



enough

The project to end genocide and crimes against humanity

The Case for Conditioning International Financial Support to Sudan

Jenn Christian August 21, 2012

In early August 2012, the governments of Sudan and South Sudan concluded an agreement on oil and related financial transfers. Among other things, the agreement provides for South Sudan to transfer to Sudan, over a period of approximately three years, \$3.028 billion. This cash transfer is in addition to the payment of identified fees for the use of pipelines and other oil infrastructure located in Sudan. The entire financial package that Juba will ultimately pay to Khartoum represents approximately one third of the total financial loss, or so-called financial gap, that Sudan sustained following South Sudan's secession. Khartoum is expected to make up another third of the gap, while the international community is expected to contribute, through grants, debt forgiveness, and the lifting of sanctions, the final third.

To this end, the U.S. government recently announced that it would lobby donors to pledge financial support to cover one third of Sudan's losses – approximately \$3 billion – as well as waive any U.S. sanctions affecting dollar transfers related to any such contributions. Under U.S. sanctions, the U.S. government is precluded from directly contributing any financial support to Khartoum. Such support is therefore expected to come from States that traditionally have more amicable relations with Sudan, including China, Qatar, and Saudi Arabia, among others.

The U.S. government stands to play an influential role in galvanizing financial contributions for Sudan, particularly through the lifting of certain sanctions to permit dollar transfers. The initiation of a process to secure from other States specific financial grants and/or debt relief is likely to begin immediately, if it hasn't already. That said, the U.S. government and the international community should not transfer to the government of Sudan any cash or forgive any debt without demanding that Khartoum first meet certain conditions, specifically:

1. The immediate and continuous cessation of unlawful attacks against civilian populations throughout Sudan, including in South Kordofan, Blue Nile, Darfur, and the east;
2. The conclusion and demonstrated good faith implementation of a comprehensive agreement with the government of South Sudan concerning all remaining outstanding north-south issues, among them, the final definition and demarcation of the north-south border and the final status of the Abyei area;
3. The lifting of all restrictions on movement and access for international humanitarian aid organizations operating throughout Sudan;
4. The conclusion of a comprehensive ceasefire agreement with all militarily active components of the Sudan Revolutionary Front, or SRF; and
5. The conclusion of a comprehensive negotiation process with the SRF, other opposition political parties, and civil society groups concerning all north-north issues; this process should culminate in the completion of a fair, transparent, and all-inclusive constitutional review process followed by democratic elections.

In the meantime and until Khartoum clearly meets all identified conditions, States may deposit pledged funds into a basket fund or trust fund. Such deposits may evidence the international community's good faith intentions to deliver on its promise to meet one third of Sudan's financial gap and, perhaps, prompt Sudan's timely compliance with the conditions. Notably, the premature transfer of funds to the government of Sudan, prior to Khartoum's clear demonstration of compliance with all identified conditions, risks the international community funding a government that continues to perpetrate massive human rights violations against its own people and threatens the peace and stability of the greater region.