

Keeping Sudan's Transition on Track

Against long odds, a protest movement triggered the ouster of Sudanese strongman Omar al-Bashir, one of Africa's longest-ruling leaders. He was finally deposed by military coup on 11 April 2019. In mid-August, the opposition alliance that grew out of the protest movement and Sudan's generals reached agreement on terms of a power-sharing transitional framework that, if fully implemented, will yield elections and civilian rule in three years. They have appointed a new prime minister, Abdalla Hamdok, a well-respected economist, named a civilian cabinet and formed a joint civilian-military supervisory council to oversee the agreement signed on 17 August.

Prime Minister Hamdok is under pressure to deliver against high popular expectations. Many Sudanese hope the civilian cabinet can steer the country to a better future after three decades of economic stagnation, political repression and gross violations of human rights under Bashir. The opposition alliance, Forces for Freedom and Change, led mainly by young professionals new to politics, has already fired the imagination of Sudanese everywhere. Its disciplined, sustained and diverse campaign (with women often at the forefront), delivered change largely peacefully even in the face of brutal crackdowns by police and paramilitary units.

But major obstacles lie ahead. The settlement outlined in the 17 August document is fragile and needs careful nurturing in the face of several linked challenges. First, Hamdok and his cabinet inherit an economy in deep distress. They have prioritised its revival, but in pursuing reforms they ultimately need to fundamentally reorder a rentier system that privileges both the generals with whom they now share power and Bashir's former cronies. Second, Sudan's generals only signed the power-sharing agreement under intense external pressure. They could still play spoiler during the transition if they choose to challenge new reforms they see as threatening their political and business interests. Third, armed groups from Sudan's long-marginalised peripheries have not endorsed the deal. Securing a comprehensive peace agreement to end Sudan's long-running internal wars will be a key priority, not least because these groups' leaders could be co-opted by the security forces and work to derail the transition.

The European Union and its member states have a clear interest in helping make a success of Sudan's promising yet delicate transition, and can support the country in the following ways:

- Offer technical and financial support to the transitional administration's efforts to revive the economy and set out new fiscal policy in two ways:

- Provide technical support to Hamdok and his team as they seek to stabilise government finances by consolidating revenue streams and centralising them within a transparent fiscal framework.
- Provide budget support and development financing to the government while Hamdok undertakes deeper reforms and addresses core economic challenges, including the need to stabilise currency and commodity prices, tackle inflation and reduce youth unemployment.
- Support the new cabinet's efforts to confront corruption. The EU Asset Recovery Office could partner with authorities in Khartoum to help trace and recover some of the funds directed away from state coffers through the corruption of former regime insiders.
- Press the U.S. to lift Sudan's designation as a state sponsor of terrorism, which would help Sudan reconnect to the international financial system and help spur foreign investment. It is also a necessary step for Sudan to obtain debt relief, although Hamdok's government would also need to clear the country's debt arrears and make progress on fiscal transparency.
- Support the new administration's efforts to negotiate a peace deal with armed groups fighting in states on Sudan's periphery, and offer technical and financial backing to talks currently hosted by Juba.
- If transitional authorities agree on a roadmap for unifying regular military and paramilitary Rapid Support Forces under a single command, help support the reintegration into civilian life of militiamen who do not join the consolidated entity.

Halting Steps into a Future without Bashir

President Bashir long revelled in his reputation as a political survivor, but he did not withstand the wave of protests that broke out in mid-December 2018. Amid soaring commodity prices, empty bank coffers, shortages of basic goods and a collapsing currency, Sudanese protesters poured out into the streets in towns and cities across the country demanding change. Unlike the 2011 and 2013 uprisings, the protest movement cut across social and geographic divides, drawing in not just university students and the urban middle classes but also traders, farmers, herders and civil servants throughout the country. Protesters, marshalled by a coalition of trade unions and professionals (notably doctors), organised through neighbourhood committees and by word of mouth even amid communication blackouts. Tens of thousands of protesters set up an encampment outside military headquarters on 6 April; the military ousted Bashir five days later.

Progress since has been mixed. Protesters sustained their campaign after Bashir's 11 April ouster, demanding a clean break from the kleptocracy that had governed Sudan for three decades, but they did not immediately succeed. A junta comprising security sector chiefs stepped into Bashir's shoes and showed no inclination to share power with the civilian protesters. Tensions grew until, on

3 June, security forces massacred up to 120 civilians at the protest encampment outside military headquarters, drawing widespread condemnation.

The 3 June massacre proved to be a turning point following which external actors, notably the U.S., the EU and the AU, successfully pressured the junta's backers in Riyadh, Abu Dhabi and Cairo to convince the generals to engage seriously in talks with civilians. Weeks of tense negotiations spearheaded by AU and Ethiopian mediators yielded a power-sharing agreement that, on paper, hands substantial powers to a civilian-led cabinet and a planned civilian-dominated legislative assembly, overseen by an eleven-member sovereign council comprised of five representatives appointed by the opposition alliance, five by the security forces and one civilian chosen by consensus.

A Tough Road Ahead

Sudan's new cabinet members, all nominated by the opposition alliance (excepting for the defence and interior ministers), face enormous challenges. Some of those are internal: maintaining unity within the sprawling opposition coalition, given its diverse membership and different appetites for compromise with the military, will test the group. Also, many in its ranks are inexperienced, having been excluded from mainstream politics during Bashir's three decades in power. Asserting authority over a civil service still dominated by holdovers of the old regime, whose cooperation is key to implementing new policies and reforms, will be a difficult task. And tempering public expectations will be yet another key challenge; Hamdok and his team will need to communicate that picking Sudan up from its economic ruins will be a tough slog, requiring the public's patience.

The cabinet and still-to-be-formed legislative council will have their work cut out in dealing with the security forces. To ensure his own survival, Bashir kept the security forces divided to prevent any unit from amassing enough power to depose him. Consequently, the once-powerful Sudanese Armed Forces has in recent years been weakened and supplanted by the Rapid Support Forces, a paramilitary group formed from the remnants of the Janjaweed militia accused of atrocities in Darfur. Its leader, Muhammad Hamdan Dagalo "Hemedti" is widely regarded as the most powerful man in Sudan, commanding substantial resources and styling himself as kingmaker and the primary decision-maker behind the scenes of the transitional process.

Helping Sudan Navigate a Fragile Transition

Reviving an economy on life support is an immediate priority for the new administration. If the civilian leadership can offer some quick wins for Sudanese citizens impoverished by a long-mismanaged, patronage-based economy, they may be able to boost popular support and forge a political base, which would strengthen their hand against the generals. Here the EU and its member states can play a pivotal role. The EU could start by offering rapid technical support to Prime Minister Hamdok's government to streamline its budgeting process and revenue collection, and to help improve oversight to ensure the new finance

minister and the prime minister have full control of state funds. The EU should also consider budget support and development financing: Prime Minister Hamdok says the country requires up to \$10 billion to stabilise the currency and help the administration tackle key challenges over the next two years.

The Hamdok administration has also outlined other policy goals, which the EU should support. A critical and immediate priority is addressing mass youth unemployment and underemployment, which fuelled protesters' grievances and has driven substantial emigration in recent years. The incoming European Commission and the new EU leadership should back the new administration's efforts to revive the economy, rapidly mobilising needed financial support for the country. The EU should, in particular, take a lead in pulling together a package of internationally-backed relief measures to help breathe new life into Sudan's economy. Brussels could also offer targeted developmental financing to boost skills development for local entrepreneurs and support market development for local businesses.

Working to curb rampant corruption is another priority. Sudanese authorities should move to ratify the Cotonou Agreement, a treaty outlining terms of engagement between the EU and its partners in Africa, the Caribbean and the Pacific; signatories agree to strengthen the rule of law and improve government transparency, including by combating corruption. For its part, the EU should support Hamdok's anti-corruption efforts, including by funding a civil service reform initiative and updating government procurement systems. The EU should also consider deploying its assets recovery office to track funds Bashir's regime allegedly sent abroad. Sudanese authorities should request EU help with this.

The EU should also encourage Washington to lift Sudan's designation as a state sponsor of terrorism under U.S. law. The designation cuts the Sudanese people off from the international financial system and encourages foreign investors to stay out of Sudan, which explains why the 2017 lifting of U.S. sanctions had only a modest economic impact. It also hampers debt relief (which will also require Sudan paying off debt arrears and making progress on fiscal transparency) and makes it impossible to obtain direct budget support from multilateral financial institutions. In addition to helping address these concerns, rescinding the designation would give Hamdok a huge political victory and strengthen his hand against the generals; conversely, the generals might wield any failure to lift the designation against him. Because rescinding the designation entails a loss of leverage over potential spoilers, Washington and the EU will need to consider other deterrence mechanisms, including the use of targeted sanctions.

Bashir's fall offers a rare chance to begin healing rifts between Khartoum and regions on Sudan's peripheries that have been given short shrift since independence. The opposition alliance and security establishment will have to be attentive to the armed factions' deeply held grievances as they work toward a comprehensive peace deal to end Sudan's internal wars and consolidate its fragmented security sector. Here, the EU can help by offering ongoing mediation efforts now hosted in Juba both diplomatic support and, where helpful, technical assistance. The EU and the U.S. should further urge other potential mediators including Riyadh, Abu Dhabi, and Cairo to fully back the Juba initiative and prevent the parties from forum shopping.

Sudan ultimately needs to unify its varied security forces under one command. This difficult task will require deft engagement among the civilian leadership, the head of the military and figures such as Hemedti. Riyadh, Abu Dhabi and Cairo will need to underscore the importance of unifying the security forces with actors such as Hemedti, who has marketed himself to Egypt and the Gulf states as a strong leader and a bulwark against Islamism in Sudan. Once transitional authorities arrive at a roadmap for unifying the security forces, the EU, with its experience in supporting security sector reform and reintegration programmes around the world, could help implement such a roadmap and reintegrate militiamen who prefer to return to civilian life.