

Sudan

The Development Challenge: Sudan is engaged in peace negotiations after 20 years of civil war. Agreements provide for freedom of religion, self-determination for the southern Sudanese within a national unity government, unlimited humanitarian access and a cessation of hostilities during negotiations. The U.S.-supported cease-fire in the Nuba Mountains permitted humanitarian assistance deliveries to this long-isolated region. Stable southern areas have experienced some economic recovery, with food surpluses produced in the Western Equatoria region. However, enormous development challenges still exist. Intermittent conflict, related human rights abuses, and deep ethnic and religious rifts make reconciliation and transition to peace difficult. The lack of basic physical infrastructure and institutional capacity, particularly in the south, impede economic and social development. Extremely high rates of illiteracy, limited access to basic education, high rates of child mortality and infectious diseases, an emerging HIV/AIDS threat, lack of economic opportunities, poor quality agricultural production and inaccessible markets are legacies from years of conflict and developmental neglect. Some southern communities have begun rebuilding education and health services but require expanded support to achieve effective and efficient services.

The U.S. national interests are to achieve a durable peace and to end state sponsorship of international terrorism. U.S. humanitarian objectives include ensuring unimpeded access in the delivery of humanitarian and development assistance, while human rights goals include ensuring ethnic and religious tolerance among all groups in Sudan. A peaceful Sudan is important to the United States to promote regional stability in the volatile Horn of Africa.

The USAID Program: The current program aims to prepare the southern Sudanese for a transition from conflict to peace under three objectives. The objectives focus on conflict mitigation, food security and primary health care. All activities emphasize building capacity at the local level and improving skills of southern Sudanese to become increasingly self-reliant. FY 2003 funds will be used for on-going conflict mitigation, local governance, basic education, health and agriculture activities. Funds will also support new road and communication infrastructure and primary health services initiatives. FY 2004 funds will be used for on-going infrastructure, agriculture, education and health services activities and will also support new governance and economic recovery activities. USAID implements the program through U.S. and indigenous non-governmental organizations and coordinates with the appropriate Sudanese regional authorities; in opposition-administered areas, USAID coordinates activities with the Sudan People's Liberation Movement and, in government-administered areas, coordination of humanitarian assistance is with the Government of Sudan's Humanitarian Assistance Coordination Office.

USAID is preparing a new three-year strategic plan which will include a tripling of the development assistance budget from the FY 2003 request to the FY 2004 request. USAID will notify Congress on specific objectives, activities and funding levels once approved.

Other Program Elements: USAID will continue to provide humanitarian assistance to respond to continuing humanitarian crisis needs throughout the country. In FY 2003, funds will be used for non-food relief and P.L. 480 food aid. Transition initiative funds will be used for media and conflict mitigation activities. Relief will likely be needed to support on-going reconstruction and resettlement activities. The State Department manages several peace initiatives in support of the Presidential Peace Envoy. These activities complement USAID humanitarian and development efforts.

Other Donors: Other donor funding for development is expected to increase once a formal peace agreement is signed. The United States remains the only donor providing funds for development in opposition-administered areas. Other donors provide substantial levels of humanitarian assistance throughout Sudan. The European Union provides commodity and cash assistance. Germany, Norway, Sweden, United Kingdom, Canada, Italy, Belgium, the Netherlands, Finland, Switzerland, and Japan channel humanitarian assistance through U.N. agencies, Operation Lifeline Sudan and non-Operation Lifeline Sudan non-governmental groups. Various U.N. agencies provide core funds in addition to administering other donors' humanitarian efforts. The U.N. Humanitarian Coordination Unit provides

coordination services and the World Food Program and the U.N. International Children's Fund administer large programs. Other participating U.N. entities include the Food and Agriculture Organization, Development Programme, Population Fund, High Commissioner for Refugees, and the World Health Organization.

Sudan PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	1,000	500	300	16,426
Development Assistance	3,500	10,631	22,000	49,613
Economic Support Fund	10,000	20,000	0	15,000
PL 480 Title II	40,886	60,190	0	0
Total Program Funds	55,386	91,321	22,300	81,039

STRATEGIC OBJECTIVE SUMMARY

650-001 Conflict Prevention				
CSH	500	0	0	0
DA	1,500	5,961	9,480	10,313
ESF	10,000	17,500	0	15,000
650-002 Food Security				
DA	1,500	4,670	12,520	39,300
ESF	0	2,500	0	0
650-003 Health				
CSH	500	500	300	16,426
DA	500	0	0	0

Data Sheet

USAID Mission:	Sudan
Program Title:	Conflict Prevention
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	650-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$9,480,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$10,313,000 DA; \$15,000,000 ESF
Year of Initial Obligation:	FY 2001
Estimated Completion Date:	FY 2003

Summary: USAID's program helps build the capacities of Sudanese individuals, institutions and associations to prevent or mitigate conflict. Activities support peace efforts, grassroots reconciliations, small community infrastructure and projects linked to peace agreements, civic education, civil administration and local courthouse rehabilitation, basic education and transition activities to reinforce peace-building efforts.

Inputs, Outputs, Activities:

FY 2003 Program:

Local governance strengthening (\$1,980,000 DA). USAID will expand and reinforce the ability of local-level municipal administrations in opposition areas (initiated under the Sudan Transitional Assistance for Rehabilitation or STAR program) to: (1) plan budgets publicly with local assemblies and in accordance with local priorities; (2) generate revenues through fair, transparent procedures; and (3) effectively and transparently control finances. Technical expertise will be provided for local-level opposition municipal administrators as well as apprenticeships and short-term training on municipal administration and governance for Sudanese opposition technical experts, administrators and fiscal managers. Indigenous training institutions will be strengthened and cooperation among local conflict mitigation and peace-building organizations and local governance institutions and networks will be promoted. Principal contractor: Research Triangle Institute.

Basic education (\$7,500,000 DA). USAID will increase equitable access to quality education in southern Sudan. Activities will help improve teacher education programs; increase the capacity of primary and secondary schools to deliver quality education, especially for girls; and improve non-formal education for out-of-school youth and adult learners. Four teacher training institutes will be rehabilitated; up to 2,000 female teachers will be trained; partnerships between Sudanese teacher training institutes and their East African and U.S. counterparts will be fostered; up to 240 primary schools and 10 secondary schools will be rehabilitated with community involvement; supplies of school materials (e.g., books) will be provided with involvement from the Sudanese private sector; and non-formal education and distance learning will be promoted for up to 16,000 out-of-school youth and adult learners. Principal grantee: CARE, in consortium with the American Institutes of Research, New Sudan Council of Churches, Save the Children/U.S., University of Massachusetts, and World Vision.

FY 2004 Program:

The new strategic plan is expected to include an objective that aims to improve governance. The program will support and expand on-going activities as well as develop at least one new activity. New notifications will be provided once the new strategy is approved. The following illustrative sectors of assistance are proposed.

Local governance (\$2,922,000 DA). Activities to reinforce the abilities of local-level municipal administrations in opposition areas will continue. In addition, a new activity will be developed to improve

district and higher-level southern Sudanese administrative capacity. Principal contractors/grantees will be determined.

Basic education (\$7,391,000 DA). Teacher training, school and teacher institute rehabilitation, non-formal education, and provision of school materials through local southern Sudanese suppliers will continue and expand. Principal contractors/grantees will be determined.

Peace activities (\$15,000,000 ESF). ESF will be requested to continue and expand grassroots conciliation activities to support the end of ethnic conflicts in southern Sudan and encourage the return to home communities of internally displaced people. Principal contractors/grantees will be determined.

Performance and Results: USAID's programs in conflict prevention struggled during the past year, due to the weak capacities of Sudanese counterpart institutions and, ironically, greater than expected progress by the national peace process. As USAID sought to assist opposition local governments, the judiciary and civil society organizations have displayed management weaknesses that have slowed down progress. These are brand new institutions, often highly personalized and poorly organized, facing extreme duress operating in cash-starved southern Sudan. Education and expanded peace activities were initiated in late FY 2002, therefore results may not be immediately forthcoming. FY 2003 funding for conflict prevention programs will result in more capable civilian administrations, more grassroots ethnic reconciliations, and greater access to quality education in southern Sudan.

US Financing in Thousands of Dollars

Sudan

650-001 Conflict Prevention	CSH	DA	DFA	ESF
Through September 30, 2001				
Obligations	500	1,450	0	0
Expenditures	0	0	0	0
Unliquidated	500	1,450	0	0
Fiscal Year 2002				
Obligations	0	5,961	1,000	4,000
Expenditures	486	408	0	0
Through September 30, 2002				
Obligations	500	7,411	1,000	4,000
Expenditures	486	408	0	0
Unliquidated	14	7,003	1,000	4,000
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2003 NOA				
Obligations	0	9,480	0	0
Total Planned Fiscal Year 2003				
Obligations	0	9,480	0	0
Proposed Fiscal Year 2004 NOA				
Obligations	0	10,313	0	15,000
Future Obligations	0	0	0	0
Est. Total Cost	500	27,204	1,000	19,000

Data Sheet

USAID Mission:	Sudan
Program Title:	Food Security
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	650-002
Status:	Continuing
Proposed FY 2003 Obligation:	\$12,520,000 DA
Prior Year Unobligated:	\$300,000 DA
Proposed FY 2004 Obligation:	\$39,300,000 DA
Year of Initial Obligation:	FY 2001
Estimated Completion Date:	FY 2003

Summary: USAID's programs seek to strengthen the capacities of Sudanese families, communities and institutions to increase their food security through increased local production of food in target areas and increased access to food through trade and markets; and targeted food aid for the most vulnerable groups.

Inputs, Outputs, Activities:

FY 2003 Program:

Agriculture revitalization (\$8,500,000 DA). USAID aims to increase agricultural production and marketing capacity by expanding access to agricultural skills and technology, increasing access to capital for financing agricultural enterprises and improving commodity networks to facilitate trade. Activities target agricultural entrepreneurs, especially women, in opposition-held areas of southern Sudan by rehabilitating training centers and initiating (or reinitiating) training programs in a variety of business (e.g., accounting, management) and agricultural sub-sectors (e.g., fishing, agro-forestry, horticulture). USAID will also help in establishing a central information and data analysis unit that will provide farmers and businessmen with market information necessary for expanding production and/or establishing trading networks. Finally, USAID will assist in expanding microfinance lending institutions so that farmers and agrobusiness entrepreneurs have access to small loans to assist in business start-up or expansion. Principal contractors and grantees: Catholic Relief Services in consortium with Sudan Production Aid, Veterinaires Sans Frontieres-Belgium, Winrock International, and Chemonics International. The U.S. Department of Agriculture also provides technical support.

Economic rehabilitation (\$1,750,000 DA). Building on earlier successes with the Sudan Transitional Assistance for Rehabilitation (STAR) program, this activity will continue to provide sub-grants to community-based groups to open rehabilitation-oriented businesses to enhance economic recovery in their respective areas. Once operational, the businesses return a portion of the sub-grant to a local revolving fund managed by county development committees, which strengthens local decision-making capabilities. Principal grantee: Catholic Relief Services.

Road rehabilitation and maintenance (\$2,270,000 DA). Using FY 2003 DA resources and prior year ESF, this activity will rehabilitate targeted trunk and secondary roads in agreement with communities that are willing to pay for road maintenance. The approach encourages southern Sudanese to establish and operate their own local construction systems for maintaining infrastructure. The activity will also promote the establishment of a roads council in southern Sudan to ensure geographic and ethnic equity of access to road rehabilitation services. Principal contractors will be selected in FY 2003.

These activities will be complemented by the provision of humanitarian non-food and P.L. 480 food assistance provided to communities that have suffered from conflict, natural disaster, or drought-related poverty.

FY 2004 Program:

The new strategic plan will address increased food security and enhanced economic recovery. While the strategy is not yet completed, the following areas are likely to be funded. New notifications will be provided once the new strategy is approved.

Agriculture revitalization (\$6,400,000 DA). Activities would continue to expand agricultural and business skills, access to technology, access to capital for financing agricultural enterprises, and commodity networks that facilitate trade. Principal contractors/grantees will be determined.

Road rehabilitation and maintenance (\$14,290,000 DA). Rehabilitation of targeted trunk and secondary farm-to-market roads will continue as will assistance to communities in establishing and operating maintenance systems. Principal contractors/grantees will be determined.

Economic recovery (\$11,900,000 DA). Activities would likely focus on non-agricultural business ventures, establishing and encouraging a more diversified economic base (from predominantly subsistence and small, local market agriculture toward a wider agricultural trade market, e.g., with northern Ugandan markets, as well as toward more agro-processing, e.g., packaging and distribution of honey and shea oil products) in southern Sudan. Principal contractors/grantees will be determined.

Communications infrastructure (\$6,710,000 DA). Activities would likely focus on developing and disseminating a variety of communications, including radio and possibly written communications, such as newspapers. Principal contractors/grantees will be determined.

These development activities will continue to be complemented by non-food and food humanitarian assistance funded activities.

Performance and Results: In stable areas, USAID continued to improve Sudanese capacity to meet their own food needs by increasing food production. An evaluation in FY 2002 of activities funded with prior year funding found increased confidence in markets undergoing recovery, but the impact on incomes was not sustainable in the short-run. Women's groups received an equitable share of program benefits in the targeted counties, and anecdotal information confirmed an increased confidence and reduced workloads for women. Humanitarian assistance helped sustain communities displaced due to conflict or natural disaster by providing food aid and emergency relief (seeds, tools, fishing equipment, vaccinations for livestock and training of Sudanese community animal health workers). FY 2003 funding for food security programs is expected to result in increased local food production and more new businesses to fuel economic recovery in stable areas.

US Financing in Thousands of Dollars

Sudan

	DA	ESF
650-002 Food Security		
Through September 30, 2001		
Obligations	1,150	0
Expenditures	0	0
Unliquidated	1,150	0
Fiscal Year 2002		
Obligations	4,297	2,500
Expenditures	1,035	0
Through September 30, 2002		
Obligations	5,447	2,500
Expenditures	1,035	0
Unliquidated	4,412	2,500
Prior Year Unobligated Funds		
Obligations	300	0
Planned Fiscal Year 2003 NOA		
Obligations	12,520	0
Total Planned Fiscal Year 2003		
Obligations	12,820	0
Proposed Fiscal Year 2004 NOA		
Obligations	39,300	0
Future Obligations	0	0
Est. Total Cost	57,567	2,500

Data Sheet

USAID Mission:	Sudan
Program Title:	Health
Pillar:	Global Health
Strategic Objective:	650-003
Status:	Continuing
Proposed FY 2003 Obligation:	\$300,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$16,426,000 CSH
Year of Initial Obligation:	FY 2001
Estimated Completion Date:	FY 2003

Summary: USAID's primary health care and water/sanitation program emphasize improving the capacities of Sudanese to meet their own requirements for health care. At the same time, the program provides funding for critically-needed medicines, training, physical rehabilitation and logistical support. USAID's program also seeks to help transform the health system in southern Sudan to reduce dependency on the international community and to introduce methods of increasing HIV/AIDS awareness.

Inputs, Outputs, Activities:

FY 2003 Program:

Health services (\$300,000 CSH). Building on modest health investments made over the past several years, USAID will design and initiate a new program in FY 2003 to reduce southern Sudanese dependency on emergency health programs. An important lesson of USAID's recent pilot health administration activity indicates that the primary health care system built with external resources relies heavily on external parties to continue to import medicines. In the health units in southern Sudan where patients pay for some of their care, 75% of revenues are kept in the health units, usually to pay salaries. The remainder is passed to newly established local health departments to pay salaries of health administrators. Prices for services have been set too low to cover the costs of imported medicines, making the health system reliant on foreign donors. When funding from foreign donors stops, the health clinics shut down. USAID's new program will address this over-reliance issue and may introduce development alliances with private sector health care providers, including pharmaceutical producers and distributors, in providing lower-cost medicines to the southern Sudanese health market, gradually reducing the subsidy over time. An alliance with USAID would give the health services firms an opportunity to expand their market share in East Africa and to improve their international image. This activity may also include HIV/AIDS awareness and prevention activities, building on a recent pilot activity. Principal contractors/grantees: To be identified.

Non-food emergency activities will continue to provide complementary basic primary health care and water and sanitation services to the most vulnerable communities affected by war or natural disaster. Services include immunizations, micro-nutrient supplements, training of health workers, rehabilitation of water points, and health education. While humanitarian assistance for health is expected to continue, development assistance in this sector is expected to increase in FY 2004 and beyond, building on the foundations built by humanitarian assistance to date.

FY 2004 Program:

The new strategic plan is expected to include an objective for improving in health services, along with other basic social services, with funding in the following illustrative areas. New notifications will be provided once the new strategy is approved.

Health transformation (\$16,426,000 CSH). USAID will continue and expand activities to reduce donor dependency in funding health care commodities and to identify and implement alliances with private

sector health care providers. The new strategy will continue work in primary health care provision, HIV/AIDS prevention and other areas identified during the FY 2003 design.

Performance and Results: A USAID-funded pilot program in recent years in two counties of southern Sudan tested methods for introducing cost-sharing to partially support community-based health centers and the local health administration; findings were that cost-sharing is difficult where local health departments are weak, communities are entirely dependent on the international community for delivery of medicines, and information about policies and prices is not available to ordinary citizens. These findings will inform and direct the new program as outlined above. Meanwhile, humanitarian aid continued to prevent the spread of epidemics and to meet the needs of the most vulnerable populations through timely delivery of basic health care services. FY 2003 funding for health programs will result in increased expansion of access to health, water and sanitation for Sudanese communities.

US Financing in Thousands of Dollars

Sudan

	CSH	DA
650-003 Health		
Through September 30, 2001		
Obligations	500	500
Expenditures	0	0
Unliquidated	500	500
Fiscal Year 2002		
Obligations	500	0
Expenditures	30	104
Through September 30, 2002		
Obligations	1,000	500
Expenditures	30	104
Unliquidated	970	396
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	300	0
Total Planned Fiscal Year 2003		
Obligations	300	0
Proposed Fiscal Year 2004 NOA		
Obligations	16,426	0
Future Obligations	0	0
Est. Total Cost	17,726	500