

UNITED NATIONS  
General Assembly  
Fourth United Nations Conference  
on

Least Developed countries  
Brussels, Belgium

Program of Action  
For "The least Developed Countries"  
For the Decade: 2001- 2010

Actual Actions Carried- out  
By  
The Government of Sudan  
2001- 2010

Prepared by  
Government of National Unity

## **Introduction:**

'The Republic of Sudan' had participated in the fourth 'United Nations' Conference on 'The Least Developed Countries' that was held in 'Brussels – Belgium' during the 31<sup>st</sup> December, 2009. In this conference, an 'Action Program' was adopted to become a commitment, not only, on the side of the 'Least Developed Countries', but, also on the side of the donors who participated in this conference and approved the above-mentioned program. On that basis, the 'Program of Actions' became a 'Partnership' between 'The Least Developed Countries and The Donors' as a 'Framework of Commitments' in the following areas:

**Commitment 1: 'Fostering People-Centered Policy Framework'**

**Commitment 2: 'Good Governance at National and International Levels'**

**Commitment 3: 'Building Human and Institutional Capacities'**

**Commitment 4: 'Building Productive Capacities to make Globalization Work for the Least Developed Countries'**

**Commitment 5: 'Enhancing the Role of Trade in Development'**

**Commitment 6: 'Reducing Vulnerability and Protecting the Environment'**

**Commitment 7: 'Mobilizing Financial Resources'**

In the following report, an attempt is made to provide the 'General Assembly and the 'Fourth United Nations Conference on the Least Developed Countries' with actions undertaken by the 'Republic of The Sudan' during the years 2001 – 2010 and the constraints that obstructed the fulfilling of the above

commitments as well as the future actions to be taken for the remaining period which will come to an end by the year 2010.

The first part of the decade was characterized by certain structural and qualitative change in the economy of the Sudan: 1) the year 2001 represented the third year in which Sudan became an oil exporter, thus enhancing its financial resources capacities; 2) In January 9<sup>th</sup>, 2005, Sudan achieved 'Peace' through the 'Comprehensive Peace Agreement (CPA)', thus ending one of longest civil wars in Africa; 3) The CPA became part of the new constitution that gave the Southern region its government as well as a 'National Interim Government' in which the South is also participating; 4) By the end of 2008, the level FDIs reached an estimated level of US\$ 3.5 bn of approved projects, as a result of the liberalization policies and oil boom, despite Sudan's policy responsive package for resisting the 'Global Financial Crisis' (GFC) impact that started by housing prices going-down in the summer 2007 and exploded by Lehman-Brother's bankruptcy declaration in the fourth quarter of the 2008, which is expected to complicate financial, trade relationships, and maybe donors' commitments; 5) A good part of the CPA has been put into operation leaving some other issues to be taken care of in the coming years.

It is hoped what had been achieved in the 2000 – 2008/9, shall constitute a reasonable platform on the basis of which political, economic, and social development will be sustained.

### **Abbreviations**

CBO	Central Beneficiary Organizations
ILO	International Labor Organization
IPRSP	Interim Poverty Reduction Strategy Paper
HRIS	Human Resources Information System
LMIS	Labor Market Information System
JAM	Joint Assessment Mission
GAFTA	Greater Arab Free Trade Area
MOI	Ministry of Investment
NC	National Constitution
NA	National Assembly
NHA	National Highway Authority
SPLA	Sudanese People Liberation Army
SUDATEL	Sudan Telecommunication Co.
UNIDO	United Nations Industrial Development Organization
SG	Sudan Government
WTO	World Trade Organization
MOU	Monetary Operation Unit
MDTF	Multi Donors' Trust Fund
NGOs	Non-Government Organizations
NU	National Judiciary
EFA	Education for All

MOAF	Ministry of Agriculture and Forestry
CPA	Comprehensive Peace Agreement
FMOH	Federal Ministry of Health

## **Executive Summary**

This is intended as an executive summary on the 'Program of Action' for 'The Least Developed Countries' for the decade 2001 – 2010 and the actual actions carried-out by the 'Government of Sudan' during 2001 - 2008/9.

The strategies and programs are given in details for each unit. The actions to be taken are shown under each government unit. The activities achieved as well as the constraints and obstacles that need to be attended to by donors shall be briefly as follows;

### **Main Activities Achieved;**

- The power sharing was reflected in the establishment of the executive and Judiciary bodies as well as the Interim National Constitution which resulted in the establishment of many bodies which included the Presidency, the Government of National Unity (GoNU), the National Assembly Councils of the States, , State Legislative Assemblies and State governments and many other entities such as Commissions etc.
- In the area of agriculture and forests several activities were carried out which included capacity building, rehabilitation , further development of IT skills as well as availing supporting equipments and training in projects studies , language skills, irrigation, poverty reduction and cultural practices in agriculture. The activities also included studies on export diversification and capacity building in that area.

- In the area of investment management, certain achievements were realized i.e. developing skills as well as training inside and outside Sudan and the establishment of the 'Council for Investment' for all government levels. Amendments were carried out in the Investment Act of 2003 as well as the one of 2007 with the aim of simplifying the procedures and introduction of a flat-rate –tax system.
- Sudan had signed 26 agreements in order to encourage investment and 37 agreements are under study. Some other agreements aiming at tax avoidance were also signed. Improving investment environment was also achieved by way of reducing the government involvement in economic activity, therefore, entrusting the private sector with 72% of the overall activities in the country leaving the balance to the mixed economy. Full liberalization of prices was instituted as well as in the foreign trade sector. This is encouraging the authorities to be ready to join WTO and continued participation in organizations such as COMESA, Arab Free Trade Zone.
- The Central Bank of Sudan (CBS) had instituted a very wide and deep programme of structuring the banking system with the major aim of enhancing its capacity to mobilize financial resources for further development. The CBS had also encouraged the existing banks to spread in the rural areas in order to enhance financial intermediation and provide services for those long deprived of such important services. The CBS was able to maintain inflation at a one digit during 2006 and

2007. However, and due to GFC it went up to two digits i.e. 14.1 in 2008.

- Capacity building in general was activated in many sectors and areas of the economy since such activity is essential in enhancing productivity and better management of the economy and its resources. The training programmes covered an increasing numbers in all sectors and included the very important oil sector as well as agriculture, livestock and forests.
- A good level of activities achieved is in the health sector where the per capita government expenditure increased. This was in the area of increased treatment facilities. One such example is improved child care which was done through the adoption of the 'Accelerated Child Survival Initiative '. The first campaign was conducted in May 2008. In addition to that there was a visible enhancement of the programme of immunization against certain diseases. That had resulted in a reduction of maternal mortality, and Malaria for example.
- The 'Land Use Map' was made for the Eastern States and will soon be ready for the Northern States and the River Nile. The 'Agricultural Revitalization Programme' was initiated and was intended to create partnerships with local and foreign investors. It is thought that friendly countries both official and private companies could be lured to participate in the development of Sudan's agricultural potential in order to help in achieving food security in the region.



- There were many achievements in the area of infrastructure, since such activity is cardinal to any meaningful development in both agriculture and industry and also in bringing the vast space of Sudan's regions closer together. There were very visible achievements in the area of railway development, in air transport through rehabilitation of the national carrier in addition to encouraging the private sector to get involved in this vital industry. Sea ports were also developed and rehabilitated and new ones established. Roads and bridges were also constructed in places where there was none. About 14 major roads were constructed and more roads are under way.
- Water is also an area where some improvements were instituted and the water supply was greatly increased and enhanced during the years 2000-2010. The same happened with electricity. The National Electricity Corporation (NEC) implemented a good number of projects in the area of generation, transmission and distribution. By the end of 2010 generation of power is expected reach 2766.6MW. The newly constructed Dam at Merawe will be instrumental in enhancing power generation in the country. Transmission lines witnessed a growth rate of 267% while substation capacities will reach 407%/, moreover, the private sector was encouraged to invest in the field of generation, transmission and distribution and even the manufacture locally of related equipments.
- The oil sector also witnessed a sustainable development in the area of expansion of the oil refinery and the construction of various pipelines to

transport the crude. Also a number of storage facilities and distribution centers were constructed. In addition to that a 'Central Petroleum Laboratory' was established together with a 'Petroleum Information System'. Capacity building was executed giving the chance to more locals to get a grasp of the details of the industry.

- Tourism is also gradually moving forward as the infrastructure improves and historic places become accessible. Legislation and regulatory arrangement are introduced as well as raising the accommodation capacity. A number of large and medium hotels and apartments are now in operation managed by the locals and foreign investors. This had increased the accommodation capacity.
- Trade and foreign trade is getting the right attention .A number of laws were ratified by the National Assembly which included; 'Exporters and Importers Registry 2008'; 'A Trade Regulation Law.; Antidumping Act 2009'; 'Arab Free Trade Zone Law' 2009 ;and Regulation and Monopoly Prevention.
- In the area of environment Sudan's Environment Act for 2001 was passed and also a plan was designed.
- In the area of social welfare, women and child affair, a good number of achievements were witnessed, chief among which is the ratification of Acts related to the disabled and children affairs. The international agreement on the disabled persons was signed and ratified. The Child Act draft of 2008 is made ready for submission to be finally ratified so is the Elderly Act. In the area of building human and institutional capacity,

the National Policy for Women Empowerment as ratified. 35 centers were established in order to achieve the above objectives. More so 2010 shall witness the completion of childhood and women data base which will greatly enhance knowledge about them, necessary for policy makers. The training of 1292 was completed in various aspects of social work. In order to achieve the spread of culture and community development vast arrangements were made to make use of the Sudanese various media .A specialized magazine was also published to serve the same objectives. Moreover, a good number of workshops were conducted with the aim of enhancing awareness about the issues of women, children and the elderly and the pensioners. To conduct all these activities financial resources were mobilized from the Zakat Chamber, Social Funds and Social Insurance Funds. Such funds benefited also 1,955,000 families. Other institutions also benefited such as rural hospitals and education. Pensioners were also given very visible attention in order to make life easy for them. Moreover, 7961 graduates were employed.

### **Obstacles and Constraints:**

- Most seem to complain about the inadequacy and shortage of finance especially in the wake of the late 'GFC' which started towards the latter part of 2008 and which had its impact during 2009 and shall be carried into 2010. This shortage is reflected in the decline of oil revenues as well as the decline in the inflow of FDI and official flows;
- Although considerable investments went into infrastructure such as dams, roads, and bridges, yet Sudan remains in need of more

infrastructure projects with higher degree of linkages between producing and consuming sectors in the economy in different regions in the Sudan;

- Also, a good number of people were trained by various executing units, yet there is more need of deep capacity building and training in various fields.
- Linked to the above, some units complain about very outdated equipments that are necessary for upgrading of skills.
- \*Another general complaint is the low level of expenditure on scientific research. This is due to the fact that resources are required in other sectors of the economy.
- In-spite of developing national data-base, yet there is still more to be done in the area of data, its depth and coverage, which is essential for any form of decision-making.
- Transparency is thought about but will take some time to take its full-force because of the attitudes prevalent in various units due to long-established institution on the way information is dealt with.
- Through the survey activities achieved by the various units no-one complained about governance or its degree or its level.
- General activities in the country still remain with the public sector, in spite of the privatization that took place in the country, because of the relatively weak position of the private sector. Still roads, bridges, dams, power ... etc., are all carried-out by the public sector. However, FDI had

contributed in the development of cement-mills, an ingredient which is essential for construction. The same was done in the sugar industry.

- Some of the executing units felt the impact of the economic boycott imposed by the USA. This is very much clear in the case of the Ministry of Humanitarian Affairs where international NGOs do not cooperate with the National NGOs, in addition to the difficulties in raising funds from the international community.
- There are no financial backward and forward linkages among public sector units in different sectors in order to overcome or at least alleviate their financial constraint or pressure for the implementation of their projects, in general, and mainly to overcome their own infrastructure bottlenecks of their sectors.
- There is more need of coordination as well as coordinated efforts among all public enterprises as well as giving away some of the activities to the private sector since it has been assigned 72% of the productive activities in the strategic plans.
- There is a general negative feeling among the executing agencies as to the possible impact of the Global Financial Crisis, especially to the extent that donors are busy in trying to tackle their own affairs, might find it difficult to avail additional resources for further development in the country. This is in addition to the impact of economic boycott and possible decline in FDI.

## **Constitutional and Policy Developments since 2005**

The most important transformation in Sudan's recent history was the signing of the 'Comprehensive Peace Agreement (CPA)' between GOS and the SPLM/SPLM in early January, 2005 that institutionalized the power and wealth sharing. By it, Africa's longest civil war had ended. A new interim constitution was founded as it took such new development into considerations. Before this peace agreement, many parts of the country haven't been touched with massive and strong implemented development programs and projects that were realized in the peaceful parts of the country. Also, after its signing, other two, the 'Darfur and Eastern, Peace Agreements' were signed and the development processes actually became inclusive to, and much rapid in, all the 25 states according to the decentralization approach that has been adopted since mid-nineties of the past century. Also, the economy became more stabilized than before.

By the end of 2008, the GFC detonated its most significant effect on (boycotted) Sudan was its manifestation in the decline in government revenues resulting from the dramatic decline in oil prices as well as in food prices.

This could be seen in the impact of the GFC on oil. The last quarter of 2008, when the GFC took place showed oil revenue to the time of US\$ 1.5 billion compared to US\$ 2.9 billion in the third quarter in the same year and with the achieved US\$ 2.8 billion in the fourth quarter of 2007. Oil exports declined by

half. As to non-export that constituted about 10% of total exports declined to US\$ 124 million in the fourth quarter of 2008 compared with US\$ 208 million in the third quarter of 2008 and US\$ 113 million in the fourth quarter of 2007.

As for imports, the prices went down due to the recession in developing countries. Imports went up in the fourth quarter of 2008 to US\$ 2.2 billion compared with US\$ 2.1 billion in the third quarter of 2008 and US\$ 2.2 billion in the fourth quarter of 2007.

As regards, the impact on international transfers there was a decline in the remittances of oil companies because of decline in profits and also decline in the remittances of 'Sudanese Working Abroad' (SWA). By the same token, official loans and grants which had already dried down since the nineties recorded its lower level in 2008's fourth quarter. The GFC had also its impact on foreign flows especially from the 'Gulf Countries' that started to seek new investment avenues in the Arab and African countries. Such flows started to seek investment in agriculture in Sudan. Some preferred investment in financial assets in Sudan especially the 'Government Investment Certificate (GIC)', popularly known as 'Shihama.'

As far as Sudan's external resources, the impact was also obvious since a decline in current oil revenue would necessitate resort to the country's foreign exchange reserves. There was a clear decline in the fourth quarter of 2008. This was due 'Central Bank of Sudan's reaction to the impact of the GFC to

insure stability of the exchange rate as well as keeping inflation at bay. As a result, the balance of payments position turned into deficit recording US\$ 667 million in the fourth quarter of 2008 compared to a deficit of US\$ 226 million in the third quarter of 2008 and a deficit of US\$ 283 million in the fourth quarter in 2007.

In fact, such an impact had revealed the serious risks in depending on one export item, whether be it oil or any other product. Moreover, and in spite of the fact there were complaints about the ‘US Economic Boycott’ and its impact on the economy, yet such boycott and absence of well established economic and financial relations with the USA helped in dampening the negative outcomes of the GFC on Sudan.

The lesson that the GFC had revealed is the significance of future rationalization of the use of such scarce resources. Such a stance really necessitates the importance of diversification in addition to rationalization as a policy to protect the economy from future negative shocks and the importance in rationalization through the management of the outcomes of favorable shocks. In addition to that, a realistic exchange rate policy should be maintained together with the encouragement and development of investment in, not only in the non-oil and the non-agricultural sectors but also in, the services, industrial, and the mining sectors.



After this introductory part the report shall address the details of objectives, commitments and achievements of the ministries and units managing the Sudanese economy and society.

## **Commitment 1: Fostering People- Centered Policy Framework Actions**

### **A. Poverty Reduction in Sudan**

#### **Objectives:**

There are many strategies and programs for poverty reduction in Sudan. The most important ones are:

- The strategy for poverty reduction in the rain-fed traditional sector in the framework of economic program (2004 - 2006). The most important agricultural related objective is to raising productivity in the traditional agricultural sector;
- The strategy of poverty reduction in the ‘Green Mobilization (GM) Program’ (2007 - 2010) that aims at reducing the percentage of the poor to 50% by the year 2015 in accordance with the MDGs of the UN and NEPAD;
- The ‘Agricultural Revival Program’ that directs its efforts to the reduction of poverty as explicitly stated in its ‘Program Vision’. That is, to be ‘biased towards the weak and vulnerable people’ based on the overall mission of agricultural development strategy to transform agriculture sector that is dominated by the subsistence methodology for

production to a modern advanced sector that is responsive to market signals and with substantial contributions to poverty reduction, growth, increase foreign currency earnings and sustainable management of natural resources.

**Actions to be taken:**

**Adoption of the following programs:**

- Institutional reform program (Agricultural Census, Agricultural network, Early Warning System, Rural Revolving Fund);
- Rehabilitation and strengthen the technology transfer, extension, research institutions, development and improvement of production and marketing basic infrastructure;
- Integrated Rural Development Program, food security, poverty reduction, development of agricultural sector in the South of Sudan.
- Development and promotion of the rain-fed sector performance by the implementation of support services program for small producers during the period 2009 – 2011 in the States along Central Sudan (Gezira, Red-Sea, Kassala, Gedarif, Sinnar, White Nile, Blue Nile, North and South Kordofan, West and North Darfur). The program is village-oriented to transfer knowledge, finance, and agricultural services delivery. It targets small producers, partner-providers of services, pastoralist and farmers, associations and unions of farmers;

- Adoption of zero-tillage cultivation in rain-fed agriculture sector (experience of the 'Arab Investment Authority for Agricultural Development in Agadi Area) that adopted successfully with reduced costs of production and improved crop productivity. The project area can be adopted in the irrigated sector to reduce costs of production;
- Government financial and technical support program to assist small scale household industries to increase value-added;
- Proposed programs/projects of food security, poverty reduction, and rural development (programs and projects in rural development areas).  
The main objectives are the development of rain-fed sector through:
  - Increment of food production to reduce hunger;
  - Dissemination and adoption of technical packages for sustainable production growth achievement.
- Support and encouragement of small producers to adopt food production programs that are included in the following for the small producers:
  - Support and development of irrigation;
  - Support of crop production;
  - Support of animal wealth.
- Special programs of food security that had been implemented in 3 States and considered as a successful program, therefore it can be implemented in other states in the future to improve the standards of living and

increase social welfare via poverty reduction, sustainable production, risk, and management. This program also encompass specific objectives that include the:

- Management and control of water with crop intensification;
  - Diversification of crops;
  - Economic and social activities;
  - Problems solutions.
- Use of the village as a unit for agricultural services within the Agricultural Revival Program with the objectives that target farmers, pastoralists, women, rural youth, farmer associations and unions, for:
- Raising productivity;
  - Poverty reduction; and
  - Food security.
- Programs for the eradication desertification through:
- Broadcasting of seeds in pastures in the states;
  - Rehabilitation of Gum Arabic Belt (Western Sudan);
  - Income generating activities;
  - Cultivation of trees in Nile River and Northern States;

- Capacity building in the States that have been affected by desertification.

## **B. Social Strategic Goal:-**

Endeavor to ensure the society of sufficiency, knowledge and social equity , through society promotion to strength solidarity ties , protection and empower the social structure. And ensure influential participation of the people in all aspects of life.

## **The Overall Policy:-**

1. Developing and following up of population and social policies.
2. Resuming efforts to integrate the issues of population, social gender, the family and child within development plans.
3. Augmenting society potentials through regulating voluntary institutions and grass root formations to increase vitality for better social efforts and security.
4. Safeguarding the family as a community unit by improving resources to operate functionally. Marriage shall be facilitated for competent youth.
5. Working among citizens to join the Zakah reservoir to confirm state manipulation and community recognition.
6. Consolidating social bank services by increasing capitals and savings and innovating new techniques for minor saving and social funding capabilities

7. Extending the umbrellas of social and health insurance while innovating new techniques to reach up local groups and fresh sectors through health care and minor funding
8. Rearing the handicapped, the homeless, the orphan, the widow and the eccentric of special needs to help them all to mix in the society productively.

## **Commitment 2: "Good Governance at National and International Levels"**

### **Objectives:**

- Continuing efforts to establish an effective fair and stable institutional, legal, and regulatory framework in order to strengthen the rule of law and to foster effective participation of and close co-operation among all relevant stakeholders at national and local levels in the development process.

### **A. In areas of Justice**

Activities Achieved up to 2010 as follows:-

Power Sharing Protocol:-

- Executive and Judiciary Bodies have been established;

- ‘Interim National Constitution (INC)’ enacted. Accordingly, the following bodies have been founded:
  - The Presidency;
  - Government of National Unity (GoNU);
  - National Assembly (NAs);
  - Council of States (CoS);
  - Government of Southern Sudan (GoSS);
  - Southern Sudan Legislative Assembly (SSLA);
  - State Legislative Assemblies;
  - State Governments;
  - Constitutional Court;
  - National Southern Sudan and State Judiciaries;
  - National Commissions, Councils, and Committees were established by:
    - National Constitutional Review Commission (NCRC);
    - Assessment and Evaluation Commission(AEC);
    - National Judicial Service Commission (NJSC);
    - National Civil Service Commission (NCSC);

- Technical Border's Committee (TBC) to draw the 1/1/ 1956 Borders between North and South Sudan 'National Capital';
- National Security Council (NSC);
- National Security Services (NSS) including its branches in the 'States';
- Council of Political Parties;
- The 'National Electoral Commission' (NEC);
- National Council for the development and promotion of 'National Languages.'

### **Review and Enactment of 'National Laws' to conform to the INC:**

- Several 'Acts' were passed by the NA, e.g. Electoral Human Rights, National Police and Army Bills, Media and Press, Criminal and Criminal Procedures, Central Bank, National Currency, National Land Commission, National Security Act;
- Moreover the following bill is under consideration.
  1. Southern Sudan referendum bill.
  2. Abei Area referendum bill.
  3. Popular consultations for Southern Kordofan and Blue Nile.



## **Actions to be taken:**

### **National Commissions under establishment:**

- Human Rights Commission (HRC);<sup>1</sup>
- National Land Commission (NLC);<sup>2</sup>
- Accordingly, the Presidency will appoint the two commissions soon.

### **B. In area of social welfare and child protection the following has been achieved:**

Issuing legislatures that organizing the social work has been passed the population national act, disability national act, National council for childhood welfare act, disable persons act, disability national chart, prosthetic and orsthetic was passed as approved as a profession be the medical professions council. The international agreement on disable persons right was signed and ratified, the elderly act bill and the child act draft 2008 were formulated and ready for submission to the competent authorities for the final approval.

Childhood legislative committee was formed to reviewed the national legislation and to suit international convention on childhood rights. A

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<sup>1</sup> Legislation passed by the NCRC, Council of Ministers, and National Assembly.

<sup>2</sup> Legislation passed by the NCRC, Council of Ministers, and National Assembly.

committee including civil community organization was formed to formulate the children national policy.

### **Commitment 3: Building Human and Institutional Capacities**

The objectives and activities to be taken include offering training including on job training to social service providers, particular to leaders and Health care personnel taking into account gender equality

#### **A. In areas of Agriculture and Forest**

##### **Activities Achieved up to 2010:**

There are several activities that have been achieved in the area of building capacities as in the following:

- Recruitment of 119 engineers;
- Renovation of buildings and training halls in TTEA and 3 centers in the 'States';
- Rehabilitation of 'Media with Printers', 'Audio plus Video Studios';
- Rehabilitation of the library in the 'Headquarter and Centers';
- Installation of wireless network for e-communication in the center;
- Renovation of Sinnar, Massad, and Kassala Centers and Provision audiovisual IT and training materials to the three centers;
- Establishment of the rural women laboratory to be enabled to provide training in the field of nutrition, adding nutritional value to the food

products, processing of vegetables and fruits to increase the households' incomes;

- Updated website ([www.ttea.gov.sd](http://www.ttea.gov.sd)) of the Ministry and use of the SMS (Short Message Service) in 'Mobile Phones' as a kind of extension mean to the farmers;
- 1650 trainees have benefited from the conducted training sessions at the 'Headquarters and Centers' in the following fields:
  - Computer Skills;
  - TV and Radio Programs;
  - Seed Technology;
  - Maintenance of agricultural tractors and equipment;
  - Website designing;
  - English language communication and negotiation skills;
  - Project management;
  - Feasibility studies;
  - Extension approaches;
  - Micro Irrigation System;
  - Poverty Reduction;

- Participatory management of agriculture and rural extension service delivery;
- Conservative agriculture;
- Seed testing;
- Rice mechanized farming;
- Agricultural machinery;
- Rural women school;
- Installation and management of green houses;
- Farm management;
- Ground spraying;
- Agricultural metrology;
- Sustainable crops production;
- Waste recycling for sufficient agriculture;
- Tractor operation;
- Potato mechanization, planting, and harvesting;
- Water management;
- Eradication of mesquite trees (land clearing);
- Organic production of sesame crop.

A number of studies were conducted in the fields of 'Export Diversification,' 'Review of Institutional Framework,' 'Supporting Legal Framework,' 'Trade in Services,' and 'Updating Impact Assessment of EPA' on Sudan's Economy, all Stakeholders were involved in those studies.

More than 90 persons were trained in specific fields such as rural development, trade in services, negotiations, data collection, and statistics and professionals.

Continuation in strengthening cooperation with GOSS in trade and trade related issues.

**Constraints/Over-performance:**

- Financial constraints;
- Weak coordination between different sectors;
- Lack of capacity building institution and technical assistance.

**Further Actions to be taken up-to 2010:**

- Strengthening the coordination and linkages between related bodies;
- Training need assessment to be finalized by stakeholders;

- Additional internal and external resources should be allocated to this activity;
- Technical assistance should be sought to strengthen human and institutional capacities;

The following feasibility studies in relation to livestock and fishers have been achieved concerning:

- Offering internal and external training by activating the training item in (MOU) and that offered by donors;
- Rehabilitation of the following training institutes:
  - Rehabilitation of ‘Skin and Hide Improvement Center;’
  - Rehabilitation of ‘Meat Production Center’ at El Kadarro;
  - Rehabilitation of ‘Artificial Insemination Center.

**B. In areas of Investment Activities Achieved up to 2010 as follows:-**

- The Ministry took steps, in coordination with national and foreign training institutions, to re-qualify its staff and increase their competences to enable them to fit in different fields of investments and help them to master living foreign languages to communicate with foreign experts;
- The ministry is currently at the final stages for the preparation of an 'Investment Map', i.e. "Atlas & GIS", to reflect the relative advantages of

Sudan's States. After its completion and transforming it into a digital format, it will be put in the 'World Wide Web' for interested and potential investors;

- Establishment of the 'High Council For Investment' for all levels of government, tackling administration extension and conflicts, adopting general investment policies, removing all obstacles and side-effects in accordance with the decree no.: 298 for 2007 for a healthy investment environment.

### **One-stop- shop System**

All relevant party to investment are congregated in one location: Authorities of taxation, customs, business registration, industry, agriculture, land, survey, registration, construction planning, roads and bridges, animal resources, information and communication, tourism, foreign trade, , traffic police, immigration and visas, all of which are fully authorized by their administrations. Procedures for licensing investment projects have become easier and faster. Modern technological accessories (net connections) have made the task even easier.

### **Legislation reforms:**

- Amendment of the '2003 Investment Act' as:
  - ▶ Custom Act amended to contain the newly introduced 'zero tariff';

- ▶ Taxation Act amended to contain business profit reduction from 30% to 10%, given an occasion for industrial projects to rehabilitate;
- ▶ A coup-up with the creation of an independent ministry to cater for investment affairs;
- Amendment of the ‘2007 Investment Act’ for:
  - ▶ More simplifications of procedures;
  - ▶ Amendments in the ‘1999 Investment Promotion Act’ whereby a flat-rate-tax system was applied as follows:
    - ◆ Imposition of 10% on net business profit of the industrial sector projects;
    - ◆ Imposition of 15% on net business profit of the service sector projects;
    - ◆ Imposition of 0% on net business profits in the agricultural projects.
- Signing agreements on the ‘Promotion And Reciprocal Protection Of Investments’ to:
  - ▶ Augment relations with relevant nations, organizations, and corporations;



- ▶ Strengthening bilateral, regional, and multilateral frames to protect investment promotion by signing bilateral agreements, protocols, and memos of understanding for technical cooperation;
- ▶ Accordingly, Sudan signed 26 ‘Bilateral Agreements’, as other 31 Agreements are under-study;
- ▶ Signing of special agreements for tax-avoidance.

### Total Volume of Approved Investment Projects during the period 2000-2009

2007	8030	7794	489	16313
<b>Year</b>	<b>Service</b>	<b>Industrial</b>	<b>Agricultural</b>	<b>Total</b>
2008	15160 sector	7965 sector	431 sector	23556
2009	4836	4598	737	10171
2000	761	208	21	990
<b>Total</b>	<b>60242</b>	<b>41415</b>	<b>2795</b>	<b>104452</b>
2001	1599	6361	38	7998
2002	8619	2664	45	11328
2003	2106	1397	456	3959
2004	2818	1911	48	4777
2005	8119	3725	186	12030
2006	8194	4792	344	13330

## **Constraints/Over-performance:**

Many constraining obstacles to investment remain in action:

- Impact of the global financial crisis on capital inflows to developing countries;
- Harsh procedures in contracting loans by the main international banks affect negatively foreign capital inflows , thus affecting developing countries' growth and development plans, specially in the infrastructures;
- Impact on the exchange rate as a result of declining foreign currency inflows into the economy;
- Persistent declination of oil prices leads to continuous decline in exported oil proceeds and negatively affect the balance of trade;
- Impact of imposed boycott on Sudan affects the volume of exports as well as imports.

Further Actions to be taken up-to 2010:

- Increase the capabilities and capacity building of the relevant employees in internal and external training institutions and utilizing the experience of regional countries;
- Activation of agreements, promotion of investments, signing more agreements to gain investors' confidence;

- Active existence in regional and international money market dealings by organizing and attending regional and international events;
- Projecting the relative advantages of Sudan's endowments with investment fields and exhibiting Sudan's attractive environment for investment.

### **In the area of improved institutions for enabling investment environment:**

Activities Achieved up to 2010:

Improved Investment environment as reflected in the following government's supportive policy package:

- Reduction in government role in the economy and production activities;
- Entrusting 72% of the economic activities to the private sector. The remaining ratio is for mixed economy;
- Liberalized prices and stopping of backing-up goods and services;
- Improved tax system, application of VAT, and reviewing the custom duties;
- Liberalizing foreign trade, encouraging and diversifying export markets;
- Openness of new markets, trade relations growth with trade-partners, and attraction of new investments, mainly from Asia;

- Preparedness for entrance in the WTO Agreement after finishing with some economic procedures and legislative amendments, such taxation and custom;
- Free movements of capital inflows, whether in kind or in cash, profit and savings transfer;
- Sudan membership in COMESA;
- Sudan membership in the Arab Free Trade Zone;
- Implementation of a restructuring program by the Central Bank of Sudan and the rehabilitation of the banking system via several stages to establish strong banking entities encompassing large financial centers. This was realized by merging or by increasing banks' capital. Commercial banks have undergone remarkable development in performance after applying the strategy of self patching-up and rendering modern banking services.

## **C. Civil Service, and Human Resources Development**

### **The Vision:**

The Sector aims at building capacities of human resources at the governmental and social levels to take on the burden of accelerating the tempo of comprehensive development.

### **The Message:**

- Concentration on training and capacity building to accentuate citizens' trust in the quantity and quality of services rendered by the government and the community in favor of productive process and balanced development;
- Preparation and improvement of qualified and capable administrative machinery that can deal with domestic and overseas challenges.

### **Goals:**

- Concentration on continued training for the development of active human capacities in order to promote production, services, and to disseminate concepts and thoughts of good governance;
- Rehabilitation, re-organization, and modernization of administrative development institutions;
- Increase the number of vocational training centers and encouragement of national and foreign private sectors to engage in training fields;
- Empowerment of women and recognition of her rights for training in order to up-grade her capacities and increase production;
- Expansion of technological and technical training;
- Encouragement of graduates to create their own enterprises and support and sponsor retraining programs.

**Objectives:**

- Establish and institutionalize capable training institutions to handle planning of training in connection with the 'National Comprehensive Plans' in order to increase productivity, ameliorate performance, and achieve future requirements;
- Deployment of information technology as substantive factor for the activation of training;
- Apply principles of monitoring and continuous evaluation;
- Link of training activities in orientation with knowledge and skills contained in the civil service careers;
- Activate technical and cultural co-operation agreements;
- Escalate the efficiency of national manpower to qualify for replacement of expatriate manpower.

**Policies:**

- The state should be committed to planning and implementation of plans and programs for all government departments and to further civil society organizations and the private sector;
- Realization of the association and integration between training and the actual requirements of work;

- Enforce training as mandatory for all levels, leadership, supervisory, and new hires.

### **Activities Achieved up to 2010:**

- In the field of training: it was targeted to train 132000 of the trainees during the period 2001 – 2009. The actual number of these trained reached only 83620, i.e. 63% only;
- Twelve training conferences were convened in addition to several workshops and forums for training directors at the Center and the States levels;
- The actual number of jobs created during 2001 – 2006 was 375554 employment opportunity out of a targeted number of 515994;
- Vocational training programs were implemented during the period 2005 – 2009 as follows:
  - Three – Year Apprenticeship programs for 10821 trainees;
  - Short courses and mobile training for 17923 trainees;
  - Advanced Training, Supervision, Administrative Development, and Trade Testing for 435 trainees.

### **Constraints/Over-performance:**

- Low profile is attached to the training in priority ranking;
- Difficulties in obtaining necessary funds for training;

- Sharp decrease in technical aid provided by regional and international organizations, countries, and the multitude of technical and aid channels;
- Deficient identification of training requirements;
- Persistent increases in expatriate manpower;
- Discrepancy between education outputs and labor market requirements despite the great expansion in the higher education institutions;
- The negative repercussions of the structural adjustment programs on man power.

Further Actions to be taken up-to 2010:

- Expansion, promotion, and modernization of training institutions and centers;
- Increase opportunities for overseas training and technical aid;
- Provision of necessary funds for training and capacity building;

## **D. Energy and Mining**

### **• Petroleum Training Center:**

- ▶ Established in 2000 as a 'Training, Consultative, And Research Institution' in the Oil Field;
- ▶ Its purpose is the development and capacity building of human resources and the performance improvement in the 'Sudanese Petroleum Corporation (SPC), in particular, and the 'Oil Sector in general. The center is an 'ISO' certified since 2003.



- **Petroleum Technical Center:**

- ▶ It was established in March/2005, as one of 'Sudapet' achievements.  
It is a specialized center in the oil industry that trains the 'Sudanese Cadre'. It consists of three units:
  - Welding Unit;
  - 3D Presentation Unit;
  - Sudapet/Schlumberger Training Unit.

### **Information and Communication Technology:**

The sector has:

- ▶ Implemented the 'Local Area Network (LAN)' at the headquarter and branches of the 'Sudanese Petroleum Corporation';
- ▶ Implemented 'Wide Area Network (WAN)' at the headquarter and the 'Sudanese Petroleum Corporation' branches, fields, and 'Staff Residential Areas';
- ▶ Imported, constructed, and prepared three storage networks (SAN);
- ▶ Imported, constructed, and prepared five firewalls sets;
- ▶ Imported and constructed three hubs to connect Internet at the 'Headquarter, Salvation Complex, and Port-Sudan';
- ▶ Imported, installed, and constructed program to upgrade the internet electronic mail;
- ▶ Imported, constructed, and prepared DNS at Headquarters and 'Sudanese Petroleum Corporation' branches;

- ▶ Imported, constructed, and prepared data-base servers (Oracle – SQL) at Headquarters and 'Sudanese Petroleum Corporation' branches;
- ▶ Imported, constructed, and prepared internet e-mail exchange at the Headquarters, 'Sudanese Petroleum Corporation' branches, and 'Port-Sudan' and internet servers (Sun One Messenger) at the headquarters;
- ▶ Imported, constructed, and prepared antivirus servers at the Headquarters;
- ▶ Imported, installed, and constructed camera monitoring system for the headquarters;
- ▶ Imported, installed, and constructed electronic library (NAS Server) at the headquarters and Salvation Complex;
- ▶ Imported, installed, and constructed video conference system;
- ▶ Imported, installed the communication's Cabins in the Salvation Complex;
- ▶ Imported, installed the communication's network in the Salvation Complex;
- ▶ Maintained telephone network in the 'Sudanese Petroleum Corporation'.

## **E. Water Supply**

Further Actions to be taken up-to 2010:

- Improve water sector's institutional set-up to promote the proper cooperation between 'Federal' and 'State' Authorities to smooth the promotion of performance and to develop the future responsibilities of the sector at large;
- Support water researches to identify the most efficient management system for water resources and to carry assessment analysis for water resources to secure concurrence development, safe use , and protection of both ground and surface water resources;
- Capacity-building for the sector staff at all levels to improve the management and technical skills of the water sector.

## **Health**

### **Vision and objectives:**

The general vision and objective of the health sector is greatly influenced by the desire to fulfill the commitments towards:

- The ‘MDGs’;
- Help in the efforts of poverty reduction; and
- Improve equity across ‘States’, ‘Regions’, and among vulnerable groups.

The vision is based on the principles of health right and emphasizing the need to improve individual and community participation in the service development and financing. Accordingly, the ‘Federal Ministry of Health’ aims at:

- Expanding basic service delivery (infrastructure and essential packages), while redressing inequities and inequalities in accessing health care services and health outcomes;
- Reforming the ‘Health System’, mainly the financing component to mobilize more resources, enhance efficiency and effectiveness, while protecting the poor and the most vulnerable;
- Prioritizing health problems, such as: Malaria; HIV/AIDS; Tuberculosis; Diarrhea; Respiratory infections; Nutritional disorders; Immunizable diseases; Vector borne diseases; Maternal and child mortality; and Life-style related diseases;

## **Activities Achieved up to 2010:**

- Put into practice developed policies, guidelines, and strategies that are articulated around achieving the MDGs;
- Increased per-capita government expenditure on the health sector from US\$ 360 in 2000 to US\$ 850 in 2006, although expenditure on health sector increased, as share in GDP, from 0.25% in 2000 to an estimated 2% in 2009;
- Increased health facilities. Currently, one health facility exists for 6587 of population, which is around the required standard. However, only 15.3% of the rest provide essential health packages (EPI, Nutrition, ANC, IMCI, and common disease management) according to the recent 'Health Facility Mapping Survey' that was conducted in 2008;
- Improved child health indicators relative to the 1990 baseline level. For example, infant mortality rate was reduced from 80/1000 in 1990 to 68/1000 in 2000 under-five mortality rate from 143/1000 in 1990 to 112/1000 live birth in 2006;
- Adopted the 'Accelerated Child Survival Initiative' and a first campaign was conducted in 'May 2008' where 2.7 million under-five child (97.3%) were vaccinated against 'Measles', 4.3 million received 'Vitamin A Supplementation', 3.6 million (80%) received 'Deworming Tablets', 3.4 million (95.3%) received two drops of 'Polio Vaccine', 0.8 million families received LLITNs, and 5-key messages on hand washing, routine immunization, personal hygiene, mosquitoes nets, and

exclusive breast-feeding targeting the total population of the 15 ‘States’ were delivered;

- ‘Expanded Program on Immunization’ (EPI) has achieved the national target of ‘DPT3’ coverage of over 93% (85.9% of localities reached more than 80% coverage) in 2008 compared to an overall 80.1% coverage in 2003;
- Northern Sudan witnessed a remarkable increase in measles immunization coverage from 57% in 2003 to 80% in 2007 for children under-1-year. As a result of the lagging ‘Southern States’, for example 11.8% in ‘Lakes States’ to 35.4% in ‘Upper Nile State’, led to lowering the National Average of Measles Coverage to 68% in 2008. It is estimated that 33% of the population received immunization from fixed posts, 27% from mobile teams, and 40% through outreach activities.

Despite these achievements in measles and vitamin ‘A’ area, however, scaling-up services and interventions targeting under-five children are still required and shifting to ACSI is critical for better service delivery and routine coverage;

- Overall maternal mortality rate (MMR) in North Sudan has been reduced from 552/100000 in 1990 to 509/100000 in 1999, i.e. before Darfur Conflict. As a result of the ongoing conflict, coverage area, and methodology difference, the ‘Sudan Household Health Survey’ in 2006 showed that MMR was 1107/100000 and 20000/100000 in South Sudan. an effort to improve health services, a ‘National Committee for Maternal

Mortality Review’ was assigned and which established a network at the ‘State’ level;

- Annual reported AIDS cases are showing an increasing trend, Stigma and discrimination remains a major obstacle for effective HIV prevention and to uptake HIV testing, counseling and treatment services and hence availing reliable data on the disease. Epidemiological studies showed that the country is classified to be in an early stage of generalized epidemic. The prevalence rate among general adult population is 1.6% in 2002. However, there are some variations between the ‘States’; the prevalence of HIV infection is higher in South Sudan, Eastern Sudan, Khartoum, and White Nile State.
- The Malaria caseload has been reduced in recent years. The proportional case rate was reduced from 400/1000 in 1993 to 71/1000 in 2005. The ‘Sudan Household Survey: 2006’ showed that 36.8% of household had mosquito net and only 18.4% of households have an insecticide treated bed-nets; The fatality rate decreased from 1.9% in 2000 to 1.3% in 2006. Malaria treatment protocol has been changed from Chloroquine to Artemisinin-based combination therapy (ACTs) based on research evidence. The new drug is readily available in public health facilities and market. It is also provided to patients free of costs in ten ‘States’ under the ‘Global Funds Support.
- The ‘National TB Program has managed to expand in 15 northern and 6 southern ‘States’ during the previous year. For each 100000 people there

is a TB Management Unit (TBMU), serving as a diagnostic unit, and for each TBMU there is an average of three Treatment Support Centers and DOT Center. These are centers that supervised by Locality TB Coordinators and State TB Coordinators as well as by the Central Unit at the Federal level;

- Addressing other health determinants and an important MDGs, Community Based Initiative is being adopted by the FMOH as a strategy for poverty reduction in its broadest terms rather than only income generation using health as a core determinant for development;
- Significant steps were taken to promote the CBI concept at all government levels. Guidelines and tools were adapted and adopted to direct the implementation of the program. At present, the program is implemented in cooperation with different partners in 108 settings in 27 localities in 12 States with varying degrees of success in improving health and socioeconomic indicators.

### **Constraints/Over-performance:**

- An assessment of the status of the achievements of the health sector in general and in relation to the MDGs in specific shows significant urban-rural and regional disparities in health status and health services due to conflict, displacement, chronic poverty, and lack of basic health care.
- The overall health system is weak and slow in terms of expansion of health services and operationalization of evidence based policies to



effectively ensure access of all population segments to quality health care. The following are the main challenges:

- Unpredictable and inadequate financing;
  - Inadequate quantity and quality of human resources across the organizational management structure and service delivery coupled by uneven skill mix and geographical distribution;
  - Insufficient attention to social determinants and multi-sectoral approaches and weak coordination mechanism among responsible sectors leading to inadequate accountability;
  - International aid is not well coordinated and directed to address national top priority health interventions;
  - Major gap in knowledge whether related to the information system or research. Both areas are incoherent and poorly managed resulting in weak monitoring and evaluation system.
- Difficulties constraining DOTS are under-utilization of DOTS Centers, poor recording and reporting, high defaulters rates, and insufficient technical and managerial capacities at different levels of NTP.

### **Further Actions to be taken up-to 2010:**

- There is need for significant efforts and scaling-up of effective health interventions, especially those directed towards women and young children at the PHC level;

- To revert the current MDGs health related indicators, a sustained health reform with remarkable increase in spending focusing on public health. Also, the operationalization of pro-poor policies is badly needed to make any progress in the health status;
- The HIV/AIDS situation is likely to become more serious due to increased movements across the borders of neighboring countries with low condom use in Sudan. The prevalence of AIDS will be updated through the newly established antenatal facility based surveillance and through conducting a comprehensive nationwide AIDS Indicators Survey, capturing behavioral risk factors and HIV prevalence data. The survey is still under process. It is expected with increased donor funding, signing the CPA and high political commitment, the National HIV/AIDS Control Program is expected to be in a better position to accelerate its activities to prevent further deterioration in the situation.

## **G. Health Insurance**

In the frame of social security umbrella a new 917 employers were registered so the total number of the employers reached (8557) and the total number of the insured persons till the end of the year was 270078.

In the field of expansion and health insurance dissemination the insurance coverage raised up to 30% out the targeted number with 8,599,956 benefiteurs the coverage covered 21 state with a geographical rate coverage 84% and 750 centers for providing the services, 240 for direct service and 510 centre for

indirect service besides establishing 21 camps for eyes diseases and medical operation, besides providing 30 ambulances for the transferred cases inside and outside the state. And providing the trained medical and administrative staff and also the equipments and minimizing the transferred case (5 out of 1000 cases) and completion of medical services including the medical operations, with the expansion in the pharmacologic services. In the field of social development the ministry participated in financing the social development and poverty combating through the saving and development bank, which reached by the end of the year 2008 65% out the total finances of the bank 103.2 m.SG assigned for the implementation of the micro-projects finances for women sector, and financing the small producers sector, 16184 families benefited from this project. 32 m.SG for financing the infrastructure in the states (including the agriculture sector) by financing small farmers, for example Abu Hamra project and Um Bayadah project in Nort Darfur and Jebel Marra project in west Darfur and the Gum Arabic producers besides the basic services.

Regarding the graduates unemployment 7961 has been employed by cost of 26.3 m.SG and the total number of graduates joined the technique certificate was 2223 graduates tiling six fields. The implementation of the strategy for tackling the unemployment issue is going on by graduates participation in the agriculture uprising (up swing) which will hold 20,000 graduates. An agriculture incubator was established in Abu Halima costing 1.5 m. SG paid by Zakat Chamber. Besides completion of the partnerships project study and the transforming training for the graduates in field of projects management to

cover the labour market needs for graduates employment in the different fields.

## **H. HIGHER EDUCATION AND SCIENTIFIC RESEARCH**

Promotion of University Education depends mainly on the recruitment of enough qualified staff that is supported by a competent administrative and financial personnel and an overall enabling conducive environment. It is an established fact that academic matters in universities should be shouldered by holders of Doctor of philosophy degrees as minimum level of qualification. This dictated by the nature of responsibilities and job specifications of the academic professionals whose terms of reference involve mainly teaching, research work, supervision of postgraduate studies and other relevant academic matters pertaining to the promotion of the profession. The expansion of universities, both in number of institutes and intake statistics, is a causative factor for this alarming shortage in fully qualified university staff. Promotion of these institutes is directly related to the provision of qualified staff to ensure academic excellence and sustainability.

### **OBJECTIVES:**

- a. Securing higher education opportunities for young Sudanese University staff.
- b. Strengthening of the local programmes of postgraduate studies to help in bridging the deficiency gap at lower costs and with research topics suitable to local conditions.

- c. To create Cultural ties and Linkages with foreign academic institutions, governments and international organizations for adopting the financing responsibilities of Ph.D. degrees in rare specializations and studies requiring sophisticated laboratories and/or other modern techniques and facilities.
- d. To develop an efficient follow-up system to monitor and evaluate the implementation of this programme, follow-up changes in projected needs and amend the project details according to actual needs.
- e. To set a comprehensive programme for short-term Training Sessions for all staff members (at both local and international levels).

#### **ACTIVITIES ACHIEVED UP TO 2009:**

- Qualifying 2049 staff member for Doctorate Degree. in various specializations in addition to 2660 on going studies for Doctorate Degree.
- Qualifying 1841 staff member for Master degree in various specializations in addition to 1122 on going studies for Master degree.
- Strengthening bilateral cooperation in the field of science and research by renewing and holding 25 agreements and memos of understanding.

#### **PROBLEMS AND CONSTRAINS:**

- Weakness related to funds, equipment, personnel and supporting logistics hindered the progress in launching local training programme.

- Training abroad involves high cost.
- Opportunities offered from abroad either do not always meet actual needs or not always in line with planned training areas.

## Higher Education and Scientific Research

### **The Objectives:**

1. To prepare graduates with the appropriate skills and capacities and to make them responsible citizens able to meet the needs of the country's development challenges. Also to upgrade the educational syllabuses in accordance with the above directions. Meet government's

## **I. Humanitarian Affairs**

### **Objectives:**

In order to take a leading position by the 'Sudanese Civil Society Organizations' in the 'World's Voluntary Civil Society Organizations', the following objectives must be fulfilled. In the field capacity building:

- Develop and build the domestic institutional capacities of the national organizations of the national organizations;
- Ensure consistent flow of funds;
- Mobilization of local resources;
- Encourage voluntary works;

- Increase and develop resources;
- Make the law flexible and tractable as well as to enhance the organizations;
- Pursuing bilateral twin-shipping programs in accordance with the rules and regulations;
- Seek effective participation and twin-ship programs in accordance with the applied laws and regulations.

## **Activities Achieved up to 2010:**

### **I. Planning and Co-ordination Themes:**

- Improved institutional and building capacities beside improvement in the work environment for the 'Ministry of Humanitarian Affairs and HAC;
- 58% of the staff and 25% of the NGOs Leaders were trained in different humanitarian aspects;
- The MHA and HAC led the posts for the voluntary works, organizations, follow-up, co-ordination, emergency, peace and reconstruction. The 'Voluntary Work Systems' Policies', procedures, registrations, and training has been developed by 60%;
- Strengthened relationship with the rest of the world by developing an open connections, co-ordination, and co-operation with domestic and foreign networks and training the employees.

### **Disasters and Humanitarian Aid Themes:**

- Owning the required assessment and analytical capacities of the surveys achieved by different ‘Ministries and Agencies’;
- Achievement of surveys about the actual humanitarian needs in co-ordination with all concerned authorities (ANA);
- Crop Assessment (CP) in co-operation with relevant authorities.

### **The 2006 Joint Plan between Sudan and the International Community:**

The proposal of the plan was prepared by a joint team that was constituted from national survey team that has been guided by its own surveys in co-operation with the ‘World Food Program (FAO)’, OCHA, relevant ministries, and a survey committee in the concerned ‘States’.

In accordance with the findings of the surveys the following have been prepared:

1. Perpetuate and crystallization of the needs in the form of emergency projects and to publicize for financing;
2. To cover all the aspects of the humanitarian works that include food security, health, education, capacity building, environment, human rights, voluntary return, reconstruction ... etc.

For the war-affected areas, the joint plan achieved the following:



- Humanitarian aid for Eastern Sudan, the South, the ‘Three Vulnerable Areas’, for disasters and flood areas;
- Voluntary return, building of peace culture, reconstruction, and development;
- Human, information, and institutional capacity building theme;
- Within the JAM Livelihood and Social Protection:
  - Social Protection strata;
  - IDPs and refugees DDR;
  - Mines;
  - Tribal Interaction Zone;
  - Vulnerable Areas;
  - Means of Living;
  - Host Communities.

## **II. Darfur Programs:**

The ‘Government of Sudan’, in co-operation with the ‘Civil Society and Voluntary Organizations’ and funding from the ‘Government of Sudan,

International Community, and Voluntary Organizations’, achieved the following:

- Construction of many villages and public utilities;
- Provision of requirement for voluntary return, transport, shelter, production inputs, and basic services were delivered;
- Provisions of 42,000 tons on monthly basis for 2,7 million citizens;
- Provision of portable water and sanitation;
- Therapeutic, maternity health, productive health, and environment;
- Poverty eradication among household, women, children, and other vulnerable groups;
- Support for basic education of nomads, IDPs and voluntary return areas;
- Capacity building of civil society, native administration, dissemination of peace culture, and awareness.

### **III. Drought Prone-Areas:**

The ‘Government of Sudan’, in co-operation with the ‘Civil Society and Voluntary Organizations’ and funding from the ‘Government of Sudan, The States, UN, and Voluntary Organizations’, achieved the following:

- Eastern States in 2006:

- Provision of food security of 15,000 tons per month and food for education;
- Drilling wells, maintenance of Hafirs, and sanitation;
- Maternity, childhood, epidemics control, reproductive health, and nutrition;
- Construction and maintenance of schools and institutional support;
- Reconstruction of villages, transhumance, shelter, provision of production inputs, and capacity building.

### **Northern Kordofan and White-Nile – Butana Plain:**

The ‘Government of Sudan’, in co-operation with the ‘Civil Society and Voluntary Organizations’ and funding from the ‘Government of Sudan, The States, Donors, UN, and Voluntary Organizations’, achieved the following:

- Provision of food;
- Provision of combatant, epidemic and vaccination campaigns, although more is needed;
- Provision of fresh water, wells, and Hafirs, although not all areas were covered (need more efforts);
- Provision of pesticides;
- Reseeding, fire-lines, Hahirs maintenance, vaccines, beside provisions of animal feeding;

- Shelter materials had been completed by 100%.

### **Flood Areas:**

These include the following ‘States’: The River Nile, Northern, Blue Nile, White Nile, Khartoum, Al Gerira, and Kassala. The programs and projects adopted were targeting 1.5 million beneficiaries.

- Provision of food;
- Provision of shelter materials and transport;
- Establishment of health centers, provision of basic medicines, maternity, and childhood programs;
- Provision of portable water, pesticides, and sanitation campaigns;
- Construction and maintenance of schools;
- Eradication of weed to facilitate navigations.

### **IV. Peace Theme and the Displaced:**

Peace programs were followed the CPA to patch-up the social fabric, provisions of basic infrastructure for settlements and development, rehabilitation in the return areas, facilitation of return means, transhumance, provisions of production means, and settlement assistance. The following proposals for the three areas (Abei, Blue Nile, and Nuba Mountains) has been made with the help of the Government of Sudan, UN, and different

organization in providing the provisions of basic services, support of capacities, peace building, re-integration, and patch-up of social fabric.

## **V. Reconstruction Peace:**

There were considerable numbers of national and international organizations as well as UN agencies that contributed to the reconstruction programs and development of emergency nature in various programs. The above mentioned programs in the emergency theme covered health, water, education, agriculture, and social welfare sectors.

## **VI. Combat Mines and Mines Programs:**

The estimated total mined area is 800,000 km<sup>2</sup> that is equivalent to 32% of Sudan's total area. This adversely affects voluntary citizen return and settlement. Sudan signed in the 'Ottawa Agreement' in late in 1997. This made GOS to accelerate the signing for mine clearing in 10/2003 and its implementation in 4/2004. A plan had therefore been designed by UNMAS with the knowledge of 'Mines Eradication Agreement' in 10/2003 that came into force by 4/2004. As a result:

- The 'National Center For Mines' combat was established in Khartoum and started its operations;
- Many joint meetings between the GOS and SPLM were held with the participation of the international community;

- A strategy, objectives, and programs for combating mines by 2011 had been set;
- With the collaboration between GOS and the UN and organizations, institutional and human capacity building and information has been completed;
- 10 branches of the center have been established;
- Regional centers were well supported.

## **VII. Displacement theme and return achievements:**

- A survey was conducted with the SPLA/M to find out refugees for return from northern Sudan, with the following results:
  - 66,7% desire to return to their original places;
  - 21,6% desire to remain with the host communities;
  - 10,9 do not desire to return;
  - 0.8% desire to settle in areas other than their original places.

In collaboration with UNIMS, UNICEF, UNCHR, OCHA, NRC, IAM, WRI, UNILC, IOM, and RRR the main themes of protection, departure points for returnees, provision of non-food items, transportation, registrations, and information were well done and 2,200,000 were returned to their areas on voluntary basis.

**Constraints/Over-performance:**

- Delays of transactions from JAM Donors;
- Delays in the cash flows for sometimes;
- Weaknesses in the foreign components for immediate emergency activities;
- Continuous environmental disasters and tribal conflicts.

**J. Voluntary Agencies****Activities Achieved up to 2010:**

As a registered coordinating body, in all regions of the Sudan, for nine hundred national Government Organizations (NGOS) in 2009, from 85 in 2001, and with its consultative status with the UN Economic and Social Council (ECOSOC), achieved the following:

- Passing a special legalization to promote and regulate the humanitarian and voluntary activities by the parliament in 2006 after its introduction to in 2003;
- Supported capacity building programs to member NGOs as well as to the grass roots CBOs that included strategic planning manuals, leadership training, training of trainers, and others, according to the training modules produced and endorsed by the member NGOs;

- Involved in dialogue with the international NGOs working in Sudan that was started in 2009 after SCOVA has gained some appreciation at the international community;
- Expanded community involvement via encouraging and supporting new NGOs, i.e. from 85 NGOs with 300 branches to 900 NGOs with 2570 branches.
- Developed a networking between NGOs to encourage more cooperation and coordination between them on geographical basis or through certain themes or sophisticated activities. The number of NGOs network increased from 15 in 2001 to 130 in 2009;
- Expanded activities for NGOs during 2005 – 2007 that included human rights, peace building measures, and training and empowerment of CBOs. These are in addition to their original activities during 2001 – 2005 that included health, education, drinking water, agriculture, income-generating projects, and combating harmful social practices;
- Completed projects by NGOs reached 1035 during 2005 – 2009.

### **Constraints/Over-performance:**

SCOVA, as a representative of national NGOs, was not recognized as a partner to the international community. This was due to:

- No regular funding for financing the national NGOs' activities from the international community;



- Denied involvement of SCOVA and its member NGOs, hence exchange of experiences, in international meetings, seminars, decision-making, and training ... etc.;
- Faced difficulties in working in the South of Sudan after signing the CPA in 2005 in the form of limited freedom of movement and GOSS permissions;
- Non-involvement of SCOVA, at any level, in the meetings of the international NGOs in their forums, which adversely affected long-term sustainability and community involvement at the grass root level.

#### **Further Actions to be taken up-to 2010:**

- Full recognition by the international community about the important role that SCOVA and its member NGOs and the targeted communities;
- Setup of joint forums for both national and international NGOs;
- Regular funding to national NGOs.

Achieved activities in connection with social welfare, women and child protection the following:

The formulation and ratification of the National Policy for Women Empowerment, the policy has included six thematic areas for women advancement and promotion of status and capabilities. The first and second

themes focused on women's capacity building (Health and Education). The other themes focused on strengthening women capacities (economical empowerment – human rights – political participation and decision making). In addition to the theme of strengthening women participation in peace building and conflict resolution. a number of decisions and decrees were issued in the field of women empowerment particularly as relates to promoting women in the leadership positions in the state.. The number of centers rehabilitated reached (35) centers

As regards the field of studies, research and information:

In full realization of the importance of community information and the essence of the Fifth Population Census as a comprehensive data base –

Data base is completed for pension holders and government employees at a rate of (41%). The next year shall witness the completion of the childhood and women data base. Networking among all the units and Ministry's found population are now established.

A number of booklets and brochures related to population and women, community activities, childhood, peace and health insurance, conducting research and studies were all issued as follows:

- Actuary studies in the field of social security were utilized in the issuance of laws.
- Conducting studies about Payment Windows and introducing pension beneficiaries to utilize from its services.

In the field of capacity building and community rehabilitation:

Trainees numbering (1292) got training in such fields like (Population and Childhood, Women Empowerment, Gender Integration, Specialized raining in Health Insurance, Zakat, Social Security Funds, Orthopedic parts, Management of Community Institutions and Graduates' Training). In addition to these, various opportunities were provided for the Ministry's employees for training abroad.

towards the culture of community development through direct and indirect broadcasting and dissemination of information through the media and newspapers for raising awareness of the community with social issues including eradication of harmful traditions and strengthening abstinence values and virtues and advocating ethics and morals of the community. (600) activities related to raising awareness about insurance and the importance of observing Zakat and the culture pertaining to the private sector were implemented. The *Al-Ejtimai'* "The Sociable" a specialized social Magazine was issued during that year. Four workshops about journalists' work were held aiming towards promoting journalists' performance in handling social issues in the written media.

Several courses related to personal and Establishment's insurance and civil defense were provided. The beneficiaries of those courses were (800) about (759) were trained internally and about (41) trained abroad.

## **Commitment 4: Building Productive Capacities to Make Globalization Work for LDCs**

The above commitment includes the following areas:

- I. Physical Infrastructure;
- II. Technology;
- III. Enterprise Development;
- IV. Energy;
- V. Agriculture and Agro-Industries;
- VI. Manufacturing and Mining;
- VII. Rural Development and Food-Security;
- VIII. Sustainable Tourism.

Responses received to be taken from various units relate only to I, V, VI, and VII.

Productive Capacities:

## **A. Agriculture and Forests**

### **Objectives:**

- Promotion of Enterprise Development.

### **Activities Achieved up to 2010:**

- Zero Business Profit Tax for ‘Agricultural Investment Projects’;
- ‘Land Use Map’ for three Eastern States (Red Sea, Kassala, and Gedarif) was conducted.
- According to the government plan for the ‘Land Use Map’ for other States (Northern, Khartoum, and Nile River) has already started;
- The government started the execution of ‘Agricultural Revitalization Program’ (2007 – 2011) with the objective of achieving food security and reducing poverty;
- Execution of the ‘Strategic Partnerships’ was started with the ‘Local and Foreign Investors’;
- The government started preparing feasibility studies for some agricultural investment projects.

### **Constraints/Over-performance:**

- Inadequate finance, especially in the foreign component, mainly for the foreign funded projects.

- Lack of infrastructure

Further Actions to be taken up-to 2010:

- The government will continue to the execution of the ‘Strategic Partnerships’ with the ‘Local and Foreign Investors’;

## **1. Physical Infrastructure:**

### **B. Transport, Roads, and Bridges**

#### **Objectives:**

- a. Providing support to the development and strengthening of critical areas of physical infrastructure, including rural infrastructure, transportation, energy, telecommunication, information and communication technologies, and water including the encouragement of the of more private sector investment;
- b. Promoting bilateral sub-regional approach to economic infrastructure rehabilitation and development in order to gain economies of scale;

#### **Activities Achieved up to 2010:**

##### **1. Railways:**

- Purchase of 23 main line diesel locomotives, 10 shunting locomotives, and 550 freight wagons;

- Rehabilitation of 20 main line diesel locomotives and 700 freight wagons;
- Rehabilitation of 180 km of Babanousa – El-Daein line;
- Rental of 10 locomotives;
- Acquisition of track equipments;
- Transportation of Marowi Dam's equipment and construction of the new line to the dam station;
- Participation of private companies in passengers and cargo transportation;
- Signing of equipment rehabilitation and maintenance contracts and agreements with some friendly countries;
- Supply of rails, wooden sleepers, locomotives, and equipments;
- Supply and erection of concrete sleepers plant;
- Rehabilitation of machineries and motor trolleys.

## **2. Sudan Airways:**

- 75% of the airline company was private and reconstructed;
- 85% of the Sales and the Reservation offices were rehabilitated together with domestic stations;
- 100% of a well organized cargo warehouse was constructed and participation in Cargo-Village;
- 80% in coping with IATA simplification of its business directives by implementing 'Electronic Ticket System';
- 100% of the 'Cute System' that support and facilitate 'Departure Control System at the airport was implemented;

- 100% membership in IOSA (IATA Operational and Safety Audit);
- 85% of the States' needs were satisfied by up-grading the domestic travel and by meeting their requirements for the development and expanding 'Air Transport' services;
- 75% of the fleet were modernized plus the introduction of new versions of aircraft;

### **3. Seaports:**

- Implementation of the 'Green Port' deepening and construction projects;
- Implementation of 'Amir Osman Digna' deepening and expansion project at 'Sawakin';
- Completion of the port development project through purchase of handling machinery and equipment;
- Asphaltting of yards and roads at ports;
- Deepening of berths at Port-Sudan;
- Completion of work at 'Amir Osman Digna' Port quays;
- Completion of 'Kosti Cargo Terminal' construction works;
- Construction of two container quays at 'Al Janubiyya';
- 'Osman Digna Port' asphaltting;
- Establishment of an information bank;
- Procurement of container handling equipment and construction of new yards for containers;

### **4. Shipping Lines:**

- Purchase of trucks for 'Customs Clearance';
- Modernization of loading and unloading equipments;



- Maintenance of ‘Darfur’ and ‘White Nile’ Ships;
- Purchase of ‘Computer Systems’ and ‘Equipments’;
- Purchase of three container vessels within the framework of partnership with the ‘Malysian Company’ – (MISC);
- Completion of the operational procedures of the lines company for passenger transport services;
- Capacity Building Project;
- Establishment of a joint venture between ‘Sudan Shipping Lines Co.’ and ‘Malaysian Petronas Co.’.

## **5. River Transport:**

- Construction of a quay 50 meters long and 20 meters wide;
- Completion of the second phase of new ‘Kosti Port’ construction project;
- Rehabilitation of ‘Khartoum North,’ ‘Kosti,’ and ‘Malakal’ workshops with ‘Dutch Company of Damen’;
- Rehabilitation of 24 Tugboats and one Fuel Barge;
- Completion of ‘Juba Port’ rehabilitation and reconstruction engineering studies (Phase I);
- Construction of ‘Information Technology Unit’;
- Rehabilitation of ‘River Buses’ and ‘Al Rajaf Vessel’;
- Putting of ‘El-Nozzoha Steamer’ into operation again;
- Construction of an hotel at ‘Malakal Port’;
- Rehabilitation of ‘Juba,’ ‘Kosti,’ ‘Malakal,’ and ‘Renk’ Ports;
- Rehabilitation of workshops.

## **6. Roads and Bridges:**

- Completion of studies and designs for 5580 km of new roads;
- Completion of the construction of the 159.5 km-long: ‘Gedarif – Dawka – Galabat – Metama’ Road (connecting Sudan with Eithopia);
- Construction of new toll collection stations (Toll-Booths) and weight bridges;
- Completion of the coastal road, Portsudan- Gabatail (connecting Sudan with Egypt).
- Construction of ‘Abidia – Abu Hamad’ Road;
- Construction of ‘Jabaleen – Renk’ (AlSalam Road);
- Construction of ‘Khowi – Al Nuhood’ Road;
- Construction of ‘Omdurman – El Maltağa’ (103 km);
- Construction of ‘Omdurman – Marawi’ (95 km);
- Construction of ‘Katrang – Al Jenaid’ (50 km);
- Construction of ‘Atbara – Haya’ (287,8 km);
- Rehabilitation of ‘Haya – Port Sudan) Road (204 km);
- Construction of ‘Rofa’a’ Bridge;
- Construction of ‘Al Damer – Om Al Tuyor’ Bridge;
- Construction of ‘Shendi – Al Matama’ Bridge;
- Construction of ‘Al Seliem - Dongola’ Bridge;
- Construction of ‘Kareema - Marawi’ Bridge;
- Construction of ‘Wadi Azzum’ Bridge.

### **Constraints/Over-performance:**

- Limited resources and irregular flow of those available;
- Weak of official support in connection with finance guarantees procedures;
- Outdated infrastructure and fleet;
- Shortage in trained labor;
- Distorted institutional systems;
- Complicated procedures;
- Cumbersome legal procedures;
- Lack of information.

### **Sudan Airways:**

- Open skies and the liberalization policies, accompanied with low standards of services, led to a severe imbalanced competition with other carriers operating to Khartoum;
- Incessant increase in the jet-fuel costs;
- USA Ban hindered Sudan's future plans to modernize the company's fleet and avail the requirement of spare-parts;
- The 'Global Economic Crisis' affected the travel of expatriates as the main Sudanese segments for marketing the company's services;
- Inadequate domestic airports during day operations;
- Poor infrastructure that negatively affects the working environment;

## **Further Actions to be taken up-to 2010:**

### **1. Railways:**

- Construction of 'Khartoum – Port Sudan' Parallel Line;
- Rehabilitation of 'Khartoum – Port Sudan' Corridor (787 km);
- Rehabilitation of 'Babanousa – Wau' Line;
- Support of rolling stock and modernization of workshops;
- Rehabilitation of 'Sinnar – El Rahad – El Obied' Line (Chinese Funding);
- Maintenance of 'Babanousa – Niyala' Line;
- Construction of 'Saloum – Free Zone – Sawakin';
- Construction of 'Abu Gabra – Niyala' Line;
- Rehabilitation of 'Haya – Kassala – Sinnar' Line;
- Construction of 'El Gaily – Suba' Line;
- Construction of 'Khartoum Passenger Station';
- Rehabilitation of 'Al Janubiyah' and 'Port Sudan' Station Lines;
- Connection of 'Sudan' with 'Ethiopia' – 'Egypt and Uganda'.
- Construction of El-Rahad- Babanaus line (Chinese Fund).

### **2. Sudan Airways:**

- Co-ordinate with DCA to extend Sudan's domestic network for servicing remote areas in different parts of the country and to improve local services between the 'States';
- Rehabilitate the airline's infrastructure to improve working environment and reflect a presentable image of the airline;

- Study of the feasibility of resuming the operations to Europe and to serve some points beyond, such as USA and Canada;
- Penetrate far and near East markets to serve investors in Sudan by direct flights;
- Provide the working staff with the supporting and facilitating tools to enhance commercial activities, like Video-com, E-Ticketing, BSP and Cute;
- Establish profit centers and subsidiary companies for more flexibility and generating more revenues;
- Achieve high rate in time-performance;
- Ensure full utilization of the airline routes to improve seat factor and enhance revenue;
- Upgrade cargo flight capacity to participate on developing exports;
- Introduce modern and diversified fleet to maintain flexibility in operations.

### **3. Seaports:**

- Completion of the ongoing projects;
- ‘Livestock Exports’ Ports Project (First Phase);
- Establishment of ‘External Storage Area for Containers’ (First Phase);
- Participation in ‘Bashyir Port Operation’ (Petro Dar Co.);
- ‘Pollution Combat’ Project (First Phase);
- Dock Workshop Development Project;
- Storage Area Asphaltting Project;

- Acquisition of Machinery and Equipment Project;
- 'Passengers Lounge' Project at 'Osman Digna' Port.

#### **4. Shipping Lines:**

- Entering a new partnership for passengers transport;
- Entering a new partnership for petroleum transport services;
- Contribution to the establishment of a company for bulk cargo ships;
- Modernization of loading and unloading and containers handling equipment;
- Purchase of modern equipments and systems for ships and company headquarters;
- Capacity Building and Development;
- Procurement of two new refueling vessels.

#### **5. Nile River Transport Co. and River Navigation:**

- Renewal of navigation route studies;
- Rehabilitation of floating fleet;
- Rehabilitation of river ports;
- Rehabilitation of workshops, equipments, and floating docks;
- Construction of river navigation headquarters;
- Procurement of 5 surveillance launches and on survey launch;
- Procurement of one floating dredger for clearance of navigation route;

- Carrying-out of navigation route study ('Khartoum – Marawi' Dam);
- Rehabilitation of Martyr 'Al Zubair Mohamed Salih' Port;
- Labor rehabilitation and capacity building.

## **6. Roads and Bridges:**

- Completion of ongoing projects;
- Road projects under Chinese loans;
- New road construction projects;
- Unity support projects;
- Reconstruction of roads and bridges in the south;
- New projects for study and design;
- Road network maintenance and rehabilitation;
- Traffic statistics and axle loads project;
- Construction of laboratory, toll collection stations, and weight bridges;
- Training and capacity building.

## **C. Science and Technology**

### **Main Objectives:-**

- (1) Undertake applied R&D programme in the field of Agric, Animal Wealth, medicine and environment.
- (2) Developing capacity building

- a- Human Resources specially in new technologies, biotechnology & nanotechnology, ...etc
  - b- Laboratory equipments and chemical.
- (3) Contribute to the public knowledge in the field of science and technology.

### **Achievement:-**

- a- About 60 new technologies have been developed to the level of prototypes and 50% are already have the chance to be applied in many sectors.
- b- Human Resources Development Nearly 200 New PhD holder obtained their Degree 2005-2005.
- c- Laboratories have been established as well as many are reinnovated.

### **Contains:-**

- (1) Science and technology is important locomotive for development and it needs more money expenditure.
- (2) New technologies need human training specially the field of biotechnology, nanotechnology ...ect.

### **Future prospective:-**

- (1) Training of human resources in new science and technology.
- (2) Research will continue as agric. biotechnology, and food security.



(3) Research will continue for sustainable environmental management.

## **D. Water Supply**

### **Objectives:**

- Increase the coverage of adequate safe water supply for ‘Urban Population’ at households network to attain a consumption rate of 100 L/C/day by the end of 2010;
- Attain 80% coverage of safe water supply for the ‘Rural Population’ at a consumption rate of 20 L/C/day by 2010 from stand pipes, Kiosks located at distances not more than 100 meters away from dwellings and to proceed inline with targeted achievements addressed by the MDGs in waters and sanitation services;
- Ensure sufficient water supply at locations on key transit routes of the livestock herds in addition to the required water sources for harvesting season of the ‘Rain Fed Agricultural Crops’ and ‘Gum-Arabic’ production areas;
- Increase the present 5% coverage of ‘Central Sewage System Sanitation’ in Capital Town Khartoum to 15% by 2010 provided that the required fund been secured;
- Ensure 80% coverage of households ‘Septic-Tanks’ System’ at the second and class residential areas and full coverage by ‘Bit-Latrines’ for the rest of the urban population and attain 60% coverage of rural towns

and villages by ‘Bit-Latrines’ and to expand the dissemination of ‘Hygienic Knowledge’ among rural population to achieve hygienic practices;

- Step-up the capacity-building of the water staff and to improve GPS mapping capacity and data management functions to ensure adequate monitoring of the water supply sources at country level.

Actions to be taken:

### **I. Urban Areas:**

- Two ‘Treatment Plants’ are due to be completed fully at Khartoum Town by the year 2010 to add 275000 m<sup>3</sup>/day to augment the overall ‘Urban Water Production’ to 15675000 m<sup>3</sup>/day while the demand is 2254500 m<sup>3</sup>/day although coverage will be increased to 70% at a consumption rate ranging between 80 – 100 l/c/day depending on the availability of resources at wide-country’s each location of Northern Sudan;
- Continuation of activities in urban areas to construct five water works constituting transmission pipeline System, each for the most needy towns to produce 262000 m<sup>3</sup>/day as their finance are already secured.

### **II. Rural Areas:**

- Completion of the construction of the targeted 400 bore holes for the period 2001 – 2010 to augment total water production to 1120000

m<sup>3</sup>/day to achieve 72% coverage at a rate consumption rate of 20 l/c/day compared to actual demand of 1557678 m<sup>3</sup>/day;

- Continuation in the construction of 150 sub-surface reservoirs and 15 earth-masonry dams by the end of 2010 to add 75000 m<sup>3</sup>/day to existing supply to improve water services for both human and livestock at the demanding areas;
- Drilling of 1250 slim boreholes fitted with hand by the end of 2010 to add extra water delivery of 1250 m<sup>3</sup>/day to communities living in areas underlined by basement rocks;
- Construction of 80 ‘Slow Sand Fitter’ along irrigation canals and catchments ground reservoirs to reduce illnesses caused by the use of untreated water;
- Construction of 10000 ‘Bit-Latrines’ at family’s households with community participation together with ‘The Government and UNICEF’ during 2010.

### **Activities Achieved up to 2010:**

As a result of favorable macroeconomic climate that is largely supported by the oil export revenue and external loans, led to the successful augmentation of the water supply during 2001 – 2010, as total coverage increased at the rural level to 72% at a consumption rate of 20 l/c/day due to the increase of water production to 1120000 m<sup>3</sup>/day. Furthermore, water production increased

to 1567500 m<sup>3</sup>/day in urban areas. That helped in sustaining 70% coverage with 100 l/c/day consumption rate.

### **Constraints/Over-performance:**

- The decentralization processes in the Sudan delegated more responsibilities to the 'State Level' that was conceived to have a positive impact. Experience showed the technical and managerial shortages in the 14 States of the North that reduced efficiency and the quality of water works;
- Dominancy of the private sector in the execution of water supply projects while the public sector remains possessing very few old aged equipments. On this basis, many 'States' failed to secure the necessary funds to fulfill their commitments with contractors as construction costs of water utilities remains relatively high;
- The populations in the urban areas are dramatically increasing due to the intensive migration from the rural areas for job-opportunities and better livelihood. This is in addition to the displaced population due to the civil wars and refugees from neighboring countries. Such circumstances created huge pressures on the urban water supply utilities and caused its serious insufficiency despite the magnitude of government efforts to the growing demand for domestic water in the urban areas;

- The aged distribution water networks are causing excessive water losses of the produced water due to frequent breakdown in pipes. In addition, the new housing extensions in most capital towns requires further water distribution networks;
- Multiple rural water management systems at individual 'States' as a result of the existence of fully public, or participatory, or community management systems.

### **Further Actions to be taken up-to 2010:**

- Securing enough, but fair, revenue to cover the full cost of water supply operations, maintenance, and depreciation to ensure sustainable water supply services under an efficient management system;
- Adoption of appropriate technologies, with the emphasis on simple, but efficient, technologies for the remote rural areas;
- Empowerment of rural communities and beneficiaries participation for the implementation, operation, and the management of water sources at the village level;
- Adoption of appropriate means for the maintenance of the link between water supply and the environment dimensions to help in reducing grazing over-exploitation, trees chopping, and health hazards to help in reducing human productivity;

- Encourage the private sector to invest in domestic water supply businesses provided that strict rules and regulations should be adopted to minimize and prevent mal-utilization by water users.

## **E. Electricity**

### **Objectives:**

- Upgrade the hydro and thermal generation and receptivity of electricity to 5084 MW and 1815 MW respectively by the end of 2010;
- Extending the transmission lines and expanding the distribution of network to cover rural and urban areas, especially in the agricultural and industrial areas.

### **Activities Achieved up to 2010:**

During the past decade, NEC has implemented many projects in the generation, transmission, and distribution of electricity. By 2008, the installed generation capacity reached 1234 MW, in addition to 1250 MW hydrogenation and 300 MW thermal generation will be available by the end of 2010. Accordingly, the overall installed generation capacities will reach 2766.6 MW, generated from hydro (1592.8 MW) and thermal (1173.8 MW). During the same period, transmission lines witnessed a growth rate of 267%, while the growth of substations capacities reached 407%.

### **Concerning the rehabilitations and up-grading of existing power plants:**

#### **I. Dr. Mahmoud Sharif Power Plant:**

- Rehabilitation of Unit 3 & 4 Control and Instrumentation System;
- Up-gradation of the Cooling System for both Units 3 & 4 Generators.
- Life Assessment and rehabilitation of Boilers and Turbines of Units 1 & 2 has been achieved;
- Rehabilitation results were reflected in the improvement of efficiency and reliability.

## **II. Roseiris Hydro-Electricity Power Plant:**

- Rehabilitation of the Turbines and entrance Mesh to protect it against foreign bodies;
- Renewal of the old ‘Guide Vanes’;
- Installment of a ‘Digital Monitoring and Control System’;
- Rehabilitation of the mechanical and electrical equipments to cope with the automation of the plant;
- Achieved gains in the efficiency and reliability as a result of the rehabilitations and automations processes.

## **III. Kashm-Al Girba Power Plant:**

- Rehabilitation of three ‘Pump Turbines’;
- Complete rehabilitation of the ‘Cabin Turbines’;

- Increased power output to 2.5 MW for each unit as a result of up-grading.

## **Concerning Rural Electricity:**

### **I. 110/220 High Voltage ‘Transmission Lines’:**

#### **► Completed Works:**

- Completion of the ‘Al- Gaili – Shandi – Atbara’ transmission line with its associated substations in Shandi and Atbara;
- Completion of the ‘Maringan – Al Managil’ transmission line with its associated substations;
- Completion of the ‘Roseiris – Rabak – Renk – El – Obaid’ ‘Third Circuit’;
- Completion of the ‘Senga – Gedarif’ transmission line.

#### **► Ongoing works:**

- Roseiris – Karen;
- Dongla – Wadi Halfa;
- Atbara – Abu Hamad;
- South-Kordofan’s Grid;
- East Grid;
- Port-Sudan Ring.



## **II. 33/11 Medium and Low Voltage:**

► Establishment of medium and low voltage network in the following areas:

- Northern State;
- Areas of Dongola and Al Dabba;
- Tragma, Margran, Kitiab, Hagar Al Assal, Kaboshia, Matamma, and Maghaweer Areas of the River Nile State;
- Al Gezira State Areas.

### **Concerning the involvement of the Private Sector:**

NEC is encouraging the private sector to invest in the fields of the generations, transmissions, distribution of electricity, and in the manufacture of related equipments and tools. As a result:

- Transformers factory was established in cooperation with the private sector;
- Cables factory was erected by the private sector under the consultancy of NEC.

### **Concerning the rationalization of consumption and reduction of its losses at all stages of generation, transmission, and distribution:**

NEC has reduced losses from 50% to about 22% due to:

- Losses minimizing project by installing ‘Energy Meters’ in power plants and distribution substations;
- The use of pre-paid meters at the end users stage instead of the conventional meters;
- Forcing high consumers to install capacitors to improve the voltage and maintaining the power factor at 0.95;
- The use of comparable countries been stated as a reference values that is 3.5% for generation, 4.5% for transmission, and 12% for distribution.

## **F. Energy and Mining**

### **Achieved Activities up to 2010:**

The Sudanese Oil Industry witnessed a great progress during the period 2000 – 2010, in which the life cycle of the industry (Exploration, Production, Refining, Transportation, Distribution, and Marketing) has been completed. This development led to socio-economic development. The country managed to satisfy most of its domestic needs from Oil products and exported the surplus of both Crude Oil and Products. These implied that many major projects had been executed in the following fields:

### **Exploration and Production:**

- The average rate of produced Crude Oil has increased from 200000 bpd in 2005 to 485000 bpd by the end of 2009 after the entrance of Blocks: 3, 7, 6 and 5a due to intensive seismic, exploration, upraising, and development of wells in the various oil fields (Blocks);

## **Refineries:**

- ▶ Completion of the construction of 'Khartoum Refinery' with an increased refining capacity of 50000 bpd in June/2000 to 10000 bpd in 2006;
- ▶ Increased refining capacity of Al Obaid Refinery from 10000 bpd in 2002 to 15000 bpd.

## **Transportation:**

- ▶ Construction of a 24 inches diameter of 'Fula – Khartoum' Pipeline in 2002 with a length of 720 km. The actual designed pipeline capacity is 200000 bpd to transport the 'Fula' crude from Block: 6 to 'Khartoum Refinery' (KRC);
- ▶ Construction of a 24 inches diameter of export pipeline for products in 2005 with a length of 741 km. The capacity is actually 1.5 million tons/annum to transport the surpluses of oil products from KRC to El Kheir Port in Port-Sudan;
- ▶ Construction of a 32 inches diameter Adaryiel – Bashier 2 pipeline in 2006 with a length of 1500 km. the actual designed capacity is 500000 bpd/day to transport 'Dar-Blend' from production areas in Blocks: 3 and 7 by Petro-Dar;
- ▶ Continuous rehabilitation of 'Oil Products 8 inches diameter Pipelines' (Port-Sudan – Khartoum) of 815 km. the designed capacity is 600 m<sup>3</sup>/annum.

## **Distribution:**

- ▶ The distributed quantities of oil products by 'Nile Petroleum Company' increased from 903000 m/t/annum in 2000 to 1512000 m/t/annum in 2008. The share of company in the market is 52% of the domestic oil products and supplies strategic sectors, such as NEC, Railways, Cement & Sugar Companies, through its efficient depots and services distribution facilities.

## **Storages:**

The 'National Strategy Framework' planned to expand the 'Oil Product Storage Capacity' all over the country. On that basis, the following was achieved:

- ▶ Construction of 'Shajara Depot' for gas oil with a storage capacity of 50000 m<sup>3</sup>;
- ▶ Construction of 'Shajara Oil Products Depot' for gas oil with a storage capacity of 40000 m<sup>3</sup>;
- ▶ Construction of 'NAFTA Depot' in Port-Sudan with a storage capacity of 5000 m<sup>3</sup>;
- ▶ Construction of 'NAFTA Depot' in El Obaid with a storage capacity of 5000 m<sup>3</sup>;
- ▶ Construction of 'Port-Sudan Oil Products Depot' in Port-Sudan with a storage capacity of 20000 m<sup>3</sup>;
- ▶ Construction of 'LBG Depot' in El Jaelly with a storage capacity of 21000 m<sup>3</sup>;

- ▶ Construction of 'Jet A1 Depot' in El Jaelly with a storage capacity of 20000 m<sup>3</sup>;
- ▶ Construction of 'Strategic Depots' in El Obaid, Rebek, and Nyala.

## **Infrastructure:**

### **Ports:**

- ▶ Construction of 'Bashair2 Terminal' with maximum capacity of 3 million barrel for the exportation of 'Dar Blend' that are produced by 'Petrodar' in Blocks: 3 and 7;
- ▶ Construction of 'Suakin Terminal' with storage capacity of 1500 m/t for the exportation of LBG' at a maximum pumping capacity of 75 t/h for vessels;
- ▶ Construction of 'El Kheir Port' with maximum capacity of 50000 tons for the exportation of different 'Oil Products';

## **Central Petroleum Laboratory:**

- ▶ The ' Central Petroleum Laboratory' was established in 2000 to provide lab services to 'Oil Industry' in its various stages, i.e. Exploration, Production, Refining, Transportation, and Marketing;
- ▶ Helps the government in practicing its 'Sovereignty' and control function over the 'Oil Sector';

## **Petroleum Information System:**

- ▶ As one of the most important ingredient for efficient infrastructure, it was established in June/2000 to maintain all the information

about the 'Oil Sector' from the operating companies in the field and to restore previous oil information.

## **G. Sustainable Tourism**

### **Goals:**

- a. Set-up the general policies of the country in the domain of preserving 'Wildlife' and the 'Development of the Eco-Tourism' attractions to the standards that the local communities can really benefit from these attractions;
- b. Establish sustainable tourism development.

### **Objectives:**

- Tourism resources in Sudan shall boost the economy and help it not to rely solely on petrol, i.e. diversification of its economic resources and exports;
- Shall boost the national product and increase per-capita and family income;
- Provide new jobs;
- Develop local communities and thus shall alleviate poverty.

### **Activities Achieved up to 2010:**

- Developing infrastructure;
- Modernizing the legislations and regulations organizing tourism activities;
- Setting-up and implementing tourism ‘Master Plan’;
- Promotion of tourism attractions and destinations;
- Raising accommodation capacity;
- Developing, promoting, and preserving wildlife;
- Promoting heritage handicrafts;
- Securing the destinations;
- Dissemination of tourism culture and activating domestic tourism;
- Conducting tourism survey and investment map;
- Activating international relations and agreements in the fields of tourism and wildlife.

### **Constraints/Over-performance:**

- Lack of funds;
- Poor infrastructure and tourism facilities.

### **Further Actions to be taken up-to 2010:**

- Capacity and infrastructure building in order to facilitate the flow of services to tourists and creating the so-called multi-economic benefits, starting with farmers and herders and covering the big tourism institutions. This will participate in boosting production rates and elevating poverty;
- Combating poverty through providing job-opportunities for rural people in direct tourism activities or through establishing their own private touristic enterprises;
- Gradual sustainable development in tourism attraction destinations in all the states of Sudan and encourage in sustaining the utilization of the local materials and resources in establishing and opening tourism projects.



## **H. Livestock and Fisheries**

### **Objective:**

The following objectives are considered:

- Achievement of 'Food Security' through:
  - Developing animal production and animal breeds;
  - Developing livestock marketing;
  - Improving pastures;
  - Minimizing input costs, in particular, the feed;
  - Developing the infrastructure and services for animal production sector;
  - Providing adequate and accurate statistical information to enable planning and policies for promoting the animal resources' sector;
  - Reduction of tariffs on animal and animal production inputs;
  - Support of veterinary services like seasonal vaccination, equipping veterinary mobile clinic, and training the para-vet and nomads in disease control.

### **Activities Achieved up to 2010:**

- Nothing.

Constraints/Over-performance:

- Lack of financial support;
- Poor infrastructure.

## **Commitment 5: Enhancing the Role of Trade in Development**

**Include the following:**

1. Trade, commodities and regional trade arrangements.
2. Services.
3. Reducing the impact of external economic shocks.

### **A. Foreign Trade**

#### **Activities Achieved up to 2010:**

Promoting sub-regional and regional cooperation, including export promotion, improving transport infrastructure to reduce costs and increase trade flows, taking into account the needs of land locked LDCs and transit neighbors. This includes:

#### **Regional agreements that Sudan:**

- Has entered several regional trade agreements including COMESA, Greater Arab Free Trade Zone (GAFTA), and is negotiating the ‘Economic Partnership Agreement’ with the European Union.
- has completed rounds, in its joining processes to the WTO, by submitting the memo of its ‘Foreign Trade Regime’ in 1999, Check-List Documents on agriculture, services, standards, and ‘Intellectual

Property Right’ in 2003, the ‘Legislative Action Plans’ in 2003 and 2004;

- updated its initial offers of maximum restrictions on traded goods and services from WTO members in Feb, 2005;
- Despite the interruptions for Sudan’s accession negotiations in 2004, the government is still pursuing its legislative reforms to comply with the WTO Rules.

### **Institutional Reforms:**

- The ‘Council of Ministers’ established the ‘National Council for the Development of Exports’ vide the 2007 republican decree no.: 657 under the ‘Chairmanship of the President’ of the Republic of the Sudan, which was modified vide May 14<sup>th</sup>, 2001 decree no.: 299 under the chairmanship of the Prime Minister of the Economic Sector, and which, also, has been modified vide April, 2006 decree no.: 126 under the Chairmanship of the ‘Minister of Foreign Trade’ to undertake the following tasks:
  - ▶ Conduct studies on domestic and external factors that determine the present and future export potentials and provide the necessary support to facilitate the accession of foreign markets;
  - ▶ Design programs and projects that aim at expanding the export base and follow its implementation with related agencies;

► Facilitating the monitoring and evaluation of non-oil export performance in the following sector:

- Agricultural sector;
- Industrial sector;
- Mineral sector;
- Other sectors.

### **The National Agency for Export Insurance:**

The National Agency for Export Insurance has been established to encourage the development of the non-oil exports through the supply of credit, security of export revenues against various risks. In the same context, Shiekan Company' signed a contract with the Islamic Corporation for securing Export and Investment Credit, one of the 'Islamic Bank for Development' to undertake similar insurance mandates.

### **Systematization of the Border Trade:**

Sudan borders nine countries with transient common tribes that resulted in wide socio-economic relations and trade interactions. The government of Sudan, in its quest for systematizing these borders' relations opted:

- Encourage border States to increase productivity and production of crops and livestock to meet the increasing demand of the neighboring countries;

- Meet consumers' needs in the border States;
- Reduce migration from rural to urban areas by creating trade activities across border areas;
- Establish basic infrastructure that serve this type trade availing the States with collection of taxes and fees;
- Alleviate the pressing needs for foreign currencies by increasing the efficiency of the border trade mechanisms;
- Restrict smuggling of commodities through legal transactions across the borders.

#### Constraints/Over-performance:

- Export fees and taxes;
- High transportation and storage costs;
- Poor facilities' quality;
- Low productivity of commodities associated with high costs of production and marketing;
- Absence of information and analysis of trade trends, patterns, and market potentials;
- Low product qualities;
- Low credit positions and competitiveness.

## **Further Actions**

Assist LDCs in developing human and institutional capacities for effective negotiations and well-informed participation in multilateral trading system in order to that LDCs reap the maximum benefits;

- Provide financial, technical, and/or other forms of assistance in support of LDCs efforts to improve their transport infrastructure, particularly the efforts of island and landlocked LDCs, in order to reduce costs and increase trade flows;
- Support LDCs' efforts to promote sub-regional cooperation, including export promotion;
- Promote trade and competitiveness of exports to facilitate the integration of domestic enterprises into the international economy;
- Intensification of horizontal and vertical diversification, including local processing of primary commodities;
- Raise products' productivity, improving quality control, and strengthening of accompanying institutional and human capacities, and protection of physical and environment resources;
- Increase Sudan's export shares in the international and regional markets through improving transportation systems, marketing grading services, packaging, storing, information, trade credit and insurance facilities, and promotion systems;

- Minimize dependence on oil exports through market and goods diversifications;
- Establish and strengthen commercial attachments in trading-partner countries and in other countries with potential markets for Sudan's exports;
- Establish and disseminate information on demanded quality standards of exported commodities in importing countries;
- Promote the simplification and transparency in certification information and procedures;
- Reform marketing systems based on quality and quantity standardization using grading and scaled-related systems and certifications (crops and livestock);
- Benefit from trade preferential treatments for Sudan's commodities in regional and international markets;
- Develop the export promotion systems through exhibitions, missions, issuing of export commodities directory, including names and addresses of exporters in Sudan;
- Benefit from international electronic trade centers;
- Encourage the establishment of small exporting companies;
- Establishment of trade training centers for market access into importing countries;

- Improving preferential market access for LDCs by working towards the objective of duty-free and quota-free market access for all LDCs' products;
- Staff, equip, and fund research raising yields of traditional exports, as well as strengthening of agricultural extension programs to disseminate technology and practices for increasing yields;
- Double the percentage of agricultural GDP expenditure on research over the coming 5 years;
- Select priority sectors for targeted research and extension efforts with specific sequencing of activities over the coming 5 years;
- Establish training programs in marketing and packaging of major agricultural export at trade schools and universities;
- Establish training programs on export competitiveness, trade policies, and trade agreements for the private sector;
- Provide extension services to producers for the adoption of 'Good Management Practices', especially along value for horticulture;
- Build/improve SPS, private sector's foreign market penetration, and reduce trade cost capacity;
- Rehabilitate existing laboratories and construction of new laboratories with the light technological system to meet the global wide requirement;
- Amendment of laws and regulations;



- Conduct different studies to assess the needs to comply with the WTO rules;
- Building data-base for agricultural trade statistics.

## **Foreign Trade**

### **Activities Achieved up to 2010:**

- Implementation of the gradual reduction for the GAFTA imports from Sudan which reached 70% in 2009, planned to be 80% by 2010, 90% in 2011, and 100% by 2012. A new uniform of certificate of origin was designated in 2009;
- Conducting bilateral trade negotiations with the various countries to facilitate trade;
- Five Laws regarding trade regulation were ratified by the National Assembly and by the President , namely:
  - Exporters and Importers Registry 2008;
  - Trade Regulation Law 2009;
  - Anti-dumping Act 2009;
  - Free Trade Zones Law, 2009; and
  - Regulation and Monopoly Prevention.
- Participation in COMESA, GAFTA, and OIC activities to facilitate trade, investment, and development among member countries;
- Negotiations with the EU among ESA Region in the Area of trade, trade related issues, services, fishery, agriculture, market acces, and development and it is planned to be concluded in October 2009;

- COMESA reached ‘Custom Union Stage’ in 2009;
- Sudan is in the process of accession to the WTO. The accession was postponed since 2004.

### **Constraints/Over-performance:**

- Lack of available resources to finance the activities;
- Poor infrastructure;
- Overlapping;
- Lack of coordination between related bodies.

### **Further Actions to be taken up-to 2010:**

- Improving trade facilitation for export chain to increase competitiveness and increase consumers’ welfare;
- Integrating Sudan’s economy in the ‘Multilateral Trade System;’
- Additional internal and external resources should be allocated;
- More efforts are needed to maximize benefits from regional and international integration;
- Specialized studies should be conducted to assess the impact of regional and international integration on Sudan’s Economy as well as to mitigate the negative impacts of such integration;
- Intensification in using of modern technologies.

## **B. Livestock and Fisheries**

The following objectives are considered:

- Improving trade facilities in the export chain to increase product competitiveness;
- Increase business participation in COMESA activities;
- Benefitting from ‘Market Access Initiative,’ such as ‘Everything Except Arms’ (EBA);
- Reduction of tariffs on animal production inputs;
- Enhancing private investment in the animal production sector.

### **Constraints/Over-performance:**

- Lack of financial support;
- Taxes.

## **Commitment 6: Reducing Vulnerability and Protecting the Environment**

### **A. Environment & Physical Development Sustainable Environment**

Sustenance of an economically viable, healthy, and productive resource-base environment as pre-request for successful sustainable economic development processes.

Activities Achieved up to 2010:

- In 2001 'Sudan's Environment Act' was passed to harmonize the different sectoral laws according:
  - to the sets of environmental standards, makes the injections of environmental dimension in economic development plans obligatory;
  - Calls for the protection of the biodiversity;
  - Prohibit pollutions;
  - Raising environmental awareness; and
  - Popular participation in setting policies and decision-making.
- Co-coordinating efforts on environment and natural resources management among concerned government agencies and between the federal and state governments;
- Integration of environmental concerns in all development-oriented planning, policies, and activities at all levels with the participation of people;
- Raise public awareness to understand and appreciate linkages between environment and development;
- Ensure individual and community participation in environmental improving-activities;
- Strengthen and enforce environmental laws and regulations;

- Establishment of the 2005 constitutional right for every citizen to live in a healthy environment and the obligation to keep the environment clean;
- Providing a guiding framework for environmental and resource management in the form of ‘The National Environment Management Policy’ for ‘Sustainable healthy Environment’ for sustainable economic development and better life for all citizens;
- A number of plans were established, including:
  - National Environmental Action Plan;
  - Biodiversity Strategy and National Biodiversity Framework;
  - National Adaptation Plan Action;
  - National Implementation Plan for Persistent Organic Pollutants;
  - National Capacity Self-Assessment;
  - Management Plan for Dinder National Park;
  - Sudan First National Communications under the UN Framework Convention on ‘Climate Change’.
- A number of ‘International and Regional Conventions’ in the field of environment were ratified, including:
  - UN Framework on Climate Change;
  - UN Convention on Biodiversity;

- Koyoto Protocol;
  - Convention for ‘Combating Desertification’;
  - Ramsar Convention;
  - Nile Basin Initiative;
  - Stockholm Convention on Persistent Organic Pollutants;
  - Protocol Montréal in ‘Substances Depleting the Ozone Layer’.
- There are many projects that are financed and implemented by donors and GOS or under the implementation process in the fields of ‘Climate Change,’ ‘Biodiversity Conversation,’ and ‘Pollutants Control’ such as:
- Preparation of project for implementation of ‘National Adaptation Action Plan;’
  - ‘Nile Trans Boundary Project;’
  - ‘Micro Grants Projects’ under the ‘Nile Basin Initiative;’
  - Enabling activities for the implementation of ‘Stockholm Convention;’
  - Incorporating priorities in the ‘Poverty Reduction Strategy’ to promote sustainable development and reduce poor peoples’ vulnerability to environmental risks such as natural disasters, severe weather fluctuations, and impact of ‘Climate Change,’ to control water

pollution, land and air from emissions and discharges, to enhance health and quality of life;

- To increase public awareness on importance of environmental resources;
  - To empower people to act at the responsibility at respective levels of decision-making.
- Also, many workshops and studies were carried out to integrate environmental dimension in the development plans and strategies, for:
- Promotion of environmental awareness and education;
  - Conditioning an 'EIA' prior to the implementation of any development project according to the 'Environmental Act;'
  - A number of 'EIA' studies for different development projects, such as 'Oil Industry', 'Airport,' 'Dams' were conducted for sound environmental and natural resource management;
  - Establishment of national guidelines for 'EIA' is under the process and will be completed.

### **Constraints/Over-performance:**

- Unavailability of sufficient funds;
- Lack of awareness among policy-makers.



### **Further Actions to be taken up-to 2010:**

- Continue in implementing policies and reforms to ensure a real development. For this purpose, there have been a formulation of a number of legislative measures, policies, strategies, and action plans concerning environment;
- To enhance capacities of people at all levels and local resource users for managing and conserving natural environment and increasing awareness;
- Establishment of 'Environmental Information Management System' to collect, analyze, and disseminate the environmental information on permanent basis;
- Environmental Research to be supported.

### **B. Agriculture and Forests**

#### **1. in the area of 'Drought and Diversification**

### **Activities Achieved up to 2009:**

- Compilation of the 'National Action Plan' (NAP) and its adoption by the cabinet and endorsement by the president and sending it to the INCCD Secretariat;
- The adoption of the 'Desertification Act' by the National Assembly;
- Compilation of Merawi Dam as a project to combat desertification via through reclamation of affected dry land in the Northern State;

- Awareness campaigns were conducted every year at different levels and covered all northern States;
- The participation of the NDDCU in most the UNCCD activities during this period;
- Start in reviewing the ‘Drought Literature’ in the Sudan to commence the drought preparedness plan.

### **Constraints/Over-performance:**

- Lack of capacity building of the NDDCU to facilitate the implementation of the NAP and to participate in the UNCCD activities;
- Lack of finance for the implementation of the NAP;
- Rare participation in sub-regional, regional, and multilateral meetings;
- Lack of finance for Sudan’s subscriptions in the UNCCD;
- Deactivation of the role of CBOs, NGOs, and private sector;
- Lack of finance for reviewing the ‘Drought Literature’ in Sudan.

### **Further Actions to be taken up-to 2010:**

- Establishment of the ‘National Drought and Desertification Control Programs Co-ordination Council and States’ Councils’;

- Establishment of the ‘National Desertification Control Fund and States’ Fund;
- Finance and facilitate the implementation of the NAP priorities;
- Capacity building of the NDDCU;
- Finance the ‘Drought Literature Review’ in Sudan.

#### 4. Land Use:

##### **Activities Achieved up to 2009:**

- Purchase of equipments for the laboratory of the Land Use and Desertification Control Administration.

##### **Constraints/Over-performance:**

- Lack of finance for the preparation of the land-use map;
- Lack of capacity building for the administration;
- Lack of finance for, and facilitation of, the activities of the administration;

##### **Further Actions to be taken up-to 2010:**

- Financing and facilitating the preparation of the land use map for policy-making;

- Completing the rehabilitation of the laboratory of the 'Land Use' and Desertification Control Administration;
- Compiling the 'Drought Literature Review' in Sudan.

## **Commitment 7: Mobilizing Financial Resources**

### **A. Economic Growth:**

#### **OBJECTIVES:**

Achieving higher economic growth rates during the period 2000 – 2010

#### **ACTIVITIES ACHIEVED UP TO 2009:**

- An average GDP growth rate of 7.5% was achieved during the period 2000 – 2009 with higher growth rates of 8.4%, 10.8% 9.4% and 9.7% attained in the year 2000, 2001, 2006 and 2007 respectively.
- Output structure is led by services sector with an average contribution of 43.5% of GDP with growth rates of (average) 8.7% a year.
- Average output was led by oil (41. 1%), construction (10%) and manufacturing (10%).
- GDP growth rate is expected to reach about 6% in 2010.

#### **CONSTRAINS TO PERFORMANCE:**

- Agriculture and food production remain stagnant over the period and expected to improve as more funds are directed to the sector ensuring production and marketing reforms that have taken place.
- Poor infrastructure
- Inadequate provision of life essential services ( potable water, health and education services ).
- The negative impact of the international financial crises.
- The backward and forward linkage between the economic sectors still very weak.
- A large proportion of the banks deposits in the form of current deposits.
- Excessive money supply in the first half and third quarter of 2005 have fueled price rise.

## **B. FISCAL POLICY:**

### **OBJECTIVES:**

- Enlarging tax base horizontally and vertically.
- Rationalizing public expenditures and opting for cash management system.
- Restructuring the budget in line with the government finance statistics.
- Strengthening accounting and control systems and ensuring transparency.
- Reducing the internal deficit.

## **ACTION PERUSED:**

- Prudent fiscal policy consistent with the IMF staff Monitored Program – since 1997 continued.
- A cash Management Unit ( CMU ) has been established since 2003 and strengthened with skills.
- A cash plan is drawn for every fiscal year and reviewed monthly by a committee chaired by the undersecretary, Ministry of Finance and National Economy.
- Tax exemption has been frozen.

## **ACTIVITIES ACHIEVED UP TO 2009:**

- Budget deficit ( on cash basis ) 1.4%of GDP during the period 2000 – 2009.
- A lower deficit of 0.4% of GDP was recorded in 2003 and 0.7% in 2007.
- Total revenues increased from 9.7% of GDP in 2001 to 17% in 2008. However tax revenues have fallen from 51.5% of total revenues in **2001** to 36% in 2007 against oil revenues.
- Public expenditures structure has improved with the total wages and salaries of government employee percentage contribution to the expenditure.
- The increase of pro-poor expenditure.

## **POLICIES:**

- Executing fiscal reforms policies, budgetary transparency terms and application of government financial statistics ( GFS ) version 2001.
- Payment policies of internal dept to private sector, due payable to central Government.
- Reduction tax on enterprise profit and capital profit.
- Cancellation of ( Aljareh's ) stamp.
- Reducing and controlling custom's exemptions.

## **CONSTRAINS TO PERFORMANCE:**

- The decrease of the revenues in 2009 according to the drop of oil prices, which affected by the international financial crises.
- The challenges of higher public expenditure to meet:
  - Obligations arising out of the Comprehensive Peace Agreement ( CPA ) with transfers of large funds to the Government of Southern Sudan and the States in the North.
  - Post Conflict requirements.
  - Disengagement, demobilization and reintegration of ex-combatants into civil society.

## **Foreign Sector:**

## **Objectives:**

Improving the Balance of Payments position through:

- ▶ Sharpening business regulatory environment;
- ▶ Enhancing the absorptive capacity to accommodate increasing FDI and private capital flows and ODA;
- ▶ Increasing exports and upgrading of economic competitiveness specially for non-oil exports;
- ▶ Reforming custom tariffs to facilitate foreign trade.

## **Actions Pursued:**

- A 3-year program of import/tariff reform has been formulated. The program is designed to align tariff structure and tariff bands with COMESA Custom Union;
- The country has submitted the final documents for accession to WTO including the offer on goods and services and a legal plan of action. Following a second meeting of working party that deals with question and answer, a factual summary and a draft working party report will be tabled to members of WTO representatives for settlement of Sudan's final offer;
- Custom/trade facilities and capabilities to be improved vide:
  - Expanding port facilities to cope with rising foreign trade volume (imports have increased by 56% in 2005 compared to 2004);



- Facilitation of import/export procedures and reduction of waiting time for incoming cargo from 45 days to 30 days, by the end of 2005;
- Intensification of the use of the modern techniques inspection of the containerized cargo and phasing-out of manual inspections;
- Establishment of business operators imports on Door – Door in lieu of Port – to Port System.

## **Activities Achieved up to 2010:**

### **I. The Balance of Payments (BoPs):**

- Improved Current Account Deficit (CAD), as a percentage of GDP, FROM 10.9% in 2006 to 7.4% in 2007, and to 2.4% in 2008. This can be attributed, not only, to the improvement of the oil exports in terms of volume and prices, but also, to the improvement in the invisible receipts (services, factor incomes, and current transfers). It is expected that the CAD will improve further in 2009 as oil prices started to increase;
- The FDI remained the main source of finance of the CAD in 2006, 2007, and 2008 as it reached US\$ 3.5 bn, US\$ 2.4 bn, and US\$ 2.5 bn during the same years;
- Foreign international reserves increased to US\$ 1.66 bn in 2006. in 2007, and due to the excessive government spending, international reserves declined to US\$ 1.38 bn. In 2008, despite the negative impacts

of the 'Global Financial Crisis,' foreign international reserves slightly improved to US\$ 1.4 bn

## **II. The Financial Sector:**

- The Central Bank of Sudan (CBOS) encouraged Banks to spread their activities to the rural areas more than the urban ones as stated in the in its annual policies circulars;
- Operationalisation of the dual Islamic/North – Conventional/South banking system as the CBOS availed itself with all the pre-requisites and logistics for its operation;
- Money supply growth recorded 27.4%, 10.3%, 16.3% respectively for the years 2006, 2007, and 2008;
- Inflation rates were kept at a single digit during 2006 and 2007. As a repercussion of the international increased commodity prices, inflation rates recorded 14.1% in 2008.

### **Further Actions to be taken up-to 2010:**

The Central Bank of Sudan Policies for the year, 2010 have been introduced in consistence with the pillars of fiscal policy (*General Budget*) and in accordance with the Five Years Strategic Plan of the Central Bank (2007 – 2010). These policies target an optimum volume of liquidity that will conform with the requirements of economic growth and financial and monetary

stability. Indirect instruments appropriate to the dual banking system will be utilized, aiming to maintain soundness of the financial sector, boost its efficiency and contain the anti-money laundering operations.

Also, the policies aim at diffusing banking awareness, increasing banking spread in the rural area, stimulating savings, mobilizing medium term resources, through encouragement of banks to attract investment and savings deposits and working toward the reduction of financing cost in collaboration with the relevant entities. Moreover, the policies strive to secure coordination and continued cooperation between the monetary and financial policies and the other related policies.

Furthermore, the policies have accommodated the partial recovery of the Sudanese economy from the impact of the international financial crisis, the influence of this recovery on the general budget and the banking and private sectors and the importance of reviewing the policies which were adopted in this respect in order to contribute for improving performance of the macro economy.

### **Policy Guidelines:**

The Central Bank Policies have been issued according to the following guidelines:-

- 1) Continuation in implementing Article (14) of the Wealth Sharing Protocol, pertaining to the monetary, banking and lending policy.

- 2) The Five Years Strategic Plan of the Central Bank (2007 – 2011).
- 3) The Government General Budget for the year, 2010.
- 4) Coping with the local developments (*Non-performing loans, micro – and – mini finance*) and the international developments (*effects of the international financial crisis*).
- 5) Guidelines of the Government's strategy for alleviating the severity of poverty, for the purpose of achieving the developmental objectives.

### **Policy Objectives:**

In the context of these guidelines, the objectives of the Central Bank Policies for the year, 2010 are represented in:-

- 1) Maintaining monetary and financial stability by achieving a one-digit inflation rate through targeting a balanced growth in money supply.
- 2) Provision of adequate liquidity for the economy in a manner that achieves the targeted growth in the Gross Domestic Product (*GDP*).
- 3) Increasing the contribution of the private sector to the *GDP* through increasing banking finance to the sector.
- 4) Provision of financing to the productive sectors and extension of medium term finance.
- 5) Achieving durable stability of the exchange rate by enhancing its flexibility within the framework of the managed flexible exchange rate regime and considering the switch from pegging of the national currency

exchange rate to a single foreign currency to pegging to a basket of currencies.

- 6) Continuation in the rationalization of demand for foreign exchange, rationalization of importation, increase of supply by focusing on non-oil exports as well as working toward the encouragement of direct foreign investment flows and building of the reserves.
- 7) Development of the Islamic finance modes.
- 8) Improvement of the efficiency and reinforcement of the soundness of the dual banking system (*Financial positions, performance and assets of banks, dealing with non-performing loans and protection of the sector from the impact of the international financial crisis*).
- 9) Continuation in activating micro finance policies and programs and financing with a social dimension for mitigation of poverty.
- 10) Lowering of the percentage of banks' non-performing loans to internationally acceptable limits.
- 11) Continuation in the banks restructuring program by encouraging banking merger operations.
- 12) Setting up the credit information agency for building a data base on banks' clients.
- 13) Carrying out the necessary ratings for the financial institutions.

- 14) Continuation in implementing the policies, regulations and measures relating to corporate governance and good governance.
- 15) Activation and development of the indirect instruments of control over the banking system.
- 16) Reinforcement of the role of the National Agency for Insurance and Financing of Exports in the promotion of non-oil exports.
- 17) Development and promotion of the payment and settlement systems through application of the Real Time Gross Settlement (*RTGS*) system and joining the Regional Payment and Settlements System (*REPSS*) of the *COMESA* countries and the Arab countries.
- 18) Completion of work with regard to the protection and security programs.
- 19) Continuation in redressing the adverse consequences of the international financial crisis, making use of the lessons drawn there from and offering the Islamic banking system as an ideal alternative and option for dealing with crises.

By virtue of those guidelines and for achieving these objectives, the Central Bank of Sudan policies have been drawn up for implementation through the Islamic window in the North, in accordance with the Islamic banking standards and, via the conventional window in the South according to the conventional banking practices under the supervision of the Bank of Southern Sudan (BOSS) – the Branch.

## **D- Debt Policies**

- The total extreme debt reached \$33.452 billion by the end of 2008, most of it's in areas.

### **Action perused**

A high level policy formulation and monitoring committee was established, comprising representations from Ministry of Finance and Central Bank of Sudan. The committee was mandated to over see the formulation and implementation of the debt strategy and setting new borrowing policy targets from abroad.

### **Constraints to performance:**

The country has fulfilled all eligibility criteria for triggering the IPCs including a good policy track record, drawing the interim poverty reduction strategy and signing CPA. However the political consideration the initiative has not triggered.

E- As regards, the field of social development efforts in mobilizing resources totaling (87.5) from the Zakat Chamber and the Social Funds. All these have been utilized in to field of development, protection and social welfare.

In the field of social security the total expenditure reached 1,51 m.SG milliars with contribution of the Zakat Chamber, national pension fund and the

national social insurance fund. The actual amounts paid by Zakat Chamber 362 m. SG with the rate of 93%, and the benefited were 1,955,000 families. The large revenues came from commerce 50% agriculture 32% others 8%. Amounts paid for the needy persons 225,7 m. SDG. With rate of 64%, 115 m.SG out of the amount as horizontal expenditure assigned for the direct support (sponsorships, medical treatments, health insurance, financial support, Kalawi support, 117 m.SDG paid for the family development projects cervical (health, education) productivity (single and groups).

1. Financial support for health projects with the cost of 31,1 m. SDG. Rural hospitals rehabilitation, generators and 300 beds for rural the rural hospital, medical equipments, besides supports for the poor patients through the medical treatment unified office.
2. Education support 6 m. SG (school requirement for 7000 students besides university student sponsorship).
3. Water project support 7,3 m. SG
4. Agriculture financial support 3,7 m. SG (Drilling, erecting manual water bumps, agricultural).

The total revenues of the pension and social insurance fund mounted to 534, 22 m. SG. 434, 22 the fund shares, 100 m. SG paid by the ministry of finance.

Concerning the entitlements 155,104 pension were paid 389, 20 m. SG. In the frame of pension promotion and after passing the pension act 2004 a amendments, a pensioner in grade 3 pension increased from 127 pounds in the



year 2004 to 615 pounds in 2008 with an increasing rate 70.3% of the total salary.

The pensioner's social support mounted to 6.55 m. SG with the rate of 98.1% which paid by the pension fund out of the coverage, 40.410 pensioners benefited from this support in (medical treatment, university students' sponsorship, the orphans sponsorship and miscellaneous support). 107.015 of the pensioner were admitted under the social insurance umbrella with the rate of 62%. 10,000 pensioners benefited from the social investment project be the cost of 35 m. SG with the rate of 116% besides 30.000 pensioners benefited from Ramadan support project with the cost of 3, 5 m. SG

In order to provide comfortable services for the pensioners the 493 disbursing centers were rehabilitated all over the state. 136 of it in the localities, 347 are banks. Khartoum state has 18 localities dispersing centers and 134 banks.

The social aid provide for the pensioners reached 31, 2m. SDG. Includes sponsorships, medical treatment, health insurance and miscellaneous supports.