

Midterm Review of the Istanbul Program of  
Action for the Least Developed Countries (LDCs)



**\*Sudan Progress Report**

National Focal Points Meetings of the LDCs on the implementation of the  
Istanbul Program of Action

**27 March 2016**

\* (Country National Report still under preparation by National Committee)

## KEY FACTS: SUDAN

Country	Sudan	Source
<b>Geographic Location</b>	Sudan is located in northeastern <a href="#">Africa</a> . It is bordered by <a href="#">Egypt</a> to the north, the <a href="#">Red Sea</a> to the northeast, <a href="#">Eritrea</a> and <a href="#">Ethiopia</a> to the east, <a href="#">South Sudan</a> to the south, the <a href="#">Central African Republic</a> to the southwest, <a href="#">Chad</a> to the west and <a href="#">Libya</a> to the northwest. Sudan is the third largest country in Africa.	
<b>Land Area</b>	728,200 mi <sup>2</sup>	
<b>Population</b>		
Population	30,504,166	Census 2008
Urban Population	8,998,728 (29.5%)	
Rural Population	18,760,062 (61.5%)	
Nomads	274,537,494 (9%)	
<b>Government</b>		
Type of government	Elected	
Seats held by women in national parliament	27%	2015
<b>Economy</b>		
GDP Per Capita USD	1,753.4	2013
GDP Growth rate	(6%)	2013
<b>Social Indicators</b>		
Human Development Index	0.473 (rank 166)	2013
Human Development Index rank by gender	0.628	2013
Unemployment rate	16%	Census 2008
Poverty rate	46%	National Poverty Survey 2010
Life Expectancy at birth (years)	59	Census 2008
Infant Mortality Rate	52 (per 1000 live-births)	MICS 2014
Under 5 mortality rate	68 (per 1000 live births)	MICS 2014
Maternal Mortality Rate	216 (per 100,000 live-births)	SHHS 2010
Adolescent Birth Rate	87%	MICS 2014
Total Fertility Rate	5.2	MICS 2014
Women married before age of 18	38%	MICS 2014
Contraceptive Prevalence Rate	12.2%	MICS2014
Unmet Need for Family Planning	26.2%	MICS2014
Caesarean Section Rate	9.1%	MICS2014
Skilled attendant at delivery	77.7%	MICS2014
Deliveries in HF	27.7	MICS2014
HIV Prevalence Rate (among the general population)	0.67	IBBS Survey
Net enrolment rate in primary education	51	SHHS 2010
Net enrolment rate in secondary education	45	SHHS 2010

## **Country Context**

Sudan is situated in northern Africa, with a coastline bordering the Red Sea. It sits at the crossroads of sub-Saharan Africa and the Middle East, with fertile lands, abundant livestock, and manufacturing. However, the country has been beset by conflict for most of its independent history.

Under the terms of the 2005 Comprehensive Peace Agreement, the southern states seceded to form the Republic of South Sudan in July 2011. The secession of South Sudan induced multiple economic shocks. The most important and immediate was the loss of oil revenues (Sudan lost almost 80% of its oil resources) which accounted for over half of government revenues and 95% of exports. With the secession, the country also lost 30% of its total land size, 25% of its population and nearly 75% of its forest resources. This has left huge macro-economic and fiscal challenges, much reduced economic growth, and double-digit consumer price inflation and increased fuel prices.

**National Development** of – socio- eco – trends to counter & meet the challenges that face Sudan after the secession of South Sudan and to meet the effects of loss of resources due to that the government undertake the 5years Economic programme for socio economic reform and economic stabilization,

**The main goals of this 5 years economic programme 2015 – 2019 are:**

- (1) Economic planning & strategic planning as per our 25 Strategic Plan.
- (2) Mobilization of resource for economic development.

- (3) Improve and increase productivity of Agricultural & Industrial sector for export chains and export improving especially not oil exports.
- (4) Meet market needs and improve national trade and make plan to join WTO
- (5) Increase quality & quantity of education (basic and high education).
- (6) Improve development & social balances, especially at state and local levels.
- (7) Improve political participation and National dialogue.
- (8) Preparation and implementation of Poverty Reduction Strategy (PRSP)

### **Productive capacity**

**Transport service** in Sudan is dominated by road transport which provides over 90 percent of inland transport services in Sudan. The total road network in Sudan is estimated to be 32,425 km, including both paved and unpaved roads for all types of roads (national highways, State local roads, and ( cities urban roads) The road density is low as 1.3 km per hundred square kilometer, The poor quality of the existing roads negatively affects the efficiency of road transport services. Estimates show that about half of paved roads require rehabilitation.

Inadequate funding for road maintenance and lack of cost recovery is causing rapid deterioration of the quality of the existing roads<sup>1</sup>.

**Access to adequate and secured housing** is also one of the issues facing the poor segments in towns and cities. This is mainly due to high cost of housing and limited financial resources available to poor households.

**Despite the significant increase in electricity generation** and distribution, following establishment of Merwai Dam, but still electricity supply in Sudan is enjoyed by only 22 percent of the population either from the national grid or isolated electricity networks.

**Other sources of energy like gas** for cooking and lighting uses are enjoyed by a limited number of the population. Only 29% of the households use gas for cooking (50% in urban areas and 20% in rural areas) while about 70% of the households use firewood and charcoal. Moreover, about 80% of rural households still depend on firewood and charcoal for cooking.

**The government has initiated a number of programmes/** interventions in order to deal with the negatives impact of macroeconomic reforms including Zakat Fund support, initiative microfinance projects, social funds and direct support for poor families. These initiatives proved effectiveness in enhancing access of the poor to financial resources, reducing poverty and enhancing food security. However, the coverage and adequacy remain limited. Therefore, the outreach of these programmes needs to be expanded especially in rural and disadvantaged areas. Moreover, realization of peace remains a prerequisite for reaching poor households in conflict affected areas.

- In relation to foreign trade, though theoretically barriers against Sudan exports are not prohibitive, the failure to expand and diversify exports is mainly due to factors relating to production and productivity, various types

of charges/fees, obsolete capital, unskilled manpower and excess capacity in the manufacturing sector, high transport costs and, recently, exchange rate appreciation. Sudan's exports composition in 2014, for example, shows that gold contributes about 29.2% of total exports, followed by oil products which comprise about 28.8%, then livestock (19.7%) and agricultural ones (15.3%) of which sesame only contributes 10.7% to total exports.<sup>2</sup>

**Anyhow FDI** has become a very important source of external financing for Sudan, and an important source of foreign exchange to support the country's recent current account deficits. FDI has grown substantially during the period from late 1990s up to the separation of the South. Main sectors involved have been oil, telecommunications and banking sectors.

## **Human and Social Development**

### ***Education***

The government policies are geared towards the provision of free and compulsory basic education for all. This commitment is reflected in the Interim National Constitution as well as in the Twenty-Five National Strategy 2007–2031.

In basic education, and in spite of the progress made in primary school net attendance ratio, still large number of children are out of school in conflict

affected areas, rural areas, and non-accessible areas as well as among nomadic population and girls.

The capacity of higher education institutions representing 10% of the population.

### **Population and primary health:–**

Some progress has been made in health indicators namely in malaria, infant mortality, child mortality and maternal mortality. Progress achieved in reducing child mortality is modest and more efforts are needed to further reduce the current rates of child mortality.

### **Water and Sanitation:–**

Access to safe drinking water and sanitation facilities is one of the important development issues in Sudan because of the necessity of such kind of services and the numerous challenges facing the government in rendering these services to the whole population.

The proportion of population with sustainable access to an improved water source reached 68.0 percent, and the proportion with improved sanitation stood at 32.9 percent.

Access to water and sanitation also varies according to pattern of living and standard of living.

### **Social Protection**

Social protection in Sudan is classified under social development and included central government contributions to the pension fund and to the social security fund, social subsidies that directly benefit the poor, which are mainly directed to

subsidizing electricity, free medication in emergencies only, free medicines for kidney dialysis and heart disease. In addition, direct support to poor students in higher education and primary and secondary education, medical staff for all health unit<sup>i</sup>.

### **Mobilizing Resources**

- expanding of the tax umbrella, reviewing tax exemptions of customs undertake institutional and technological changes for tax collection bodies and postponing accession to the customs unions .
- Eliminate, gradually, all subsidies, (Sugar,Wheat,Petroleum products) with due consideration to the negative social impacts created and the need to put in place an alternative protection system .

### **External debt**

Sudan has been increasingly crippled with accumulated large unresolved **external debt** which will have a direct impact on its development. Current external debt reached the volume of more than USD 45 billion representing about 71.4 % of GDP.

The government has taken several steps to meet the requirements of the (HIPC) criteria, such as: (i) Satisfactory macroeconomic performance, (ii) release and approval of the interim poverty reduction strategy in June 2012. However, the issue of external debt has remained unresolved due to a number of reasons.

### **Multiple crises and other emerging challenges**

Sudan as a party in the environmental conventions, such as the Convention Framework on Climate Change and the Convention on biological diversity, and

since joining them deliberately to build institutional and human capacity to implement these agreements were conducted many researches and studies in order to provide information and raise knowledge in the fields of development planning. The most important achievements is the development of national plan for adaptation to climate change (National Adaptation Plan (NAP), national strategy been prepared and strategic national plan of action for the biodiversity for the years 2015– 2020, the National Strategy for Clean Development Mechanism

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### **The Main Lesson Learned**

- Developing agriculture as the backbone for livelihood & for eradicating poverty and unemployment as well as compensating for the lost opportunities because of war and conflicts.
- The industrial sector remains one of the main pillars of development and the main supporter of any agricultural leap. Efforts need to be exerted to exploit unutilized capacities, reaching self-sufficiency and achieving food security.
- The future strategy should aim at restructuring the economy and creating forward and backward linkages as well as vertical and horizontal integration in a diversified self-sustaining economy. Moreover, aim at expanding the role of the private sector. This should be in contrast with the prevailing strategy of dependency on the extractive (of non-renewable) activities and on few agricultural products/exports.

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- The utilization of non-renewable resources need to be undertaken having in mind: its non-renewable nature, future generations, value-added opportunities and most importantly how to utilize its revenues for diversifying the economy.
  - Linkages between agriculture and manufacturing – agro-industry – need to be developed e.g. food industries, textiles.
  - Stability and expansion of oil should remain as main goals. This includes explorations and production of gas and securing local demand for oil products.
  - Exploiting mineral resources, promoting its value added/manufacturing, integrating traditional mining into the economic cycle and developing local communities. All this should be undertaken in consideration to environment and development sustainability.
  - As stated in the recent five Years Programme, it is of high priority to achieve economic stability and the leap in all economic fields, increasing production and productivity and providing employment opportunities by utilizing resources (human and capital) and economic partnerships opportunities with brother economic partners. Increasing revenues and cutting/rationing expenditures, to maintain equilibrium, expanding exports and reducing imports to offset the balance of payments deficit and maintain the exchange rate,

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- Improving the infrastructure, e.g. water and electricity sectors to implement efforts in the agriculture and manufacturing sectors. In this regards, expansion and optimum utilization of water sources should be sought. Shortage in water supply in some areas needs to be solved and the share of water/person in rural and urban areas increased. The transport sector, affecting all production and consumption sectors, should be developed.
  - Implementing the reform programme of the state apparatus, renewing its structure, and managing weaknesses, shortcomings, inabilities, for implementing a comprehensive reform for achieving political stability and governance.
  - Accessibility of basic social services is a major priority area due to the numerous challenges affecting accessibility of these services which include: shortage of facilities and personnel, inadequacy of infrastructure, increasing cost of services, wide spread of poverty, shortage of funds and prolonged conflict and violence.
  - The main issues and immediate needs in education are to extend the coverage of basic education, reduce inequities through better distribution facilities and cadre, build institutional and management capacity for better planning and implementation of strategies.
  - More emphasis needs to be placed on improving access to education in rural areas, to utilize education planning as a social cohesion mechanism.
  - In health, the important to achieve and increase the service coverage to include the majority of the population particularly in the disadvantaged

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conflict affected and rural areas. In this respect, investment in infrastructure and human resources, as well financial and technical support to service delivery, are quite essential. Moreover, policy reforms and capacity building need to be considered.

- Improving equitable coverage and accessibility of integrated primary health care and ensuring high quality primary, secondary and tertiary health care are the major priorities for service provision.
- Access for basic health services for specific vulnerable groups (especially for nomads, IDPs, returnees and refugees) need be given high priority.
- With regard to water and sanitation, the important priorities are: to increase the coverage of safe water and sanitation services, to strengthen management, to build sector capacity, and to encourage community ownership and sustainability.
- The development agenda for the infrastructure sector are mainly maintenance of infrastructure, development of capacity and systems, and reform to improve safety, security and performance.
- Social protection and productive safety nets are not able to cope with the growing number of the needy people and vulnerable groups. Finance, management, innovation, coordination and the graduation on the long run and issues are among the main priorities.
- The Specific Protection issues needs to be considered, including gender based violence, violent child discipline, discrimination and access to services and access for women to education.

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- Pro-poor focusing of basic services provision is a top priority agenda.
    - Creation of a conducive environment for private development is a priority, through reducing excessive regulatory burden and creation of a competitive environment.
    - There is need for improving equitable access to basic services and service and service delivery to communities and participation of communities in governance processes at local levels.
    - Support to local governance in areas of taxation, local level planning and management of government assets is a priority.

**The Main Challenges:**

- The negative effects of the secession of southern Sudan on the oil sector and serial effects on other sectors such as the fuel used for transport and communications, electricity, agriculture and other sector.
- Decrease in world oil prices and its impact on the readiness of the partners to repay the cash flows in the specified time, the high cost of oil exploration and production.
- Raise the proportion of oil extraction and what you need from the application of scientific methods and modern technologies.
- The growing consumption of petroleum products and the need to be provided to cover domestic consumption.
- The lack of opportunities for training and capacity building in the petroleum industry.

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- Economic sanctions protracted direct and indirect impact on the water and sanitation sector.
  - Limited government contributions, especially sanitation and hygiene.
  - The high illiteracy and technical ratio.
  - Continuity problem of dropping out of school.
  - Low-level skills and technical elements of the learning process.
  - Weak institutional rehabilitation, especially in rural schools.
  - The difficulty of access to assets and credit.
  - Limited access to the targeted microfinance in rural areas.
  - High unemployment, especially among youth.
  - Low and vocational skills training and low coverage of social effects protection.
  - Effects Climate changes Mitigation and their impact on production.
  - Low productivity rates and agricultural and livestock production.
  - Poor response to modern technology and technical packages in various activities.
  - High maternal and child mortality, especially in conflict affected zones.
  - Lack of awareness of the reasons for the AIDS.
  - Weak awareness among rural women.
  - The low percentage of women's participation in decision-making process.

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## **Graduation**

- Time is not yet suitable for Country graduation due to some reasons:
  - Sudan is still post conflict country.
  - Still conflict mitigation & process building in Darfur (under process).
  - Country lost more 70% of resources due the separation of South Sudan.
  - Effect of Climate change on population & also desertification effect.
  - Country greatly affected by economic sanction since 20 years ago.
  - Poverty line is 46% according to the last Household & Poverty and Budget Survey.