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PROGRAMME PLANNING

Country and intercountry programmes and projects

THIRD COUNTRY PROGRAMME FOR THE SUDAN*

Programme period | Actual resources programmed | $ |
------------------|-----------------------------|---|
                      | Carry-over from third cycle | 2 264 000 |
                      | Expected expenditures, 1987 | (1 500 000) |
                      | Other resources programmed | 44 088 068 |
                      | Total | 84 626 068 |

CONTENTS

I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES .......... 1 - 48 2
   A. Current economic trends .................................. 1 - 16 2
   B. National development strategies .......................... 17 - 25 5
   C. Technical co-operation priorities ....................... 26 - 42 7
   D. Aid co-ordination arrangements .......................... 43 - 48 11

II. THE COUNTRY PROGRAMME ...................................... 49 - 97 13
    A. Assessment of the current country programme ............ 49 - 60 13
    B. New programme proposal ................................. 61 - 96 16
    C. Unprogrammed reserve .................................... 97 26

Annex. Financial summary ........................................ 27

* Detailed listings of projects and other related data prepared as part of
the country programming exercise are available on request. These listings
include: (a) ongoing projects; (b) proposed projects; (c) distribution of
resources by objective; and (d) distribution of new country programme by sector.
I. DEVELOPMENT TRENDS, STRATEGIES, AND PRIORITIES

A. Current economic trends

1. The Sudan is at a critical point between decline and recovery. Development policies adopted during the past 25 years have not served the country well and are responsible for the present critical situation, which has been further affected by a decline in the terms of trade of the main export crops, a decline of the world economy in the 1970s, and by increased oil prices. The deterioration of the economy and the conflict in the south, which flared up again in 1983, have eroded resources as well as the confidence of potential investors. Recurrent drought and creeping desertification have exacted a heavy toll on the nation. Inequalities among regions and social groups have become more severe. After a period of stagnation between 1960 and 1970, and a respectable growth rate of 6.3 per cent, according to World Bank figures, during the period 1970-1982, the gross domestic product (GDP) has declined to LS 5,675 million ($1,290 million at a conversion rate of 4.4 Sudanese pounds to one dollar; the current United Nations operational rate of exchange, used throughout this country programme) in 1985/1986 (1981/1982 prices) - markedly lower than the LS 6,672 million ($1,516 million) attained in 1981/1982. However, the advent of a democratically elected Government and the policies outlined by it, particularly recent structural adjustment measures, offer an opportunity to reverse this decline and restore a basis for renewed economic growth using the country's considerable development potential.

2. Since the country became independent in 1956, several development plans have been adopted. While diverse in methodology, they all concentrated on irrigated and mechanized agriculture and large-scale industry to the detriment of the traditional sector. This resulted in dislocation for the large part of the population who were small producers and agricultural labour. Life in rural areas became difficult, at times even impossible, thus accelerating urban migration. Furthermore, the performance of modern agriculture and industry was disappointing and failed to compensate for declining production in the traditional economy.

3. Agriculture clearly illustrates both the potential for development and the problems preventing exploitation of that potential. The Sudan has both arable land and known water resources. It covers an area of 2.5 million sq km with an estimated population of 20.2 million people in 1983; with 34 per cent of the total area being arable, the capacity for increased production is significantly better than that of other countries south of the Sahara. Past policies were designed to take advantage of this potential. In the mid-1970s, the Sudan was expected to become the bread-basket of the Arab world and agricultural exports were to make a major contribution to national development. Despite almost all investment in the sector being directed to large-scale irrigation, mechanized farming schemes, new export crops, and modern livestock ranging, production and exports failed to increase. The Sudan is currently a net importer of wheat and has restricted exports of sorghum and live animals to ensure that domestic requirements are at least partially met.

4. Agriculture constitutes the main production base of the economy and the most important source of family income, accounting for approximately 78 per cent of the labour force. The sector accounted for 30 per cent of GDP in 1984/1985, having
declined almost continually from 57 per cent after independence and 40 per cent in 1971. About one fifth of the cultivated land is within Government-run irrigated schemes, the balance being largely traditional or mechanized rainfed farming in the private sector. Despite serious constraints, there is considerable scope for increased agricultural production for internal consumption and for export. Among the major constraints are the artificially low level of producer prices, which has discouraged farmers from producing, a shortage of foreign exchange for essential inputs, a need for revised land-use patterns, the lack of access to agricultural credit, the absence of an effective extension service, the lack of efficient and effective water distribution and management systems, and the overvaluation of the currency, which has been an additional disincentive for the production of export crops and livestock.

5. Industry plays a relatively small role in the economy, accounting for less than 8 per cent of GDP in recent years, employing 5 per cent of the labour force, and contributing less than 1 per cent of exports. Since 1970, the sector has been dominated by large public corporations which have received special support through low tariffs on imported raw materials and strong protection. This has encouraged the creation of capital intensive industries which are highly dependent on imported inputs. Incentives resulted initially in an annual growth rate of 5.8 per cent during the period 1970-1982. Since then, the sector has largely stagnated. The main reasons for this situation are lack of imported inputs and spare parts, inadequate maintenance, shortages of local materials, an unreliable energy supply, and price controls, the impact of which is to discourage production, promote parallel markets and create shortages of goods. Other factors are weaknesses in infrastructure, particularly transport and communications, and emigration to the Gulf States, which is causing shortages of skilled technical and managerial manpower. The utilization of industrial capacity averages less than 30 per cent.

6. In support of a development strategy based on the modern sector, services experienced a high annual growth of 8.5 per cent during the period 1970-1982, with transport, storage, and commerce being the most dynamic and fastest growing activities. However, like the rest of the economy, services have declined since 1981/1982, when they peaked at 57 per cent of GDP. They currently produce approximately 54 per cent of GDP and employ approximately 12 per cent of the labour force. Compared with the needs of the country and the economy, the quality and volume of services are not sufficient, particularly in transport, communications and commerce, for the adequate distribution of commodities.

7. Public expenditures have remained constant in real terms during recent years and therefore the public sector is no longer able to absorb the growing labour force. The freezing of budgets has also resulted in deteriorating working conditions and a decline of real salaries in the public sector. In 1986, real salaries were 70 per cent lower than in 1976. For these reasons, many qualified civil servants have been lost to the private sector and to posts outside the country, particularly in the Arab world. The civil service has reacted to this situation with low motivation, slowdowns, moonlighting, and absenteeism, resulting in an overall deterioration in the quality of services provided. It is recognized that the Government must urgently undertake a fundamental reform of the civil service if its development plans are to succeed.
8. The bias in favour of the modern sector combined with the effects of the drought in 1984-1985 have induced increasing migration towards occupations in modern agriculture, industry, and services. Though seasonal migration within rural Sudan has also increased, the overall result has been a rise of the urban population from 13 per cent of the total population in 1965 to nearly 20 per cent in 1985. Half of the urban labour force works in the informal sector, where migrants from rural areas find low-paying jobs while waiting for places in the formal sector whose stagnation has meant an inability to generate new jobs.

9. Significant migration abroad has occurred with many of those migrating being among the most highly qualified personnel of the Sudan: at its peak, more than 1 million Sudanese were working abroad. The loss of their skills and of their contribution to society are among the major factors hampering development, not adequately compensated for by remittances. However, while remittances are much lower than in comparable countries, they are important in Sudan's foreign exchange. It is estimated that in 1983 the potential level of remittances was between $1.5 and $3 billion, although the recorded level was only $357 million. For 1986/1987, Sudanese working abroad have remitted only $80 million through official channels. Among the reasons for this low return are the inadequacy of incentive policies, an unfavourable exchange rate, and the lack of confidence in the ability of the economic environment to offer long-term profitable investment opportunities.

10. International loans from several sources have long been the principal source of capital, raising total external debt to approximately $12.5 billion. This debt requires annual debt-service payments of approximately $800 million, with arrears now amounting to $3 billion. The ratio of debt-service obligations to goods and service exports in 1986/1987 exceeded 170 per cent.

11. On the external side of the economy, a main factor is the crippling impact of the chronic foreign exchange shortage. A major cause of this, in addition to debt-servicing and declining remittances, is the poor performance of exports, which have reached only 30 to 50 per cent of imports in recent years. To promote exports, the Government initially applied a variable exchange rate system, but in October 1987 introduced a unified exchange rate of LS 4.45 per dollar, however, the present buying rate is LS 4.40 per dollar. This is higher than the previous rate of LS 2.45 but still considerably below the parallel market. Other factors are high taxes on exports, low producer prices, inefficient marketing of products abroad, shortage of inputs, and inadequate physical and administrative infrastructure.

12. Development prospects are seriously limited by insufficient investment. Gross domestic investment measured in constant 1980/1981 prices peaked in 1975/1976 at LS 1,050 million ($238 million) and declined in subsequent years to a level in 1983/1984 of LS 675 million ($153 million). As a percentage of GDP, gross domestic investment declined from 22 per cent in 1975/1976 to 13 per cent in 1983/1984. This performance is due to the virtual collapse of private and public savings and a growing dependence on net inflows of foreign capital. During the period 1970-1973, private savings financed some 65 per cent of gross investment, public savings 19 per cent, and net external inflows about 16 per cent. During the period
1978–1983, private savings decreased substantially and public savings became negative. During this period, 83 per cent of gross investment was financed by net external inflows. Private savings financed only 22 per cent, and the public sector actually disinvested 5 per cent of gross investment.

13. For the 1987/1988 budget, the Government proposed a total expenditure of LS 6,791 million ($1,543 million), 77 per cent of which is earmarked for current expenditure and 22 per cent for development. If the receipts from commodity aid are lower than expected or if the figures on the collection of taxes, fees and charges are optimistic, a larger budget deficit than the estimated LS 2,885 million ($656 million) is likely to occur which, if financed solely by the printing of money, will only add to the internal problems by increasing the rate of inflation.

14. Expectations of the public and of foreign donors that the new Government will reverse the trend from decline to recovery are high. The will to introduce reform is visible; however, the transformation to a favourable change of economic parameters will take sustained effort. There are three major factors which impose severe demands on the Government and are difficult to take into account in any economic planning. They are the conflict in the south, chronic drought and desertification and the influx of refugees. The conflict in the south is a major public burden and seriously disrupts the social, political, and economic life of the Sudan. The conflict disrupted major investment projects, most foreign development assistance, and activities in the oil fields which by now would have had the Sudan on the road toward self-sufficiency in oil production.

15. While the country has overcome the 1984/1985 drought emergency, the economic and social consequences of this disaster are still being felt. Deteriorating living conditions, the result of drought-induced famine in widespread areas, caused large population movements towards urban areas and regions with better resources. The consequent overgrazing of pasture and deforestation have had very negative effects on the environment, accelerating the process of desertification. Some 30 per cent of the country is already desert and in some areas it is advancing rapidly. While good rainfall in 1985 and 1986 alleviated the situation, drought will remain a recurrent danger, making it essential that priority be placed on addressing desertification in a concentrated and long-term manner.

16. In recent years, a large number of refugees have entered the Sudan from neighbouring countries as a result of internal conflicts, social and political unrest, and/or drought conditions in their homelands. At the end of 1986, the refugee population was estimated at 1.2 million. The government policy provides initial assistance to refugees and accommodation in settlements. Some effort is made to make the settlements self-sufficient. In this humanitarian task, significant financial and logistical support is received from abroad, although it by no means meets the economic and social costs involved.

B. National development strategies

17. With the April 1985 overthrow of the military régime, a transition period followed, which was dominated by the concern to re-establish democracy, leaving the elected Government to develop long-term economic strategies. The system of rolling
public investment programmes was to be replaced by a national plan which is yet to be prepared. This meant that during the crucial period of the drought emergency the nation lacked a strategy for relief and rehabilitation: the drought and long-term development was tackled on an ad hoc basis.

18. The national plan being developed by the Government, elected in April 1986 will give priority to rehabilitating and developing rural areas. The focus will be on increasing production but with less emphasis on large-scale agriculture and modern industry. The frame of reference of this approach was established by a national economic conference in March 1986, which was then endorsed by the Government. These recommendations are being incorporated into a four-year plan for the period 1988 to 1992 whose main objectives are: (a) to provide minimum necessities to all Sudanese; (b) to achieve food security; (c) to enhance the traditional sector and reduce the dualism between urban and rural economies; (d) to correct the environmental imbalance and develop natural resources; (e) to undertake administrative reform for the better utilization of resources; (f) to increase the reliance on domestic resources; and (e) to improve external resource utilization.

19. The agricultural sector will continue to receive priority, but with less bias in favour of the modern sector. Land-tenure laws are to be revised and limits imposed on the size of irrigated land-holdings and of mechanized farms. Increased support is planned for traditional cultivation. Policies will aim at achieving food self-sufficiency and obtaining surpluses to relieve the acute shortage of foreign exchange. In this respect, a strategy for the rainfed sector has been developed, with the added objectives of increasing income for small producers, creating employment in rural areas, stopping further degradation of the soil, and halting, if not reversing, urban migration.

20. The objective in the industrial sector is to rehabilitate existing units to make them both economically viable and profitable. A major consideration is the shortage of foreign exchange available for capital inputs, which dictates the adoption of labour intensive techniques using domestic inputs and the creation of import-substituting industries. Since the sector is to reinforce the strategy of more balanced development, priority will be given to energy, mining, and industries producing locally needed commodities. Investment in small-scale rural industries is to be encouraged in less developed areas.

21. The Government recognizes that as the ultimate beneficiaries of the national development effort and the main agents for socio-economic change, the people must participate more in decision-making at the local level. This requires an evaluation of available human resources and required administrative and organizational structures, the provision of appropriate training and education, and the strengthening of planning mechanisms down to the area council level. The resulting employment generation at the regional and rural areas is a key aspect of the Government policy of more balanced development.

22. To support productive activities and, in particular, to increase food production, pricing and loan policies will be revised. These measures are to be complemented by an income policy aimed at increasing the purchasing power of lower income groups, thus guaranteeing a minimum standard of living. In order to relieve large budgetary and trade deficits which undercut the performance of the economy,
the Government is attempting both to contain expenditures and to rehabilitate earlier investments without undertaking new schemes. To increase public revenues, the price of services provided by the public sector will be revised and the collection of taxes will be improved. An important issue in this respect is the revision of the tax system to enlarge the taxation base and reduce the current tax bias against small farmers.

23. To reduce the trade deficit, exports are to be promoted by simplifying export procedures, reducing taxes on exports, and improving product quality and marketing. Imports will be limited to necessities, intermediate products, and spare parts, giving priority to the traditional sector, which is less dependent on imported inputs. Vital supports to these policy changes are transfers in the form of development assistance, which is expected to amount to LS 2,379 million ($541 million) million in 1987/1988, covering more than 80 per cent of the public deficit. The Government recognizes the importance of foreign aid and that it must be used to support the objectives of the national development strategy. Therefore, assistance that increases food production and creates a surplus for exports has the highest priority. While food aid played a vital role in the drought emergency, it is recognized that a selective approach needs to be adopted to avoid discouraging domestic production and creating a dependence on imported products.

24. The allocation of development expenditures in the 1987/1988 budget gave priority to agriculture, with 28.7 per cent, primarily for the rehabilitation of irrigated agriculture and support to rainfed agriculture. Energy and mining was allocated 18.2 per cent, largely for the generation and distribution of power. Transport and communications received 15.2 per cent, services 13.9 per cent, regional development 13.6 per cent, and industry 10.4 per cent, mainly for the rehabilitation of such industries as sugar, textiles, and tanneries.

25. The Government will give increased support to the co-operative and private sectors. Despite sustained Government support of the public sector, it has not proved successful in producing many commodities and services and in managing most large public corporations. Government policies will now provide incentives to the private and co-operative sectors to move into areas where the public sector has been particularly unsuccessful, both in production and in services (e.g., in trade). It is expected that this will boost production for both the domestic and export markets and as well as increase national income.

C. Technical co-operation priorities

26. While substantial development assistance is crucial if the Sudan is to extricate itself from its present serious crisis, a fundamental concern is that foreign assistance as presently programmed is often not achieving greater self-reliance but contributing to growing external dependence. Large-scale projects requiring foreign exchange to maintain them, a dependence on external financing to meet recurrent budgets, and the frequent termination of project activities when external assistance ceases are just some of the problems. New approaches to development are urgently required.
27. The present impasse results from constraints that operate at three closely related levels: national, regional, and area/village/household. Short- and medium-term assistance must aim at eliminating these constraints in order to restore growth to the economy. The constraints at the national level are fundamentally structural in nature and it has now been realized that the Government can address them only through longer-term structural adjustment. Providing there is the will to carry out these reforms, technical assistance in support of policy and legislative change is appropriate in order to render interventions at the regional and local levels effective.

28. A number of constraints prevent the Government from utilizing conventional assistance effectively. There is a recognized need for reform of the civil service and the Government is examining several proposals that would increase efficiency in the public sector, including a revision of grades and pay scales, and better alignment of employment with job requirements. Whereas reform may be difficult to apply to the civil service as a whole, it could be started in specific areas vital to the national effort. While the structure of the planning process at the centre is quite sound, the capacity of the Ministry of Finance and Economic Planning is inadequate to meet the extensive planning needs of the Sudan. In this respect, technical assistance in the form of direct support to key departments is of crucial importance. Attention also needs to be paid to defining macro-economic policies which would correct those not conducive to efficiency and pricing and income policies that constrain growth. In addition to their effect of inhibiting production, pricing controls tend to benefit the trade sector rather than increase producer incomes. An effective pricing policy that would gradually eliminate controls that are counterproductive in the long term is required.

29. A fundamental problem at the regional Government level is the inadequacy of resources available to them to perform their essential functions. In addition to such factors as the size of the civil service and the national debt, this is due to declining tax revenues as a result of the shift from cash crops towards staples combined with declining soil fertility, worsened by recent droughts. New measures are needed to encourage regional Governments to improve their own resource mobilization, to develop effective planning systems for resource management, to upgrade the planning skills of regional and local staff, and to develop a mechanism to promote decentralized development to the area council level. Special efforts to ensure that the interests of women are fully integrated are required in view of their important role in the economic life of rural Sudan. The objective should be to tap the potential dynamism of the Sudanese tradition of self-help by assisting beneficiaries of both sexes to identify and plan the projects they would like to implement.

30. The vastness of the country and its dispersed population make improved transportation imperative. Inadequate infrastructure both hampers effective administration and locks farmers into subsistence production because of uneconomic returns from the production of perishables for distant markets. To address the problem, in addition to the need for capital inputs, technical assistance is required for developing the capacity of the concerned institutions to maintain and operate existing transport networks and to design new roads.
31. Assistance is required to identify the causes of poor performance in the industrial sector and to assess the need for broad-based changes. To better link input industries to agricultural and manufacturing needs, a long-term industrial strategy based on sound feasibility studies is required. Despite such advantages for larger ventures as tax concessions, special rates for land and inputs, allotment of prime land, financial guarantees, and extensive subsidies, the sector has run into serious labour problems and has been crippled by dependency upon foreign inputs. Recent policy changes attempt to revive industry by using local raw materials and technologies which are simple and robust. Considerable assistance in areas such as policy development, credit, and vocational training is necessary to effectively develop the sector.

32. Public corporations in the Sudan have long played a crucial role in the national economy. Except for the recruitment of an expert for the Kennana Sugar Company all have declined to the point where they are heavily subsidized. Government policy is designed to restructure these corporations, retaining some, closing others, and divesting some to the private sector. In implementing this reform, technical assistance could assist in preparing studies of the detailed requirements of parastatals and laying down guidelines for implementing changes. This might be followed by carefully designed institution-building technical assistance packages.

33. A major constraint on rural development is the extreme fragility of the village economy, which is compounded by three factors. Firstly, a continuous drain of the benefits of economic activity (largely agricultural) to the urban population. The mechanisms of extraction vary, but the prevalent forms are the share-cropping system, the money lending system, and absentee landlords. Land reform and less exploitative credit systems are needed. Secondly, an absence of organizations effectively representing the interests of vulnerable groups such as the landless, small farmers, and women. Thirdly, a need for marketing structures capable of providing a viable alternative to the services provided by the village merchant, whose hold is reinforced by the fact that he is often the only person with access to adequate transport and therefore is able both to depress prices paid to the producer and retain considerable mark-ups in the markets. An essential measure to protect the villager from exploitation both as producer and consumer is improved storage at the local level.

34. At the household level, peasants, especially the poor, attempt to forge survival strategies in order to cope with their situation. In many cases, these strategies collapse because of the fragile nature of the environment in which they operate. This was evident during the 1984-1985 famine, when a differential impact upon households was witnessed depending upon individual endowments such as the ownership of assets (land and livestock), access to water, availability of labour, access to credit, extension services, the ability to diversify crops, and the availability of remittances from migrant family members.

35. Desertification and declining soil fertility lead many peasants to extend the area cultivated and to reduce the fallow period. More suitable use of land through effective extension services is required to stop this deterioration. Access to water is the most critical determinant of livelihood. The last drought witnessed a migration of farmers and livestock herders to find water and better grazing land,
leading to increased pressure on scarce resources and to tribal disputes. Water supply capacity must be increased and the high failure rates of public water-yards must be reduced. Those run privately appear more successful even though they frequently charge lower user fees than those run by the National Corporation for Rural Water Development. This would imply a need to strengthen the Corporation through structural and staffing reform and to encourage the creation of private water-yards on the basis of community ownership and management. An ideal solution would be the traditional collective labour approach, mobilized by the village council, to operate and maintain water-yards.

36. Skill endowment is important in determining household incomes. Households with members who have had education and training and who were able to migrate to urban areas or abroad are much better off than ones with no such members. Skill formation, through institutional and on-the-job training, is an important means of strengthening the survival strategy, especially in isolated areas in Kordofan and Darfur. This skill-creation effort should be undertaken in the regions themselves, simultaneously with a programme aimed at job creation in the private sector for the utilization of these newly acquired skills in the rural areas.

37. Development of the agricultural potential, including crops, livestock, and forestry, will ultimately depend on small farmers and herders within the traditional sector. In farming, the unit is the family which produces for household consumption or partly for sale. Opportunities to develop this unit depend on a package of inputs and practices and an institutional framework which facilitates smooth delivery. The package should include improved seeds, improved farming practices, small-scale irrigation, fertilizers, pesticides, storage, and reduced post-harvest losses. These inputs need to be linked to the institutional framework of research, extension, credit and marketing.

38. The livestock wealth of the Sudan is extensive (55 million head) and diversified (cattle, sheep, goats, and camels). About 70 per cent is held by nomadic and semi-nomadic populations in ecological zones where water, rangeland, and disease control are important prerequisites. The capacity of the land has, until recently, been the decisive determinant of success in livestock breeding as witnessed during the recent drought. However, if carefully managed, livestock could have considerable potential for national development, improved nutrition, and for the export market, having become the second commodity export after cotton. Productivity is very low and assistance is required to improve the cost effectiveness of livestock production. Because of the fragile nature of the environment and in order to prevent the disastrous losses of livestock of 1983/1984, the Government has avoided artificial restocking so that the natural variety of pasture species may be given a chance to regenerate.

39. The Sudan is within the belt of drought-prone countries, and, when combined with population pressure on soils with low carrying capacities, recurrent famine conditions result. Food security is, therefore, vital to both survival and sustained development in rural Sudan. This requires reliable and affordable sources of seed, particularly for cereals, and improved traditional methods of grain storage in rural areas and adapted modern storage methods for urban areas. Following the drought years, some regions face increased locust and rodent...
infestation. Such pests are a perpetual threat to food security and assistance is required to alleviate the problem and develop ecologically sound systems for their continued control.

40. The precarious ecological position, resulting from overcultivation, overgrazing, and land mismanagement, is responsible for the fact that the desert is rapidly advancing southwards. Measures to combat desertification, erosion, and soil degradation must be central to any programme of development assistance. A three-tiered approach is required: first, agricultural projects must aim at minimizing soil degradation resulting from their activities; second, income generating techniques such as planting of privately owned *Acacia senegal* and other enriching indigenous cash crops such as certain legumes should be used to increase soil nutrients and reduce erosion; and, finally, assistance is needed to reduce timber consumption by improving the efficiency of construction techniques and by developing both alternative forms of energy and more efficient methods of using firewood in the home.

41. As a result of ongoing conflict, much of the south, an area of considerable potential, is unable to contribute to national development and is also becoming an increasing drain on the resources of the Central Government. There will certainly be a need for accelerated development assistance once peace is restored, although the precise nature of this assistance is currently unknown.

42. The influx of refugees from neighbouring countries has continued over the past decade and has placed a sizeable burden upon government resources. While there has been considerable assistance from abroad, this assistance has been inadequate and has served to improve the lot of refugees without significantly improving that of the surrounding Sudanese population. Future assistance should be aimed at developing projects to assist both refugees and the indigenous population in their vicinity.

D. Aid co-ordination arrangements

43. The Sudan has, over the past five years, received Official Development Assistance (ODA) from three principal sources: Development Assistance Committee donor countries, members of the Organization of Petroleum Exporting Countries (OPEC), and multilateral organizations, principally those of the United Nations family. In addition, the Sudan receives significant unofficial flows from many non-governmental organizations (NGOs) that are active in many sectors throughout the country. The scope and urgency of activities undertaken during the drought emergency dramatically highlighted the need for a concerted effort to strengthen the co-ordination of external assistance. The Government also realizes the need to ensure that all assistance is channelled into high priority programmes to maximize impact and ensure quality and complementarity in all programmes.

44. The planning wing of the Ministry of Finance and Economic Planning is responsible for co-ordinating ODA, with line ministries being responsible for developing programmes and projects for donor consideration. The Relief and Rehabilitation Commission has responsibility for the co-ordination of relief...
assistance and the rehabilitation of existing infrastructure. These responsibilities are made more difficult by the absence of a formally approved national development plan since 1984-1985.

45. The United Nations Development Programme (UNDP) has been providing assistance to the Central Government and regional governments for the preparation of regional strategies for integration into the forthcoming national development plan. Assistance is also provided by UNDP to convene workshops for national institutions and donor agency personnel to discuss these strategies which are envisaged as master plans for development to guide donors in implementing technical assistance. When viewed with the specific support proposed under the second objective in this country programme for the national planning effort, the strategies will enable UNDP to make an invaluable contribution to aid co-ordination.

46. At the request of the Government and the donor community, UNDP took a leading role in co-ordinating all relief assistance during the drought and famine emergency. A temporary body, the United Nations Emergency Operations in the Sudan (UNEOS) led by the Resident Coordinator as Special Representative of the Secretary-General, was established in the Relief and Rehabilitation Commission to bolster the government capacity to co-ordinate and effectively utilize relief assistance. UNEOS attracted considerable additional assistance from several sources, primarily bilateral, before fulfilling its mandate and ceasing operations on 31 December 1986. However, assistance provided under the second country programme for the purpose of strengthening the capacity of the Commission to manage relief assistance is continuing. To ease the burden of a large refugee population, UNDP is supporting efforts to develop assistance within the framework of the second International Conference for Assistance to Refugees in Africa (ICARA II). High-level inter-agency programming missions were fielded for this purpose in 1986 and 1987 and project design teams are beginning work in 1988.

47. UNDP is being encouraged by the Government and donors alike to play a role in the co-ordination of ODA, particularly in technical assistance areas. With the reactivation in late 1987 of the Consultative Group for the Sudan and the finalization of the four-year plan in early 1988, UNDP expects to resume a more active role in strengthening and supporting government ability to co-ordinate external assistance. This co-ordinating role occurs firstly among United Nations agencies who are increasingly realizing the need for complementary approaches to development. This co-ordination is enhanced by the fact that the UNDP Resident Representative is concurrently the representative for the World Food Programme (WFP) and the United Nations Population Fund (UNFPA) as well as the United Nations system's Resident Co-ordinator of operational development activities, in which capacity he represents other United Nations agencies that do not have offices in the Sudan.

48. Co-ordination between United Nations agencies and other donor agencies takes place informally. These regular consultations reveal that, while they welcome the rural development focus of UNDP, the varied donor sectoral interests ensure that there is a donor response to other national concerns that are not being addressed by the highly targeted UNDP programme. During the preparation of the country programme, major donors were consulted both individually and in the context of informal joint meetings, particularly in the preparation of the Resident
Representative's note, both before and after submission of inter-agency mission reports, and prior to submission of the final draft of this document. Consultation with NGOs is also occurring, to take advantage of their valuable approaches and expertise, particularly in addressing the needs of the poor.

II. THE COUNTRY PROGRAMME

A. Assessment of the current country programme

49. The current country programme is the second country programme for the Sudan and covers several sectors, as does the Three-Year Public Investment Programme (1982/1983-1984/1985), with which it partially coincides. While the 1982-1986 indicative planning figure (IPF) was initially set at $51 million, it was reduced to $32.2 million, largely as a result of the decision to programme only 55 per cent of resources. This figure was further reduced by $6.9 million borrowed in the previous IPF cycle. Third-party cost-sharing and resources from other UNDP-administered funds amounted to $2.7 million, bringing the total available for programming to $28 million.

50. A 1982 evaluation of the first country programme identified several constraints on UNDP assistance. It advocated that the second country programme adopt a more systematic approach to programming, based on clear objectives. However, because of the need to continue many ongoing projects, the reduction of available resources allowed only a narrow margin for new activities. There was little opportunity to adopt a revised approach and the continuation of ongoing activities became the predominant feature of the second country programme. This feature was confirmed by the evaluation of the Programme in late 1986.

51. Development of the south, which had ceased because of the conflict, was a high priority for the Government and was accorded preferential treatment. UNDP was assigned a major role in technical assistance, and 14 projects, totalling $11 million, in agriculture and irrigation, human resources, health, transport and communications, multi-sectoral development, and development of the Jonglei area were approved for the south. With the exception of the latter, they did not form a cohesive programme reflecting common development objectives. Fifty-four per cent of the country programme was allocated to projects of long duration aimed at improving the management and operational capacity of regional ministries and parastatal organizations. This was considered appropriate as it was agreed that a major impediment to economic growth was the inadequate capacity of the government administration, weakened by high staff turnover. With the closure of projects when conflict resumed in 1983, no immediate alternative programme was available, as there were no government plans to which the UNDP programme could relate.

52. Project design was of uneven quality. Development and immediate objectives were often expressed in general terms, and in most cases were overly optimistic. Work plans with target dates were often missing or unrealistic. As a result, start-up and progress of projects were often delayed. Projects were frequently extended extensively in order to achieve at least some of the objectives and to consolidate progress made. One major obstacle to implementation was problems with government contributions, both in making funds and qualified staff available.
Government inputs were often not allocated and projects had to be redesigned, a time-consuming and costly process. Late ordering of equipment by executing agencies and cumbersome clearance procedures also delayed projects. Once on site, equipment often later failed to function because of poor maintenance. Recruitment of experts for vacant posts was generally slow because of United Nations agency procedures and difficulties in locating qualified experts for the Sudan.

53. Programme delivery rates during the second country programme were very uneven and generally unsatisfactory, with a peak of 68.2 per cent in 1983 and a low of 37.4 per cent in 1985. Including 1986, average delivery during the second country programme is approximately 60 per cent. Agency delivery rates fluctuated considerably from year to year, making inter-agency comparisons difficult. Limited government execution started only in 1982 and produced the first delivery in 1985 of 37.4 per cent, considerably below average.

54. No discernible trend can be detected in the use of resources as figures are highly variable. The personnel component is consistently the largest component, with stable and relatively high delivery rates of around 70 per cent. Long-term experts, rather than short-term consultants, were dominant. The 61 United Nations Volunteers (UNVs) assigned to 31 projects during the programme proved to be a valuable and cost-effective input. Subcontracting was not common during the programme, with a total share in expenditures averaging 4.7 per cent. Delivery rates were highly erratic, varying from 56.8 per cent in 1982 to 2.3 per cent in 1985. Training was another relatively small component, with a share in total delivery varying from 4.1 per cent in 1983 to 11.1 per cent in 1985. Many projects provided for training abroad, but agencies often faced difficulties in placing fellows and the modest results do not justify the high costs expended. There is a need for a more critical approach towards fellowships if they are to have lasting impact. Equipment expenditures varied from 21.9 per cent in 1983 to 9.4 per cent of total expenditures in 1985. Because of frequent delays in procurement, delivery rates varied widely, from 107.1 per cent in 1983 to close to zero in 1984. A relatively large share of the equipment component was made up of vehicles.

55. Institution-building efforts have met with mixed success. Few of the institutions assisted became self-reliant, despite long-term UNDP involvement. High turn-over of national staff was a serious problem as declining real public sector salaries prompted many UNDP-trained employees to move to the private sector or abroad. Failure to provide budgets for recurrent costs has frequently resulted in the inability of institutions to continue effective operation when assistance ends.

56. The Jonglei Canal scheme and its related projects, with a total estimated investment of almost $1 billion, was one of the largest ventures undertaken in the Sudan. UNDP was not directly involved in the construction of the Canal, but participated in the design of development schemes in the area. Close to $8 million of IPF resources and $7 million of United Nations Capital Development Fund (UNCDF) and cost-sharing inputs were delivered and assistance in co-ordination was provided to other donors. The UNDP emphasis was on integrated rural development to provide the population with a range of community services that responded directly to basic human needs. Evaluation reports confirm that substantial progress was made towards
attaining objectives when operations had to be suspended in 1984 owing to the deteriorating security situation. It is feared that this progress may now be lost on account of the long period of inactivity and destruction resulting from conflict in the area.

57. UNDP has also supported rural development through the Special Public Works Programme in the White Nile Province in the Central Region. It began in 1984 with an approved UNDP input of $0.4 million and cost-sharing of over $2 million. It drew from unemployed labour to build essential rural works such as dams, water-yards, surface water reservoirs (hafirs), irrigation schemes, schools, health posts, and feeder roads. Such rural employment combined with the Food for Work programme has reduced poverty while achieving certain lasting benefits for the rural population. This factor, as well as the resultant reduced dependence on capital inputs through effective participation of the local population, has led to similar projects being prepared for other regions.

58. The range of activities being funded and the relatively small funding involved make it impossible to assess impact on the overall development of the Sudan. In some cases, assistance provided as a response to expressed needs did succeed in satisfying immediate requirements. However, on the whole, the effect on the economy was negligible. Excessive diversity in the programme, a lack of focus, and emphasis on the south, which was then abandoned for security reasons, were major weaknesses of the programme and contributed to its lack of impact.

59. The Sudan has benefited from a number of projects funded by the regional programme during the second country programme period. Jojoba, introduced into the Sudan under a UNDP project some years ago, is receiving further support under the regional project Introduction of Jojoba Plantations (RAB/84/035). The project UNV Assistance to least developed countries (LDCs) (RAB/87/015) provided several volunteers who made valuable contributions. Fellowships to Arab regional institutions such as those under Civil Aviation College, Qatar (RAB/86/056) contributed to meeting the need for trained manpower in several technical and managerial fields.

60. In retrospect, the following lessons learned from the two previous country programmes have been kept in mind when preparing the third country programme:
(a) There is a need to move from an ad hoc approach of project approval to systematic needs assessment and project identification, with a clear focus which ensures a measurable impact on target groups; (b) Emphasis on institution-building has not been successful, suggesting a need to reorient assistance more immediately to the intended beneficiary. Institutional support should be considered only when it is accompanied by firm government support for reform; (c) A more innovative approach is needed in project selection and design and, while a pragmatic approach with respect to application of UNDP policies and procedures is necessary, firm arrangements should be made to avoid creating dependence on project inputs; (d) Care should be taken to phase inputs and plan financial requirements realistically, with immediate rephasing of budgets, where required, to avoid accumulation of frozen resources; and (e) The UNDP office must be more active in project supervision, in close co-operation with regional governments, which are entrusted with the projects and whose people will be the principal beneficiaries.
B. New programme proposal

61. The fourth cycle IPF allocation for the Sudan is $39,774,000, with a carry-over of $2,264,000 from the third cycle, bringing total IPF resources for the fourth cycle to $42,038,000. With the extension of the second country programme through 1987, anticipated expenditures of $1,500,000 are deducted from resources available for the third country programme. An amount of $12,932,443 is committed to ongoing projects which extend into the new Programme period. An unprogrammed reserve of $2 million, 5 per cent of the IPF, has been set aside, but it has not been felt necessary to provide a programmed reserve thanks to the in-built flexibility in the design of all major projects in this new programme.

62. In accordance with the concept of unified programming, all potential United Nations and other sources of funding for the country programme have been considered, although the results of these consultations will be known only in 1988, when the interventions are finalized. Several projects have committed or identified co-financing such as from UNCDF ($22,700,000), the United Nations Sudano-Sahelian Office (UNSO) ($14,200,000), WFP ($808,200), primarily in "Food-for-Work" schemes), and the United Nations Development Fund for Women (UNIFEM) ($427,623). This country programme is enhanced by the inclusion of the equivalent of a $1,200,000 Government cost-sharing contribution, $657,000 from the Special Measures Fund for Least Developed Countries (SMP/LDC), $389,880 from Special Programme Resources (SPR), $159,300 from the Emergency Operations Trust Fund (EOTF), and third-party cost-sharing of $1,194,747 from the United States Agency for International Development (USAID), $1,197,876 from Italy, $599,663 from the Federal Republic of Germany, $344,280 from Canada, and $250,000 from the Arab Gulf Programme for United Nations Development Organizations (AGFUND). Both the Federal Republic of Germany and the Netherlands have indicated interest in co-operation with projects in northern and eastern regions. In addition, $75 million for an Italian-financed programme in drought rehabilitation and development in northern Darfur, of which approximately $49,500,000 is to be disbursed in 1988 and 1989 is being administered by the UNDP under a management services contract.

63. Consultations during the development of the Resident Representative's note recognized that the magnitude of the constraints facing the Sudan required a sharp focus of limited UNDP resources in order to maximize their impact. The assessment of previous country programmes clearly outlined the weaknesses inherent in a scattered programme. With the realization that the future of the country is intimately linked to renewed dynamism in rural Sudan, where the needs are immense, it was agreed that United Nations agencies could play a vital catalytic role in the new direction the Government is taking in its national plan. While the scope of UNDP involvement is limited, it was agreed that other United Nations system capabilities should continue to address a variety of constraints, with UNDP assistance being primarily concentrated on rural development.

64. Two inter-agency missions were fielded to assist in developing the strategy underlying this country programme, the needs assessment mission in January 1987 and the project identification mission in April 1987. Both missions included participants from the Government, UNDP, the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organisation (ILO) and the /...
United Nations Industrial Development Organization (UNIDO). WFP, the Co-operative for American Relief Everywhere (CARE), and OXFAM participated in the needs assessment mission and UNV, UNCDF, UNSO, and UNIFEM joined the project identification mission. In addition to detailed discussions with major donors to the Sudan and concerned national institutions, both missions conducted preliminary discussions with village communities in several regions. The missions defined a viable approach to rural development through specific area development schemes operating at the area council level, with an overall geographic coverage of no more than three rural councils. Five area councils were selected on the basis of the following main criteria developed by the needs assessment mission and applied by the project identification mission: (a) accordance with the government geographic priorities within each region; (b) the readiness of potential beneficiaries to participate in community work; (c) concentration and accessibility of target groups; (d) presence of suitable community leaders; and (e) the presence of one or more economic activities suitable as a growth pole around which development could occur.

65. The key challenge for the third country programme is to demonstrate an approach to rural development in the Sudan which is sustainable in the long term, despite chronic institutional and economic constraints. The approach proposed has, therefore, been designed to sharply focus resources on a limited number of objectives, all of which aim at stimulating village-level economic activity and local self-reliance through strengthened community institutions. The country programme will be confined to three objectives, which either contribute directly to rural development or are in support of it: (a) sustained area development; (b) regional planning; and (c) improved rural resource utilization. Areas vital to the future of Sudan, such as the development of water resources, desertification control, and environmental concerns will be addressed, both as an integral part of area development scheme (ADS) projects and through other interventions.

66. Special efforts will be made to involve women in decision-making, project planning, and implementation to ensure their full participation in the process of increasing production and household income. To achieve this, the programme will seek, to the extent possible, to make vocational training, extension, and credit services available to women. Furthermore, working primarily with women, the programme will attempt to increase the economic use of both water and firewood in order to reduce the pressure on the fragile environment in the areas selected. A further theme will be an emphasis on grass-roots involvement through existing national and international NGOs active in development. Project interventions, developed on the basis of needs identified by the beneficiaries themselves, will be designed to minimize dependence upon inputs which will be unavailable when the projects terminate. It is recognized that the strategy will require a long-term UNDP commitment extending well into the next cycle.

67. This UNDP contribution to the development of Sudan will be restricted to the most disadvantaged regions and target poorer sections of the population who have a potential for development, including small farmers, small herders, rural women and artisans. To circumvent existing institutional constraints at the national and regional levels and to ensure sustainable development, the programme concentrates upon increasing disposable incomes of beneficiaries by increasing production, productivity, and income of small-holders and strengthening the capacity of...
local-level institutions incorporating cost-recovery mechanisms wherever feasible. To achieve this, it is essential that project identification and design be carried out in a participatory manner, with interventions being identified and implemented on the basis of the perceptions of the beneficiaries themselves. This principle is one of the fundamental tenets of the programme and is the rationale for the preparatory stages described below.

Sustained area development

68. Darfur, Kordofan, Eastern, and Northern Regions have been selected for implementation of the five ADS which are the central feature of this country programme. To ensure a concentration on village-based rural development involving beneficiaries themselves, a non-traditional approach will be utilized for project formulation. During a preparatory phase, Area Development – Phase I (SUD/87/016), with a UNDP contribution of $1,482,800, an area development co-ordination Unit will be established to oversee the design of the ADS projects. It will be headed by a programme co-ordinator who will be assisted by an expert on women in development, national and international consultants, and 10 UNVs resident in the ADS, who will establish working relationships with the villagers, undertake baseline resource surveys, initiate short-term activities to win the confidence of the target populations, identify project ideas, and assist in formulating the ADS project documents.

69. While the general needs in each area have been assessed, interventions proposed by the project identification mission will be carefully reviewed to avoid imposing development ideas on beneficiaries in what are to be grass-roots development schemes. In addition, each project will be assessed in terms of the quality of its baseline data, the feasibility of its design and management framework, and its ability to meet additional needs. As project formulation develops, the need for specific additional supportive capital and technical assistance will be reviewed with designated executing agencies and potential donors. Wide donor interest in the ADS approach and in interventions required suggest that considerable funding will be available. Such projects would complement the community strengthening resulting from the ADS programme, thereby significantly increasing the impact of IFP resources. It is expected that increased income will provide the momentum for community-level development and will lay the basis for donor-assisted projects in health, education and other essential services. WFP resources are expected to play a significant part in the schemes although their resources will be allocated only when the specific projects are formulated.

70. Each ADS will be executed as a separate project under a project co-ordinator with a team of experts, UNVs, and consultants as required, absorbing ADS Phase I project personnel upon approval of the separate ADS projects. These Phase II projects will be designed to address the specific needs of each ADS with their implementation under the overall direction of a $1,916,579 project, area development co-ordination Unit (SUD/87/024), based in Khartoum. During the Phase II implementation period, this Unit will have a wide role in monitoring and overseeing the viability of the five ADS, providing them with technical and administrative backstopping, and developing close linkages among them to ensure regular exchange of information. A number of activities common to all five ADS...
will be provided from a central pool of experts and consultants. As basic training at the local level in skills required to manage local resources and participate effectively in community development activities is essential to the long-term sustainability of the ADS, this will be an integral component of project activities in each ADS. This vitally important activity will be closely co-ordinated by the Co-ordination Unit. The Unit is therefore seen as a vital mechanism for maximizing the efficiency and effectiveness of the individual ADSs and ensuring a cohesive contribution to the national development effort.

71. The five ADS, with a total population in their areas of approximately 610,000, are being viewed as pilot efforts which will provide useful lessons when designing similar schemes elsewhere in the country. As a result, the areas were selected to ensure a representative ecological and cultural cross-section. Various implementation modalities will be chosen to help to define approaches and techniques for future interventions. Indicators of success and baseline data will be carefully established to enable the development of evaluation criteria so that similar ADS interventions proposed for other area councils will be based on reasonable estimates of resources required to achieve a level of economic and social development that will significantly improve rural living standards.

Idd E1 Ghanam Area Development (South Darfur) (SUD/87/019)

72. This project, with a total IPF input of $US 4.5 million, will encompass most of the area council of Idd El Ghanam, which has a population of about 260,000. The team will work out of Idd El Ghanam. The area is characterized by a high but unexploited development potential and abundance of land, plant, and livestock resources and by good prospects for a diversified production base. Crop and livestock production are based on traditional methods.

73. Constraints to development are related primarily to agricultural production and marketing and include: low productivity of food and cash crops mainly because of the absence of quality seeds, crop protection and improved tillage equipment; shortages of surface water in the dry season, limiting the prospects for settled farming; inaccessibility to markets, particularly in the rainy season; low meat and milk productivity; depleted pasture and rangeland and the consequent intensified tribal feuds over them; continuous urban migration of young and enterprising men; the poor state of the road to Nyala (a large potential market); and the domination of middlemen and traders. It is expected that the ADS would cover a package of projects including extension, credit, marketing, seeds, crop protection, rangeland management, livestock breeding, basic food processing to reduce perishability, water production and distribution, and horticulture. UNCDF is developing two sizeable projects Idd El Ghanam Road (SUD/87/C03) and Idd El Ghanam Rural Development (SUD/87/C05), which will support the ADS project to the extent of $15.5 million. These projects will be supported by IPF contributions for the technical assistance components.

Rural El Obeid Area Development (Kordofan) (SUD/87/020)

74. A total UNDP input of $4.5 million is planned for the ADS in three rural councils with a total population of over 120,000. Production in the area is linked to demand in the city of El Obeid, with an estimated population of 400,000. Unlike

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areas selected in the west, this market is accessible all year. The dominant feature of the area is the presence of basement complex which limits water availability without resort to deep boreholes. The economy is largely based on traditional agriculture although a few horticultural and dairy farms in nearby wadis use small-scale pump irrigation and produce cheese by a simple mechanized process. Individual land ownership with both rainfed and irrigated farming has gradually replaced shifting cultivation. Cash crops, including Acacia senegal (gum arabic), now exceed food production for household use. Pottery and brick-making are important occupations in one rural council. Village artisans, such as blacksmiths, are relatively numerous and could be trained in the maintenance of farm machinery and other equipment.

75. The main constraints to development are: low productivity of crops and livestock; degradation of natural pastures; shortage of water supply for human and livestock use; crop and livestock pests and diseases; and lack of credit and the consequent dominance by merchants of the credit market. Interventions envisaged are: vocational training in the production of farming implements and in water pump repair and maintenance; handicrafts and other income-generating activities for women; extension services; community-run and owned water-yards and hafirs; improvement of grain storage facilities and pest control for the reduction of post-harvest losses; credit facilities; and livestock breeding.

Lower Atbara Area Development (Northern Region) (SUD/87/021)

76. Ed Damer and Sidon rural councils, with a combined population of 40,000, have been selected for implementation of the ADS, which will have a total UNDP input of $3 million. Life and agricultural production in the area revolves around the seasonal river Atbara. The average land holding ranges from two to five acres, and sorghum, vegetables and horse beans are the most common crops grown. Sharecropping is widely practised, with at least 10 per cent of the output surrendered to the landowner. As may be expected, there is a heavy dependence on water pumps for the provision of water. A number of household essentials based upon raw materials obtained from palms are produced by women.

77. Development constraints include: water availability limited to the rainy season; poor knowledge of watershed management and conservation techniques; dependence upon water pumps and hence diesel and spare parts; inadequate transport infrastructure; inadequate health and education facilities; inadequate water and sanitation; and the absence of credit, marketing and extension facilities. Project interventions may include the establishment of a small credit facility, marketing facilities, improved storage, alternative mechanisms for water lifting, vocational training for women, vocational training for pump mechanics and extension services for horticulture and small-scale irrigation.

Umm Keddada Area Development (North Darfur) (SUD/87/022)

78. This area development scheme, with a total IPF input of $3.4 million will affect a population of approximately 137,000 in the area council of Umm Keddada, where it will be based. Literacy is above average, yet nutritional levels are poor, and more than 50 per cent of the people live below the subsistence level.

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Over the past 30 years the area has been severely affected by resource degradation, especially pastures, gum arabic trees, and forests, primarily as a result of migration from the north. Wind-swept sand dunes are a visible and critical problem.

79. The area has some potential for improved rainfed cultivation and prospects for small-scale horticulture on shallow well irrigation. The area is considered an important sheep production centre. A combination of these activities would constitute the core of the ADS. Projects aimed at providing shelterbelts and the fixation of shifting sand through appropriate cropping are to be emphasized. Additional project interventions proposed include credit, extension, marketing, grain storage, reforestation using gum arabic, saving of fuelwood, development of household gardens, simple food processing, animal traction and vocational training, particularly for maintaining water pumps and agricultural equipment.

North Gedaref Area Development (Eastern Region) (SUD/87/023)

80. The ADS in this region will assist a population of 60,000 with a total IPF input of $2.9 million. The area is largely inhabited by nomadic and semi-nomadic tribal communities. Shallow groundwater is available in El Ideid and farmers practise irrigated farming on small plots but frequently have to resort to seasonal work in mechanized farming in El Gedaref because of low productivity and the poor availability of water. El Subagh and its satellite villages are an important market centre for the Butana area with health facilities and a school in addition to other basic infrastructure. The cultivable area is estimated at 3,000 acres at the confluence of three seasonal wadis.

81. Major development constraints faced are: heavy livestock losses during recent droughts; depletion of tree cover, leading to soil erosion; degradation of pasture caused by poor management and over-grazing; absence of extension services; inadequate transport infrastructure; lack of credit and marketing facilities; and poor health care, water and sanitation, education and vocational training facilities. Project interventions will include sand dune fixation, rangeland management and pasture improvement, extension, marketing, credit, and water.

Linkages

82. ADS personnel will be instructed to co-operate fully with all externally funded activities presently under way or planned within the ADS by government agencies, NGOs, and multilateral or bilateral donors to maximize the impact of joint efforts. Donors involved in projects such as the Western Savannah Development Corporation, with assistance from the World Bank, the United Kingdom and the International Fund for Agricultural Development, the USAID-funded Western Sudan Agricultural Research Project, the Save the Children (USA) Integrated Rural Development Project and the European Economic Commission (EEC)-funded Jebel Marra Rural Development Project have been contacted in developing the programme. Wherever possible, extension efforts will be linked to ADS projects. Links will also be made with a plant protection project funded by the Federal Republic of Germany, which focuses on insect infestation of horticultural crops. Potential co-operation and joint activities will be considered in Darfur with the French NGO Médecins Sans Frontières, involved in training village-level health workers and traditional birth attendants and rehabilitating primary health care centres and
with an NGO from the Federal Republic of Germany, which is presently involved in training rural seamstresses. Water-yard improvement under the Italian-financed programme in Northern Darfur will address a key constraint in the Umm Keddana ADS. Improvement of Grain Storage (SUD/87/008) is IPF/United Nations Development Fund for Women (UNIFEM)-funded to improve household level food security by upgrading traditional methods of storage and introducing new methods of seed management in Kordofan. Another UNIFEM-financed project, Community Based Integrated Rural Development, Kassala (SUD/86/W02) will provide useful experience in participatory development and NGO execution.

83. The Special Public Works Programme modality has proved effective in harnessing local human and other resources for the purpose of rural development under the Special Public Works Programme, White Nile (SUD/86/079). A project extension with IPF, UNCDF, WFP, and other donor co-financing has been agreed upon. Two planned multi-donor Special Public Works Programme projects, Special Public Works Programme, Darfur (SUD/87/015) and Special Public Works Programme, Kordofan (SUD/87/014) will construct essential service infrastructure, water spreading, and irrigation works. They will have close institutionalized linkages with the ADS in which they are situated, to ensure co-ordination in a mutually supportive manner. Special Public Works Programme, Eastern Region (SUD/88/004) will emphasize forest improvement, irrigation, and the construction of hafirs, schools, and health centres.

Regional planning

84. This objective and the projects to achieve it are both closely related to the promotion of rural development in the Sudan. Strengthened capacity in the regional governments to analyse development potential and obstacles in the regions as well as to identify and formulate viable projects to assist rural communities to use their resources more successfully are essential if rural needs and resources are to be effectively integrated into national planning. The programme therefore includes a set of projects to strengthen planning in the four regions in which the five ADS are developed. The first step in developing these projects is Assistance to Regional Planning (SUD/87/004), which will determine in each region the institutional set-up and the substantive priorities for project identification and design, directed toward potential sources of donor support. These projects will be co-ordinated by the Regional Planning Co-ordination Unit (SUD/87/025) based in the Regional Development Directorate in the Ministry of Finance and Economic Planning which will have the added objective of strengthening a decentralized planning system capable of integrating national, regional, and local plans.

85. Four projects have been identified in addition to the Regional Planning Co-ordination Unit: Regional Planning, Eastern Region (SUD/86/118); Regional Planning, Kordofan (SUD/86/119); Regional Planning, Northern Region (SUD/86/120); and Regional Planning, Darfur (SUD/86/121). They will be similar in design but differ in their sectoral emphasis, depending on potentials and problems in the region. Each project will establish a Regional Planning Unit which will be manned by the ministries represented at the regional level and will report to the Office of the Governor. It will develop and keep up to date the resource inventories of the region, using to the extent possible information collected for the regional strategy and underlying baseline data, both developed by earlier UNDP projects. It
will concurrently identify and formulate development projects and set priorities for a regional development plan to be developed in consultation with the Ministry of Finance and Economic Planning and central ministries. In this way, future national plans will be based on strong planning carried out in the regions. Each project will provide at least two experts as well as national and international short-term consultants. Short-term training will be provided to build up a professionally competent team of nationals resident in the region or provided temporarily by the central authorities.

86. Regional governments are very dependent upon donor financing to implement their development programmes. Coupled with the effort to improve their ability to assess available resources and to plan effectively, UNDP is continuing to assist them with baseline surveys in four regions under Baseline Survey, Darfur (SUD/85/019), Baseline Survey, Eastern Region (SUD/86/078), and Baseline Survey, Northern Region (SUD/87/026), and in developing comprehensive regional strategies and national workshops for presentation to Sudanese institutions and donors under Regional Drought Rehabilitation Strategies (SUD/86/006). This intense data-gathering and analysis and the resultant strategies are essential prerequisites for the development of strong regional planning units.

87. The Ministry of Finance and Economic Planning and the planning units in line ministries require strengthening of their capacity to collect, compile, and analyse data as well as to monitor the implementation of programmes. UNDP assistance to this end is provided under Umbrella Training (SUD/87/010), Strengthening of the Department of Loans for Technical Assistance (SUD/86/019), and Strengthening of National Accounts (SUD/86/074). Three SMF-financed projects, Debt Management Information Systems (SUD/88/002), Computerization of Customs Documentation Processing and Foreign Trade Data (SUD/88/003), and Computerization of the Ministry of Foreign Affairs (SUD/88/010), aim at improving financial management and planning in the economy through strengthened information systems in the Ministry of Financial and Economic Planning and the Ministry of Foreign Affairs. This will assist in improving the management of the external debt and in raising revenue through the improved efficiency of the customs service and better processing of foreign trade data.

88. Two projects strengthen the capacity of the United Nations system to assist the Government in planning and implementing technical assistance more broadly: Umbrella UNVs (SUD/84/014) and Programme Support Services, II (SUD/88/001). Assistance to the Relief and Rehabilitation Commission with Strengthening the Relief and Rehabilitation Commission (SUD/85/010), which involves EEC, the Netherlands, UNDP, and the Office of the United Nations Disaster Relief Co-ordinator (UNDRO), supports planning from a different perspective. While based in Khartoum, the very nature of the Relief and Rehabilitation Commission concern is regional in that it provides information essential to enable the Government to reduce the impact of future droughts through forward planning of anti-desertification measures, food security needs, and relief requirements.

Linkages

89. The new emphasis of the Government on regional planning has been universally well received by donors. Consultations with the United Kingdom, USAID, the Federal Republic of Germany and the Netherlands are leading to a consolidated donor
approach involving projects with third-party cost-sharing or parallel financing. This objective will also be supported by projects in the country programme that will formulate and update regional development strategies, a process completed in Kordofan and Darfur and planned for the Northern and Eastern Regions. UNDP regional planning projects will pay close attention to the results achieved in the ADS to ensure that regional governments are disseminating project experience in other area councils and are incorporating these results into evolving regional plan.

Improved rural resource utilization

90. It is recognized that the Sudan has pressing needs for assistance to address rural needs outside the ADS themselves. It is equally recognized that scarce but vital resources, particularly water and land, are being used in an uneconomic manner. In select cases, therefore, UNDP assistance is to be applied in rural Sudan outside the ADS, particularly when it is conducive to improved efficiency in the utilization of scarce resources. This support will initially focus on two areas: reform within the water sector and reducing the impact of desertification, although it is anticipated that the need to address constraints such as rural roads, rural energy supply, and the general lack of appropriate agricultural technology in the Sudan will lead to new project proposals using the reserve available in this country programme. It is also expected that UNDP will assist in designing appropriate resettlement and retraining schemes for displaced people from the south to address this serious new drain on government resources.

91. Water is a vital but scarce resource in the four disadvantaged regions in the north. The productive capacity and the very survival of rural people in these regions is precariously linked to the availability and efficient use of water. It is recognized, however, that the problem of water in the country goes well beyond developing water-yards and providing fuel and spare parts; the fundamental problem is an institutional one. Indeed, a consensus has been reached within the Government that fundamental reform is required, particularly in terms of the staffing, organizational structure, financial systems, and cost recovery mechanisms of the National Corporation for Rural Water Development, which is responsible for managing water in rural areas. Easing the burden resulting from the special role rural women have in obtaining water for household use will be a major focus in the ADS.

92. The elements of reform in the water sector are to be identified in close consultation with other donors under a proposed project Rural Water Development Study (SUD/86/096), which would provide the Government with viable options for restructuring water management in the Sudan. Once adopted, it is anticipated that donor interest in funding projects will lead to sizeable contributions to implement water projects consistent with the reform. UNDP will take a lead role in assisting reform at the centre and in four regions under Reform, National Corporation for Rural Water Development (SUD/88/004), Reform, Rural Water Corporation, Darfur (SUD/88/009), Reform, Rural Water Corporation, Kordofan (SUD/88/006), Reform, Rural Water Corporation, Eastern Region (SUD/88/007), and Reform, Rural Water Corporation, Northern Region (SUD/88/008). An allocation of $6 million has been made to this set of projects, although the exact costing will only be known in late 1988 after completion of the study under SUD/86/096.
93. The project entitled Water, Southern Darfur (SUD/86/097), to be implemented with UNCDF and IPF resources, involves the rehabilitation of the water systems of three rural towns in Southern Darfur. It is expected that success under this project will serve as a catalyst for attracting donor financing for an additional eight rural towns submitted for external financing. In a country where surplus water for irrigation is a valued commodity, Micro-Irrigation, Kebkabiya (SUD/87/012) will seek to introduce innovative and economic techniques of irrigation, utilizing wind and solar energy as well as improved traditional techniques of water lifting capable of being managed and maintained by groups of small-holders.

94. The protracted 1967-1985 drought period witnessed a gradual but disastrous deterioration of the forest cover, particularly in the four regions selected for concentration in this country programme. Rapid desert encroachment upon areas with agricultural, livestock, and gum arabic potential decimated these important sources of household income in rural areas. The challenge faced at the present time is to reduce the rate of encroachment by introducing practices that are seen by the villager as being beneficial both through immediate income-generation and long-term restoration of the environment. Four UNSO-financed projects, Restocking of the Gumbelt, Kordofan (SUD/84/X01), Restocking of the Gumbelt, Darfur (SUD/84/X02), Afforestation, Northern Region (SUD/85/X01), and South Kassala Land Management (SUD/87/X03), as well as an IPF-financed project Shelterbelts, Northern Region (SUD/84/009), are aimed at improving the long-term management of forest resources by establishing nurseries and extensive village plantations, strengthening the capacity of regional governments to manage forest resources, and rationalizing the exploitation of gum arabic and timber. One ongoing UNSO project, Fuel Briquettes (SUD/83/X04) is attempting to develop a viable fuelwood substitute based on ground-nut husks.

95. Effective management of rangeland and pastures is vital because of the significance of livestock in the rural economy. Although most of the UNDP rangeland management interventions will be restricted to the ADS themselves, an UNSO-financed follow-up to a completed project in El Odaya, Management of Grazing Resources, will attempt to conserve vegetation appropriate for livestock production. UNSO will also continue to finance the Desertification Control Coordination and Monitoring Unit in the Ministry of Agriculture, which aims at strengthening the capacity of the Government to deal with the problems of desertification and Government and donor responses to them. The exact allocation for follow-up of these two projects has not yet been determined.

Linkages

96. A regional project, Training of Technicians in Water Resource Management and Technology in Arab LDCs (RAB/86/008) is working with two Sudanese institutions to train personnel of the National Corporation for Rural Water Development. Regional Aquifers (RAB/82/013) involves the mapping and assessment of underground aquifers extending across the Sudan-Egypt border to improve the efficiency and ecological soundness of their utilization. UNDP assistance to forestry will benefit from applied research being conducted by the Western Sudan Agricultural Research Project.
C. Unprogrammed reserve

97. An unprogrammed reserve of $2 million, 5 per cent of the IPF, has been set aside to address further needs which may arise during the programme period.
Annex
FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

A. UNDP-administered sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third-cycle IPF balance</td>
<td>$2,264,000</td>
</tr>
<tr>
<td>Fourth-cycle IPF</td>
<td>$39,774,000</td>
</tr>
<tr>
<td>Anticipated 1987 expenditures</td>
<td>($1,500,000)</td>
</tr>
<tr>
<td>Special Measures Fund for the Least Developed Countries</td>
<td>$657,000</td>
</tr>
<tr>
<td>Special Programme Resources</td>
<td>$389,880</td>
</tr>
<tr>
<td>Government cost-sharing</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>Third-party cost-sharing</td>
<td>$3,586,565</td>
</tr>
<tr>
<td>Operational funds under the authority of the Administrator</td>
<td></td>
</tr>
<tr>
<td>UNCDF</td>
<td>$22,700,000</td>
</tr>
<tr>
<td>UNSO</td>
<td>$14,200,000</td>
</tr>
<tr>
<td>UNIFEM</td>
<td>$387,123</td>
</tr>
<tr>
<td>UNDP special trust funds (EOTF)</td>
<td>$159,300</td>
</tr>
<tr>
<td><strong>Subtotal, UNDP non-IPF funds</strong></td>
<td><strong>$43,279,868</strong></td>
</tr>
</tbody>
</table>

B. Other sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise</td>
<td>$808,200</td>
</tr>
<tr>
<td>Additional funds to be provided by other United Nations agencies</td>
<td>-</td>
</tr>
<tr>
<td>Parallel financing from non-United Nations sources</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal, other sources</strong></td>
<td><strong>$808,200</strong></td>
</tr>
</tbody>
</table>

**TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$84,626,068</td>
</tr>
</tbody>
</table>

II. USE OF RESOURCES

<table>
<thead>
<tr>
<th>Resource</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing projects</td>
<td>$12,932,443</td>
</tr>
<tr>
<td>New project proposals a/</td>
<td>$69,693,625</td>
</tr>
<tr>
<td>Programmed reserve</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal, programmed resources</strong></td>
<td><strong>$82,626,068</strong></td>
</tr>
<tr>
<td>Unprogrammed reserve</td>
<td>$2,000,000</td>
</tr>
</tbody>
</table>

**TOTAL USE OF RESOURCES**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$84,626,068</td>
</tr>
</tbody>
</table>

a/ Includes project budgets which extend into the fifth cycle.