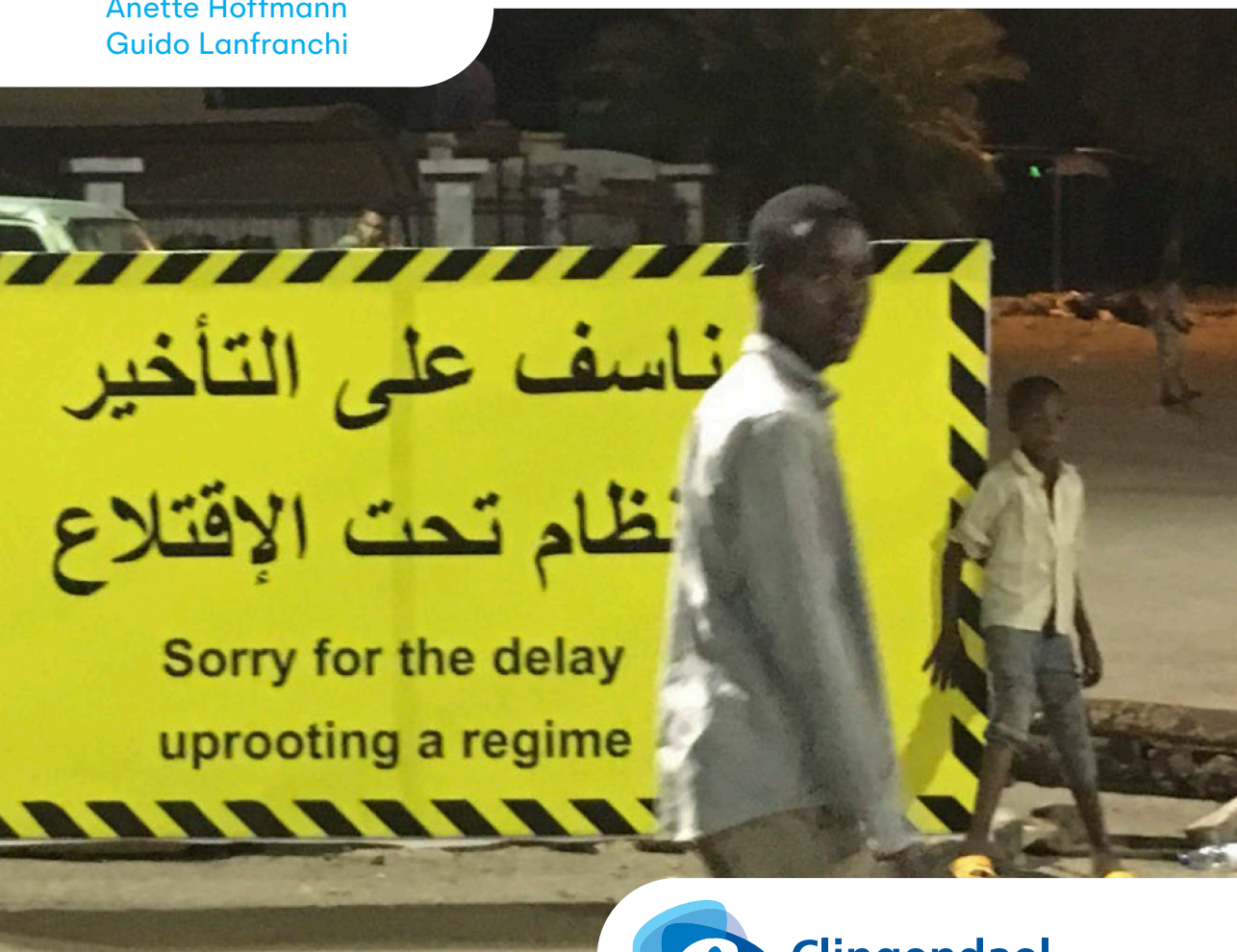


Kleptocracy versus Democracy

How security-business networks hold hostage Sudan's private sector and the democratic transition

CRU Report

Anette Hoffmann
Guido Lanfranchi



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We owe extensive thanks to the Sudanese experts who shared their insights on Sudan's private sector. Many of them entrusted us with sensitive information in the shared conviction that debunking the links between business and politics is necessary to alter the unequal and opaque ways in which power and wealth have been distributed in Sudan. We are particularly indebted to Dr. Suliman Baldo for reviewing the report. As Sudanese analysts have been arguing tirelessly, unless Sudan's political economy profoundly changes and the security-business networks are dismantled, Sudan's private sector cannot unleash the country's economic potential to benefit the population at large.

Finally, thanks for editing go to Peter Morris.

Naturally, the authors remain fully responsible for the contents of the report.

Abstract

Throughout Sudan's history, key security actors have shaped the distribution of power and wealth, effectively consolidating both in the hands of their loyal supporters and business partners. The resulting political economy has outlived the country's long-term dictator Omar al-Bashir, who was ousted by a popular uprising in 2019, it has obstructed the country's ensuing transition to democracy, and it continues to undermine present attempts at ending the war. **While individuals, alliances and businesses change over time, the mechanisms deployed by these networks to retain and expand power have remained the same.** They have created an ecosystem that impedes rather than enabling competition and growth, holding Sudan's private sector hostage to their own power ambitions.

Yet, **amidst this history of political instability and repression, a whole parallel, largely informal, economy has existed, and sometimes thrived.** Businesses of different sizes and from various sectors have shown resilience and have nevertheless found different ways of operating, creating employment and offering much-needed products and services, even in times of war. While the majority of the pre-war Sudanese private sector was not independent, but rather depended on – and in some cases benefited from – the predatory kleptocracy, **a small segment of business owners lacked political connections or decided not to leverage them.** During the 2019-2021 transition these entrepreneurs doubled down their efforts, and showed perseverance and innovation to survive and cope. This segment of Sudan's private sector, rather than the country's security actors and affiliated businesses, will have to play a critical role in Sudan's reconstruction after the war.

The war that continues to rage in Sudan has a disastrous impact on the economy, and the financial resources required for reconstruction will be immense. To move towards the end of the war and to prepare for reconstruction, this report advocates a two-pronged approach. On the one hand, **the predatory security-business networks that have underpinned Sudan's history of conflict and that sustain the present war must be systematically dismantled**, so that they cannot fuel the current war or hijack any post-war transition. On the other hand, and simultaneously, **the beleaguered private sector that did not benefit from support under al-Bashir's rule, needs to be empowered**, so that it can survive the war and

play a role in the reconstruction. Dismantling Sudan's security-business networks and empowering its productive private sector are complementary efforts.

Together, these efforts can help to break the cycle of inequality and violence, and support Sudan's transition towards democracy and civilian rule.

Acronyms

CPA	Comprehensive Peace Agreement
DIS	Defence Industries System
EDC	Empowerment Dismantling Committee
EU	European Union
GIS	General Intelligence Service
ICT	Information Communications Technology
IMF	International Monetary Fund
JEM	Justice and Equality Movement
MIC	Military Industry Corporation
NCP	National Congress Party
NISS	National Intelligence and Security Services
PDF	Popular Defence Forces
RSF	Rapid Support Forces
SAF	Sudanese Armed Forces
SFSSAF	Special Fund for the Social Security of the Armed Forces
SLM/A	Sudan Liberation Movement/Army
SME	Small- and medium-sized enterprise
SST	U.S.' State Sponsors of Terrorism
SPLM/A-N	Sudanese People's Liberation Movement/Army-North
UAE	United Arab Emirates
UK	United Kingdom
US	United States
USD	United States dollar
UN	United Nations

1 Introduction

Sudan's modern history has been characterized by an **inequitable, predatory political economy**. Successive regimes have overexploited natural resources in the country's peripheries, namely land, labour, gold and oil, in order to deliver economic benefits to selected constituencies, mainly in the capital, and to shore up their political legitimacy.¹ These political economy structures have led to the **consolidation of wealth and power in the hands of a restricted circle of elites**, largely composed of government officials, military officers and businessmen, with strong connections and frequent overlaps among these categories.² At the same time, these arrangements have failed to deliver adequate socio-economic benefits to the population at large, and they have sown the seeds for the country's current instability by exacerbating the divide between Sudan's wealthier, powerful centre and its poorer, disempowered peripheries.

Amidst the kleptocratic networks that have come to hold the entire economy hostage to its own power ambitions, **other players within Sudan's private sector have shown remarkable resilience and innovation**. They include distinct types of businesses – large and small, old and new, politically-connected and independent ones – that are also part and parcel of the country's business scene. Over the past decades, these actors had to learn how to survive both the unfair competition imposed by these security-commercial networks and Sudan's isolation from international markets that these networks caused.

In the midst of the current war, **it is critical to understand who these actors are**. This report first sheds light on Sudan's **security-business networks**, showing how these actors have resisted the transformation of Sudan's political economy into a more equitable and peaceful settlement, and how they continue to effectively fuel the current war (Chapter 2). At the same time, the report also

1 Gallopin, J.B. et al. 2021. *Sudan's political marketplace in 2021: Public and Political Finance, The Juba Agreement and Contests Over Resources*, LSE, Conflict Research Programme, 5-12. The foreign exchange gathered through the export of these resources has been used to fund imports of goods mostly consumed by the urban population, especially in Khartoum (e.g. fuel, wheat).

2 According to some, before the war Sudan's military made up 80% of the country's economic activity in Sudan. Radio Dabanga Sudan, [Sudan Transparency and Policy Tracker report calls economic situation 'grim'](#), 22 February 2023 (accessed September 2023).

recognises the **entrepreneurs and companies that have been held hostage by those networks** for decades, but have found their own way to navigate a highly politicised marketplace, while offering employment opportunities, adding value to the economy and producing goods and services for the population at large (Chapter 3).

This report argues that in order **to turn the tide in Sudan, a double effort is needed**. First, **the security-business networks have to be dismantled**, and their leaders held accountable for their crimes. At the same time, those **private sector actors who have been struggling over the past decades need to be supported** in their current efforts to survive the war and rebuild the country once this war ends (Chapter 4). Unless this occurs, Sudan's future will be characterised by violence and resource extraction for the benefit of a small group of security-business elites, with high costs for the population at large.

This report consolidates and presents evidence that was partly already publicly available; additional information was gathered in face-to-face and phone interviews with Sudanese analysts and representatives from civil society, the private sector, and government. The two weeks of field work that fed into this report were conducted in June and August 2022. Although the private sector's state of affairs has drastically changed since the outbreak of the war on 15 April 2023, the struggle for a more transparent and fairer business environment will remain critical after the war.

2 Sudan's violent kleptocratic business networks

The roots of Sudan's political economy can be tracked back to long before independence, under the British-Egyptian condominium. Patterns of governance which developed in the 19th century established an exploitative relationship between the centralising power of the state and its hinterlands, mainly through the institutions of slavery.³ The militarization and marketization of Sudan's politics became deeply entrenched in the 1970s, when the military regime of Gen. Jafaar Nimeiri implemented a number of economic liberalization measures that largely benefited actors with close ties to the regime.⁴ However, it was during the 30-year rule of Gen. Omar al-Bashir that Sudan's political economy structures took their current shape. Besides continuing with its predecessor's clientelist economic liberalization policies, al-Bashir's government was able to exploit the economic benefits of Sudan's booming oil sector to shore up its own political power. High rates of oil-fuelled economic growth allowed the regime to gain a degree of legitimacy, particularly among the urban middle-class that benefited the most therefrom. At the same time, the centralized nature of oil revenues allowed the regime to build a tight network of patronage, largely centred around various security institutions, most notably the Sudanese Armed Forces (SAF) and the National Intelligence and Security Services (NISS), as well as al-Bashir's National Congress Party (NCP).

In 2011, the power structures established by al-Bashir's regime were fundamentally threatened by the secession of South Sudan, causing Sudan's own production to plummet from 450 to 60 barrels a day, effectively depriving the government

3 Johnson, D. H. 2003. *The Root Causes of Sudan's Civil War*, Indiana University Press.

4 De Waal, A. 2019. *Sudan; a political marketplace framework analysis*. Occasional Papers (19). World Peace Foundation, Somerville, MA. For instance, state-owned companies that were privatized ended up in the hands of regime-affiliated generals, while business chambers were restructured to serve the interests of the regime and its cronies. At the same time, the Islamist movement was able to harness Gulf petrodollars to develop a Sharia-compliant financial sector in Sudan, which in turn supported large investments in the agricultural sector. Musso, G. 2017. 'Sudan and the Unbearable Lightness of Islamism: From Revolution to Rentier Authoritarianism', *The International Spectator*, 52,4, 114.

of most of its oil revenues.⁵ The **loss of oil was partly compensated by a boom in gold mining** that started in 2012, providing a lifeline for the government in terms of revenues and foreign exchange. However, the decentralized nature of the gold industry markedly changed the way in which revenues could be exploited for political purposes. The regime struggled to bring gold revenues under its control, thus diminishing its capacity to fund the patronage networks on which it had become dependent. At the same time, some armed groups and militias from Sudan's peripheries were able to substantially increase their economic (and hence political) power by taking over mining sites, most of them located outside of Khartoum state. Most notably, gold revenues from the mines in Darfur played a major role in the rise to power of one particular militia, the Rapid Support Forces (RSF).⁶

Although the decades-long war in the south came to an end with the signing of the Comprehensive Peace Agreement (CPA) in 2005, al-Bashir's rule witnessed a **hardening of the confrontation between Sudan's centre and its marginalized peripheries**, particularly in Darfur and South Kordofan. In the early 2000s, these regions witnessed a major escalation of conflicts, pitting marginalized non-Arab populations – such as the Fur and Masalit in Darfur and the Nuba in South Kordofan – against the Khartoum government. Building on the strategy started by Sudan's civilian government in the late 1980s, **al-Bashir empowered Arab militias** – including the Janjaweed, the precursor of the Rapid Support Forces (RSF), and the Islamist Popular Defence Forces (PDF) – to fight against rebel armed groups in Sudan's peripheries. Far from addressing the conflict's root causes, this strategy exacerbated them, stirring up tensions between Arab and non-Arab populations, and **pushing more people to join the armed groups fighting against the central government** and its allied militias.

5 Production dropped from 450k barrels a day to under 60k.

6 See for example: Green, S. 2019. *The RSF empire: An in-depth analysis into the Rapid Support Forces of Sudan*, Sudan Report; Global Witness. 2019. *Exposing the RSF's secret financial network*, Briefing.

Figure 1 Timeline of Sudan's modern history⁷



7 Holt, P.M and Daly M.W. 2011. *A history of Sudan: From the coming of Islam to the present day*, 6th edition, Routledge; De Waal, 2019, *Sudan; a political marketplace framework analysis*, op. cit.; Musso, G. 2017. 'Sudan and the Unbearable Lightness of Islamism', op. cit., 4; EIP. 2019. *Sudan after sanctions and the peace agreements: The role of Europe in strengthening the economic transition*, Brussels: European Institute of Peace; multiple news sources.

Overall, al-Bashir's rule witnessed the **growth of multiple competing centres of security, and political and economic power**. Fearful of being deposed by his own allies, al-Bashir created and empowered a growing number of actors – from the SAF and the NCP to the PDF, the NISS and the RSF. While cultivating close ties with all of these actors, al-Bashir pitted them against each other, hoping to construct an insurance mechanism where each of them would protect him from a potential coup by the others. This plan served Sudan's dictator for a few decades but eventually crumbled in April 2019, when his erstwhile allies, pressured by months of country-wide protests, joined forces to depose their former patron in order to ensure their own political survival.

Yet, **the legacy of al-Bashir's rule survived his dismissal: Sudan's political economy featured a wide array of actors, both in the centre and in the peripheries, with their own political agendas, their own soldiers and weapons, as well as their own networks of businesses**. The following sections aim to shed light on these actors, who have continued to wield power throughout Sudan's failed transition towards democracy, as well as during the current conflict.

2.1 The SAF's military-industrial complex

Since Sudan's independence in 1956, the SAF have been a pivotal actor in Sudan's political economy. Seen as a cornerstone of independent Sudan, the armed forces used to enjoy a degree of popular legitimacy and a reputation as a strong national institution. While army officers have been involved in politics from the outset,⁸ the SAF's direct engagement in politics has grown over time, with successive coups leading to increasingly long stints of military rule: out of 67 years of independence, for 54 years the country has been ruled by military officers. These decades of military rule, however, have also witnessed the **gradual erosion of the institutionalised and traditionally meritocratic nature of the SAF** – first under Nimeiri, who introduced a new oath of allegiance for army officers to defend the regime rather than the nation, and then under al-Bashir, who oversaw the growing influence of the Islamist camp within the SAF.⁹ Another factor undermining the meritocratic nature of the SAF is the dominance

8 The high echelons of the SAF consisted of representatives of all of Sudan's political parties – nationalists, socialists, Baathists, Islamists, united in a strong sense of corporate army identity forged on the battlefields of Sudan's peripheries, particularly in the south.

9 El-Battahani, A. 2016. *The Sudan Armed Forces and prospects of change*, CMI Insight, 8.

of members of ethnic riverine groups such as the Jaalinyin and the Shaigiya¹⁰. While soldiers stem from all parts of the country, higher-command positions have been firmly in the hands of these northern groups.¹¹ The politicization of the armed forces has been evident in the wake of al-Bashir's fall, when the SAF leader Gen. **Abdul Fattah Al-Burhan** repeatedly reshuffled the command structures, replacing fervent supporters of the previous regime and seeking to strengthen his own grip on the institution.¹²

In parallel to its politicization, the **SAF has also become a prominent economic actor** in Sudan. This process started in the 1970s with the establishment of the Military Economic Corporation by Nimeiri as an umbrella organisation for an increasing number of military-economic enterprises, at the time referred to as a means "to give senior officers access to funds."¹³ As a result, army officers gained a strong vested economic interest in defending the status quo rather than the nation.¹⁴ Moreover, when al-Bashir, himself a former brigadier general who seized power by force in 1989, sought to curtail the SAF's power in order to prevent potential threats to its regime from within its ranks, the SAF tried to compensate for the loss of power by further intensifying its involvement in the economy.¹⁵ As a result, the SAF and its officers came to control a **vast network of companies operating across virtually all sectors of the economy**, including defence, agriculture, banking, mining, transport, construction, and private security. This network includes not only public companies directly controlled by the SAF or by the Ministry of Defence,¹⁶ but also a large number of seemingly private businesses that feature SAF-controlled companies as their main shareholders.¹⁷

10 El-Battahani, A. 2016. *The Sudan Armed Forces and prospects of change*, op.cit., 6.

11 Ryle, J., Willis, J., Baldo, S., and J. Madut, J. 2014. *The Sudan Handbook*. Rift Valley Institute, 78.

12 These reshuffles continued well into the transitional period, as shown by a major, sudden reshuffle of top-ranking officials in August 2022: Middle East Monitor. 2022. [Sudan reshuffles military leadership](#), Middle East Monitor, 26 August (accessed September 2023).

13 Dorsey, J. 1983. [How the military is helping fight Sudan's economic woes](#), *The Christian Science Monitor*, 31 March (accessed September 2023). By the 1980s the Nimeiri regime had established SAF enterprises and allowed senior officers to engage in the market. One of these initially established SAF enterprises was Azza Air Transport specialising in air freight. Personal interview with a private sector expert in Khartoum, June 2022.

14 El-Battahani, A. 2016. *The Sudan Armed Forces and prospects of change*, op. cit., 4.

15 El-Battahani, A. 2016. *The Sudan Armed Forces and prospects of change*, op. cit., 5.

16 Sudan Policy and Transparency Tracker. 2021. [Preliminary List of Sudan's Parastatals](#), 4 April (accessed September 2023).

17 Cartier, C., Kahan, E., and Zukin, I. 2022. *Breaking the bank: How Military Control of the Economy Obstructs Democracy in Sudan*, C4ADS.

The institutional façade of the SAF's business dealings

The **SAF's engagement in the economy takes place through a number of different institutions**. The most well-known is the **Defence Industries System** (DIS, previously known as Military Industry Corporation or MIC). The MIC was established by law as a holding company under the Ministry of Defence in 1993, mainly to produce military equipment and ammunition. In 2017, the National Council Decree was issued to change the name to Defence Industries System. The DIS is the SAF's conglomerate under which fall all the state-owned enterprises controlled and managed by the SAF. It includes **a wide range of sectors extending well beyond the defence domain**. Currently, there are several hundred companies of which MIC is a majority shareholder, with an estimated annual revenue of USD 2 billion as of 2020.¹⁸ These include many companies once owned by NCP leaders, al-Bashir's family, as well as by the NISS – some of which were then reportedly brought under SAF control after al-Bashir's fall.¹⁹ Since the December 2018 revolution, the MIC has been headed by **General El Mirghani Idris Suleiman**, a friend of al-Burhan and a fellow 31st-batch member of the military college.²⁰ Mirghani was also appointed as the chairman of the **Zadna** company immediately after al-Burhan staged a coup in October 2021 to remove the civilian component of the power-sharing government.²¹ Previously, he had served as a director of the **Safat** group of companies, one of at least seven MIC-managed

18 Sayigh, Y. 2021. Sudan's Military Companies Go Civilian: How the Recent Divestment Agreement Can Succeed, *Carnegie Middle East Center*; Africa Intelligence. 2022. [Sudan: Inside Sudan's labyrinthine military-industrial complex](#), 27 July (accessed September 2023).

19 Gallopin, J.B. 2020. *Bad Company: How dark money threatens Sudan's transition*, European Council on Foreign Relations Policy Brief, 21. Examples include: Giad company (cars and trucks), airports (civilian and military), the Danfodio group of companies (engaged in multiple business ventures ranging from furniture to construction), Al-Hiloul al-Mutakamila (restaurants and cafes), Alia Pharmacies, as well as meat processing (Multiple Directions and Al Ateghat Al Mutadedat). However, it could not be verified that all these companies were brought under the control of SAF. For example, according to one reliable source, the Danfodio Group was not taken over by the SAF after al-Bashir's fall.

20 Gallopin, 2020, *Bad Company*, op. cit., 22.

21 Assayha. 2022. Opening of the land port in Madani next Thursday (افتتاح الميناء البري بمدني الخميس المقبل), 21 January, (original in Arabic); Al-Rakoba. 2021. Al-Burhan includes "Abdul Rahim Dagalo and Askouri" to the Board of Directors of "Zadna" Company (البرهان يضم "عبد الرحيم دقلو وعسكوري" لمجلس إدارة شركة "زادنا"), 18 December (originals in Arabic, accessed September 2023). However, according to a well-informed source, Abdulrahim is no longer part of the board of directors (email exchange September 2023).

military production plants, specialising in manufacturing and maintaining aircraft and helicopters, weapons and ammunition.²²

Besides the MIC, **the SAF runs several charity organisations that conceal the military's stake in the business sector.** The most prominent of these is the **Special Fund for the Social Security of the Armed Forces (SFSSAF)**. Established as a charitable investment authority, this fund controls a vast corporate network. While investments stretch across multiple sectors, finance and agriculture feature most prominently. For example, the SFSSAF and its affiliated businesses control the **Omdurman National Bank (ONB)**, Sudan's largest bank, valued at over USD 13 billion in 2019, as well as **Zadna**, an agricultural corporation with business partners from Europe and the USA.²³ The shares are owned indirectly through a diverse web of subsidiaries. Besides owning Omdurman National Bank, the SAF also holds a minority share in the **United Capital Bank**.²⁴ Another major SAF charity is the **Martyrs' Organisation**, a holding firm that used to fund the NCP. Through this organization, the SAF manages investments in various sectors: its subsidiary Al-Muqrin, for instance, has investments in gold mining

22 Sayigh, Y. 2021. Sudan's Military Companies Go Civilian, op. cit. According to research carried out by the Small Arms Survey's Human Security Baseline Assessment (HSBA) for Sudan and South Sudan, MIC currently produces military products in at least six distinct manufacturing plants: Yarmouk Industrial Complex, El Shajara Ammunition Plant, El Shahid Ibrahim Shamseldin Complex for Heavy Industries, El Zarghaa Engineering Complex, Safat Aviation Complex, and the Saria Industrial Complex. Most of them have been destroyed and looted since the outbreak of the war in April 2023.

23 Cartier et al., 2022, *Breaking the bank*, op. cit.

24 Personal interview with Sudanese finance sector specialist and a representative of a major corporate client of the bank, Khartoum, June 2022. The United Capital Bank (UCB) is a corporate bank, consisting of a joint venture between Sudanese and Middle Eastern investors. The founders included the Kuwaiti Arif Group and a Lebanese Franca Bank. Due to poor performance of the Group's investment in Sudan, Arif Group sold its shares totalling 40% of the UCB capital to Zadna Company. The Director of Zadna, in turn, allocated some of these shares to Sudatel, Seen Company for Grains, in addition to El-Itigahat El-Muta'adida (Multiple Directions). As a result, both the CEOs of Sudatel Tarig Hamza and of Seen for Grains Tarig Sir-El-Khatim were featured as members of the Board of Trustees of the UCB in the bank's website in 2019. The website is no longer active today. It is likely that the SAF sought subsequently to divest the shares of its companies or to put its shares under less known front companies. In all cases, UCB cannot be cited as a SAF controlled bank in the same way ONB is.

and entertainment.²⁵ Al-Burhan appointed another retired classmate, **General Mohalab Hassan Ahmed**, as head of the holding firm.²⁶

In addition to these different institutions, the SAF's presence in Sudan's economy also rests upon the **business engagements of well-connected military officers**. For instance, the security company **Aswar Multi Activities** is reportedly controlled by military intelligence and is managed by Brigadier General **Mohammad Qureishi Mohammad al-Amin**.²⁷ In the ICT sector, Gen. **Ibrahim al-Jaber**, a Sovereignty Council member and the SAF's expert on economic issues, has chaired the board of directors of **Sudatel**, one of Sudan's leading telecom providers.²⁸ The Telecommunications and Post Regulatory Authority, the government authority in charge of regulating the sector, has been headed by a fellow SAF officer, Lt.-Gen. **Al-Sadiq Gamal ud-Deen**.²⁹

The ongoing conflict has taken a significant toll on the SAF's business empire.

The fighting in Khartoum has affected several key locations, such as the Yarmouk Complex and the Giad Industrial Park.³⁰ It remains difficult, however, to accurately assess the extent to which the capacity of the SAF's business empire to generate revenues has been affected.

25 Gallopin, 2020, *Bad Company*, op. cit.

26 Sudan News Agency. 2021. Martyr Organization launches a number of service projects in Blue Nile (منظمة الشهيد تدشن عدد من المشروعات الخدمية بالنيل الأزرق), 18 October (accessed September 2023); Al-Rakoba. 2023. The Sudanese Army: An Army with a State (الجيش السوداني جيش له دولة), 9 June (accessed September 2023).

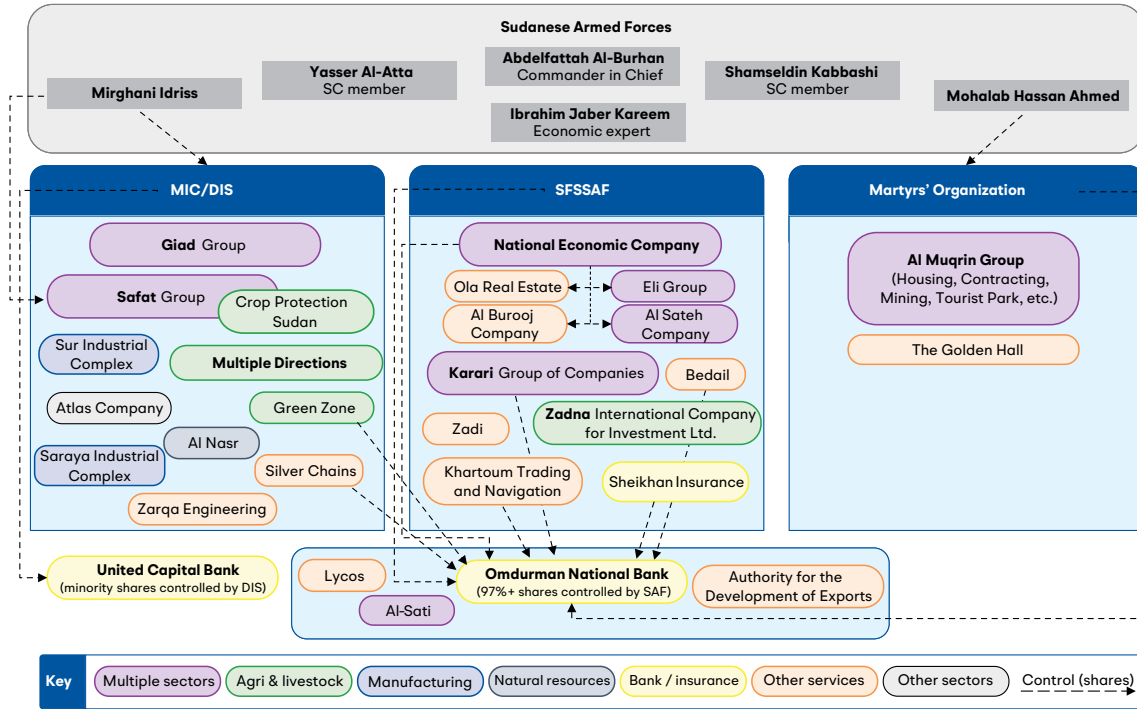
27 Organised Crime and Corruption Reporting Project (OCCRP). 2022. [Documents Reveal Wagner's Golden Ties to Sudanese Military Companies](#), 2 November (accessed September 2023).

28 Sudatel homepage: <https://www.sudatel.sd/investor-relations/governance/board-of-directors/> (accessed September 2023); EIP. 2019. *Sudan after sanctions and the peace agreements*, op. cit., 15.

29 Digital Safety Support Platform. 2020. Will the military continue to control the telecommunications sector in Sudan? (هل تستمر سيطرة العسكر على قطاع الاتصالات في السودان؟), 12 November (accessed September); EIP. 2019. *Sudan after sanctions and the peace agreements*, op. cit., 15.

30 Radio Dabanga. 2023. [Five dead in Sudan capital, fire engulfs Yarmouk military plant](#), 9 June; Radio Dabanga. 2023. [Fighting continues in Sudan's capital as aid organisations leave conflict zones](#), 1 August (both accessed September 2023).

Figure 2 The SAF's business empire³¹



31 EIP, 2019, *Sudan after sanctions and the peace agreements*, op. cit.; Gallopin, 2020, *Bad Company*, op. cit.; Baldo, S. 2021. *Sudan struggles to control its parastatals*, The Sentry; Cartier et al., 2022, *Breaking the bank*, op. cit.; Africa Intelligence, 2022, *Inside Sudan's labyrinthine military-industrial complex*, op. cit.; personal interviews with multiple stakeholders with knowledge of Sudan's private sector, June 2022.

SAF connections in the region and beyond

Besides this domestic political and economic power, **the SAF and its military-industrial complex also enjoy strong ties outside of Sudan**. This cooperation is the strongest with **Egypt**, whose armed forces also control a vast share of the country's economy.³² Both sides have shown their willingness to increase economic ties between their army-linked businesses, not only in the defence sector but also in civilian industries.³³ This cooperation has further materialized through shadowy deals providing lucrative profits for well-connected companies on both sides, for instance in the trading of agricultural commodities.³⁴ The SAF's international networks, however, extend well beyond Egypt: for instance, the SAF has received large sums of money from **Saudi Arabia** and the **United Arab Emirates** (UAE) for the deployment of Sudanese soldiers to Yemen,³⁵ and it has set up joint business enterprises with **Qatari** and **Turkish** investors.³⁶ The SAF moreover maintains long-standing relations with China and **Russia**, as shown by the SAF's cooperation with both the Russian state and, more recently, the Wagner Group.³⁷

32 For detailed information on the Egyptian military's engagement in business, see: Sayigh, Y. 2019. *Owners of the Republic: An Anatomy of Egypt's Military Economy*. Carnegie Middle East Center.

33 Zawya. 2021. [Egypt, Sudan discuss enhancing military production cooperation](#), 23 August (accessed September 2023).

34 For instance, the DIS-controlled GreenZone has been reported to cooperate with companies owned by the Egyptian army in a scheme for the exportation of Sudan's agricultural produce. According to well-informed sources, GreenZone acts as a quasi-monopoly buyer of produce from Sudan's major agricultural companies, which it then exports to Egypt via ground freight using companies affiliated to the Egyptian army. These companies reportedly then re-export the produce from Egypt. Interview with an expert on the private sector in Sudan, June 2022.

35 Sudan Tribune. 2016. [Bashir says Sudanese troops praised for "good performance" in the "Decisive Storm"](#), 23 February (accessed September 2023).

36 Mashamoun, J. 2022. *Turkey and Sudan: An enduring relationship?*, Middle East Institute. See, for instance, the case of Sur Textile Mills.

37 The SAF enjoys institutional ties with the Russian armed forces. In addition, recent investigations have documented links between the business empire of the SAF and of the Russian private security company Wagner. In particular, the Sudanese security company Aswar, managed by Sudan's military intelligence, has reportedly received millions of dollars from Wagner's M Invest in exchange for facilitating its operations in the gold mining sector. OCCRP, 2022, *Documents Reveal Wagner's Golden Ties to Sudanese Military Companies*, op. cit.

2.2 The RSF business empire

Over the last two decades, Sudan’s political economy has witnessed the breakneck rise to power of a new actor: the Rapid Support Forces (RSF).

The RSF has emerged out of the group known as the Janjaweed, a generic name for various predominantly Arab militias armed by al-Bashir’s government in the early 2000s to fight the insurgency by mostly non-Arab groups in Darfur.³⁸ The Janjaweed’s counter-insurgency proved to be particularly ruthless and came at a horrific human cost, causing 300,000 deaths and the displacement of over 2.5 million people in 2003 and 2004. As part of al-Bashir’s political manoeuvring,³⁹ this Darfuri ethnic-based militia was gradually brought under the formal command structure of the state – first as the Border Guards corps, and later as a paramilitary force directly under the President’s control.⁴⁰ This formalization was accompanied by growing power for the RSF, which recruited more soldiers, and was awarded immunity from prosecution and semi-independence within the country’s security architecture.⁴¹ Over time, the RSF emerged as an extremely powerful security actor, as well as al-Bashir’s most trusted one: in his later days, the President would refer to the RSF leader, **Mohammed Hamdan Dagalo**, aka **Hemedti**, as “hemeyti”, Arabic for “my protector”.⁴² After al-Bashir’s fall, the RSF secured a prominent place in the ensuing transition.⁴³ Its rise to power, however, set it on a collision course with the SAF, resulting in the current war. After the conflict’s outbreak, al-Burhan issued decrees sacking Hemedti and dissolving the RSF.⁴⁴

38 This term, literally translated from the local Arabic dialect, means “Devils on horseback”. The Janjaweed have been and continue to be responsible for many atrocities in Darfur since 2003.

39 The move came in response to growing international pressure to halt the deadly attacks against civilians, and in an attempt to disempower less loyal militia leaders (most notably Musa Hilal).

40 Radio Dabanga. 2017. [New bill to place RSF under command of Sudan President](#), 10 January (accessed September 2023).

41 These growing powers were granted to the RSF under constitutional amendments in 2015 and the adoption of the RSF Act in 2017.

42 Abbas, R. 2023. *Money Is Power: Hemedti and the RSF’s Paramilitary Industrial Complex in Sudan*, The Tahrir Institute for Middle East Policy.

43 The RSF was recognized as a “national military institution” and Hemedti was appointed deputy leader of the Sovereignty Council. See the text here: https://www.constituteproject.org/constitution/Sudan_2019.

44 Radio Dabanga. 2023. [El Burhan sacks Hemedti as Sudan TSC V-P, appoints Malik Agar](#), 21 May; Sudan Tribune. 2023. [Sudan dissolves paramilitary RSF, abolishes its controversial law](#), 6 September. Both accessed October 2023.

The rise to power of the RSF was accompanied by – and to a large extent fuelled by – its **growing economic might**. Besides the support from the government in Khartoum, the RSF and its commanders gradually started to gain their own independent streams of revenue, using their military advantage in Sudan’s peripheries to gain control over human trafficking routes and gold mining sites.⁴⁵ Engagement in the gold sector has proved particularly lucrative, with an RSF-affiliated company reportedly shipping USD 30 million worth of gold to Dubai in a mere four-week period in 2018.⁴⁶ The RSF also earned vast sums of money from the deployment of its soldiers to Yemen, paid for by Saudi Arabia and the UAE.⁴⁷ These resources provided the RSF with the financial muscle needed to expand into other sectors and to diversify its business portfolio. As a result, the **RSF currently sits on top of a vast, multi-sector business empire**, including transport, construction, agriculture, livestock, real estate, banking and strategic import commodities.⁴⁸

Keeping it in the family

A number of **front companies and banks serve as nodal points** in the RSF’s commercial networks. These include: **Al-Junaid** Multi Activities Companies (Al-Gunade, AJMAC), a large conglomerate active across multiple sectors, from gold mining and trading to construction and tourism; **Tradive General Trading**,

45 Tubiana, J., Warin, C., and Saeneen, G.M. 2018. Multilateral Damage: The impact of EU migration policies on central Saharan routes, Clingendael Institute; McGregor, A. 2017. [Musa Hilal: Darfur’s Most Wanted Man Loses Game of Dare with Khartoum... For Now](#), *Aberfoyle International Security*, 12 December (accessed September 2023). The RSF’s move to assert control over Jebel Amir’s gold mine in Darfur proved particularly consequential. Jebel Amir is one of Sudan’s largest gold mines, and has been estimated to generate USD 54 million per year for the armed groups controlling it. UN Panel of Experts on the Sudan. 2016. Final Report S/2016/805.

46 Abdelaziz, K., Georgy, M., and El Dahan, M. 2019. [Exclusive: Sudan militia leader grew rich by selling gold](#), Reuters, 26 November (accessed September 2023).

47 Both the SAF and the RSF received payments for the deployment of Sudanese soldiers in Yemen. However, while the SAF contingent was paid through regular army channels, the RSF commanders received their troops’ salaries in hard currency and paid them out to the soldiers in Sudanese pounds, thus gaining a substantial personal profit. Individual militiamen were also hired, in exchange for an upfront payment of USD 55k for five years’ service. Hemedti was reportedly the single major beneficiary of this scheme (De Waal, 2019, *Sudan; a political marketplace framework analysis*, op. cit., 15-16). The amounts reportedly paid were the following: USD 12k for enlisted soldiers and USD 25k for officers, for deployments of six months, with USD 100k and 150k respectively paid in the case of death (Green, 2019, *The RSF empire*, op. cit.).

48 Green, 2019, *The RSF empire*, op. cit., 13; Gallopin, 2020, *Bad Company*, op. cit., 22; Abbas, 2023, *Money Is Power*, op. cit.

a UAE-based company that has reportedly funnelled money to the RSF under the label “transfer to a sister company”; **GSK**, an ICT company that has been able to attract the best Sudanese ICT professionals by paying disproportionately high salaries and providing technological and financial possibilities unmet in Sudan. Through a web of companies owned or controlled by its members, the Dagalo family also holds shares in **Al-Khaleej Bank**, a large bank with an international corresponding banking network, as well as in the Khartoum-based **Animal Resources Bank**.⁴⁹ RSF-linked businesses also enjoy a significant presence in Sudan’s private security market. For instance, **More Secure** – a Sudan-based company providing security to foreign embassies – has been shown to have ties with the RSF’s business networks.⁵⁰ In 2022, More Secure was replaced by **Shield Security Services**, which took over existing contracts with most European embassies and many international development agencies.⁵¹ Although it is registered in the United Kingdom, the company is strongly embedded in Sudanese and Emirati security networks.⁵² **Hemedti’s business empire has further expanded during the transitional period**, as the RSF – similar to the SAF – has absorbed many of the businesses that used to belong to NCP-linked businesspeople and to the NISS.⁵³

While the ongoing war has created challenges for RSF-linked companies, the RSF’s business empire seems to have suffered less than the SAF’s. Since the early stages of the conflict, the RSF has tightened its control over gold-rich

49 The first three have been well investigated and documented by Global Witness, 2019, *Exposing the RSF’s secret financial network*, op. cit.; Green, 2019, *The RSF empire*, op. cit.; Gallopin, 2020, *Bad Company*, op. cit.; EIP. 2019. *Sudan after sanctions and the peace agreements*, op. cit. Information about the ownership of Al-Khaleej Bank was uncovered more recently by Cartier et al., 2022, *Breaking the bank*, op. cit.. Information on the RSF’s stakes in the Animal Resources Bank (60% of the bank’s shares, taken over from the Central Bank of Sudan) was provided by a Sudan finance sector specialist and confirmed by a private sector specialist. Personal interviews in Khartoum, July 2022.

50 Cartier et al., 2022, *Breaking the bank*, op. cit., 24.

51 Personal interviews with several Shield employees in Khartoum, June 2022. Some of them reported that, after the renaming occurred, their uniforms and logos changed but their contracts (with More Secure) remained the same.

52 The Director of Shield Security Services in the UK is Adil Abdel-Hadi ([Adil Abdel-Hadi - Shield Security](#)). Adil is of Sudanese origin with close connections to Dubai where he holds the position of Second Deputy Chairman of Dubai’s Security Industry Regulatory Agency (Geronimo, A. 2020. [Middle East’s first association for security industry launches in the UAE](#), tahawultech.com (accessed September 2023)).

53 Multiple personal interviews in Khartoum, June 2022.

areas, particularly in North and South Darfur.⁵⁴ In addition, the RSF's military successes in Khartoum have allowed it to take control over an estimated USD 150 million worth of gold from Sudan's Gold Refinery, as well as large amounts of gold reserves held by commercial banks and private houses in areas under RSF control.⁵⁵ On the other hand, however, the SAF has used its control over the Central Bank of Sudan to freeze the bank accounts of 37 companies that are reportedly owned by, controlled by, or linked to the RSF and the Dagalo family.⁵⁶ It remains unclear to what extent this measure will affect the ability of the RSF's business networks to operate.

The management of the RSF's business empire – much like that of the RSF at large – tends to be kept first and foremost within Hemedti's family, and secondly within his clan, the Mahariya section of the Arab Abbala Rizeigat tribe.⁵⁷ Although the RSF has expanded into new regions well beyond Darfur and it has enlisted men from all ethnic groups, the RSF commanders are from Hemedti's Mahariya clan.⁵⁸ The most powerful positions within the RSF are also in the hands of his direct relatives, as demonstrated by the role of two of Hemedti's brothers, **Abdulrahim Hamdan Dagalo** and **Algoney Hamdan Dagalo**. Abdulrahim, Hemedti's older brother, is the RSF's deputy commander, while Algoney has worked as Hemedti's personal secretary, also in charge of procurement and human resources.⁵⁹ Both brothers play a major role in managing the RSF's business empire. Abdulrahim, for instance, is chairman of and the largest shareholder (40%) in the holding company Al-Junaid, he sits on the board of directors of Zadna, and has also been involved in managing the

54 Sudan Transparency Policy Tracker (STPT). 2013. *Sudan's Other War: The Place of Gold*, p. 6-8. For instance, in the first day of the war, the RSF took control of Kabkabiya Locality (North Darfur), in which Jebel Amer, estimated to be Sudan's largest mining site, is located. The RSF has also maintained and consolidated its control over gold-rich areas in South Darfur and in areas close to the border with the Central African Republic.

55 STPT, 2013, *Sudan's Other War*, op. cit.

56 See Annex 1.

57 Green, 2019, *The RSF empire*, op. cit., 8; Sudan In The News. 2019. [The Rapid Support Forces: A Comprehensive Profile](#), 29 October (accessed September 2023); Gallopin et al., 2021, *Sudan's political marketplace in 2021*, op. cit.

58 BBC. 2019. Sudan crisis: [The ruthless mercenaries who run the country for gold](#), 20 July; Al Estiklal. 2023. [Who are Hemedti's generals in Sudan?](#), 16 May; Sudan in the News, 2019, *The Rapid Support Forces*, op. cit. All accessed September 2023.

59 Global Witness, 2019, *Exposing the RSF's secret financial network*, op. cit.

migrant trafficking routes from Darfur to Libya.⁶⁰ Algoney, on the other hand, is the director and beneficial owner of Tradive and owns 60% of GSK (the remaining 40% is owned by his trusted university friend Mohammed Elak).⁶¹ Another relative with a significant influence in the Dagalo business network is Hemedti's uncle, **Sheikh Salih Maali bin Saleh**. According to some sources he is a nodal point to which all the other relatives who manage and/or own businesses report.⁶² Outside of Hemedti's direct family, other individuals are actively engaged in the RSF's business dealings. One of them is **Mostafa Ibrahim Abdelnabi**, who is the majority shareholder of Shield Security Services and reportedly sits on the board of directors of Al-Khaleej Bank.⁶³

The RSF's international linkages

Much like the SAF, **the RSF and its business empire rely on a vast network of international connections**. Links with the **UAE** are particularly strong. Besides having paid (together with **Saudi Arabia**) for the deployment of RSF soldiers to Yemen, the UAE plays a major role in enabling the functioning of the RSF's business networks, for instance by hosting its front companies, providing it with banking services, and most notably by enabling the export (both legal and illegal) of gold, one of the most lucrative businesses for the Dagalo family.⁶⁴

60 Global Witness, 2019, *Exposing the RSF's secret financial network*, op. cit.; Green, 2019, *The RSF empire*, op. cit., 5; Africa Intelligence, 2022, *Inside Sudan's labyrinthine military-industrial complex*, op. cit. According to one well-informed source, Abdulrahim is no longer part of the company's board of directors. Email exchange in September 2023.

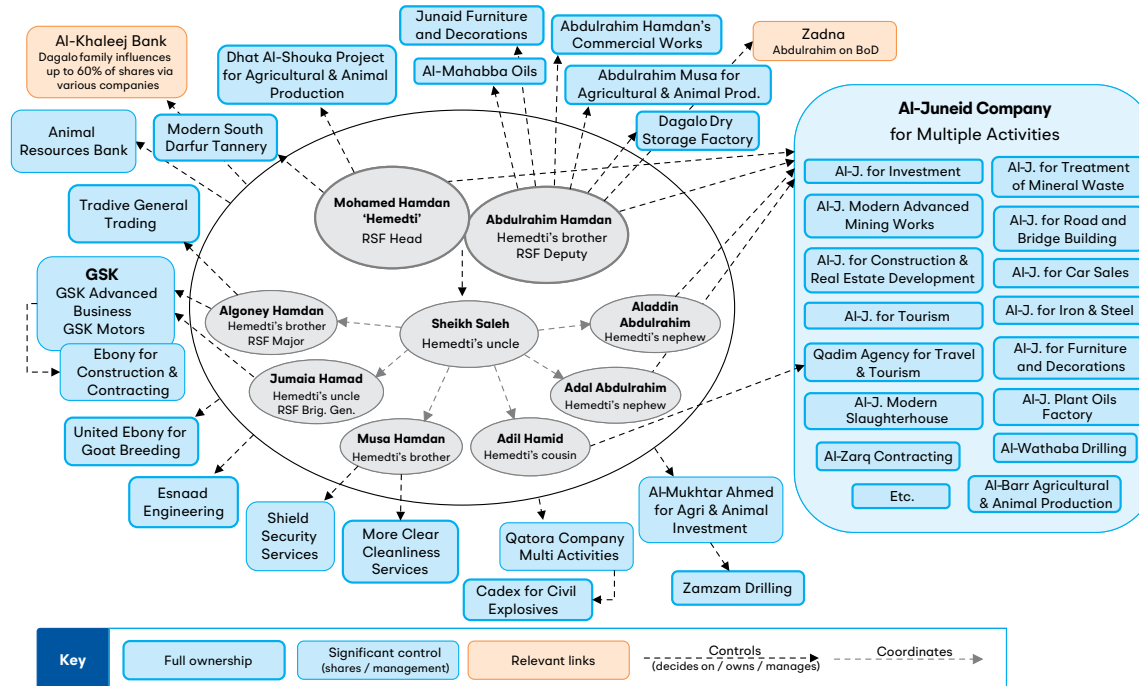
61 Global Witness, 2019, *Exposing the RSF's secret financial network*, op. cit.; EIP. 2019. *Sudan after sanctions and the peace agreements*, op. cit., 15.

62 Personal interview with a private sector expert in Khartoum, June 2022. Email exchange with finance expert and a personal acquaintance of Sheikh Saleh in September 2023.

63 Al Rakoba. 2023. Al-Rakouba reveals the secrets of a security guard's leap to the position of "Minister of Livestock" in Sudan (الراكوبة تكشف خفايا لفترة جارس أمن (سيكيوريتي) إلى منصب "وزير الذبوة الحيوانية" بالسودان), 26 January; Bachmann, A.T. 2023. Involuntary helpers (*Unfreiwillige Helfer*), Zeit Online, 1 October. Both accessed in September 2023. Personal interview with finance sector specialist in Khartoum, June 2022.

64 Tradive General Trading LLC is based in the UAE, and the RSF has a bank account in its own name at First Abu Dhabi Bank (Global Witness, 2019, *Exposing the RSF's secret financial network*, op. cit.). The UAE acts as the main destination for the export of Sudan's gold (Global Witness, 2020, *Beneath the Shine*, op. cit.). While the exact size of these business dealings remains difficult to ascertain, airway bills and invoices accessed by Reuters showed that, in a mere four-week period in late 2018, Al-Junaid had sent around a ton of gold to Dubai, at a value of USD 30 million (Abdelaziz et al., 2019, *Sudan militia leader grew rich by selling gold*, op. cit.). Past investigations also revealed how the RSF has relied on Emirati dealers to purchase over 1,000 pickup trucks of the kind that are then converted into vehicles for military use (Global Witness, 2020. *How the RSF got their 4x4 Technicals*, Blog).

Figure 3 The RSF's business empire⁶⁵



65 Green, 2019, *The RSF empire*, op. cit.; Global Witness, 2019, *Exposing the RSF's secret financial network*, op. cit.; EIP. 2019. *Sudan after sanctions and the peace agreements*, op. cit.; Gallopin, 2020, *Bad Company*, op. cit.; Cartier et al., 2022, *Breaking the bank*, op. cit.; Central Bank of Sudan lists of companies owned/controlled by the Dagalo family; personal interviews with multiple stakeholders with knowledge of Sudan's private sector, 2022.

The RSF also enjoys strong links with a number of actors within both **Chad** and **Libya**, underpinned by strong business connections straddling across the countries' porous borders (and, in the case of Chad, also shared ethnic identities).⁶⁶ The RSF has also cultivated ties with a number of other foreign actors, including for instance **Turkey**,⁶⁷ **Russia**,⁶⁸ as well as **Italy**.⁶⁹

2.3 The remnants of al-Bashir's regime

Since al-Bashir's removal in April 2019, the SAF and the RSF have dominated political processes in Sudan – a trend reaching its peak with the eruption of the current war. While these actors have often been the centre of attention,

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- 66 Jespersen, S; Henriksen, R; Pravettoni, R; Nellemann, C (2021), *Illicit Flows Fuelling Conflict in the Tri-Border: Migration and Artisanal gold mining in Sudan, Chad and Libya*, RHIPTO, XCEPT Research Report, June 2021. Hemedti's own tribe straddles across the Sudanese-Chadian border, and some of Sudan's relatives have occupied high-level positions within Chad's government (see, for instance, former Minister of Defence Bichara Issa Djadallah, who is a cousin of Hemedti) (Tubiana, J. 2022. *Darfur After Bashir: Implications for Sudan's Transition and for the Region*, United States Institute of Peace; Africa Confidential. 2021. [Death on the front line, a coup, and then an about turn](#), 29 April (accessed September 2023)). As of 2019, a large part of the Sudanese gold smuggled by Al Junaid was thought to pass through Chad, with the sons of Bichara Issa Jadalla being reportedly involved in the business (EIP. 2019. *Sudan after sanctions and the peace agreements*, op. cit.). The RSF also enjoys business links with the Libyan National Army of Khalifa Haftar, who controls eastern Libya (The Soufan Centre. 2023. [IntelBrief: Libyan Warlord Exploits Sudan Crisis](#), 23 May (accessed September 2023)).
- 67 Interviews with an expert on Turkish foreign policy in Africa and with an expert on Sudanese politics, online and in Khartoum, June–July 2022. For instance, Turkish managers and trainers have reportedly been involved in the security company Shield, previously named More Secure (conversations with multiple private security officers, Khartoum, August 2022).
- 68 For instance, the Russian mining company Kush Exploration and Partners has reportedly collaborated with Al-Junaid in gold mines in South Kordofan (Chatham House. 2022. [Sudan's Gold Boom](#) (online event), 7 December (accessed September 2023)). In February 2022, Hemedti led a Sudanese delegation to Moscow, coincidentally in the days when Russia announced its decision to invade Ukraine.
- 69 Mazzeo, A. 2023. Sudan has a tri-coloured friend, Italy trained the janjaweed ([Il Sudan ha un amico tricolore, "L'Italia addestrò i janjaweed"](#)), Il Manifesto, 30 April; MonteCarro. 2022. Rapid Support receives a delegation from Italy without the government's knowledge (الدعم السريع يستقبل وفداً من إيطاليا دون علم الحكومة), 11 August; MonteCarro. 2021. Hemedti leaves for Italy via a private Emirati plane on a visit related to his investments in Ethiopia (حميدي يغادر إلى إيطاليا عبر طائرة إماراتية خاصة في زيارة متعلقة باستثماراته في إثيوبيا), 10 February; both accessed September 2023. In August 2022, in a public interview, Hemedti thanked Italy for the technical support it provided to the RSF. Alberizzi, M. 2023. [Accusations against Italy for training janjaweed: "You have created a monster"](#), 21 April (accessed September 2023).

the remnants of al-Bashir's regime have continued to play a significant role in Sudan's political economy, albeit more in the shadows. Besides the empowering of the SAF and the RSF, al-Bashir's 30-year rule had allowed **a clique of well-connected individuals – made up of the dictator's own family, members of his ruling NCP party, as well as various Islamist figures** – to amass a great amount of wealth thanks to the favourable treatment accorded to them and their businesses. These individuals, for instance, were the main beneficiaries of that first wave of privatisations that took place in the 1990s.⁷⁰ Similarly, during the following decade, Sudan's oil boom was used to fill the pockets of well-connected individuals. As the state's revenues decreased in the wake of South Sudan's independence, access to privileges came to increasingly depend on loyalty to the regime and to al-Bashir personally, leading to a progressively smaller circle of beneficiaries.⁷¹ Overall, it has been estimated that 70% of economic transactions during al-Bashir's rule were managed by members of the political establishment.⁷²

Al-Bashir's cronies

Many of **al-Bashir's own family members** were among the most notable beneficiaries of the dictator's patronage system. Two of his brothers, **Ali Hassan Ahmed al-Bashir** and **Abbas Hassan al-Bashir**, used to control a rich portfolio of corporate shares, ranging from oil and cement to telecommunications.⁷³ Another brother, **Abdallah Hassan al-Bashir**, locally known as "Mr. 10%", was a shareholder in **High Tech**, a business group with shares in 23 companies working in various sectors.⁷⁴ Al-Bashir's wife, **Widad Babiker**, was allegedly engaged in business activities in the dairy sector, with her companies accused of benefiting

70 Islamists loyal to the ruling party took over former state-owned enterprises, including in the railroad, transport, telecommunication, and textile sectors. International Crisis Group (ICG). 2011. *Divisions in Sudan's ruling party and the threat of the country's future stability*, Crisis Group Africa Report No. 174, 17-18.

71 International Crisis Group (ICG). 2019. *Safeguarding Sudan's Revolution*, Crisis Group Africa Report No. 281, 12. This was mainly composed of higher-level NCP officials, as well as military and security officers.

72 El-Battahani, A. 2016. *The Sudan Armed Forces and prospects of change*, op. cit., 4.

73 Sudan in the News. 2019. [How the Deep State in Sudan Finances Itself](#), 25 October (accessed September 2023); ICG, 2011, *Divisions in Sudan's ruling party*, op. cit., 18.

74 These sectors included petroleum, petrochemicals, engineering, telecommunications, cement, and railways. ICG, 2011, *Divisions in Sudan's ruling party*, op. cit., 18. Abdallah Hassan al-Bashir passed away in Kober Prison in 2019.

from labour and security provision by the military and the intelligence services.⁷⁵ Al-Bashir's adopted son, **Ayman El Mamoun**, amassed vast profits through his engagement in the import sector: his company, **Badr Overseas Group**, imported essential goods at inflated prices, while benefiting from the country's revolving credit lines.⁷⁶ In 2018, he was sentenced to life in prison in the UAE on espionage charges.⁷⁷ Besides his family members, **al-Bashir himself also amassed a vast amount of wealth**. After his ousting, al-Bashir disclosed that he had received millions of dollars from the Saudi and Emirati leaders, which he personally kept away from state institutions.⁷⁸ As of 2010, al-Bashir was also estimated to hold USD 9 billion in UK banks,⁷⁹ a claim that has not been independently verified. **Abdelbasit Hamza**, a former army officer and a known member of the Islamic Movement, was widely believed to be one of the manager of al-Bashir financial empire.⁸⁰ Hamza's business dealings took place through private companies such as **Zawaya Investments** and its subsidiary **Larrycom**, which in turn invested in

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- 75 Al Rakoba. 2014. Widad Babiker from the Arab Women Award for Milk (وداد بابكر من جائزة المرأة العربية إلى الحليب), 5 January (accessed September 2023).
- 76 One example, documented by The Sentry, investigates the over-invoicing of two fertiliser shipments financed through Intrade Co., the Agricultural Bank of Sudan, and the Green Revolution Company for Trade and Services Ltd.: the cargo was invoiced at 75.7% higher than the international market price. These schemes diverted much-needed assistance and exacerbated the country's external debt, culminating in severe shortages of essential consumer goods that Sudan has experienced since 2013. The Sentry 2020. *Loan Wolves: Debt Scams Threaten Sudan's Democratic Transition and Fragile Economy*. February 2020.
- 77 Khaleej Times. 2018. [5 jailed in espionage case in UAE](#), 5 June (accessed September 2023); Al-Kaik, A.A. 2018. Convicted for the crime of espionage...the story of "Ayman Al-Mamoun" from A to Z (محاكمه عليه بجرمة تجسس. قصة "أيمن المأمون" من الألف إلى الياء), Al-Sudaniya, 15 July (accessed September 2023).
- 78 Ayesh, M. 2019. [Arabic press review: Bahrain appears to back Israel over Hezbollah clash](#), Middle East Eye, 2 September (accessed September 2023). The former dictator admitted that he had relied on a relative to exchange the sums at the more profitable black-market exchange rate, rather than at the official one used by banks. The person in question was Tariq Sir al-Khatim, husband of one of al-Bashir's nieces and manager of Seen Wheat Mills, a company that enjoyed a major share in Sudan's highly profitable wheat import market, as well as alleged ties to the NISS.
- El Gizouli, M. 2020. *Mobilization and Resistance in Sudan's Uprising*, Rift Valley Institute Briefing Paper.
- 79 Hirsch, A. 2010. [WikiLeaks cables: Sudanese president 'stashed \\$9bn in UK banks'](#), *The Guardian*, 17 December (accessed September 2023).
- 80 Sudan in the News, 2019, How the Deep State Finances Itself, op. cit.; EIP. 2019. *Sudan after sanctions and the peace agreements*, op. cit., 13.

other large companies such as **MTN**.⁸¹ Hamza was also part of the board of directors of Sudan's publicly-owned **Sudatel**.⁸²

Besides family members and close associates, **several high-level Islamists and NCP officials also belonged to al-Bashir's inner circle**. For example, **Ali Osman Taha**, the former Vice President under al-Bashir and a prominent NCP member, has maintained business interests in mining, agriculture, as well as investment and tourism. **Ali Karti**, the former Minister of Foreign Affairs and Commander of the infamous Popular Defence Forces (PDF), sat on the board of **Danfodio**, a large multi-sector holding company that used to enjoy a prominent position in the transport and construction sectors.⁸³ Danfodio further acted as the main fundraising arm of the Islamic Call Organisation, in international Islami charity organisation headquartered in Sudan. At least until 2019, Karti was also the driving force behind businesses such as **Berber Cement Factory** and the construction materials firm **Al-Baraha**.⁸⁴ His business networks extend to the Gulf, where his nephew **Assad Karti** reportedly runs businesses in various sectors such as transport and trading in hydrocarbons and minerals.⁸⁵

Similar to the SAF, al-Bashir also used Islamic charity organisations to manage and expand his wealth and influence. One of the most prominent examples is the **Holy Quran Society**, which reportedly owned assets in a variety of sectors,

81 Zawaya was involved in strategic business sectors such as natural resources, construction and real estate. In natural resources, it operated through Ram Energy Company Ltd. and Hammash Misr for Gold Mines and Matz Holding in Egypt. In construction, Zawaya ran the Nile Cement Company and Zawaya Building Blocks. In real estate, Zawaya owned Rotana Al Salam, a five-star hotel, and Afra Mall, Sudan's most prestigious shopping centre. Ashour, A. n.a. [Al-Bashir's Men in the Telecommunications Sector](#), ARIJ.net (accessed September 2023); Sudan in the News, 2019, How the Deep State Finances Itself, op. cit.

82 Ashour, n.a. Al-Bashir's Men in the Telecommunications Sector, op. cit.; Assahya. 2021. In the second session of interrogation of businessman Abdel Basset Hamza (في الجلسة الثانية لاستجواب رجل الأعمال (عبد الباسط حمزة), 2 February (accessed September 2023).

83 Danfodio's business empire included companies like Danfodio Contracting & Roads; Taibah Engineering; Danfodio Trading; Danfodio Petrol Services; Center for Engineering and Technical Studies; Jamda for Cars and Equipment; Salka Transport; Industrial Gases Factor; Al Kanar Pharmaceutical. The conglomerate also held shares in several companies co-owned by the SAF's MIC. (Africa Intelligence, 2022, Inside Sudan's labyrinthine military-industrial complex, op. cit.; Danfodio's website: <https://www.danfodio.sd/index.php/main/index/20/3/contents/22>).

84 Africa Intelligence. 2023. [Fugitive NCP veteran Ali Karti ready to pounce from the shadows](#), 10 July; Al Rakoba. 2013. Karti and the cement and iron empire (كرتي وإمبراطورية الأسمنت والحديد), 30 January. Both accessed September 2023.

85 Africa Intelligence, 2023, Fugitive NCP veteran Ali Kart, op. cit.

including in real estate and gold mining.⁸⁶ Another charity organisation, the **Islamic Call**, was established in the 1980s and staffed by members of the Sudan Islamic Movement.⁸⁷ Other examples include the **Sanaad Foundation** (chaired by Widad Babiker), the **National Youth Union**, the **Women's Union**, the **General Union of Sudanese Students**, and the **Hassan Ahmed al-Bashir charity organization**. These organizations were reportedly used by Sudanese Islamists to access business privileges, as well as to channel funding to the then ruling NCP.⁸⁸

After al-Bashir's ousting, many of these individuals, businesses and organizations were driven underground. The new transitional authorities were aware that, for the revolution to succeed, it was necessary to dismantle the kleptocratic networks established by the former regime.⁸⁹ Besides ordering the arrest of several members of al-Bashir's inner circle, the government also established the **Empowerment Dismantling Committee (EDC)**, an institution tasked with dismantling the deep state networks of the former regime.⁹⁰ The EDC seized assets from many of al-Bashir's loyalists, including both Taha and Karti, and clamped down on many of the charitable entities listed above.⁹¹ Despite such efforts, **however, these networks were not fully dismantled,**

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- 86 Sudan News Agency. 2022. A decision to reopen the Holy Quran Society in Kassala (قرار بإعادة العمل بجمعية القرآن الكريم بكسلا), 10 April; Middle East Monitor. 2020. [Sudan: Holy Quran Society and media outlets foreclosed to recover funds](#), 13 January; Al Roeya. 2020. The Empowerment Removal Committee in Sudan exposes the Brotherhood's corruption in the name of religion (لجنة إزالة التمكين بالسودان تكشف فساد الإخوان باسم الدين), 13 January. All accessed September 2023.
- 87 At the peak of its activities, the Islamic Call organization was operational in dozens of sub-Saharan African countries with Islamic majorities or minorities, the Balkans, Afghanistan, Southern Africa, etc.
- 88 Sudan Tribune. 2019. [Sudan dissolves 24 Charity groups close to the former regime](#), 23 November; Al Hurra. 2019. Al-Bashir's wife was summoned for investigation into corruption cases (استدعاء زوجة البشير للتحقيق بقضايا فساد), 12 December; El-Tohamy, A. 2019. Widad Babiker...from the First Lady of Sudan to "house arrest" («وداد بابكر... من السيدة الأولى في السودان إلى «الإقامة الجبرية»»), 1 September. All accessed September 2023.
- 89 Al Taghyeer. 2021. [Hamdok: Former regime a threat for transitional period](#), 21 September (accessed September 2023)
- 90 The full title of the committee is the 'Committee for Dismantling the June 30 1989 Regime, Removal of Empowerment and Corruption and Recovery of Public Funds'. Empowerment (tamkin) is the term with which the al-Bashir government supported its affiliates by granting them far-reaching privileges, including government functions, the setting up of various companies, and tax exemptions.
- 91 Al Taghyeer. 2022. [Coup authorities return seized assets to former Bashir aide](#), 17 May (accessed September 2023); Africa Intelligence, 2023, Fugitive NCP veteran Ali Kart, op. cit. Between 2019 and 2021, the EDC seized 99 properties from Karti.

as shown by their resurgence after the October 2021 coup. The charity, Islamic Call, for example, reclaimed its assets after the coup incl. 87 companies affiliated with the organisation, most notably the Danfodio Group, schools and kindergartens, the African Council for Private Education, the Riyadh Center for Media Production and Children's City.⁹² Struggling with the lack of a constituency in the wake of the coup, Gen. al-Burhan turned to the Islamists, releasing several prominent figures from prison and reintegrating many former regime affiliates in state institutions.⁹³ This process also entailed not only a halt to the EDC's activities, but even the reversal of its past decisions.⁹⁴ Since the outbreak of the war, many well-known NCP cadres have escaped from prison and regrouped in eastern Sudan, including Ahmed Haroun who is wanted by the ICC.⁹⁵

The regional connections of al-Bashir's circle

Similarly to the SAF and the RSF, **al-Bashir's inner circle enjoyed connections outside of Sudan**, which allowed them to escape persecution within Sudan after the revolution in 2019. According to some sources, for instance, some members of al-Bashir's family, including Widad Babiker, found refuge in **South Sudan**.⁹⁶ There, they reportedly benefited from the protection of **Tut Gatluak**, al-Bashir's adopted son, working as the national security adviser to South Sudanese President Salva Kiir. Several other members of al-Bashir's circle, particularly those with connections to the Islamist camp, fled to **Turkey and Qatar**. From there, some have remained active in Sudan's political and business scene – especially in the wake of the October 2021 coup.⁹⁷

92 Teller Report. 2022. [Another battle awaits after the court canceled the decision of the dismantling committee](#), 30 April; Reuters. 2022. [Court orders return of key Sudanese Islamist group](#), 19 April. Both accessed September 2023.

93 Africa Confidential. 2022. [Burhan lets the Islamists back in](#), 12 May (accessed September 2023).

94 Al Taghyeer. 2022. Coup authorities return seized assets to former Bashir aide, op. cit.; Sudan Tribune. 2022. [Inside secret meetings of Sudanese Islamists](#), 10 August; Radio Dabanga. 2022. [Sudan Humanitarian Aid Commission re-registers 23 'Islamist NGOs'](#), 5 September. All accessed September 2023.

95 Radio Dabanga. 2023. [Siddig Tawir: 'Jeddah talks last chance to stop the war in Sudan'](#), 21 July (accessed September 2023). In August 2023, the public prosecutor in Kassala issued arrest warrants against five leading members of the NCP: Ahmed Haroun, Ali Osman, Awad El Jaz, Abdelrahman E; Khidir, and EL Fateh Ezzeldin: Radio Dabanga. [Arrest warrants issued against five former NCP leaders in eastern Sudan](#), 2 August (accessed September 2023).

96 South Sudan News Now. 2019. [South Sudan Presidential Advisor Accommodates Bashir Family in Juba](#), 17 April (accessed September 2023).

97 Fikra for Studies and Development. N.a. *Islamists' efforts to reclaiming power: Aggressive attempts to disrupt the transition*, p. 19-20.

Box 1 The intelligence services (NISS/GIS)

Besides this inner circle of family members and loyalists, al-Bashir's kleptocratic rule had also led to the **empowerment of the National Security and Intelligence Service (NISS)**, headed for long stints by the spy chief **Salah Gosh**.⁹⁸ As part of al-Bashir's strategy of creating multiple power centres, the NISS was granted increasing powers, including to suppress the opposition and to directly combat Darfuri rebel groups when they reached Omdurman in 2008. When Gosh became too powerful, however, al-Bashir feared a threat from within the NISS. He thus removed Gosh from his position in 2009, and instead gradually empowered the RSF as his most trusted security force. By that time, however, the NISS had already grown to control large swathes of the Sudanese economy through a vast network of public and private companies.

The NISS' economic empire encompassed thousands of businesses straddling a wide range of sectors. These included, among the many: oil and gas (e.g. **Petronide** Petroleum Services Company and **Heglig** Petroleum Company); trading (e.g. **Dubai General Trading** Company, **Al-Jaazira** Company for Trade and Services, **Adiyat** Marketing and Distribution); construction (**Pearl Palace** Engineering Company); transport (**Sudanese Air Services** Company, **Green Flag** Aviation Company); mining (**International Mining** Company, **Sabika** Gold Ingot Company); security (e.g. **Al-Hadaf** for Security Services Company and **Shakreen** Company); pharmaceuticals (e.g. **National Fund for the Development of Medical Services**); and the media (e.g. **Sudanese Media Center**, **Khartoum Center for Electronic Media**, **Sudan Vision**).⁹⁹ In addition to the companies it controlled directly, the NISS also held shares in major Sudanese

98 Abdelaziz, K., Georgy, M. and El Dahan, M. 2019. [Abandoned by the UAE, Sudan's Bashir was destined to fall](#), 3 July (accessed September 2023).

99 Gallopin, 2020, *Bad Company*, op. cit.; Awad, A. 2020. Al-Bashir's economic legacy... The Sudanese security services' investment network is outside supervision (تركة البشير الاقتصادية... شبكة استثمارات الأجيوة) (الأمنية السودانية خارج الرقابة), Al Araby, 20 February; Africa Intelligence. 2020. [SUDAN: Intelligence services divested of their pot of gold](#), 6 May; EIP, 2019, *Sudan after sanctions and the peace agreements*, op. cit., 22; Sudan in the News, 2019, *How the Deep State in Sudan Finances Itself*, op. cit., Sudan Tribune. 2019. [Sudan closes media outlets affiliated with intelligence service](#), 15 December. All accessed September 2023.

businesses, such as the vast **Giad** conglomerate, as well as **Zain** and **MTN**, two of Sudan's main telecommunications providers.¹⁰⁰

The fall of al-Bashir led to a drastic reduction of the NISS' powers. Salah Gosh escaped to Egypt, while the SAF and the RSF marginalized the NISS in the Transitional Military Council (TMC) that was created to manage the transition. The NISS' powers were also reduced to intelligence gathering tasks only, under the new name of the **General Intelligence Service (GIS)**. The NISS' media companies were also liquidated, leaving the GIS without its predecessor's influence in this sector.¹⁰¹ While the RSF took over many of the NISS' operational staff,¹⁰² the intelligence agency's **vast commercial network was split between the SAF and the RSF**. For instance, during the transitional period the RSF allegedly took over the NISS' shares in the Sabika gold mining company.¹⁰³ **After the October coup in 2021, some of the GIS' powers have been restored.** The intelligence services have once again been harassing citizens, and Salah Gosh has been reported to be again pulling some strings in the country. Moreover, thousands of former NISS officers have reportedly joined the SAF in its current fight against the RSF.¹⁰⁴ What has remained unclear, however, is whether the GIS has sought to reclaim its lost economic assets, and what impact this may have in terms of competition among the various security actors.

2.4 Sudan's rebel groups

As noted earlier, **Sudan's modern history has been characterised by a structural inequality between the country's centre and its peripheries.** From colonial times to present-day Sudan, power and wealth have been largely concentrated around the capital Khartoum.¹⁰⁵ The peripheries, on the other hand, regularly suffered

100 Sudan in the news, 2019, *How the deep state in Sudan finances itself*; EIP, 2019, *Sudan after sanctions and the peace agreements*, op. cit., 22; Gallopin, 2020, *Bad Company*, op. cit.

101 Awad, 2020, *Al-Bashir's economic legacy*, op. cit.

102 ICG, 2019, *Safeguarding Sudan's revolution*, op. cit.

103 Interview with a former bank representative, May 2022 in Khartoum.

104 Abdelaziz, K. 2023. [Islamists wield hidden hand in Sudan conflict, military sources say](#), *Reuters*, 28 June (accessed September 2023).

105 As of 2007, 85% of Sudan's investments were reportedly concentrated around Khartoum.

Gallopin et al., 2021, *Sudan's political marketplace in 2021*, op. cit.

from the exploitation of their natural resources, as well as from an oppressive system of governance whereby ruling elites in Khartoum empowered local actors to govern (often violently) on their behalf.

Over time, these structural inequalities led to the establishment of **several armed insurgencies in Sudan's peripheries**. In what is today's South Sudan, this rebellion led to decades of civil war, which eventually ended with a peace agreement in 2005, preparing the grounds for Juba's secession in 2011. However, in Sudan's other peripheries – most notably Darfur, South Kordofan, Blue Nile, as well as the East – conflict between armed rebels and the central government has continued to rage. While each insurgent group had **specific backgrounds and affiliations** (be they ethnic, political, religious, etc.), they all shared a **similar overarching goal: rebalancing the country's power arrangements**.

This section looks at the **main rebel groups currently active in Sudan**, demonstrating how they have come to be part and parcel of Sudan's militarised political marketplace, while still paying lip service to their claim to defend the country's marginalised population. In this process, some of them have even come to strike alliances with their former nemesis – the government in Khartoum, the armed forces, and even the RSF (see below). Their relations with state security, local constituencies and regional allies as well as their access to resources will guide their choices with regard to positioning themselves in the current war.

The Sudanese People's Liberation Movement/Army-North

The **Sudanese People's Liberation Movement/Army-North (SPLM/A-N)** was born as the northern wing of South Sudan's liberation movement. After South Sudan's independence, the SPLM/A-N remained in the north, where it engaged in fierce fighting with the Khartoum government. At the outset, the movement's vision was to remove religious, ethnic and regional discrimination from Sudan and to end the primacy of political Islam and Arab identity. In 2017, the SPLM/A-N split into two competing factions – allegedly due to disagreements over secularism and security provisions, though many argue that personal and ethnic rivalries between commanders played a major role.¹⁰⁶ The ensuing violence between the two factions left the constituent communities deeply divided along ethnic lines.¹⁰⁷

106 Hassan, K.A. 2020. *Spilling Over: Conflict Dynamics in and around Sudan's Blue Nile State, 2015–19*, HSBA and Small Arms Survey Report, 36.

107 Hassan, 2020, *Spilling Over*, op. cit., 40–41.

Since the 2017 split, the faction led by **Abdelaziz al-Hilu** has retained a stronger military power and territorial presence, particularly in the **Nuba Mountains of South Kordofan**. The group's main constituency is among al-Hilu's Nuba people in South Kordofan, but it also extends to Blue Nile, from where his deputy **Joseph Tuka** stems, as well as to Darfur, where al-Hilu exerts influence among some communities thanks to his partly Masalit origin. Al-Hilu is a strong advocate of a secular Sudan and of security sector reform that would unify all the armed forces into a single military force. Although generally reluctant to engage with the central government, the group did sign a Declaration of Principles with the transitional authorities in March 2021 to pave the way for further talks, although the process was halted by the October 2021 coup. Despite repeated clashes between al-Hilu's group and the SAF during the current conflict,¹⁰⁸ in September 2023 al-Burhan has reportedly asked for al-Hilu's support against the RSF.¹⁰⁹ According to one well-informed source, the movement's revenues largely come from **gold extraction, local taxation and trade in areas under its control** in South Kordofan, which has led to regular clashes between his forces and the RSF.¹¹⁰ As of 2017, the **Juba-based Mountain Trade and Development Bank** was reported to be the monopoly buyer of gold from areas under the control of SPLM-N.¹¹¹ However, little is known about the nature and extent of its business revenues.

On the other hand, after the 2017 split, the faction led by **Malik Agar** lost most of its military and territorial power.¹¹² This may explain the group's choice to sign the Juba Peace Agreement (JPA) in 2020, which allowed Agar and some of the

108 UN OCHA. 2023. Sudan: SAF and SPLM-N clashes in Kadugli, South Kordofan - Flash Update No. 01 (22 August 2023).

109 Sudan Tribune. 2023. [Sudan's al-Burhan seeks alliance with SPLM-N's al-Hilu against RSF](#), September 11 (accessed September 2023).

110 Personal interview with a political analyst from the Nuba Mountains, Khartoum, June 2022. No confirmation found.

111 Elhashmi, E. 2017. *The politics of mining and trading gold in Sudan: Challenges of corruption and lack of transparency*, Sudan Transparency Initiative. The bank has been reportedly managed by al-Hilu's allies, and has allegedly been involved in the smuggling of foreign exchange. The SPLM-N's efforts to use proceeds from gold to diversify its business activities have reportedly been met with little success so far. Personal interview with a political analyst from the Nuba Mountains, Khartoum, June 2022. No confirmation found.

112 Elhashmi, 2017, *The politics of mining and trading gold in Sudan*, op. cit., 42.

movement's representatives to occupy influential positions.¹¹³ Agar's decision to support the October 2021 coup, likely motivated by a desire to retain these positions, led to a further split in the movement, led by Agar's deputy **Yassir Arman**. After the eruption of the current war, Agar was appointed by al-Burhan as his deputy in the Sovereignty Council, replacing Hemedti.¹¹⁴ This move was widely interpreted as a strategy by embattled al-Burhan to counter Hemedti's allegation of perpetuating al-Bashir's exclusionary regime.¹¹⁵ Little is known of the group's involvement in the private sector, aside from the activities of its former member **Mubarak Ardol**. Besides being an SPLM/A-N member, Ardol reportedly cultivated ties with the NCP, earning a public reputation as a double dealer.¹¹⁶ Ardol is the director of the **Sudanese Company for Mineral Resources**. In this role, he has also been in touch with several foreign companies interested in the country's mining sector, including for instance Canada's Sun Peak Metals, in May 2021.¹¹⁷

The Sudan Liberation Movement/Army

The **Sudan Liberation Movement/Army (SLM/A)** was created in Darfur in the early 2000s, with the declared aim of combating Sudan's unequal power distribution. The group included a range of non-Arab Darfuri tribes, including both the Fur and the Zaghawa. In 2004, however, the group split over divergences between two of its main commanders.¹¹⁸

The most powerful faction is the one led by **Abdelwahid al-Nur (AW)**, a **Fur** lawyer and a secularist. The group's main constituency is among the Fur and

113 Malik Agar himself became a member of the Sovereignty Council, and retained his position even after the October 2021 coup. After the outbreak of the war in April 2023, Agar was promoted to the role of Deputy Leader of the Sovereignty Council, which had been occupied until then by Hemedti. Ahmed El-Omda Badi was appointed Blue Nile governor, while Buthaina Ibrahim Dinar became the Minister of Federal Government. Dinar resigned from her ministerial position in the wake of the October 2021 coup, and was replaced by Muhammad Kurtkila Saleh.

114 Radio Dabanga. 2023. [El Burhan sacks Hemedti as Sudan TSC V-P, appoints Malik Agar](#), 21 May (accessed September 2023).

115 Le Journal de Afrique. 2023. [Sudan: who is Malik Agar, the new number 2 of al-Burhane?](#), 19 May (accessed September 2023).

116 Sudanese social media activists call someone whom they consider to be a defector from the revolutionary course or any politician they do not trust 'Ardoli' or 'Ardolian'. Radio Dabanga. 2022. [Sudan split-off FFC faction announces new structure](#), 6 April (accessed September 2023).

117 Africa Intelligence. 2021. [SUDAN : Sun Peak Metals, blocked by Tigray conflict, targets Sudan mineral resources](#), 9 June (accessed September 2023).

118 Tanner, V. and Tubiana, J. 2007. *Divided They Fall: The Fragmentation of Darfur's Rebel Groups*, HSBA Working Paper No. 6. Geneva: Small Arms Survey.

in the IDP camps in Darfur. It still controls parts of the Jebel Marra mountain range in central Darfur, although its influence outside this area is minimal. Abdelwahid has repeatedly refused to engage in any peace talks with the central government, reportedly leading to a degree of frustration among his associates. The group reportedly extract revenues from **gold** mines in Jebel Marra and South Darfur.¹¹⁹ In addition, Abdulwahid's deputy, **Abdullah Haran**, reportedly manages the group's business ventures in **South Sudan** in close cooperation with South Sudanese businessmen from the Dinka tribe.¹²⁰ The group's business activities in South Sudan involve agriculture (on farmland allocated by the Dinka elite), livestock and transportation between South Sudan and Juba. The lucrative transportation business is reportedly managed by **Mohamed Adam Abadallah Rockero** and **Salah Babikir**,¹²¹ while the movement's leader is said to have received support from the influential Sudanese businessman **Ashraf Seed Ahmad al-Cardinal**, who made a fortune by building corrupt business ties with South Sudanese political and business elites.¹²²

The other SLM/A faction is the one led by **Minni Minnawi** (MM), a trader and English teacher from the **Zaghawa** ethnic group. Differently from Abdelwahid, Minnawi has repeatedly engaged in talks with the government in Khartoum, leading to brief stints in government positions under al-Bashir.¹²³ In recent years, the group has enjoyed very limited power, and no territorial control in Sudan (most of the soldiers were deployed in **Libya** as mercenaries, paid for by the **UAE**).¹²⁴ Signing the JPA in 2020 allowed Minnawi and several of his associates to gain prominent governmental positions, as well as to receive economic benefits.¹²⁵ According to a well-informed source, Minnawi was unable to make use of his position as Darfur governor to improve security in the region but leveraged his role to become involved in many economic transactions concerning

119 UN Panel of Experts on the Sudan. 2022. *Final report S/2022/48*, 36-37.

120 UN Panel of Experts on the Sudan. 2020. *Final report S/2020/36*, p. 41. SLA/AW's main South Sudanese business partners are Simon Lueth Tor and General Deng Mayik.

121 *Ibid.*

122 The Sentry. 2019. *Al-Cardinal South Sudan's original oligarch*; UN Panel of Experts on the Sudan. 2022. *Final report S/2022/48*, 37. For more background also see UN Panel of Experts on the Sudan. 2020. *Final report S/2020/36*, 41.

123 In 2006, Minnawi joined al-Bashir's government after signing a peace deal therewith, only to return to a rebellion in 2010 after having achieved little through his position.

124 UN Panel of Experts on the Sudan. 2021. *Final report S/2021/40*, 37.

125 Minnawi himself landed the position of Governor of Darfur, presiding over all five Darfuri states, while his close ally Mohamed Bashir Abu Nemou was appointed Minister of Mining.

the region.¹²⁶ For example, in 2022 the UN Panel of Experts on Darfur reported exchanges between SLA-MM leaders and foreign mining companies on potential operations in Darfur¹²⁷ – a risky involvement, in light of the RSF’s dominance in gold trading.¹²⁸ Although little is known about the movement’s direct links to private business, the EDC has accused Minnawi of being associated with **Abdelbagi Ali**, a prominent leader of a group of companies which had allegedly obtained, free of charge, machinery from the government-owned **Sudan Agricultural Bank**.¹²⁹

The Justice and Equality Movement

The **Justice and Equality Movement (JEM)** was formed in 2003 by a group of educated, politically experienced Darfuris. The group has close links with Sudan’s Islamist camp – the main ideological difference with other rebel groups from Sudan’s peripheries.¹³⁰ Originally dominated by the Zaghawa tribe with close links to Chad, the movement has moved its main stronghold from North to South Darfur and has expanded along the border with South Sudan and South Kordofan. The group’s leader is **Jibril Ibrahim**, the brother of the group’s founder Khalil Ibrahim. In 2020, the group signed the JPA, allowing Jibril and his close associates to occupy prominent governmental positions.¹³¹ Jibril has reportedly used his position as Minister of Finance under the Transitional Government to reclaim assets that had been confiscated by the EDC.¹³² Consistent with the movement’s financing tradition, the JEM also continues to smuggle licit and illicit goods – including consumer goods, arms, migrants and drugs – across the

126 Interview with a former government official in Khartoum, June 2021.

127 UN Panel of Experts on the Sudan. 2022. *Final report S/2022/48*, 37.

128 UN Panel of Experts on the Sudan. 2021. *Final report S/2021/40*, 43.

129 Radio Dabanga. 2022. [Sudan anti-graft committee accuses Minnawi of protecting corruption in El Gezira](#), 23 August (accessed September 2023). Abdelbagi used to work for the Agricultural Bank (1991 – 2002) and has been Sales Manager for Sudatel since 2002, according to his LinkedIn profile.

130 The group’s current leader, Jibril Ibrahim, was formerly the right-hand man of Sudan’s Islamist leader Hassan al-Turabi.

131 Jibril was appointed Minister of Finance and Economic Planning, while his deputy Ahmed Adam Bakhit obtained the post of Minister of Social Development. Both of these JEM leaders retained their positions after the coup. Another JEM member, Najmeldin Mousa Abdelkarim, was appointed head of the Humanitarian Aid Commission (HAC), the government regulatory body charged with monitoring the work of international and national non-governmental organisations in the country.

132 Al Arabiya News. 2020. [Sudan confiscates \\$4 bln of assets from ex-president Bashir](#), 23 May (accessed September 2023).

borders with **Libya** and **Chad**.¹³³ According to multiple sources, JEM has also received the backing of **Qatar**, partly owing to its Islamist leaning.¹³⁴ Four months into the war, after secret talks between JEM members and Abdelrahim Dagalo in Chad, Jibril Ibrahim sacked four of his movement's leading figures, in an attempt to defend the JEM's neutral stance vis-à-vis the war.¹³⁵

Different conditions, different strategies

The common trait shown by these armed groups is their more localised nature, featuring constituencies in specific regions and among specific ethnic groups. Yet, they differ significantly in many other respects. On the one hand, al-Hilu's SPLM/A-N and Abdelwahid's SLM/A stand out from other armed groups in terms of their military strength and territorial control, likely feeding into their decision not to sign the JPA. On the other hand, the groups with less relevance on the ground – JEM, Minnawi's SLM/A faction and Agar's SPLM/A-N faction – have compensated for their limited power by signing the JPA and benefiting from the governmental positions and revenues deriving therefrom. At the same time, however, this move has put them in an awkward alliance with their former enemies, most notably the SAF and the RSF, which have enjoyed the upper hand vis-à-vis the (former) rebels owing to their much greater ability to deploy force and economic resources to advance their own interests.

2.5 Conclusion: Ruling by guns, cash, and connections

The previous sections have mapped the **main security-business networks** that grew under al-Bashir's rule, and that continue to dominate Sudan's political economy today. Actors within these networks pursue very different agendas, but they are somewhat similar in the way in which they wield power. In most cases, their power is underpinned by their ability to use violence. Yet, violence is far from being their only tool. Their pervasive engagement in Sudan's economy is a crucial source of revenue, to be used not only for personal enrichment, but also to buy political allegiances. These actors also exploit societal divides (be they geographical, sectarian, or ethnic) in order to mobilise support and gain a degree

133 UN Panel of Experts on the Sudan. 2022. *Final report S/2022/48*, 36-38. The JEM leader Abdelkarim Cholloy plays a critical role in the smuggling business.

134 Interview with multiple Sudanese analysts, via phone and in Khartoum, May-July 2022.

135 Sudan Tribune. 2023. [JEM leader sacks prominent members over meeting with RSF second commander](#), 14 August (accessed September 2023).

of popular legitimacy. Finally, they all rely on links with foreign actors, both in the region and beyond, to further their own domestic political interests, for instance by laundering their money and reputation. In short, **all of these actors employ a mix of coercion, co-optation, local legitimacy, and international alliances in order to wield power. What differs, however, is the specific way in which they do so.**

With regard to two security-business networks that are currently pursuing their power ambitions in the most overt and brutal manner, **the SAF and the RSF**, both are locked in conflict because they have similar goals: they **vie for military and economic primacy in Sudan**. Both have a long track record of violence and human rights abuses, and they are accused of war crimes and crimes against humanity during the Darfur genocide and, more recently, during the transition and this current war. Troops and affiliated forces from both sides continue to kill, detain, rape and displace innocent civilians. Although the nature, motivation and scale of their crimes differ to some extent, neither of them has shown any remorse or has been held accountable for these atrocities.¹³⁶

The SAF and RSF have **both established intricate business empires** straddling all strategic sectors in the economy, ranging from banking to agriculture, from gold to ICT. In a multi-layered web of front companies and subsidiaries, operating across all regions and with branches and offshoots abroad, the RSF and the SAF have essentially sanction-proofed their business affairs, very much in the style of their former patron al-Bashir whose kleptocracy defied international isolation and blanket sanctions, which failed to prevent the dictator from growing the SAF into one of the continent's strongest armies. These business empires provide the two warring parties with the cash and material support needed to finance this war.¹³⁷

There are, however, several dissimilarities in the way the two warring parties use coercion and mobilise resources. First of all, the **SAF runs its economic empire and military command structures through a set of governance institutions,**

136 Amnesty International. 2023. *Sudan: War crimes rampant as civilians killed in both deliberate and indiscriminate attacks*.

137 Houreld, K. 2023. [Battling Sudanese generals Burhan and Hemedti amassed war chests](#), *Washington Post*, April 19; Hoffmann, A., Lanfranchi, G. 2023. *To stop the war in Sudan, bankrupt the warlords*, Clingendael; Hogendoorn, E.J. 2023. *To stop the fighting in Sudan, take away the generals' money*, Atlantic Council.

while the paramilitary's military capacity and businesses are all centred on the Dagaló family. This makes the RSF more agile on the battlefield and financially independent from the state, and it has allowed Hemedti to amass large amounts of wealth in only two decades. However, this concentration of power also comes with dependency on a few trusted relatives, none of whom compares to Hemedti's entrepreneurial gamesmanship. Still, reports about Hemedti's wounds or even death have to date not significantly impacted the RSF's military position. The SAF, in turn, despite having suffered major losses in its industrial capacity, continues to use state institutions to advance its political and economic agenda, issuing decrees, disbanding rival organisations and freezing RSF-affiliated bank accounts. Whereas during the transition the RSF was often feared as attempting to hijack the state, its fighters' systematic looting and destruction of state institutions reveal another reality: the one-time militia preys on what others have built but is unlikely to stay to rebuild. Once Khartoum is looted, the militiamen will likely move on to their next prey.¹³⁸

Second, in terms of their local and international legitimacy, the SAF and RSF have undertaken different efforts to complement their military and economic power. Each of their leaders presents himself as the only legitimate representative of the country and tries to delegitimize his opponent. **The army, on the one hand, attempts to leverage its reputation as a traditionally meritocratic state institution,** whose troops represent all regions and the multi-ethnic diversity of Sudan.¹³⁹ However, decades of close cooperation and collusion with the Islamists under al-Bashir and the dominance of riverine elites among its higher-level echelons had already undermined SAF's legitimacy at large, certainly in the peripheries that suffered from decades of brutal exploitation and repression.¹⁴⁰ Since the beginning of the war, the immediate withdrawal of SAF from Darfur's capital, leaving citizens unprotected in the midst of large-scale RSF attacks, did not improve that image. Neither did the indiscriminate air strikes against densely populated residential areas and markets in Omdurman, Khartoum or Nyala.

138 De Waal, A. 2023. [Sudan's future is being shaped by guns and money – like its past](#), *The Conversation*, 24 August (accessed September 2023).

139 El-Battahani, A. 2016. *The Sudan Armed Forces and prospects of change*, op. cit., 2.

140 McGregor, A. 2023. *Gold, Arms, and Islam: Understanding the Conflict in Sudan*, The Jamestown Foundation.

The RSF, on the other hand, has aptly used the criticism against the SAF to bolster its own image as the force that allegedly safeguards the revolution and represents the marginalized peripheries.¹⁴¹ Hemedti repeatedly points to the proximity of the SAF and the Islamists of the al-Bashir regime.¹⁴² Yet, the RSF's own track record of abuses including accusations of war crimes and crimes against humanity, and its own affiliation with the old regime have made this effort futile.¹⁴³ To date, its only way to expand its constituency has mostly been on the basis of ethnic identity. Earlier efforts during the transition to recruit from other communities than the Rizeigat have yielded limited results. Most of its fighters and affiliated militia groups stem from Arab tribes in Darfur or from further West, the Sahel. Attempts to buy off traditional authorities from other ethnic groups (e.g. in the East) have also delivered limited results.

In terms of international support, the business empires of both the SAF and the RSF enjoy deep ties outside of Sudan. Companies belonging to both networks have frequent interactions with foreign counterparts, have foreign bank accounts, and in some cases are based abroad. Predictably, **each side's foreign business ties are more developed in the countries providing them with other forms of support – Egypt for the SAF, and the UAE for the RSF.** Both warring factions use these foreign links to launder their wealth and reputation and interact with companies and financial institutions around the globe (see the Box below).

141 Exemplary of the RSF's efforts to polish their image is how the pandemic was exploited as an opportunity to present the RSF as saviours of the nation: Nashed, M. 2021. A ruthless Sudanese militia, the RSF, is using Covid-19 to launder its reputation - Coda Story, Coda Story, 8 March (accessed 26 October 2023).

142 Radio Dabanga. 2023. [Hemedti manoeuvres to brand war against Sudan army as fight against former regime Islamists](#), 17 April (accessed September 2023).

143 For allegations of recent war crimes in Darfur see: HRW. 2023. *Sudan: New Attacks in Darfur*. For documented allegations of war crimes by the RSF and the SAF in Khartoum see: Amnesty International. 2023. *Sudan: War crimes rampant as civilians killed in both deliberate and indiscriminate attack*.

Box 2 International connections of the SAF and RSF business empires

Sudan's security-business networks transcend the country's borders and rely on extensive international connections. These connections are geared towards four principal objectives: mobilising financial support, providing protection and refuge to elite members, laundering money, and burnishing the reputation of security actors. The main connections of the various Sudanese actors have been briefly mapped earlier in this section. This box focuses on the links with three specific foreign players: Egypt (the SAF's main backer), the UAE (the RSF's main backer), and Western countries (the main audience for the recommendations of this report).

Egypt

Historically, military cooperation and economic links between Sudan and Egypt run very deep. The SAF and the Sudanese intelligence service have longstanding ties with their Egyptian counterparts, and official trade volumes between the two countries amount to over USD 1 billion,¹⁴⁴ not accounting for the flourishing informal trade across the borders.

The economic connections between Sudan and Egypt also include **strong links between security-business networks controlled by the two countries' security apparatuses.** Cooperation between these businesses has not been limited to the defence domain, but it has also extended to civilian industries.¹⁴⁵ According to a well-informed source, for instance, the MIC-owned GreenZone has cooperated with companies owned by the Egyptian army in a scheme for the exportation of Sudan's agricultural produce.¹⁴⁶ In this scheme, GreenZone allegedly acted as a quasi-monopoly buyer of produce from Sudan's major agricultural companies, which it then exported to Egypt via ground freight using companies affiliated to the Egyptian army. These companies then re-exported the produce from Egypt. Another MIC-owned company, Multiple Directions (Al Ateghat Al Mutadedda), has been alleged to have ties with the Egyptian intelligence service.¹⁴⁷

144 Zawya. 2023. [Egypt-Sudan trade exchange up to \\$1.4bln in 2022](#), 30 August (accessed September 2023).

145 Zawya. 2021. [Egypt, Sudan discuss enhancing military production cooperation](#), 23 August (accessed September 2023).

146 Interview with an expert on the private sector in Sudan, June 2022.

147 Interview with a former government official, Khartoum, June 2022.

Egypt's support for the SAF and the Sudanese intelligence service

extends beyond commercial ties. For instance, after the fall of al-Bashir, it is widely believed that former NISS head Salah Gosh fled to Egypt, from where he has reportedly continued to operate.¹⁴⁸ At the same time, an Egyptian company named New Wave, alleged to have government connections, engaged in a social media campaign to bolster the SAF's image.¹⁴⁹ In the wake of the October 2021 coup, Egypt has reportedly deployed a team of intelligence officials to advise Burhan on matters of domestic politics.¹⁵⁰ Most recently, according to some sources Egypt has provided active support to the SAF in its fight against the RSF, with reports of Egyptian pilots conducting airstrikes in Sudan.¹⁵¹

The UAE

On the other hand, **the UAE has emerged as the RSF's main backer.** Over the past decades, the UAE – together with Saudi Arabia – was a crucial supporter of both the RSF and the SAF.¹⁵² More recently, however, the UAE has developed stronger links with the RSF, while Saudi Arabia has edged closer to the SAF, also trying to position itself as a mediator in the current conflict.¹⁵³

148 Saied, M. 2021. [Will Egypt heed Sudan's call to hand over fugitives linked to Bashir's regime?](#), *Al-Monitor*, 22 March (accessed September 2023).

149 Rashwan, N., Walsh, D. 2019. ['We're at War': A Covert Social Media Campaign Boosts Military Rulers \(New York Times\)](#), *New York Times*, 6 September (accessed September 2023)

150 Al Araby Al Jadeed. 2022. An Egyptian security team in Khartoum to support Al-Burhan (فرقة أمنية مصرية في الخرطوم لدعم البرجاني), 18 October (accessed September 2023).

151 Rickett, O. 2023. Sudan: How an RSF attack on Burhan set the tone for a bitter conflict, *Middle East Eye*, 3 May (accessed September 2023).

152 Both countries used to have ties with al-Bashir's regime and after his fall backed the joint SAF-RSF military junta, including by investing large sums of money in the country's economy. The two countries pledged USD 500 million in direct transfers to Sudan's Central Bank, as well as USD 2.5 billion in investments. However, in reality the transfers reportedly amounted to half of this sum, as the support was discontinued in late 2019. Gallopin, 2020, *Bad Company*, op. cit. Moreover, Sudanese actors have received cash in exchange for the deployment of Sudanese soldiers in foreign conflicts. As mentioned above, both the RSF and SAF were paid by Saudi Arabia and the UAE for their deployment in Yemen.

153 Tubiana, J. 2022. *Darfur after Bashir: Implications for Sudan's transition and for the region*, Washington DC: United States Institute of Peace.

In recent years, the RSF's business networks have relied heavily on the UAE as a hub for their operations. For example, Tradive General Trading LLC, one of the companies that have recently been targeted by US and UK sanctions due to its affiliation with the RSF, is based in the UAE.¹⁵⁴ Another RSF front company, GSK, has several offices across the UAE, with a presence in Abu Dhabi, Dubai, and Sharjah.¹⁵⁵ Past investigations also revealed how the RSF has relied on Emirati dealers to purchase over 1,000 pickup trucks of the kind that are then converted into vehicles for military use.¹⁵⁶

The UAE also plays a critical role in **connecting the RSF's business empire to international financial markets.** To ease its international financial transactions, the RSF has a bank account in its own name at First Abu Dhabi Bank.¹⁵⁷ Through a network of front companies, the RSF also controls a large part of the shares of Al-Khaleej Bank, which enjoys connections to the international financial system via correspondent banks in the UAE, Bahrain, Egypt, Saudi Arabia, Turkey and Italy.¹⁵⁸ The paramilitary's close linkages to banks and companies in the UAE allow the RSF to transform its proceeds from illicit dealings into legitimate assets that are safe and protected by the rule of law.

Moreover, and **arguably most importantly, the UAE is the main destination for the export (both legal and illegal) of Sudan's gold,** a large share of which is managed by the Dagalo family businesses.¹⁵⁹ Emirati companies like Kaloti and Rozella have reportedly engaged in the purchase of gold linked to Hemedti's businesses, such as Al-Junaid, another company targeted by US and UK sanctions.¹⁶⁰ Both companies also have some form

154 Global Witness, 2019. *Exposing the RSF's secret financial network*, op. cit.

155 Global Witness, 2019, *Exposing the RSF's secret financial network*, op. cit.; EIP. 2019. *Sudan after sanctions and the peace agreements*, op. cit., 15.

156 Global Witness, 2019. *Exposing the RSF's secret financial network*, op. cit.

157 Global Witness, 2019. *Exposing the RSF's secret financial network*, op. cit.

158 Cartier et al., 2022, *Breaking the bank*, op. cit., 22-23; personal interview with Sudanese finance sector specialist in Khartoum, June 2022.

159 Global Witness, 2019. *Exposing the RSF's secret financial network*, op. cit.; Rift Valley Institute, 2019, *Security elites and gold mining in Sudan's economic transition*, Briefing Paper.

160 Abdelaziz et al., 2019, *Sudan militia leader grew rich by selling gold*, op. cit.

of business links with European countries.¹⁶¹ While the exact size of these business dealings remains difficult to ascertain, airway bills and invoices accessed by Reuters have shown that, in a mere four-week period in late 2018, Al-Junaid had sent around a ton of gold to Dubai, at a value of USD 30 million.¹⁶² During the period 2010-2018, Sudan declared official production figures totalling 560 tons, averaging 62 tons per year. During the same period, the Central Bank of Sudan reports indicate that only 242 tons were officially exported from Sudan during the same period, representing 43% of the officially declared production.¹⁶³ Both official production and export figures declined significantly after 2018. Dubai's role in accepting undocumented gold from Sudan and enabling the illicit trade of Sudanese gold (including towards Europe) is well documented.¹⁶⁴ It is therefore not surprising that the UAE scores very poorly in illicit money laundering rankings and on watchdog lists.¹⁶⁵

Besides the financial support and laundering of money, **the UAE has also invested in polishing the RSF's image.** The Facebook account of the RSF – which has been used to accuse the army of targeting civilians and siding with the Islamists – is jointly run from the UAE and Sudan.¹⁶⁶ These pages produce a constant supply of videos accusing the army of targeting civilians and siding with the Islamists, while portraying an image of the RSF as a trustworthy partner in advancing democracy and a bulwark against Islamism. The RSF has also reportedly received support from a Dubai-based private equity firm in its lobbying efforts in the UK.¹⁶⁷

161 Kaloti has sold large quantities of gold to the Swiss refining company Valcambi (Global Witness, 2020, *Beneath the Shine*, op. cit.). A company named Rozella General Trading and Consulting GmbH is registered in Germany, with UAE-based Hamad Mohamed Tahir Ali as its manager ([Rozella Trading and Consulting GmnH \(North Data\)](#)). According to well-informed sources, the manager is a Sudanese national, and is also in charge of the UAE-based gold-trading company Rozella.

162 Abdelaziz et al., 2019, Sudan militia leader grew rich by selling gold, op. cit.

163 These figures are from the Ministry of Mining, "Features and Figures of the Performance of the Ministry of Mining," a synthesis report for 2018 and the first half of 2019.

164 Global Witness, 2020, *Beneath the Shine*, op. cit.

165 Cooley, A., Vinjamuri, L. 2022. *Cracking down on kleptocracy*, Chatham House.

166 Blackall, M., Holmes, R. 2023. ['Ethical' private equity firm in Dubai helped notorious Sudan militia to lobby UK MPs \(i News\)](#), *i News*, 5 May (accessed September 2023).

167 Ibid.

Western countries

A number of Western countries and intergovernmental organizations have been active players during Sudan's transition.¹⁶⁸ These actors mostly sought to **support the civilian wing of the transitional government**, for instance through the removal of Sudan from the US' state sponsors of terrorism (SST) list and the debt relief process promoted within the International Monetary Fund (IMF). The October 2021 coup, however, significantly reduced the West's engagement and influence on Sudan's security actors, and the war effectively ended both.

Despite the West's attempts to support the civilian pro-democracy camp, **companies linked to Sudan's security and political elites also have a presence in Western countries.** This is the case, for instance, with Shield Security, an RSF-linked security company that expanded its operations in Khartoum in the years before the war, selling its services to many clients including several Western embassies.¹⁶⁹ While being managed by a Sudanese national, who also serves as the deputy chairman of Dubai's Security Industry Regulatory Agency, Shield Security is based in the United Kingdom, giving it a trustworthy appearance.¹⁷⁰

In addition, **Western public relations firms have offered their services to burnish the international reputation of Sudan's security actors.** For instance, in 2019 Hemedti signed a USD 6 million contract with the Canadian public relations firm Dickens and Madson to polish the international image of Sudan's military council and to gain access to US government officials.¹⁷¹ More recently, the RSF has allegedly approached

168 Western countries particularly active in Sudan included the United States, the United Kingdom, Norway, Sweden, Germany, and France.

169 Shield Security is the successor of More Secure, a private security firm whose connection to Hemedti was corroborated in a recent investigation (Cartier et al., 2022, *Breaking the bank*, op. cit.). Personal interviews with several employees in Khartoum, June 2022.

170 The Director of Shield Security Services in the UK is Adil Abdel-Hadi ([Adil Abdel-Hadi - Shield Security](#)). Adil is of Sudanese origin with close connections to Dubai where he holds the position of Second Deputy Chairman of Dubai's Security Industry Regulatory Agency (Geronimo, 2020, Middle East's first association for security industry, op. cit.).

171 Africa Intelligence. 2019. [SUDAN: Dickens & Madson, Hemedti's controversial lobbyist](#), 5 July (accessed September 2023). The promise to arrange a meeting with Trump with the aim of being removed from the blacklist of state sponsors of terrorism was also part of the deal. York, G. 2019. [Canadian lobbying firm hired for US\\$6-million to polish image of Sudan's military regime](#), *The Globe and Mail*, 27 June (accessed September 2023).

the French PR company Think Doctor to help manage the group's Wikipedia pages and its social media accounts, as well as to provide media training.¹⁷² The RSF – as well as the SAF – also rely on US-based social media platforms (such as X (formerly Twitter), Facebook, Instagram, YouTube) to disseminate their propaganda campaigns.¹⁷³ Through their PR firms and tech companies, Western governments directly and indirectly facilitate continuous efforts by the warring parties to overwrite their past and ongoing atrocities, including crimes against humanity, for which Hemedti's forces have been accused and solid evidence thereof has been documented.¹⁷⁴ The fact that the SAF and other security actors lack the sophisticated media campaigns of the RSF does not mean that they have fewer crimes to hide.¹⁷⁵

The **Islamist elements of the old al-Bashir regime and their networks**, although having retreated to the backstage since al-Bashir's ousting, have never been dismantled, and steadily resurfaced after the 2021 coup. A few weeks into the war, many prominent Islamist figures escaped from prison and regrouped in eastern Sudan, from where they declared their allegiance to the SAF. They retain coercive power through their capacity to mobilise and recruit, and they also likely control parts of their old business networks. In addition, they continue to pursue their ideological agenda, which they share with their main international sponsors, Qatar and Turkey.

172 Africa Intelligence. 2023. [SUDAN : Hemedti seeks spin doctor in Europe](#), 9 February (accessed September 2023). Contacted by Al-Jazeera, the company has declined to comment. Nashed, M. 2023. [The soft-power campaign of Sudan's RSF leader 'Hemedti'](#), Al-Jazeera, 20 April (accessed September 2023).

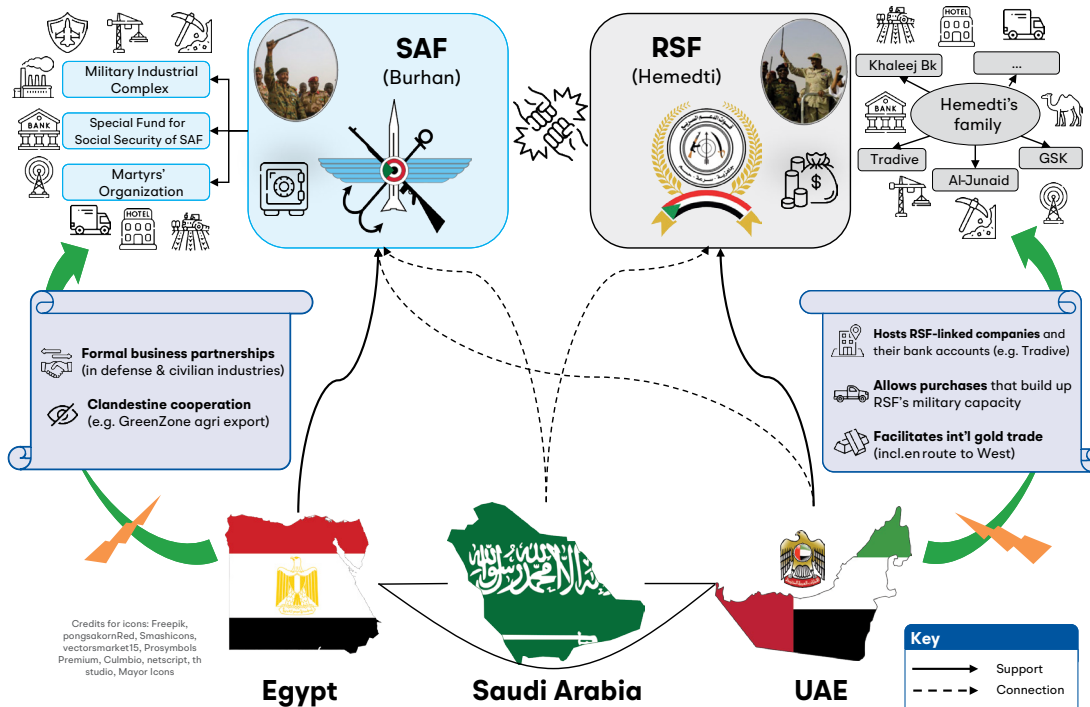
173 Suliman, M. 2023. [Tech Giants Must Deplatform the RSF Militia to Stop Aiding Their Atrocities in Sudan](#), JURIST, 10 May (accessed September 2023). At the beginning of the war, researchers identified 900 hijacked X accounts that promoted the RSF's bid to whitewash their crimes. Knight, T. 2023. ["Potentially hijacked Twitter accounts promote Sudanese paramilitary force"](#), Digital Forensic Research Lab, April 18 (accessed September 2023).

174 Besides the documentation of crimes committed by the SAF, Hemedti's forces and other armed groups during the Darfur war, a number of ongoing initiatives document more recent and ongoing crimes. See for example, the [Sudan Shahid Map](#) of the U.S. think tank C4ADS.

175 The US-based non-profit organisation C4ADS together with the UK-based Centre for Information Resilience (CIR) and the Sudan Human Rights Hub (HRH) monitors, documents and verifies violent aggression by both warring parties in a project called [Sudan Shahid Map](#). Evidence confirms that atrocities are being committed by both sides.

Sudan's armed groups include a range of different actors who all derive their original legitimacy as the representatives of Sudan's marginalised peripheries. Although not comparable to the RSF, the SAF or the remnants of the old al-Bashir regime, these groups **have also copied the kleptocratic practices** of the former al-Bashir regime: they all also maintain business networks within and outside of Sudan, operating at the intersection of politics and business. Their capacity to deploy violence and economic resources is more limited in scale than that of other actors, and their international connections are confined to their direct neighbourhood. Nevertheless, **the two most powerful groups**, the SPLM-N and the SLA-AW, **retain territorial control over parts of their home regions** and South Kordofan and Darfur respectively. They have refused to engage in political processes or peace negotiations during the transition, and have proved reluctant to take sides in the current war. By contrast, **the militarily weaker armed groups**, like the JEM and the SLA-MM, have signed the 2020 Juba Peace Agreement and entered into an awkward, unequal partnership with the SAF and the RSF, which has allowed them to occupy positions of power and access rents. Yet, they **have remained in a markedly subordinate position to their patrons**, limiting their capacity to chart their own path.

Figure 4 Main international connections of the SAF and the RSF¹⁷⁶



176 Green, 2019, *The RSF empire*, op. cit.; Global Witness, 2019, *Exposing the RSF's secret financial network*, op. cit.; EIP, 2019, *Sudan after sanctions and the peace agreements*, op. cit.; Gallopin, 2020, *Bad Company*, op. cit.; Baldo, 2021, *Sudan struggles to control its parastatals*, op. cit.; Cartier et al., 2022, *Breaking the bank*, op. cit.; personal interviews with multiple stakeholders with knowledge of Sudan's private sector, 2022.

3 Caught in the lion's den: Sudan's private sector

Amidst the kleptocratic networks described in the previous chapter that have come to hold the entire economy hostage to their own power ambitions, other players from Sudan's private sector have shown remarkable resilience and innovation. They include distinct types of businesses – large and small, old and new, well-connected and independent ones – that are also part and parcel of the country's business scene. Over the past decades, these actors had to learn how to survive amidst all the challenges that are typical of Sudan's business environment (see the box below) – including the highly uneven playing field generated by the disproportionate power enjoyed by the security-commercial networks exposed earlier. **The aim of this chapter is to map different types of Sudanese private sector actors, and to explore whether and how they can support a transition towards a more inclusive political settlement.**

This is relevant in both the short and the long term. In the immediate term, a nuanced understanding of the private sector is critical to track the impact of the war on Sudan's economy, and to identify ways to support businesses that are currently providing essential goods and services to suffering communities.¹⁷⁷ In the longer term, this understanding of Sudan's private sector is critical in setting the agenda for peace negotiations and ensuring its participation in future reconstruction efforts. Once the war ends and reconstruction begins, information about who to work with and how to shape private sector engagement should be readily available.

177 Hassanein, D. 2023. [Sudanese startups either pivot or migrate as fighting rages on](#), *Wamda*, 1 May (accessed September 2023).

Box 3 Background of Sudan's private sector

Historically, for a long time the public sector dominated most of the country's productive economy, leaving limited room for private sector activity. During these first three decades after independence, private sector activity was characterised by individual rather than corporate activities, resulting in limited scale, the use of basic technology and low productivity. In the mid-1990s this picture started to change. Nimeiri's liberalisation policies, implemented in the context of the Structural Adjustment Programme, opened the door to the **emergence of a productive private sector,** whose share has grown ever since then.¹⁷⁸ In 2013, according to a UN industrial survey, 96% of industrial firms were privately owned. The enterprise sector consisted mostly of private limited companies and sole proprietorships, and the number of common stock companies was very limited and concentrated in banking and insurance services.¹⁷⁹

In 2020, the formal private sector in Sudan predominantly consisted of micro, small and medium-sized enterprises and a few large corporations, generally owned by either the state, the political and security elites, or powerful families.¹⁸⁰ The few large companies that exist are clustered in trade and industrial processing. Requiring a certain degree of infrastructure for their large-scale commercial activities, most of them are located in the capital or other urban centres.¹⁸¹ Small and medium-sized enterprises prevail in the formal private sector¹⁸², while micro-enterprises almost exclusively remain in the informal sector.

178 Gangi, Y. A. and Mohammed, H. E. 2017. *The development of entrepreneurship in Sudan*, 3.

179 Gangi and Mohammed, 2017, *The development of entrepreneurship in Sudan*, op. cit. In August 2018, it was estimated that a total of 53,373 companies were registered under the Company Law throughout the country, including 431 government and 603 parastatal companies (World Bank. 2020. *Effects of COVID-19 on Sudanese enterprises*, 11).

180 World Bank, 2020, *Effects of COVID-19 on Sudanese enterprises*, op. cit., 8.

181 World Bank, 2020, *Effects of COVID-19 on Sudanese enterprises*, op. cit., 8.

182 ILO. 2014. *A roadmap toward a national employment policy for Sudan*, International Labour Organisation. The ILO defines SMEs based on the number of employees: an SME employs more than three and less than 50 employees.

More generally, due to the breakdown of trust in market institutions and high levels of state capture and corruption, a large proportion of the private sector in Sudan operates informally.¹⁸³ The informal economy remains the most important source of both production and employment.¹⁸⁴ Women tend to be over-represented in the informal economy, both as employees and business owners.¹⁸⁵

Already before the war, Sudan's protracted economic crisis posed major challenges for the private sector. First, due to decades of conflict, and the repeated flaring up of violence in several parts of the country, government structures remained weak and contested. **With its limited capacity, the state failed to deliver essential services, especially in the peripheries.** In some instances, armed groups reportedly provided basic services to residents of the territory under their control, such as with Abdelwahid's SLM/A in Jebel Marra (Central Darfur) and al-Hilu's SPLM-N in the Nuba Mountains (South Kordofan).¹⁸⁶ The infrastructure of roads and telecommunications was weak to non-existent in these regions, and perpetual flare ups of violent clashes in the rural areas as well as road blocks on strategic trading routes to Egypt and Port Sudan further hampered private sector operations.

Most importantly, in the absence of a functioning and accountable state, decades of mismanagement and endemic corruption have permeated transactional norms. Instead of rules and regulations guiding economic activity, **the ruling elite and its patronage networks have come to set the rules of the game.** After two years of transition and reform attempts, business owners currently face a deregulated, but highly contested market. As one business owner explained after the coup: "As a Sudanese enterprise we learned how to navigate a dysfunctional ecosystem, but it

183 World Bank, 2020, *Effects of COVID-19 on Sudanese enterprises*, op. cit., 8.

184 According to the ILO, in 2014 the informal sector amounted to 65% of the labour market, with a high proportion of unskilled workers. It is further reported to account for 60% of the Sudanese economy. (ILO, 2014, *A roadmap toward a national employment policy for Sudan*, op. cit.; African Development Bank. 2012. *Sudan*, African Economic Outlook).

185 It is estimated that 60% of women in employment are engaged in the informal sector (Abdel Ati, H.A. and Al-Hassan, A.O.M. 2016. *Sudan: Informal Labour*, Arab Watch on Economic and Social Rights 2016).

186 Personal interview with two analysts specialising in Darfur and Kordofan, Khartoum in June 2022.

is the high degree of the unpredictability of disruptions that has become extremely difficult to manage".¹⁸⁷ **As the economy is no longer captured or manipulated to serve only one but several competing potentates, the rules of the game have become unpredictable.**

In addition to dealing with the symptoms and consequences of ongoing political conflict, **Sudanese businesses had to cope with Sudan's isolation from international markets.** Sudan's delisting from the List of State Sponsors of Terrorism in December 2020 had created high hopes that through the resumption of debt relief and reforms, international creditors would eventually normalise their relations with Sudan. However, the coup in October 2021 crushed these hopes overnight and Sudan found itself back in the position of being a pariah state.

Second, even before the war, Sudan's macroeconomic ecosystem was ranked as the most difficult in the African region.¹⁸⁸ The economic instability in the form of high inflation and an unstable exchange rate forced many small businesses to put their operations on hold. The number of insolvencies remained elusive since most businesses operated informally.¹⁸⁹ Yet, a powerful illustration of the impact that the post-coup absence of governance had on the private sector was the closure of 80% of all factories registered with the Chamber of Industry in Sudan.¹⁹⁰ Meanwhile, floods and the pandemic have further aggravated the macroeconomic conditions, causing GDP growth to plummet from 2% on average between 2012 and 2017¹⁹¹ to 0.1% in 2021.¹⁹²

Amidst such trying circumstances, political capture has proliferated since the coup. As some analysts point out, the result of accelerated political capture is a pool of wealth that finances the expansion of private

187 Personal interview with an SME owner in Khartoum, June 2022.

188 The Heritage Foundation. 2023. [Index of Economic Freedom: Sudan](#) (accessed September 2023).

189 Personal interviews with private sector development experts in Khartoum, June 2022. According to a business lawyer interviewed for this study, among the 41,000 businesses currently registered with the business registrar, 6% are registered as inactive.

190 Center for International Private Enterprise. 2022. *The Private Sector Observer*, October 2022 edition.

191 World Bank, 2020, *Effects of COVID-19 on Sudanese enterprises*, op. cit., 10.

192 World Bank. N.a. [Sudan Data](#) (accessed September 2022).

sector actors who are already the most powerful market players.¹⁹³

In other words, those companies that had found ways to cooperate with the politically-connected elites and their commercial networks under al-Bashir were able to indirectly benefit from the kleptocratic networks and their wealth accumulation. Without these connections, it became nearly impossible to compete in the market.

After al-Bashir's fall, efforts were made by the transitional government to improve the conditions faced by non-connected businesses. These included, for instance, attempts to reconnect Sudan to international financial markets, as well as to ease the country's debt.¹⁹⁴ At the same time, however, even during the transition **formal rules continued to be exploited by corrupt officials to extract more rents.**¹⁹⁵ Moreover, some laws and regulations continued to curb private sector activity. This is the case with women-led enterprises. Sudan scored by far the lowest on the African continent (29.4 out of 100) on a scale that measures the extent to which laws enable the gender equality of businesswomen and female employees. Mainly due to women's restricted mobility and legal constraints when starting and running a business, women faced greater challenges in Sudan's private sector.¹⁹⁶

Finally, additional structural and sector-specific constraints affected the private sector on the eve of the war. These included limited access to finance and inadequate infrastructure services such as electricity, storage and transport. In addition, the lack of a well-trained skilled labour force, poor access to ICT, as well as the dearth of business

193 Personal interview with several private sector development experts in Khartoum, June 2022.

194 The debt relief initiative under the HIPC scheme could have seen some [\\$56bn in debt being forgiven](#). To help Sudan achieve this, the IMF had also approved a \$2.5bn extended credit facility for a 39-month programme to continue economic and institutional reform, enhance economic governance and provide a safety net for its population.

195 The large number of documents, payments and procedures required for business operations increases the opportunities for public officials to solicit bribes and bend the rules to speed up bureaucratic processes. Conversely, the absence of competition law, anti-trust law, solvency and liquidity regulation, and other sector-related regulations and policies hampers private business growth and undermines a competitive business climate more broadly: Schütte, S.A. 2020. [Bringing down corruption in Sudan through law enforcement? Some international lessons learnt](#), Chr. Michelsen Initiative, Blog Post.

196 World Bank. 2022. [Sudan](#), Women, Business and the Law.

service providers also negatively impacted the private sector, especially smaller businesses.¹⁹⁷ **Access to finance** from a bank remained extremely cumbersome for non-connected businesses. At the time of the field research, the Central Bank of Sudan had limited its finances to commercial banks to such an extent that even larger corporations with sufficient collateral were not able to have access to bank loans, let alone SMEs.¹⁹⁸ This caused a liquidity shortage, the continued shrinking of the economy, a decrease in industrial output and an increase in costs, which in turn drove inflation. More generally, interviewees, including a bank representative, confirmed that for private businesses to obtain a loan, either a personal connection to a loan officer or a political connection to the ruling elite was required.¹⁹⁹

Although placed in the lion's den for decades, an active and - within the tight limits of its room for manoeuvre - nearly thriving economy existed when the war started in April 2023. Although the brief period of transition failed to alter the structural conditions of Sudan's political economy, it did serve as a breeding ground for reimagining a private sector ready to work towards and invest in transparent, inclusive and truly competitive markets. Next to the emergence of a new generation of a fragile but independent private sector, the transitional period also opened the door for new ideas and enabled discussions between different market stakeholders.

Several platforms and organisations facilitated those discussions, including the network of entrepreneurship hubs and the Sudanese Business Association (now 'Federation'). The former was/is a loose alliance of platforms that – though differing in their approach and audience – all aim to create a more enabling ecosystem for young entrepreneurs and business owners that thrive not on political connections but on their innovation and perseverance. The Sudanese Business Association was established by the Transitional Government in 2019 with the mandate to reform the Federation of Sudanese Business Chambers. Although these formal structures have been recaptured by the coup regime since October 2021, the informal networks of engineers, businesswomen from

197 World Bank, 2022, Sudan, op. cit.

198 Personal interview with the CEO of a family corporation in Khartoum, June 2022.

199 Personal interviews with business owners and a commercial bank representative responsible for corporate finance in Khartoum, June 2022.

within Sudan and from the diaspora who had been actively involved in designing reform packages together with the Transitional Government are still alive today. Examples of this are the Sudanese Businesswomen Platform²⁰⁰ and the Sudan Industrial Development Organisation.²⁰¹

Faced with a myriad of constraints, Sudan's private sector has developed two strengths that make Sudanese businesses stand out: their **innovation and perseverance**. Both characteristics transpire in different ways depending on the segment of the private sector of interests. The following sections propose **a categorisation of Sudanese businesses along two main criteria: (i) their vested interest in the kleptocratic order, and (ii) their ability to change it.**²⁰²

The first criterion relates to the extent to which business owners are interested in either preserving or changing the way in which Sudan's private sector has operated in the past decades. On the one hand, businesses that have over time managed to find a relatively profitable – if not lucrative – position within the system are likely to be more open to maintaining the kleptocratic status quo. On the other hand, businesses suffering the most from the unfair competition that is typical of Sudan's private sector are more likely to have an incentive to push for change. The second criterion relates instead to the ability of businesses to effect (oppose) the change that they (do not) desire. Larger businesses run by well-connected individuals are more likely to be able to translate their ambitions into concrete actions. Less powerful businesses, on the other hand, are less likely to prompt and enforce change. **By applying these two criteria, four categories of businesses can be distinguished.**

200 The network consisted of 128 members, working among others in manufacturing, trade, agriculture, education, hotels, perfumes, mining. Their business size ranges from 5,000 USD to 20 million USD. Some of them have established connections with foreign SMEs.

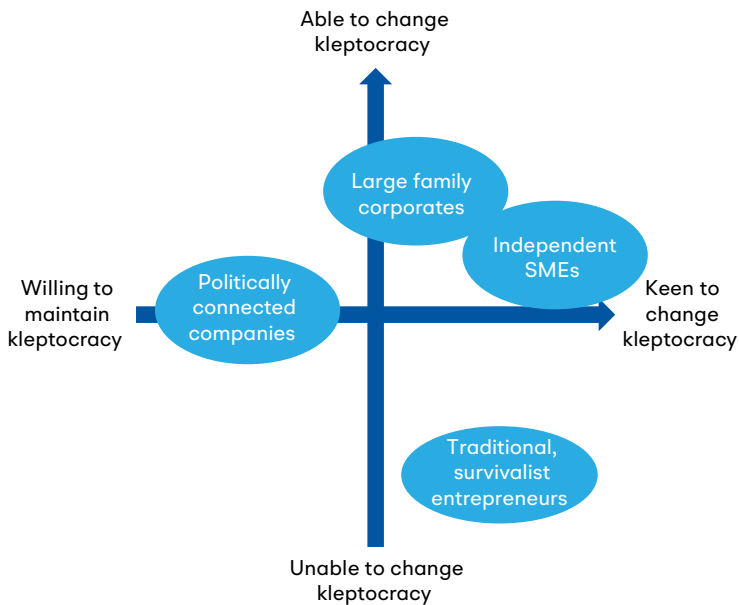
201 The group brings together 400 engineers and international experts from various sectors who are committed to continue to prepare for the moment of real change, through feasibility studies and project planning. Personal interview with the CEO of a large corporation and a member of this group in Khartoum, June 2022.

202 This categorisation emerged during focus group discussions with entrepreneurs, business representatives and private sector experts held in Khartoum in June 2022.

3.1 Politically-connected companies

The most dominant segment of Sudan’s private sector consists of well-established companies that are closely connected to the networks exposed in the previous chapter, as well as the numerous businesses controlled by individuals with strong ties to the (former) regime. These include, for instance, companies owned by retired generals or youth leaders of the former ruling party, the NCP. Under al-Bashir, the entry ticket into this segment of the privileged private sector used to be loyalty to the NCP, in exchange for a secure market position and privileged access to loans, foreign exchange, or import/export rights. This mode of doing business was associated with the nurturing and perpetuating of a culture of corruption. Although over time these companies have used their privileged access to establish strong operations across the country, their success was ultimately based on political allegiance, rather than on a sound business plan and entrepreneurial talent. Losing the privileges they enjoy under the status quo would likely make these companies unable to compete in the market. Therefore, these businesses have a strong interest in maintaining the status quo in which they are comfortably embedded.

Figure 5 Rough categorisation of Sudanese private sector actors before the April 2023



The fall of the al-Bashir regime and the ensuing period of transition have made it clear that these enterprises are not easily affected by the politics of the day. During the transitional period, some of these companies saw their assets confiscated and their bank accounts frozen by the EDC. A number of prominent businesspeople also fled from Sudan, often to Turkey, Qatar, or the UAE, to observe developments from afar. In the wake of the October 2021 coup, however, many of these businesspeople could safely return to Sudan to resume their business activities, as the coup regime swiftly reversed many of the EDC's decisions.²⁰³ Overall, although these businesses may have been less visible during the short transitional period, they have maintained a strong presence in the market. Their continued relevance constitutes a major obstacle to any transition towards a more inclusive political economy settlement, as the final chapter of this report will argue.

3.2 Large family corporates

Some large, independent, family-owned private sector companies have also become an essential pillar of Sudan's economy. Although they may not directly support or benefit from the patronage networks that underpin the current political order, this category of private sector actors has come to navigate the distorted and politicised markets with a certain degree of ease. They are well-known Sudanese families that currently operate in their third generation. Educated abroad and with a strong business presence on the ground, they have acquired the necessary resources, international exposure and access to information as well as finance to navigate the current ecosystem – and sometimes even to thrive in it – despite its dysfunctionalities. They manage their businesses in a highly professional way, they know the ins and outs of formal institutions and speak the right business language to interact with state officials and international partners alike. Their formal track record and bank statements ease their access to formal markets both at home and abroad.

The family corporations' success draws on both the quality of their business and their personal connections. They have become, to a significant extent, resilient to the market's distortions and political minefields partly through some

203 Fareid, A. 2022. [Back to barracks: Building democracy after the military coup in Sudan](#), European Council on Foreign Affairs, 3 November; Hashim, M. 2022. [Sudan alarm at return of Bashir loyalists and the NCP](#), BBC News, 14 June. Both accessed September 2023.

degree of cooperation with the al-Bashir regime.²⁰⁴ In some circumstances, they have also taken advantage of the lack of competition due to US sanctions to further expand and exert their influence on the landscape.²⁰⁵ They operate across the country in many different states but have a weaker presence in the peripheral regions due to the precarious security situation and high transaction costs. Despite some setbacks, a few select family-owned conglomerates have continued to grow and thrive in recent years. The base of wealth and capital for most of these conglomerates is the agribusiness, but all of them have been able to diversify beyond the agricultural sector within value chains, including into the food industry, consumer goods, manufacturing, construction, and automotive and machinery dealerships.²⁰⁶

To navigate the difficult environment that is typical of Sudan's private sector, these family corporations have adopted a number of other strategies. These have included **(re)locating part of their business operations outside the country**, as a way to counterbalance the unpredictability of the domestic market. Moreover, in the absence of any signs of improvement within the local ecosystem, the family corporations have started to **build their own ecosystem**. The **DAL Group** conglomerate is the most salient case in point: DAL operates its own bank, a microfinance facility, machinery, a transport fleet, suppliers (contract-farming), and – with recent attempts to move into telecommunications and transport.²⁰⁷ As its politically-supported business deals suggest,²⁰⁸ the DAL Group has taken care to build mutually beneficial relations with the country's political leadership. Yet, the fact that it has built its own ecosystem rather than relying on government favours testifies to its keenness to avoid dependency and be able to sit out

204 An example of such cooperation is the DAL Group's delivery of Kia and Mitsubishi vehicles to government officials, including the police, at preferential rates. Telephone interview with Sudanese political analysts in Khartoum, August 2022.

205 USAID. 2021. *Private sector landscape assessment (PSLA)*. Bureau for Humanitarian Assistance (BHA) Sudan, 18.

206 USAID, 2021, PSLA, op. cit.

207 In December 2014, the Kuwaiti telecommunications company Zain received an offer from DAL's subsidiary Invictus Holding Limited, but the deal was not concluded: Reuters. 2021. [Kuwait telecom Zain receives \\$1.3 bln offer for Sudan business](#), 9 December (accessed September 2023). An even more recent addition to the corporation's ecosystem is a joint venture company between DAL and Air Arabia to launch a low-cost airline: Air Arabia. 2022. [DAL Group and Air Arabia Announce Joint Venture to Launch New Airline in Sudan](#), 22 September (accessed September 2023).

208 Eitahir, N. 2022. [UAE to build Red Sea port in Sudan in \\$6 billion investment package](#), Reuters, 21 June (accessed September 2023).

whatever regime comes next. Other family corporations like **CTC, Mahgoub Sons, and Saeed** might not be as advanced in building their own ecosystem but they have also undertaken efforts to substitute for the government and its tasks, rather than pressuring it for reform towards an enabling environment. As one representative of an international support organisation put it: *“the family corporates do not need chambers and associations; if they have issues with tax, they call the government directly”*.

After decades of kleptocracy, it is therefore not surprising that **these businesses’ appetite for structural economic reform has, to some extent, been tempered**. On the one hand, they suffer from the unfair competition of the politically-connected businesses, from the distortion of Sudan’s political economy, and the resulting international isolation.²⁰⁹ As a result, some corporations took the risk and proactively invested in the revolution as well as in a level playing field during the transition under Prime Minister Hamdok.²¹⁰ On the one hand, after so many years of NCP domination, some family corporates had come to terms with the kleptocratic regime. They started to voice concerns about the continual disruptions caused by the protest movement during the transitional period.²¹¹ All of these larger firms have suffered immense losses seeing their production facilities, warehouses and assets in the capital destroyed and looted as a result of the ongoing fighting.²¹² In the long run, their role in the country’s reconstruction and future development will benefit from more transparent and inclusive markets.

209 For instance, representatives from one of the large family conglomerates have complained that their companies could not compete with military-owned companies in the livestock sector, as the latter could rely on military trucks to transport livestock across the country, thus cutting costs in a way that could not be matched even by a large conglomerate. Personal interviews with private sector experts, a political analyst and SME owners and activists in Khartoum, June 2022.

210 All family corporations have demonstrated their support for the revolution in one way or another, some early on, others joining later. Some hosted the Sudanese Professionals Association that spearheaded the protests, others facilitated the negotiations of the 2019 power-sharing agreement between civilians and military leaders. Many provided logistical support to the protestors. Most importantly, family corporates have played a leading role in pushing for economic reforms towards a level playing field.

211 Personal interviews with representatives from two family corporates, in June 2022.

212 Marks, S. 2023. [Razed Markets, Food Factories Show Sudan’s Looming Hunger Crisis](#), Bloomberg, 25 May (accessed September 2023).

3.3 Traditional, survival entrepreneurs

Traditional and survival entrepreneurs represent the vast majority of Sudanese businesses across the country. Survival entrepreneurs are those who have established their (mostly micro) businesses out of necessity, rather than as a business opportunity with a plan on how to make good use thereof. As for traditional entrepreneurs, they include the micro, small and medium-sized enterprises whose owners typically started off as traders before reinvesting their profits in manufacturing or those who have taken over family businesses.

Many of these businesses find themselves in the small manufacturing sector, operating in the traditional market areas of Khartoum, Nyala and Post Sudan, using outdated and basic technology and with minimum market exposure. Their product range and customer base have been constant over the years and largely rely on trust rather than competitive pricing or innovative marketing strategies. With limited education and no connections to the elites, they mistrust the formal system and mostly operate informally. A family car repair shop in Bahri, a shoemaker of the *markoob*²¹³ in El Geneina and an electrician with a workshop in one of the markets in Omdurman all fall in that category of businesses. These traditional and survivalist enterprise owners perceive institutions such as banks and commercial registrars as catering to other businesses, not to them. While some may have the technical skills and extensive market knowledge that would allow them to grow, they generally lack access to knowledge, information and networks, and the innovative mindset to even try to do so. Their limited cash flow position and weak management capacity dilute the longer-term vision they may otherwise have to adapt to the numerous business environment constraints.

The traditional and survivalist entrepreneurs are very fragile. Many of them did not survive the economic crisis or the Covid-19 pandemic and related market lockdowns. Due to their informality, the number of insolvencies among this group remains unknown. Although they have no vested interest in the status quo, their focus is on daily survival or continuity. They lack the longer-term vision, the inspiration, innovation, and stamina to imagine and pursue structural economic

213 The *markoob* is a traditional leather shoe, traditionally made in the Eastern region of Sudan. It is considered as one of the most important elements of Sudanese identity and has been the subject of national songs.

change, although they could benefit tremendously therefrom. The current war has had a devastating effect on these entrepreneurs, whose workshops and market stalls in many cities have been destroyed, looted or burned to the ground by the warring factions.²¹⁴

3.4 New generation of ‘independent’ SMEs

The last category of enterprises consists of a new generation of **independent entrepreneurs, similar in size to the traditional and survival entrepreneurs, but closer to the family corporations in terms of their understanding of the local market and their drive to find solutions** to the many problems they face. The one common denominator that they all share is their determination and perseverance to overcome any challenges they face, and to do business according to the rules of fair competition. Concentrated in the urban centres of the country and with an advanced level of education, these enterprises constitute a minority, a niche market segment of Sudan’s private sector today. Depending on the sector in question, they are predominantly registered as sole proprietorship with simple management structures and systems. What distinguishes them from the politically-connected enterprises, the traditional businesses and the family corporations is their genuine business drive.²¹⁵ They entered the market by themselves driven by an idea moulded into a sound business case, rather than through family or political connections or driven by sheer necessity.²¹⁶

In more than just one way, these businesses find themselves in between the traditional small businesses and the family corporations. First, they stem from Sudan’s social middle class, usually from a modest financial background, drawing on personal savings or informal saving schemes. Second, their educational background is solid, but they typically lack managerial capacity and international exposure. Third, in terms of their operations, they still lack professional structures in their business and a better knowledge of formal institutions and their requirements. As a result, their management style is based on trial and

214 Abdelaziz, K., El Safety, S., and Eltahir, N. 2023. [Sudan conflict deals new blow to stagnant economy](#), Reuters, 4 May; Lynch, J. 2023. [In Sudan, U.S. Policies Paved the Way for War](#), *Foreign Policy*, 20 April. Both accessed September 2023.

215 Personal interview with business lawyer advising SMEs in the process of registration, June 2022.

216 Personal interview with SME owners and founders of various entrepreneurship hubs in Khartoum, June 2022.

error and is driven by performance and short-term gains with little attention being paid to strategic planning. Yet, contrary to the traditional and survival entrepreneurs, they have proven to be quick learners, able to use domestic and international networks to gradually professionalise their business operations. Fourth, they can operate in regulated and unregulated environments thanks to their ability to adjust to market demands with flexibility backed by local market intelligence. They cover almost all sectors, but are most active and successful in ICT, multimedia production, fintech, trade and agriculture.²¹⁷ Examples include tech-based SMEs that are typically specialised in developing software solutions tailored to help other businesses in various industries streamlining their operations and improving efficiency through, for instance, hospital management systems, enterprise resource planning systems, and point of sales systems. Other SMEs in this category operate in the agriculture sector, with some focussed on providing a range of agro-services to farmers to enhance their productivity and access to markets, by offering for instance, soil testing, crop advisory, farm equipment rental, supply of quality seeds and fertilizers.

What makes this group of independent entrepreneurs stand out from the remaining private sector actors is their vision and ambition. Their ambition goes beyond making ends meet or increasing profit margins. Instead, during the transitional period, they have articulated a vision that aims to **challenge the status quo of doing business in Sudan.** This vision paints an entrepreneurial ecosystem in which access to services is transparent and inclusive, and where business success is the result of fair competition based on innovation, a sound business plan and an entrepreneurial mindset. As such they have come to play a **critical role in Sudan's democratic transition.**

3.5 Conclusion: Private sector agents for change

Besides having different backgrounds and different ways of doing business, most crucially **the different categories of businesses outlined above had different attitudes towards potential changes in Sudan's political economy.** The politically-connected companies will hold on to the current kleptocratic system, regardless of who sits on top, as they have learned how to benefit from it.

²¹⁷ Personal interviews with private sector experts and a focus group discussion with SME owners in Khartoum, June 2022.

Family corporations are keen to see some reforms being implemented in order to improve the ease of doing business. However, during the transition, as challenges and risks increased, they appeared less keen on radical change, as they had a lot to lose from growing instability and major disruptions. A fear that was quickly confirmed only a few months into the war, when most family businesses either closed down, announced the suspension of staff or put operations on hold. Being equally hit, some argue targeted, by the fighting, the family businesses shared an interest in building Sudan's economy from scratch, but with an ecosystem that caters for the private sector at large, without the need to invest in several ecosystem within a dysfunctional business environment. The traditional and survivalist entrepreneurs would benefit a great deal from less politicised and co-opted market structures. Yet, besides being deepmost heavily affected by the war's destruction they also lack the innovation, exposure, and knowledge to scale their operations in a significant way and to add value beyond their direct surroundings. As for emerging independent small to medium-sized businesses, they are keen to work towards a level playing field and fair competition. Many of them had to leave the urban centers where they operated, but many of them have been able to either work remotely or establish new businesses in safer locations. Given their current dysfunctional formal representation and limited influence over policies, they are genuinely interested in advancing reform to democratise access to finance and non-financial services.

Placing this categorisation in the context of Sudan's revolution, the greatest common denominator between the uprising's diverse constituencies was arguably the sense of a deliberately rigged economy that was failing everyone, including those who initially did well under the military-Islamist order. Yet, this analysis suggests that only a limited share of the private sector – that of **independent SMEs, possibly in cooperation with the family corporates** – will have what it would take to challenge the pre-war economic order marked by capture and exploitation. These companies stand out as actors that **can deliver economic benefits for the population, while at the same time working towards levelling the playing field in Sudan's political economy**. Their relevance in the market,²¹⁸ as well as their critical provision of employment and much-needed products and services, stand in stark contrast to the lack of services provided

218 Sudanese SME experts interviewed for this study in Khartoum estimate that SMEs represent 90% of the economy. ILO estimates from 2014 indicate that around 24% of companies in Sudan are SMEs (ILO, 2014, *A roadmap toward a national employment policy for Sudan*, op. cit., 16).

to them. The level of awareness of this discrepancy among many SME owners, coupled with their genuine interest in altering the status quo, make them a **critical change agent in Sudan's democratic transition. As such, they deserve full support** from Western governments in their struggle to fight for a level playing field for businesses, advocating a new way of doing business, less reliant on connections and corruption, and more focused on sound business models and innovation.

4 Pathways to break the cycle of inequality and violence

4.1 Kleptocratic networks versus private sector potential

The war that broke out on the 15th of April 2023 has plunged Sudan and its people into untold destruction and suffering, with no end in sight. Despite a long history of protracted conflict, Sudan's modern history has not witnessed such levels of violence at the very centre of power.²¹⁹ Yet, **the structures and incentives fuelling the present war are the product of three decades of violent kleptocracy** under the former dictator al-Bashir: whether it is the SAF or the deep state's security apparatus, the RSF or the armed groups from Sudan's regions, they all grew under al-Bashir's predatory and exploitative political economy. Although their objectives and make-up are different and often congruous, they adopted a similar mix of coercive measures, means of rent extraction and patronage that al-Bashir deployed to consolidate his rule. All of these different security actors have built commercial networks of domestic and foreign companies that allow them to operate at the intersection of politics and business.

Over the past decades, these security-business networks have consistently impeded, if not actively worked against, any effort to move towards a peaceful and inclusive political settlement. During al-Bashir's era, these networks were instrumental in ensuring the survival of a regime that exploited the country's resources to enrich the pockets of a few and maintain a patronage network that kept the urban middle class content, while leaving the rest of the country in the midst of underdevelopment at best and conflict (including genocide) at worst.

After al-Bashir's fall, these various security actors started to compete increasingly overtly with each other. However, **they shared and still share an interest in blocking any attempt to move towards civilian rule** and democracy. While civilian forces could rely on the backing of the streets and were granted

²¹⁹ The last time the capital became the theatre of major fighting was during the Anglo-Egyptian conquest of Sudan in 1898, when the British Commander-in-Chief Kitchener sought revenge for the death of General Gordon who had been killed thirteen years earlier when a Mahadist army captured Khartoum.

positions in government, security actors kept a firm grip on the state's key economic resources (mines, banks, forex), expanded their coercive capacity (recruiting and positioning), and consolidated their own international connections to secure their own interests, rather than advancing the transition towards accountability and civilian oversight over the economy.

Many of these networks' attempts to boycott the transition were successful.

Fearful of being prosecuted for their crimes, the military authorities consistently obstructed the work of the independent committee tasked with investigating the 3 June 2019 massacre,²²⁰ outright suspending its work after the October 2021 coup.²²¹ The military authorities also repeatedly blocked attempts by the ICC to investigate past war crimes and crimes against humanity in the country.²²² Similarly, **the security apparatus successfully resisted efforts to scrutinize their business dealings.** The generals did not welcome efforts undertaken by the Transitional Government to address the opaque ownership structure of state-owned enterprises, nor did they appreciate the government's initial steps to address the illicit gold trade and black-market exports.²²³ Members of the EDC, which was tasked with dismantling the deep state networks of the al-Bashir regime, were criticised, intimidated and eventually brutally arrested, as the institution was dissolved after the October 2021 coup.

Over time, after having staved off the threat of civilian rule with the 2021 coup, these networks – **SAF and RSF in particular - ended up turning against each other**, intensifying their competition for primacy as the leading military, economic and political actor in Sudan. This competition led to the current war. Since the start of the conflict, the warring factions' business empires and international linkages have become crucial, insofar as they can provide them with the resources and supplies needed to continue fighting. Unless the cost of the ongoing fighting outweighs the financial gains that Sudan's kleptocratic

220 Nashed, M. 2022. [Three years on, still no justice for Sudan 'massacre' victims](#), Al Jazeera, 3 June; Radio Dabanga. 2021. [June 3 Massacre commemorated with calls for justice and investigation results](#), 4 June. Both accessed September 2023.

221 Radio Dabanga, 2021, June 3 Massacre commemorated, op. cit.

222 Nashed, M. 2022. [How Sudan's coup generals are obstructing justice for war crimes in Darfur](#), The New Arab, 8 September (accessed September 2023).

223 For instance, the transitional government's agreement to follow the IMF's advice and to open a single treasury account and to establish an extended credit facility were meant to pave the way for independent audits, something the security-commercial network strictly opposed.

networks and their allies are extracting from it, the war will continue. But even once the war ends, these networks, if not dismantled, will continue to resist any transition towards civilian rule and democracy. As long as Sudan's security networks retain uncontrolled access to weapons, rents and international connections, they are likely to capture any investments into reconstruction and resist serious attempts to establish a more inclusive political settlement.

Although these security-business networks have come to dominate Sudan's political economy over the past decades, **the country's private sector landscape has much more to show than kleptocratic networks**. A number of other companies – including a few large **family corporates**, many micro and small-scale **survivalist businesses**, as well as a restricted pool of **independent SMEs** – have also been part and parcel of Sudan's private sector. While often being hostage to the whims of those in power and their cronies, these businesses have learnt how to survive – and at times thrive, in the case of the family corporates – amidst all the challenges they have faced in Sudan's complex business environment.

For many of these businesses, the **transitional period ushered in by al-Bashir's fall was an opportunity to move towards a different way of doing business, based more on merit** and less on connections and patronage. The transitional government's efforts to reconnect Sudan to international markets promised to allow these businesses to tap into new sources of finance and new markets. The removal of subsidies and reforms to the country's parallel exchange rate system, though very painful in the short run, were aimed at reducing smuggling, as well as freeing up the budget for long-term economic reforms. The transitional period also witnessed the emergence of forums such as the Sudanese Business Association, which tried to promote a transition to a more enabling, merit-based ecosystem for businesses.

In a drastic reversal, the October 2021 coup, the ensuing economic crisis, and most of all **the current conflict have created immense challenges for Sudan's private sector**. Indiscriminate air strikes by the SAF and the use of air raid defence missiles and systematic looting by the RSF have disrupted private sector activities in the capital and other hotspots of fighting, where much of the economy threatens to collapse. Less than a month into the war, economic activity

had reportedly already declined by a third.²²⁴ Many more businesses outside of the combat zones have been indirectly affected by the disruption of electricity and internet services,²²⁵ the breakdown of financial services and the physical destruction of banks,²²⁶ as well as the damage to critical infrastructure.²²⁷ Due to the centralised nature of Sudan's economy, even firms and smallholder farmers in relatively stable regions suffer from interrupted supply chains and increasingly scarce material inputs and raw materials.²²⁸

Those businesses that had the option have left the country or relocated to safer states in the East, from where some of them try to continue operating or establish new businesses. Yet, the vast majority of business owners, especially the survivalist entrepreneurs and SME owners, lack the papers, the resources or both to escape their war-torn homeland, with many still caught in the cross-fire of intense fighting in the capital, Darfur or other hotspots. Due to the ongoing fighting, farmers' planting season and pastoralists grazing routes have been severely affected.²²⁹ **Family corporates in the food processing and agriculture sectors have also been heavily affected.** The factories of the DAL Group, one of Sudan's leading companies in the food industry, have been looted and burnt to the ground at the beginning of the war. Another food processing company, SAMIL²³⁰ from the SAY Group, has been totally destroyed in Khartoum, putting an end to critically needed food production for severely malnourished children.²³¹

Yet, amidst all of this destruction, businesses have braved the immense challenges. Stepping into the void left by a collapsing state and a struggling international community, they provide essential goods and services. While

224 Radio Dabanga. 2023. [Sudan war causes daily economic loss of \\$80 million](#), 12 September (accessed September 2023).

225 Radio Dabanga. 2023. [Fighting leads to internet cuts, Sudanese protests against the war](#), 24 April (accessed September 2023).

226 BBC News. 2023. [Khartoum branch of Sudan Central Bank in flames](#), 30 April (accessed September 2023).

227 CGTN News. 2023. [Sudan conflict: Infrastructure severely damaged, inflation could further soar](#), 17 April (accessed September 2023).

228 Kirui, O.K. et al. 2023. *Armed Conflict and Business Operations in Sudan - Survey Evidence from Agri-food Processing Firms*, IFPRI Strategy Support Program, Working Paper 11.

229 Abushama, H. et al. 2023. *Monitoring indicators of economic activity in Sudan amidst ongoing conflict using satellite data*, IFPRI Strategy Support Program, Working Paper 7.

230 Company homepage: <https://yagoubgroup.com/samil/> (accessed September 2023).

231 Abushama et al., 2023, *Monitoring indicators of economic activity in Sudan*, op. cit.

the survivalist entrepreneurs are most likely struggling the most to make a living, some private companies excel, once again, in innovation and resilience by adapting their services to assist others coping with the disastrous consequences of this war. Whether it is by easing access to funds through a mobile transaction system that bypasses the central e-banking system or by providing real-time updates on secure transport routes and hospitality availability, a young generation of private sector start-ups has taken on a critical role in coping with the war, easing the human suffering and saving lives.²³² Support from the international community could allow these actors to offset at least some of the immense challenges they face, and continue delivering benefits to the population.

As the war continues to take a massive toll on Sudan's population, **it is critical to bring an end to the fighting**. At the same time, **it is equally critical to break out of the political economy structures that have kept the country mired in a vicious cycle of inequality and violence** for the past decades. As previous peace processes have shown, any settlement that does not address the underlying structural challenges faced by the country, including the domination of politics and the economy by a small security elite, is bound to merely buy some time before the eruption of more violence in the future.²³³ To break out of this cycle of violence, **the country's kleptocratic networks must be dismantled, and the potential of Sudan's private sector must be unlocked**. Measures on both sides should be tackled simultaneously, both in the short and in the long term.

4.2 Dismantling Sudan's violent kleptocratic networks

Previous efforts, undertaken by the Transitional Government, to dismantle Sudan's kleptocratic networks and impose civilian oversight and independent scrutiny of the security actors' business dealings **made steps in the right direction**. They effectively put pressure on the generals, eventually prompting them to stage a coup in October 2021. However, the reform endeavours fell short of achieving their goal, as the various security actors have swiftly consolidated their commercial connections since the coup and rely on them to sustain the

232 Radio Dabanga. 2023. [Sudan war causes daily economic loss of \\$80 million](#), 12 September (accessed September 2023).

233 Srinivasan, S. 2021. *When Peace Kills Politics: International Intervention and Unending Wars in the Sudans*. London: Hurst & Company.

fighting. The task at hand is particularly difficult because these networks are so deeply entrenched.

This is where the current war, precisely because of its brutality and systematic destruction, may present an opportunity. If, after decades, **kleptocracy had hijacked the state and the economy, the current war is devouring both.** SAF's indiscriminate air strikes and the RSF's looting machinery wipe out economic and state institutions alike. Schools, hospitals, and ministries are systematically destroyed, but also banks, factories, and warehouses are looted and un-lootable objects are burnt to the ground. Once the fighting stops, Sudan will have to be rebuilt, to a large extent, from scratch, including its economy.

Targeting Sudan's kleptocrats to end the war

To ensure that the fighting comes to an end, a number of measures must be taken in the short run. **One of the policy tools particularly suited to curb the warlords' chest are targeted economic sanctions on the warring parties' assets and companies.** These sanctions should focus on businesses that generate revenues for the generals, while delivering little benefit for the population at large. These may include, for instance, companies active in real estate, gold mining, or private security provision. More care should be taken when dealing with companies that are active in key sectors of the Sudanese economy, such as agriculture and banking, where the impact of sanctions may be felt not only by the generals, but also – if not especially – by the Sudanese population.²³⁴

In June, **the US sanctioned business entities related to both SAF and the RSF,** adopting a policy of equivalence towards the two sides. On the side of the RSF, sanctions targeted AI-Junaid and Tradive, while on the part of the SAF, sanctions were imposed on the DIS and Sudan Master Technology (SMT).²³⁵ A month later, the UK followed suit, targeting three businesses (AI-Junaid, GSK, and

234 Any effort to apply sanctions should be grounded on a careful assessment of the sanctions' effectiveness in other contexts, such as in Syria and Iran, to ensure that adequate targeting maximizes the negative impact on the generals, while minimizing the damage for the population at large. For instance, sanctions targeting individuals and their companies are to be preferred over sanctions targeting whole sectors. The Executive Director of the Sudan Transparency and Policy Tracker, Dr. Suliman Baldo, has published extensively on this topic, most recently: Baldo, S. 2023. [To End War in Sudan, Target the Generals' War Chests](#), Just Security, 2 May (accessed September 2023).

235 U.S. Department of the Treasury. 2023. [Treasury Sanctions Military-Affiliated Companies Fueling Both Sides of the Conflict in Sudan](#), 1 June (accessed September 2023).

Tradive) associated with the RSF and another three companies (DIS, SMT, Zadna International) linked to the SAF.²³⁶ In September, the US announced a second sanctions package, this time only targeting the RSF leadership: The Department of State imposed visa restrictions on Hemedti's older brother, Abdelrahim Dagalo, and on Abdulrahman Juma for their involvement in human rights abuses, including conflict-related sexual violence and killings based on ethnicity.²³⁷

These sanctions are significant because they denounce the crimes and refer to the perpetrators by name. They are also a powerful political message as they harm the reputation and legitimacy for which the two warring parties vie. Yet, in order **to maximise their effectiveness and minimise the space for sanction evasion, sanction regimes should be a concerted international effort and part of a comprehensive strategy**, in which sanctions are only one of the tools used in conjunction with high-level political negotiations and humanitarian diplomacy. Both elements are lacking to date. While the US and UK have sanctioned partly overlapping entities, EU member states are still negotiating a list of entities to be targeted within the recently adopted EU sanctions framework for Sudan.²³⁸ Neither the US nor the EU has so far shown a clear strategy for Sudan's crisis.

The announced US and UK sanctions on Sudan also lack teeth because the security-business empires are too vast and flexible to be seriously impeded by sporadic individual and corporate sanctions. As this report has shown, a significant part of Sudan's kleptocratic networks operate in or are linked to outside of the country. In particular, **Egypt and the UAE have been highlighted as existential sponsors of the warring parties.** Unless these regional sponsors are pressured to suspend their support, the war will continue unabated. Recent deliveries of more advanced weapons, in particular from the UAE, have further intensified the conflict, as well as the suffering.²³⁹ While the West's direct

236 U.K. Foreign Commonwealth & Development Office. 2023. [UK sanctions businesses funding Sudan war](#), 12 July (accessed September 2023). [UK sanctions businesses funding Sudan war - GOV.UK \(www.gov.uk\)](#).

237 U.S. Department of the Treasury. 2023. [Treasury Sanctions Sudanese Paramilitary Leader](#), 6 September (accessed September 2023).

238 Payne, J. 2023. [EU agrees sanctions framework for key actors in Sudan war - sources](#), Reuters, 3 October (accessed October 2023).

239 Zaidan, Y. 2023. [UAE Support for Sudan's RSF Is Prolonging the Civil War](#), Foreign Policy, 21 September (accessed September 2023).

leverage on the warring parties is limited, its influence on their regional sponsors, Egypt for the SAF and the UAE for the RSF, is significant.

In the case of Egypt, achieving a drastic change in Cairo's policy towards Sudan will prove challenging, considering the close ties between the Egyptian military and the SAF. Yet, the Egyptian military benefits from USD 1.3 billion per year in US military aid,²⁴⁰ while the government is currently negotiating financial support from the International Monetary Fund (IMF), an institution where Western countries have significant authority. This creates **potential openings for Sudan's Western partners to nudge Egypt towards a policy that is at least more conducive to halting the fighting**, rather than sustaining it.

As for the UAE, **Western governments may press Emirati policy makers for greater transparency with regard to their gold trade with Sudan**. The UAE's role in enabling the illicit trade in Sudanese gold (including towards Europe) is well documented²⁴¹ and does not ease the UAE's way out of the Financial Action Task Force (FATF) grey list.²⁴² Public pressure campaigns shedding light on the UAE's role in the illicit trade in Sudanese gold may result in private diplomatic efforts being more successful.

Preparing for a post-war Sudan without kleptocrats

In addition to sanctioning the individuals and companies and pressuring regional sponsors that finance this war, **a longer-term strategy needs to be developed to prevent these security-networks from capturing Sudan's post-war future**.

First of all, the warring parties' battle for international legitimacy should not distract from their responsibility for plundering the country and killing its citizens, both now and in the past. Remembering that the impunity of military leaders has caused conflict to recur for decades, **there should be no role for Sudan's kleptocrats in a post-war political dispensation**. To break with the cycle of

240 Project on Middle East Democracy (POMED). 2020. [Fact Sheet – U.S. Military Assistance to Egypt: Separating Fact from Fiction](#), 30 July (accessed September 2023).

241 Global Witness, 2020, *Beneath the Shine*, op. cit.

242 Barrington, L. 2022. [Financial crime watchdog adds UAE to 'grey' money laundering watch list](#), Reuters, 4 March (accessed September 2023).

violence and impunity, the leadership of all armies must be held accountable,²⁴³ which precludes these generals from any role in shaping the post-war transition. While their role in war crimes and crimes against humanity must be investigated, so must their role in stealing the country's resources with the aim of recovering ill-gotten assets that the country will desperately need for reconstruction.

Secondly, **civilian control of the economy is a prerequisite for limiting the military's role in business**, imposing full transparency and reducing corruption.²⁴⁴ Western governments should press for and facilitate the formation of an inclusive and representative civil political front. Rather than gradually expanding civilian oversight of the economy over the course of a new transition, concrete actions must be part of a political transition agreement from the start. Such actions should include, but not be limited to, the establishment of an independent anti-corruption commission, full oversight and financial transparency of all state-owned enterprises, as well as financial oversights in the petroleum and mining sector, especially gold.

Thirdly, it will remain **critical to invest in Sudanese and international efforts to track and map these networks**. This report forms part of a body of research that has aimed to keep track of the obfuscated and rapidly changing web of businesses, front companies, and subsidiaries, whose names, ownership and shareholder structures and international connections often change, especially in reaction to new publications aimed at uncovering them. The Sudan Transparency and Policy Tracker, C4ADS, the Sentry, Global Witness and the European Institute for Peace have produced critical analyses enabling policy makers to avoid collaborating with the spoilers and, instead, devise tools to pressure security actors to adhere to international standards. Such efforts are to be sustained and acted upon to prevent kleptocracy from continuing to rule Sudan even after the war.

243 Investigations of past and recent crimes in Darfur by the ICC are ongoing. The work done by the committee that had been established by the Transitional Government to investigate the 3rd of June massacre, should be completed. Similar national and international mechanisms must be put in place to investigate atrocities committed during the current war.

244 Sudan Transparency and Policy Tracker. 2023. *A Political Path for Salvaging the Sudanese*.

4.3 Empowering the private sector: From the lion's den to the forefront of reconstruction

Dismantling the kleptocratic networks that have taken hostage Sudan's private sector for the past decades is a necessary step to allow a real transition towards civilian rule and democracy, but it is not enough. As this report has shown, there is another face to Sudan's private sector, one made up of the **businesses that continue, despite the immense challenges created by the war, to provide essential goods and services to Sudan's population. These actors deserve the support of the international community.** In the short term, such support could allow them to survive the war, and continue their operations in the face of immense challenges. In the longer term, this support could also ensure that these businesses – rather than the kleptocratic networks whose internecine competition has led to the conflict – are the ones playing a prominent role in any post-war reconstruction process.

Assist the private sector to survive the war²⁴⁵

While pressure to implement humanitarian corridors remains essential, support for the private sector during the war can also alleviate the suffering in a collapsing economy, and help those structures to survive which will constitute the backbone of Sudan's post-war reconstruction.

In the short run, international donors and implementers can assist Sudan's private sector by leveraging **direct financial assistance to enable enterprises in Sudan and abroad to keep operating.** Family corporates and SMEs can benefit from **support with relocating** their operations from unsafe locations like Khartoum to relatively stable regions in East Sudan, for example. Some of these businesses have succeeded in transporting production equipment out of the combat zones and seek financial support to relaunch operations from their new location. Many survivalist businesses and SMEs have lost everything and are looking for opportunities to launch new business activities, many of them in the health, food processing or agricultural sector. **Small grants** can provide them with the starting capital needed to kick-start operations.

²⁴⁵ The recommendations presented in this section draw on multiple discussions with private sector experts, business owners, entrepreneurship hubs and support organisations since the outbreak of the war.

Next to financial support, SMEs are in need of learning how to restructure their business models, e.g. working remotely and digitising their operations or offering their services to new markets, for instance in the East of the country where businesses can operate in relative safety. Entrepreneurship promotion and capacity building on doing business in a conflict setting could support the process of overcoming dependency on Khartoum and identifying opportunities in the local markets they have moved to.

Support is further urgently needed to shield entrepreneurs from attempts at capture by RSF and SAF, which have reportedly contacted displaced owners of medium-sized firms offering them to become shareholders or to pay for business infrastructure, which they have already occupied, and then decided not to loot because they recognise the potential of extracting more money from the assets if the company survives.

Due to the disruption of financial services, **innovative financing models** are needed to channel funding into the country, and to ease transactions and payments across Sudan. Mobile money transfer solutions like ‘Bankak’²⁴⁶ from the Bank of Khartoum or ‘Cashy’²⁴⁷ from a local start-up are currently being used to send and receive money inside Sudan. Blockchain technology facilitates cross-border remittances, which is of interest to humanitarian organisations as well, since it mitigates the possibility of corruption and aid diversion by offering the senders the opportunity to track their donation. Another advantage is that blockchain technology relies on blockchain-based identity solutions rather than papers, which many forcibly displaced Sudanese may lack.²⁴⁸

Sudanese businesses can be part of a solution to channel international finance into Sudan. Many of them still dispose of Sudanese pounds in-country and are keen to secure parts of their capital in foreign currency abroad. As bank account

246 *bankak* is an application that the Bank of Khartoum (BoK) offers to its customers to access their bank accounts or mobile accounts and to transfer money to other BoK account holders:

[Bank of Khartoum | بنك - Account - Bank of Khartoum.](#)

247 *Cashy* is a peer-to-peer transaction system that bypasses Sudan’s central e-banking system.

Launched in 2020, the app enables users to transfer money using a voucher number that can be purchased and exchanged for cash at kiosks.

248 Su-Jun, N. 2023. [Blockchain for Cross-border Remittances in Sudan: A Humanitarian Approach](#), 500 Words Magazine, 22 June (accessed September 2023). Phone interview with a private sector expert, August 2023.

holders in Sudan with another account in a Gulf country for example, they can act as **Swift and Swap** operators and receive international funding from an INGO, for example in Dubai, and disburse Sudanese pounds via bankak in Sudan. The DAL Group offers this service through its subsidiary Invictus in Dubai and has signed a contract with several international NGOs. Other companies, including medium-sized companies, are ready to provide this service, which enables international organisations to continue paying their in-country staff and counterparts while also assisting Sudan's private sector to secure part of their finance in a more stable currency.

Reconstruction and economic reform

In the longer term, **once the war comes to an end, and with a civilian government in place, Sudan's new generation of competitive SMEs, as well as the family corporates, should be at the forefront of reconstruction.** After years of repression and unfair competition that culminated in a devastating war, the end of the present conflict will represent a historic moment for these private sector players to escape from the lion's den. In parallel to reducing the power of politically-connected companies, Sudan's competitive SMEs should be empowered, in cooperation with the family corporates, to build an enabling business environment, in which innovation and sound business plans trump political connections. While the family corporates, with their international networks and business knowledge are important enabling partners, the independent SME should be at the forefront of both economic reforms and direct support.

While post-war Sudan will require massive international support, Sudanese enterprises will have to lead the effort in mapping the needs, engaging in reconstruction and driving economic reform. Just like during the 2019-2021 transitional period, **Sudanese entrepreneurs and business owners know best where the country's economic potential and challenges lie;** they prepared and presented the economic sector analyses pitched at the Business Forum²⁴⁹ that formed part of an international conference on Sudan held in May 2021.²⁵⁰ Informal networks such as the aforementioned entrepreneurship hubs, the Sudanese Businesswomen Platform and the Sudan Industrial Development

249 Conseil français des Investisseurs en Afrique. 2021. [Paris Conference on Sudan: Business Forum](#), 17 May (accessed September 2023).

250 Ministère de l'Europe et des Affaires étrangères. 2023. [The Chair's Statement - International Conference on Sudan \(Paris, 17 May 2021\)](#) (accessed August 2023).

continue to monitor the war's impact on the economy; their input will be critical in informing international engagement about the needs for reconstruction. Establishing connections between donor governments and these private sector organisations even before the fighting ceases, as was done in the case of Ukraine, can save time and smooth the launching of reconstruction efforts. Donor programmes that invested in private sector development²⁵¹ during the transition are well positioned to facilitate this exchange and the ongoing mapping of needs.

Once the fighting stops, **the private sector** that bore the brunt of Sudan's entrenched security-business networks **needs to work in close cooperation with a civilian government to lead economic reconstruction**. If anchored in a deep understanding of the political economy of the market and the various vested interests involved, economic reconstruction can empower those domestic businesses that did not benefit from privileged access to finance, assets and opportunities in the past, and foster business practices and structures that promote greater transparency, inclusiveness and fair competition. The benefits of an active involvement by local businesses in internationally supported reconstruction efforts is evident and two-sided. First, if domestic firms have a say on what needs to be rebuilt and how, the chances are much higher that reconstruction plans will be feasible and meet people's demands. Secondly, if domestic enterprises are prioritised as contractors to build the roads, electricity grids and hospitals, the works can likely be done in a more cost-efficient and sustainable manner. For this advantage to materialise, however, awareness and capacity building of qualified enterprises should start as soon as possible. Donors could organise such training through their former partner organisations, e.g. the entrepreneurship hubs and business development providers they used to work with during the transition.

On the side of international contracting bodies, **conflict-sensitive measures need to accompany any reconstruction effort**. This would involve careful due diligence and selection processes to avoid contracts falling into the hands of companies that are connected to Sudan's security-business network. Past experience has shown that "check-the-box" due diligence may be sufficient to comply with internal rules but does not protect against channelling finances

251 Bilateral donors such as the UK, the Netherlands and Germany supported the new generation of young entrepreneurs mainly in the urban centres like Khartoum, Nyala and Kassala. The African Development Bank and UNDP engaged in similar efforts.

into violent networks.²⁵² Deeper screenings are necessary to avoid attractive contracts with international agencies being captured by the wrong security-affiliated companies.

The Sudanese diaspora businesses that actively supported the country's revolution and democratic transition through crowdfunding and technical expertise **should also be given a seat at the reconstruction table**. Their knowledge of the country, international connections, know-how and resources could be leveraged to support the reconstruction effort. One example is Sudan Next Gen, a platform founded by the Sudanese-American businesswoman Sally Alatta with the aim of supporting Sudan's revolution. Currently the platform mobilises financial support to counter Sudan's food crisis.²⁵³

Last, and perhaps most importantly, **Sudan's beleaguered private sector must be at the centre of post-war economic reforms**. Rather than waiting until insecurity is restored throughout the country, weak economic governance and corruption need to be immediately addressed not only as the main enablers of Sudan's kleptocrats but as the main deterrents of productive investment. Sustained broad consultations among private stakeholders could start now to agree on priorities for economic reform and present them to the new civilian post-war government, as soon as it is in place.²⁵⁴ Next to macro-economic reforms, legal support will be required for businesses to reclaim the land and assets that have been illegally taken from them during the war. Changes in ownership during the war must be declared unlawful.

252 Die Zeit in cooperation with a team of international investigative journalists recently revealed that many European embassies and aid organisations hired a security company owned by the RSF (Bachmann, 2023, *Involuntary Helpers*, op. cit.).

253 Sudan NextGen: <https://www.cian-afrique.org/media/2021/04/program-programme.pdf>.

254 STPT, 2023, *A Political Path for Salvaging the Sudanese*, op. cit.

Table 6 Summary box of international short and longer-term support towards Sudan’s economic recovery

	Short term (during the war)	Longer term (after the war)
Dismantling kleptocratic networks	<ul style="list-style-type: none"> • Target individuals and corporates of kleptocratic networks with economic sanctions but in a concerted international effort • Put pressure on regional sponsors, Egypt and UAE, to stop supporting warring factions • Disqualify both warring parties from governing post-war Sudan 	<ul style="list-style-type: none"> • Develop a strategy to prevent kleptocrats from hijacking Sudan’s post-war future, incl. the recovery of stolen assets • Ensure civilian oversight over the economy as a centrepiece of new political dispensation • Invest in the continual mapping of evolving networks
Empowering the private sector	<ul style="list-style-type: none"> • Channel direct financial support to SMEs and family corporates • Facilitate technical support • Shield companies from capture by security networks • Innovative financing 	<ul style="list-style-type: none"> • Support ongoing private sector efforts to map the impact of the war and the need for reconstruction • Engage family corporates and independent SMEs and diaspora in reconstruction efforts • Ensure conflict-sensitivity and due diligence • Private sector-led economic reforms

Annex 1 Lists of companies that are either owned or linked to the RSF

A) The list published in Arabic by the Central Bank of Sudan in September 2023

	Company name EN	Company name AR
1	Junaid I Furniture and Decoration (1619), owner: Abdul Rahim Hamdan Dagalo Musa	جنيذ للأثاثات والديكور (١٦١٩) - المالك (عبد الرحيم حمدان دقلو موسى)
2	That Al-Shouka Project for Agricultural and Animal Production (2008), owner: Mohamed Hamdan Dagalo Musa	مشروع ذات الشوكة للإنتاج الزراعي والحيواني (٢٠٠٨) - المالك (محمد حمدان دقلو موسى)
3	Modern South Darfur Tannery (2980), owner: Mohamed Hamdan Dagalo Musa	مديقة جنوب دارفور الحديثة (٢٩٨٠) - المالك (محمد حمدان دقلو موسى)
4	Al-Barr Agricultural and Animal Production (3316), owner: Al-Junaid Company for Multiple Activities	البر للإنتاج الزراعي والحيواني (٣٣١٦) - المالك (شركة الجنيذ للانشطة المتعددة)
5	Al-Mahabba Oil Press (3744), owner: Abdul Rahim Hamdan Dagalo Musa	معصرة زيوت المحبة (٣٧٤٤) - المالك (عبد الرحيم حمدان دقلو موسى)
6	Al-Mahabba Oils Factory Nyala (4791), owner: Abdul Rahim Hamdan Dagalo Musa	مصنع زيوت المحبة نيالا (٤٧٩١) - المالك (عبد الرحيم حمدان دقلو موسى)
7	Daglo Dry Storage Factory (5162), owner: (Abdul Rahim Hamdan Dagalo Mumi	مصنع دقلو للتخزين الجاف (٥١٦٢) - المالك (عبد الرحيم حمدان دقلو موسى)
8	Al-Junaid Plant Oils Factory (5714), owner: (Al-Junaid Company for Multiple Activities Limited	مصنع الجنيذ للزيوت النباتية (٥٧١٤) - المالك (شركة الجنيذ للانشطة المتعددة المحدودة)
9	Abdul Rahim Hamdan's Commercial Works (103526), owner: (Abdul Rahim Hamdan Dagalo Musa)	أعمال عبد الرحيم حمدان التجارية (١٠٣٥٢٦) - المالك: عبد الرحيم حمدان دقلو (موسى)
10	Abdul Rahim Musa for Agricultural and Animal Production (116114), owner: Abdul Rahim Hamdan Dagalo Musa	عبد الرحيم موسى للإنتاج الزراعي والحيواني (١١٦١١٤) - المالك: عبد الرحيم حمدان دقلو (موسى)
11	Al-Junaid Modern Slaughterhouse (119060), owner: Al-Junaid Company for Multiple Activities Limited	مسالخ الجنيذ الحديث (١١٩٠٦٠) - المالك: شركة الجنيذ للانشطة المتعددة المحدودة

	Company name EN	Company name AR
12	Al-Junaid Modern Advanced Mining Works (119922), owner: Al-Junaid Company for Multiple Activities Limited	الجنيد المتطورة الحديثة لأعمال التعدين (١١٩٩٢٢) - المالك: شركة الجنيد للأنشطة المتعددة المحدودة
13	Ebony for Construction and Contracting (123077), owner: GSK for Advanced Works Limited	ابنوس للإنشاءات والمقاولات (١٢٣٠٧٧) - المالك: جي اس كي للأعمال المتقدمة المحدودة
14	Zamzam Drilling Works (124645), owner: Al-Mukhtar Ahmed for Agriculture and Animal Investment Limited	أعمال زمزم للحفريات (١٢٤٦٤٥) - المالك: المختار أحمد للاستثمار الزراعي والحيواني المحدودة
15	Moor Clear Cleanliness Services Project (125420), owner: Musa Hamdan Daglo Musa	مشروع مور كليز لخدمات النظافة (١٢٥٤٢٠) - المالك: موسى حمدان دقلو (موسى)
16	Al-Zarq Contracting Works (125690), owner: Al-Junaid Company for Multiple Activities Limited	أعمال الزرق للمقاولات (١٢٥٦٩٠) - المالك: شركة الجنيد للأنشطة المتعددة المحدودة
17	Al-Wathba Drilling Works (125691), owner: Al-Junaid Company for Multiple Activities Limited	أعمال الوثبة للحفريات (١٢٥٦٩١) - المالك: شركة الجنيد للأنشطة المتعددة المحدودة
18	Qadim Agency for Travel and Tourism Across States (130568), owner: Al-Junaid Company for Multiple Activities Limited	وكالة قادم للسفر والسياحة عبر الولايات (١٣٠٥٦٨) - المالك: شركة الجنيد للأنشطة المتعددة المحدودة
19	United Ebony for Goat Breeding (132034), owner: United Ebony Company	أبانوس المتحدة لتربية الماعز (١٣٢٠٣٤) - المالك: شركة أبانوس المتحدة
20	Qatora for Land Transport Trucks (139426), owner: Qatora Company for Multiple Activities Limited	قاطورا للنقل البري شاحنات (١٣٩٤٢٦) - المالك: شركة قاطورا للأنشطة المتعددة المحدودة
21	Al-Junaid for Construction and Real Estate Development (150490), owner: Al-Junaid Company for Multiple Activities Limited	الجنيد للإنشاءات والتطوير العقاري (١٥٠٤٩٠) - المالك: شركة الجنيد للأنشطة المتعددة المحدودة
22	Cadex for Civil Explosives (150337), Owner: Qatora Company for Multiple Activities Limited Golden Life United Limited, African Company for Cadex Limited Explosives, Nama Company for Multiple Activities Limited	كاديكس للمتفجرات للأغراض المدنية (١٥٠٣٣٧) - المالك: قاطورا للأنشطة المتعددة المحدودة، شركة قولدن لايف يونتايد المحدودة، الشركة الأفريقية للمتفجرات كاديكس المحدودة، شركة نما للأنشطة المتعددة المحدودة

B) The list of RSF-affiliated companies whose bank accounts were frozen by the Central Bank of Sudan on 5 September 2023

	Company name EN	Company name AR
1	Al-Junaid for Multi-Activities (conglomerate) Ltd. (34288)	الجنيد للأنشطة المتعددة المحدودة (٣٤٢٨٨)
2	Al-Mukhtar Ahmed for Agricultural and Livestock/Animal Investment Ltd. (47667)	المختار أحمد للإستثمار الزراعي والحيواني المحدودة (٤٧٦٦٧)
3	GSK Advanced Businesses Ltd. (49735)	جي إس كي للأعمال المتقدمة المحدودة (٤٩٧٣٥)
4	Saq Al-Naeam (Ostrich leg) for agriculture and excavations Ltd. (49913)	ساق النعام للزراعة والحفريات المحدودة (٤٩٩١٣)
5	Shield Protective Solutions Ltd (52921)	شيلد بروتكتيف سوليوشن المحدودة (٥٢٩٢١)
6	LG Man for Multi-Activities Ltd. (53220)	الجي مان للأنشطة المتعددة المحدودة (٥٣٢٢٠)
7	Esnad for Engineering Consultations and Project Management Ltd. (532614)	إسناد للإستشارات الهندسية وإدارة المشاريع المحدودة (٥٣٢٦١٤)
8	GSK Motors Ltd. (54557)	جي إس كي موتورز المحدودة (٥٤٥٥٧)
9	Aabanos United Limited (54558)	أبانوس المتحدة المحدودة (٥٤٥٥٨)
10	Abanos Force Ltd. (54690)	أبانوس فورس المحدودة (٥٤٦٩٠)
11	Kala for Agricultural and Livestock/Animal Production Limited (54702)	كالا للإنتاج الزراعي والحيواني المحدودة (٥٤٧٠٢)
12	GSK Ltd. (55242)	جي إس كي المحدودة (٥٥٢٤٢)
13	Qatura Multi-Activities Ltd. (56198)	قاطورا للأنشطة المتعددة المحدودة (٥٦١٩٨)
14	Kober Gold Mining Ltd. (69866)	كوبر فولد للتعدين المحدودة (٦٩٨٦٦)
15	Ajmaak Multi-Activities Ltd. (70271)	أجماك للأنشطة المتعددة المحدودة (٧٠٢٧١)

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