

SPOTLIGHT ON SUDAN



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FOREWORD

At the crossroads between Sub-Saharan Africa, North Africa and the Arabian Peninsula, Sudan is keeping pace with the political developments of the entire region. Yet, little studied, the country is not very visible to research institutions and think tanks due to difficult access to information.

The recent developments that have brought Sudan to the forefront have also highlighted the extent to which this country of 42 million inhabitants has its destiny linked to the countries on the southern Mediterranean. Indeed, from the sending of Sudanese militiamen to Libya to the discussions on normalization with Israel through the numerous transactions with the Egyptian neighbor, Sudan is a country that impacts the southern Mediterranean in a deep and constant way. Furthermore, in addition to the internal ongoing conflicts, Sudan has found itself in the middle of the Nile river dispute between Ethiopia and its north African neighbor Egypt.

Faced with this, and following a common reflection, the Regional Program Political Dialogue South Mediterranean of the Konrad-Adenauer-Stiftung decided to open its geographical scope to Sudan and develop more knowledge about this country through various events and programs.

In this sense, our regional program elaborated this study striving to highlight the recent developments in Sudan, its impact on the country's neighbors and the geopolitical situation.

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Sudan's International Relations in Regime Change

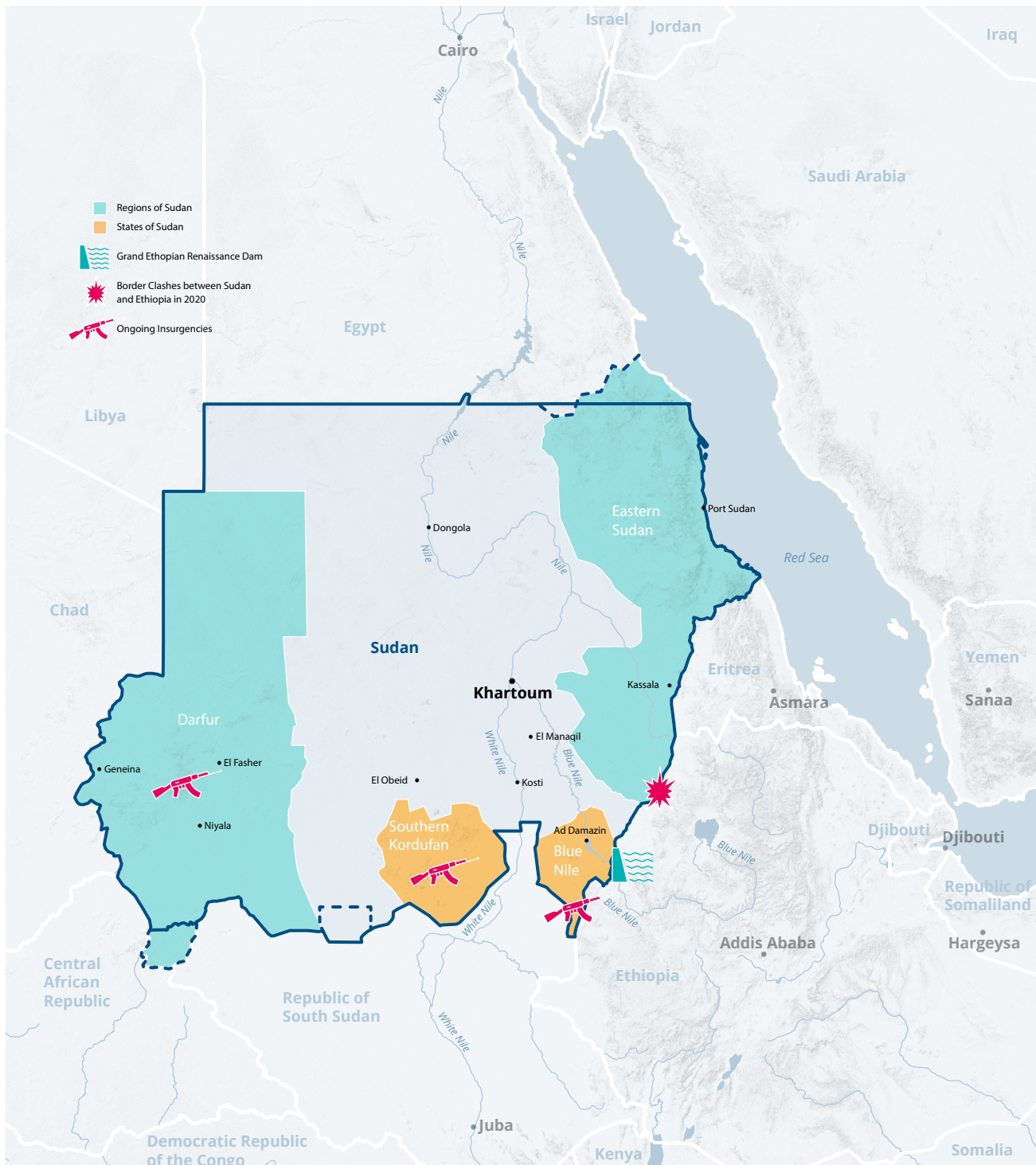
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Sudan in Its Neighborhood



Executive Summary

Sudan is navigating a difficult political transition. In 2019, a revolutionary uprising brought on by an economic crisis and decades of authoritarian rule prompted a military coup against then President Omar al-Bashir. In a power sharing agreement sealed in August 2019, the political opposition agreed to share power with the generals who overthrew Bashir.

Regime change in Sudan took place at a momentous time for the country's neighborhood. Politics in the Horn of Africa and the Persian Gulf – long considered distinct strategic regions – have become increasingly entangled. In parallel, growing inter-state competition and a predominance of bilateralism have become defining facts of regional interactions.

In the unsettled balance of power of the region, the direction of the Sudanese transition and the foreign orientation of the transitional regime have become stakes for the power plays of outside powers. Sudanese factions have sought the support of, and faced pressure from, regional states and global powers which are seeking to shape Sudan's positions in salient issues – in negotiations over Nile waters, on the question of Arab normalization with Israel, and also in the rivalries pitting Iran, Turkey and Qatar against the so-called "Arab Troika" (the United Arab Emirates, the Kingdom of Saudi Arabia, and Egypt).

Regional intervention decisively shaped the initial direction of Sudan's transition in 2019, when Saudi Arabia and the UAE provided critical support to the junta that overthrew Omar al-Bashir, allowing it to resist popular demands for civilian rule and accountability for the crimes of Bashir's government. Sudan now stands firmly in the Arab Troika's orbit.

But the demands of the Arab Troika and those of the United States have caused tensions among the components of Sudan's transitional authorities and placed obstacles on the country's path to economic recovery. In October, President Donald Trump finally announced he will ask Congress to lift the State Sponsor of Terrorism (SST) Designation which has hampered economic normalization between Sudan and Western countries, but Sudan's economy has now collapsed and the prospects for further political destabilization are rising.

Introduction

Sudan is in the midst of a fragile transition. Following a revolutionary uprising and a coup last year, the ethnically diverse country of 42 million people, whose economy has relied since Independence from Britain, in 1956, on its rich natural resources – gold, oil, livestock, sesame, and gum arabic, has an opportunity to turn the page of authoritarian rule.

The civilian parties that opposed the 30-year rule of Islamist President Omar al-Bashir are now cohabitating with the generals who led his military and security apparatus, in a power-sharing arrangement designed to lead the country to elections in three years. In October, an agreement signed between the government and armed groups in Juba (the capital of South Sudan) promised to bring peace to the peripheral regions of the country, such as Darfur, Southern Kordofan, and Blue Nile, which have faced insurgencies in recent decades.

The transition represents a once-in-a-generation opportunity for change, but it is not unprecedented. The memory of popular uprisings which led to regime change in 1964 and 1985 remains vivid in the minds of many Sudanese. So does the memory of the military coups that subsequently interrupted these interludes of democratic rule.

Sudan's transition comes at a time of great turbulence for its neighborhood. Ethiopia is close to completing the Grand Ethiopian Renaissance Dam (GERD), which ushers in a new era in the struggles over the control of Nile waters, potentially ending centuries of Egyptian domination over water usage and paving the way for further upstream development across the Nile Basin.

The Horn of Africa is also in the midst of growing instability. Ethiopian Prime Minister Abiy Ahmed raised hopes for democratization and peace when he was appointed by Ethiopia's ruling coalition in 2018 on a pre-existing mandate for reforms and signed a peace agreement with Eritrea. However, after Abiy sidelined the Tigray People's Liberation Front (TPLF), the formerly dominant governing force in Ethiopia's ruling party, he unsettled the regional status quo by changing Ethiopia's stance on a number of regional issues without a discernable strategy or policies. In addition, outbursts of violence and growing internal tensions in Ethiopia have raised the possibility of an escalation into all-out conflict. In Sudan, the newfound cooperation between the government and the armed groups who signed the Juba peace agreement was eclipsed by renewed violence in the regions of Darfur and Southern Kordofan as well as a new escalation of intercommunal conflicts and demands for autonomy in the hitherto stable East.

The Horn has also become the theater of Middle Eastern rivalries against the backdrop of declining US influence. Divided Gulf powers and Turkey are seeking to wrest influence in East African states away from their opponents. The competition is the fiercest in Somalia, where Qatar and Turkey are engaged in a tug-of-war with the UAE, Saudi Arabia, and Egypt. These rivalries have directly affected Sudan, whose transitional trajectory has been shaped by Saudi and Emirati efforts to draw Khartoum away from Qatar and Turkey, its allies under Bashir.

This policy brief explores how Sudan's regional and international position has changed as a result of regime change in 2019. We show that Sudan under Bashir ruthlessly adapted to changing regional and international circumstances, evading Western pressures by cementing alliances in its neighborhood, Asia and Russia, but also playing different sides against each other in Middle Eastern rivalries. This strategic maneuvering failed when Sudan ran out of foreign exchange.

The economic crisis that precipitated the revolutionary uprising and which has only worsened since then has considerably weakened Sudan's bargaining capacity in foreign relations. Desperate in their search for money, the transitional Sudanese authorities have sought to please the US, Europeans, the UAE and Saudi Arabia, but the assistance they have received in return has fallen far short of Sudan's needs, and the economy continues to collapse. Trump's 20 October announcement that he would formally ask Congress to remove Sudan from the US SST list raised hopes that Sudan could fully normalize economic relations with Western countries in the next years. But Sudan faces a race against time. The accelerating economic crisis could well precipitate a military intervention, social and state collapse, or civil war, which would reverberate throughout the region.

Bashir's maneuvers

Not Quite a Pariah

A dominant narrative describes Sudan in recent decades as a pariah state. Under Omar al-Bashir, who seized power in a coup in 1989 and remained president for three decades, Sudan faced United States sanctions and a United Nations arms embargo, while Bashir became an international fugitive wanted for war crimes, crimes against humanity and genocide as a result of his brutal counterinsurgency campaign in the western region of Darfur. But the story considerably downplays Bashir's successes in adjusting to outside pressures by building relations with a broad range of regional actors and global powers.

1990s - 2000s

The Islamist government that came to power in Sudan in a 1989 coup quickly took an orientation hostile to the US and its allies. Islamist ideologue Hassan al-Turabi, who led the regime in its initial years, denounced the US presence in the Persian Gulf and sought to provide impetus for Islamist movements from across the Muslim world. Sudan aligned with Iraq in the first Gulf War and invited representatives of Hamas, the Algerian Front Islamique du Salut, Tunisia's En-Nahdha, Hezbollah, as well as veteran Mujahidin from the Soviet war in Afghanistan, including Osama bin Laden. Sudan subsequently gave Egyptian jihadists support in their attempt to assassinate Egyptian President Hosni Mubarak¹. In parallel, the Sudanese government built a strategic cooperation with Iran, which became a major source of training and equipment for Sudan's military and security apparatus. This was an era when the Shi'a-Sunni divide had yet to emerge as a dominant fault line in Middle Eastern politics: Sunni Islamists found inspiration from, and convergence with, the Iranian government born out of the 1979 revolution.

1. Collins, R. A History of Modern Sudan, Cambridge, 2008, pp.215216-.

Sudan's assertiveness put the country on a collision course with its neighbors and much of the world. In 1994/1997-, Ethiopia and Eritrea carried out military operations on Sudanese soil and, alongside Uganda, came to support the Sudanese armed opposition, notably the rebels of the Sudan People's Liberation Movement (SPLM) who fought Khartoum's government in Sudan's South².

In 1993, Sudan's support to Somali Islamists had earned the country a place on the US SST list³ and in 1997 the US imposed economic sanctions. Sudan drifted further away from much of the West in the 2000s. As a vicious war raged on in the South – between the government and the SPLM, but also between the SPLM and other Southern militias backed by Khartoum – public outcry forced Western oil companies to pull out of their investment in Sudanese oil. After new rebellions broke out in Darfur in 2003, Bashir's murderous counter-insurgency drew condemnation in the US and Europe. In 2009, the International Criminal Court issued warrants against Bashir and other top officials. This was the first time the Court indicted a sitting head of state.

But Bashir bounced back, turning tactical maneuvers into strategic choices. Under pressure, he would make concessions that would buy him time, then try to undermine them later. For instance, in 2005, as he faced intense pressure over Darfur, Bashir conceded to a Comprehensive Peace Agreement with Southern rebels. Mediated by the Intergovernmental Authority on Development (IGAD), an international organization of mostly Horn of Africa countries, the agreement paved the way for a referendum of self-determination for South Sudan in 2010, and secession in 2011. It also included an agenda of democratization for Sudan, which Bashir never implemented.⁴ Bashir also engaged in multiple negotiation processes: peace talks with Darfur armed groups and a "national dialogue" with political parties, which the opposition saw as bad faith attempts to deflect pressure.

In response to its reputational problem in the West, Bashir's government pivoted to new international alliances. After the departure of Western oil firms, Sudan welcomed Asian national oil companies, paving the way for a strategic shift towards China, Malaysia and, to a lesser extent, India. Bilateral ties with Beijing had already expanded in the 1990s when Sudan expanded its weapons purchases. By 2010, China had become Sudan's main trading partner. Starting from the mid-1990s, Bashir's government also built up its defense cooperation with Russia. In the mid-2000s, as critical discussions were taking place at the United Nations Security Council over the situation in Darfur, Russia and China lent their support to Bashir, blocking sanctions against Sudanese officials (The two powers also violated the UN arms embargo imposed on Darfur).

At a time where relations with the West were at their nadir, Bashir focused on mending ties with his neighbors. In the 2000s, Sudan came to believe it was no longer in its interests to continue supporting opposition groups of Ethiopia, Eritrea, and Chad. In 2006, Issayas Afwerki, the leader of Eritrea's one-party state, brokered a peace agreement in Eastern Sudan. He had previously supported the Eastern Front, an umbrella of armed opposition groups in Eastern Sudan; the deal was an opportunity for Eritrea and Sudan to improve their relations. Bashir operated a comparable rapprochement with Chad's Idriss Déby in 2010, leading the two countries to curb the activities of rebel groups which had used each other's territories as rear bases. Bashir also improved relations with Ethiopia. The two countries worked toward the demarcation of their border, a region where Ethiopian farmers occupied Sudanese land in violation of a

2. De Waal, A. *The Real Politics of the Horn of Africa*, Polity, 2015, p. 47.

3. *Ibid*, pp.194/199-

4. On the CPA, see Young J. *The Fate of Sudan: The Origins and Consequences of a Flawed Peace Process*, Zed Books, 2012.

series of bilateral agreements established since the Anglo-Ethiopian Treaty of 1902⁵. In 2012, Bashir expressed support for Ethiopia over Egypt on the GERD, an unprecedented hydroelectric project which commenced in 2011 – as Egyptian President Hosni Mubarak fell – and threatened Egypt's historical dominance over Nile waters.

2010s - 2020s

By 2011, Bashir was facing a new wave of threats. Across the Arab world people demonstrated against corrupt regimes. South Sudan seceded, a development which came as a shock to many Sudanese ruling elites, who blamed Bashir's mismanagement of the issue. By leaving with most of Sudan's oil reserves, the South also carved a gigantic hole in Sudan's finances. War also resumed in the federal states of Southern Kordofan and Blue Nile, located on the border with the new country of South Sudan. These regions were homes to groups that had joined Southern rebels in their war against Khartoum but ended up north of the border. Bashir's government resorted to its usual counterinsurgency tactics, mobilizing militias from local populations hostile to rebels, blocking humanitarian access, and causing mass displacement by targeting the civilian populations which the government deemed sympathetic to rebels.

But even as Bashir's position appeared increasingly desperate, his government found a new lease of life. The discovery of gold in Darfur and in northern regions allowed Sudan to become, in the space of a few years, one of the world's leading exporters and provided crucial foreign exchange that enabled the government to survive. Mobilizing his wide portfolio of diplomatic relations, Bashir also flouted the warrants of the International Criminal Court, travelling to 33 countries, some of which, as parties to the Rome statute, ignored their obligation to arrest him. In 2013, as Sudanese went out to protest the government's lifting of fuel and gas subsidies, security forces opened fire with live ammunition and killed an estimated 170 people.

The 2010s also brought to Bashir the promise of normalization with the West. In spite of Bashir's war crimes in the new wars in Southern Kordofan and Blue Nile, the European consensus on keeping relations with his government to a minimum began to crack. Germany hosted an investment conference for Sudan and South Sudan in 2013, to the consternation of Sudanese opposition groups. Berlin also backed negotiations between the government and armed groups that competed with another process led by the African Union, which prioritized the quest for a ceasefire. The "national dialogue" that Bashir announced in 2014, and which the opposition denounced as a diversion tactic, earned the approval of the European Union. That same year, the EU made stopping migration a central priority of its external action. The Khartoum Process, an opaque multilateral initiative between the EU, the AU, European and African countries, gave European countries the cover to pursue bilateral cooperation with African states to curb migration, including by funding activities aimed at strengthening their capacity to control their borders. The Khartoum Process was a political success for Bashir's government. In Europe, it broke a taboo among governments. From then onwards, France and Italy began to cooperate with Sudan to facilitate the deportation of Sudanese asylum seekers; the head of Sudan's security service Major General Salah Gosh traveled to Paris and London to meet senior officials; and the UK, now engaged in a "strategic dialogue" with Sudan, was promoting investment in the country.

5. Interviews with senior Ethiopian diplomats and senior retired Ethiopian military and intelligence officials, Addis Ababa, May 2020.

In the US, where the national security apparatus and Congress played a leading role in the Sudan policy, normalization efforts were more halting. In the aftermath of 9/11, even as the US was pushing for sanctions against Sudanese officials and a peacekeeping mission in Darfur, Sudan leveraged the US' newfound focus on jihadist threats to build intelligence cooperation with the CIA. In 2009, the Obama administration had begun discussions with Sudan over a potential lifting of US economic sanctions. But the recent memory of domestic mobilization over Darfur and Sudan's poor reputation made progress difficult. This changed in 2017, when the administration, citing progress on counter-terrorism and human rights, eventually lifted economic sanctions (human rights organizations at the time said that the human rights situation in Sudan had not improved). Normalization, however, remained far from complete, as Sudan remained on the US SST list.

Tremors of Change Across the Arab World

As Sudan's government worked in earnest to improve its relations with the West throughout the 2010s, it maneuvered a dramatically changing regional environment characterized by a decline in US influence and the resulting increased inter-state competition.

The "Arab Spring" of 2011 broke out as President Obama sought to take a step back from the interventionism that had characterized George W. Bush's policy. As the Arab world entered turmoil, the UAE and Saudi Arabia saw a threat in the seeming ascendance of Muslim Brothers and in prospects for democratization in countries like Tunisia and Egypt. They turned to a more interventionist foreign policy, supporting opponents of the Muslim Brothers throughout the region.

In parallel, the intensifying rivalry between Saudi Arabia and Iran came to impose its logic on Middle Eastern politics. In 2015, the Saudis mounted a military coalition to crush Yemen's Houthi insurgents, then loosely allied to Iran. Bashir was hungry for foreign exchange and investment flows to compensate for the loss of revenue from South Sudan secession and he began to move away from Iran, its traditional ally, in order to seek patronage from the Gulf. He expelled Iranian diplomats in 2014, sent 10,000 troops to Yemen in 2015 in support of the Saudi-led coalition, and eventually cut ties with Iran in 2016. In exchange, he received an estimated 56- billion dollars from Saudi Arabia and the UAE.⁶

Running Out of Options

Even as Bashir appeared to survive the consequences of South Sudan's secession, his regional position in the 2010s became increasingly precarious. Domestically, he had to contend with renewed threats to his leadership. Islamist heavyweights from the ruling party keen to unseat him sought to capitalize on prevailing discontent over South Sudan's secession and the ensuing economic crisis. Under challenge, Bashir was unable or unwilling to fulfill a promise to the UAE to sideline these Islamists from his government. The economic situation also continued to spiral downwards. By lifting economic sanctions without rescinding the SST designation, the US in 2017 had inadvertently precipitated a slide in the Sudanese pound: foreign investors stayed away while Sudanese traders rushed to purchase foreign currency to import more goods, exacerbating balance of payment problems.

6. Interview with a senior Sudanese politician, Khartoum, April 2019.

The Qatar crisis, which in 2017 saw the small emirate face a blockade from the rest of the Gulf monarchies, thwarted Sudan's full realignment on the UAE and Saudi Arabia. Senior figures within Bashir's government were reluctant to sever strong ties to Qatar, which hosted peace talks with Darfur armed groups, had helped Sudan lobby the Obama administration in favor of a lifting of sanctions,⁷ and sponsored factions of the Muslim Brotherhood across the region. Sudan remained neutral in the crisis, earning Bashir the reputation of an unreliable partner among Emirati and Saudi officials. As a result of the crisis, Qatar moved closer to Turkey, which, under the leadership of President Erdogan, had become another close ally of Bashir. The rivalry between the Qatar – Turkey alliance and the Arab Troika became another salient feature of Middle Eastern politics. Sudan's attempts to remain neutral made the Arab Troika lose patience. In 2018, Egyptian president Abd al-Fattah al-Sisi asked Bashir to leave power the following year, to no avail.⁸ After Bashir agreed to a \$2 billion loan from Qatar, the UAE in December 2018 stopped its shipments of fuel to Sudan, helping accelerate the economic crisis and the revolution.

Regime Change and Sudan's International Realignment

When, in December 2018, people across Sudan took to the streets to contest Bashir's rule, the possibility of regime change became an opportunity for regime insiders and foreign powers alike to shape the new regional orientation of Sudan. The Arab Troika moved quickly and decisively to support the military and security leaders of Bashir's government, paving the way for the coup which overthrew him on 11 April 2019. In the following months, they gave political, financial and military assistance to the Transitional Military Council (TMC), which enabled the junta to resist popular demands and ultimately contributed to destabilizing the country by prolonging the uncertainty over negotiations.

Since September 2019, Sudan has enacted full normalization with the EU and an alignment with the Saudi and Emirati axis, and pursued normalization with the US. Sudan's foreign relations have been the arena for power struggles within transitional power sharing institutions, including between the military and civilian sides of government and among leaders of the military and security apparatus. The military branch has largely taken over relations with Sudan's neighbors, which remain mostly unchanged.

Regional Moves Around the Revolution

The revolution began with demonstrations in December 2018 against Bashir's lifting of wheat subsidies. They quickly turned into a broader and sustained uprising as people, week after week, came out demanding "freedom, peace, justice". The mobilization catalyzed unprecedented unity among hitherto fragmented opposition groups and parties. On 1 January 2019, they signed a joint declaration, gathering under a single umbrella called the Forces of Freedom and Change.

On 7 April 2019, nearly four months into the longest-running protest movement against Bashir's government, demonstrators converged onto the headquarters of the Sudanese army. They stayed throughout the night and began a sit-in. Foot soldiers pledged their allegiance to the revolution. Over the following days, hundreds of thousands gathered in central Khartoum to demand Bashir's downfall. On 11 April, the generals of his military and security apparatus arrested him and installed the TMC.

7. Interview with Sudan's then Minister of Foreign Affairs Ibrahim Ghandour, Addis Ababa, September 2017

8. Interview with a senior Sudanese politician, Khartoum, April 2019.

The coup looked like a response to the protests. But for weeks the leaders of the National Intelligence and Security Service – Sudan's then security service – had been looking for a chance to move against Bashir with the support of the Arab Troika. In February 2020, Salah Gosh, the head of the security service, brokered an agreement with the leaders of the opposition according to which Bashir would leave by 2020, but Bashir reneged on it.⁹ The same month, the UAE initiated contact with Sudanese armed groups to express its desire for a transition of power.¹⁰ On 7 April, Gosh's deputy had travelled to Egypt to try to convince the Arab Troika to support a coup. After Bashir refused an offer by Gosh to seek exile in Saudi Arabia, Gosh made a deal with opposition leaders to allow them to converge onto the army headquarters.¹¹

Within days of the coup, the UAE and Saudi Arabia pledged \$3 billion of support to the TMC. Sudan's neighbors (Egypt, Eritrea, Ethiopia, South Sudan, the Central African Republic, and Chad) welcomed the emergence of a new form of military rule, which they saw as a guarantee of stability.¹² Bashir's removal did not satisfy demonstrators, who distrusted the military and continued their sit-in to demand civilian rule. The junta engaged in negotiations with the Forces of Freedom and Change (FFC), the coalition of opposition parties, civil society groups and armed groups which backed the revolutionary uprising. But now that they were in charge, the generals, emboldened by regional support, played a waiting game, hoping the revolutionaries would grow tired and go home.

By late May, negotiations between the FFC and the TMC had reached an impasse. The junta's leaders travelled on official visits to the UAE, Saudi Arabia and Egypt; days later, on 3 June, paramilitary forces and policemen converged onto the sit-ins that continued across the country. In Khartoum alone, they killed an estimated 120 people and injured 900. The massacre prompted outrage in the AU and among Western policy makers. It also failed to cow demonstrators. and policemen converged onto the sit-ins that continued across the country. In Khartoum alone, they killed an estimated 120 people and injured 900. The massacre prompted outrage in the AU and among Western policy makers. It also failed to cow demonstrators.

Falling into the Arab Troika's Orbit

In September 2019, Prime Minister Abdallah Hamdok, a mild-mannered UN economist and the civilian pick of the FFC, took office. He moved quickly to normalize relations with Europe and the US and to seek debt relief from international financial institutions. Crushed by debt and unable to obtain new financing because of arrears, the Sudanese government hoped the international community's professed support for the transition would translate into debt relief and new pledges. But Europe, the International Monetary Fund and the World Bank moved slowly, while the lifting of the SST designation in the US became embroiled in bureaucratic battles and domestic politics.

In this challenging context, Sudan should have taken advantage of any opportunity for rapid financing. But the early support of the Arab Troika to the TMC placed Sudan firmly within their orbit and cost the transitional government precious few opportunities to revive its economy. Sudan turned down a Qatari offer for \$1 billion in support in exchange for a high level Sudanese visit to Doha¹³ (Leaders of the

9. Phone interview with a senior Sudanese politician, June 2020.

10. Phone interview with a representative of the Sudan Revolutionary Front, March 2020.

11. Phone interview with a senior Sudanese politician, June 2020.

12. Interview with a European official, Khartoum, April 2019.

13. Interview with a Sudanese cabinet adviser, May 2020.

Sudanese transition have yet to carry out an official visit to Qatar). In the words of a senior European diplomat, “Hamdok had to make a decision about who to align closest to.”¹⁴ An undeclared World Bank plan to formally clear Sudan’s arrears at the bank (amounting to \$2.2 billion) and secure \$500m of new funding via bridge financing from Kuwait similarly fell through in late 2019 in obscure circumstances. Senior sources suggested that Kuwait may have backed off under pressure from the UAE.¹⁵

The newfound influence of Saudi Arabia and the UAE on Sudan has been visible in other ways. The UAE have financed and armed Hemedti.¹⁶ Across the political spectrum, Sudanese parties (the Umma party, the Sudan Congress Party) and armed groups (the Agar faction of the Sudan People’s Liberation Movement - North and two branches of the Sudan Liberation Army) have come under the patronage of the UAE. The Emirates have been paying the salaries of the Darfur groups – including two factions of the Sudan Liberation Army – which are fighting as mercenaries on behalf of renegade general Khalifa Haftar in Libya.¹⁷ They UAE also financed the negotiations in Juba between the government and armed groups,¹⁸ which led to the signature of the peace agreement in October.¹⁹ In line with the hostility of the UAE, Saudi Arabia and Egypt towards the Muslim Brotherhood, the new Sudanese authorities have arrested and brought to trial prominent Islamist leaders close to Bashir and seized their assets.²⁰

Meanwhile, the Arab Troika has continued to build privileged relationships with the military component of Sudan’s transitional authorities. Military general Abdelfattah al-Burhan, the head of the Sovereignty Council, and his deputy Hemedti have repeatedly travelled to Gulf countries and Egypt without Hamdok present. Companies linked to the military and to Hemedti have maintained – and appear to be expanding – their business relations with Saudi Arabia and the UAE. For instance, Al-Juneid, the company that Hemedti founded, exports gold to the UAE. The military, which holds extensive interests in the agricultural sector, inaugurated this year a renovated industrial slaughterhouse whose first shipment went to Saudi Arabia.²¹

14. Interview with a senior European diplomat, August 2020.

15. Interviews with a senior Sudanese politician, with a Sudanese cabinet adviser, with a senior European official, with a World Bank employee, with a US-based analyst, April - May 2020.

16. Interview with a European official, Khartoum, April 2019.

17. Interview with an observer of Libyan politics, Berlin, September 2020. See also UN Darfur Panel of Experts Report 202026/.

18. Interview with an observer in the talks, Berlin, February 2020.

19. The Juba peace agreement, “initialed” in late August and formally signed on 3 October 2020, plans, among other things, for the demobilization or integration of armed groups into the armed forces, the appointment of armed groups representatives in the government and in the sovereignty council, and a host of measures, such as decentralization, that are meant to address the demands of Sudan’s marginalized peripheral regions.

20. Qatar and Turkey retain a modicum of influence in Sudan’s politics through their ties to Islamist groups, in particular the Popular Congress Party of late Hassan al-Turabi and the Justice and Equality Movement, a Darfur armed group which signed the Juba peace agreement. Phone interview with a Sudanese observer, September 2020.

21. Sudan has traditionally been a major exporter of livestock to the Gulf. But the lack of processing facilities means that Sudan, by exporting live animals rather than meat, captures just a fraction of the value chain. Increasing meat processing capacity is one of the easiest and most obvious ways to boost Sudan’s production value. Hemedti is also entering the business and building a slaughterhouse north of Khartoum.

From the perspective of Gulf countries, whose food security is threatened by depleted water resources, Sudan’s largely underdeveloped agricultural sector offers much potential. In the 2000s and 2010s, investors from the Gulf, Turkey and Lebanon had begun to massively invest in Sudan’s agriculture. Bashir offered long term agricultural leases -- some up to 99 years, turning Sudan into a leading African destination for “land grabs”. But the opposition of local populations and the challenges of doing business in Sudan prevented many projects from reaching completion. For the UAE and Saudi Arabia, privileged business relationships with local companies linked to their clients in the military and security apparatus offer an attractive answer to these problems.

So far, Sudan's new regional alignment has benefited its sponsors but yielded few concrete benefits for the fledgling transitional government. The UAE and Saudi Arabia in late 2019 stopped the payment of the \$3 billion they had promised to Sudan under the TMC, after having disbursed less than half of the sum. The move suggests that the two Gulf states are waiting for the dust of Sudan's messy transition to settle, or may be seeking to engineer a crisis that could precipitate a return to military rule. (The economic downturn brought on by COVID is, of course, also affecting the finances of the UAE and Saudi Arabia).²²

How Regime Change Affected Sudan's Foreign policy

Towards full normalization with Europe

Bashir's ouster removed obstacles to a normalization with Europe, as Europeans found a rare consensus on their desire to support the "civilian-led transition". In late 2019, Hamdok and his government engaged in multiple high-level diplomatic exchanges with the EU and EU countries. The emergence of an internationally-brokered transition with the potential to lead to democratization in an otherwise turbulent and authoritarian Arab region offered a "good news story" for Europeans, for whom the opening of Sudan's market – a country with vast needs and resources – also offers significant potential.

Europeans lobbied for the IMF and the World Bank to show flexibility and provide financing to Sudan in spite of its arrears, paving the way for a pre-arrears clearance grant by the World Bank, and the launch of a Staff Monitoring Program by the IMF this year – a first step towards debt relief. Europeans also publicly and privately urged the US to rescind its SST designation.

As donors, however, European countries dragged their feet. Between late 2019 and early 2020, they looked with skepticism at Hamdok's request for funding on diverse projects such as a new census or a school meals program, which, in their eyes, remained broad sketches.²³ Donors – Europeans, the IMF, the World Bank, and the US – encouraged the Sudanese government to focus on a cash-transfer program and otherwise demanded that it commit to lifting costly subsidies on fuel – a nexus of smuggling and corruption – as a prelude to financial assistance. In June, donors pledged around \$2 billion of support to various development and humanitarian programs – far short of the \$6 billion the IMF said Sudan needs to stabilize its economy. Only a portion of this had been disbursed by October 2020.

Maneuvers Around the State Sponsor of Terrorism (SST) Delisting

While Europeans embraced the transitional authorities, normalization efforts with the US have been more fraught. Until August 2020 Sudan's transition was a low priority for the Trump administration. In 2019, the White House declined to fast-track the rescission of the SST designation, whose ramifications pose key obstacles to trade with the US, foreign investment in Sudan, and negotiations over debt relief. The US opted instead for a procedural route which required the approval of multiple federal agencies and Congress, allowing the process to fall prey to bureaucratic infighting and domestic political interests. Months passed as partisans of a quick rescission in the administration battled those who believed it could be used as leverage to compel the generals to give up more power.

22. Phone interviews with a senior European official, May 2020, with a Sudanese observer, September 2020.

23. Phone interview with a European official, March 2020.

The delisting also stumbled on demands for compensation of victims of terrorism. The US demanded that Sudan compensate the victims of the Al Qaeda bombings of the USS Cole in 2000 and the US embassies in Nairobi and Dar es Salaam in the 1998, which US courts found Sudan complicit with. As negotiations dragged on, a group of victims of 911/ jumped on the bandwagon, demanding their own compensation, even though Sudan had expelled bin Laden five years before the attack. Leading Democrats, eager to deny the Trump administration a diplomatic victory ahead of the presidential election, seized on these demands.

The process took another turn in the run-up to the peace agreement between Israel, the UAE and Bahrain. In late August, US Secretary of State Pompeo surprised Hamdok by asking him to normalize relations with Israel in exchange for the lifting of the SST designation. For Sudan, normalization with Israel was already on the table. In February, the UAE had brokered a secret meeting between Burhan – the head of Sudan’s Sovereign Council – and Israeli Prime Minister Benjamin Netanyahu, a move which allowed the Emiratis to show the White House they were useful allies. What came as a surprise in the August meeting was Pompeo’s unannounced attempt to couple the question of normalization with the SST rescission. The goalpost appeared to move once again. Hamdok demurred, saying he did not have the authority to decide on such a domestically sensitive matter.

Negotiations reached a breakthrough in October. On 19 October, Trump announced his intent to proceed with the delisting in exchange for Sudan paying \$335 million to the American victims of the USS Cole and US embassy bombings, which Sudan deposited the following day. The opaque deal reportedly saw the US promise hundreds of millions of dollars of development and humanitarian assistance, the removal of Sudan from the “travel ban” list, and support for debt relief. Sudan, for its part, appears to have committed to normalize relations with Israel in a matter of weeks.²⁴

The announcement came as a political victory for Trump, who brings another Arab country on board with his “peace plan” with Israel. For Sudan’s transitional authorities, the delisting opens a new page in relations with the US and removes a central obstacle to foreign investment and the integration of the country in the global financial system. However, it comes at a steep price. The prolonged negotiations have distracted the Sudanese government from the critical and urgent need to reform the state and the economy, while the \$335 million compensation payment represents a considerable sum for a country that cannot afford to finance imports of basic commodities. Finally, the prospect of normalization with Israel is potentially destabilizing for Sudan, as groups from across the political spectrum – from the Communist Party and the Umma party, who nominally support the government, to the Islamists in opposition – oppose it. The transitional authorities are walking a tightrope

Vacillations Over the Grand Ethiopian Renaissance Dam

Since Bashir’s removal, Sudan’s position on the negotiations over the GERD, whose construction is close to completion, has vacillated as a result of disagreements within the Sudanese leadership. It eventually tilted closer to Egypt.

24. Uncertainty remains over whether the Trump administration will succeed in passing legislation that would protect Sudan from future lawsuits from victims of terrorism, given the continued support of leading Democrats in Congress to the claims of 911/ victims.

Bashir had kept Sudan in a broker position in tripartite negotiations which have been primarily defined by the antagonism between Ethiopia and Egypt, where the dam roused nationalist fervors. Tensions surged in late February of this year, when negotiations broke down after Ethiopia rejected a proposal by the US (which oversaw the talks) which Addis Ababa saw as biased towards Egypt. Ethiopia subsequently put forward a counter-proposal that expanded the scope of its ambitions by demanding that the agreement remained in the realm of discretionary “guidelines”, rather than enforceable rules. In this context, Sudan’s authorities have, in the words of a senior European diplomat, “been pulled in both directions.”²⁵

In March, Sudan rejected an Egyptian resolution at the Arab League condemning Ethiopia. The move suggested that Hamdok, who is seen in both Cairo and Addis Ababa as an ally of Abiy, was in charge of Sudan’s GERD policy.²⁶

The decision prompted a flurry of diplomatic activity between Burhan and Hemedti and the director of Egypt’s General Intelligence Directorate, Abbas Kamel, which suggested that Egypt was seeking to leverage its relations with Sudan’s military and security apparatus to draw Sudan away from Ethiopia.²⁷ In June, after talks resumed under the oversight of the AU, Sudan reversed its position at the Arab League²⁸ and aligned with Egypt at the UN Security Council on a number of outstanding points of disagreement in the talks.²⁹

Sudan’s shift closer to Egypt in the Nile talks has been visible in other ways. When Ethiopia was ruled by the TPLF, Bashir had been happy to express support for the GERD while tolerating the continued occupation by Ethiopian militia and farmers of Sudanese agricultural land in Eastern Sudan, on the border between the two countries. This has changed. In April, Burhan, after meeting the chief of staff of Ethiopia’s army and Ethiopian military intelligence officials, arrived at a garrison near the Ethiopian border. He pronounced the readiness of the Sudanese army to defend Sudan’s territorial integrity against Ethiopian incursions. Sudanese observers saw in his bellicose tone an attempt to seek to secure Egypt’s favor in his domestic tug of war with Hemedti.³⁰ Tensions came to a head mid-May when clashes broke out between organized armed Ethiopian Amhara farmers, Amhara special forces, and Amhara regular militia on one hand and Hemedti’s Rapid Support Forces on the other, drawing in the Ethiopian armed forces.³¹

Observers in Ethiopia now believe that Sudan could leverage demands for effective demarcation to pressure Addis in the context of Nile talks³². In June, a Sudanese civilian delegation arrived in Ethiopia, asking Abiy Ahmed to implement demarcation of the Ethiopia-Sudan border.³³

25. Phone interview with a senior European diplomat, June 2020.

26. Interviews with senior Ethiopian diplomats, Addis Ababa, May 2020. Phone interviews with a Sudanese observer and with a senior European diplomat, June 2020.

27. Phone interview with a European diplomat, June 2020.

28. On June 24, Sudan reversed its position at the Arab League, supporting Egypt.

29. In the context of renewed Ethiopian assertiveness in the talks, Sudan’s interests aligned with Egypt in constraining Ethiopia’s current demands for a de facto renegotiation of water rights and for keeping the language of the agreement to loose “guidelines” that would preserve its future ability to manage the annual flow of the river on a discretionary basis. Sudan proposed an annual operation rule that restricted Ethiopia’s leeway in managing releases from the dam, sought a legally binding agreement, and rejected an insertion by Ethiopia of a provision to mandate the three countries to reach a water-sharing agreement within 10 years (in accordance with the Nile Basin Cooperative Framework Agreement - an agreement which Egypt and Sudan never signed). 24 June 2020 letter from the Permanent Representative of Sudan to the United Nations to the UN Security Council, on file with authors.

30. Phone interview with senior Sudanese political observer close to Hemedti, June 2020.

31. Telephone interviews with eight Ethiopian eye-witnesses on the contested border, in Qwara and West Armachiho; interviewees described clashes pitting forces principally wearing the regulation uniform of the RSF (red berets, beige camouflage, beige boots) and riding

32. Interviews, senior Ethiopian diplomat, advisor, Ethiopian Prime Minister’s Office, senior Sudanese official, Egyptian observer, Addis Ababa, May 2020.

33. Abiy demurred, was demarcation could cost him support among border Amhara constituencies who see some of the land on the Sudanese side as theirs. Telephone interview, senior security advisor to Amhara regional state, May 2020.

Conclusion

The fragmentation of Sudan's new leadership – Burhan, Hemedti and Hamdok – and of the transitional institutions more generally mean that Sudan in 2020 has limited influence over its neighbors and its broader region. This weakness, in turn, makes Sudan susceptible to outside influence.

Hamdok and his government have spent much energy courting the West, while the military wing of the government, represented by Burhan and Hemedti, took the lead in running Sudan's relations with its neighbors and have sought regional support from the Arab Troika.

Sudan has largely lined up behind Emirati and Saudi hostility towards Qatar, Turkey, and Islamist movements, losing access to financial aid in the process. Sudan's line on GERD moved closer to Egypt at the expense of ties with Ethiopia.

The transitional authorities have achieved some measures of limited success. The IMF's launch of a Staff Monitoring Program marks a step toward debt relief. The US announcement that it will lift the SST designation also goes in that direction, and will also remove an obstacle to foreign investment and financial integration of Sudan with the world economy. Another apparent victory has been the Juba peace agreement. It is unlikely to bring peace, has exacerbated local tensions in Eastern Sudan, and is complicating an already fragmented political scene, but it paves the way for the integration of former rebel leaders in transitional institutions.³⁴

From the point of view of ordinary Sudanese, these diplomatic victories, however, have little immediate impact. The newfound cooperation with the IMF will in the first place consist in the international monitoring for necessary but socially painful subsidy reform. International development and humanitarian support is starting to trickle in, but no donors are willing to provide cash injections that could stabilize the currency. Debt relief remains years away. Saudi Arabia and the UAE, the two Gulf patrons, expect alignment from Sudan on regional issues, but have stopped their financial support to the government. Meanwhile, people wait for hours every day to buy bread or fuel. Inflation has reached, by one account, 286%. It continues to accelerate, putting millions of Sudanese at risk of starvation.

The glaring disconnect between the sluggish pace of foreign support, whose positive effects will be measured in many months or even years, and that of the economic crisis, which worsens by the month or by the week, should be ground for serious concern. The transitional authorities lack a stable ruling coalition but hold because the factions jockeying for influence lack the capacity to exclude others without risking mass demonstrations or a split in the military and security apparatus. This delicate balance of power could fall apart if the economy continues to unravel, with momentous consequences for the region. In the words of Prime Minister Hamdok, "If Sudan is allowed to backslide ... it will be a failed state."

34. The status of Darfur armed groups present in Libya comes to focus in the context of the Juba peace deal, which foresees the assembly of fighters within Sudan within 90 days of the signing of the agreement. Different factions have fought as mercenaries for opposing sides of the Libyan conflict: the Justice and Equality Movement has worked for the Tripoli government, while other groups have been fighting for renegade general Khalifa Haftar. It is unclear whether the UAE will allow the two factions of the Sudan Liberation Army that it supports to return to Sudan and abandon Haftar, at a time when the military tide has turned against him. It is also unclear how any returns would impact the balance of forces in Libya. Interview with an observer of Libyan politics, September 2020. Juba peace agreement - Darfur track security arrangements.

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