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Kleptocracy in Khartoum: Self-Enrichment by the National Islamic Front/National Congress Party

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The 26 years of rule by the National Islamic Front/National Congress Party (NIF/NCP) regime in Khartoum have been marked by extraordinary levels of graft, corruption, cronyism, and outright theft of national wealth. The regime has adapted to changing circumstances with remarkable skill; and while the expropriation of banks, land, countless businesses, and contracts for infrastructure work (which included work with Osama bin Laden's construction company) may have defined the earlier years (1989 – 1999), the advent of substantial oil revenues in 1999 changed the forms of regime rapacity in significant ways. So, too, did the secession of South Sudan in July 2011, which abruptly terminated Khartoum's access to 75 percent of the total oil reserves. Through all of this, however, the regime has consistently managed to use its control of national military power and the highly efficient security services, along with an elaborate system of cronyism, to expropriate vast portions of Sudanese national wealth, typically at the expense of the national economy. The theft of this national wealth may take many forms, may be more or less brazen, and may be more or less open to scrutiny by outside observers; but the use of the military and security services to protect the regime in continual self-enrichment defines it as a Kleptocracy.

Economic Backdrop

The focus of this analysis will be on the continued expropriation of national wealth by the NIF/NCP, which is using a range of new tactics that are governed by an even more ruthlessly survivalist strategy. The economic crisis in Sudan today has compelled even more brazen tactics of self-enrichment, most of them illicit and typically invisible. An almost total lack of foreign exchange currency (Forex), high rates of inflation—especially for food and fuel—large-scale unemployment, the plummeting value of the Sudanese Pound, and unserviceable external debt all make for an economy that continues to implode (see **“Watching the Bubble Burst: Political Implications of Sudan’s Economic Implosion,” Enough Project Forum publication, 17 September 2014**).¹

Shortages of key commodities; lines for bread, fuel, and water; a rapidly decaying infrastructure; and loss of purchasing power for basic commodities are the most conspicuous signs of Sudan’s economic collapse. A precipitous decline in remittances from Sudanese working abroad exacerbates all these problems, but particularly the circulation of hard currency in the economy, which is often frozen because the Central Bank of Sudan lacks sufficient Forex.

Although Sudanese economists, particularly those in the diaspora, write regularly about economic collapse, there is virtually no Western news reporting on the state of the country’s economy. An occasional dispatch from Reuters or Agence France-Presse might report on the inflation rate announced by the regime-controlled Central Bureau of Statistics (CBS), but only Sudanese news outlets such as *Sudan Tribune* and Radio Dabanga report with any regularity or depth (in English; there are many rich, but untranslated analyses in Arabic).² Severe press censorship³ makes dissemination of credible economic analyses impossible.

This is largely the fault of the International Monetary Fund, which refuses to offer serious oversight or scrutiny of the Sudanese economy. This has been true for the past 16 years, going back to the first export of oil in August 1999. The IMF refuses to challenge the failure of the regime to provide any budgetary figures for military and security expenditures, even as the vast majority of Sudanese economists and close observers of Sudan believe that these constitute well over 50 percent of the national budget expenditures. As a matter of policy, in the current form of economic oversight that the IMF is providing Sudan, CBS data are accepted at face value, no matter what the conspicuous omissions or untenable, even self-contradictory announcements about various key features of the economy: budgetary and monetary policy, Forex, inflation, and exchange rates.

This leads to preposterous conclusions about the past performance of the Sudanese economy. In a September 2013 press statement, Edward Gemayel, the IMF’s Mission Chief for Sudan claimed that

¹ <http://www.enoughproject.org/reports/enough-forum-watching-bubble-burst>

² <http://www.alrakoba.net/>

³ <https://www.dabangasudan.org/en/all-news/article/press-freedoms-declined-remarkably-sudanese-journalists-network>

*“Sudan has a long track record of implementing sustainable economic policies.”*⁴ This is so thoroughly belied by economic realities that we must wonder about the motives for such a claim. Whether we observe trading in the black currency market; the continuously reported increases in food, fuel, electricity, and water prices; the uncalculated but enormous expenses of continuous wars against populations on Sudan’s periphery for the past 26 years; or the now continuous lines for food or fuel—Sudan’s economy and economic history are simply not what the IMF has repeatedly declared them to be. And absent a serious critique of the Fund’s methods, there is no other story that will compel news coverage.

The one point of key agreement between Khartoum and the IMF is that Sudan has a sizable external debt of more than \$43 billion:⁵ indeed, this debt stood at approximately \$45 billion at the end of 2013, according to IMF and World Bank calculations.⁶ A debt of this size cannot be serviced, given the strapped state of the economy, let alone repaid. Here it is worth noting that the debt when the National Islamic Front staged its coup in June 1989 was \$14 billion. Seeking and receiving credit at a highly irresponsible rate, the regime expropriated tremendous amounts of borrowed money, using a wide variety of methods. Only very recently has credit dried up, and this explains Khartoum’s move from seeing itself as a “strategic ally of Iran” into the orbit of Saudi Arabia and the Gulf states. Financial desperation has fundamentally changed regional alliances. How long this will last is an open question, particularly given the Iranian role in developing Sudan’s armaments industry.

Leaked minutes from an August 31, 2014 meeting of the most senior military and security officials reveal as a virtual refrain the insistence that Iran was “Sudan’s strategic ally,” and that Saudi Arabia and the Gulf states needed to be accommodated because of the financial support they could provide.⁷ So while in 2014 Khartoum was actually supporting the Iranian-backed Houthi rebels in Yemen, Khartoum is now conducting air attacks against the Houthis in concert with the Saudi campaign, and has gone so far as to send a battalion of troops for ground combat. The obvious hope within the regime is that by appearing to move away from a strategic alliance with Iran, and by supporting the Saudi military campaign, Khartoum will receive financial rewards, especially in hard currency credits that Khartoum so desperately needs. A duplicitous pragmatism now struggles with basic ideological impulses.

But there is simply no way forward for an economy with such an enormous debt overhang, compounded by the challenges posed by tight American sanctions. Yet the military figures who now dominate in the regime have almost no comprehension of economic policy or even economics in the most rudimentary sense. As a consequence, the military continues to press for victories in Darfur, South Kordofan, and

⁴ <https://www.imf.org/external/np/sec/pr/2013/pr13404.htm>

⁵ <http://time.com/3832907/bader-eldin-mahmmoud-abbas-mukhtar/>;
<http://sudantribune.com/spip.php?article53076>

⁶ <http://www.imf.org/external/pubs/ft/scr/2014/cr14364.pdf>;
<http://www.worldbank.org/en/country/sudan/overview>

⁷ <http://sudanreeves.org/2014/10/22/new-and-exceedingly-accurate-translation-into-e/>

Blue Nile—even as these brutal, ethnically-targeted wars make it impossible for serious discussion of debt relief to begin.

Popular anger over the state of the economy takes many forms, but perhaps most striking is a poll conducted by the Arab Center for Research and Policy Studies (in Qatar) in 2013, which found that a staggering 54 percent of all Sudanese wished to emigrate. And emigration rates are in fact extremely high, particularly in the medical sector, as nurses, pharmacists, and doctors leave for other Arab countries at a rate that portends disaster in provision of medical care for poorer Sudanese in the near future (approximately half the population of Sudan lives below the international poverty line).

Political and Humanitarian Consequences of Kleptocracy in Khartoum

Ultimately, all that keeps the regime in power is the brute use of force, made possible by the extraordinary expenditures on military and security forces. To be sure, the regime has been resourceful in finding political and economic support from outside actors, including the Arab League, the African Union, the Organization of Islamic Conference, Iran, and some Arab states. But this has significantly diminished since the secession of South Sudan. The popular uprising of September 2013, following the regime’s lifting of subsidies for cooking fuel and bread, led to a brutal crackdown, in which hundreds were killed; Amnesty International and others report strong evidence that “shoot to kill” orders were given at the beginning of the demonstrations, which occurred not only in Khartoum and Omdurman but also in other major towns as well. Subsequent political demonstrations have been given an extremely short leash and are often broken up violently. But the weaknesses of the economy work inexorably and with increasing destructiveness; large-scale popular unrest shows every sign of bubbling just below the surface.

Malnutrition continues at unsustainable levels throughout Sudan; this past August, the UN Office for the Coordination of Humanitarian Affairs (OCHA) released figures indicating that **in Sudan 3 million children under age 5 suffer from malnutrition**. More specifically, the data from OCHA reveal that **“some 2 million children under age five suffer from chronic malnutrition;”** a further **1 million suffer from acute malnutrition;** and of these acutely malnourished children, **“550,000 are severely malnourished and at risk of death.”**⁸ **In its most recent reports, OCHA indicates that the “Global Acute Malnutrition (GAM) burden” for all ages in Sudan is 2 million human beings.**⁹ In a leaked report from UNICEF (2014) we are told that, “Acute malnutrition rates for children in Sudan [are] among the highest in the world.”¹⁰ UNICEF also offers figures for **chronic malnutrition (also known as “stunting”) among children in Sudan:**

Central Darfur: 45 percent

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[http://reliefweb.int/sites/reliefweb.int/files/resources/OCHA Sudan Weekly Humanitarian Bulletin Issue 32 % 283 - 9 August 2015%29.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/OCHA_Sudan_Weekly_Humanitarian_Bulletin_Issue_32_283_-_9_August_2015%29.pdf)

⁹ <http://reliefweb.int/report/sudan/sudan-humanitarian-bulletin-issue-42-12-18-october-2015>

¹⁰ <http://sudanreeves.org/2014/09/05/an-internal-unicef-malnutrition-report-on-sudan-and-darfur-5-september-2014/>

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Enough Forum: Kleptocracy in Khartoum

East Darfur: 40 percent
West Darfur: 35 percent
North Darfur: 35 percent
South Darfur: 26 percent¹¹

Coupled with the collapse of the educational system for tremendous numbers of Darfuri children, these figures suggest an extremely grim future. And still the regime expropriates national wealth that might alleviate the hunger that so deeply affects the people of Sudan.

Expropriation of Sudan's Oil Wealth during the Interim Period

Although this report is concerned with the period after Southern secession (July 2011), no account of Khartoum's relentless theft and expropriation of wealth can be complete without some account of what we know about the revenue-sharing protocol of the Comprehensive Peace Agreement (January 2005), when Khartoum agreed to share (roughly 50 percent/50 percent) oil revenues from oil extracted from South Sudan. Given the opacity of Khartoum's records and reports, and the deliberate concealing of production and revenue figures, we can put no dollar figure on the amount of oil revenue denied to the fledgling interim government in Juba. But there can be no question that the total must be measured in the billions.

Here our best, indeed unique, guide to the scale of the oil revenues that Khartoum kept from the South is a September 2009 report from Global Witness, "Fuelling Mistrust: The Need for Transparency in Sudan's Oil Industry." While the report does not cover the last two years of the "interim period" (January 2005 – July 2011), and while it cannot produce figures that are independently verified, it produces voluminous evidence strongly suggestive of: very significant understatements of production figures (when compared with the records of extracting oil companies, primarily China National Petroleum Corporation); clear indications of withholding of revenues; various conflicts of interest in the actual brokering of oil exports from Port Sudan; and a host of other distortions of the revenues owed to South Sudan.¹²

¹¹ <http://sudanreeves.org/2014/09/05/an-internal-unicef-malnutrition-report-on-sudan-and-darfur-5-september-2014/>

¹² Key findings of the September 2009 report from Global Witness, "Fuelling Mistrust: The Need for Transparency in Sudan's Oil Industry" (<https://www.globalwitness.org/archive/fuelling-mistrust-need-transparency-sudans-oil-industry/>):

- **Discrepancies between the oil figures published by regime officials in Khartoum and those from elsewhere vary between 9 and 26 percent.**
- China National Petroleum Corp. (CNPC) reported production levels that were 14 percent higher than those provided by Khartoum in blocks 3 and 7 in 2007.

Khartoum's Continuing Expropriation of National Wealth

Despite these economic woes, despite the immensity of external debt, despite inflation and a lack of Forex, the regime continues with policies that have earned it a title as one of the most corrupt nations in the world. The Corruption Perceptions Index for 2014 released by Transparency International ranked Sudan at 173 out of 175 among the countries surveyed.¹³ The ranking is well deserved, and predictably Khartoum's response is to declare precisely the opposite. In January 2015 the chairman of the National Assembly's Committee for Accountability, Labour and Grievances, El Fateh Izzeldin declared that the percentage of corruption in Sudan is less than 0.5 percent.¹⁴ This willingness to lie baldly in the face of damning reports is a hallmark of NIF/NCP rule, and makes not only for opaque budgets but also for well-concealed self-enrichment schemes of all sorts.

Of course, the fact of continuing economic collapse is itself a function in many respects of the corruption detailed here, particularly in the agricultural sector. Corruption and economic decay have long been recto and verso of the Khartoum kleptocracy.

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- In 2005, CNPC reported 26 percent more oil produced in blocks 1, 2, 4, and 6 compared to the figures provided by the Khartoum government and other sources.
 - There are discrepancies between oil prices provided by the Ministry of Finance in Khartoum and those provided by the oil industry trade publications for the same month.
 - Oil revenues from the government in Khartoum as part of the peace agreement cannot be verified as the correct amounts by Southern Sudanese government officials and by Sudanese citizens.
 - Khartoum alone markets the oil, making it impossible for leaders of Southern Sudan to verify the price claimed by Khartoum. Notably, in February 2007 there were **four sales that went for between \$0.15 and \$0.23 [per barrel]** despite the fact that South Sudan's Dar blend oil sold for more than 100 times this amount in January 2007. At times, **Khartoum has sold oil in ways allowed only Chinese companies to bid.**
 - The oil consortia in Sudan employ companies from the north that many believe are linked to the NIF/NCP. Because the oil consortia claim the costs of employment for these northern companies, there is less transparency in the information about revenue flows. If it is true that service companies employed by the oil consortia are linked to the NIF/NCP, then a larger share of the oil revenues than specified in the CPA goes to the north.
 - Sudan's national oil company (Sudapet) and the southern oil company (Nilepet), are each structured in ways that empower the same individuals who sell oil to also regulate sales—a gross conflict of interest.
 - **Unsurprising, the NIF/NCP does not publish all of the data used in factoring revenue sharing. The data that it does publish is often released too late to be of use.**

¹³ <https://www.transparency.org/cpi2014/results>

¹⁴ <http://news.sudanvisiondaily.com/details.html?rsnpid=218819>

Illicit Land Sales, Mortgaging Sudan's Future

The illicit, typically concealed expropriation of Sudanese resources includes money taken from banks (including funds in the Central Bank of Sudan), diversion of oil revenues, taking cuts from the lucrative contracts in construction and agriculture given to political cronies, as well as wealth generated from land sales. The latter are of particular concern since they work to mortgage Sudan's future, even after the regime has been deposed. A great many land deals are thoroughly opaque in nature and implication. For example, the Kuwait News Agency recently reported that,

“Kuwait's total investments in Sudan, mainly in industry, farming and services, are estimated at over USD 9 billion. Kuwait primarily invests in sugar and communication projects in Sudan, Secretary-General of the Sudanese Investment Authority Ahmad Shawar said in a news statement.”¹⁵

What are we to make of this claim? Over how long a period of time were such investments made? Where did the \$9 billion in “investments” go? What was sold? Who owned what was sold? To what degree is the figure of \$9 billion designed to bolster confidence in Sudan's Forex—the obvious motive for any number of other statements? So long as the regime offers no credible account of revenues, and no credible account of budgetary expenditures, we can't know. What can be gleaned is something of the extent to which Sudanese popular unrest can be traced to this opacity and the perception that they have had their most precious resource stripped from them.

Recent reports indicate an especially conspicuous and lucrative decision by the regime to mortgage huge tracts of property in and around Khartoum. *El Sudani* reported in July 2015 that “reliable sources” had “indicated that the mortgaged plots in Khartoum state include ministries' premises, offices of several districts, and some hospitals and schools.” With extraordinary brazenness, even by Khartoum's standards, *El Sudani* reported that “newly appointed Khartoum state governor and former Defence Minister Abdelrahim Mohamed Hussein, told journalists during a Ramadan breakfast ceremony on 1 July, that the Ministry of Planning and Urban Development has sold all the plots.”¹⁶ Hussein, who had fallen out of favor with the powerful generals in the regime, has been served an arrest warrant by the International Criminal Court for massive crimes against humanity in Darfur. He is hardly likely to balk at domestic corruption, even on such a massive scale.

Again, however, we are left with questions: who provided the mortgage money? Were they Sudanese or non-Sudanese purchasers? If the sales are permanent, as implied by the word mortgaged (as opposed to leased), what will happen to these properties after the regime is no longer on the scene?

¹⁵ <http://www.kuna.net.kw/ArticleDetails.aspx?id=2423481&language=en>

¹⁶ <https://www.dabangasudan.org/en/all-news/article/khartoum-state-mortgaged-plots-up-to-150-billion-economist>

What is the time-frame for the mortgages? It is certainly highly unlikely that a sum as large as \$150 billion would be paid over the short term.

The regime will have been as aggressive as possible in foreshortening the mortgage period, ensuring a maximum cash flow of hard currency. Where will the money be deposited? What functions will it serve, if any, in guiding monetary and budgetary policy? Will any but those who rule Sudan benefit from this new revenue stream? Why would the regime announce such extraordinary and illicit sales of Sudanese land? Perhaps new ownership is destined to become widely known in the near future, and the regime did not want to be caught in the position of having to acknowledge that foreign nationals now own much of Khartoum. Opacity yet again accompanies apparent disclosure.

In March 2015, Sudan sold to Kuwait its stake in the Sudanese-Kuwaiti Hotels Company. Reported only by *Sudan Tribune*¹⁷ and the Kuwaiti press,¹⁸ details of the sale were predictably shrouded in secrecy, including where the money would go, who the beneficiaries would be, and what caused the sale of the profitable hotel chain.¹⁹

Perhaps of greatest significance for the long-term health of the Sudanese economy is the sale and leasing of agricultural land. Long regarded as a potential “breadbasket” for Africa and the Middle East, Sudan is no longer even agriculturally self-sufficient and is obliged to import immense quantities of wheat with which to make bread, costing the country almost \$1 billion a year in Forex. Some of the examples of agricultural land sales are shocking in their scope; and while they give food security to a number of richer Arab countries, they diminish the likelihood that Sudan will escape from the chronic malnutrition that has been so frequently reported.

In another telling example, Reuters (October 26, 2013) translated a column from the *Egypt Independent*:

“Sudan’s Investment Authority has allocated an area of approximately two million acres for agricultural projects run by Arabs (*sic*) investors, namely from Egypt and Saudi Arabia, the United Arab Emirates (UAE), Bahrain, Qatar and Lebanon. Sudani Investment Minister Sadiq Muhammad Ali said in a Friday statement on Friday that the authority granted investment holdings in the states of River Nile and Kassala, Shamaliya, Kordofan and Sennar. Preparation for cultivation takes time, Ali said, adding that production should begin in the next few years. Over the next five years, production on investor-held land would cover demand for a range of crops, he claimed.”²⁰

¹⁷ <http://www.sudantribune.com/spip.php?article54420>

¹⁸ <http://www.kuna.net.kw/ArticleDetails.aspx?id=2432198&language=en>

¹⁹ <http://www.sudantribune.com/spip.php?article54420>

²⁰ <http://www.egyptindependent.com/news/sudan-allocates-two-million-acres-arab-investors-agriculture>

What is not specified is what was paid for these two million acres, the quality of the land, the arrangement for expatriate workers (as opposed to Sudanese agricultural workers), where the food produced will go, and what was paid for this “allocation.” This is a very large amount of land, now controlled by foreign investors who are all looking to provide for their own long-term food security. For very substantial cash now, the regime has surrendered what are undoubtedly arable lands of significant quality (investors are interested only in the best of the arable lands in Sudan). But again we learn nothing of where the money paid by these Arab countries—certainly in hard currency—has gone; we know only that wherever it went, the regime retains full control.

The same is true of a large sale of land to a Syrian investor, reported only by Radio Dabanga:

“Residents of El Matama locality in the northern Sudanese River Nile state complain about the sale of vast tracts of their lands by Sudanese authorities to a Syrian investor. ‘The authorities sold 225,000 acres of farmlands in Wad El Habashi, Wad Hamed, and Hajar El Teir for \$5 per acre, to be paid over a period of 99 years,’ one of the affected told Dabanga from Wad El Habashi. ‘We have not been offered any compensation, also not for the damage to our land left to us, caused by the construction of a canal for the irrigation of the land sold to the investor.’”
([‘Northern Sudan farmlands sold to Syrian investor,’](#) February 15, 2015 | El Matama²¹)

No accounting is available for the revenues from the sale of these lands.

More recently Reuters (May 20, 2015) reported from Khartoum on both the crippling effects of a lack of Forex (including denying companies the ability to repatriate profits in hard currency) and Khartoum’s willingness to sell land critical to Sudan’s agricultural future:

“Sudan, prized for its fertile land and easy access to irrigation water from the Nile, has been trying to attract farmland and livestock investment from Gulf Arab firms seeking to secure food supplies for their arid oil-producing countries. While some government-backed projects from countries like Saudi Arabia, Kuwait and Qatar have gone ahead, privately-funded farmland deals have been hampered by severe restrictions in Sudan to transfer dollars abroad. Struggling with foreign currency shortages, Sudan’s central bank has made it almost impossible to transfer dollars abroad for firms outside the oil sector dominated by Chinese firms.”²²

And this is the crux of the current crisis: while desperate for Forex, Khartoum actually makes much private investment impossible by refusing to allow the repatriation of profits in hard currency; this occurs even as the regime energetically tries to sell or lease land that will enable Arab and other countries to establish food security. A number of other commercial activities have been halted by this

²¹ <https://www.dabangasudan.org/en/all-news/article/northern-sudan-farmlands-sold-to-syrian-investor>

²² <http://www.reuters.com/article/2013/05/20/sudan-saudi-food-idUSL6N0E11E120130520>

unwillingness to allow repatriation of profits, and several airlines and banks have ended all commerce (perhaps most notably Lufthansa Airlines).

Ironically, much of the revenue from any lease or sale of land goes toward the purchase of wheat that is now chronically in short supply. Statements about how much Forex is held by the Central Bank of Sudan vary widely among Khartoum officials (this year alone saw a March declaration of \$21 – 24 billion²³ and a more recent statement from the Finance Ministry of less than \$1.5 billion²⁴). But the tightness of Forex is repeatedly revealed by publicly reported non-payment or inability to provide letters of credit. Despite claims in October 2013 that additional Forex was being injected into commercial banks,

“Sayga Flour Mills, which is part of DAL Group, relies on Byblos Bank, Abu Dhabi National Bank and Saudi Sudanese Bank to provide Guarantee Letters for the purposes of importing wheat and other production items. **Those banks informed Sayga that the Bank of Sudan did not inject the needed Forex supply in their accounts to issue new Guarantee Letters.**” (*Sudan Tribune*, [March 10, 2013](#)²⁵) (emphasis added)

Just as revealingly, in November 2013 it was reported by *Sudan Tribune* that Khartoum had missed four large payments to India’s ONGC Videsh Ltd.,²⁶ almost certainly for lack of the Forex to do so. Cause and effect are all too clear here: desperately in need of hard currency to import wheat and make contractual payments, the regime has become more brazen in its sale of Sudanese assets of all sorts. The view is relentlessly short-term and survivalist in character.

There is also a continuous, almost completely unreported seizure of lands in and around Khartoum, regardless of the effects on those for whom this land was home. Radio Dabanga reported from Khartoum on August 28, 2015:

“The former residents of El Kheirat in the east of the Sudanese capital protested yesterday against the removal of their houses by authorities on Sunday. About 800 houses were demolished the same day, affecting hundreds of families, which now live outside...”²⁷

As has been so often the case in the past, this land will very likely be sold to political cronies for “development” purposes—development that will in no way benefit the former residents of the area.

Even more consequential is the “privatization” of Red Sea ports, which is little more than the sale of national assets to primarily foreign entities, with proceeds going to the regime with no accountability

²³ <http://time.com/3832907/bader-eldin-mahmmoud-abbas-mukhtar/>

²⁴ <http://www.sudantribune.com/spip.php?article55788>

²⁵ <http://www.sudantribune.com/spip.php?article45791>

²⁶ <http://www.sudantribune.com/spip.php?article48670>

²⁷ <https://www.dabangasudan.org/en/all-news/article/homeless-protest-the-removal-of-their-houses-in-khartoum>

(the ports themselves are massively under-utilized because of the precipitous decline in international commerce, a function of the economic collapse that threatens all of Sudan):

“The Beja Congress strongly condemns plans to privatise the Red Sea ports and other government policies that aggravate the huge unemployment figures in the eastern Sudanese state. Abdallah Musa, member of the Beja Congress Central Committee told Radio Dabanga that there have been serious attempts to privatise all Red Sea ports. **‘The authorities have already sold the Sudan Shipping Lines’ Corporation, which has definitely damaged Sudan’s economy. Also large numbers of stores are leased to cement companies, flour mills, and other enterprises,’** he said.” (“Privatisation of Sudanese ports a disaster”: Beja Congress | August 5, 2015 | Port Sudan²⁸) (emphasis added)

The complete lack of transparency in these sales and leases, and their beneficiaries, is entirely in keeping with the regime’s policies over the past 26 years. The ripple effects of this short-term monetization of Sudanese assets have had a devastating impact on the economy:

“The Beja official stressed that the biggest threat for the people in the state is the dismissal of large numbers of port workers as a result of the privatisation, ‘as already happened with the Southern Port.’ He said that because of Sudan’s political isolation, most of the commercial relations with the world have been cut off. ‘Weeks, sometimes months pass without having any ship anchored at the ports.’ ‘This is not only a national disaster, but also aggravates the already huge unemployment figures in the Red Sea state, in particular among university graduates.’ ‘There used to be about 30 factories in Port Sudan accommodating about 2,000 workers,’ Musa explained. **‘All these factories have stopped operating because of a lack of work and the government’s plans to sell the ports.’”²⁹**

Some land sales seem almost invisible, reported only by Radio Dabanga:

“Around 100,000 acres (40,000 ha) of farmland in Sudan have been allocated to Egyptian small-scale farmers. The Sudanese Minister of Investment, Dr Mustafa Osman Ismail, told reporters in Khartoum on Sunday that farmlands have been reserved for interested Egyptian farmers at a rate of 10 acres (4 hectares) each. ‘Sudan gives maximum priority to Egyptian investors in the country,’ Ismail said in a joint press conference with the Egyptian investment counselor Ahmed El Fideili, head of an Egyptian delegation currently visiting Sudan. He added that the volume of Egyptian investments in the Sudan currently stands at \$3 billion, and is expected to increase to

²⁸ <https://www.dabangasudan.org/en/all-news/article/privatisation-of-sudanese-ports-a-disaster-beja-congress>

²⁹ <https://www.dabangasudan.org/en/all-news/article/privatisation-of-sudanese-ports-a-disaster-beja-congress>

\$11 billion during ‘the forthcoming period.’” ([Sudan allocates 100,000 acres to Egyptian farmers](#) | December 8, 2014 | Khartoum³⁰)

Yet again, there is no accounting for the proceeds from such lucrative allocations of land. And while the jump from \$3 billion to \$11 billion in Egyptian investments in Sudan seems wholly fanciful, Sudan is eager to mend relations with Arab neighbors strained by Khartoum’s longstanding support of terrorism and radical Islam—most conspicuously in its relations with Iran. Such exaggeration works to suggest a robust resumption of commerce between Sudan and Egypt. Recent Saudi Arabian investment commitments seem also to be the reward for Khartoum’s apparent abandonment of Iran—once adamantly declared the regime’s “strategic ally”—and support for the Saudi military campaign in Yemen.

Smaller-scale Land Expropriations

For a number of other land expropriations, large and small, Radio Dabanga is our only source—particularly for Darfur. The reliability of Radio Dabanga dispatches has been repeatedly confirmed by a wide range of sources. Tolerating these smaller-scale expropriations is one way in which Khartoum is thoroughly permissive of corruption within its own ranks. A compendium of reports from just the last year would include (all emphases in **bold** have been added):

Sudan’s Northern State expropriates farmlands in Merowe

July 1, 2015 | Merowe, Northern State

“The Ministry of Agriculture of Sudan’s Northern State has confiscated 400 acres of land at the Alar agricultural project in Merowe locality, to offer them to foreign investors. ‘Most of the investors are Turks and Saudis,’ an affected farmer told Radio Dabanga. ‘We have attempted to use all legal means to stop the confiscation. The authorities, however, have obstructed us on various occasions.’ He said that in April the Ministry issued a list of 80 people whose farmlands were to be expropriated, under the pretext that they were lying fallow. **‘Yet, we have not been able to cultivate our lands because the government failed to provide the canals required for irrigation.’”**³¹

Merowe dam affected tired of delay in compensation by Sudan

March 2, 2015 | River Nile

“The Merowe Dam is one of the largest dams in Africa. The project, also known as the Hamadab Dam, was officially launched in 2010. It doubled Sudan’s electricity generation but **displaced more than 50,000 people, most of them of the Manaseer tribe, from the Nile Valley to arid desert locations.** Protests have been violently suppressed. On 4 February this year, the

³⁰ <https://www.dabangasudan.org/en/all-news/article/sudan-allocates-100-000-acres-to-egyptian-farmers>

³¹ <https://www.dabangasudan.org/en/all-news/article/sudan-s-northern-state-expropriates-farmlands-in-merowe>

Manaseer took to the streets in Makaberab, River Nile state, to demand the reconsideration of the decision by a government committee not to pay compensation for their losses seven years ago.”³²

Port Sudan protest against sale of residential district

May 27, 2015 | Port Sudan

“Seven people were detained, and a man was injured in Port Sudan on Monday (*sic*), during a **demonstration against the sale of their lands for investment purposes**. Hamed Idris, former member of the eastern Sudanese Red Sea state parliament, told Radio Dabanga that the police used batons and tear gas to disperse the demonstration. [...] Idris explained that the people protested against the Red Sea Ministry of Urban Planning’s decision to evict the people living in Wala district in the eastern part of Port Sudan. ‘The people agreed to leave the district after the local authorities promised to compensate them for the loss of their homes and land rights. It was expected that the district would be cleared to develop a new residential area.’ **‘They were shocked, however, when they found out that plots of the district had been sold to investors, only a few days after they had left the area voluntarily,’ he reported.**”³³

Church property confiscated in Khartoum while people pray inside

November 20, 2014 | Khartoum

“**The Sudanese police and special forces have seized the house of a pastor in Khartoum North on Wednesday**. In the meantime, leaders from various churches in Khartoum, students, and other members are praying for 24 hours in the adjacent church building to stop further destruction. ‘The government destroyed the youth house, and now they are taking out all the furniture from the senior pastor’s office,’ the source said Wednesday. ‘Today we were crying and praying for the situation, I think they are progressing toward the church itself. Today all the church members gathered in the church. They will sleep the night at a church in Khartoum Bahri [North] and tomorrow they will strike,’ said the same source. The police accompanied investors to the church who claim to have leased its premises with a court order. **The building belongs to one of the oldest established protestant churches in Khartoum, built halfway the last century. The police allowed the investors to take over the house to be destroyed.**”³⁴

South Darfur authorities sell 35 Nyala market plots

April 2, 2015 | Nyala, South Darfur

“A police force surrounded the Grand Market in Nyala, capital of South Darfur, on Wednesday, **to prevent market traders to protest against the handing of 35 shops to their new owners**. The

³² <https://www.dabangasudan.org/en/all-news/article/merowe-dam-affected-fed-up-with-delay-compensation-by-sudan-government>

³³ <https://www.dabangasudan.org/en/all-news/article/port-sudan-protest-against-sale-of-residential-district>

³⁴ <https://www.dabangasudan.org/en/all-news/article/church-property-confiscated-in-khartoum-while-people-pray-inside>

force, led by South Darfur Governor Maj. Gen. Adam Mahmoud Jarelnabi, who is also head of the state's Security Committee, had evacuated the market traders by force on Tuesday. 'On Wednesday, they denied us access to the market until 11am,' one of the traders reported to Radio Dabanga. 'Hundreds of traders gathered near the market, condemning the selling of the new market outlets to others. **The police used tear gas to disperse us, and to allow the authorities to deliver the shops to the buyers.**'"³⁵

'Corruption in Nyala land selling': South Darfur committee

November 6, 2014 | Nyala, South Darfur

"Corruption and serious violations in the selling of investment lands took place in Nyala locality, South Darfur, without the knowledge of the Director of Lands of the state. The lands were distributed to chieftains and non-eligible leaders, resulting in South Darfur's loss of SDG 4 million (\$698,390)."³⁶

Road in North Darfur blocked 'for land sale'

November 30, 2014 | El Fasher Locality

"Residents of villages west of El Fasher, capital of North Darfur state, have called on the authorities to re-open the main road between the area south of Shala and their villages. Since more than two weeks, traffic at the road is banned by barricades. According to the affected residents, **'stakeholders' blocked the road in order to sell plots of lands in the area to businessmen with the purpose of brick production. 'Some have already started with the construction of kilns,' a villager informed Radio Dabanga.**"³⁷

'Sudan allows Ethiopians to lay hold on lands': Beja party

November 6, 2015 | Red Sea State

"An eastern Sudanese opposition party stated that the government intends to allocate a piece of land in Red Sea state for the construction of an Ethiopian seaport. It further claimed that Ethiopian troops have violently invaded El Gedaref state. The national Beja Congress issued a press statement on Thursday, denouncing that the Sudanese government has not consulted people of the Beja tribe about the allocation of land, while they are indigenous to the area. Abu Mohamed Abu Ama, the head of the leadership's office, said that building such a seaport for the Ethiopians might contribute to the displacement of the Beja people, as it would rob them of the lands they use for farming, grazing, firewood, charcoal trade, and fishing."³⁸

³⁵ <https://www.dabangasudan.org/en/all-news/article/south-darfur-authorities-sell-35-nyala-market-plots>

³⁶ <https://www.dabangasudan.org/en/all-news/article/corruption-in-nyala-land-selling-south-darfur-committee>

³⁷ <https://www.dabangasudan.org/en/all-news/article/road-in-north-darfur-blocked-for-land-sale>

³⁸ <https://www.dabangasudan.org/en/all-news/article/sudan-allows-ethiopians-to-lay-hold-on-lands-beja-party>

Khartoum has found yet other ways to monetize Sudan's lands. A series of recent reports from Radio Dabanga indicates that the Khartoum regime has used large tracts of land for the ill-considered and unsafe burial of toxic wastes, including nuclear waste material. Although cheap, this renders the land—and surrounding lands and water tables—unusable. These irresponsible actions relieve the regime of the costs of proper disposal and also generate revenue, directly or indirectly: one report indicates that China has buried large quantities of nuclear waste in Northern state, for which there would have been some *quid pro quo* with Khartoum.³⁹ Other locations where toxic wastes have been unsafely buried include West Kordofan⁴⁰ and Sennar⁴¹ states.

Bureaucratic Corruption

Various features of the state-controlled financial system have enabled systematic, largely undetected bureaucratic corruption on a massive scale for many years—often benefiting regime officials and government agencies. Countless smaller-scale operators have also found a number of loopholes to exploit. Most of what we know comes from anecdotal reporting, of which there is a tremendous amount. Recently, however, a systematic analysis of one feature of this corruption has been provided by the Sudan Democracy First Group (“The Electronic Financial Form (15): Corruption and the Efforts to Curb the Phenomenon,” Sudan Transparency Initiative, Sudan Democracy First Group). Although the focus is narrowly on the abuse of “Form 15,” the corruption enabled prior to the introduction of a still untested electronic version of the form has been massive. SDFG notes, “As the only government-approved instrument for revenue collection (taxes and other fees), Form 15’s use is mandated by financial agencies across all levels of government.”⁴² As such, the corrupt misuse of Form 15 gives us an insight into the sophistication with which revenues are expropriated in ways that benefit a number of individuals, but primarily government agencies and regime officials:

- “Other types of schemes have involved the stealing and/or selling of Form 15 booklets by officials who maintain custody of these documents.”⁴³
- “Further schemes involve collusion between collectors and their immediate superiors to hold and delay the depositing of collected revenue. In keeping the funds, those involved can use them in trading and other forms of illicit transactions.”⁴⁴

³⁹ <https://www.dabangasudan.org/en/all-news/article/sudanese-govt-urged-to-investigate-nuclear-waste-dumping>

⁴⁰ <https://www.dabangasudan.org/en/all-news/article/waste-dumped-in-west-kordofan-experts-warn-of-health-hazard>

⁴¹ <https://www.dabangasudan.org/en/all-news/article/toxins-buried-in-sudan-s-sennar-independent-mp>

⁴² <http://us7.campaign-archive1.com/?u=7acabab6ae470b89628f88514&id=320c735583&e=327b246c1f>

⁴³ <http://us7.campaign-archive1.com/?u=7acabab6ae470b89628f88514&id=320c735583&e=327b246c1f>

⁴⁴ <http://us7.campaign-archive1.com/?u=7acabab6ae470b89628f88514&id=320c735583&e=327b246c1f>

- “The overreaching objectives for [the *Tajneeb** form of] corruption are to provide off-the-books resources for government agencies to spend on items not included in approved budgets; to avoid restrictions on expenditures imposed by the [Ministry of Finance]; and to justify requests for additional federal funding, based on what appears to be insufficient local revenue. *Tajneeb* funds are often used in extravagant expenditures such as staff incentives, public festivities, including for the ruling National Congress Party, and unnecessary travel for officials and their families. As these funds are not reported as revenue in the national budget, they are not subject to financial regulations.”⁴⁵

[**Tajneeb* means something like “setting funds aside,” and refers to a practice that began in the late 1990s that allows ministers at the federal level to divert discretionary funds away from public coffers without reporting those amounts to the Ministry of Finance. The practice created a series of different decentralized and unregulated ways to collect and manage taxes at the federal level—ER]

The attitude reflected in this longstanding practice suggests a broad and pervasive attitude toward corrupt financial practices and is one reason that Sudan stands so low in the corruption index of Transparency International: again, 173rd out of 175 nations surveyed.⁴⁶

A telling example of this corruption is the control of various national businesses by the regime and its many surrogates. Especially consequential is the use of the security services to serve as fronts for business interests and to provide the means for monopolistic practices that benefit the regime. *Al-Hurriyat* is reported as having uncovered the way in which the ongoing shortage of flour and bread is being exploited by the security services, despite the immensely inflationary consequences:

“Adel Mirghani, secretary-general of the Bakers Union of Khartoum state confirmed to *Hurriyat* that Saiga stopped its flour production a week ago. He said that people in many districts of the capital are now suffering from a ‘crippling shortage of bread’, as the bakeries now depend on distribution by Seen Flour Mills alone. **The newspaper stated that the National Intelligence and Security Service (NISS) has now become the sole provider of flour to the bakeries, as Seen Flour Mills is owned by the security apparatus.**” (Radio Dabanga, August 2, 2015 | Khartoum⁴⁷)

Such a monopoly in the provision of flour to bakeries ensures that even in highly inflationary times, the regime benefits financially.

⁴⁵ <http://us7.campaign-archive1.com/?u=7acabab6ae470b89628f88514&id=320c735583&e=327b246c1f>

⁴⁶ <https://www.transparency.org/country/#SDN>

⁴⁷ <https://www.dabangasudan.org/en/all-news/article/major-sudanese-miller-halts-production>

There is broad corruption and financial expropriation at the national level. But much of the corruption in Sudan occurs at the level of state or regional governance, where it is pervasive. By permitting various forms of extortion and the arbitrary imposition of “fees,” Khartoum gains much of the support that keeps it in power. Radio Dabanga is again our only source for most of these abuses, in part because so many of the abuses occur in Darfur. Those targeted by the imposition of various arbitrary fees are typically those least able to pay, and those who benefit from this corruption inevitably come from within the extended ranks of the regime, and are thus beholden to the NIF/NCP.

Head of Darfur Authority accused of fraud over DDR programme

January 8, 2015 | Khartoum⁴⁸

North Darfur displaced unable to pay ‘national number’ fees

December 10, 2014 | Abu Shouk Camp⁴⁹

South Darfur governor: ‘New transport fees to stay’

January 28, 2015 | Nyala, South Darfur⁵⁰

Woman set on fire, driver shot dead, displaced robbed in Darfur

January 21, 2015

Refused to pay to pay “toll”⁵¹

Militiamen provide ‘public transport’ in North Darfur

December 2, 2014 | Kutum

More extortion⁵²

Birkat Seira in North Darfur pillaged ‘despite protection fees’

January 20, 2015 | Birkat Seira⁵³

Security confiscates money from West Darfuris

February 27, 2015 | Jebel Moon⁵⁴

⁴⁸ <https://www.dabangasudan.org/en/all-news/article/head-of-darfur-authority-accused-of-fraud-over-ddr-programme>

⁴⁹ <https://www.dabangasudan.org/en/all-news/article/north-darfur-displaced-unable-to-pay-national-number-fees>

⁵⁰ <https://www.dabangasudan.org/en/all-news/article/south-darfur-governor-new-transport-fees-to-stay>

⁵¹ <https://www.dabangasudan.org/en/all-news/article/woman-set-on-fire-driver-shot-dead-displaced-robbed-in-darfur>

⁵² <https://www.dabangasudan.org/en/all-news/article/militiamen-provide-public-transport-in-north-darfur>

⁵³ <https://www.dabangasudan.org/en/all-news/article/militiamen-pillage-birkat-seira-in-north-darfur-despite-protection-fees>

⁵⁴ <https://www.dabangasudan.org/en/all-news/article/security-confiscates-money-from-west-darfuris>

Teachers strike in South Darfur, students reject fees

November 17, 2014 | Nyala, South Darfur⁵⁵

South Darfur workers demand salaries

November 10, 2014 | Nyala⁵⁶

Red Sea state, eastern Sudan, imposes 'tourism support fees'

February 3, 2015 | Port Sudan⁵⁷

'New measures disaster for Sudan's private sector': Employers' Union

January 28, 2015 | Khartoum⁵⁸

Security permit imposed on commercial transports in West Kordofan

December 23, 2014 | El Fula / El Faw / Khartoum⁵⁹

Ministry hikes school fees in eastern Sudan

January 28, 2015 | Kassala / Port Sudan⁶⁰

Expropriation of Sudanese National Resources for the Purpose of Conducting War

War, typically war conducted largely through regional proxies, is the means by which Khartoum has chosen to subdue popular unrest throughout the acutely marginalized peripheral areas of the country, indeed all areas outside riverine Sudan. In a perverse irony, war-making is also the means by which this longstanding cabal insulates itself from international pressure. A massive and redundant set of security services and the loyalty of the army (dramatically purged after the 1989 coup) work to convince the regime that it cannot be deposed, and that it need not heed international threats that are invariably vacuous.

In short, the massive expropriation of national wealth by the regime has been possible only because of extraordinary expenditures of that wealth deployed to enable the army and security forces to keep popular will from being expressed. Sudanese wealth has not only been expropriated by a wide range of means over the past 26 years, but this expropriation has been made possible by massive budgetary commitments to the military and security services that keep the NIF/NCP leaders in power. Nearly all

⁵⁵ <https://www.dabangasudan.org/en/all-news/article/teachers-strike-in-south-darfur-students-reject-fees>

⁵⁶ <https://www.dabangasudan.org/en/all-news/article/south-darfur-workers-demand-salaries>

⁵⁷ <https://www.dabangasudan.org/en/all-news/article/red-sea-state-eastern-sudan-imposes-tourism-support-fees>

⁵⁸ <https://www.dabangasudan.org/en/all-news/article/new-measures-disaster-for-sudan-s-private-sector-employers-union>

⁵⁹ <https://www.dabangasudan.org/en/all-news/article/security-permit-imposed-on-commercial-transports-in-west-kordofan>

⁶⁰ <https://www.dabangasudan.org/en/all-news/article/ministry-hikes-school-fees-in-eastern-sudan>

Sudanese and non-Sudanese economists estimate that over 50 percent of the annual national budget is devoted to the military and security services. Kleptocracy is expensive in more than one way.

We can't know the cost of Khartoum's 26 years of war-making against its own people, although the costs of some large military acquisitions can be fairly readily obtained. Even this last point needs qualification: a single highly advanced MiG-29 military jet aircraft—24 of which Khartoum has purchased from the Russian Federation—costs by itself over \$40 million; but with servicing contracts and training, the cost is well over \$50 million per aircraft. Thus Khartoum's 24 MiG-29s (including MiG-29UB and MiG-29SE) cost more than \$1.2 billion. Dozens of Mi-24P/Hind-F combat helicopters have also been acquired at huge cost, simply for the aircraft themselves. Other military jet aircraft, helicopters, tanks, and heavy weapons have been acquired in recent years. (See Appendix)

Despite the opacity of Khartoum's revenue and budgetary figures, Sudanese economists—well aware of the terrible burden military expenditures have placed on the country, and ultimately the people of Sudan—have made efforts to quantify military expenditures. These would include not only military acquisitions but also military production costs, maintenance, military salaries, salaries to a wide range of paramilitary forces (the Popular Defense Forces and the Rapid Response Forces are currently commanding the largest portion of these expenditures), logistical expenses, and numerous others. There are many other costs associated with war-making and Professor Hamed El Tijani, head of the Political Science department at the American University in Cairo, offered a comprehensive, and startling, figure in an interview with Radio Dabanga:

“The costs of the war in Darfur, since its start in 2003, have been estimated at **\$50 billion**. ‘This figure does not include the expenses for the paramilitary Rapid Support Forces, recruited last year and commanded by the National Intelligence and Security Service (NISS).’ He said that the Sudanese government spends [*costs—ER*] an average of \$5 billion a year on the war in Darfur. ‘This constitutes 23 percent of its national income, while about one percent is spent on the health and education sectors.’ ‘A research revealed that the military expenditures for Darfur between 2003 and 2009 were about \$10 billion.’ El Tijani furthermore explained that the production losses in Darfur during this period amount to \$7 billion, while losses of life savings reached \$2.6 billion, apart from the \$11 billion of indirect costs for peacekeeping operations.” (September 24, 2014, Radio Dabanga⁶¹)

Radio Dabanga reported that another Sudanese economist, Professor Siddig Ombadda, asserted in a paper delivered in Nairobi that Khartoum spent at least \$65 billion in revenues from oil on military purposes between 2000 and South Sudan's secession (Radio Dabanga | Nairobi | October 26, 2014⁶²). Professor Ombadda rightly links military expenditures with expenditures on the various security services, including Military Intelligence. He also offers insight into the way in which Khartoum controls the economy for its own benefit, creating countless opportunities for graft and corruption:

“In his paper, entitled *About institutional reform and economic policies leading to stability*, Ombadda stated that the ruling **National Congress Party (NCP) owns some 500 companies**, ‘by

⁶¹ <https://www.dabangasudan.org/en/all-news/article/prof-cost-of-darfur-war-estimated-at-50-billion>

⁶² <https://www.dabangasudan.org/en/all-news/article/ruling-party-manages-sudan-through-private-companies-economist>

which it controls all financial and economic fields in the country. These companies do not belong to the state, but are private companies, which cannot be checked. **The Auditor General does not know anything about these commercial entities.** Moreover, Ombadda said that voluntary associations belonging to members of the Islamic Movement in Sudan are importing medicines and other commodities from abroad that are exempt from taxes and customs. **Large parts of the goods are sold commercially.** Separately, Hassan Osman Rizig, former deputy secretary of the Islamic Movement, and senior member of the Islamic opposition Reform Now Movement told reporters that the NCP established voluntary charity organisations, ‘some of them being real and some other imaginary,’ **which are funded by public money.** ‘Also NCP students, youth, and women are financially supported from public funds, even the NCP itself. The Auditor General is not allowed to investigate the accounts.’” (Radio Dabanga | Nairobi | October 26, 2015⁶³)

The data used in these calculations are perforce speculative for the most part, but not entirely: costs of imported military equipment can be calculated; salary totals for the army, the air force, the paramilitary forces, and intelligence services can be approximated; the cost of UN peacekeeping is a matter of public record. Moreover, given the network of cronyism that pervades the Sudanese economy, military expenditures inevitably produce the means of self-enrichment for a wide array of actors, from senior officials to procurement officers.

What is quantifiable is the reaction of Sudanese, especially educated and well-trained Sudanese, to the entrenched kleptocracy of the NIF/NCP:

“A survey conducted by the Arab Center for Research and Policy Studies in Qatar **revealed that 54% of Sudanese wish to emigrate out of the country. The study said out of those seeking to leave, 79% want to do so to improve living conditions,** 5% for security reasons and 4% for political reasons. **Sudan ranked the first among countries included in the report** such as Lebanon, Jordan, Iraq, Saudi Arabia, Egypt, Algeria, Tunisia, Morocco, Mauritania, Palestine, Yemen, Kuwait and Libya.” (54 percent of Sudanese want to leave the country: report *Sudan Tribune* | June 26, 2013 | Khartoum⁶⁴)

People are voting with their feet in huge numbers, especially in the medical and public health sectors, in response to economic corruption that has become intolerable. High inflation, the lack of imported goods, poor services, severe media censorship, and brutal political repression are costing Sudan some of its most talented citizens. And yet even as emigration accelerates, remittances from abroad have dropped precipitously in the past two years,⁶⁵ significantly aggravating the Forex crisis.

Darfur: Arab Militia and the Violent Expropriation of Land and Wealth

Perhaps most difficult to quantify is the vast destruction of lives and livelihoods in Darfur. The emphasis of the brief following section is on the use of lands as a means of payment to various militia forces that

⁶³ <https://www.dabangasudan.org/en/all-news/article/ruling-party-manages-sudan-through-private-companies-economist>

⁶⁴ <http://www.sudantribune.com/spip.php?article47102>

⁶⁵ <https://www.dabangasudan.org/en/all-news/article/sharp-drop-in-sudanese-remittances-economist>

have done most of the fighting and inflicted most of the destruction on the people of Darfur, particularly the African tribal groups that have been so relentlessly targeted for the past twelve years.

Khartoum's war against the rebel groups in Darfur has been called, appropriately, "counter-insurgency on the cheap."⁶⁶ But it is "on the cheap" only for the men who have chosen genocide as a means of confronting the rebels: destroying the African tribal groups from which the rebels are perceived to draw their strength. In the infamous words from the headquarters of notorious *Janjaweed* leader Musa Hilal, the task was made explicit: "change the demography of Darfur" and "empty it of African tribes" (August 2004).⁶⁷

This has entailed a savagery, a brutal destructiveness that is unfathomable. But among the ghastly features of genocidal counter-insurgency is the relentless expropriation of farmland by Arab militia groups, some from Chad, Niger, even Mali. The process has been continuous and may now be accelerating, particularly in North Darfur. African farmers from camps for displaced persons attempting to return to or work their lands confront threats, intimidation, and extreme violence. Crops that have been planted are destroyed as heavily armed nomadic Arab groups let their cattle and camels graze on and trample food ready or nearly ready for harvest.

This sweeping change in land ownership has been Khartoum's primary way of paying for its militia allies. To be sure, much booty was taken from Darfuri villages as they were being comprehensively destroyed earlier in the genocide—destroyed in ways that ensure there was absolutely nothing for former inhabitants to return to. But at this point, "salaries" come primarily from extortion schemes (typically involving kidnapping), road hijackings, ransacking of the villages that still remain to be destroyed—and most of all, in the form of land expropriation.

Darfuri African tribal groups, in the grimmest of ironies, are paying for their own destruction by means of land expropriation by armed Arab groups. The primary advantage for Khartoum, of course, is that this costs very little. The Rapid Support Forces (RSF) have received heavier armaments than their predecessor militia forces, and they received better salaries. A recent report from the Enough Project also suggests,

"These forces also play a role in broader transnational criminal looting and poaching networks, adding a regional dynamic to their activities."

("Janjaweed Reincarnate: Sudan's New Army of War Criminals," Akshaya Kumar and Omer Ismail | June 2014⁶⁸)

There are credible reports, though no confirmation, of the role played by the RSF in smuggling diamonds from Central African Republic and counterfeiting the Libyan dinar with stolen printing plates and codes (Khartoum has been a central actor in the violence that has wracked Libya since 2011, supporting in particular the radical Islamist organization Libya Dawn⁶⁹).

⁶⁶ The title of a 2004 article by Alex de Waal published in the *Review of African Political Economy*.

⁶⁷ Julie Flint and Alex de Waal, *Darfur: A Short History of a Long War*, Zed Books, 2005;
<http://sudanreeves.org/2014/09/02/changing-the-demography-of-darfur/>

⁶⁸ http://www.enoughproject.org/files/JanjaweedReincarnate_June2014.pdf

⁶⁹ <http://sudanreeves.org/2014/10/22/new-and-exceedingly-accurate-translation-into-e/>

Even if better paid and better equipped than its *Janjaweed* predecessors, the RSF costs far less than mounting a conventional counter-insurgency effort in a remote and very difficult part of Sudan. Arable and pasturable land has in effect been expropriated by Khartoum as a means of securing military efforts from a wide range of militias, not infrequently in competition with one another. Over the past twelve years of fighting, the amount of land that has been expropriated, essentially in service of Khartoum's conduct of war against the African tribal groups of Darfur, is staggering and an immense obstacle to peace negotiations.

For if Khartoum is waging “counter-insurgency on the cheap,” it has also ensured that peace—meaningful peace—becomes ever more difficult to obtain. For there can be no end to fighting in Darfur without the sort of land restitution that would require Arab settlers to give up their “pay.” And yet, were Khartoum to attempt any large-scale restitution, they would face a new insurrection from their former allies.

This is the proverbial “elephant in the room” for any negotiating process that is to have a chance of bringing peace to Darfur. But to date there has been no meaningful effort to broach the subject: it was unaddressed in any meaningful sense by the Darfur Peace Agreement (Abuja, Nigeria; May 2006) or the deeply inadequate Doha Document for Peace in Darfur (Doha, Qatar; July 2011). Meanwhile the reports that come almost daily from Radio Dabanga make clear that land taken by Arab militia forces and armed nomadic groups will not be easily surrendered. Claims have been staked, and violence typically accompanies any attempt by the owners of the lands to return to or farm them.

Conclusion

Yet again, Khartoum has found a way to expropriate Sudanese wealth as a means of securing its stranglehold on power, the power that allows for continuing such expropriation. There are simply no bounds to the rapacity of the regime, no lack of resourcefulness in extracting Sudan's national wealth for self-enrichment. It is, in short, a self-perpetuating kleptocracy. With no meaningful international scrutiny of revenues, budgetary realities, or expenditures—including for the military and security services—there is little reason to expect the regime to change its ways. And as the economic collapse accelerates, we should expect more (and more desperate) land sales, expanding latitude in permitting local methods of illicit expropriation of regional wealth, further sales of national assets, and—as the dry season begins again—continued war against the peoples of the periphery. So long as the NIF/NCP pays no meaningful price for wars that are ultimately a ghastly feature of the regime's ruthless survivalism, they will not end.

APPENDIX: Weapons and Arms in Sudan: Acquisition and Use, 2000 – 2009 and Following

The period 2000 – 2009 was marked by Khartoum’s large increase in its inventory of small arms, light weapons, and heavy weapons systems. Small Arms Survey (SAS), Stockholm International Peace Research Institute (SIPRI), Human Rights Watch (HRW), Amnesty International, and other investigators have been able to piece together a fairly comprehensive picture of weapons acquisitions during the period in question, despite Khartoum’s notorious opacity on matters of arms purchases. The vast majority of these purchases come from China, Russia, Belarus, and Iran. Small Arms Survey reported in its December 2009 overview of Sudan that “China and Iran together accounted for an overwhelming majority (more than 90 percent) of the National Congress Party’s self-reported small arms and light weapons and ammunition imports over the period 2001 – 2008.”⁷⁰ Both countries are known to facilitate the breaking of arms embargoes and to create non-transparent documentation for sales.

An inventory of weaponry, organizing and collating data from all authoritative sources, appears at the end of this appendix. Significant financial activity by the Khartoum regime in the period 2000 – 2009 was made possible in large part by various Western financial institutions and organizations, offering letters of credit to Khartoum and engaged in criminal violation of American financial laws.

Revenues within the Central Bank of Sudan, as well as various government budgetary expenditures, are notoriously opaque; thus monies received from abroad are *ipso facto* completely fungible within the broad (and highly selective) set of expenditures and income details that are announced publicly by Khartoum in fiscally and monetarily untenable annual budgets. These budgets include no line items for military or security expenditures, even as conducting war against insurgencies on three fronts is enormously expensive, as are the various security services, which have vast quantities of weapons and equipment and are heavily staffed. The National Intelligence and Security Services (NISS) have a very wide reach, as does Military Intelligence, which is prominent in Khartoum, but also in Darfur, South Kordofan, and Blue Nile.

Notably, Small Arms Survey (December 2009) concludes that “Khartoum’s acquisition of new weaponry will likely lead to greater arms proliferation and insecurity in Sudan, given that government stocks are a major source of weaponry for armed groups (both government allies and adversaries).”⁷¹

Some of the larger weapons systems purchased by the government of Sudan are extremely expensive. For example, Khartoum purchased **12 MiG-29s in 2002** at a cost of more than \$40 million each, the price before the very considerable expenses of service and training contracts. An **additional 12 MiG-29s** were reportedly delivered in **2008** according to the *Sudan Tribune* (July 20, 2008⁷²) and other sources.⁷³ Helicopter gunships were used extensively in what is now South Sudan, although in 2002 it was a region

⁷⁰ <http://www.smallarmssurveysudan.org/fileadmin/docs/issue-briefs/HSBA-IB-15-arms-flows-and-holdings-in-Sudan.pdf>

⁷¹ <http://www.smallarmssurveysudan.org/fileadmin/docs/issue-briefs/HSBA-IB-15-arms-flows-and-holdings-in-Sudan.pdf>

⁷² <http://www.sudantribune.com/spip.php?article27952>

⁷³ http://www.defenceweb.co.za/index.php?option=com_content&view=article&id=32928:sudanese-armed-forces&catid=119:african-militaries

of Sudan known as **Western Upper Nile** (now Unity State). According to a [range of sources](#),⁷⁴ dozens of helicopter gunships (**Mi-17s** and **Mi-24s**) were purchased in the years following **2000**. These weapons have been used extensively against civilians in areas that remain in Sudan after the independence of South Sudan (**July 9, 2011**). Indeed, Darfur has seen constant aerial attacks, by both rotary and fixed-wing aircraft, since the beginning of major conflict in **2003**.

Large weapons systems purchased **in and since 2000** include:

- **MiG-29** advanced military jet aircraft
- **Sukhoi-25** ground-to-air fighter aircraft
- **Mi-17** and **Mi-24** military helicopters
- **Antonov-24** and **Antonov-26** cargo planes, retrofitted to be crude bombers, from which barrel bombs are simply rolled out the cargo bay without the benefit of a bombsight mechanism
- **Chinese WeiShi-2/3** missiles, with a potential range of 200 kilometers

The last of these was first reported in South Kordofan on **February 17 and 18, 2012**; the advanced, long-range Chinese WeiShi rockets hit the Nuba Mountains towns of Um Serdeba and Tabanya.⁷⁵ Almost two months earlier, Ryan Boyette had reported an attack to *Sudan Tribune* on **December 5, 2011**.⁷⁶ The February 2012 attacks killed a father, his three daughters, and a son, badly wounding the man's wife and another child. Fragments from the munitions were later identified by an Amnesty International weapons expert:

"The [WeiShi] rockets, fired from more than 25 miles away, travel at 3,000 miles per hour and pack a 330-pound warhead often loaded with steel ball bearings to increase lethality, experts say. Where they land is random, witnesses say, and they often slam into villages instead of legitimate military targets. 'They arrive without any warning,' said Helen Hughes, an arms control researcher at Amnesty International. 'And they are being used indiscriminately, which is violation of international humanitarian law.'" (New York Times [Nairobi], March 13, 2012⁷⁷)

In its **2007 report on Chinese weapons transfers to Sudan**, Human Rights First noted:

"In 2007, television footage from a military parade celebrating Sudan's 52nd Independence Day showed that Sudan had late-model battle tanks, infantry fighting vehicles, and military trainers from China."⁷⁸

⁷⁴ <https://www.amnesty.org/en/latest/news/2012/02/darfur-new-weapons-china-and-russia-fuelling-conflict/>

⁷⁵ <http://missilethreat.com/missiles/guided-wei-shi-2-3/>

⁷⁶ <http://www.sudantribune.com/spip.php?article40914>

⁷⁷ <http://www.nytimes.com/2012/03/14/world/africa/in-sudans-nuba-mountains-rocket-attacks-spread-fear.html? r=0>

⁷⁸ <https://www.humanrightsfirst.org/wp-content/uploads/pdf/080311-cah-arms-sales-fact-sheet.pdf>

In all its counter-insurgency wars, Khartoum's Sudan Armed Forces (SAF)—both in its ground attacks and aerial assaults—have been demonstrably indiscriminate, as the use of the WeiShi missile amply demonstrates. Indeed, there is overwhelming evidence that civilians have been *deliberately targeted* wherever Khartoum has waged war. The indiscriminate nature of military assaults on the ground and from the air, as well as the deliberate nature of attacks on civilians, has been authoritatively established. (See "They Bombed Everything that Moved": Aerial military attacks on civilians and humanitarians in Sudan, 1999 – 2011.⁷⁹⁾

The broadest generalizations to be drawn here are the following:

I. Annual imports of small arms and light weapons, as well as their ammunition, have been growing and have flooded the conflict zones of Sudan; additionally, the Khartoum regime has directly armed various militia forces in South Sudan opposed to the government of South Sudan;

II. The Khartoum regime has **since 2000** imported massive amounts of weaponry (much of it highly advanced), as well as small arms and large quantities of ammunition (which is also now manufactured domestically); many of these purchases were funded by oil revenues, which came on line in August 1999.

III. With the help of Iran, Sudan has become a major manufacturer and exporter of small and medium weapons.⁸⁰ There could hardly be a less productive expenditure, especially given the continuing collapse of the agricultural sector.

Major weapons systems, including:

- aircraft: a wide range of fixed-wing and rotary military aircraft
- missiles, including the WeiShi 2/3
- heavy artillery
- tanks, including modern versions of Russian tanks replacing the T-55s
- armored personnel carriers (APC)
- infantry fighting vehicles (IFV)
- towed Multiple Rocket Launchers (MRL)
- portable SAM (Surface to Air Missile)

Light weapons, including:

- numerous sizes of mortars
- recoilless rifles
- heavy machine guns (including the Russian-built heavy "Doshka" machine guns (12.7mm), often mounted on Land Cruisers

⁷⁹ <http://www.sudanbombing.org/>

⁸⁰ <http://www.smallarmssurveysudan.org/fileadmin/docs/facts-figures/sudan/HSBA-IDEX-2015.pdf>

Small arms (both imported and manufactured domestically):

“Supply and Demand: Arms flow and holdings in Sudan, December 2009,” *Small Arms Survey (December 2009)* reports that the various military entities controlled by the government of Sudan possess more than **450,000 small arms**, mainly Kalashnikov automatic weapons.⁸¹

IV. Military expenditures by the Khartoum regime, according to research by the **Stockholm International Peace Research Institute**, come to **many billions of dollars during the period 2000 – 2008**, although the opacity of the regime is in many areas nearly complete.

V. Khartoum has armed opposition militia forces in South Sudan, as definitively established in “Following the Thread: Arms and Ammunition Tracing in Sudan and South Sudan,” page 25 *Small Arms Survey* (May 2014)⁸² and “Arms trajectory: Sudan’s arms footprint spans conflict zones,” *Jane’s Intelligence Review*, January 2015; see also “The Military Industry Corporation (MIC),” *Small Arms Survey*, July 2014.⁸³

VI. Inventory of conventional weapons transferred to the Sudan Armed Forces (SAF)

Supplier country	Weapons/systems	Number	Year(s) delivered
Belarus	T-55M tanks	60	1999 – 2001
	BM-21Grad 122 mm self-propelled MRL 12		2002 – 2003
	D-30 122mm towed gun	24	2003
	2S1 122mm self-propelled gun	10	2003
	BMP-2 infantry fighting vehicle	9	2003
	BRDM-2 armored reconnaissance vehicle	39	2003
	BTR-70 armored personnel carrier (with “Kobra” weapons turret)	2	2007
	Su-25 FrogfootA ground attack aircraft	15	2007 – 2008
China	Type -63 107mm towed MRL (Multiple Rocket Launcher)	460	2001 – 2014*
	Type-85-IIM tank	25	2002 – 2006
	A-5C Fantan ground attack aircraft	12 – 20	2002
	WZ-551 armored personnel carrier	10	2003
	K-8 Karakorum trainer/combat aircraft	12	2005

⁸¹ <http://www.smallarmssurveysudan.org/fileadmin/docs/issue-briefs/HSBA-IB-15-arms-flows-and-holdings-in-Sudan.pdf>

⁸² <http://www.smallarmssurveysudan.org/fileadmin/docs/working-papers/HSBA-WP32-Arms-Tracing.pdf>

⁸³ <http://www.smallarmssurveysudan.org/fileadmin/docs/facts-figures/sudan/HSBA-MIC-Open-Source-Review-2014.pdf>

	FN-6 portable surface-to-air missile	50	2006
Iran	Rakhsh armored personnel carrier	20	2005 – 06
	Type-86 infantry fighting vehicle	10	2003
	T-72Z tank	10	2006
	Ababil UAV	5	2008
	Shahine Towed MRL	5	2008
Russian Federation			
	BTR-80 infantry fighting vehicle	30	2001 – 2002
	Mi-24P/Hind-F combat helicopter	36+	2005 – 2000**
	Mi-8MT/Mi-17/Hip-H helicopter	15	2004 – 2008
	Type 59D tank	40	2010 – 2014***
	WZ-551/Type 92 infantry fighting vehicle	45	2006 – 2014
	MiG-29S/Fulcrum-C	12	2003 – 2004
	BT6 trainer aircraft	9	2005
	K-8 Karakorum trainer/combat aircraft	12	2005 – 2008
	FN-6 portable surface-to-air missile	50	2006
	V-46 diesel engine	10	2006
	V-55 diesel engine	50	2008 – 2012****
Slovakia:	Cobra 30mm Infantry Fighting Vehicle, with turret	10	2007
Ukraine:	AI-25 Turbofan	12	2006 – 2008
	An-32/Cline (re-engineered Antonov-26)	5	2008 – 2009

*includes production in Sudan

** Amnesty International, 2012

*** ordered in 2008; assembled in Sudan

**** ordered 2007

(for the most authoritative report on Sudan’s domestic weapons production, see “The Military Industry Corporation,” Small Army Survey, 2015)⁸⁴

Sources:

[1] UN Register on Conventional Arms

⁸⁴ <http://www.smallarmssurveysudan.org/fileadmin/docs/facts-figures/sudan/HSBA-IDEX-2015.pdf>

[2] “Darfur: New weapons from China and Russia fuelling conflict,” Amnesty International (February 2012)⁸⁵

[3] Stockholm International Peace Research Institute Arms Transfers Database; equipment sighted in Khartoum, 2007–08

[4] “Supply and Demand: Arms flow and holdings in Sudan, December 2009,” Small Arms Survey (December 2009)⁸⁶

The last report notes that Khartoum provides,

“...no official information about its arms acquisitions. Nevertheless, customs data, field observations, and data supplied by other countries to the UN Register of Conventional Arms indicate that **since 2000** Sudanese (i.e., NCP) arms purchases have been dominated by four supplier states: China, Iran, the Russian Federation, and Belarus. All these arms supply relationships were well established during the latter phase of the civil war. “Major transfers are reported... although this must be regarded as an incomplete assessment. Customs data, despite some serious evidential inadequacies, also support the view that **Khartoum’s imports of small arms and light weapons in particular have grown in magnitude since 2001** and have become dominated by direct imports from **China and Iran**. According to customs data, these two countries were responsible for **72 per cent and 22 per cent, respectively**, of reported transfers of small arms and **light weapons, small arms and light weapons ammunition, and conventional munitions and artillery from 2001 to 2008...**”⁸⁷

⁸⁵ <https://www.amnesty.org/en/latest/news/2012/02/darfur-new-weapons-china-and-russia-fuelling-conflict/>

⁸⁶ <http://www.smallarmssurveysudan.org/fileadmin/docs/issue-briefs/HSBA-IB-15-arms-flows-and-holdings-in-Sudan.pdf>

⁸⁷ <http://www.smallarmssurveysudan.org/fileadmin/docs/issue-briefs/HSBA-IB-15-arms-flows-and-holdings-in-Sudan.pdf>