



Sudan's Removal from the State Sponsors of Terrorism List

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Twenty-seven years after the Clinton Administration designated the government of Sudan a state sponsor of international terrorism (SST), the White House on October 23 [announced](#) President Trump's intent to rescind the designation, describing it as a "momentous step forward" in the bilateral relationship and "a pivotal turning point for Sudan." This followed [a statement](#) from the President on Twitter, referencing an agreement by Sudan's transitional government to pay compensation to victims of terrorist attacks in which the previous government was implicated.

The decision comes amidst a political transition following the April 2019 military ouster of Sudan's long-ruling leader, Omar al Bashir, who took power in a 1989 coup. Removal from the SST list has been a top priority for Sudan's new prime minister, Abdalla Hamdok, who has described Bashir's Islamist regime as "one of the most brutal and repressive regimes in human history" in a [2019 U.N. address](#). "The Sudanese people have never sponsored, nor were supportive of terrorism," he asserted, "those were the acts of the former regime which has been continuously resisted by the Sudanese people until its final ouster," referencing [nationwide protests](#) that spurred Bashir's overthrow. Hamdok's government has sought to end Sudan's international isolation and internal conflicts, pursuing peace with insurgents and reforms to [improve human rights](#) and [religious freedom](#). The transition is fragile; the government, formed out of a power-sharing arrangement between a disparate civilian coalition and security chiefs, faces mounting public frustration over an economic crisis inherited from the former regime. A new peace deal with insurgents may change the country's [political dynamics](#), but whether it will empower civilians or security actors is [subject to debate](#).

Sanctions and Sudan's Economy

Four main categories of U.S. sanctions result from an SST designation: restrictions on U.S. foreign aid, a ban on U.S. defense exports and sales, controls over U.S. exports of dual-use items, and other restrictions, including a prohibition on U.S. support in the international financial institutions. Some other sanctions, imposed through executive and congressional action, were [lifted in 2017](#).

The Sudanese government views the removal of sanctions as critical to addressing the country's economic crisis and worsening humanitarian situation. Once East Africa's largest economy, Sudan saw its GDP fall

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from over \$66 billion in 2011—when South Sudan seceded—to \$33 billion in 2019. Per capita income has plunged to under \$800. COVID-19 has exacerbated these crises: Sudan’s GDP is [expected to shrink 8.4%](#) in 2020, and over [9.6 million Sudanese are severely food-insecure](#). Sudan struggles with a heavy external debt burden, limited foreign reserves, persistent deficits, and soaring inflation. SST rescission could encourage U.S. and foreign banks to restore correspondent banking relations in Sudan, which could facilitate remittance, trade, and investment flows. It could also enable U.S. support for Sudan in IMF and World Bank decisions, including on Sudan’s bid for multilateral debt relief. Sudan has other debt relief hurdles to clear, including gaining congressional approval to write off Sudan’s \$3 billion debt to the United States, which Treasury officials estimate will cost roughly \$300 million. Some experts suggest that [making debt arrears clearance a real possibility](#) would better position Sudan’s government to make the politically difficult [reforms](#) prescribed by the IMF.

The Delisting Process

The White House transmitted a [certification](#) of its intent to rescind the SST designation to Congress on October 26, stating that Sudan had met the statutory requirements—namely that its government had not provided support for acts of international terrorism during the preceding six months and had provided assurances that it would not support them in the future. The State Department previously [reported](#) the government’s assertion that Sudan no longer supported terrorist groups; the Obama Administration described Sudan as a [generally cooperative counterterrorism partner](#).

Congress has 45 days to review the decision before rescission takes effect, and could block delisting with a joint resolution of disapproval under Section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)). For more detail, see CRS Report R43835, *State Sponsors of Acts of International Terrorism—Legislative Parameters: In Brief*.

Terrorism Claims and “Legal Peace”

Sudan has [deposited](#) \$335 million into escrow to provide compensation for victims of Al Qaeda’s 1998 bombings of the U.S. embassies in Kenya and Tanzania and 2000 USS Cole attack, and for the killing of USAID employee John Granville in Khartoum. (Sudan paid over \$72 million in early 2020 to settle with the USS Cole families.) Payments are based on negotiations between Sudan and the State Department, in consultation with victims’ counsel, which resulted in private settlements. The \$335 million is to be distributed to the victims after Congress enacts “legal peace” legislation to restore Sudan’s immunity under the Foreign Sovereign Immunities Act (FSIA). If Congress does not enact such legislation within one year of the deposit, Sudan could reclaim the funds. Sudan’s removal from the SST list is not contingent on passage of legal peace legislation (a CRS memorandum on Sudan’s proposed settlement and its implications for U.S.-Sudan relations is available to congressional clients upon request from the author).

Compensation for victims of the embassy bombings has been [contentious](#), and concerns raised by some victims of the September 11, 2001 (9/11) attacks have also complicated discussions on legal peace. The settlement deal does not address 9/11 claims—U.S. courts have yet to find Sudan liable for 9/11, though cases remain in litigation. If legal peace legislation passes, cases against Sudan could still be pursued under the Justice Against Sponsors of Terrorism Act (JASTA; P.L. 114-222; see particularly, Section 3 (28 U.S.C. 1605B)). Without legal peace, Sudan would remain liable for outstanding enforceable judgements related to the embassy bombings.

Relations with Israel

Following the October 23 announcement on delisting, the White House released [details of a call](#) between President Trump, Prime Minister Benjamin Netanyahu of Israel, and Sudan's leaders, fueling [speculation](#) that the Administration had pressed Sudan to normalize relations with Israel in exchange for delisting. Hamdok's military counterpart, General Abdel-Fattah Burhan, had [begun talks with Israel](#) in early 2020, but Prime Minister Hamdok [had objected](#) to linking of the Israel issue—[controversial among Sudanese](#)—with delisting. [Reports suggest](#) Administration officials offered inducements to secure Khartoum's commitment on an Israel deal. USAID has since announced a planned [\\$20 million wheat purchase](#), part of a broader commitment with Israel and the United Arab Emirates to Sudan. Some of the reported commitments may require congressional authorization or appropriations.

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