and the private sector in policy dialogue. Its potential role in fostering a healthy trading environment that promotes peacebuilding is discussed in Section 7.



Boat from Moyo, Uganda, coming ashore in Nimule, Southern Sudan. A popular route for petty traders.

Getting goods across the border – a point of tension

5

5.1 Regulatory frameworks, tariffs and revenue collection

In Uganda, a single government agency, the Uganda Revenue Authority (URA), collects taxes on behalf of central government. The Customs and Excise Department is an integral part of the URA. Imports from Southern Sudan are extremely small, but Common Market for East and Southern Africa (COMESA) tariffs formally apply to those that do take place. A significant quantity of bonded goods from Mombasa Port and other parts of East Africa transit through Uganda and these are checked and cleared by the URA at the border points.

Ugandan and Sudanese traders interviewed had relatively few complaints about revenue collection within Uganda. They felt the system was reasonably clear and transparent and, given the current small scale of imports from Sudan, this is perhaps to be expected. There were, however, some complaints about 'informal tariffs' sometimes levied by Ugandan traffic police while *en route* to or from Kampala. More seriously, there have also recently been issues

surrounding attempts to clamp down on fuel smuggling across the DRC/Southern Sudan border.

With regard to Southern Sudan, the CPA's chapter on wealth sharing was carefully developed to try and strike balances between the needs and interests of the Government of National Unity, the Southern Sudan government and states in accordance with the principles of the agreement. In practice its interpretation appears to have led to the emergence of a large number of groups and agents collecting money on behalf of various authorities on the ground at both border points and inter-state boundaries. Some of these appear to be quasi-official in nature and it is not always clear under whose authority they are operating or how charges and levies are actually determined. Table 2 below highlights the situation observed during fieldwork at the Nimule border point. Most traders felt Customs and Excise applied charges in a fairly transparent and understandable way. But they perceived the charges levied by other offices and collected by a large number of agents at the border crossing as highly irregular and arbitrary. Many people said that

Table 2: Observed revenue collection agents at the Nimule border point

Collection authority/agency³	Stated role/revenue collected
Customs and Excise	Collects customs and excise duty for the Government of National Unity (Sudan)
State Revenue Authority	Collects duty on behalf of the state
'Commerce'	Collects 'duty' on behalf of the Government of Southern Sudan
'Standard Commerce'	Quality control of goods and imports – collects a 'supervision' fee
Government of Southern Sudan Taxation Office	Collects road levy charges and value added tax on behalf of the Government of Southern Sudan
Police Traffic Department	Issues temporary road licence
Magwi County	Collects revenue on local agricultural produce

receipts are often not issued or are not for the amount of money actually remitted. In one office the following exchange between a bus driver and a revenue collection agent was heard:

*Revenue collection agent: "What have you got for us?"
 Bus driver: "But I already paid Office (X) 70,000 Uganda Shillings!"
 Revenue collection agent: "In that case you need to pay me 100,000."
 A smaller sum of money was eventually agreed and paid with no receipt issued.*

Many traders complained that the problem does not stop at the international border. A Sudanese trader based in Juba said:

"You think you have finally paid everything and then you reach the state border just outside Juba and it all happens again! Someone sets up a table under a tree and says he is now an office of this or that or the other and wants money – they like bribery so much."

While foreign traders are said to be likely to have to pay more, nationals and non-nationals alike complain bitterly about this problem. As well as resulting in higher prices by the time goods reach market, the situation is seriously damaging the reputation and legitimacy of the Southern Sudan government as most people blame it, fairly or unfairly, for the situation. Some government officials recognize this and it is a source of much concern.

"The border is totally corrupted and needs some serious soap to clean it." (Southern Sudan police officer, speaking anonymously)

The current situation is also causing growing anger among some Sudanese traders who feel that their livelihoods are being directly threatened as a result of what they perceive to be gross and uncontrolled corruption at the border.

"By the time you have brought in your goods (from Kampala) and paid all these people on our side of the border you simply can't afford to recover the money you have spent – people can't afford the prices – they are killing our livelihoods." (Trader in Nimule, pointing to an empty row of shops that he said closed recently.)

Traders and authorities in Southern Sudan raised various complaints about the quality of goods frequently imported. Few trading standards and quality control measures are apparently applied and they said that this has on occasion resulted in expired or contaminated foodstuffs and other commodities being brought in. Several people interviewed said there were particular problems related to weights and measures issues with sacks of foodstuffs, for example, often weighing less than what they were sold for.

Traders on both sides of the border said delays clearing goods often added greatly to their transaction costs and resulted in the loss of some perishable items. A few said they had been forced to pay value added tax as they left Uganda despite export goods being exempt. It was not possible, however, to check the accuracy of these reports.

5.2 Proposed changes to revenue collection arrangements

With the recent sharp fall in global oil prices the Southern Sudanese government is finding it increasingly difficult to raise sufficient revenue to meet spending targets.

3 Names used reflect those given at the border by the collection agents themselves or by their clients. In some cases it is not clear if official names exist.

This has led to a re-examination of non-oil revenue potential and attempts to tighten up systems and procedures for revenue collection. The Ministry of Finance has established a target for doubling non-oil revenue during 2009. Several options are being explored, including:

- the unification of collection mechanisms across the south with proposals for the Southern Sudanese government to collect all revenues at the borders, including on behalf of the relevant state, and share them at the end of each month
- the creation of a single revenue collection committee in each state that is authorized to collect taxes in the state on behalf of the Government of National Unity, the Government of Southern Sudan, the state and counties. Revenues will be deposited on a block account and shared monthly
- increasing customs rates at the borders
- establishing banking facilities at the borders, so that no revenue payments are made directly to collection agents in cash
- adopting the Government of National Unity rate for VAT (increased from 10% to 20%)
- enforcing weekly remittance of revenues collected by deploying Ministry of Finance revenue officers in each ministry.

5.3 Summary of findings and implications

Revenue collection issues

While the provisions written into the CPA on wealth sharing and revenue collection may have helped to create an environment where multiple revenue collection practices have developed, this was clearly not the intention of those who developed and signed the agreements.

Current revenue collection practices at international and inter-state borders in Southern Sudan are harming trade and are clearly open to corrupt practices. They are damaging the reputation of the Southern Sudanese government and undermining the development of a proper sense of state legitimacy during this fragile period of transition and emergence from conflict. In some cases the situation is directly harming attempts by communities to re-establish livelihoods and is therefore causing growing anger and resentment. If left unchecked there is some potential that this could result in violence in the future. The situation needs to be firmly addressed.



Trucks crossing the Uganda-Sudan border at Oraba.

The socio-economic impact of trade

6

6.1 Southern Sudan

Southern Sudan currently relies heavily on the East African market for the supply of most goods and commodities, particularly food. Without access to this market, food security in many areas, particularly Juba, cannot be maintained.

There has been some suggestion that the current volume of trade with East Africa may act as a disincentive for local food production or the growth of indigenous goods and services. Although this cannot be ruled out, it is unlikely to be the most significant issue, at least in the short term. Other factors such as ongoing population movement and recent returns are likely to be much more important.

During this study, farming communities were asked whether the presence of such large quantities of external produce is a disincentive to their producing cash crops for the local market. Everyone spoken to said this is not the case: farmers identified the main factors as arid climatic conditions, the fact that many communities are still in the process of re-establishing themselves and opening up land, a lack of financial services and agricultural inputs and access to local markets.

6.2 Northern Uganda

Since the security situation has improved, many IDPs have regained access to their land and resumed agricultural production. This is bringing significant improvements in household food security. However food production is still relatively low compared with agricultural potential and growing national and regional demand. This is because most of the displaced are still re-establishing themselves in their home areas. After so many years of lying fallow, land clearance is time-consuming and labour-intensive and communities have other important priorities, such as building shelter and water-points.

Several local and Sudanese traders have begun to buy produce from local farmers for shipment to Sudan. Sudanese traders are prepared to pay farmers extremely high prices – sometimes even before it is ready for harvesting – and to collect the goods using their own transport.

Prices in Gulu for most food commodities have risen sharply over the past 18 months. The price of cassava, sesame and rice has almost doubled while maize and groundnuts are estimated to have increased in price by up

to 40%. At the national level the price of maize rose 75% between March and May 2008 and the price of cassava, rice and millet rose 35% in early 2008. Some believe demand from the Sudanese market is driving the increase in food prices, and is a potential cause of food insecurity in northern Uganda during what is still a period of recovery and transition.

Demand from the Sudanese market has undoubtedly contributed to a rise in food prices in northern Uganda and has occasionally caused quite dramatic localized micro-inflation. Several informants recounted an incident where a Sudanese trader bought nearly the whole supply of fish available in Gulu's fishmarket, resulting in a massive increase in prices and many disappointed customers. However, great care needs to be taken in attributing price increases solely to this trade. Over the same period there have been regional and global increases in the price of commodities. The International Food Policy Research Institute says major factors in price rises include increased regional demand (including from Kenya) and poor harvests in 2007 in parts of eastern Uganda as a result of extensive flooding. Other factors such as reduced quantities of food aid probably also play a part in localized increases in northern markets. The high prices for other commodities and goods and services in parts of northern Uganda (ie for housing and construction materials) also reflect the highly concentrated presence of UN agencies and international non-governmental organizations in the larger towns.

6.3 Summary of findings and implications

Food security issues

Concerns that cross-border trade may be damaging fragile food security have led some to call for tighter regulation and control, for example by forbidding external traders from purchasing directly from farmers. However others are quick to point out this trade is bringing major benefits as it puts cash directly into producers' pockets and is an important incentive to increase agricultural production. Putting up barriers to trade of this nature would, it is argued, almost certainly not benefit those returning from the camps and would be a de facto tax on poor farmers trying to re-establish their livelihoods. As previously noted, existing trading opportunities with Sudan and future potential prospects are also bringing other benefits as they are encouraging financial, agro-processing and other service providers into the area.

This argument is compelling and experience elsewhere suggests that most barriers to trade of this nature do not ultimately benefit either primary producers or consumers. In the absence of insecurity, most of northern Uganda is relatively well connected to the rest of the country and over time markets elsewhere are likely to increasingly respond to sudden rises in demand for particular commodities. It is also likely that dramatic incidents such as that witnessed in the Gulu fishmarket will become rarer as food production in Southern Sudan and northern Uganda

further improves and Sudanese traders become more aware of market prices and wider sources for goods.

The role of trade in wider recovery efforts in northern Uganda and Southern Sudan

The importance of trade for the region's short-term recovery, long-term prosperity and peace and stability cannot be overemphasized. Trade is, and will hopefully continue to be, an important part of a regenerated economy in both northern Uganda and Southern Sudan.

However for the benefits of trade to be fully realized, it is essential that increased efforts are made to ensure groups most affected by conflict can benefit and become full stakeholders in a revitalized and resurgent economy in both countries.

It is particularly important that efforts are made to create opportunities for young people in Southern Sudan and northern Uganda. Levels of youth unemployment are high in both areas. There is growing frustration, particularly among some sections of the youth in Juba, about the lack of employment opportunities available to nationals and a perception that opportunities are usually taken by foreigners or 'returnees' from East Africa or elsewhere.

A large and important group in economic and social terms, young people are more likely to get involved in violence and criminality if opportunities are not available to them. Positively harnessing the capacities and energy of young people is essential for building a prosperous and peaceful future.



A shop owned by a Ugandan trader in Juba, Southern Sudan.

Foreign traders and their relationship with their hosts

7

7.1 The perceptions and experience of foreign traders in Sudan

The Ugandan press has periodically been dominated by stories of dangers and difficulties faced by Ugandan traders operating in Southern Sudan. Such stories peaked in 2007 when over 20 Ugandan traders were reported to have been killed in Southern Sudan, including the Vice Chairman of the Ugandan community who was killed following an argument with a police officer. There are also frequent reports of arbitrary detention, arrest and mistreatment at the hands of the authorities. Various theories were put forward as to the cause of these incidents with some saying that several were organized by particular groups of Sudanese traders who feared losing their dominant role and control over the market.

High-profile media reports, and in some cases people's personal knowledge of those affected, have sometimes caused feelings to run high in Uganda. Most people interviewed in Uganda raised this issue and, in some cases, they expressed real anger and bitterness about what they saw as a major problem.

"You can easily be killed there (in Sudan) – and if you are, no one bothers – your body can just be thrown into the bush, like that of a chicken." (Resident of Kitgum District, northern Uganda)

"These people, we accepted them (as refugees) and we didn't harass them, but now they are killing us and raping our women." (Businessman in Arua, West Nile, Uganda)

A large number of Ugandan traders operating in Southern Sudan originate from central and eastern Uganda. Prior to the opening up of trade routes following the signing of the CPA, these groups and their hosts had had only limited contact with each other in recent years. Their knowledge of each other in social, linguistic and business terms is therefore still limited. This has almost certainly contributed to some of the misunderstandings that have developed.

However in parts of northern Uganda and Southern Sudan where communities do have historic ties there can be other issues. During the conflicts in both countries, communities often found themselves on opposing sides. For example, within Southern Sudan the LRA operated as a pro-Khartoum militia group attacking (Acholi and non Acholi) Sudanese communities as well as those in northern Uganda. Suspicion and mistrust therefore grew between communities despite the fact that they frequently shared cultural and ethnic ties. Some people interviewed felt the difficulties faced by people from their communities who have travelled across the border are a continuation of these problems. When incidents have occurred they have sometimes been interpreted through the lens of previous

conflict experiences. At the very least this has not helped to foster reconciliation and the renewal of relationships.

Some traders recount stories about difficulties they encountered when entering into partnerships with Sudanese counterparts. In some cases they said that once the deal was done and the goods delivered, their business partners had then used links and contacts within the military or security services on the Sudanese side to avoid payment and to chase them away.

“When you start you are dealing with a businessman – when it comes to payment you suddenly find you are dealing with a soldier.” (Businessman, West Nile, Uganda)

Several traders said they knew of several people who had specifically established relationships with 'powerful' people in the military or government to protect themselves against such potential risks.

“If here you want to be in safe hands you need to find someone big and then every month cough something to them to maintain the relationship – and if trouble comes – well you just hope they are bigger than the person you are having the trouble with.” (Kenyan trader in Sudan)

Others were more reflective, recognizing that Southern Sudan is still emerging from a period of protracted conflict and that systems of justice, law and order are still being established. Some members of the business community in northern Uganda felt trading links offered important

opportunities to build relationships and links between communities previously affected by conflict.

Many Ugandan traders in Juba said they felt that the overall security situation had improved over the last year and, although they still faced difficulties, most did not feel they were being specifically targeted as foreigners. Some noted that overall crime rates had risen in Juba and that they knew Sudanese traders who had also been victims of attacks and robberies.

Recent demonstrations by disgruntled SPLA veterans (during which trade routes were blocked) and disquiet within Southern Sudan about the deteriorating security situation are indicators of some of the major challenges to long-term peace and stability.

7.2 The perceptions and experience of Sudanese communities

Most people in Southern Sudan speak in broadly positive terms about the impact of trade and the presence of foreign traders. It is widely recognized that trade has given them access to food and other goods and services which would otherwise have been unavailable. The opening up of markets and the presence of foreigners is also seen by many as tangible proof that things have started to improve. Many people view Ugandans particularly favourably because during the war years Uganda hosted many Sudanese refugees and many Sudanese children still go to school in Uganda.

Case study: the commercial sex trade – a source of tension and concern

While commercial or transactional sex was undoubtedly a feature of life in Southern Sudan before, it has grown and become more visible since the opening up of Southern Sudan following the signing of the CPA. It is a source of growing discussion, disquiet and even tension within some communities. In some cases it has also created perceptions and stereotyping that certain groups of foreigners are all prone to behaving in particular ways that their hosts find unacceptable.

“These people from [x country] – they are not like us. One woman can have several boyfriends and this creates big problems in the community. That's just how they are – it's normal for them – it's not good to us.” (Juba resident)

While Juba is the focus for the sex trade it is also apparent in several other towns, particularly border crossings. Several people voiced concerns that it inevitably brings with it increased risk of HIV and other sexually transmitted disease at a time when health and support services in Southern Sudan still severely lack capacity and are struggling to cope.

Community members and local leaders voiced concerns that underage girls had been brought into the country to work as commercial sex workers or were making their own way across the border with truck drivers or visiting musicians.

The presence of the LRA and UPDF in parts of Southern Sudan over several years has affected views about Ugandans within some communities. In parts of Western Equatoria LRA attacks have increasingly hardened people's attitudes towards their own authorities (who they feel have failed to protect them), towards the UPDF (who they feel have pushed the problem from northern Uganda to their area) and in some cases towards Ugandans generally. The impact of recent military operations against the LRA and renewed LRA activity is likely to have further strengthened these feelings.

The opening up of Southern Sudan and the associated influx of an estimated 100,000 migrant workers as well as the return of many Southern Sudanese from abroad has also brought new challenges and concerns to communities that were relatively isolated during the conflict. In some quarters there are growing frustrations about a lack of employment opportunities and a perception that most available jobs are taken up by foreigners or people returning from exile abroad. These views reflect wider frustrations in Southern Sudan about the slow pace of recovery, a lack of opportunities, and concerns about broader governance and corruption issues. While trade itself does not cause these tensions, some of the ways it is conducted risks exacerbating them.

Perhaps the most obvious example is the hotel and restaurant trade, which is dominated by foreigners in partnership, it is alleged, with some senior military and political figures. Although there are a few notable examples of these businesses providing training and employment opportunities to Sudanese nationals, nearly all staff employed, from managers to cleaning staff, are foreign nationals. Similarly many small- and medium-scale enterprises owned by foreigners tend to be staffed by people from the country of origin of the owner. This is increasingly being noticed. One member of the Legislative Assembly commented on the lack of training opportunities available to Sudanese nationals and suggested this was an issue that needed further debate within the assembly.

7.3 The perceptions and experience of Sudanese traders

Given that they are not a homogenous group, it is not surprising that the views of Sudanese traders are mixed. Contrary to strong perceptions within Uganda that Sudanese traders view outsiders unfavourably, this study did not find widespread hostility towards foreign traders. Indeed among some groups of traders, particularly 'returnees', there was recognition that the goods and services offered by foreigners were meeting gaps in the market and that competition "was healthy" and might bring opportunities for partnership in the future.

Nevertheless some traders raised significant concerns about what they perceived to be unfair competition from the large number of informal foreign traders who they say have "flooded the market" and are operating without any

regulation or trading licences. It is important to note these views were not just held by those traders who originated from northern Sudan but by Sudanese traders from across the various groups of indigenous traders in Juba.

"Some of these Kenyans and Ugandans they come here and behave as if they own the place – they damage trade and don't pay taxes. ... They (senior political and military figures) have brought their friends here (foreign traders) to do their work for them. There is no space left for us."
(Sudanese trader, Juba)

Many strongly believe that senior political and military figures are behind a number of major deals with foreign business people. These perceptions further fuel growing feelings of alienation and discontent within some communities about what they view to be unfair competition and, more widely, what they see as the control of economic opportunities, politics and security organs by a select elite with foreign traders acting as their proxies. Within Southern Sudan these views and frustrations are not infrequently viewed and expressed in ethnic terms. The extent to which this is real is hard to quantify, but these views are strongly held and have implications for inter-communal relationships within Southern Sudan and between host communities and foreign traders.

Compared with the number of foreign traders operating in Southern Sudan, the number of Sudanese traders operating in neighbouring countries is relatively small. While no one spoken to during this study reported acts of violence being perpetrated against them, a number of people said that they had experienced theft and had "been cheated" in business deals.

7.4 Ugandan government views and actions

The Ugandan government is anxious to further develop trade ties with Southern Sudan. Complaints from traders about their treatment has caused considerable concern and triggered action by the Ministry of Foreign Affairs (MFA) and the Ministry of Tourism, Trade and Industry (MTTI). A team from MFA and MTTI has visited Juba and held talks with their counterparts in the Southern Sudanese government. They discussed complaints raised by traders about their safety as well as broader trade issues. A workplan is being developed by MTTI, which will propose further action on several issues.

The Consulate of Uganda in Juba is also heavily involved in trade issues and has intervened on a number of occasions when Ugandan nationals have faced difficulties in Southern Sudan.

MFA, MTTI and consular officials interviewed acknowledged that some Ugandan traders had experienced genuine difficulties. However, having examined the complaints in some detail, they said they found little evidence to suggest that the difficulties people had experienced reflect a generalized animosity towards

Ugandans. They said that complaints are looked into and acted upon on a case by case basis. They had also recommended that members of the Ugandan business community in Juba should establish an association to represent their interests. (This has now been formed, see above.)

At local government level, officials and political leaders in northern Uganda also acknowledge the difficulties faced by some traders. However many pointed out they felt the situation had improved over the last year as the security situation has stabilized on both sides of the border. Several leaders said they are still often asked to respond to incidents involving traders. When they do occur, incidents can quickly spiral out of control. For example, a trader from Koboko in Uganda was recently killed in Southern Sudan following an argument with a soldier. When news of his death reached Koboko Town several members of the Sudanese community who came from the same ethnic group as the soldier were set upon and three were killed. The authorities had to intervene quickly to prevent the situation deteriorating further.

Some cross-border meetings have taken place but these have not been held regularly and appear to have been convened in response to particular incidents. This appears to be due in part to a lack of resources to pay for them. All those spoken to felt that the establishment of regular cross-border meetings on a range of issues would be helpful both to provide a means of de-escalating tensions when they arise and to provide opportunities to build cooperation and restore relations between communities.

Local governments in northern Uganda also recognize the importance and benefits of cross-border trade for both recovery and long-term development. In Gulu and Arua in particular, the local council chairpeople are actively exploring opportunities to harness and build cross-border trading opportunities. Each district in northern Uganda has a district commercial officer.

7.5 Southern Sudan government views and actions

Officials recognize the importance of trade for development in Southern Sudan. The Southern Sudanese government participated in and facilitated the Uganda MFA and MTTI mission in April 2008, with the Ministry of Regional Cooperation in the lead. There was recognition that security incidents involving Ugandan traders had caused considerable concern but, in the view of the respondents, these were criminal attacks carried out for economic gain and not due to hostility towards foreigners.

The Inspector General of Police pointed out that he still faces considerable challenges in establishing an effective and professional policing presence on the ground and that it will take considerable time to do so. He also noted that effective DDR has not yet been realized and this poses

significant security concerns, including for travellers and traders.

One official at a town near the Ugandan border said that security incidents involving traders are a cause of concern. However he also felt that while violence should in no way be excused, people coming to trade perhaps need to understand that systems of governance and law and order are still being developed. He also said many people are still traumatized as a result of the war and therefore have a tendency to quickly resort to violence in the event of a disagreement.

7.6 Action by trading groups

Members of the chambers of commerce in Uganda and Sudan have been involved in discussions on issues related to cross-border trade, including in some cases cross-border meetings organized by the authorities. However, given the strong views espoused by some of their respective members, it is surprising that there appears to have been little or no formal contact between the two chambers at headquarters level. The Association of Uganda Traders has been involved in discussions with the governments of Southern Sudan and Uganda. However their relationship with the Juba Chamber of Commerce does not seem to be well developed.

7.7 Summary of findings and implications

The security concerns of foreign traders

A large number of foreign traders, particularly Ugandans, are working in Southern Sudan. Their presence suggests that it is worth their while, despite the risks. Many enjoy good relations with their hosts and some are even beginning to develop businesses and trading links that are increasingly formal and long-term in nature. Many people in Southern Sudan are consumers of the goods and services brought in by foreign traders and welcome their presence. Although the market is dominated by foreigners, local traders continue to operate and some are beginning to build relationships and trading links with them. Over time the large number of foreigners involved in petty trade will almost certainly reduce as the market stabilizes. Many traders feel the security situation generally has improved over the last year.

Despite this broadly positive and mutually beneficial relationship the security concerns of foreign traders are real and need to be taken seriously. While there is no evidence to suggest that they are targeted for acts of criminal violence simply because they are foreigners, they are certainly more vulnerable as a result. There is also some evidence to suggest that when incidents do occur, non-nationals are likely to be treated more harshly by criminals, the authorities and some communities.

The Ugandan government has intervened in relation to security issues faced by its nationals on several occasions. Its actions have been measured and appropriate, and the Southern Sudanese government has responded positively. However reports of foreign traders and migrant workers facing difficulties in Southern Sudan persist.

Protection rackets and perceptions of unfair competition

Reports that some foreign traders are entering into agreements with senior military or security figures in Southern Sudan to receive protection or enjoy special status are disturbing. Such arrangements risk aggravating competition and fuelling corruption. These allegations are hard to substantiate, but perceptions can be as important as realities in terms of conflict dynamics. Both governments need to take them seriously.

Relationships between foreign traders and communities in Southern Sudan

In the medium to long term, growing frustrations among some groups in Southern Sudan about a lack of economic opportunities could result in growing resentment towards foreign traders and business people. The issues involved are complex and relate to the wider need for peace dividends and equitable development in Southern Sudan. But wider frustrations could be expressed in the form of xenophobic violence in the future unless they are appropriately addressed. However there are various things that the Southern Sudan government, the business community and others can do to help build stronger relationships between local communities, foreign traders and migrant workers and reduce this risk.

The growth in the commercial sex trade in Southern Sudan has brought with it specific concerns and tensions. In some cases it has resulted in the stereotyping of whole groups of people as well as creating specific social, health and child protection issues.

Contacts between border communities

As highlighted above, the conflict in northern Uganda and Southern Sudan damaged relationships between communities on either side of the border. The re-establishment of trading links creates important opportunities to rebuild these but also presents risks. Incidents involving traders can easily be seen as part of a more complex problem and tensions can quickly escalate. Strengthened cross-border links and contact between communities and authorities on both sides of the border could play an important part in helping to resolve the feelings of mistrust between people that conflict created, and could help people to begin to deal with some of the trauma created by years of violence.

Harnessing the capacities of local government in northern Uganda

Several local governments in northern Uganda are already actively exploring ways in which the positive potential of cross-border trade might be developed further. They have a potentially important role to play in ensuring that areas that were most affected by conflict benefit from the opportunities that cross-border trade brings.

Trade organizations

Trading associations exist in both Uganda and Southern Sudan. Given the concerns raised by traders and business people on both sides of the border it is surprising that formal contact does not seem to have been established between Juba and Kampala. Such links could help build greater understanding between traders, provide opportunities for business partnerships and joint action and lobbying on issues of mutual concern. The chambers of commerce can also potentially play an important role in resolving disputes and providing advice and information to their members.

Secondly, business people can be an important source of early warning when tensions arise as well as a means of developing trust and understanding between communities if relationships are carefully developed and well handled.

8.1 Overall findings

Most trade currently taking place between Southern Sudan and Uganda is highly informal with more established businesses only recently becoming involved in commercial activity. Cross-border trade between Southern Sudan and Uganda is however making a significant contribution to socio-economic recovery in both Southern Sudan and northern Uganda. The main economic benefits for producers and sellers are currently felt in Uganda but the inflow of goods and services into Southern Sudan has helped improve food security and is helping meet critical gaps in the market, including in skilled labour.

Cross-border trade has the potential to help re-establish links between communities that were cut off from each other for years because of the conflicts in Southern Sudan and northern Uganda. Trade provides important opportunities to promote reconciliation between groups that found themselves on different sides. However, much of the trade taking place is between wholesalers based in either Kampala, Juba or other major towns. This study found that communities living immediately adjacent to the border can only participate to a very limited extent. The reasons for this are largely economic – most are still struggling to re-establish livelihoods severely damaged by years of conflict and displacement and thus have little to trade.

Some aspects of cross-border trade and how it is being conducted and regulated, risk exacerbating old tensions or creating mistrust and the potential emergence of new conflict dynamics.

Several policy frameworks affect trade between the two countries. This study found these are largely supportive of efforts to promote peaceful trade and relationships. However in some cases policies need to be fully implemented and further developed if their benefits are to be fully realized. The interpretation of clauses in the CPA regarding revenue collection is one factor behind the emergence of multiple revenue collection practices in Southern Sudan and needs to be revisited.

The table on page 26 summarizes some key peacebuilding and conflict dynamics and potentials related to cross-border trade found in this study.

8.2 Key issues and specific recommendations

Border tariffs and revenue collection in Southern Sudan

This report has highlighted that current tariffs and revenue collection practices at the border are harming trade and cause tension. Perceptions that the current system is open to wide-scale corruption harm the emergence of a proper sense of state legitimacy. Current plans to re-examine and overhaul revenue collection practices, if carefully negotiated and properly enacted, have the potential to improve and streamline the current border situation and to raise much-needed and legitimate revenue.

However, if they are not properly enacted and enforced there is a great risk that current 'informal' practices – or new versions of them – will continue, traders will pay even more and resentment will escalate.

Specific recommendations	Intervention required by
Plans to reform revenue collection practices at the border should be expedited but carefully thought through. It is important that any changes are seen through in their entirety and are properly supervised, regulated and communicated. They should be seen as an important opportunity to improve governance and accountability and not just as a vehicle to increase revenue collection.	Government of Southern Sudan
Border communities and traders should be carefully consulted to ensure that plans are practical and deliverable. Feedback mechanisms should be established with 'users' of revenue services to check on and monitor real progress.	Government of Southern Sudan
Concerted attempts should be made to ensure that traders and travellers crossing the border are aware of their rights and responsibilities, ie what charges they are required to pay and to whom. Consideration should be given to producing a short booklet to distribute at the border points and through government offices in the region, clearly detailing charges and tariffs and to whom they need to be paid.	Government of Southern Sudan

Table 3: Summary of key peacebuilding and conflict dynamics and potentials

Dynamics	Peacebuilding potential	Negative potential
High demand for (and export of) agricultural produce from northern Uganda in Southern Sudan	<p>Major incentive for agricultural production in northern Uganda.</p> <p>Sudanese traders paying high prices directly to farmers – many of them recently resettled IDPs.</p> <p>Food imports currently playing a critical role in helping maintain food security in Southern Sudan.</p>	<p>Some blaming the steep rise in food prices in northern Uganda on cross-border trade and calling for trade to be tightly regulated.</p>
Revenue collection practices in Southern Sudan	<p>Increases government revenue - enabling the Southern Sudanese government to provide 'peace dividends' to the conflict-affected population.</p>	<p>Multiple collection agents and practices fuelling corruption and damaging state legitimacy.</p> <p>Damaging attempts by some Sudanese communities to re-establish livelihoods.</p> <p>Causing resentment – risk of violence.</p>
Large number of foreign traders and migrant workers in Southern Sudan	<p>Migrant workers filling major capacity/ skills gaps.</p> <p>Brings potential for skills transfer and training.</p>	<p>Security incidents involving foreign traders creates tension.</p> <p>Perceptions that foreigners dominate business and employment becoming focus of wider frustrations – particularly among sections of youth.</p>
Increased contact between communities as a result of trade	<p>Offers opportunities to re-establish links, promote reconciliation and build trust between conflict-affected communities.</p>	<p>Security incidents involving traders risk exacerbating latent mistrust and tension resulting from conflict and creating new tensions with other groups.</p>
Role of policy frameworks	<p>Existing policy frameworks generally form good basis for promoting mutually beneficial healthy trading relationships.</p>	<p>Interpretation of clauses in CPA relating to wealth sharing partly responsible for current revenue collection practices in Southern Sudan.</p>
Role of trade organizations	<p>Exist in both Southern Sudan and Uganda.</p> <p>Potential for relationship-building and joint action.</p>	<p>Some potential for trade organizations to promote & advocate for restrictive measures – harming trade.</p>
Growing commercial sex trade in Southern Sudan involving significant numbers of commercial sex workers from neighbouring countries		<p>Creating tension in Southern Sudan and ethnic stereotyping.</p> <p>Possible involvement of underage girls - child protection issues.</p>

Food security concerns in northern Uganda as a result of cross-border trade

Concerns that cross-border trade may be damaging fragile food security have led some to call for tighter regulation and control of food sales, for example by forbidding external traders from buying directly from farmers. However others are quick to point out this trade is bringing major benefits as it puts cash directly into producers' pockets and is an important incentive to increased agricultural production. Experience elsewhere suggests that most barriers to trade of this nature do not ultimately benefit either primary producers or consumers and could harm trade and recovery efforts.

Specific recommendations	Intervention required by
Extreme care is needed to not put potential obstacles in the way of trade because of short-term concerns about the impact on food security. Past experience from elsewhere suggests such controls are likely to be ineffective and harm the re-emergence and establishment of markets.	Government of Uganda Local governments in northern Uganda
During this period of transition, more regular and close monitoring of food price changes at a local level in areas of northern Uganda recovering from conflict should be conducted. Systems to make market information available to traders and farmers alike should be strengthened. Despite the availability of national and regional information, systematic monitoring of local food prices is not currently undertaken. Strengthened and timely provision of market information would help both producers and traders alike ensure they are obtaining fair prices.	Government of Uganda Specialized food security agencies including UN FAO

The role of trade in wider recovery efforts

Trade is already playing an important part in economic and social recovery in both northern Uganda and Southern Sudan. It is important that the development of policies and programmes takes this into account and ensures benefits can be realized across border communities and particularly among young people in areas previously affected by conflict.

Specific recommendations	Intervention required by
As strategies and their related programmes are rolled out (eg the PRDP), the contribution of cross-border trade should be taken into account to ensure that programmes adequately reflect its important role and potential. Particular efforts should be made to ensure strategies and programmes recognize the need to create ways for young people to be involved in economic activity.	Government of Uganda Government of Southern Sudan Donors, UN agencies and NGOs involved in recovery and development programming

The security concerns of foreign traders

Despite the broadly positive and mutually beneficial relationships that exist between traders and their hosts, the security concerns of foreign traders are real and must be taken seriously. Security incidents involving traders from both countries damage inter-communal relations and breed mistrust.

Specific recommendations	Intervention required by
<p>The 2007 cooperation agreement between Southern Sudan and Uganda provides a comprehensive framework for addressing security issues and needs to be used to take forward specific action.</p> <p>The important role of the private sector and trading associations is specifically acknowledged in this document and dialogue between them and both governments should be taken forward.</p>	<p>Uganda Ministry of Foreign Affairs</p> <p>Southern Sudan Ministry of Regional Cooperation</p> <p>Chambers of Commerce</p>
<p>The implementation of the workplan being developed by the Uganda MTTI in cooperation with other line ministries needs to be expedited and adequately supported and resourced by the Ugandan government in consultation with the Southern Sudan government.</p>	<p>Uganda Ministry of Tourism, Trade and Industry</p>
<p>Civilian protection and wider security is a key issue in Southern Sudan and a major challenge for statebuilding. Despite the constraints, the Southern Sudan government must continue to grapple with and prioritize such issues.</p>	<p>Government of Southern Sudan</p>

Protection rackets and perceptions of unfair competition

Given that such relationships are naturally clouded in secrecy, there is no simple solution to this issue. This is particularly the case in Southern Sudan where institutions of governance and law and order are still nascent. However perceptions that this is occurring create tension and a view that trade is conducted unfairly.

Specific recommendations	Intervention required by
<p>Any allegations made should be properly investigated. Existing policies governing investment and trade which recognize the importance of equal opportunities, fair competition and inclusion should be more effectively enforced and taken forward.</p>	<p>Uganda Police Force</p> <p>Southern Sudan Police Force</p>
<p>Trading associations and civil society organizations have an important role to play in building greater awareness of the potential harm of unfair practices among their members and the groups they work with.</p>	<p>Chambers of Commerce</p> <p>NGOs involved in supporting trading projects and programmes</p>

Relationships between foreign traders and communities in Southern Sudan

Frustrations among some groups in Southern Sudan about the lack of economic opportunities are complex and related to the wider need for peace dividends and equitable development. However, given the large number of migrant workers present in Southern Sudan, there is a risk this could be expressed in the form of xenophobic violence if measures are not taken to build a stronger relationship between the foreign business community and their hosts.

Specific recommendations	Intervention required by
Building on the example already set by some businesses, foreign investors and business people should more proactively provide training and employment opportunities to nationals. In the long term this will probably greatly reduce their operating costs, and it offers a way of ensuring local communities are stakeholders in the success of the business.	Owners of medium- and large-scale businesses in Southern Sudan
Organizations with an interest in private sector development should consider supporting such efforts through apprenticeships or other skills transfer or training schemes.	Chambers of Commerce UN agencies, NGOs and donors involved in private sector development
Existing legislation and guidelines (eg the Investment Promotion Act of 2004) should be re-examined to consider how incentives might be created to encourage this, while recognizing that significant capacity gaps requiring external skills and manpower will remain in the short term.	Southern Sudan Ministry of Trade and Commerce

Growth in the commercial sex trade

The growth in the commercial sex trade brings with it several concerns, including increased public health risks. It is beyond the scope of this study to discuss these issues in depth, but they warrant more attention because of the accompanying risks to inter-communal relations.

Reports that underage girls are being brought or lured into the commercial sex trade are disturbing. There are obvious child protection issues, which are compounded by the fact that individuals involved are removed from the normal protective measures they might expect from their own communities and social structures. This warrants particular attention and further investigation.

Specific recommendations	Intervention required by
Further careful study should be undertaken by health and social professionals to determine the issues and develop strategies to appropriately deal with health and social concerns.	Ministry of Gender, Labour and Social Development, Uganda Ministries of Health in Southern Sudan and Uganda UN agencies, donors and civil society involved in health and social development
As with the wider issues related to the commercial sex trade, addressing child protection concerns of this nature is a difficult and complex task requiring careful contextual analysis. Child protection agencies have an established presence in Juba and they should consider ways to increase the extent of their monitoring, engagement and programming in other areas, particularly border towns.	UNICEF and specialized child protection agencies District/county officials involved in child protection and community development

Contacts between border communities

Strengthened cross-border links and contact between communities and authorities could play an important part in resolving the mistrust between people and could help them begin to deal with the trauma created by years of conflict. The aim should be to build and strengthen relationships between communities and local government officials on various levels, not just on matters of trade or security.

Specific recommendations	Intervention required by
<p>Contacts need to be strengthened and regular cross-border meetings held. If finance is a major obstacle then resources must be identified.</p> <p>Consideration should be given to the creation of small cross-border teams of key individuals incorporating civil authorities, political, business and other key individuals from both east and west of the Nile.</p> <p>Teams should take the lead in setting agendas, organizing meetings and events and could also be called upon to rapidly convene in response to a serious incident or misunderstanding.</p>	<p>Government of Southern Sudan</p> <p>Government of Uganda</p> <p>Local governments in northern Uganda and Southern Sudan</p>

Harnessing local government capacities in northern Uganda

Local government in northern Uganda has an important role to play in helping ensure that cross-border trading opportunities are developed and some of the risks associated with trade are mitigated.

Specific recommendations	Intervention required by
<p>Local governments in the north should be closely consulted as national-level trade policy is further developed and rolled out, and they should play an active part in planning processes related to cross-border trade.</p> <p>There is considerable scope for further developing the role of district commercial officers in relation to cross-border trade.</p>	<p>Uganda Ministry of Tourism, Trade and Industry</p> <p>Uganda Ministry of Local Government</p>

Acronyms and abbreviations

CAR	Central African Republic
COMESA	Common Market for East and Southern Africa
CPA	Comprehensive Peace Agreement
DDR	Disarmament, demobilization and reintegration
DRC	Democratic Republic of Congo
IDP	Internally Displaced Persons
KCB	Kenya Commercial Bank
LRA	Lord's Resistance Army
MFA	Ministry of Foreign Affairs (Uganda)
MTTI	Ministry of Tourism, Trade and Industry (Uganda)
OPM	Office of the Prime Minister (Uganda)
PRDP	Peace Recovery and Development Plan (Uganda)
SPLM/A	Sudan People's Liberation Movement/Army
UN	United Nations
UPDF	Uganda People's Defence Force
URA	Uganda Revenue Authority

Acknowledgements

This report would not have been possible without the help and assistance of a great number of people. We thank everyone who gave their time to be interviewed and provided information for the study. We are particularly grateful to Jada Alfred Modi for his assistance and help in Juba and to Tony Okwera, Francis Bala and Filbert Sebit for their assistance in Kampala, Nimule and Kaya respectively. James Latigo, Kennedy Tumutegyereize and Caesar Poblücks provided extremely valuable guidance and insights.

We also thank the Norwegian Ministry of Foreign Affairs, which funded our research, and the UK Department for International Development for funding the production of this publication, although the views expressed within do not necessarily reflect their official policies.

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