



SPEECH OF H.E. GEN. SALVA KIIR MAYARDIT, PRESIDENT OF GOSS

**ON THE 7th GOVERNORS FORUM MEETING AND
LAUNCHING OF THE PAYROLL CLEANSING CAMPAIGN
JUBA, 10TH AUGUST 2009**

- H.E. Dr. Riek Machar, the Vice President of GOSS
- Right Hon. James Wani Igga, the Speaker of the Southern Sudan Legislative Assembly
- Presidential Advisors and Ministers of the Government of Southern Sudan
- All the Governors of the Southern States
- Honourable Members of Southern Sudan Legislative Assembly
- Chairpersons of Commissions
- Representatives of Diplomatic Corp and UN Agencies
- Distinguished Guests
- Ladies and Gentlemen:

I am happy that we are able to meet again and it has been slightly longer than we expected since we met last time during the 6th Governors Forum. Before I continue with my opening remarks, I would like to invite you to pay a special tribute to our brothers and sisters who sacrificed their lives for peace, freedom and justice by observing one minute silence.

Almost one year ago during the last forum meeting, we launched public service reform and we declared the Year 2009 as year of public service reform and decentralization. We expect in this Forum to take stock of what we have achieved and the challenges facing us in public service reform and in effecting decentralization to serve our people better. I am delighted that the Southern Sudan Legislative Assembly has enacted necessary laws for effecting decentralization, particularly the Local Government Act, 2009.

Ladies and Gentleman:

As we gradually move towards decentralization and democratic transformation, the state governments will be assuming more responsibilities that are currently held at the national and Southern Sudan levels. Critically the states and local governments, as the levels of government nearest to the people, are expected to improve the quality of life of our people through effective, efficient and accountable delivery of public goods and services as well as creating a conducive political, economic and social environment within which the potentials of our people are realized and their fundamental rights are respected and promoted.

Before I can talk about the theme of the 7th Governors Forum, I would like to share with you the status of CPA implementation and some critical challenges facing us in Southern Sudan. The most critical political development in the CPA implementation is the announcement of the most awaited decision of Abyei Arbitration Tribunal. The challenge to implement Abyei Protocol has been a real problem in the full implementation of the CPA. The decision of the Tribunal has now put an end at least to our dispute over the boundaries of Abyei Area. Although there are discontents from some circles, the SPLM, NCP and most political forces in the Sudan have welcomed the decision of the Tribunal as final and binding.

The Council of Ministers of Government of Southern Sudan and Southern Sudan Legislative Assembly have both endorsed the decision of the Tribunal. Recently I called the leaders from Ngok Dinka and

Misseriya to explain to them the decision and I urged them to promote peaceful co-existence and reconciliation and to move away from war mindset to culture of peace and development. I have just returned from the meeting of the Presidency and we have taken a number of measures and decisions to effect the decision of the Tribunal, particularly the demarcation of the boundaries and funding to the Abyei Administration. I am confident that the situation in Abyei area will now improve and people will return soon to their home areas.

Ladies and Gentleman:

The other important political issue which we need to give our attention is the issues of the coming general election in the first quarter of 2010. I know many of you know these issues but I would like to make the position on these matters clear. I want to reiterate again that we in the SPLM are committed to the conduct of general elections on the dates as suggested by the National Elections Commission.

Our consistent and clear reservation about the population census results should not be understood that we are against the conduct of the elections but on the contrary it rather shows our commitment of having fair and free elections. The majority of political forces in the Sudan have unanimously rejected the results of the population census and any disregard to such genuine political concerns will put the credibility of the general elections at risk. I am happy that Molana Abel Alier, the Chairman of the National Elections Commission, has been invited to the Forum to enlighten you about the preparations for the general elections.

It is within the strategic interest of the people of Southern Sudan to have an elected government that will lead them during the next critical phase of referendum. I want to assure you all that the SPLM as a party and a government are committed to fair and free elections for all. The SPLM has started its elections campaign and I call upon all political parties in Southern Sudan to do the same. No one will be harassed or intimidated by anyone and no body is above the law. Democracy is the choice of our people and we must cherish and nurture it and protect it.

Ladies and Gentleman:

These political and democratic rights for having free and fair elections are less meaningful if we are unable to provide physical security to our people. The essence of CPA is not only to end violence but to maintain peace and security among our people. The democratic values and basic freedoms that we are morally and constitutionally obliged to uphold and protect cannot have any meaning if we are not physically secure. One of our biggest challenges has been the maintenance of security in Southern Sudan. We have tribe fighting tribe within a State and across States and even in-fighting within tribes. The recent massacre of innocent civilians in Akobo county is a clear example of how spoilers of peace would like to present Southern Sudan as people who can not govern themselves.

Despite the horrific incident in Akobo, I am glad to note that over the last two months, there has been a reduction in these incidences. I believed the commitment of our traditional leaders and Chiefs during their Conference in Bentiu is showing some positive results. We have shared with you the resolutions of the Chiefs Conference and I expect each

governor to fully implement these resolutions and to update me regularly. Besides these internal conflicts, the LRA has intensified its atrocities in Western Equatoria State and the Southern Sudan Security Committee has taken specific measures to contain these activities. I am delighted that our Minister of Interior has made some progress in improving security situation in Juba and I am happy that he has been invited to this Forum to update you about the status of security situation in Southern Sudan.

Ladies and Gentleman:

One of the major challenges facing Southern Sudan is the economic and fiscal crisis that is forcing us to wake up to this hard reality. We must first admit that perhaps we did not appreciate enough the challenges of building a new nation. Having waged a very difficult fight against political oppression for many years, we thought creating a functioning government and a growing economy would be much easier. I am afraid we underestimated the scale of the task ahead, and we may have become complacent in the belief that we did not have to work as hard as during the war to achieve our new peace-time goals.

Today, we face the greatest challenge as people, since we established our government in 2005. Just when we thought we had created some momentum for development, in building basic infrastructure, delivering basic services, and getting economic growth going, we have been hit by a sharp decline in oil prices. This has led the Government of Southern Sudan into a fiscal crisis, of the kind that it had not experienced before. Whereas we had planned the revenues for 2009 to be about SDG 3.6

billion, it now appears that the actual revenues may be lower by some 40% of the projection. At those sharply reduced levels, we will have barely enough to pay for the salaries of all public employees. And, if we used all the resources available for payroll, then we will have no money left to invest in our future. That is clearly not an acceptable option.

Ladies and Gentleman:

This problem is enormous. But, we should not allow the enormity of the problem to paralyze us. In fact, I believe we should see it as an opportunity to rethink the way we have collectively approached the business of governing Southern Sudan. We have tended to rely too heavily on oil revenues as the fiscal foundation of Southern Sudan. The sharp price movements, first up and then down in the last year or so, have taught us that this is not a sound foundation. We need to build our economic future on something more sustainable.

Clearly, those of us who hold high positions in the Government of Sudan bear large part of the responsibility for solving this problem. But, Government cannot solve this problem alone. Because some changes we have to make will affect the lives of the general public, we need all fellow Southern Sudanese to understand the need for such changes and support them. Without collective commitment by all of us to solving this problem, we shall not succeed.

The basic problem of Southern Sudan today is two-fold. First, it faces a very serious fiscal problem. Its government expenditures have become too high, compared to what we can reasonably expect to receive in oil

and other revenues, and assistance from donors. Second, we have not made enough headway in developing our economy, especially outside the oil sector. Our problem is not of a short-term nature. We should not expect us to be able to solve this in a year's time. We must cut all the wastes from our budget. But, we must also protect some core investment in the future of Southern Sudan, such as education, health care, infrastructure, and institution building, otherwise we shall be trapped in the state of poverty and dependence on hand-outs. I am delighted that our Minister of Finance will be sharing with you his plans for addressing this crisis.

Ladies and Gentleman:

I believe we must tackle this problem at three levels: budget management, implementation capability, and the economy itself as basis for making Strong Southern Sudan. First, at the level of the **budget management** itself, we must set a realistic budget level, while taking every measure to increase non-oil revenues, and aggressively eliminate wasteful spending to bring the spending in line with the revenues. The launching today of the payroll cleansing campaign is at the heart of our efforts to reduce wasteful spending of our government.

Second, at the level of **implementation of the budget**, there is much to be done to improve the effectiveness of the spending. While allocation of budget to proper priorities is the starting point of good public expenditure management, unless the money is actually spent well, the intended priorities will not be realized. We must focus on three strategic

areas to ensure our limited resources are well spent and will bring maximum benefits to the citizens. These areas include:

First is the improvement of capacity of Government to manage its projects. The general capacity to manage projects, from planning, procurement, supervision, and financial management, to monitoring of outcomes and eventual evaluation, remains weak. I am aware that the procurement and financial management processes have been particularly weak, leading to many contracts being signed without adequate competition and transparency and the spending being done without proper record keeping. Such a state is not acceptable for any institution that is entrusted with public funds. We must step up our efforts to provide proper training to the staff concerned in all these areas. We will seek technical support from relevant international partners to assist in strengthening our capacities.

Second is decentralization. As a way of improving the transparency, accountability, and the quality of public services and investments, we must step up the decentralization process. I am aware that State Governors and their governments are eager to improve the services their institutions can provide. Being closer to the beneficiaries, they see the needs for specific public investments and services clearly. They have constantly pressed the central government to transfer more of the resources to the States where in their view the money can be spent better. I agree with that basic principle, and our Minister of Finance will update the status of fiscal decentralization in the current budget. We will continue to move in that direction. Nevertheless, we are also aware that many State level government institutions are in their fledgling state. We

will ensure that, in partnership with some international donors, there will be a strong technical assistance program in place to support the States and local governments so that they can handle more resources effectively.

Third is Corruption. Sadly, with the increase in public resources that flow through our Government, corruption has become a serious concern. I am firmly committed to fighting corruption. It is simply not acceptable for a public servant, be it a Minister or a clerk, to steal public money. Of course, it is even more inexcusable for a powerful figure to engage in such a despicable act, for he or she is not likely to be in dire poverty and is in a position to be setting a good example. It has been brought to my attention that some highly questionable, high-cost contracts seem to be signed by some Ministries. I am directing our Ministry of Finance to review the 10 largest contracts of such nature urgently. We will try to renegotiate any unreasonable aspects of the contracts, and if there is evidence of corruption, those who are responsible will be prosecuted. Strengthening of the procurement and financial management processes more generally should limit the scope of corruption in the future.

Ladies and Gentleman:

Third, at the level of the **economy**, we must take actions to accelerate growth. If we are to close the fiscal gap, we must increase revenues from non-oil sources, and that means making the non-oil sectors stronger. It is obvious that agriculture will have to be the foundation of the economy of Southern Sudan for some years to come. Robust growth in agriculture will bring agro-industries and other supporting industries. Agricultural

potential of Southern Sudan has been long recognized. But, to turn that potential into a reality, we must build the transport infrastructure to allow outputs to be brought to markets, and ensure a range of supporting services and inputs are available, such as extension services, inputs, and credit. We have not put in place a well coordinated plan to make this happen. We will change this.

Having done all we can to define a road map to get us out of the current crisis, we are left with a situation in which we face two starkly different scenarios. In one, we will be forced to make further cuts in spending, which will virtually stop all investment in our future. Southern Sudan will remain trapped in economic stagnation. In the other, we will receive some additional assistance from donors so that we can maintain at least the highest priority investment programs even as we move toward fiscal sustainability. I am confident that our partners will be willing to help us. However, they do also expect that we do our part, that is to say, we implement some very difficult changes I have outlined and show our commitment to our own road map out of the crisis.

Ladies and Gentleman:

I can assure you that my cabinet Ministers, state governors and all constitutional post-holders will set examples. They will cut every wasteful spending in their respective institutions, ensure they themselves do not spend a single pound on unnecessary expense, and respect the budget completely. They will also make sure that the staff in their institutions will work hard and efficiently. They will not tolerate any corruption or waste.

But, I also recognize the critical role that every citizen can play in containing this crisis. Unless every citizen believes in the peaceful and prosperous future of Southern Sudan, building a “Strong Southern Sudan” can not be easily realized. I need each of you to understand that some spending cuts are necessary and be patient with the pains caused by such cuts. But, I also need you to hold the public servants, parliamentarians, and even Ministers accountable for delivering what is promised. That is the foundation of an effective and accountable government.

I also need each of you to think of ways to expand the economy. The economy does not grow because of what Government does or a few big investors do. The economy grows because of the accumulation of the individual efforts of all the citizens. Southern Sudan has much untapped potential, especially in agriculture, but also livestock, fishery, forestry, trade and other services, and even manufacturing. On your farm, with your livestock, in your shop, wherever you work, I need you to think of improving the ways of production, providing better services, and increasing the value you get for what you produce. And, I need you to be investing, investing in better technology, better seeds, better livestock, and better marketing. We need everyone to be moving the economy forward, for a strong economy will be the foundation of our “Strong Southern Sudan”.

Ladies and Gentleman:

We fought many years to win the right to define our own future. But, defining our own future is not just about the referendum in 2011. It is

about actually building a “Strong Southern Sudan”. We now see that it is hard work. But, we do have the opportunity to do that hard work, which we did not do during the many years of war. We did not persevere through the years of war only to falter in times of peace. This is the time to show that we do really want the chance to build our own future. Let us come together as one people. Let us apply our collective energy to build “Strong Southern Sudan”.

Ladies and Gentleman:

Let me now turn to the payroll cleansing exercise, which is part of the ongoing Public Sector Reforms Programme. This exercise is important for two reasons. First, it marks a significant milestone on our determination to curb corruption and secondly, it shows our commitment to develop effective human resource management systems that will assist in removing ghost workers from the payrolls and improve the overall management of the wage bill. I have been informed that our development partners are also keen to help us develop this system and other aspects of the reform programme. I would like to thank you very much on behalf of my government and the people of Southern Sudan for the much needed support you have given us and continue to give.

The issue of ghost workers and the consequent high wage bill has been one of the major management vices my government has had to deal with for the last four years. Through the usage of ghost names, some public officials who think more of themselves rather than the future of our people have managed to defraud the government of a lot of money. These acts have denied our citizens the peace dividend they have been longing

for in the form of schools, health services, good roads, clean water and other forms of development we need to get out of the current poor economic status. We must condemn this crime because it is like starving your own child to death.

I am glad a number of States have taken bold actions to clean their payrolls and get rid of ghost workers, to identify and eliminate the names of some officials getting salaries in more than one unit of government since the launch of the Public Sector Reforms Programme at the 6th Governors' Forum. I would like to acknowledge the courageous decisions taken by the leadership of all our states, particularly Jonglei, Eastern Equatoria and Western Equatoria States in initiating the process of cleaning up their payrolls and getting rid of ghost workers.

The State of Jonglei has saved about SDG 500,000 every month since taking up this process of payroll cleansing. They have now directed this money toward development projects in their State. Similarly, Eastern Equatoria State has saved enough money to build a hotel which is generating income for the State and providing employment for the people. Equally, Western Equatoria State has saved enough money to renovate the Secretariat General's Office, sponsor students for university education and purchase of roads maintenance equipment which are being used to grade the roads in the State. These are commendable efforts which if emulated by all GoSS Ministries and the rest of the States would result in significant savings that would make a meaningful difference in the lives of our people.

Ladies and Gentleman:

As you all know, until permanent peace is secured we will not be able to demobilize large portions of the SPLA. Nevertheless, the payroll of SPLA is bloated because many former soldiers who are no longer fit to serve in the SPLA remain on the roster. There are 'ghost soldier' as well. We have started the process of screening all the SPLA members, from the generals to the lowest level foot soldiers. Those who should remain in the SPLA will be issued a proper ID card. Others who had served in the SPLA but are no longer able to serve because of their age or disability will need to be honored and treated properly. They will be retired with appropriate packages.

Those who will constitute the real fighting force of the SPLA will not sit idle, however. We are not able to afford such luxury at this time of national crisis. I believe there are ways in which the SPLA soldiers can enhance the value of government spending. They will engage in public investment, social service, or other productive activities. With support from the corps of engineers of some partner nations, SPLA soldiers will engage in rehabilitation and construction of roads, bridges, and other public infrastructure. They will also assist in construction of housing. At each barrack, qualified soldiers will open classes to educate children from the community and provide vocational training to youth.

Utilizing fallow land near the barracks, soldiers will also engage in agriculture, producing cereal crops, vegetables, and other farm outputs. These activities will not only bring immediate benefits to the public, but also prepare soldiers for eventual reintegration into civilian life when permanent peace materializes and the SPLA can be reduced in size.

Surplus agriculture output can also stimulate private businesses in Southern Sudan which remain sorely lacking. Similar reviews of the payroll are to be applied also for the police, prison services, and the main civil service itself. I am hopeful that this will create a smaller but more professional public service system.

I therefore direct the Ministers in charge of the Ministries of Internal Affairs, SPLA Affairs and Wildlife Conservation to ensure that the payrolls for the Police, Prisons, Fire Brigade, the Wildlife and SPLA Officers, NCOs and soldiers are cleansed. I further direct that all GoSS Ministries, Commissions and independent institutions as well as all the States to embark immediately on cleaning up their payrolls and remove all ghost workers. Every institution must submit monthly progress reports on payroll cleansing to the Ministry of Labour, Public Service and Human Resource Development. All those officials found to have amassed wealth or defrauded the system through ghost names or receiving double or triple salaries must be brought to book.

Based on these reports, the Ministry of Labour, Public Service and Human Resource Development shall make regular briefing to the Council of Ministers on the progress being made. No Ministry, I repeat no Ministry or individual, should resist payroll cleansing for any reason or any pretext.

Ladies and Gentleman:

In conclusion, I would like to emphasise that with the introduction of the Public Sector Reforms we have started the journey to achieve our vision

as a people and I want to call upon all leaders, public officials and the people of Southern Sudan to show commitment to this course by ensuring that the payroll cleansing exercise succeeds. **Please mark that this is a critical test of our commitment to achieve our vision. THE PAYROLL CLEANSING CAMPAIGN is henceforth officially launched.**

THANK YOU