



AfDB-RDGE COUNTRY PROFILES

SUDAN

SECTION 1 – COUNTRY OVERVIEW

Geography and Demography

- **Location:** Sudan is located in north-eastern Africa, bordering the Red Sea on the eastern side; Egypt to the north; Libya, Chad and the Central African Republic to the west; South Sudan to the South; and Ethiopia and Eritrea to the east.
- **Topography:** The country has widely separated mountain chains. Many hilly areas often reach altitudes of more than 2,000m (6,500 ft) above sea level. The northern area is mainly desert, with a rocky surface, covered by thin soils of low fertility. The western undulating sandy wastes merge into the Red Sea Hills to the east.
- **Landmass:** 1,886,068km², making it Africa's third-largest country by land area. Its capital is Khartoum, while its largest city is Omdurman.
- **Population:** Estimated at 43.849,269 million at the end of 2020, according to United Nations data (in the absence of an official census). About 34.2% of this population is urban and the rest (65.8%) is rural.



Governance and Political Structure

Country-wide demonstrations led to a regime change and inauguration of a transitional government in August 2019. The country is presently being run by a Transitional Government, led by a military and opposition coalition. General elections to select a new government are scheduled for July 2023.

The legislature is bicameral and Sudan is divided into 18 states. The current constitution was adopted on July 6, 2005. The National Legislature and the President have the authority to propose amendments to the constitution. The legal system is a mixture of Islamic Law and English Common Law. The Cabinet is appointed by the President, who is elected by absolute majority of the popular vote. The current Transitional Government is planning for a new constitution before the general elections in July 2023.

Economic and Social Statistics

GDP growth and capita income:

GDP growth (2020)	-8.7%
GDP (2020)	\$33.83 billion
GNI per capita (2020)	\$650

Source: African Economic Outlook - African Development Bank



Economic mainstay: Sudan's economy depends on agriculture, which accounts for about 30% of the GDP and employs 65% of the labour force. The main products are cotton, groundnuts, sorghum, wheat, gum arabic, sugar cane, cassava, bananas, sweet potatoes, sesame seeds, animal feed, sheep and other livestock. The services sector comprises a big share of GDP of about 48%, but contributes little to employment. The industry sector share in GDP has risen, but remains low at 22%, but offering a limited number of jobs.



Poverty levels and human development: Poverty rose from 36.5% in 2015 to 55.4% in 2020, aggravated by hyper-inflation, and the COVID-19 pandemic. The 2020 Human Development Report rated Sudan in the low human development category with a ranking of 167 out of 189 countries, and a score of 0.502. Sudan's income inequality indicator measured by Gini Coefficient fell from 35.4% in 2009 to 34.2% in 2014, driven by falling inequality in rural areas.



Education and literacy: In 2018, the adult literacy rate was 60.7%, having fallen gradually from 61.3% in 2000.

Life expectancy:

Overall life expectancy at birth (2019)	64.5 years
Life expectancy for males	63.4 years
Life expectancy for females	66.9 years



Inflation: Inflation continued to climb from 82.4% in 2019 to 153.6% in 2020. It increased substantially in July 2021, raising projected inflation for 2021 to 307.8%, owing to a package of reforms, including the removal of fuel subsidies and exchange rate unification. It is expected that inflation will come down gradually as a result of economic reforms supported by the IMF and the Bank. The projection for 2022 is inflation of 167.4%.

Unemployment:

National unemployment rate	15% (2019)
Youth unemployment rate	26.7% (2019)

Source: World Bank Database



Gender: Sudan has low gender equity and inclusion rankings. Implementation of the 2007 Women Economic Empowerment National Plan has been limited. The country scored 0.316 on the Africa Gender Index (African Development Bank/ UNECA 2020). Sudan has a satisfactory social dimension index (1.054). However, it has very low scores on the empowerment and representation dimension (0.077).



Reforms: The main reforms include:

- Exchange rate unification, including custom tariff rates.
- Removal of fuel subsidy.
- Reducing energy subsidies by gradually transitioning to cost-reflective tariffs.
- Increasing the share of renewable energy and encouraging private sector participation in the power sector.



Industrialisation: Despite Sudan's huge agro-industry potential, the sector continues to be dominated by low-productivity pastoralism and rain-fed farming. The previous government's strategies to promote inclusive and sustainable agro-industrialisation achieved limited success, as the sector has continued to perform below its potential. The Bank will be supporting the Government of Sudan to prepare an industrialisation and trade strategy in 2022 to unlock the potentials.



National development strategy: The current main national development strategy document is the Poverty Reduction Strategy Paper 2021-2023. The Strategy Paper has five main pillars:

- Promoting Macroeconomic Stability;
- Fostering Inclusive and Sustainable Economic Growth;
- Boosting Human and Social Development;
- Promoting Peace and Providing Equal Opportunities for all Sudanese; and
- Strengthening Governance and Institutional Capacity.

The Government is also preparing a long-term planning document with the support of the African Development Bank. It is called "Sudan Vision 2040".



Regional integration: Sudan is a member of several regional communities and the African Continental Free Trade Area (AfCFTA), but a lot needs to be done on implementation and trade policy reforms to reap the benefits. Sudan is also working on accession to the World Trade Organisation (WTO), a process which has the potential to drive reforms in the country's trade policy. The lifting of international sanctions improves prospects to attract investments that can contribute to economic diversification and trade through the AfCFTA and regional markets.

SECTION 2 – AfDB COUNTRY STRATEGY

The African Development Bank in Sudan

The African Development Bank (AfDB) started its operation in Sudan in 1964, and has made a cumulative commitment of over \$2 billion in the country (as at September 2021), mainly in energy; agriculture; water supply; sanitation; social sectors (health, education, service delivery); and multisector (governance and policy dialogue).

Current Country Strategy

Key focus areas: The Bank's Country Brief (CB) 2017-2019 was extended to December 2021.

The objective of the CB is to contribute to inclusive growth, sustainable development and job creation. The Bank is improving governance and removing institutional capacity constraints that impede the delivery of basic social services. It is undertaking targeted operations that directly deliver basic social services to the poor and vulnerable, and strengthening agricultural value chains. Further, the Bank is enhancing innovation in agriculture to improve productivity. The Bank is also supporting agricultural entrepreneurship, especially for young men and women. Specifically, the Bank is pursuing two key development pillars:

Pillar 1: Capacity Building for Improving Social Service Delivery.

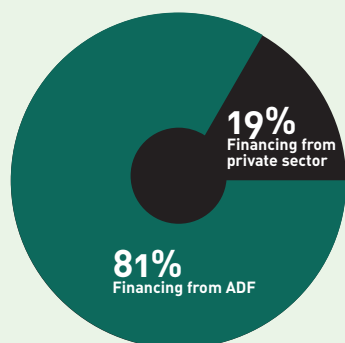
Pillar 2: Agriculture for Job Creation and Livelihoods.

SECTION 3 – AfDB COUNTRY PORTFOLIO, FINANCING INSTRUMENTS, AND IMPACT

Portfolio

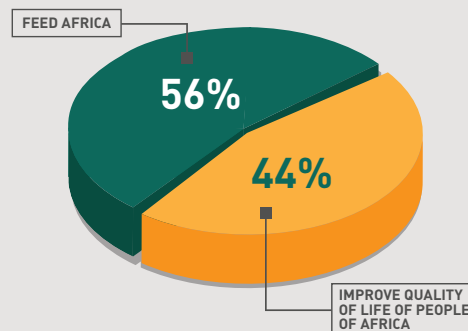
Commitment: The Bank's current Sudan portfolio consists of 21 operations, representing a commitment value of \$718 million. The portfolio has 19 public sector projects financed through grants valued at about \$583 million, while two private sector operations are financed through the private window valued at about \$135 million.

Financing Instruments: About 81 percent of the total portfolio is financed from the African Development Fund window and 19 percent from the private sector window.



Total Bank Group financing during the Country Brief period: The operations are funded from ADF-14 (about \$316 million), ADF-15 (about \$132 million) and the private sector window (about \$135 million).

Distribution across the Bank's High-5s: (i) Feed Africa (56%) and (ii) Improve the Quality of Life of the people of Africa (44%).



Activity: The current work programme comprises 19 lending and 2 technical activities.

Donor coordination: The newly formed Sudan Partnership Forum constitutes a national mechanism to coordinate development assistance under the leadership and ownership of the Government of Sudan. The Sudan Partnership Forum, which is supported by development partners, is flexible and inclusive, and is organised into both sectors and programmes. The Sudan Partnership Forum focuses on aid coordination between the Government of Sudan and development partners at three levels: a strategic-political level; a highly coordinated implementation level; and at the sector-thematic working group. This will allow for speedy decision-making, updates and implementation. This simplified structure fits perfectly with the level of national implementation capacity, the length of the transitional period and the vast number of initiatives to be undertaken during this short time. The Bank is one of the founders of the Sudan Partnership Forum.

Private sector funding: The Bank has financed two private sector operations (DAL Group and Elnefeidi Group) dealing with agroprocessing for export. Consultations are ongoing with additional private sector players for possible financing.

Bank's completed projects: Some of the Bank's completed projects with the greatest impacts in Sudan include:

- The Capacity Building for Gender Participation in Peace and Economic Activities Project, and
- The Darfur Water Project for Conflict Resolution and Peace Building.

Recent non-lending work:

- After Two Decades of 'Solitude': Targeted Strategies for Quick Economic Wins;
- Inflation Dynamics;
- Impact of COVID-19 on the Sudan Economy;
- Financial Sector Diagnostic Study;
- Preparation of Sudan's long-term vision – Sudan 2040;
- African Economic Outlook;
- Country Risk Survey;
- CPIA Note; and
- Country Diagnostic Note.

Impact

The current Country Brief, which is aligned with the Bank's 10-Year Strategy and the High 5 strategic priorities, has recorded impressive achievements:

- Improved the level of income for youths through over 165 businesses established in five states (under the ENABLE Youth programme).
- About 2,000 women farmers trained in demonstration plots and field schools.
- Over 600 women trained in launching business start-ups.
- Adoption of climate change resilience strategies by women's groups, resulting in improved livelihoods and nutrition status among poor families.
- Better governance of the water and sanitation sector, leading to improved water supply and sanitation, greater access to health services, and increased social resilience among communities.
- Human development capital is expected to increase.
- Increased coverage of health insurance.
- Economic and social progress and poverty reduction.
- Strengthened governance and institutional capacity.
- Improved human resource capacity to plan, design, manage and deliver effective and sustainable safety nets and health services for the poor.
- Reduction in the friction between livestock and crop farmers.
- Improved livelihoods for young men and women.

Abu Ferwah Health Centre – White Nile State



BEFORE



AFTER

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Table fish production El gosiera YABIC- Geziera state



SECTION 4 – COUNTRY OFFICE STAFF LIST AS AT OCTOBER 2021

	Name	Title
1.	Mary Monyau	Country Manager
2.	Wigdan Mohamed	Secretary to the Country Manager
3.	Maurice Wanyama	Principal Country Programme Officer
4.	Yousif Eltahir	Senior Country Economist
5.	Duncan Ouma	Senior Country Economist
6.	Emilio Dava	Senior Fragility Officer
7.	Ammar Mahgoub	Administrative and Finance Officer
8.	Mohamed Ibrahim	Information and Communication Technology Officer
9.	Fatma Abdulrahim	Secretary/Receptionist
10.	Mohammed Matter	Driver
11.	Al-Sadig Mohamed	Driver

SECTION 5 – ADDRESS AND CONTACT INFORMATION OF COUNTRY OFFICE

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