

Peace Accord in Sudan

By Frida Berrigan | January 14, 2005

The new year brought a whisper of good news. In the first week of January, Sudanese rebels and the Khartoum government signed a pact ending one of Africa's longest wars. Since 1983, more than two million people have died, and another four million have fled their homes in fighting that pitched North against South.

The agreement outlines a six-year process for the two regions to share power and equitably distribute resources. Combatants need to be disarmed and employed, and economic development, long frozen by the war, needs to be restarted. And that's where oil comes in. Sudan is an oil-rich nation with proven reserves of 635 million barrels. The ink is barely dry on the peace agreement, and oil companies are lining up to take advantage of these largely untapped reserves.

If the peace agreement is a genuine first step toward development and democracy, can oil be the engine? History says no. International oil companies and Khartoum have a long record of turning oil into war.

The 2003 Human Rights Watch report *Sudan, Oil, and Human Rights*, asserts that the Sudanese government has "used oil infrastructure to support military action, and has increased its military spending as its oil revenues have increased." Between 1998 and 2001, oil revenues went from zero to almost 42% of total government revenue. In 2001, Khartoum generated \$580 million in oil revenue, 60% of which went to the military to purchase foreign weapons and establish a domestic arms industry.

The Canadian-based Talisman Energy was one of the first multinational companies to exploit Sudanese oil, paying Khartoum more than \$1 million a day in royalties. The Washington Office on Africa estimates that the Sudanese government was spending about \$1 million a day—just what they were getting from Talisman—to purchase weapons and military systems.

Campaigns against Talisman Energy by human rights and religious groups forced the company to sell

its Sudan projects to an Indian company in 2003. But the damage was done. The Khartoum dictatorship has the technology and funding to continue to wage war, and it has enough oil to continue to attract international investment despite its deplorable human rights record and the ongoing conflict.

Given this track record, what steps are being taken to ensure that new oil revenues are used to fuel peace and stability in Sudan? Under the peace agreement, oil leases sold during the war will be respected, rewarding Chinese, Malaysian, and Indian companies that made wartime agreements with Khartoum.

American companies are not far behind. Marathon Oil, based in Houston, TX, is a partner in the French Total Corp., which holds oil leases in a southern area marked by fierce fighting throughout the war. The Associated Press reported recently that Marathon, a major contributor to the Bush re-election campaign, has resumed payments to the Khartoum government and will be part of Total's operations in the oil fields.

Relations between Washington and Khartoum have come a long way in the past few years. Sudan's Islamic dictatorship once sheltered Osama bin Laden. The Clinton administration bombed Sudan after al-Qaida attacks on the American embassies in Kenya and Tanzania, and Washington imposed economic and military sanctions in 1997. In the late 1990s, however, the Sudanese government expelled al-Qaida and in 2001 reached out to the United States after the September 11 attacks. Washington responded by making plans to invite Sudanese officials to President Bush's State of the Union address in 2004. But, as the *New York Times* reported, the invitation was quietly

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withdrawn when the Darfur conflict began to garner worldwide attention.

The peace accord does not address ongoing fighting in Darfur, where as many as 70,000 people have been killed and another 2.2 million displaced. Attempts to resolve the conflict, which erupted in February 2003 between African Muslims and the Khartoum government, have failed. The Janjaweed, Arab militias armed by the government, have carried out ethnic cleansing and systematic rape, and both parties to the conflict have broken numerous cease-fires. The UN describes the Darfur conflict as one of the world's worst humanitarian crises. In September 2004, Secretary of State Colin Powell announced that the State Department "concluded that genocide has been committed in Darfur and that the government of Sudan and the Janjaweed bear responsibility." So far, the label "genocide" has not provoked a concerted effort by the international community to end the violence.

Without a resolution of the fighting in Darfur, peace in Sudan is only partial. Despite this, Secretary of State Colin Powell has signaled Washington's intention to relax sanctions and allow U.S. companies to take advantage of Sudan's oil wealth.

U.S. military-related aid is also on the rise and could balloon in coming years as U.S. oil companies move into Sudan. In 2003, Khartoum received \$7 million in Economic Support Funds (ESF). For 2005, that figure will almost triple to \$20 million. Washington provides ESF grants to help foreign allies with infrastructure, development projects, and debt servicing.

Though not intended for military expenditure, the grants have become de facto military aid, with foreign governments using the funds to free up their own resources for military programs. This is especially true in a country like Sudan with very little infrastructure and stalled development.

Sudan's recent peace accord and the country's cooperation with the war on terrorism are cause for celebration and reward, but Washington should continue to withhold military aid—de facto and otherwise, since such aid is a poor tool for post-conflict development and nation building.

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