Weapons of Mass Corruption
How corruption in South Sudan’s military undermines the world’s newest country

By Enough Team
Edited by Jacinth Planer
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Political Economy of African Wars Series

“Weapons of Mass Corruption” is the fifth in a series of in-depth, field research-driven reports on the dynamics of profit and power fueling war in the Horn, East and Central Africa. Violent kleptocracies dominate the political landscape of this region, leading to protracted conflicts marked by the commission of mass atrocities by state and non-state actors. Enough’s Political Economy of African Wars series will focus on the key players in these conflicts, their motivations, how they benefit from the evolving war economies, and what policies might be most effective in changing the calculations of those orchestrating the violence—including both incentives and pressures for peace.
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Executive summary and recommendations

Disclaimer: Of course, not everyone in the government or army of South Sudan is guilty of engaging in the practices described below. This paper describes some of the practices pursued by both the direct perpetrators and the enablers of the system in South Sudan. We also focus on the people and institutions most affected by the problematic system and its perverse incentive structures.

Competitive corruption surrounding control of resources, particularly among military actors, has been a defining feature of South Sudan’s system of violent kleptocracy* for many years. When the Sudan People’s Liberation Movement/Army (SPLM/A) emerged as the leading political and military group in pre-independent and then independent South Sudan, battlefield alliances and loyalties contributed to the formation of powerful and problematic patron-client networks. Battlefield alliances also heavily influenced decisions about who received posts in the new state’s power structure and who was appointed to positions of control over state financial resources, which many used for feeding the patron-client networks. Those who received these positions also sought to settle old scores with old rivals, and there was also competition and jockeying for power among those loyal to the SPLM/A. Part of the prize for this competition was control over a share of the state’s financial resources and a role in the state military. Over time, South Sudan’s army structure became bloated and top-heavy, with fierce internal competition over appointments to positions of authority in budgets and spending.

For a brief time in South Sudan, when there was oil money, the system of armed and previously violent competition was stable or played out in political, not military, contexts. With money available, the awarding of non-competitive contracts, contract inflation, and the manipulation of soldier payrolls—common in military spending in South Sudan—provided public officials with powerful ways of buying or leasing the loyalties of armed groups. The money could employ and feed a powerful individual’s support network, particularly if such a network received inflated, lucrative military contracts for food, fuel, weapons and heavy, sophisticated military equipment.

But oil revenues declined, and the oil money began to run out in 2012. Oil production was suspended for more than a year, beginning in early 2012, and eventually resumed at lower levels. Then the global price of oil fell. The loss of oil money in recent years and ultimately the large-scale economic collapse that has both contributed to violence and been worsened by the violence in South Sudan, has caused the power networks to disintegrate and the violence and competition for money, control of the state, and military dominance to intensify.

Corruption in South Sudan has now shifted from being an integrated and self-sustaining system during the country’s brief economic boom period to being a disintegrative and self-destructing system in the wake of economic collapse.

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* Enough defines violent kleptocracy as a system of state capture in which ruling networks and commercial partners hijack governing institutions for the purpose of resource extraction and for the security of the regime. Ruling networks utilize varying levels of violence to maintain power and repress dissenting voices. Terrorist organizations, militias, and rebel groups can also control territory in a similar manner.
wake of economic collapse. This system of violent kleptocracy defies founding principles and provisions of South Sudan’s constitution, legal statutes, and core military strategic plans for transitioning from a non-state armed group to a national army. South Sudan’s system of violent kleptocracy is marked by convergence between formerly separate military and civilian decision-making branches of government. The system both enables and is enabled by unchecked overreach of power by officials who oversee budgets with revenue and spending that is unregulated, with oversight and auditing that are obstructed. There is also cutthroat competition, infighting in the ranks and the leadership, and a volatile mix of both rank-pulling and insubordination within the army hierarchy that has stoked violence, undermined basic operational effectiveness in several cases, and led to waste and diversion of scarce public resources.

Financially enabling this system is a large, rising military budget, characterized by overruns and irregularities. A large share of this disproportionately high and rising military budget goes to salaries that are tied to a bloated army roster—which is stacked with what is believed to be thousands of ghost soldiers. The roster and payroll have not been calibrated to match operational realities or national needs. The salaries of SPLA soldiers are a fraction of what commanders receive, and the salary disbursements are often delayed by months. With soaring inflation, these salaries fail to cover basic costs of living, increasing the likelihood of soldiers taking their pay by the barrel of the gun and increasing violent crime in South Sudan still further.

The international community, with U.S. leadership, should create consequences for these predatory actors that harm South Sudanese people.

Despite the huge budget deficit, unregulated public spending continues, reflecting desperate attempts by some ministry officials to continue to sustain their patronage networks despite having little or no actual money available for disbursement. Some government ministries have continued to write checks to contractors for procurement deals and other expenses that cannot be cashed at the Bank of South Sudan (central bank). Efficiency, accountability, and the regular inflow of state funds into public coffers and outflows for documented salary needs and public services is not the goal or the outcome of South Sudan’s bankrupted, thoroughly hijacked system.

In a boom market for armed violence that is rapidly expanding in South Sudan, the political and military power structure resists or altogether dismantles reform efforts. The system reinforces the inefficiencies that encourage corruption, expels reform-minded actors who threaten the system as it is, and rewards the actors who perpetuate and sustain the system. These actors have succeeded, for now, in generating some money for themselves and their supporters and in building a system that can temporarily serve private interests at the public’s expense.

The international community, with U.S. leadership, should create consequences for these predatory actors that harm South Sudanese people. These consequences should include a new U.S. executive order on South Sudan that makes public corruption and misappropriation of state assets grounds for sanctions, as current U.S. sanctions programs do for Belarus, Burma, Libya, Syria, Zimbabwe, Venezuela, and Ukraine/Russia. U.S. lawmakers should also leverage U.S. anti-money laundering authorities by having the U.S. Treasury Department’s Financial Crimes Enforcement Network (FinCEN) and other financial intelligence units issue advisories and investigative requests related to South Sudanese military transactions. Because many documented financial transactions involving South Sudanese leaders are carried out with U.S. dollars, the United States has leverage to stop or limit some of these transactions.
The United States should bring pressure and levy stiff penalties on banks and wealth managers that facilitate financial transactions for clients—including South Sudanese parties—who have any assets associated with criminal activity that touch U.S. financial institutions and are thus subject to U.S. jurisdiction.

Methodology and scope

The lead researcher of this report has traveled for many years to and from South Sudan to collect primary source documents, statistical and financial data, and other information and to conduct interviews with hundreds of experts and people who have direct knowledge of the practices and incidents described in this report.

The lead researcher and lead editor of this report both also reviewed and analyzed a broad range of open-source materials. These materials included, but were not limited to U.N. Security Council reports by the Panel of Experts for South Sudan, the African Union Commission of Inquiry report on the conflict in South Sudan that began in late 2013, and a range of budget documents and spreadsheets from South Sudan’s Ministry of Finance and Economic Planning. This research was also informed by academic literature and a range of policy papers, along with credible news accounts from both international and local sources that were substantiated and cross-checked with experts.

Many of the individuals who provided documents and answered questions did so under promises of confidentiality or requested that the documents themselves not be published. We have therefore verified confidential documents with public source material to avoid compromising the security of our sources.

The lead researcher conducted semi-structured interviews in person and via electronic exchange with people in lower- and higher-level government and military positions, foreign and domestic commercial traders, and other members of the business community in South Sudan and in the region. Interviews were also conducted with dozens of independent researchers, civil society members, economic analysts, academics, and many others. Most interviews and exchanges centered on the organizational structure and function of South Sudan’s army, governance reforms, and perceptions of corruption within the SPLA. Many of the individuals who spoke with the lead researcher of this report agreed to do so under the condition that their identities would remain confidential for fear of retribution. Accordingly, those persons are not identified in this report, although the report is based in part on information received from such sources who were deemed to be credible.

A comprehensive study of the history and all dimensions of corruption in the security sector as a whole in South Sudan is beyond the scope of this report. The research therefore focuses specifically on corruption within the SPLA (army). The analysis and data within this report focus most heavily on the time frame between 2012 and 2016, when economic distress in South Sudan amplified competitive corruption within the army and in the political power structure. We contextualize the focus on this narrow time frame with light discussion about the power and conflict dynamics that developed in the years before 2012.

Background

In an ethnically diverse country, the logic of distributing influence and wealth on a regional and ethnic basis seemed rational for a time for many South Sudanese people. That system, however, began to break down over several years leading up to South Sudan’s independence. As this transition to independent
statehood unfolded, political and military loyalty—and not necessarily technical competence—became the basis for political appointments and positions of power in distributing that wealth and influence when the state institutions of South Sudan were developed. Not unlike other post-revolutionary or post-war contexts throughout Africa, the people with merit and the closest connection to the population were not necessarily the same people who had demonstrated the greatest loyalty on the battlefield in wars between 1983 and 2005.

As South Sudan’s transition to independent statehood unfolded, political and military loyalty became the basis for political appointments and positions of power.

As the new leaders and state institution-builders rewarded their allies and loyalists with positions in government, there was a lack of technical expertise—particularly in the positions of control over public resources and public funds. The government also began to lose its connection to constituents at the grassroots level. Political fiefdoms and patron-client networks quickly developed around certain top political elites, some of whom have retained their support bases and could even be considered by some to be more powerful than the president and vice president. When President Salva Kiir assumed the leadership of the autonomous government of southern Sudan in 2006, a group of loyalists began to jockey for appointments in the new system that would give them control over the distribution of influence and wealth.

This newly empowered group also sought to settle old scores with rivals who they perceived as having been favored at their expense during the war from 1983 to 2005. The competition in this setting to empower oneself and one’s loyalists and also disempower one’s rivals and their supporters contributed to changes to the staffing of government institutions. Several actors were expelled from positions of power, marginalized, or co-opted during this process. What was left in place was a political elite that was disconnected from grassroots constituents, lacked technical and managerial skills, and resisted public oversight of its spending habits. To divert public attention from these liabilities and to consolidate the SPLA hold on power and wealth, leaders rallied the population to support the independent country. Leaders also over time began to sow fear and discourage dissent. In some cases, they began to stoke violence in order to marginalize competitors and amass resources to increase their power and wealth.

In this system of competitive corruption, there was initially an element of stability. Those in positions of power faced few threats to their sources of wealth and control—so long as there was a healthy inflow of national revenue, which came almost exclusively from oil. The system and some of the personal relations of power on which it was built deteriorated rapidly, however, with three severe shocks. South Sudan shut down its oil production for several months, beginning in early 2012, in a conflict with neighboring Sudan. The global price of crude oil plummeted. And war erupted in South Sudan in December 2013.

With these three shocks in particular, South Sudan, which had been the most oil-dependent country in the world, suddenly had very little income. The South Sudanese population had seen little direct benefit from the country’s oil wealth in terms of basic social service provision in impoverished communities that still urgently need these services. But the loss of oil revenues had an immediate impact on elites, who lost access to the means to sustain supportive patronage networks. The sudden lack of cash reconfigured the power dynamics among these elites and their supporters. Some of the hierarchies of power began to
disintegrate. Those who lost power stoked violence and enlisted their supporters in an effort to regain power and status in the elite club that was declining with the sudden loss of oil money.

The SPLA’s patron-client networks

This section analyzes the way patron-client networks developed within the SPLA beginning around 2006 and examines the main features and dynamics of these networks as they have become apparent between 2006 and 2016.

Patron-client networks in South Sudan’s military are problematic and contribute to violence in several ways. Patron-client networks in the SPLA do not by themselves foment violence. Relationships defined more by private than by public service provision, however, create problematic incentive structures and an unproductive, inefficient, and operationally dysfunctional system for armed actors that is conducive to competition by force. Violence or the threat of violence is used in bargaining for a greater share of power, and the rivalries and disputes among leaders can quickly erupt into deadly violence that pits groups against one another and embroils a large number of young fighters who are loyal to rival leaders. The fighting in South Sudan disproportionately targets civilians, in many cases people of a particular ethnic group and disproportionately women and children, in horrific atrocity crimes that risk becoming genocide.

The Ministry of SPLA Affairs was established to govern the SPLA as the autonomous government of Southern Sudan developed its first institutions in 2006. With South Sudan’s independence, in 2011, the Ministry of SPLA Affairs became the Ministry of Defense and Veterans Affairs. This ministry is led by the Minister of Defense and the Chief of General Staff (CoGS), and these leaders are assisted by Deputies of the Chief of General Staff (DCoGS) for Operations; Administration and Finance; Logistics; Training; Inspection; and Political and Moral Orientation.

Following the signing of the Comprehensive Peace Agreement between Sudanese President Omar al-Bashir’s National Congress Party and the SPLM/A in 2005, then-SPLM/A chief John Garang began to reorganize the SPLA. A number of high-ranking commanders were dismissed. Commander Oyai Deng Ajak became the only three-star general, and there were 15 two-star generals. After John Garang died in a helicopter crash in July 2005, Salva Kiir took over the SPLA reorganization process. This process created conditions that allowed the patron-client networks to grow.

Between 2005 and 2011, the SPLA leadership and Salva Kiir in particular sought to unify the people of the south and consolidate the different armed groups, many of which were loyal to Khartoum, opposed Salva Kiir’s leadership, and may have been disinclined to vote for South Sudan’s independence. In his “big tent” strategy, Salva Kiir used military promotions as part of the approach to buy (or rent) the loyalties of armed groups across the south and to consolidate these groups under the SPLA. The army immediately ballooned, there was an imbalance in the top, and competition to control budgets grew.

Because the military loyalties of many had been bought, the army was expensive to maintain. The price of loyalty could fluctuate according to competition and shifting security dynamics. There was enough money to keep the army together from 2006 to 2012. When the money ran out in 2012 and 2013,
however, with the shutdown of oil production and the lowered global price of crude oil, the competition for money intensified, which has contributed to a collapse of the Bank of South Sudan (central bank) office that is responsible for balancing accounts with withdrawals and deposits to government accounts.9

The remainder of this report examines the SPLA’s organizational weaknesses in greater detail, showing how the system of corruption has disintegrated and become self-destructing as the economic crisis has intensified. We also show how this system resists the reform efforts that challenge the way it works. The system reinforces inefficiencies, expels reform-minded actors, and rewards those who perpetuate and sustain the system.

**Organizational weaknesses that create opportunities for corruption**

In this section, we discuss organizational weaknesses surrounding the SPLA—the structure of financial oversight and the fluidity of some roles and political appointments—that reinforce the system of violent kleptocracy in South Sudan.

**Lack of financial oversight**

The lack of financial oversight for and within the SPLA constitutes a major organizational weakness and creates opportunities for corruption. This deficiency does not stem primarily from a poor legal framework, underdeveloped institutional capacity, or lack of knowledge about international best practice in financial oversight. The deficiency stems from willful, systematic obstruction of financial oversight.

If SPLA leaders were to implement internal reforms to allow for independent financial oversight, they could reinstate some of the mechanisms established in previous plans and laws. One such resource is the 2008 “SPLA White Paper on Defence: Towards a Secured Southern Sudan/Sudan for All.” The document, commissioned by the Ministry of SPLA Affairs with international support, articulates the SPLA’s mission and objectives as it sought to transition itself from a guerrilla movement into a defense institution. Although imperfect, the document provided a broadly supported blueprint for SPLA reform that included oversight mechanisms that could have promoted greater transparency and accountability—had the leadership wished to implement these mechanisms and provisions. There are few indications, however, that it did.

The 2009 SPLA Act could serve as another resource to guide military reform and restore mechanisms of financial oversight to rebalance power between the Defense Ministry and the SPLA. This 2009 law makes the office of what is now the defense minister responsible for the SPLA budget and transparency for SPLA activities.11 These provisions or the principles underpinning them have been disregarded but are worth revisiting. Such checks and balances on military spending could counter rampant waste and graft using South Sudan’s existing institutions and legal frameworks, which were developed with direct input from South Sudanese leaders.

In the SPLA, the military hierarchy trumps the existing mechanisms of oversight, transparency, and accountability. Oversight of the top military leaders who are most directly involved in managing large sums of money is handled by people who are lower in rank and have little leverage, because of their status, to effectively carry out their oversight roles. While the Defense Ministry has a Directorate of Oversight and a Directorate of Internal Audit, such mechanisms may review smaller-scale transactions but
have little visibility or leverage for oversight of the large-scale transactions that most need auditing and are at greatest risk for graft and waste.

In practice, it is possible to opt out of audit requests. For example, in 2012, South Sudan’s Anti-Corruption Commission asked top SPLA generals to declare their income and assets,\(^\text{12}\) in an effort to tackle corruption. These attempts and those by others to audit the accounts of the SPLA forces have not succeeded.\(^\text{13}\)

Political patronage networks not only obstruct auditing and oversight mechanisms but also undermine their purpose and credibility as institutions.

**Heavy influence and powers of political appointees**

There are many political appointees, or employees who are personally selected by the executive leadership of government,\(^\text{14}\) in South Sudan,\(^\text{15}\) and a large number of political appointments are made by the president himself.\(^\text{16}\) As in many contexts where top leadership is a source of competition and contest, there is evidence that personal loyalties and battlefield alliances in South Sudan,\(^\text{17}\) affect the choices for individual political appointments at the national and local levels.\(^\text{18}\)

Political appointments in South Sudan create challenges given the polarized, volatile setting. These appointments selectively empower certain individuals while disempowering others, particularly opposition figures. In a place where resources are scarce and contested, and many people are unable to provide for their basic needs, political appointments empower certain individuals to access public accounts and manage scarce financial resources. Others lack this power or are directly disempowered by the appointment of another person. There are few effective institutional mechanisms to check the use of public office and public financial resources for individual gain.

Some of these political appointments (and dismissals) have been contested or have been strongly criticized by opposition and international actors.\(^\text{19}\) Other appointments and dismissals have stoked insecurity, violent conflict, and insurgency movements in South Sudan.\(^\text{20}\) As Sudan’s example has shown, when loyalty motivates appointments to government positions, technical competence for service provision to the public, operational integrity of the office and role as defined by law, efficiency, effectiveness, and a sense of accountability to the citizens decline.\(^\text{21}\) There can be fragmentation, intense competition and divisions within the ranks and between leaders, with problematic and inconsistent command and control dynamics. Enough’s interviews in mid-2016 with dozens of witnesses and participants in this system who requested anonymity because of security concerns indicate that these dynamics unfold within the SPLA and affect military and political decision-making.

There are few effective institutional mechanisms to check the use of public office and public financial resources for individual gain.

South Sudan’s government is designed through its constitution and laws to be civilian-led, not martial. The army is designed to be subordinate to civilian authorities,\(^\text{22}\) including civilian leaders with constitutionally-defined positions.\(^\text{23}\) Two key 2011 SPLA strategic planning documents\(^\text{24}\) explicitly underscore this intent of a military force that serves the populace and the civilian-led government.\(^\text{25}\)
To effectively serve the civilian-led government, the SPLA is designed to have a separated but coordinated Defense Ministry and army leadership, each with different but complementary duties. The Defense Ministry is designed to serve as the civil strategic defense policymaking branch while the army headquarters runs operations and provides daily management of the army. The Defense Ministry and army headquarters, and their respective leaders, both answer to the president, who is head of state and government and commander-in-chief of the national armed forces.

Despite these constitutional and strategic provisions, designed to protect civilian leadership and a division of labor between policymaking in the Defense Ministry and operational management in the army headquarters, there are recent signs of convergence. There are signs that certain military leaders are wielding stronger influence over policy decisions for personnel, procurement, and issues of finance and administration—areas that are designed for civilian leadership and oversight by the defense minister, not the army leadership.

The command and control structure for the Defense Ministry in South Sudan, set forth in the 2011 SPLA transformation strategy document, notes:

“The SPLA can only operate effectively within a framework of effective strategic defence management provided by the Ministry of Defence and General Headquarters. The role of the Ministry of Defence is to provide strategic direction for the management of Defence. The Ministry of Defence is formally responsible for strategic defence policy and planning, management of veterans’ affairs, financial policy and budgetary management, procurement, public and external affairs and military production. It comprises six Directorates:

a. The Directorate of Policy and Planning
b. Directorate of Finance and Administration
c. Directorate of Public and External Affairs
d. Directorate of Procurement
e. Directorate of Military Production
f. The Veterans’ Affairs Commission.”

This leadership structure, outlined in a 2011 document, aligns with the earlier 2009 SPLA Act, which indicates the senior army leadership is responsible for determining “personnel, military equipment, and material requirements,” and the Defense Ministry is responsible for the budget and compliance with financial and procurement rules.

There has been some recent restructuring, however, that suggests the top army leadership’s scope of policymaking influence has expanded. In a departure from the 2009 SPLA Act, Ministerial order no. 1, issued in January 2016, reportedly transferred all Defense Ministry directorates, including the pension fund, finance and administration, from the Defense Ministry to the SPLA general headquarters. This shift implies that the responsibilities for supervising resource allocation, preparing and managing the SPLA budget to meet the army’s requirements and the government’s financial and procurement rules, and ensuring transparency and accountability in SPLA activities—among other duties—have been transferred from the Defense Ministry to the army headquarters. Reports of influence by army leadership in the president’s dismissal of personnel who had been previously managed by the Defense Ministry made more clear the implications of such a shift. An army leader could wield stronger influence over defense policy and over the appointments of civil servants in the Defense Ministry.
Shifting critical political and administrative decision-making powers away from civilian leadership and under army leadership can escalate military spending and military activities in this volatile context and also has financial consequences. There is less accountability, transparency, and financial monitoring and oversight in this structure, which brings under senior military commanders lower-level military personnel tasked with auditing spending by their superiors. The change also means South Sudan’s military can exert more unchecked control over national revenue collection and national spending decisions.

A large share of South Sudan’s already insufficient national financial resources goes to military costs, and specifically to military salaries (analyzed in further detail below). Facilitating this large budgetary outlay is a bloated army roster with ghost soldiers that has not been calibrated to match operational realities or national needs.

**South Sudan’s ghost army**

On paper, according to the approved budget for the 2014/2015 fiscal year, South Sudan has a total security force of 238,375 (see Figure 1).

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The 238,375 security staff members serve in the army and other national security forces; 97 percent of this staff (230,780 staff members) serve in the army with the other three percent serving in the other security forces.

There are issues with these figures for the force size. First, a parade of 230,780 far exceeds the force of 98,000 or 120,000 that South Sudanese leaders referenced as the necessary force size in the army’s 2011 transformation strategy. Secondly, no regular army force close to this size has been marshaled and deployed in the country’s most recent military escalations.

The creation of an army of ghost soldiers

Tens of thousands of names of ghost soldiers were added to South Sudan’s army payroll in at least two main ways: (1) by more senior-level administrators looking to justify the high military budget allotment; (2) through military reintegration cycles when the artificially high force sizes were added into the army as part of settlement agreements to entice military adversaries to agree to a peace deal.

The numbers of soldiers who get added in after a peace agreement do not necessarily get reviewed and verified by an independent party to ensure they are an accurate reflection of the true force size that is joining the army. A commander may assert, without having to provide proof, that he is bringing into the SPLA a certain number of soldiers in a number of given counties, often in remote areas. There are political, reputational, and economic incentives for military commanders to inflate the number of soldiers they claim to contribute to the national army in a peace settlement following conflict.

In 2006, for example, the Juba Agreement between Paulino Matip and Salva Kiir allowed Paulino Matip to join the SPLA with his South Sudan Defence Forces (SSDF) group of thousands, by some accounts around 50,000, but by others closer to 15,000. The total force to be integrated at that time included 17 two-star generals (major-generals), most of them Nuer. The government of Sudan had promoted the leaders of its southern proxies as a way of buying their loyalty, but these promotions had not been supported by an infusion of more junior-level troops. The result was a number of SSDF brigadiers who had no brigades to command, and who had been paid brigadiers’ salaries by Khartoum in exchange for their loyalty. Integrating a force of that size and composition of forces with the seniority they had been given into the existing SPLA created an urgent challenge in the existing military and political power structure.

Before the 2006 reintegration, the SPLA had just one three-star general. As a Small Arms Survey report notes, “in some divisions, commanders, deputy commanders, and chiefs of staff were all at the two-star level.” Now the SPLA was preparing to integrate the force that had for years been its adversary—which included a large number of people that had been promoted by Khartoum to senior ranks. This created pressure for Salva Kiir to quickly promote SPLA officers—to avoid a large infusion of former military rivals that outranked the existing army. It became clear to many commanders that having more forces to command meant they could receive more money. Compounding this problematic incentive structure, salaries were disbursed in cash to commanders for distribution to their soldiers without any centralized roster. Subsequent rounds of reintegration of opposition forces into the SPLA followed the same trajectory of inflated numbers with inflated or recently-promoted ranks.
Unaudited military spending

An army of 230,000 with a large share of ghost soldiers has little practical purpose. A payroll for a ghost army of that size, however, can have a very important purpose: providing a large opaque budget line to the military. This budget line has not successfully been subjected to rigorous public oversight and auditing. The most recent public report on South Sudan’s National Audit Chamber’s efforts to audit the government, including the SPLA, was published in 2012 and concerns efforts to audit the records from 2008. This report references severe limitations in efforts to review SPLA spending. The report notes:

“The SPLA for the fourth year frustrated the efforts of National Audit Chamber to subject the expenditure of SPLA, out of public funds to legislative scrutiny. The audit of SPLA is all the more significant since 60% of the pay roll expenditure of GoSS is in SPLA and only 7 out of 40 divisions shared the pay roll details with Audit. The authorities at the Ministry did not give any reason but it is not difficult to construe their concerns for confidentiality. Unfortunately, the shield of security can also cover illegitimate transactions. In any event, the continued refusal to submit to legislative audit constitutes a constitutional challenge. This failure has to be seen in the light that the accounting staff in SPLA are predominantly uniformed men who implicitly carry out orders and do not refer to financial regulations. The SPLA does not have staff with accounting skills and do not have internal audit to protect public funds. On top of it external audit is thwarted. Not only audit but also the budget voted by parliament was disrespected.” [...]

The above records and observations suggest collectively that there has been a high level spending and overspending in opaque, unaudited ways for an army that on paper far exceeds the force size needed and then does not actually materialize for deployment in times of need.

Despite these issues, the security budget has grown dramatically, as the figure below shows. Finance Ministry documents put the security budget outturns (money spent) for the 2011/2012 fiscal year at 3,806,693,987 SSP. The following year, the security budget fell by 25 percent, before increasing by 30 percent for the 2013/2014 fiscal year. Between the 2013/2014 fiscal year and the following fiscal year, South Sudan’s security budget tripled before falling 16 percent for the budget that was approved for the 2015/2016 fiscal year.
The largest share of the SPLA’s overall requested budget goes toward wages and salaries (as opposed to operating costs and capital spending), as the figure below shows.

The bar chart above shows how large the allotment of army wages and salaries is relative to the army operating and capital expenditures each year. Figure 6 also shows how quickly the wages and salaries have recently grown.

Few of South Sudan’s soldiers, however, directly benefit much from the increased budget for salaries. The largest share of SPLA soldiers are privates, with the most senior-level generals making 25 times what privates make, according to the budget estimates by rank presented above. Despite salary increases in early 2016 to offset the effects of the currency devaluation in late 2015, the salaries of soldiers are worth dramatically less as hyperinflation increases. SPLA soldiers have struggled since late 2006 with non-payment and months-delayed payments of their salaries.
Soldiers have taken out their frustrations and protests over non-payment, delayed payment, and underpayment of their salaries in violent attacks amid a general climate of rising criminality and grave international concerns about the potential for large-scale atrocity crimes, including genocide. As problems with salary payments mount and daily living conditions worsen, with unprecedented levels of hunger, despite budget increases for salaries, soldiers have become more desperate, and suicide rates have risen. In June 2016 one soldier shot himself dead after his children died of hunger. He had reportedly told a colleague beforehand, “there is no need to remain alive. What will I do without children, without wife? What is the future? I better go with them.”

Conclusions on the SPLA roster and payroll

A large share of South Sudan’s insufficient national resources goes to military costs and specifically to military salaries. The payroll on which the budgetary allotment is based, however, on paper far exceeds the force size South Sudanese military leaders have said in the past that they need. The number of troops reflected in the budget is far larger than any existing force that is called up for deployment and actually materializes for operations commanded by the country’s top leaders. Despite the detailed data made public by the government, it is still not clear exactly how much money officially goes where and to whom, for what necessary purpose. The Defense Ministry is supposed to be responsible for preparing and managing the SPLA budget as one part of the overall defense budget, though it seems the directorates for budget management have been reassigned to fall directly under the SPLA. The procurement and use of increasingly sophisticated military equipment has continued, by many accounts.

Contract inflation and procurement fraud

When there is money available, contract inflation and procurement fraud—both of which are common in military spending in South Sudan—provide public officials with powerful ways of buying or leasing loyalties. The money employs and feeds a support network for a powerful individual or network.

There are two main types of procurement for the military in South Sudan. Strategic procurement involves the acquisition of heavy weapons and other military equipment. General procurement involves the purchase of food and fuel and the airlifting of soldiers. Both types of procurement can involve contract inflation.

Contracts for procurement deals are negotiated and awarded based on three factors: (1) the rents, or difference between how much money the deal costs and how much money the deal can generate; (2) the discretion of the public official who can facilitate, authorize, and finance the transaction with public resources; (3) the discretion of private actors involved in helping to carry out the transaction. South Sudan’s constitution and laws restrict self-enrichment activities by certain public officials, but there are some gaps in these regulations, and enforcement of the laws is weak. Public officials are able to easily exploit gaps and weaknesses in the rules on conflicts of interest between the public and private sector.

Public officials typically require a bribe or kickback of roughly 10 percent and which could be higher depending on the benefits attached to the deal. Depending on the interests at stake and the constraints and opportunities in the deal, the parties may either cooperate or compete. When they compete, one party (at times the private party and at times the public official with access to cash and the stamp of
official authorization) coerces the other and exacts additional fees to clinch the deal or increase his or her profit margin.

These contract inflation and procurement fraud practices are made possible when there is public money that is available for diversion.

**Unregulated spending amidst fiscal crisis**

When there is little to no public money available, some government ministries resort to writing checks for procurement contracts and other expenses that cannot be cashed at the central bank, where the clearinghouse has collapsed and no money is available for withdrawal. Unregulated public spending continues, reflecting desperate attempts to sustain loyalties after the money to do so has run out. The checks continue to be written though the check-writers at the ministries know that there is no money.

This practice, combined with already low revenue and high spending, has contributed to the comprehensive bankrupting of the public coffers, including the most well-resourced coffers. Defense-related contracts and salaries are some of the heaviest expenses and these expenses have exceeded the already large budget lines the Defense Ministry has.

Sources with direct knowledge told the Enough Project that the Finance Ministry sends the private agents who claim payment on their government contracts to the central bank, where the claim for withdrawal exceeds the bank reserves. The claims documents are then returned to the Finance Ministry. This situation can create further delays and competition among payment-seekers and further opportunities for corruption by those who decide which claims are paid. Without a powerful insider as a collaborator, it is nearly impossible to move one’s papers past the army’s bureaucratic branches to the Finance Ministry.

As these developments and dynamics suggest, efficiency, accountability, and the inflows of state funds into public coffers and outflows for documented salary needs and public services, is often not the main goal within South Sudan’s bankrupted national cash-flow system. This is true particularly when it comes to collection and expenditure by the military. The main goal within this system is cash collection—at times with practices that resemble highway robbery—for the powerful and armed individuals, and in this goal the system has succeeded. Powerful leaders have failed the South Sudanese people and robbed them of the public funds needed to provide public services. But they have succeeded in generating some money for themselves and their supporters. They have succeeded—for now—in overcoming obstacles to kleptocracy and inefficiency in order to build the system that best serves their private interests.

**Basic measures for managing public financial resources more efficiently**

Those in power are unlikely to make reforms that diminish their power and access to resources. However, facing shortfalls in the money, equipment and troops they would like to have at their disposal, South Sudan’s political and military leaders may wish to manage scarce resources more efficiently. Executive leaders could choose to take a number of practical measures to this end. They could, for example, implement salary adjustments for budget managers, recalibrate the SPLA payroll to better fit realities, and
order the disbursement of public funds in smaller sums. South Sudanese legislators could take several measures to improve resource management as well, for example by passing the country’s procurement bill and actively promoting implementation of the bill’s provisions. South Sudanese legislators could also explore proposals to increase taxation of government contracts for procurement and develop other proposed measures to stimulate private sector activity.
Endnotes


5 Ibid., pp. 355-358.

6 Ibid., p. 348.


10 According to reports by those involved in crafting and reviewing the white paper, the document provides for two SPLA regulatory divisions that were new at the time: the SPLA Command Council and an Inspectorate General, with the latter having both inspection and audit powers. The white paper was criticized for commitments that comprehensively accounted for the needs of SPLA troops but exceeded the SPLA’s available resources to provide for all of the needs. The provisions for staff and financial management were also criticized as inadequate. Guidelines for improvements in procurement regulations were also lacking, and the document was criticized for requiring adherence to anti-corruption legislation that did not yet exist at the time.


Conflict in the Republic of South Sudan," August 2015, art. 5.2.3, p. 7.

...the management of national defence. This will be separate from the existing SPLA Command Council, which provides a forum...

The act further notes, “A Defence Council will be established, [army] Headquarters, to promote an integrated approach to defence management with a more efficient and effective sy...

...territory, efficient, patriotic, disciplines and non...

The 2009 SPLA Act references a “unified civil and military structure, incorporating both the Ministry of Defence and General...

The “Objective Force 2017” vision of a transformed army and the “Transformation Programme 2012-2017” roadmap toward achieving the vision. Both are on file with the Enough Project.

One document references the goal of “building a conventional defence institution within a broader context of a national democratic Government,” adding separately, “The desired end state for this transformation is that the SPLA is accountable and subject to the principles of democratic civil control and the rule of law.” A key part of the role of the SPLA, according to this planning document, is to “Support economic and social development by developing democratic accountability, operating within an affordable budget, and maintaining the highest standards of personal and institutional discipline and integrity. The strategic intent for SPLA General Headquarters (GHQ) is to transform the SPLA from a guerrilla army to a modern, regular, professional, efficient, patriotic, disciplines and non-partisan military force subordinated to civilian authority, capable of defending the territory, the people and the interests of South Sudan.” Sudan People’s Liberation Army Transformation and Research Directorate, SPLA General Headquarters, “Transformation Strategy 2017: Part 1: Objective Force 2017 Concept,” pp. 2, 6, draft 4, May 15, 2011, on file with Enough.

The 2009 SPLA Act references a “unified civil and military structure, incorporating both the Ministry of Defence and General [army] Headquarters, to promote an integrated approach to defence management with a more efficient and effective system of delivery.” The act notes, “Defence policy and the strategic management of defence activities will be provided by the Ministry of Defence and the SPLA General Headquarters respectively.” The act further notes, “A Defence Council will be established, chaired by the Minister of Defence, and including Service Chiefs and senior Ministry staff, to provide strategic policy direction to the management of national defence. This will be separate from the existing SPLA Command Council, which provides a forum for coordinating the day to day management of the SPLA.” Sudan People’s Liberation Army Transformation and Research Directorate, SPLA General Headquarters, “Transformation Strategy 2017: Part 1: Objective Force 2017 Concept,” pp. 2, 6, draft 4, May 15, 2011, on file with Enough.


29 Ibid.

30 The Sudan People’s Liberation Army Act, 2009, secs. 16(2c), 18(3); pp. 11, 12.

31 Ibid., sec. 16(b, c, f), p. 11.


33 The government of South Sudan has spent heavily on its military for years, devoting a large share of its official budget to military spending. An October 2016 speech by the finance minister indicated this trend would continue for the 2016/2017 fiscal year, with 11 billion SSP of the anticipated 23.2 billion SSP designated for the security sector, with the majority of this money to be used for salaries. The official 2015-2016 itemized budget for South Sudan, shows that South Sudan allocates 43 percent of the budget to the military, 58 percent to both military and rule of law combined, and two-thirds of its total budget (67 percent) on military, rule of law, and public administration together. This budget indicates about 6 percent of spending goes to education and about 3 percent of spending goes to health care. The African Union Commission of Inquiry report on South Sudan that was completed in October 2014 but only publicly released in October 2015, says, “Security and salaries appear to consume a large portion of revenues, with national estimates of budgetary allocation to defence alone ranging between 40% and 60%” (para 171, p. 56). In May 2015, The Indian Ocean Newsletter noted, “According to figures obtained by the IMF from the finance ministry, with the continuing war, the State is still devoting 70% of its expenditure on security ($210 million a month).” The Stockholm International Peace Research Institute (SIPRI) military expenditure database analyzes military spending in several different ways and compares it among different countries. For South Sudan, military spending as percentage of gross domestic product (GDP) was 13.8 percent for 2015; 11.8 percent for 2014; 8.3 percent for 2013; 9.5 percent for 2012; and 5.9 percent for 2011. The SIPRI military spending data has been cited by other news articles, including those by the East African and Mail & Guardian Africa, that emphasize how high South Sudan’s military spending is relative to that of others in the region. The 2016 African Economic Outlook on South Sudan notes “Most of the spending on health...comes directly from outside sources” (p. 5); “To date, about 75% of health services are provided by NGOs” (p. 10). A 2015 UNESCO study on education in South Sudan notes that in 2013 “Only 5.4% of the national budget was allocated to the Education Sector, despite the requirement for 10% in the Education Act.” Government of South Sudan, “Budget speech FY 2016/2017 Presented to Transitional National Legislature By Hon. Stephen Dhieu Dau, Minister of Finance & Planning,” October 2016, p. 13, para. 57; p. 19, para. 79; Government of South Sudan Ministry of Finance and Economic Planning, “2015/2016 approved budget,” pp. 82, 69, 50, 25, 30, available at http://www.grss-mof.org/wp-content/uploads/2015/11/2015-16-Itemized-Budget1.pdf; African Union Commission of Inquiry on South Sudan, “Final Report of the African Union Commission of Inquiry on South Sudan,” para 171, p. 56; Indian Ocean Newsletter, “In IMF view, a kleptocratic State bordering on bankruptcy,” May 1, 2015; Stockholm International Peace Research Institute, “SIPRI Military Expenditure Database,” available at https://www.sipri.org/databases/milex (last accessed January 2017); Allan Olingo, “Nairobi, Juba lead region in military expenditure,” The East African, May 7, 2016, available at http://www.theafrican.co.ke/news/Nairobi–Juba-lead-region-in-military-expenditure/2558-3193816-85hrduz/index.html; Ilya Gridneff, “South Sudan budgeted $850m -- or up to 15% of its GDP -- to crush rebellion, UN says,” Mail & Guardian Africa, August 24, 2015, available at http://mgafrika.com/article/2015-08-24-south-sudan-budgeted-850m-to-crush-rebellion-un-says; Frederick Mugisha and Guy Blaise Nkamleu, “South Sudan 2016,” pp. 5, 10 (African Development Bank, Organisation for Economic Cooperation and Development, U.N. Development Programme: 2016), available at http://www.africaneconomicoutlook.org/en/country-notes/south-sudan; U.N. Educational, Scientific and Cultural Organization (UNESCO), “Review of Education For All in South Sudan supported by UNESCO,” February 23, 2015, available at http://en.unesco.org/news/review-education-all-south-sudan-supported-unesco.


35 To arrive at this number, we totaled the numbers of staff at each rank for the lines that had a pension. Army personnel have pensions in South Sudan; the personnel for the other types of security forces do not have pensions.


38 de Waal, The Real Politics of the Horn of Africa: 96.

39 Johnson, South Sudan: The Untold Story from Independence to Civil War: p. 227.

In South Sudan’s military structure, two-star generals (major-generals) command divisions of approximately 10,240 soldiers (four brigades of 2,560 soldiers). South Sudan has only 10 divisions. A group of 17 two-star generals would have needed 17 divisions (a force of 174,080 soldiers) to have the proportional balance between generals commanding divisions and troops under their command. Instead the number of infantry was unknown, but estimates say it might have been as low as 15,000 and as high as 50,000. Interview with South Sudanese military expert, December 2016, Washington, D.C. Sudan People’s Liberation Army Transformation and Research Directorate, SPLA General Headquarters, “Transformation Strategy 2017: Part 1: Objective Force 2017 Concept,” p. 18, draft 4, May 15, 2011, on file with Enough; de Waal, The Real Politics of the Horn of Africa: 96.

Johnson, South Sudan: The Untold Story from Independence to Civil War: p. 227.


Research conducted by the Transparency International Defence & Security unit for the 2015 Government Defence Anti-Corruption Index for South Sudan found, “There is awareness within defence circles of the realities [sic] of corruption and where the problems lie. Some measures have been put in place to mitigate this, e.g. the MOD started providing an ‘operating budget’ to commanders in 2013 to address their complaints that they needed to inflate their payroll numbers as a necessity as this was the only way of securing funding for basic costs such as food, fuel etc.” Transparency International Defence & Security, 2015 Government Defence Anti-Corruption Index, “South Sudan,” available at http://government.defenceindex.org/generate-report.php?country_id=5642.


The finance minister’s October 2016 speech to parliament included the following references: “In terms of budget chapters, fourteen billion and ten million South Sudanese pounds (SSP 14,010 million) will be allocated for the salaries of Government employees, including the Army and the Organized Forces. This is the single largest chapter, and accounts for forty one percent of the domestically financed budget.” […] “The Security Sector has the largest budget allocation of Eleven billion and Forty Five million South Sudanese pounds (SSP 11,045 million), entirely funded from Government’s own resources, which accounts for 29 percent of our entire budget. The bulk of this will be used to pay salaries for the army and veterans.” Government of South Sudan, “Budget speech FY 2016/2017 Presented to Transitional National Legislature By Hon. Stephen Dhieu Dau, Minister of Finance & Planning,” October 2016, pp. 15, 19; paras. 66, 79.


An October 2016 report from the Finance Ministry noted, “The security sector consumed by far the largest proportion of total spending (38%). Expenditures exceeded budgeted levels by SSP 1.8 billion due to overspending by Defence, the Office of the President for National Security and Veteran Affairs. This was primarily due to overspending on salaries (SSP 1.2 billion) and capital (SSP 0.4 billion).” Republic of South Sudan Ministry of Finance and Economic Planning, “2015/16 Full Year Macro-Fiscal Report,” October 2016, available at http://grss-mof.org/wp-content/uploads/2016/12/2014-15-Q4-budget-execution-report-161205-1.pdf.


DefenceWeb, “Clashes erupt at army base in tense South Sudan,” March 6, 2014.


Dumo, “South Sudan budget has 40 percent funding gap, wants donor help.”

See note above with analysis of South Sudanese military spending trends.


70 Ibid.


76 Three interviews conducted in July 2016 in Juba, South Sudan.


78 Johnson, South Sudan: The Untold Story from Independence to Civil War: p. 39.