

## Africa Report by Douglas DeGroot

### Sudan, the IMF, and the Iceberg Prince

*The country's development plans have been undercut since the outset and the enemy is going for the kill.*

**T**he most recent imposition of harsh IMF conditionalities against Sudan is an important part of a broader plan to isolate and undermine Egypt. The wrecking of Sudan, Egypt's closest regional ally, would set up Egypt for destruction by the Islamic fundamentalists. President Sadat was trying to stave off before his assassination.

The IMF, however, is not the only player, but it is moving in at the final stages of the operation to finish off Sudan. How did the biggest country in Africa (as large as Western Europe), which is potentially a vast breadbasket, get into the balance of payments difficulties that opened the door for the IMF to dictate the destruction of the country? The fact that the attempt in the 1970s to develop the Sudan was largely in the hands of British Intelligence's Muslim Brotherhood forces helps answer that question.

Sudan has around 200 million feddans (1 feddan = 1.039 acres) of arable land which either receive adequate rainfall for cultivation or is accessible to irrigation water. As of 1977, only about 8 percent of the total, was under cultivation.

The rapid and profitable expansion of agriculture in Sudan in the 1960s and 1970s demonstrated that it was perfectly feasible to turn Sudan into a breadbasket. The desire for a secure Arab source of food after the 1973 war, which sparked talk of retaliatory food boycotts, served to launch the project. The

Arab Authority for Investment and Agricultural Development was set up to design and finance the development of all large-scale agricultural and livestock production in Sudan's rainfed area, as well as some of the irrigation schemes.

In 1976 the Authority announced plans to finance 100 projects totaling \$6 billion. The largest of the schemes, 1.2 million feddans, was leased to Saudi Prince Mohammad al-Faisal, the "Iceberg Prince" who had earlier taken up the idea of towing icebergs from Antarctica to Saudi Arabia to supply fresh water.

Prince Mohammad is also infamous as a supporter of Khomeini. He attended the recent Muslim Brotherhood Conference at the Rothko Chapel in Houston, Texas, where the overthrow of the Saudi royal family was the number-one item on the agenda. At the conference, he stated that there was no room for nation-states in his thinking about the Mideast.

Through such Saudi connections came most of the money and policy for the Authority. Not surprisingly, Sudan did not develop. By mid-1981, only \$15 million had been spent in Sudan, mostly for studies and consulting. However, the Sudanese government oriented its infrastructural development and currency allocation to the operations of the Authority in an attempt to woo capital from the prince.

Sudan acquired a large short-term debt in its futile attempt to

attract petrodollars. At the same time, existing agricultural production suffered from those reallocations, further exacerbating the balance-of-payments problem.

An IMF delegation visited Sudan in late October, demanding additional cutbacks and austerity before the IMF would grant the third installment of a loan negotiated two years ago. Bearing the highest debt payments in Africa, and faced with losing all access to international credit and therefore being forced to conduct international trade on a cash basis, President Gaafar Numeiry capitulated. He has since sacked his entire cabinet and announced that government subsidies on many consumer goods will be eliminated. He also announced a devaluation of the Sudanese pound by 12.5 percent.

These moves will wrench Numeiry's efforts to reconcile the regional and ideological groups within Sudan. Numeiry had successfully ended a long civil war with the south and made his peace with other opponents involved in a 1976 Qaddafi-backed coup attempt.

The initial IMF conditionalities imposed two years ago forced Numeiry to cancel the economic development programs on which his political reconciliation strategy was based, generating the present widespread unrest.

Numeiry's problem is complicated by the Muslim Brotherhood, which is very strong in Sudan. One source reports, "The Muslim Brotherhood is very unhappy with Numeiry, and there are enough forces there to set a convenient pretext for getting rid of Numeiry." Another source reports an assassination capability in place targeting Numeiry, with Qaddafi money.