## **RELEASE IN PART B6**

From:	Mills, Cheryl D <millscd@state.gov></millscd@state.gov>
Sent:	Saturday, August 4, 2012 12:13 AM
To:	H
Subject:	Fw: Trip Clip - (Gearan) WP - Clinton offers stern advice in South Sudan, a country U.S. helped create

From: Nuland, Victoria J
Sent: Friday, August 03, 2012 11:28 PM
To: Sullivan, Jacob J; Reines, Philippe I; Carson, Johnnie; Mills, Cheryl D; Daniel, Joshua J
Subject: Fw: Trip Clip - (Gearan) WP - Clinton offers stern advice in South Sudan, a country U.S. helped create

From: PA Clips [mailto:paclips@state.gov] Sent: Friday, August 03, 2012 05:46 PM To: PA-Monitoring-Group-DL Subject: Trip Clip - (Gearan) WP - Clinton offers stern advice in South Sudan, a country U.S. helped create

Clinton offers stern advice in South Sudan, a country U.S. helped create Washington Post By Anne Gearan, Friday, August 3, 4:13 PM EDT

JUBA, South Sudan — Frustrated by a year of setbacks, violence and a looming refugee crisis in a country whose birth it midwifed last summer, the Obama administration sent its top diplomat to dispense some stern advice Friday.

Make lasting peace and an oil deal with Sudan, Secretary of State Hillary Rodham Clinton told South Sudan's president, Salva Kiir, one day after a U.N. deadline for the two countries to make progress toward resolving their bitter differences. Sanctions on both are possible if fighting continues.

"A percentage of something is better than a percentage of nothing," Clinton said, reflecting the U.S. view that South Sudan is only hurting itself by turning off an oil flow on which both countries rely.

Backed by millions of dollars in U.S. and European aid, South Sudan is the world's newest country and by some measures its least developed. It is locked in a deadly embrace with Sudan, its detested former overlord, that U.S. officials fear is becoming a war of attrition that the northern country is far better placed to win.

Disputes over oil and territory threaten to destroy a landmark 2005 peace deal that ended what was then Africa's longest-running civil war. Sudan's predominantly Christian and animist south seceded from the largely Arab north in July last year, but the arrangement left borders porous and details about oil production messy.

The two Sudans came to the brink of war in April. The fighting has contributed to the displacement of more than 200,000 people — one of the worst refugee crises in the world.

Clinton announced an additional \$15 million for U.N. aid to the refugees, bringing the U.S. contribution to more than \$50 million.

The African Union has been trying to mediate between the two sides but it is unclear whether a deal is near. Sudan has insisted on an agreement covering border security ahead of discussion of oil production and revenue sharing.

Clinton urged an interim deal to get oil flowing now and ease mounting economic problems and unrest in both countries. South Sudan shut off the oil pipelines in January in a dispute over payment. Most of the former united Sudan's oil was produced in the land-locked south but shipped out from the north.

South Sudanese Foreign Minister Nhial Deng Nhial said in talks in Ethiopia this week that the South had made a "generous offer" of a higher oil transit fee and a \$3.2 billion package to compensate for the loss of oil produced in the South.

"You have made your point," Clinton said during a press conference Friday with Nhial. "You have brought Sudan to the negotiating table."

Nhial said he hoped that the rest of the world, "with the U.S. leadership, can persuade the Republic of Sudan to accept that."

The brief visit to Juba, South Sudan's rattletrap capital, was the diplomatic heart of a 10-day African trip that crisscrosses the continent and spans U.S. interests there, from traditional aid and development to economic competition with China to counterterrorism.

In Uganda later Friday, Clinton praised the heavily Ugandan military missions fighting the al-Shabab militants in Somalia and hunting militia chieftain Joseph Kony.

The help from Uganda's well-trained army is key to several U.S. security goals in Africa but entails a cozy relationship with Ugandan President Yoweri Museveni, one of Africa's veteran strongmen.

Clinton is the highest-ranking U.S. official to travel to South Sudan since its creation as what Washington hoped would be a new friend to the United States and a model for the constructive deployment of U.S. aid.

South Sudan also represented a repudiation of Sudan's government, largely shunned by the United States after years of terrorism-related sanctions and the war crimes indictment of President Omar Hassan al-Bashir.

The project has not gone as planned.

South Sudan is running out of money and testing the patience of international backers by using oil as an economic weapon, although some U.S. officials acknowledge that expectations for the country's first year were probably set too high.

A senior U.S. diplomat in the region who spoke on the condition of anonymity to discuss the sensitive relationship said U.S. annoyance over Kiir's perceived mistakes has faded, but so have some American hopes for South Sudan's role as a security stake.

Kiir's stiff posture and carefully chosen words upon meeting Clinton suggested he knew that his American patrons were unhappy.

The cowboy-hatted Kiir is a former rebel commander and South Sudan's accidental president after the death of the charismatic resistance leader John Garang.

Kiir particularly angered U.S. officials over the last year when he repeatedly denied that his government is still supporting rebels marooned in Sudan when South Sudan seceded last year.

Sudan claims such interference, and U.S. officials say privately that it continues despite the South's disarmament pledges during years of U.S.-sponsored preparation for independence.

"The oil shutdown and the refugee crisis both point to an inescapable fact," Clinton said Friday. "While South Sudan and Sudan have become separate states, their fortunes and their futures remain inextricably linked."

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