

REPUBLIC OF THE SUDSN

MINISTRY OF FINANCE AND ECONOMIC PLANNING

***IMPLEMENTATION OF ISTANBOUL PLAN OF
ACTION FOR LEAST DEVELOPED COUNTRIES (IPoA)
2011-2020***

SUDAN NATIONAL REPORT

Khartoum October 2019

Executive Summary

- Sudan political, economic and social conditions were difficult during 2011-2019. Sudan lost 40 percent of its revenues and 90 percent of its exports due South Sudan's secession in 2011 resulting in severe macroeconomic imbalances, high unemployment rates and low economic growth. The conflicts in Sudan resulted in protracted displacement, with some 2.3 million IDPs. Sudan is still in the US States Sponsors of Terrorism List (SSTL). It has also a huge external public debt amounting to about US\$ 50 billion judged to be unsustainable by the IMF, but due to economic and political reasons (including Sudan being in SSTL), it could not access the HIPC's. Sudan has a new regime in 2019. The intense anti-government public protests by the Sudanese people toppled the 30 years' rule of the previous government on the 10th of April 2019. The popular uprising eventually resulted in a regime change. A new civil transitional government, recognized by the international community was created to rule for 3 years' transitional period after which fair democratic elections will take place.*

- *During 2011-2018 several achievements were made in attaining targets of the IPoA, but there were also several drawbacks. Infrastructure was enhanced. Around 3,477 km of roads or 33 percent of the road network in 2011 was added bringing the total paved roads network in 2018 to 10,595 km with due consideration to the regional balance. Sudan has completed the road linking its neighbors: Chad, Egypt, Eritrean, South Sudan and Ethiopia. Between 2013 and 2016, Sudan started to rehabilitate its railway network, once was the major transport mode. The ports in Sudan, along the 750 km coast on the Red Sea; were rehabilitated and modernized after years of deterioration, including; the construction of a new container terminal at South Quays in 2011 with an annual capacity of 700,000 tons. The handling capacity increased to reach throughput of 12 million tons. Port Sudan has significantly reduced the dwell time from 28 days recorded in the Africa Infrastructure Country Diagnostic (AICD), which was based on a survey in May 2007, to 15 days in March 2014, exceeded only by Douala in Cameroon. However, due to the vast area of Sudan, considerable investments are still needed in infrastructure. Roads maintenance is neglected, railway is still inefficient and operating far below its potential, and the ports require considerable management reforms and improvement.*

- *The government during 2011-2018, using its own resources and Arab Funds financing, doubled power generation capacity, from 8,455 GWH in 2011 to 17,064 GWH in 2018. Yet, electricity supply is still below the demand leading to continuous shedding especially in summer, and is also far from being equitable among states. Traditional biomass still provides most of the energy needs of the local population with negative environmental implications. Although Sudan is rich in wind, with mean wind speeds of 4.5m/s across 50% of the country, but wind energy is not yet developed. Sudan has been considered as one of the best countries for exploiting solar energy since its average sunshine duration ranges from 8.5 to 11 hours a day (average daily solar irradiation is 5.8-7.2 kwh/m²), however, Sudan's solar energy achievements so far appear to be very poor.*

- *Sudan made some progress to meet IPoA targets in human and social development. Gross Enrollment Rate (GER) for basic education increased from 69 percent in 2010/11 to 73 percent in 2016/17 and in secondary education, it increased by 10 percentage points from 30 percent in 2010/11 to 40 percent in 2016/17. GER in tertiary education increased from 8.7 to 17.0 between 2004 and 2017. From a regional perspective, GER in tertiary education in Sudan is much higher than in other Sub-Saharan African countries (9 percent). In the health sector, infant and under-five mortality rates have declined from, 68, and 104 deaths per 1,000 live births in 2000 respectively to 68, and 52 deaths per 1000 live births in 2014. Maternal mortality dropped from 544 per 100,000 in 2010 to 216 in 2014. HIV prevalence is low, at 0.24 percent in 2013, malaria incidence consistently declined and the incidence of tuberculosis (TB) is declining. The WHO declared Sudan polio-free in 2015, where no polio infection case has been recorded since March 15, 2009. Households with access to improved source of drinking water in 2014 represented 63 percent of the total households, an improvement from the rate of 2009 of 59 percent and those with access to sanitation facility were 73 percent during the same period; an increase from 63 percent in 2009. The government has increased budgetary resources allocated to social protection (excluding subsidies) from 2.5 percent in 2012 to 6.7 percent in 2018. Subsidy for fuel, bread and electricity as share of the current budget increased from about 16.5 percent in 2012 to 41.3 percent in 2018. Despite progress in education, health and water supply, the situation in many of these services is still below far from SDGs targets and below Sudan's peers, requiring more public investments to increase access to these services, improve quality, and eliminate regional and gender disparities. Universal education target is far from being achieved, education is suffering from large numbers of drop outs, the quality of education is still poor, and there are marked geographical and gender disparities. These disparities also exist in the health sector along with shortages in the service delivery particularly in rural areas. Considerable work is also needed to increase access to water supply and improve its regulatory and institutional set up*

Introduction

- *The overarching goal of the Istanbul Plan of Action (IPoA) 2011-2020 is to overcome the structural challenges faced by the Least Developed Countries (LDCs) in order to eradicate poverty, achieve internationally agreed development goals and enable them for graduation from the LDC category. The United Nations General Assembly, (UNGA) decided to convene the Fifth United Nations Conference on the LDCs at the highest possible level in 2021, to undertake a comprehensive appraisal of the implementation of the IPoA so as to share best practices and lessons learned, identify obstacles and constraints encountered; identify effective policies in the light of the outcome of the appraisal, and mobilize additional international support within a renewed partnership between the development partners and the LDCs. The UNGA emphasized the importance of country-level preparations as a critical input to the preparatory process for the Conference. It is within this background that the report was written. The report followed the annotated outline for the national reports in conducting country-level preparations as presented by the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Islands Developing States (UN-OHRLLS).*

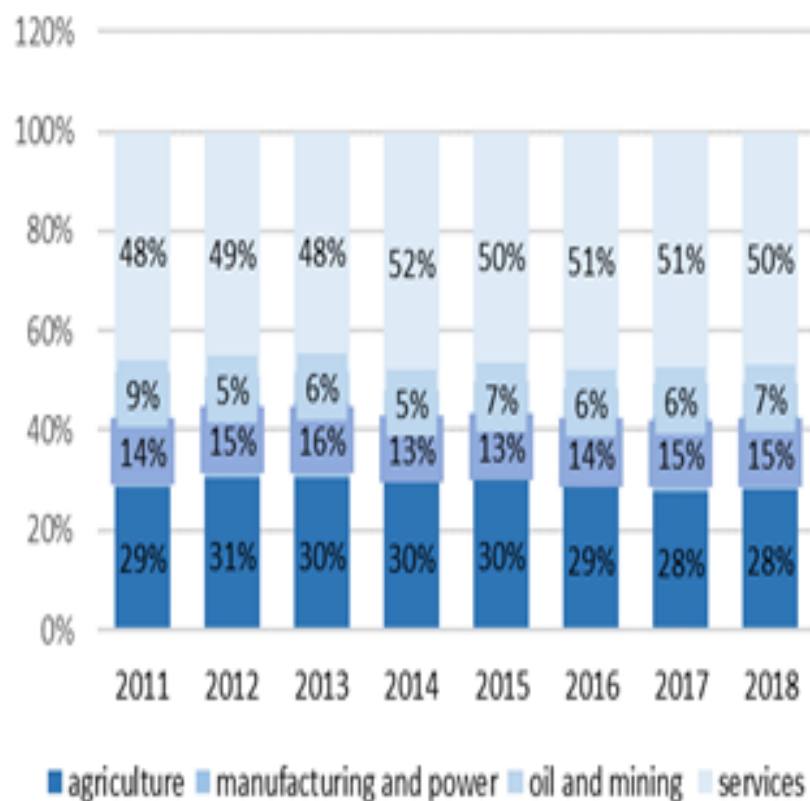
The National Development Planning Process

- Due to the loss of oil revenues in 2011, growth slowed, inflation rose to high double digits, and the fiscal and current account balances deteriorated. The government responded to this challenge by formulating The Three-Year Economic Salvation Program (2012-2014) aimed at absorbing the economic shock created by the loss of the oil. On the budgetary side the program aimed at increasing tax collection effort and rationalizing current and development spending. The program was accompanied by strong social safety nets interventions to reduce the burden of the increased prices on the poor. On the external sector the aim was to mobilize and tap productive sectors capacities targeting four commodities to achieve self-sufficiency so as to improve balance of trade; they include wheat, edible oil, medicines and sugar. It has also targeted four commodities to boost exports namely: cotton, livestock, gum Arabic, and gold.*

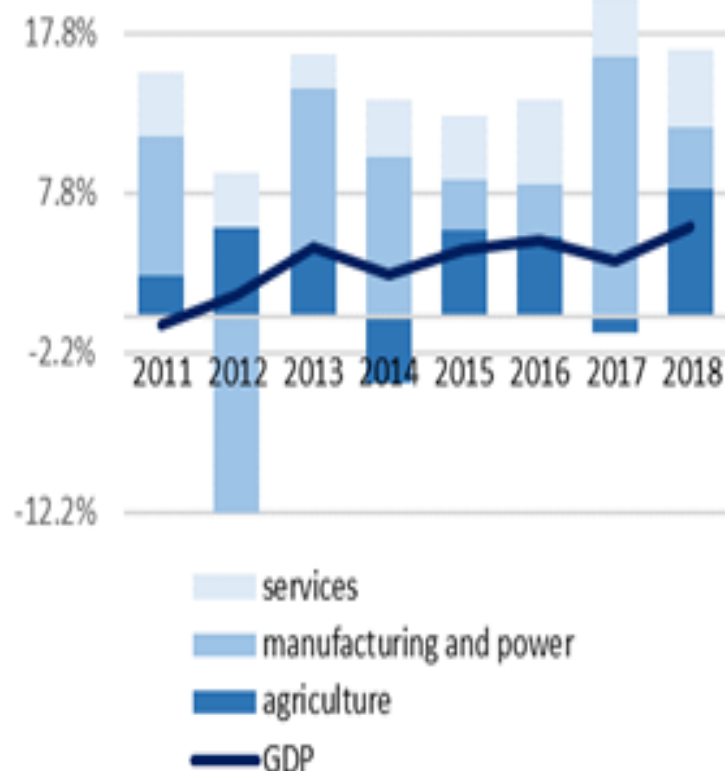
Infrastructure

- *Infrastructure program included: adding 4,190 MW of electricity to the national grid, diversify energy by expanding solar and wind energy, rehabilitating 1,213 km of rail, 2980 km of roads, improve port management and increase its capacity by 50% by 2019, and continue to expand Information and Communication Technology (ICT) to remote areas. The plan encouraged the private sector and Public Private Partnership (PPP) in infrastructure development. In the service delivery the objectives were to: achieve universal education, and improve schools' environment (seating, textbooks, etc.), enhancing technical education and vocational training. increase supply of safe drinking water to all citizens, provide primary health care to all by investing in health infrastructure and increase health insurance coverage from 37 percent to 75 percent of the population by 2019, and combat malaria and TB. Expanding the social protection interventions was also a major goal for the Program.*

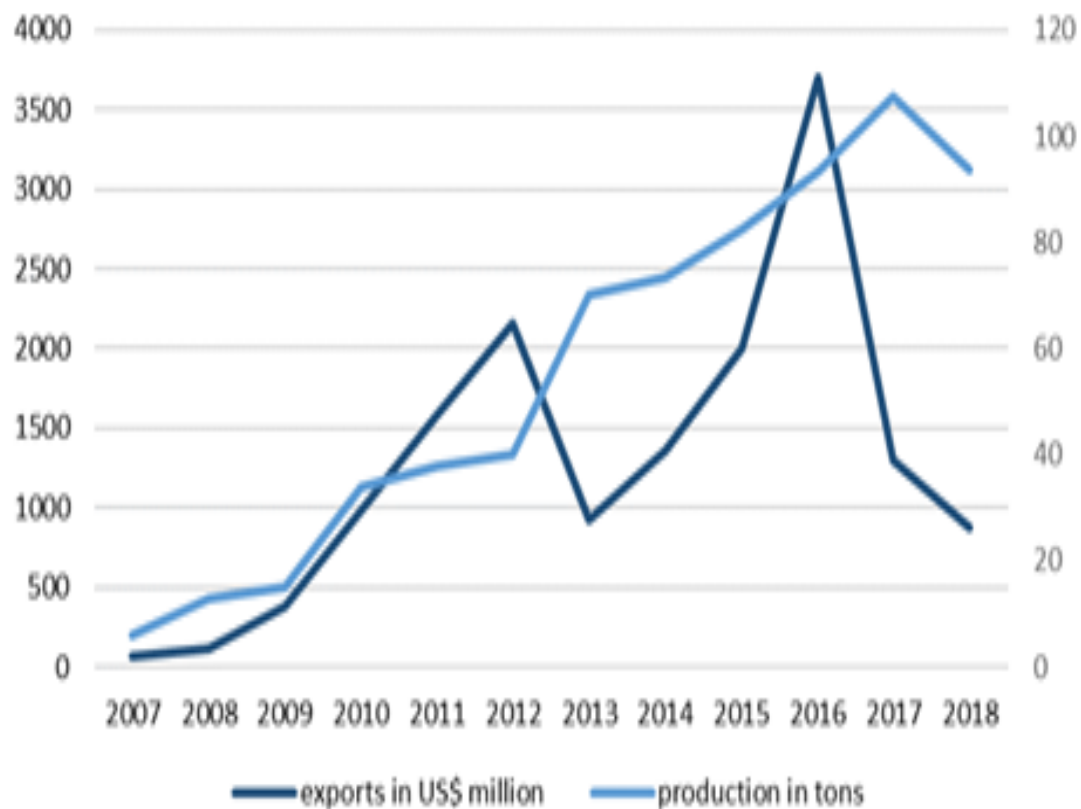
a) GDP sectoral contribution



b) GDP and sectoral growth rates

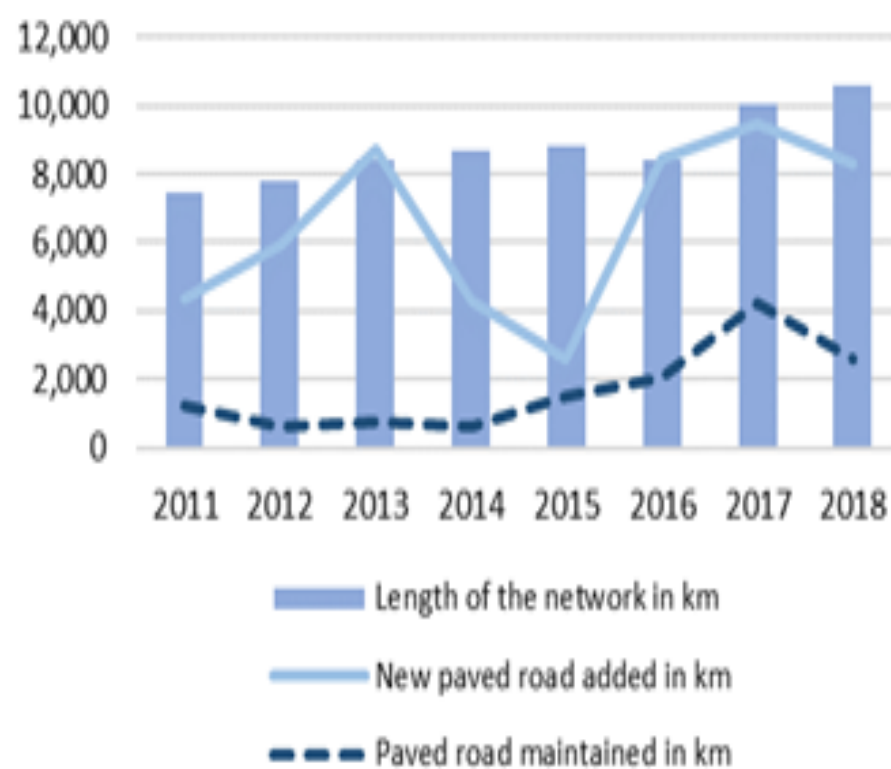


Source: Central Bureau of Statistics and Bank of Sudan Annual Reports



Source: Ministry of Minerals: features and figure about the performance of the Ministry of Minerals (in Arabic)

Paved roads 2011-2018



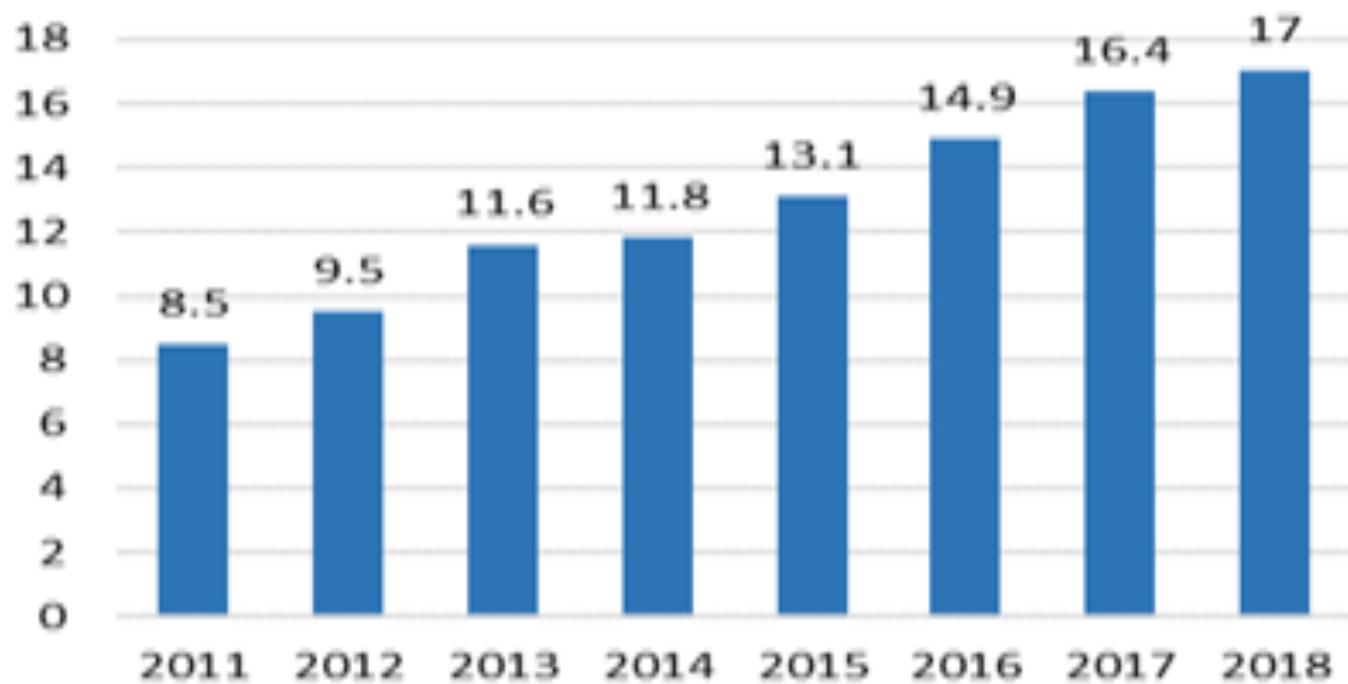
Road Regional Connectivity to Neighboring Countries (2011-2018)

Road	Distance in km	Countries connected
<u>New Halfa -Goustol</u>	22	Egypt
<u>Genina-Zalengi-Aderi</u>	178	Chad
<u>Gadanief- Doka - Gallabat (rehabilitated)</u>	145	Ethiopia
<u>Toker -Garora</u>	180	Eretria
<u>Kassala -Allaffa</u>	26	Eretria
<u>Al Gableen- Al Renk (completed before 2010)</u>	97	South Sudan

Source: Ministry of Transport and Bank of Sudan annual reports 2011-2018

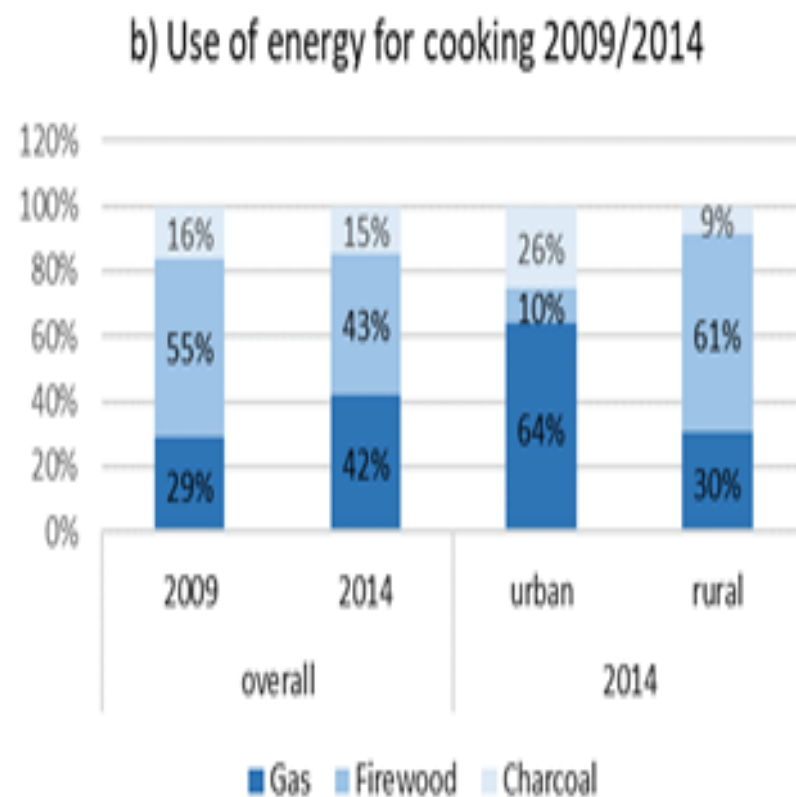
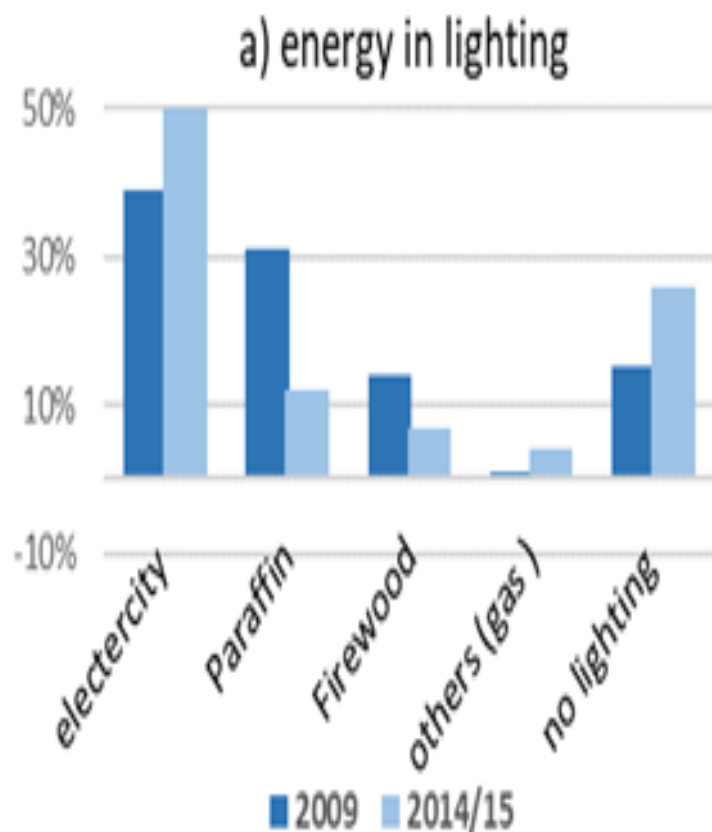
Energy

The government during 2011-2018, using its own resources and Arab Funds financing, invested considerably in thermal and hydro power generation and distribution. Investments included Merwe Dam in 2011 (1250 MW), Heightening of Rosiers Dam in 2013 (90 MW), Umdabaker Thermal station -Kosti- in 2016 (500 MW), Upper Atbara and Setiet 2017 (320 MW). Power generation capacity doubled in just a few years, rising from around 8,455 GWh in 2011 to 17,064 GWh in 2018. Sudan also utilized excess of supply of electricity in the region by importing electricity from Ethiopia. Despite this development, the ever growing demand for power regularly exceed supply available resulting in frequent power outage and prolonged voltage brownouts.



Source: Ministry of Water Resources and Electricity

- *Traditional biomass still provides most of the energy needs of the local population. Electricity as a major source of lighting has increased in 2014 where 51 percent of population received their lighting source from electricity compared to 39 percent in 2009. However, about a quarter of the households are still using other sources for lighting like paraffin lamps and firewood; the remaining quarter of the population are without lighting. Both paraffin and firewood declined as a source of lighting in 2014 compared to 2009, being replaced with electricity*

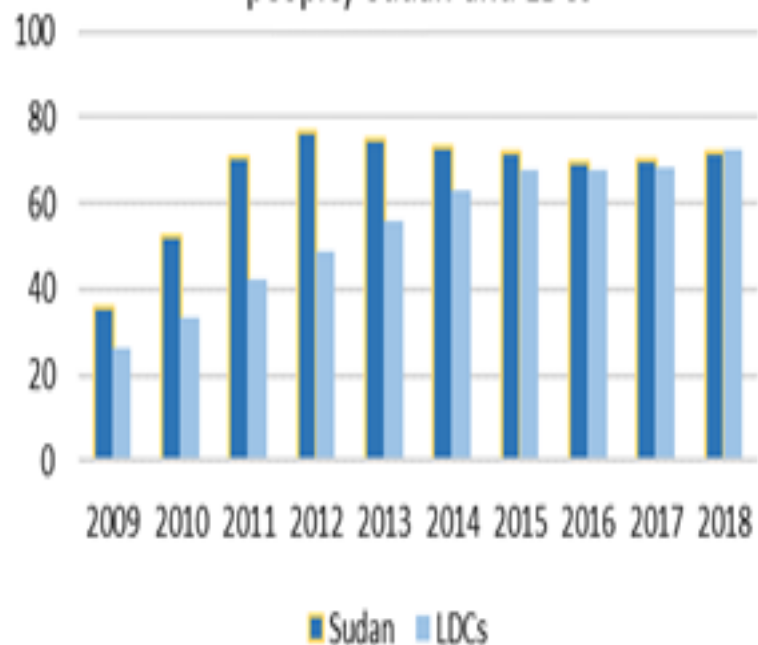


Source: CBoS, NBHS 2009 and SWNBHPS 2014/2015

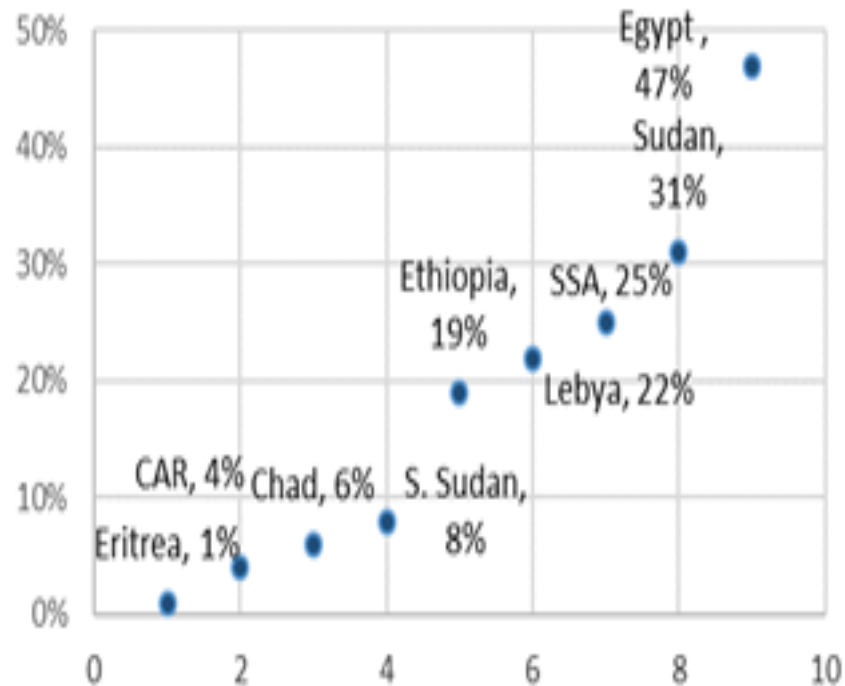
ICT

Sudan has made impressive strides in liberalizing its ICT markets as one of the most liberalized markets in Africa. There are four licensed telecommunications operators in Sudan: Zain, MTN, Sudatel, and Canar. All are fully owned by foreign companies with the exception of Sudatel, in which the government owns a 22 percent share. Recent connectivity to an undersea fiber-optic cable has led to expansions in access, improvements in quality, and reduction in prices of telecommunications. The sector was supported by adequate regulatory framework during 2011-2018 including: Combating Cybercrimes 2018; Company's Unified Number Act of 2015; Electronic Transactions Act of 2015; and Press and Printed Press Materials Law 2015 (revision of 2004 law) with the aim of regulating online media and providing a legal framework to prosecute online journalists. Online news outlets, social media, and communications platforms did not face restrictions

a) Mobile cellular subscription (per 100 people)-Sudan and LDCs



b) Users of internet as % of population SSA and neighbouring countries

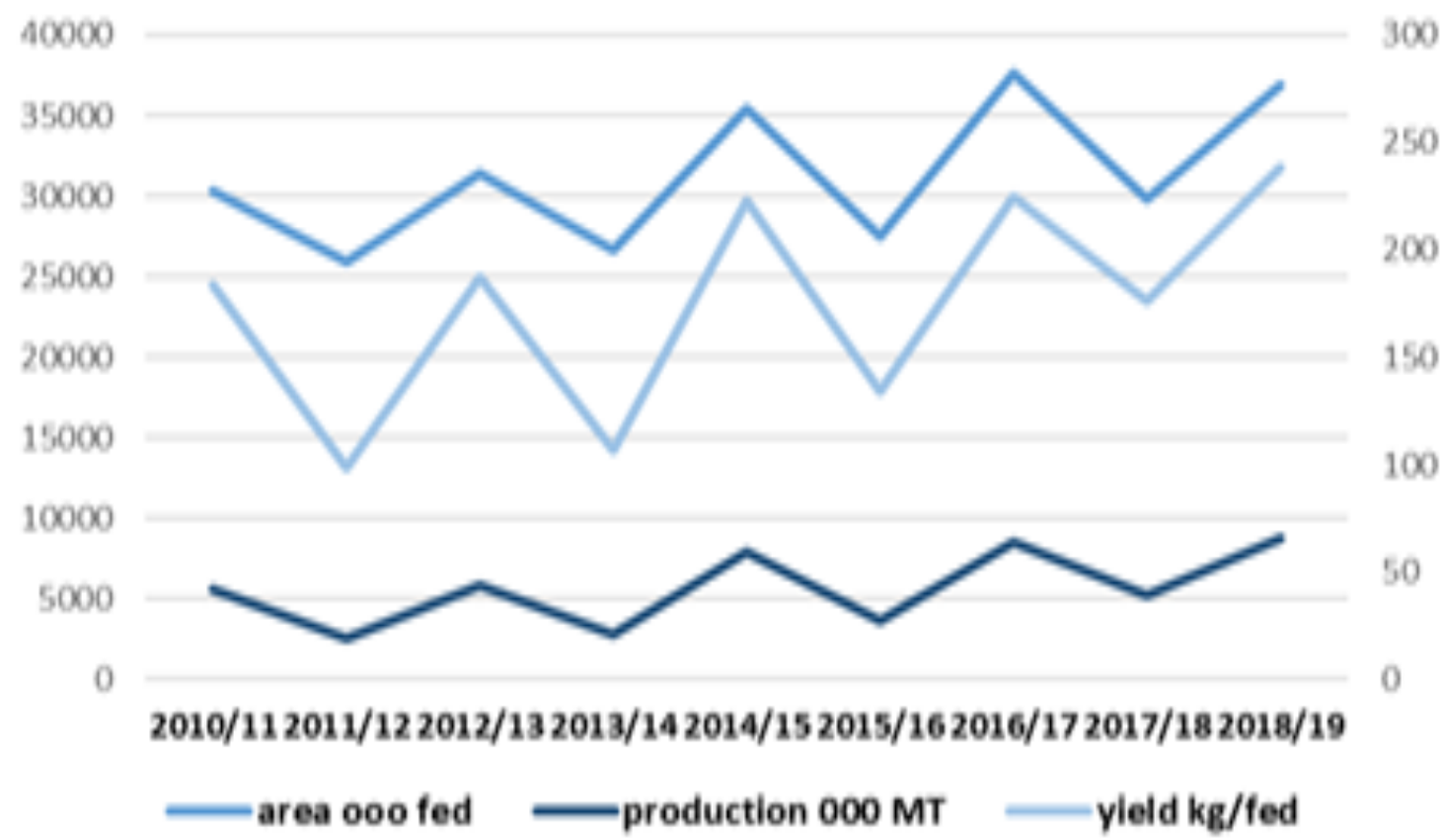


Source: World bank data

Agriculture

- *The discoveries in the oil sector in early 2000 have led to the negligence of agriculture. Following the loss of the oil, the main government policy was to restore growth in agriculture as a leading sector. Agriculture is also predominately rain-fed in Sudan, where the majority of the population live, thereby impacting the food security in the country. Several strategic plans were developed to revitalize agriculture. Agriculture with the significant resources it has, was considered as major pro-poor sector in the IPRSP to achieve source and diversification of growth, exports employment, poverty reduction and food security. Policies including assistance to small producers, improve productivity by improving agriculture support services and markets, increase investment in infrastructure development and reform land tenure were advocated. FAO has also prepared a Plan of Action (2015-2019) with the objective of addressing the key challenges of food insecurity, malnutrition and rural poverty in hazard-prone areas of Sudan*

- *This is to be achieved by strengthening the resilience of vulnerable smallholders through a cohesive programme supporting relevant household livelihood-protection and recovery, equitable and sustainable management of natural resources and agriculture development initiatives. Sudan has prepared the National Agriculture Investment Plan (SNAIP) 2016-2020, which maps the investments needed to achieve the Sudan Comprehensive Africa Agriculture Development Program (CAADP) target of six percent annual growth in agricultural sector and an allocation of at least 10% of public expenditures to the agricultural sector in accordance with the African Union (AU) Summit in Maputo, Mozambique, in 2003 as an integral part of the New Partnership for Africa's Development (NEPAD). The main themes/investment areas of the SNAIP are: enabling environment for sustainable agricultural development, institutional reform and capacity building, increasing agricultural production and productivity, development of agricultural support services, agricultural industrialization, development of value chains and market access, land tenure, natural resources management, including and realization of food security and nutrition.*



Education

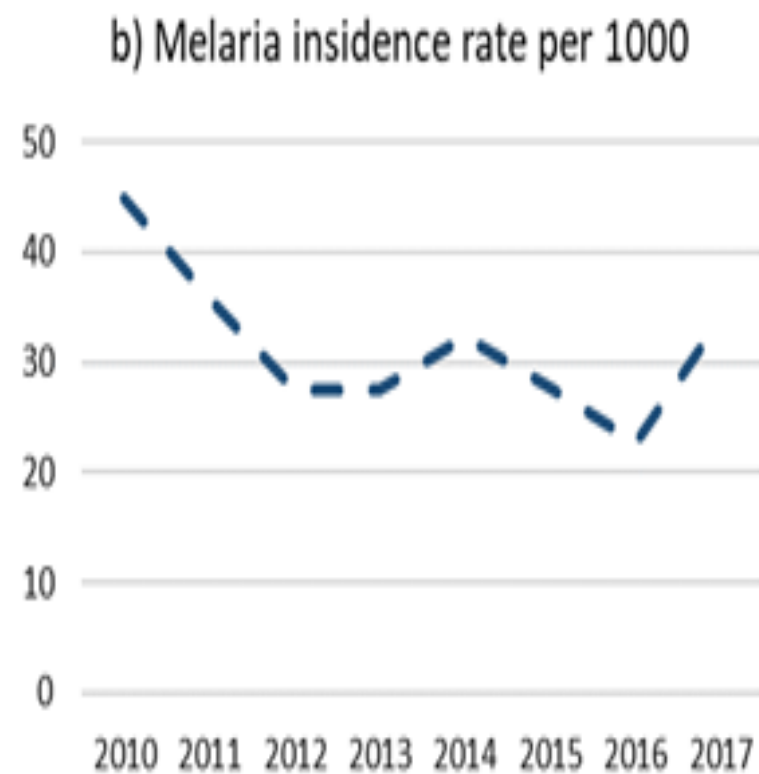
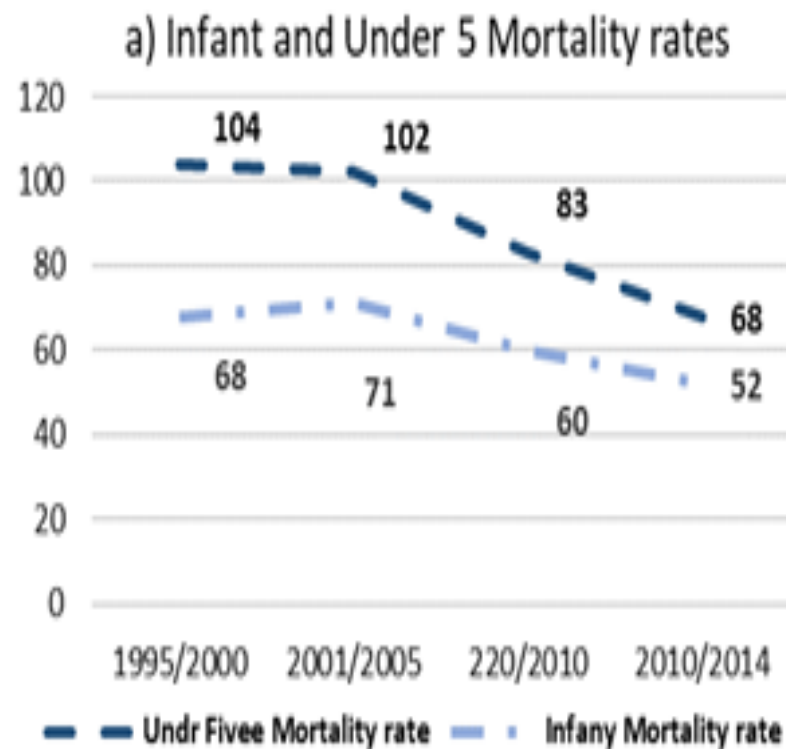
- *Despite an increase in enrolments in general education, Sudan has more than three million out-of-school children aged 5-13 years , which is the highest out-of-school rate in Northern Africa. The causes include poverty, gender inequity, poor school environment in some schools (lack of latrines in girls' schools, mixed schools, lack of fencing), disability, conflict, displacement, and high out of pocket expenses. The Ministry of Education developed and adopted a number of national sub-strategies and frameworks aimed at increasing access to education for marginalized children. They include strategies for education of nomadic groups, girls, and children with disabilities. Moreover, the government adopted the 'Child Friendly School' concept to improve education quality and learning achievement. Implementation of these strategies has shown some positive results. The National Council for Literacy and Adult Education has been implementing the Alternative Learning Program for out-of-school children.*

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Basic education							
Gross enrollment rate	69	70	71	70	70	71	73
boys	72	73	74	72	72	73	74
girls	66	67	68	68	68	70	71
Out of school children (million)		2.3	2.6	2.6	2.6	2.5	2.4
Secondary education							
Gross enrollment rate	30	36	37	40	40	40	40
boys	30	36	37	41	39	39	38
girls	31	36	38	39	41	41	42
Vocational and technical education							
VTE enrollment as % of sec. educ.	3.3	3.0	2.9	2.6	3.9	3.0	2.3
Tertiary education							
GER	15.9	16.0	15.6	15.8	17.8	17	NA
boys	16.6	17.3	16.0	16.8	17.5	17.2	NA
girls	14.5	15.7	15.2	14.9	16.5	16.9	NA

Source: Ministry of Education VET and tertiary from UNESCO – Institute of statistics and out of school

Health

- *Sudan managed to design and implement a relatively sound health programs. The health sector planning in Sudan is governed by the 25 Years Health Strategic Plan (2007-2031). The Republic of Sudan's Health Sector Strategic Plan (HSSP) for 2012-2016 forms the second stage of Health Strategic Plan, the first one being 2007-2011, with the continuation of work in the third plan HSSP 2017-2020. In view of the government commitment to the recently UN adopted 2030 Agenda for Sustainable Development Goals (SDGs), the government formulated the National Health Policy (2017-2030) as part of the SDGs agenda. The government also formulated the National Health Policy (2017-2030), Health Finance Policy 2016 and Health Financing System Review 2014. Health is also among pro poor sectors identified as a priority sector in the IPRSP. The strategic direction for the health sector as stipulated in these plans and policy declarations is to: (i) decrease maternal and under 5 morbidities and mortalities; (ii) decrease the morbidities and mortalities of communicable and non-communicable diseases; (iii) reduce inequities in health; (iv) the poor are to enjoy essential health package; (v) strengthen the health governance; (vi) avail people-centered family health services to the population across all states and localities; (vii) strengthen the resilience of health and community systems to adapt, absorb and transform in response to different types of emergencies and changes.*



Source: UNICEF: Sudan Household Health Surveys 2000, 2006, 2010 and Multiple Cluster Survey 2014

Conclusion

Towards the next LDC agenda

- *Several measures and priorities will be taken by Sudan to continue the efforts undertaken over the past 10 years to eradicate poverty and achieve sustainable development. Achieving transformation of the economy by promoting the industrial sector which is characterized by higher productivity and increasing value added in the economy will be a priority. Increasing agriculture productivity, and combating livestock diseases and increasing livestock modern infrastructure will receive a priority. Priority will also be given for infrastructure and improving road, rail river and air connectivity, including regional road, rail and river transport connectivity with neighboring landlocked countries (Chad, Central Africa, South Sudan and Ethiopia) and with the coastal gateway of Port Sudan. Developing new energy sources like solar and wind while investing in utilizing the natural resources of the country like oil and gas within sound environmental practices, will receive due attention.*