The Sudan

The escalation of conflict in Darfur overshadowed all other developments in 2004. As in 1998, the country was described by the UN as the scene of the “world’s worst humanitarian crisis.” Despite much international attention and diplomatic pressure, the security and humanitarian situation continued to deteriorate throughout the year. This dampened international delight over the success of peace negotiations between the Government of the Sudan (GoS) and the armed opposition in the south, the Sudan Peoples’ Liberation Movement/Army (SPLM/A), that helped to end the world’s longest civil war. On the economic level, increasing oil production and high prices boosted revenue, and prospects for peace in the south helped raise the level of international investment. Western powers, however, made stronger engagement conditional on settlement of the Darfur crisis.

Domestic politics

The armed conflict in Darfur between non-Arab rebel movements and GoS had already built up for a year when, in early 2004, GoS began to more actively support bands of ‘Janjaweed,’ armed militias drawn from semi-nomadic Arab tribes, and use them as a proxy to crush the rebellion. Janjaweed attacks on villages and farms caused massive civilian destruction and attracted growing international criticism. In December 2003, UN Under-Secretary-General for Humanitarian Affairs Jan Egeland, described events in Darfur as “the world’s worst humanitarian crisis,” an assessment taken up frequently throughout the year, among others by UN Secretary-General Kofi Annan. International attention had some effect in that negotiations between the warring parties commenced, fighting decreased and humanitarian access improved from mid-year. But ceasefires were never really observed and the humanitarian situation steadily deteriorated. By year’s end, negotiations had broken down, fighting flared up, and bureaucratic obstacles to humanitarian relief increased again.

It was difficult to measure the devastation caused to civilian life in Darfur. Hundreds of villages were destroyed — by October, aerial surveys revealed 574 completely destroyed villages and 157 damaged, that is, at least half of the non-Arab villages. Fields and crops were burned, over two million livestock looted, women raped, people killed. This led to large-scale and growing displacement. In January, the UN estimated that over 600,000 people had been displaced by the conflict. By February, they spoke of 135,000 refugees to neighbouring Chad and reported that “[h]alf of Darfur’s six million people are directly affected by the conflict,” but that UN aid reached only 15% of people in need. Estimates of displaced persons were revised steadily upwards, reaching 1.2 m IDPs by July and between 1.65 m and 2.4 m IDPs by year’s end: refugees to Chad were estimated at a quarter million by December. Mortality estimates proved more difficult: WHO estimated 70,000 deaths from disease and malnutrition among the displaced between March and September, but this was criticised for underestimating deaths outside official IDP camps. Two independent activists, Eric Reeves and Jan Coebergh, compiled available data to project the total death toll during 2003-04 at 300,000-400,000. Egeland acknowledged that the overall death rate in Darfur since the beginning of the war was “several times the number of 70,000” provided by WHO.

The year began with continued efforts by GoS to achieve military victory, refusing ‘internationalisation’ of what they claimed was an internal problem. In January, daily bombing raids by the Sudanese air force on villages in Darfur killed hundreds of civilians and caused thousands more to flee into neighbouring Chad. Janjaweed followed them even there, and Sudanese bombs fell on the Chadian border town of Tiné, killing three Chadian civilians. Consequently, UNHCR began moving Sudanese refugees to safer areas further inside Chad.
On 9 February, President Omar al-Bashir formally declared victory over the rebels, offering them amnesty and promising safe humanitarian passage to the region. The main armed opposition groups, the secular **Sudan Liberation Movement/Army** (SLM/A) and the smaller, Islamist-leaning **Justice and Equality Movement** (JEM) immediately dismissed this, refused to attend proposed peace talks and launched new offensives. SLM sought to strengthen its position by joining the opposition National Democratic Alliance on 13 February and announcing, on 25 February, an agreement with the eastern Beja Congress to launch joint operations. On 18 May, it further declared that it had joined forces with the Sudan Federal Democratic Alliance. Several times during the year, however, internal tensions surfaced within SLM, partly linked to disputes between field commanders and the political negotiators in N’djamena. The reliability of SLM’s command-and-control hierarchy was also questioned by observers. JEM suffered a split in April when the National Movement for Reform and Development (NMRD, also known by its Arabic acronym, ‘Hawat’) claimed to have broken away because it disagreed with the influence of Hasan al-Turabi over JEM. While JEM dismissed the group as a ‘stooge’ of GoS, others cautioned that it appeared to enjoy credibility among many of JEM’s military forces.

Following Bashir’s promise to grant humanitarian access, the UN began planning needs-assessment missions and the pre-positioning of aid. However, humanitarian access remained limited, and in March a total **breakdown of law and order** was reported, with UN sources reporting that Janjaweed roamed “the region in gangs of hundreds, attacking one village after another.” A (probably conservative) estimate of Janjaweed strength of over 20,000 has been circulating, while in February a JEM spokesman claimed that JEM and SLM/A combined had 27,000 troops. Outside estimates spoke of around 10,000 fighters.

International attention finally, on 31 March, brought the warring parties to the negotiation table in N’djamena under the auspices of Chad, the AU, the US and the EU. On 8 April, GoS, SLA and JEM signed a 45-day, renewable **Humanitarian Ceasefire Agreement on the Conflict in Darfur**. The parties vowed to “refrain from any military actions and any military reconnaissance operations,” “from supply or acquiring arms and ammunition,” and “from any act of violence or any other abuse on civilian populations,” as well as to “stop any restriction on the movement of goods and people” and to ensure the humanitarian process. GoS committed itself “to neutralize the armed militias. An AU-led joint ceasefire commission was instituted to monitor compliance with the agreement. A major criticism of the agreement was that it failed to explicitly address the problem of Janjaweed militias, regarded as among the main perpetrators of crimes against humanity in Darfur, let alone to include them in the accord. Foreign Minister Mustafa Osman Ismail said the Janjaweed, a “spontaneous tribal response to predominantly Zaghawa rebels,” could only be disarmed after rebels had laid down their weapons. To solve the crisis, GoS advocated a general conference of all representatives of Darfur without international participation. This idea was endorsed in a second N’djamena accord dated 25 April, which also called on GoS to neutralise and disarm militias. The agreement was stillborn, however: GoS did not sign it and JEM and SLA forces on the ground repudiated it, explaining that their representatives in N’djamena were not mandated to negotiate political issues. They reiterated their commitment to the ceasefire, but this proved ineffective since both sides increased their attacks on military and civilian targets and even on humanitarian aid workers (for example, in June and December). This insecurity, along with problems of cross-line relief (with rebels fearing infiltration and GoS frequently creating administrative hurdles) greatly exacerbated the humanitarian crisis.
The Ceasefire Commission (CFC) provided for in the 8 April agreement took several months to become operational, but proved more outspoken than many critics predicted. On 28 May, the AU reached an agreement with the Sudanese parties on the modalities to establish CFC and deploy observers. A monitoring mission was set up as the operational arm of CFC, to be protected by a small armed force. The mandate of this force was soon interpreted by AU to include protection, within its capacity, of the civilian population. The first contingent (154 Rwandan troops) arrived in al-Fashir on 15 August, followed on 30 August by 30 Nigerians. On 20 October, the AU peace and security council decided to expand the size of the African Mission in the Sudan (AMIS) to 3,320 personnel and explicitly to include in its mandate the protection of civilians “under imminent threat and in the immediate vicinity.” Deployment was hampered, however, by financial and logistical problems. By December, less than a third of the force had arrived, and while observers admitted their deployment helped to improve security in some areas, large parts of the countryside where civilians were most threatened remained beyond reach.

The UN became more closely involved in April when UNHCHR sent a fact-finding committee to Chad and the Sudan. In its 7 May report, it clearly identified “a reign of terror in Darfur” (attacks against civilians, rape, pillage, forced displacements, etc.). It recommended the establishment of an international commission of inquiry (ICI), and called in particular on GoS to immediately disarm the militias, guarantee unimpeded humanitarian access and ensure the rule of law. GoS responded on 8 May by creating its own investigation committee, which had reported by year’s end. The Arab League (AL) also sent a fact-finding mission, whose 19 May report was not made public, since GoS vigorously protested its conclusion that massive violations of human rights had been committed by pro-government militias. An emergency AL meeting on 8 August largely supported GoS’s political position.

A flurry of high-ranking UN and Western official visitors (most prominently US Secretary of State Powell and Kofi Annan) began in June to prod GoS to change its stance. Annan’s visit concluded with a joint communiqué in which GoS committed itself to permit freedom of movement for aid workers throughout Darfur, ensure that there were no militias present in areas surrounding IDP camps, and to start disarming the Janjaweed. A Joint Implementation Mechanism (JIM) was established to monitor this agreement. Although GoS immediately (5 July) announced it had begun disarming the Janjaweed, the UN could see no indications of this, and on 30 July the demand was repeated in UN Security Council Resolution 1556 that GoS “bring to justice Janjaweed leaders and their associates.” The Secretary-General reported 30 days later on the progress or otherwise by GoS on this matter, and Khartoum was implicitly threatened with sanctions in the event of non-compliance. All parties were urged to respect the ceasefire and to conclude a political agreement – the rebels’ precondition to lay down arms – without delay. The resolution also committed states to prevent the flow of arms and provisions to all non-governmental entities and individuals operating in Darfur. Following this resolution, the Secretary-General’s special representative to the Sudan, Jan Pronk, on 5 August negotiated a plan of action with GoS that committed it to securing, within 30 days, safe areas for IDPs in Darfur, cease offensive military operations in those areas, declare the militias over whom it had influence and restrain their activities. The latter commitment was reiterated on 19 August to JIM when GoS promised to present names and numbers in the very near future. On 30 August, with the passing of the UN deadline, the Secretary-General presented a report that noted the discrepancy between GoS’s announcement of measures and their implementation. The impact on the ground remained uneven, he noted, most critically the reining in the militias, the vast majority of which had not been disarmed. Instead, many were simply integrated into
the paramilitary Popular Defence Forces. Annan also criticised the lack of steps to bring militia leaders to justice, thus allowing human rights violations to continue with impunity. He called for an expanded AU mission with a protection element to promote security and facilitate humanitarian assistance.

Meanwhile, pressure built in the US to be more outspoken about the links between GoS and Janjaweed and declare the situation in Darfur genocide. On 22 July, Congress adopted a resolution to this effect, urging the US government to consider intervention to prevent genocide should the Security Council fail to act. US Secretary of State Powell, who previously maintained there was not enough evidence to call the violence genocide, changed his position in testimony to the senate foreign relations committee on 9 September. Seized for the first time under the Genocide Convention, the Security Council on 18 September passed Resolution 1564 which called for an international commission of inquiry (which began its work on 25 October). Expressing grave concern that GoS had not complied with Resolution 1556, the Security Council reiterated its call for GoS to stop all violence and atrocities, to improve the security of the civilian population and to identify by name militia members disarmed or arrested for abuses of human rights and international humanitarian law, so as to end the climate of impunity in Darfur. The resolution encouraged a reinforced AMIS to begin proactive monitoring. In the case of non-compliance, the Council announced it would consider additional measures, including sanctions against the petroleum sector, the government or its individual members. However, when the Security Council met in Nairobi on 19 November, its Resolution 1574 repeated earlier demands but no longer mentioned “further measures.” The effective removal of the threat of sanctions, at least until the international commission of inquiry presented its report, apparently arose from the wish to push through peace in the south and not to endanger the minimum of cooperation with the international community that GoS had shown. On the ground in Darfur, however, this led to an upsurge in violence towards the end of the year.

The third round of AU-sponsored inter-Sudanese peace talks on Darfur began in Abuja on 21 October and resulted on 9 November in the signing of two security and humanitarian protocols. These reiterated the demands of the 8 April N’djamena ceasefire agreement, and called on Khartoum to refrain “from hostile military flights” (interpreted by GoS not to apply to defensive flights). Again, Khartoum agreed to disarm the Janjaweed. On 17 December, GoS signed a separate ceasefire with NMRD, which had remained excluded from the N’djamena negotiations. None of these held, however; further negotiations stalled; and the year ended with fighting as it had begun. For the people of Darfur, negotiations over the year brought some improvement in the supply of aid to IDPs in the camps, but elsewhere food security deteriorated and violence against civilians was not curbed. By year’s end, three to four times as many Darfurians were displaced as at the beginning.

In much of the south and adjacent transitional zone, the ceasefire agreed in October 2002 was observed throughout the year. Some areas, however, witnessed fighting, mostly related to the defection to SPLA of militia groups formerly allied to GoS. In March and April, pro-government militias and government troops conducted a major offensive in the Shilluk kingdom north of Malakal, with severe consequences for the civilian population (large-scale destruction of villages, looting of cattle, displacement of 70,000-100,000 people, many civilian deaths). Sporadic fighting was also reported from this area later in the year. Other repeated clashes occurred in the oil-producing areas of Western Upper Nile and around Akobo. Both GoS and SPLA also continued to move troops around the south in violation of the ceasefire agreement.
Still, negotiations made continued progress. The year began with a major breakthrough when GoS and SPLM settled the contentious issue of economic resource-sharing, providing the second important building block towards a comprehensive peace accord after the agreement on security arrangements of 25 September 2003. On 7 January 2004, both sides signed the Agreement on Wealth Sharing during the Pre-Intermediate and Interim Period in Naivasha, Kenya. In it, the parties agreed that 50% of net oil revenue from southern states (after the allocation of 2% to the producing state) would be allocated to the Government of Southern Sudan (GOSS) from the beginning of the pre-interim period, and the remaining 50% to the national government and northern states. The oil sector would be managed by a national petroleum commission staffed equally by the national government and GOSS. Existing contracts would be honoured. GOSS would receive 50% of national non-oil revenue raised in the south and could levy its own taxes, while national government expenditure in the south would be financed from the national pool. A dual banking system would operate during the interim period: an Islamic one in the north and a conventional one in the south, but a single monetary policy would be pursued, with a single central bank (restructured to reflect this dual system) and a new national currency issued “as soon as practical during the Interim Period.” The agreement committed the interim administration to raise the war-affected areas to the same average level of socioeconomic and public services as in the northern states.

On 5 March, the Equatoria Defence Force (EDF), hitherto one of the strongest GoS-aligned southern militias, signed the Nairobi Declaration of Unity with the SPLM/A. For SPLA, this was a clear success in the ongoing south-south dialogue. Former EDF fighters were subsequently used in attempts to drive the Ugandan opposition Lord’s Resistance Army (LRA) from its bases in Equatoria.

GoS and SPLA solved outstanding political differences on 26 May when they signed three protocols to share political power and on disputed areas within the administrative boundaries of northern states. The Protocol on Power Sharing regulated the establishment of a government of national unity, the appointment of the SPLM chairman as first vice-president, and elections by the end of the third year of the interim period. Prior to these, seats on government bodies at national, regional and state levels would be allocated as follows: in the National Assembly and the national council of ministers, the ruling National Congress Party (NCP) 52%, SPLM 28%, other northern political forces 14% and other southern political forces 6%. In the south, defined “as per the borders of 1/1/56,” the regional GOSS would be established, with SPLM holding 70% of legislative and executive seats, while NCP and the other southern forces would hold 15% each. In state governments in the north, NCP would hold 70% of executive and legislative seats, the SPLM 10% and other northern political forces 20%. In southern state governments, the proportions were inverted. The respective powers of national, regional and state governments were specified in detail. The power-sharing protocol also contained provisions on general principles of government, human rights, elections, the national capital, civil service, national security, judiciary, language (establishing both Arabic and English as official languages of national administration and higher education) and foreign policy. With regard to the application of Islamic law to non-Muslims, the principle of not subjecting non-Muslims to shariah penalties was underscored.

The Protocol on the Resolution of Conflict in Southern Kordofan/Nuba Mountains and Blue Nile States stated that prior to elections, 55% of seats in the executive and the legislature in the two states would be allocated to the NCP and 45% to the SPLM. Rotational governorship was agreed, with each party holding office for half the pre-election period, but not in both states simultaneously. Key provisions in the Protocol on the Resolution of Abyei
Conflict were as follows. Residents of Abyei would be represented in the legislatures of both Western Kordofan (north) and Bahr el Ghazal (south). Net oil revenues from Abyei were to be divided six ways: the national government receiving 50%; GOSS 42%; Bahr el-Ghazal 2%; Western Kordofan 2%; the local Ngok Dinka and Misseriya 2% each. At the end of the interim period, Abyei would vote on whether to retain its special administrative status in the north or become part of Bahr el Ghazal.

These protocols were the last of six texts constituting the core of the peace accord that were reconfirmed in the Nairobi Declaration on the Final Phase of Peace in the Sudan on 5 June. Finalisation, however, was hampered by the escalation of the Darfur crisis. Meanwhile, discontent surfaced in the SPLM/A, chiefly among field commanders, not all of whom embraced the priorities of SPLA’s political leadership. In October, negotiations in Kenya resumed, and on 31 December, the Agreement on Permanent Ceasefire and Security Arrangements Implementation Modalities during the Pre-Interim and Interim Periods was signed. Under this agreement, the Sudanese Armed Forces (SAF) and SPLA were gradually to disengage and redeploy to the north and south of the 1956 border respectively. Joint/Integrated Units (JIU), totalling about 40,000 men, would be stationed throughout the south and in Abyei, Southern Blue Nile, the Nuba Mountains and the capital, and a UN peace mission was called for to support the ceasefire. The state of emergency imposed in 1989 would be lifted “except in areas where conditions do not permit.” Upon conclusion of the accord, the parties agreed to sign the comprehensive peace agreement in Nairobi on 9 January 2005. Observers generally welcomed the agreement, though many pointed out that implementing it might prove even more difficult than negotiating it. Human rights groups deplored the lack of provision for holding accountable those responsible for abuses during the war and for ensuring compliance with international rights standards in future administrations.

Political dynamics among northern factions were largely determined by each group’s struggle to attain the best strategic position in relation to the political arrangements that would follow the signing of the comprehensive peace agreement for the south.

GoS continued its attempt to integrate most northern opposition parties into the existing political system without granting them a real share of power. The largest traditional forces, the Umma Party and the Democratic Unionist Party (DUP), as well as several smaller factions of the National Democratic Alliance (NDA), the umbrella organisation of mainly northern opposition parties and the SPLM, remained split into those factions seeking accommodation with GoS and those aiming to maximise the advantages of opposition from abroad. On 15 February, NDA approved the Jeddah Framework Agreement signed with GoS on 3 December 2003, which supported the peace negotiations in Kenya. Several NDA parties criticised the agreement as glossing over serious issues such as accountability for past human rights abuses, and as accepting the overall political and economic set-up in the north without reforming the security apparatus and curbing presidential power. Its endorsement in the end reflected the NDA’s wish to enlarge the bilateral basis of the peace negotiations and be accepted as a separate partner, a wish that guided NDA policy throughout the year. Meanwhile, GoS froze the Jeddah Agreement in protest at NDA’s admitting the Darfuri SLM/A as a new member on 13 February. For its part, NDA took some time before publicly declaring support for the peace protocols signed in Naivasha on 26 May. Its call to subject them to a conference of all political forces before the signing of the comprehensive peace accord, however, went unheard, and further talks with GoS in September/October remained inconclusive.

Disputes over the attitudes to take vis-à-vis the SPLM and GoS, respectively, crippled the northern opposition’s hitherto strongest military force, the Sudan Alliance Forces (Abdelaziz
Khaled ousted by rivals in February/March. This left that faction of the Beja Congress that had disowned the December 2003 move to Khartoum by its former leaders, and the Free Lions (a militia recruited among the eastern Rashayda tribe) as the major armed opposition groups in the east. Their relations with NDA became strained over the year and they distanced themselves from the Cairo negotiations and, instead, sought links to the Darfur rebels and tried – unsuccessfully – to talk separately to GoS.

The government’s most serious rival in the political arena remained the Islamist opposition Popular National Congress (PNC) led by Hasan al-Turabi. Several times during 2004 it was subjected to arrest campaigns over alleged collaboration with the Darfur rebels. In late March/early April, police arrested 40 people linked to PNC, including Turabi and ten army officers, over an alleged plan (denied by PNC) to overthrow the government. Turabi was not formally charged, but GoS accused him of instigating tribal and regional sedition. The party’s offices and its semi-official newspaper ‘al-Alwan’ were closed. While some of the detainees were soon freed, further arrests followed. By May, 69 followers of Turabi were detained (18 of them were put on trial in September). An unknown number of army officers and soldiers linked to PNC and/or from Darfur were discharged over the following months. For the rest of the year, restrictions on the party and its paper were repeatedly lifted and reimposed. Beginning on 7–8 September, over 30 PNC members and scores of activists (believed to be over 60 by mid-September) were arrested for conspiracy to carry out sabotage in relation to the Darfur conflict. Turabi was moved from house arrest to jail again. Arrests continued, and on 25 September, authorities imposed a security clampdown around the capital to round up suspects. A day later, President Omar al-Bashir announced the PNC would be allowed to resume political activities if it denounced Turabi. On 24 November, 92 persons, including 18 military personnel, went on trial in connection with the alleged September coup attempt. On 3 December, authorities dropped their charge against Turabi for involvement in a coup plot, but announced he would be detained until a political decree was issued to release him. He remained imprisoned by year’s end.

The Umma Party for Reform and Renewal (UPRR, the faction led by Mubarak al-Fadil al-Mahdi that had joined the government in 2002) went through a crisis with the ruling NCP in October when President Omar al-Bashir dismissed Mubarak al-Fadil from his post as presidential aide. No reason was given, but analysts interpreted the move as an attempt to improve NCP’s relations with the Umma Party (UP) of Sadiq al-Mahdi, from which UPPR had broken away. In the end, UPRR’s other ministers stayed in government until 13 December when they resigned, protesting that the NCP had not honoured its promise to let them participate in real decision making. Sadiq’s UP, meanwhile, remained largely a bystander throughout the year, although on 22 May it signed an agreement with NCP on the Darfur problem, stressing – in the face of growing international concern – that this was an internal issue best solved through a comprehensive national conference.

The Sudanese media struggled against restrictions and the imposition of a new law replacing the 1999 Press Act. On 14 January, police arrested Mahjoub Mohammed Saleh, co-founder and editor-in-chief of ‘al-Ayyam,’ Sudan’s oldest independent daily. He was charged with tax evasion, but the arrest was widely regarded as part of a campaign to subdue the paper, which had been suspended since November 2003. Mahjoub was released the following day on payment of the tax, and ‘al-Ayyam’ resumed publication at the end of February. Other papers continued to be suspended at various points during the year. On the other hand, the justice ministry on 16 March announced restrictions on the suspension of newspapers without court order, and on 22 March the independent English-language daily ‘Khartoum Monitor’ resumed
publication after a four-month ban. The Khartoum bureau chief of al-Jazeera satellite TV, who had been arrested in December 2003 for reporting false information, was released in April, but the station’s Sudan office remained closed. Over 100 Sudanese intellectuals petitioned government in April to cancel legal provisions restricting freedom of publication. But on 5 June, parliament approved a new Press and Printed Materials Act (replacing the 1999 Press Act) that was described by the international freedom-of-expression group ARTICLE 19 as making critical journalism impossible. On 11 September, pre-censorship (lifted in August 2003) was reimposed and papers were instructed to publish only government-cleared information on Darfur or PNC.

The Sudan’s human rights record remained poor, although the US state department noted improvement in some areas. Apart from countless abuses in connection with the armed conflicts, including large-scale civilian destruction and extra-judicial killings in Darfur, arbitrary arrests and ill-treatment in detention were frequently reported, as in previous years. And impunity for such behaviour was facilitated by police corruption and the lack of an independent judiciary. There were, however, fewer reports of police brutality, and arrests of civil society activists decreased. Probably due to the ceasefire in the south, there were no confirmed reports of abductions of women and children (though most old cases remained unsolved), and oil areas in Upper Nile were spared the scorched-earth policy of previous years.

Foreign affairs
During the first half of the year, the US appeared reluctant to exert pressure on Khartoum regarding Darfur for fear of endangering the peace process in the south. Thus, in April no additional unilateral sanctions were imposed under the 2002 Sudan Peace Act, and on 18 May Sudan was removed from a list of countries deemed “uncooperative” in US efforts to combat terrorism. Once the core agreements with SPLM were signed, however, Washington’s tone became harsher, and several political factions there called for sanctioning GoS for committing ‘genocide.’ In the UN, however, this position was counterbalanced by China, which by threat of veto steered the Security Council away from more decisive action. China, which bought 70% of the Sudan’s oil, feared that sanctions might endanger its investments there. Russia and France were also reluctant to support sanctions, partly because of their own commercial involvement.

Russia remained of particular interest as a supplier of arms. In May, GoS signed a new military cooperation agreement with Russia, and in late July – as the Security Council debate on sanctions against Sudan raged – Moscow announced the final delivery of 12 MiG-29 jet fighters to Khartoum, to conclude a 2001 deal (four other MiGs had been delivered in December and January). In September, Russia’s state arms export agency ‘Rosoboronexport’ openly stated it was seeking to boost sales to Sudan. In reaction to Security Council Resolution 1556, President Putin on 25 October banned the export of weapons to non-governmental bodies in the Sudan. A visit to Russia by President Omar al-Bashir was in preparation by year’s end. GoS also approached Ukraine and Belarus for arms and police training: both countries denied they were supplying military equipment. In February, Sudan signed a defence cooperation agreement with Malaysia, and GoS evaluated an Indian offer for military platforms and training.

Chadian President Idris Déby, while trying to mediate between GoS and the Darfur rebels, maintained good relations with GoS, but this stirred up internal rivalries, since many of his Zaghawa power base felt solidarity with the rebels (there was a coup attempt in May). Déby also encouraged Libya to mediate in the conflict in coordination with the AU. GoS, which earlier claimed that the rebels were benefiting from ‘Libyan channels,’ welcomed this
initiative, while the rebels subsequently rejected it, since Libya’s main concern appeared to be to avert Western intervention (affirmed at the Tripoli summit between Libya, Sudan, Egypt, Chad and Nigeria on 17 October). In July, Libya signed agreements with the UN to allow the transit of relief to Darfur through the Libyan desert.

Uganda's cooperation with GoS improved to the point where Khartoum in July effectively ended its tacit support of LRA and allowed the Ugandan army (UPDF) to pursue LRA fighters beyond the ‘red line’ (the Torit-Nisitu-Juba road) that had marked the permitted limit of Ugandan operations in Sudan since 2002. LRA leader Joseph Kony only narrowly escaped capture, and by the end of the year UPDF had destroyed most of the LRA’s infrastructure in southern Sudan. This led to increasing LRA attacks on Sudanese villages for supplies. Economic cooperation was furthered by framework agreements signed in April concerning agriculture, fisheries, animal resources and the voluntary repatriation of refugees. In December, a Ugandan delegation visited Khartoum to explore investment opportunities, especially in the south. Uganda also expressed interest in buying Sudanese oil.

GoS continued to collaborate with Ethiopia in containing the Oromo Liberation Front, permitting Ethiopian troops to cross the border in pursuit of OLF fugitives. Relations were marred, however, by a dispute over the demarcation of the border that dragged on throughout the summer.

Tensions with Eritrea escalated further. Eritrea, long accused of supporting rebels in the eastern Sudan, was now accused by GoS of extending this support to rebels in Darfur, a charge Eritrea denied. When in August, a Libyan plane forcibly repatriating 84 Eritreans was forced to land in Khartoum, Sudan refused to extradite the hijackers unless Eritrea agreed to “hand over Sudanese rebels in Eritrean camps.” Eritrea accused Sudan of “encouraging terrorism,” and in October claimed GoS was plotting to assassinate President Afeworki.

The Sudan steadily sought to strengthen relations with Egypt, which the Sudanese president visited regularly. GoS was interested in securing Egypt’s support for its position in the south and in Darfur, while Egypt eyed investment opportunities, including in the reconstruction of the south. Egypt therefore maintained its opposition to sanctions against the Sudan. Bilateral relations took a big step forward with the signing and ratification of an Agreement on the Four Freedoms (of movement, residence, work and ownership). Put on track during a January summit, it came into force on 8 September after final endorsement by the Egyptian parliament. Visas for Egyptians were immediately waived, but not the reverse, and overall implementation proved rocky (by December, six memorandums worked out by a joint technical committee were under discussion). The agreement seeks to facilitate cooperation in agriculture (joint project in Damazin), industry (Egyptian manufacturing plants), trade (Sudanese meat, vegetable and fish exports to Egypt; customs relief benefiting mainly the import of Egyptian industrial products), transport (joint Nile river navigation company planned; 60 km out of the total 280 km of the coastal asphalt road linking Port Sudan with the Egyptian border were completed in 2004; the Toshka-Dongola and Gustul-Wadi Halfa roads progressed more slowly), education (return of the Egyptian educational mission to Sudan; Cairo University to reopen a branch in Khartoum North; a branch of Alexandria University to be established in Juba), health, media (relay of Egyptian broadcasts to the Southern Sudan), culture, and social affairs.

In June, Egypt, Sudan and Ethiopia agreed to a variety of joint Nile water projects, especially in irrigation, agricultural development, electricity and drinking water supply.

The UAE became the largest source of Arab capital to Sudan, with investments especially in agriculture (April: memorandum of understanding on cooperation in agriculture and animal
production), power generation (Merowe dam) and real estate. Bilateral cooperation also intensified with Saudi Arabia, the second biggest Arab investor (February: agreement on political cooperation; March: agreements on agricultural cooperation, drug trafficking, smuggling and security; June: memorandum on financing a new international airport in Khartoum). On 4-6 October, Iranian President Khatami paid Khartoum his first visit since 1997 to enhance economic, political and cultural cooperation. Turkey also sought to expand its presence in the Sudan and to participate in the oil boom. In December, protocols on commercial relations, transportation, technical and economic cooperation, education, culture, health and tourism were signed, and the two sides agreed to start talks on a free trade agreement.

The re-election of the Sudan to the UN Commission on Human Rights on 4 May — at a time when Sudan was widely criticized for its human rights abuses — was regarded by experts as the result of an African ‘rebellion’ against US policies. On 31 October, the Sudan was the sixth Arab country to ratify the two UN optional protocols to the Convention on the Rights of the Child adopted in 2000 to protect children from recruitment into the armed forces and from sexual exploitation.

Socioeconomic developments
Sudan’s economy continued to expand rapidly, mainly driven by the oil sector. A 27% increase in production coincided with soaring international prices (highest ever annual average) and growing demand by expanding economies especially in Asia. Profitability was enhanced by the fact that more earnings were left in Sudanese hands after foreign companies had recovered initial costs. Oil receipts were estimated to have risen almost 60% in 2004, with export revenue growth of all goods estimated at 65%. Average daily production grew, as optimists had predicted, to an annual average of 343,000 b/d. In early June, the Sudan’s second pipeline linking Block 6 to the Jeili refinery north of Khartoum was completed. Output began in November at 10,000 b/d, signalling the first major extension to the country’s oil industry since the start in 1999 of production in Blocks 1 and 2. Contracts for infrastructure development for Blocks 3 and 7, including building a third pipeline, were allocated over the summer (mainly to Malaysian companies, including MMC Corporation, Ranhill and Lankhurst). Russian ‘Stroitransgaz’ won the tender for one of the four pipeline sections and started work in August. In October, Malaysian Peremba began building a terminal near Port Sudan for the export of crude from Blocks 3 and 7. Tenders were announced for the final work in Block 5a where production is planned to start in 2006. Following the 2003 suggestion of potential reserves all over the country, exploration work was undertaken for the first time outside the south and the transitional zone. Pakistani Zafer began drilling in its allocated Block 9 in June (Jazirah) and November (al-Damer). French Total refused an advance by Indian Oil and Natural Gas Company (ONGC) to take its equity in Block 5, and in December updated its contract to be ready to resume activities once peace takes hold.

Refining capacity also grew, and in August, the state-owned ONGC, seeking to secure more supplies for the Indian sub-continent, agreed to oversee construction of a new refined products pipeline from Khartoum to Port Sudan, due for completion in October 2005. ONGC also emerged as a key partner in plans to upgrade the Khartoum and Port Sudan refineries to a capacity of 100,000 b/d each.

On 15 November, the export pipeline was sabotaged near Shendi, but with minimal loss to throughput. Excepting a thwarted attack near Port Sudan in October, this was the first oil security incident in over a year. The Beja Congress, which had previously launched such attacks, denounced the Shendi act as criminal.
The IMF Staff Monitored Programme followed since 1997 continued to guide economic policy, with privatisation of parastatals and civil service reforms. IMF remained satisfied with economic performance. The Sudanese dinar showed only minimal movement against the US dollar, and consumer price inflation remained relatively stable at around 9% (though exceeding the IMF/government target of 5%). Real GDP growth, driven largely by oil exports and foreign investment, continued to accelerate to 6.5% and reached $ 19 bn, exceeding the IMF/government target. Tax-take growth was estimated at 11%. Central bank foreign-exchange reserves reached record levels ($ 1.2 bn by August). Sudan’s efforts to accede to WTO intensified.

By the end of 2003, total external debt had grown by 2.5% to $ 24.2 bn, according to Bank of Sudan figures: over half of this consisted of interest arrears. In April, the Arab Monetary Fund was the first creditor to write off some of this debt: $ 60 m of the $ 340 m Sudan owed the fund. Several other creditors indicated willingness to renounce claims once a peace accord was signed.

Foreign direct investment (FDI, mostly in the oil sector) had seen record growth in 2003, when it reached $ 1.3 bn, almost twice as much as in 2002, which had itself been the highest to date. Official data for 2004 (just over $ 700 m for the first six months) suggest that FDI continued to grow, albeit at a reduced rate. At 7% of GDP (on an annualised basis), this remains one of the highest ratios in the region, and highlighted both the attractiveness of the new oil economy and the dependency of the country’s development on foreign financing (primarily from China, Malaysia and India), which accounted for 80% of gross fixed capital formation in 2003.

In May, fixed-line telephone monopoly Sudatel was the first private-sector Sudanese company to raise a foreign syndicated loan – $ 40 m from the Arabian Investment Company, which operates under Islamic financial rules. In November (earlier than envisaged), a second fixed-line licence was awarded to Karnatel, a consortium led by UAE’s Etisalat, to compete with Sudatel. Commencement of operations by a second mobile phone service, licensed in 2003, was apparently delayed beyond the end of 2004. In what was the first deal to award a private company a central role in municipal services, EBD Lebanon was contracted to enhance Khartoum’s sewage network. In the banking sector, al-Salam, a new private Islamic bank dominated by UAE investors, obtained an operating licence. It raised $ 31 m in its initial public offering, twice as much as expected, and with a total capital of $ 88 m was set to become Sudan’s biggest bank. In August, GoS invited foreign investors to buy 49% of shares in a new firm to replace the ailing Sudan Airways and announced that all the 2,000 staff would be laid off – their job security had deterred previous investors. FDI played a decisive role in improving the country’s electricity supply, whose total capacity grew by 80% in 2004. In June, two power stations north of Khartoum went online with a combined capacity of 330 MW. In November, the Sudan’s first-ever private power station was inaugurated, at 257 MW the world’s largest diesel plant, built by Siemens and owned by the Malaysian company DIT power Kilo-X.

Import levels continued to grow by over 30% as they have since early 2001, driven mainly by the expanding oil sector and infrastructure projects, but also by steadily increasing consumer demand (reflected also in a lending surge to local private retail and wholesale trade). Still, oil (80% of total exports) brought Sudan its first trade surplus in years (an estimated $ 667 m). Total export revenue during 2004 rose to an estimated $ 3.3 bn, at 35% markedly higher than the previous record of 2003.

Non-oil export earnings also did well, growing by 75% in the year prior to 30 June 2004. Favourable rains in 2003 produced a bumper harvest, nearly 50% above the previous five-
year average. Sesame production trebled and earnings quadrupled; exports of sheep almost doubled; and recovering cotton prices helped increase revenue by 30% despite a 9% decline in export volume. Almost 90% of all non-oil exports went to Saudi-Arabia, but exports to Egypt began to grow as political relations improved.

**Food security** initially improved across the south, helped by favourable weather and the ceasefire. In March, however, IDPs began to return home, and by year’s end 300-400,000 of the over four million southern displaced had already gone back. This movement occurred largely spontaneously, and, because support systems were not in place, placed a strain on food supplies and infrastructure. The UN formed a ‘sustainable return team’ in the summer to coordinate aid to returnees. Preliminary assessments of the 2004-05 harvest pointed to lower production levels as rains were late and often below average. In the south, the ceasefire and good agency cooperation offset the negative effects of this, but in violence-plagued Darfur crop loss was estimated at 80%, and food shortages were also reported from the east.

The war in Darfur caused a setback to the international anti-polio campaign. Sudan had been polio-free for three years, but a new case was reported in Darfur in May (traced to Nigeria). Conflict hampered vaccination campaigns, and by December, 79 reported cases across the country meant the disease had become endemic again.

Activists voiced concern over large-scale environmental pollution in oil exploration areas and the wholesale destruction of the homes of 50,000 villagers by the Merowe dam project, but GoS maintained tight control over news regarding such issues.

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