

USAID/Sudan

Annual Report

FY 2005

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Sudan

Performance:

Following two decades of North-South conflict, the Government of Sudan (GOS) and the Sudan People's Liberation Movement (SPLM) pledged in November 2004 their commitment to conclude two years of talks with a final comprehensive peace agreement by the end of the year. The war is the central focus of political life throughout Sudan. It has caused the loss of 2 million lives, left more than 4 million displaced and some 420,000 refugees reside in formal refugee camps in neighboring countries. Estimated social indicators for South Sudan include: a high population growth of almost 3% per year with a female population of greater than 60%; life expectancy around 42 years of age; infant mortality at 150 per 1,000 births and severe malnutrition of around 21% among children under 5. HIV/AIDS is an emerging threat, and malaria and diarrhea are the biggest child killers. Children have limited access to basic education and an estimate of nearly 80% of all adults especially women, are unable to read.

Challenges: Sudan has made some gains as detailed below under Key Achievements, but still faces formidable challenges. The long-term impact of the civil war and other local conflicts is profound and will not be completed by a signed peace agreement. Regardless of any peace agreement, a wide variety of actors in Sudan have vested interests in continued violence. Regional actors, militias, and those benefiting from the war economy could act as spoilers of peace. The exclusion from the peace talks of political forces outside the GOS and SPLM means further reconciliation processes must be undertaken. Slavery, denial of access for humanitarian assistance, repression of basic rights, and ethnic, regional, and religious divisions have created a climate of deep mistrust among Sudanese and limited confidence in governments and authorities. The potential remains for political fragmentation in the North and the South.

Sudan has an extremely high external debt burden of \$21 billion. Estimated statistics indicate a per capita gross national income in southern Sudan of less than \$90 per year with 90% of the population earning less than a dollar a day. Trade within Sudan remains limited by the lack of infrastructure, lack of financial systems for savings, investment, and credit; lack of economic law and policy in opposition areas or misplaced policy priorities in government areas; and an overall low level of business skills among entrepreneurs. The low skills level will severely constrain access to and improvement of governance, education, health care, water and sanitation services for Sudanese in isolated communities.

The Protocols for the peace process calls for a new era in Sudan model of governance that includes autonomy for southern Sudan, the Nuba Mountains and the Blue Nile within the context of a national unity government during a six-year interim period. Large numbers of people, including the diaspora, are expected to return to their home communities following a peace agreement. The peace agreement suggests the prospect of greatly increased funds from the wealth sharing agreement donor community and northern controlled oil production. The influx of funds could cause economic shocks and overwhelm the existing and extremely fragile new institutions and structures. Sustainability of the peace agreement will essentially depend on the ability of the SPLM to manage the extremely fragile war-to-peace transition. The SPLM will need to change from a guerilla movement to a political organization to effectively create and participate in an environment of formal institutional arrangements for democratic governance. If current development opportunities are not properly seized, challenges could jeopardize Sudan's development along the path of democracy and recovery.

The U.S. is maintaining its pressure on the protagonists in Sudan's civil war to reach a comprehensive peace agreement by the end of 2004. The U.S. national interests are to achieve a durable peace in Sudan that will safeguard human rights and religious tolerance; end state sponsorship of international terrorism; and ensure unimpeded access to deliver humanitarian and development assistance. A peaceful Sudan is important to the U.S. to promote regional stability in the volatile horn of Africa.

Donor Relations: The United States remains the only major donor providing funds for development in SPLM administered areas. Other donors providing humanitarian assistance throughout Sudan include The European Union (commodity and cash), Germany, Norway, Sweden, United Kingdom, Canada, Italy, Belgium, the Netherlands, Finland, Switzerland and Japan. They channel humanitarian assistance through United Nations (UN) agencies, and non-governmental organizations. Various UN agencies provide core funds in addition to administering other donors' humanitarian efforts. With the conclusion of a comprehensive peace agreement, other donor funding for development is expected to increase.

USAID's assistance programs are designed to operate with flexibility, by changing methods and locations as necessary to take advantage of new opportunities. Numerous funding sources are used, as appropriate, including international disaster assistance, food aid, development assistance and transition funds. Funding levels are evolving away from short-term relief expenditures towards longer-term rehabilitation and development investments. While the new peace program focuses on short-term conflict mitigation, and humanitarian relief and rehabilitation, four new sector programs lay the foundation for long term recovery by focusing on: more responsive and participatory governance; improved equitable access to quality education; increased use of health, water and sanitation services and practices; and establishing a foundation for economic recovery.

In FY 2004, the Enhanced Environment for Conflict Reduction objective, the Enhanced Food Security through Greater Reliance on Local Resources objective and the new objectives under the strategy for FY2004 - FY2006 contributed towards the mission's new goal to establish a foundation for a just and durable peace with broad-based participation of the Sudanese people. Despite the security risks and logistical hazards in terms of access to communities and beneficiaries the mission achieved substantial results. All programs contributed towards governance and capacity building to increase the skills and abilities of Sudanese people and institutions. P.L. 480 Title II resources strengthened the impact of USAID's program in Sudan.

Key Achievements:

1. Conflict Reduction: The ending Enhanced Environment for Conflict Reduction objective as well as the new follow-on objective of Expanded Support to the Sudan Peace Process focused on containing or resolving existing and emergent regional conflicts. The United States Government's support to the national level peace process, and USAID's support to the local-level peace and reconciliation processes and improvements to early warning and response mechanisms greatly assisted Sudan in making vital achievements towards a peace agreement. USAID efforts to improve community-based reconciliation resulted in a decrease in violent conflict and an increase in conflicts settled through dialogue. The National Working Group on Civic Education, a peace and civic education network, formed and assisted by USAID carried out a nation-wide dissemination of the Naivasha Protocols. In June, after the signing of the six Protocols in Naivasha, USAID supported the SPLM chairman and the Leadership Council to tour New Sudan and disseminate the six Protocols. At the conclusion of the tour, the SPLM held a conference for over 350 chiefs and traditional leaders. The conference resulted in the chiefs unanimously endorsing the six Protocols and calling the conference a landmark for the people of New Sudan.

2. Economic Recovery: USAID's objective for Enhanced Food Security through Greater Reliance on Local Resources and the new follow-on objective for a Foundation Established for Economic Recovery span a broad range of economic recovery activities contributing towards enhancing food security and agricultural development. In FY 2004, USAID met critical food needs of vulnerable populations in both northern and southern Sudan by providing 263,870 metric tons of P.L. 480 Title II emergency food commodities, worth over \$282 million. Most of the proceeds from the commodities used to fund such activities as developing farm-to-market roads, creating new income generation opportunities for poor farmers, strengthening disaster management capabilities in rural areas and improving infrastructure in poor areas of towns.

USAID's efforts towards improving economic policy and governance consisted of the establishment of the New Sudan Center for Statistics and Evaluation (NSCSE), a vital institution for collecting and disseminating economic information about Southern Sudan. USAID's contributions to strengthen financial

sector activities achieved excellent results. The Sudan Microfinance Institution (SUMI) established by USAID is performing to international standards. It currently serves 1,447 clients in three branches in southern Sudan. The total value of loans disbursed after one year is \$254,807, exceeding the target of \$146,132. The portfolio-at-risk rate as of September 30 was 2.4%, better than the best practices standard of 5% and the repayment rate was 99.6%, above the best practices standard of 97%. The Emergency Road and Dike Program, implemented through World Food Program, undertook major emergency repairs to key roads and dikes in Southern Sudan. The selected roads linked newly reconciled ethnic groups for exchange of agricultural products, access to food and basic goods, and delivery of humanitarian assistance. The roads are considered critical to opening up areas where high numbers of internally displaced communities will return after a comprehensive peace agreement is signed.

3. Governance: USAID, through its new objective for More Responsive and Participatory Governance, will support transparent and accountable Government of Southern Sudan (GOSS) institutional structures; participatory and inclusive political processes, including support to civilian political parties, the constitution and elections; decentralized local government structures; capacity development of civil society organizations (CSOs); and availability and access to independent public information. The SPLM leadership and other important stakeholders such as traditional and civil society leaders, including women, participated in extensive consultations during the design of USAID's Democracy and Governance program for southern Sudan. The design was approved in August 2004.

The provision of unbiased information is critical to the expansion of citizen participation in local governance and peace-building activities. USAID, through transitional initiative funds supported the establishment of a local language radio service for southern Sudan. The daily broadcast includes timely information on peace talks, educational and cultural programs, health issues, and civic education and governance programs. USAID also trained Sudanese journalists and provided support to the Sudan Mirror, a Sudanese newspaper.

4. Basic Education: USAID's education component to Improve the Quality of Basic Education under the Enhanced Environment for Conflict Reduction and the new follow-on objective for Improved Equitable Access to Quality Education made significant progress in training 92 teachers, awarding 946 scholarships to females for teacher training and training of 735 education officials. Other USAID non-formal education activities included a beginners' intensive English language course that trained 344 women in Basic English, and an Accelerated Learning Program, which condenses eight years of primary school into a four-year curriculum with the option for students to enter at any level depending on an assessment test. The accelerated learning program established 21 centers and trained 45 teachers. Enrollment in all USAID non-formal education activities amounted to 2,409 exceeding the target of 1,990. The percentage of female participation of 55 surpassed all expectations of getting females into classes this fiscal year.

The rehabilitation of the National Teacher Training Institute is complete and will be ready for an intake of students sometime in early 2005. In addition, USAID supported the Sudan Peoples Liberation Movement, Secretariat of Education to develop an innovative organization structure and laid the foundation for a system to deliver educational programs and services throughout south Sudan. USAID also printed 147,000 primary textbooks for distribution by the Secretariat of Education. An interactive radio instruction program was introduced to increase access to primary education and teacher training activities through the use of radio technology.

USAID carried out an assessment to address the general lack of institutional capacity and planning skills and provide an information base on training and institutional development needs. Based on the recommendations USAID will develop a comprehensive, cost-effective and innovative training and human resource development program for capacity development at the individual and institutional levels in the five development sectors currently supported by USAID: peace building/conflict mitigation, education, health, democracy and governance and economic development.

5. Health: USAID's objective for Increased Use of Health, Water and Sanitation Services and Practices commenced in May 2004. USAID strengthened the Secretariat of Health (SoH) office in Rumbek by training 20 public health administrators, and providing equipment and vehicles for the Secretariat and six

counties. USAID also supported procurement of essential drugs to cover needs in the program's initial six counties for a one year period and helped develop preliminary tools for the future Logistics Management Information System for the Secretariat. USAID is building the SoH capacity by involving the Secretariat officials' participation in grant proposal review committees and in developing the program monitoring plan. These participatory processes provide an essential learning experience for Secretariat of Health leaders on roles and responsibilities in complex bilateral assistance programs and encourage a learning-by-doing approach to institutional development.

USAID, through UNICEF and WHO, supported national immunization and assisted with surveillance in light of emergence of polio cases in south Sudan to help prevent and control infectious diseases. USAID developed guidelines for the treatment of tuberculosis in south Sudan that will be disseminated for use by service providers in FY2005. USAID's support to reduce transmission and impact of HIV/AIDS included prevention and home-based care activities in Yei River and Rumbek counties. Peer educators reached a total of 180,233 clients and distributed 435,018 condoms through fixed sites and health facilities. The peer educators contacts 45,459 women, 43,564 in-school youth, 45,229 out-of-school youth, and 45,980 military. The program managed three existing and created two new voluntary counseling and testing sites; counseling, testing and giving HIV test results to a total of 1,660 clients and providing social support to People Living with HIV/AIDS through post test clubs. USAID also supported clinics offering sexually transmitted infections (STI) syndromic care which treated a total of 5,095 clients for STIs. Finally, the program developed specific activities to engage south Sudan's faith leaders in the response to AIDS in Yei and Rumbek.

Results Framework

650-001 Enhanced environment for conflict reduction

IR 1.1 Increased Capacities for Peace-Building

IR 1.2 Expanded Capacities for Good Governance to Address Local Priorities

IR 1.3 Increased Access to Information, Education and Communication

650-002 Enhanced food security through greater reliance on local resources

IR 2.1 Increased Local Production of food in Target Areas

IR 2.2 Increased Use of Markets and Trade in Meeting Local Needs

IR 2.3 Targeted Food Aid Narrows Food Resources Gap for Vulnerable Groups

650-003 Enhanced primary health care through greater reliance on local capacities

IR 3.1 Increased Sudanese Participation as a Foundation for Sustainability

IR 3.2 Improved and Expanded Delivery of Services

650-004 Expanded Support to the Sudan Peace Process

IR 1 To strengthen key processes, mechanisms, and institutions for responsible governance and civil society development.

IR 2 To bolster emerging processes, mechanisms, and institutions that promote peace and stability.

IR 3 To increase access to quality, independent information.

650-005 More Responsive and Participatory Governance

SO Level Indicator(s):

of peace & governance processes being effectively managed through joint civil society-civil authority partnerships

Degree to which GoSS governance have been established

Expanded efforts by civil administrative units to include marginal groups in governance processes

IR 5.1 Increased Participation of Civil Society in Peace and Governance Processes

IR 5.2 Increased Responsiveness of Civil Administration Bodies

IR 5.3 Increased Access to Quality, Independent Information

650-006 Improved Equitable Access to Quality Education

SO Level Indicator(s):

Number of people attaining literacy from USAID Programs

Number of trained teachers in the classroom

Primary school enrollment in targeted schools

IR 6.1 Improved Teacher Education Programs

IR 6.2 Increased Capacity of Primary & Secondary Schools to Deliver Quality Education, Especially for Girls

IR 6.3 Improved Non-Formal Education for Out-of-School Youth and Adult Learners

650-007 Increased use of Health, Water and Sanitation Services and Practices

IR 7.1 Increased Access to High-Impact Services

IR 7.2 Increased Sudanese Capacity, Particularly Women's, to Deliver and Manage Health Services

IR 7.3 Increased Demand for Health Services and Practices

IR 7.4 Improved Access to Safe Water and Sanitation

650-008 Foundation Established for Economic Recovery

SO Level Indicator(s):

Increased value of exports of USAID-assisted firms

IR 8.1 Food Security Needs of Vulnerable Communities Met

IR 8.2 Market Support Institutions Created and Strengthened

IR 8.3 Market Support Programs and Services Introduced and Expanded

IR 8.4 Transparent Policymaking Processes Encouraged