



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 is to the north; Libya, Chad and the Central African Republic are to the west; South Sudan is to the south; and Ethiopia and Eritrea are 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 rock at or near the 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, driven by a deterioration of living conditions, led to a regime change and inauguration of a transitional government in August 2019 which was set to last till 2023. The transition government was made up of civilian and military components. However, a military takeover on 25 October 2021 ended the transitional arrangement. Since then, demonstrations by different civil society groups have taken place amidst mediation efforts by the UN and African Union.

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 may 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.

Economic and Social Statistics

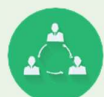
GDP growth and capita income:

GDP Growth (2021)	1.3%
GDP (2020)	\$33.83 billion
GNI Per capita (2020)	\$650

Source: African Economic Outlook - AfDB



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, at about 48%, but contributes little to employment. The industry sector share in GDP has risen, but remains low at 22%, offering a negligible number of jobs.



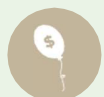
Poverty levels and human development: Poverty rose from 36.5% in 2015 to 55.4% in 2020 and 55.9% in 2021, aggravated by political instability, hyper-inflation, and the COVID-19 pandemic. The 2020 Human Development Report rated Sudan low in the human development category at position 167 out of 189 countries, with a score of 0.502. Sudan's Gini Coefficient income inequality indicator 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 51.0% in 2019 to 163.3% in 2020 and is estimated at 316.1% for 2021. It increased substantially in July 2021 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 International Monetary Fund and the African Development Bank. The projection for 2022 is inflation of 162.9%.

Unemployment:

National unemployment rate	18% (2020)
Youth unemployment rate	30% (2020)

Source: World Bank Database



Gender: Sudan has low gender equity and inclusion rankings, largely caused by weak execution of the 2007 Women Economic Empowerment National Plan. On the Africa Gender Index (AfDB/UNECA 2020) the country scored a gender index of 0.316.

Sudan has a very 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:

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



Industrialisation:

Despite Sudan's 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 country's potential.



National development strategy: The current main national development strategy document is the Poverty Reduction Strategy Paper (PRSP), 2021-2023. The PRSP has five main pillars, which are:

- i) Promoting Macroeconomic Stability.
- ii) Fostering Inclusive and Sustainable Economic Growth.
- iii) Boosting Human and Social Development.
- iv) Promoting Peace and Providing Equal Opportunities for all Sudanese.
- v) 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 Organization (WTO), a process which has the potential to drive reforms in the country's restrictive 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 –COUNTRY STRATEGY

African Development Bank in Sudan

The African Development Bank started its operations 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 2017-2019 was extended to December 2021, with two pillars of resilience building and addressing the root issues of fragility, and creating employment opportunities to address the core causes of the country's persistent fragility.

The Bank is currently in the process of preparing Sudan's new Interim Country Strategy Paper (I-CSP 2022-2024). The main objective of the proposed I-CSP 2022-2024 is to support the country to achieve inclusive and resilient economic growth and lay a foundation for structural transformation. It is anchored in two Priority Areas:

- **Priority Area 1:** Capacity Building for Improved Social Services Delivery, Governance, and Inclusive Growth; and
- **Priority Area 2:** Agricultural Value-chain Development for Structural Transformation and Improved Livelihoods.

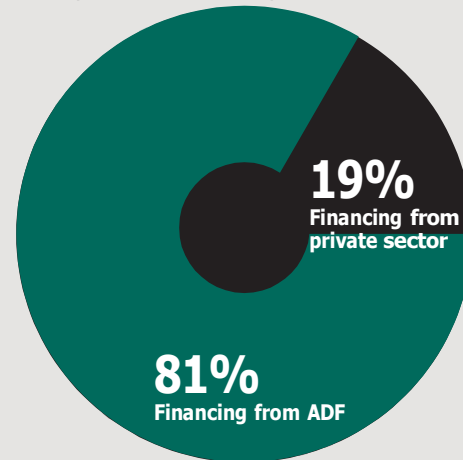
Priority Area 1 will focus on supporting Sudan to build institutional and human capacities, notably in PFM for improved economic governance, better social service delivery, and inclusive and resilient economic growth.

Priority Area 2 will prioritize support to the government to accelerate higher value-added production in agriculture, increase resilience to shocks and create jobs. The I-CSP is aligned with Sudan's new Poverty Reduction Strategy Paper (PRSP: 2021-2023).

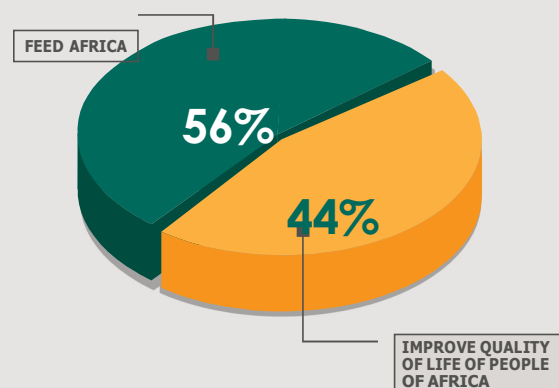
SECTION 3 – COUNTRY PORTFOLIO, FINANCING INSTRUMENTS, AND IMPACT

Portfolio

- **Commitment:** The Bank's current Sudan portfolio consists of 20 projects, representing a commitment value of \$719 million. The portfolio has 18 public sector projects financed through grants valued at about \$584 million, while two private sector operations are financed through the private window and are valued at about \$135 million.
- **Financing Instruments:** About 81 percent of the total portfolio is financed from the ADF 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 cycle (about \$132 million) and private sector window (about \$135 million)
- **Distribution across the Bank's High 5s:** (i) Feed Africa (56%) and (ii) Improve Quality of Life of people of Africa (44%).



- **Activity:** The current work programme comprises 19 lending activities and 1 technical assistance.

- **Donor coordination:** The newly formed Sudan Partnership Forum (SPF) constitutes a national mechanism for the coordination of development assistance under the leadership and ownership of the Government of Sudan. The SPF, which is supported by development partners, is flexible and inclusive, and is organized into both sectors and programmes.

The SPF focuses on aid coordination between GoS 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 and facilitate quick 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 part of the founders of SPF.

The Bank has financed two private sector operations (DAL Group and Elnefeidi Group) dealing with agro-processing for export. Consultations are ongoing with additional private sector players for possible financing.

- Some of the Bank's completed projects with the most impact in Sudan include Capacity Building for Gender Participation in Peace and Economic Activities (CB-GPPEA) and the Darfur Water Project for Conflict Resolution and Peace Building, both of which transformed the Darfur region and improved lives, reducing conflict.

- **Sectors:** The Bank's operations are in various sectors, including agriculture, water supply and sanitation, power, social (health, education, service delivery) and multi-sectors (policy support, governance).

- **ADF-16:** The indicative pipeline consists of about 12 sovereign projects.

- **Private sector window:** In addition to the two ongoing Bank-funded non-sovereign projects, there are five projects at dialogue for future consideration.

- Recent non-lending work includes:
 - i) "After Two Decades of 'Solitude': Targeted Strategies for Quick Economic Wins"
 - ii) Inflation Dynamics
 - iii) Impact of COVID-19 on the Sudan Economy.
 - iv) Financial Sector Diagnostic Study
 - v) Preparation of Sudan's long-term vision – Sudan 2040
 - vi) African Economic Outlook
 - vii) Country Risk Survey
 - viii) CPIA Note
 - ix) Country Diagnostic Note (CDN).

IMPACT

The Country Brief 2019-2021 was aligned with the Bank's 10-Year Strategy and the High 5 strategic priorities, and recorded impressive results:

- 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 start-up businesses.
- Adoption of climate-resilient strategies by women's groups, resulting in improved livelihoods and nutrition 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



Tomato and cucumber production, ARC Yabic Geziera state, Medani



Table fish production El gosiera YABIC - Geziera state



SECTION 4 – COUNTRY OFFICE STAFF LIST AS AT MAY 2022

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

SECTION 5 – ADDRESS AND CONTACT INFORMATION OF COUNTRY OFFICE

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