



US Should Accelerate Process to Remove Sudan from Terrorism List and Impose Network Sanctions on Spoilers Undermining Peace in the Country

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The time has come to remove Sudan from the State Sponsors of Terrorism list, and the United States should accelerate its ongoing process to make this determination. At the same time, it should support reform efforts by imposing targeted sanctions on spoiler networks of officials and enablers who are undermining peace, human rights, and the transition to democracy.

Since being sworn into office three months ago, the civilian-led cabinet of Prime Minister Abdalla Hamdok has taken significant action to protect basic human rights, fight corruption, and curb the influence and activities of radical groups that are ideologically aligned with international terrorist organizations. While these actions have satisfied much of the framework agreement developed between the United States and Sudan prior to the installation of the transitional government, more progress on critical issues like humanitarian access in war-affected areas is needed.

Nevertheless, as Prime Minister Hamdok's trip to the United States has recently concluded and the countries will exchange ambassadors for the first time in 23 years, we believe that the necessary conditions required for Sudan's removal from the SST list have been achieved and that the importance of supporting the reform efforts of Sudan's new civilian administration outweighs the potential risks of removing this designation prematurely.

Suliman Baldo, Senior Advisor for the Enough Project, said: "In order for Sudan to attract responsible business investment, however, removal from the State Sponsors of Terrorism list will not be sufficient. Greater transparency in the banking sector, an overhaul of the country's anti-money laundering systems, and the enforcement of public contracting and procurement laws are among a variety of essential economic reforms. Without such reforms, financial institutions and others in the private sector that are conducting the appropriate level of Know Your Customer (KYC) and Enhanced Due Diligence (EDD) reviews will likely not pursue business in Sudan based on their own risk assessments, notwithstanding SST removal."



John Prendergast, Co-Founder of The Sentry and Strategic Director for the Clooney Foundation for Justice, said: “Sudan’s transition remains fragile after decades of state capture by a violent and corrupt network of officials led by former President Omar al-Bashir, who is wanted by the International Criminal Court for genocide. Potential spoilers from this network who may seek to derail this drastic shift in governance threaten to undermine the substantial progress achieved by Sudan's new leaders.”

Thus, the United States and other nations supporting peace and democracy in Sudan must remain willing to use their sanctions and anti-money laundering authorities to address these threats and to target those spoilers engaged in significant corruption and human rights violations. For example, the Rapid Support Forces and other armed groups linked to the Bashir regime continue to carry out attacks and forcibly occupy land in Darfur. The US and other countries should impose targeted network sanctions on those that are responsible for violence there and in other war-torn parts of Sudan.

Our position has been shaped by the preponderance of steps that have been taken by the transitional government, which include the following actions illustrating the Hamdok administration’s intent to move in a positive direction.

- ▶ **Ending Preferential Tax Treatment:** In late November, the government adopted recommendations submitted by the Minister of Finance to rescind income and business tax exemptions that the Bashir regime extended to entities for its own political and economic purposes, which included support for extremist organizations. Removing these exemptions and other financial benefits signals to organizations supporting international terrorism that they no longer have an ally in Khartoum. Along with recent announcements by Prime Minister Hamdok to address issues of compensation for victims of terrorism, this action demonstrates a substantial departure from the policies of the previous regime.
- ▶ **Repealing and Reviewing Public Order Laws:** On November 29th, the government repealed the repressive Public Order Law that controlled women's public activities and dress and subjected violators to harsh corporal punishments and prison. A committee of legal advisors is recommending that the Justice Minister review other repressive laws in advance of a national law reform commission that will conduct a comprehensive review of all laws in Sudan before scheduled elections in three years.
- ▶ **Investigating Violence, Human Rights Abuses, and Corruption:** On September 21st, the government announced the establishment of a seven-member independent commission to investigate the June assault on peaceful protesters that was marked by the deaths of unarmed protesters and rape by security forces. The commission, led by respected lawyer and rights defender Nabeel Adeb, formally began in late October and launched its investigations a month later. On December 1, the Attorney General formed an investigative committee regarding the stolen assets of the irrigation project known as the Gezeira Scheme. He has also taken action regarding corruption connected to Sudan Airways, in particular the unlawful sale of the national carrier’s landing slot in Heathrow Airport.



- ▶ **Freezing Assets of Suspect Organizations:** On November 22nd, the authorities banned and froze the assets of some 30 organizations, citing the involvement of several of the banned groups in the political work of the former ruling National Congress Party (NCP) or their engagement in actions unrelated to their organization's declared intent. Extremist organizations under the Bashir regime had used commercial enterprises and charities to fundraise and to escape the scrutiny surrounding terrorist financing.

Accelerating the process for delisting Sudan from the State Sponsors of Terrorism list is not a panacea, but it will help unlock essential financial support and bolster Sudan's economic prospects. If it occurs in conjunction with meaningful economic, governance, and human rights reforms, the prospects for economic recovery and democratic transformation in the country will grow exponentially. The United States must implement a policy that is nimble and targeted enough to address those seeking to undermine meaningful reforms and engage in violent activity but that also moves away from policies like the SST designation that are too blunt and can act as an impediment to political and economic progress.

