

# AFRICAN DEVELOPMENT BANK GROUP



## SUDAN

### Country Brief – 2010/2011

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REGIONAL DEPARTMENT, EAST II (OREB)

*October 2010*

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## Abbreviations and Acronyms

ACW	Arrears Clearance Window
AWF	African Water Facility
BOS	Bank of Sudan
BWIs	Bretton Woods Institutions
CBOS	Central Bank of Sudan
CBPRGG	Capacity Building Program for Poverty Reduction and Good Governance
CPA	Comprehensive Peace Agreement
CDP	Country Dialogue Paper
ESW	Economic and Sector Work
EU	European Union
FDI	Foreign Direct Investment
FSF	Fragile States Facility
GATC	Government Accountancy Training Center
GoNU	Government of National Unity
GoSS	Government of Southern Sudan
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
ICBPRGGP	Institutional Capacity Building for Poverty Reduction and Good Governance Project
IFI	International Financial Institutions
IGAD	Inter-Governmental Authority for Development
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
JDT	Joint Donor Team
MoFNE	Ministry of Finance and National Economy
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative
MDTF	Multi Donor Trust Fund
MIC	Ministry of International Cooperation
MTEF	Medium Term Expenditure Framework
NGOs	Non-Governmental Organizations
NPC	Non-Paris Club
OSA	Oil Savings Account
PER	Public Expenditure Review
PESP	Poverty Eradication Strategy Paper
PRSP	Poverty Reduction Paper
PFM	Public Finance Management
SDG	Sudanese Pounds
SMP	Staff Monitored Program of the IMF
SPLM	Sudanese People Liberation Movement
UNAMID	United Nations – African Union Hybrid Mission
UNDP	United Nations Development Program
USAID	United Agency for International Development

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## Sudan: Result Based Activity Framework

Contributions / Activities	Expected Results	Target Population	Performance Indicators	Time Frame	Assumptions / Risks
<p><b>Dialogue on Arrears</b></p> <p><b>Dialogue on Political and Economic Development</b></p> <p><b>Economic and Sector Work</b></p> <p><b>Ongoing Capacity Building Initiative (ADF and FSF)-</b></p> <p>-Institutional Capacity Building for Poverty Reduction and Good Governance (ICBPRGG) - Support through Pillar III of the FSF</p> <p><b>Planned Capacity Building Initiatives (UA 4.48 million; UA 1.3 committed) – FSF Pillar III Operations</b> <u>Southern Sudan</u></p> <p>Support to Government Accountancy Training Center (GATC)</p> <p>Technical Assistance, ESW</p>	<ul style="list-style-type: none"> <li>- Agreement on arrears and plan for arrears clearance</li> <li>- Political consensus and macroeconomic stability are achieved</li> <li>- Debt issue is addressed</li> <li>- Consensus reached among Stakeholders on development challenges of Sudan</li> <li>- Crucial Economic and Sector Work are identified and agreed upon</li> <li>- Thrust of macro-economic and structural reforms and lending program identified</li> <li>- Policy dialogue and poverty reduction strategy are well informed</li> <li>- Some key strategic and policy instruments are developed</li> <li>- The implementation capacity of key national institutions in North and South is strengthened in the areas of macro-economic reforms and good governance practices for poverty eradication.</li> <li>- Service delivery capacity has improved</li> <li>- ESW on key PFM and economic challenges in Southern Sudan are produced</li> <li>- Capacity of PFM is strengthened</li> <li>- Improved policy design and execution, through implementation of recommendations of studies and seminars</li> </ul>	<p>Government of Sudan</p> <p>Population of Sudan</p>	<ul style="list-style-type: none"> <li>- Sudan arrears clearance plan is available</li> <li>- At least 2 Major Consultative Meetings and Conferences are held with Bank active participation</li> <li>- At least 2 Consultations with the BWI</li> <li>- Discussion Paper on Re-engaging with Sudan is finalized and published</li> <li>- At least two of the identified Household Survey-based Studies are completed</li> <li>- Country Political and Economic Assessment/Review undertaken</li> <li>- Baseline Household Surveys (South &amp; North) are completed and disseminated</li> <li>- PRSP is finalized</li> <li>- Capacity of 22 ministries and 9 related institutions, and 10 states in Southern Sudan enhanced;</li> <li>- Training facilities constructed;</li> <li>- Procurement Information System established</li> <li>- Project, financial management and procurement functions strengthened.</li> <li>- ESW on Growth, Poverty Reduction, Taxation, Procurement, PFM and non-oil revenue generation</li> <li>- Draft public procurement policy, law and regulations</li> <li>- # of Projects derived from studies</li> <li>- Quality of accounts improved and preparation time significantly reduced</li> <li>- 117 training courses in public accounting and PFM delivered to 2000 Placement Officers thru GATC</li> <li>- Secondment of Adviser to Ministry of Finance; Seminars and Studies conducted; draft public financial management and accountability regulation produced</li> </ul>	<p><b>4<sup>th</sup> Quarter of 2010-2011</b></p>	<p><u>Assumption:</u></p> <ul style="list-style-type: none"> <li>- Commitment to reforms</li> <li>- Donor Coordination</li> <li>- If Sudan should become eligible for arrears clearance under Pillar II of the FSF in ADF-XII cycle, additional resource mobilization efforts will be undertaken</li> <li>- Increased participation for the development of home grown owned and led strategies and programs</li> </ul> <p><u>Risk:</u></p> <p>Non-adherence to reforms</p>

Contributions / Activities	Expected Results	Target Population	Performance Indicators	Time Frame	Assumptions / Risks
<p>Cash management Department</p> <p><u>Capacity Building in Water &amp; Sanitation in Darfur</u></p> <p><b>Emergency Assistance: Ongoing Assistance to Schools Affected by Flood in Khartoum State (US\$ 1.0 million)</b></p>	<ul style="list-style-type: none"> <li>- Awareness is created on the Darfur water crisis</li> <li>- An International Coordinated Platform for addressing the water crisis in Darfur is put in place</li> <li>- Normalcy reestablished material and infrastructure in targeted schools in Khartoum State</li> <li>- Health and safety provided to school children aged below 12 (primary schools &amp; below) in poorest segments of the community.</li> </ul>	<p>Khartoum State</p> <p>School Children in Targeted Areas</p>	<ul style="list-style-type: none"> <li>- Intergovernmental PFM Specialist recruited; TA to the Directorate of Accounts</li> <li>- At least one International Conference on Darfur water crisis is organized with active Bank participation; Action plan adopted</li> <li>- Geophysical and related studies conducted</li> <li>- A Small-Scale Pilot Investment initiated</li> <li>- 50 school classrooms completely rehabilitated with academic supplies ready for school year</li> <li>- 20 school classrooms reconditioned</li> </ul>	<p><b>2010-2011</b></p>	

# 1 BACKGROUND

## 1.1 Introduction

1.1.1 The objective of this Country Brief is to inform the Board of Directors of the recent developments and challenges in Sudan and to provide a short-term programming framework for the use of Pillar III resources of the Fragile State Facility (FSF). It also provides an update on the Bank Group relations with Sudan, in particular with respect to the issues of arrears and capacity building.<sup>1</sup>

1.1.2 The Comprehensive Peace Agreement (CPA)<sup>2</sup>, signed in January 2005, paved the way for the establishment of the Government of National Unity (GoNU) and the Government of South Sudan (GoSS) to form a Confederation system under the ‘one country, two systems’ framework. An Interim National Constitution was adopted in July 2005 to provide for a decentralized government system. More than five years into the CPA six-year life cycle, some progress was made, including the ceasefire, power-sharing, and presidential and parliamentary elections. On the economic front, macroeconomic stability has been restored, contributing to sustaining GDP growth. However, major challenges remain, including rising political tensions and security threats in the run up to the January 2011 referendum, the external debt burden, capacity gaps and pervasive poverty, particularly in Southern Sudan.

1.1.3 In the last few years, the international community has intensified efforts to re-engage with Sudan. These re-engagement efforts are predicated on the need to embark on prevention and mitigation of violent conflicts, support ongoing reforms and address the key development challenges of Sudan. The Bank has been part of the international dialogue promotion efforts, and has, since 2006, engaged in dialogue with Sudan on issues of arrears clearance, knowledge generation and institutional capacity building, all of which are critical for providing the much needed long-term financing for the country’s development. Going forward in the implementation of the final provisions of the CPA, the Bank will reinforce its efforts in these areas to ensure a well-coordinated and timely re-engagement process. This will pave the way for identifying priority areas of operational assistance to support the country’s rehabilitation and reconstruction agenda.

## 1.2 Political Developments

1.2.1 More than five years following the signing of the CPA, Sudan is still slowly transitioning from managing the North-South conflict to creating the conditions for engaging in pro-poor development. The political agenda is guided primarily by the CPA. Presidential and parliamentary elections were held within the agreed timeframe. The April 2010 election results confirmed victory for the incumbent Presidents, thereby leaving the political landscape unchanged for now. With the referenda on the South and Abyei, planned to take place in January 2011, Sudan is at a historical cross road. The political situation continues to be volatile with tensions among the CPA partners and potential security threats on the conduct of the referenda and the post-referendum era.<sup>3</sup>

1.2.2 The unresolved Darfur situation continues to weigh heavily on Khartoum’s relations with the international community. Some progress has been made in 2009 in the humanitarian and security situation in the region and in the Doha peace talks. However, all parties involved need to continue making a concerted effort to engage in more comprehensive peace talks, which has gained a new momentum with the recent involvement of the international community.

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<sup>1</sup> The last CDP on Sudan (ADB/BD/WP/2006/57– ADF/BD/WP/2006/49) was approved by the Board in July 2006. The Post-Referendum Period, 2011-onward, whatever the outcome, will be an era of new political dynamics, for which an appropriate Bank strategy and programming document will need to be prepared.

<sup>2</sup> The key features of the 2005 Comprehensive Peace Agreement (CPA) are presented in Annex I.

<sup>3</sup> The protocol areas (South Kordofan, Blue Nile and Abyei) constitute potential source of conflict. They have been hard hit by the country’s decades of war and have been confronted with unique challenges, including influx of returnees, widespread poverty, insecurity and lack of basic infrastructure.

1.2.3 Furthermore, progress in brokering peace in the Darfur conflict could be undermined by the water crisis. Water and grazing land have historically been a source of communal conflict in Darfur. However, this conflict has assumed a new dimension with different rebel groups vying for power, thus compounding it. There is, therefore, a need to put in place a comprehensive framework that takes into account communal rights and relations for attaining durable peace.<sup>4</sup>

### 1.3 Economic Developments

1.3.1 Sudan has implemented a range of macroeconomic and structural reforms over the past decade under successive IMF Staff Monitored Programmes (SMPs). These reforms included the adoption of banking sector reforms, liberalization of the exchange system and other structural measures. They contributed to restoring macroeconomic and financial stability, thereby creating the condition for sustained growth in the country.

1.3.2 **Real GDP growth** has been largely driven by high production of oil, rising Foreign Direct Investment (FDI) inflows and Government investment to some extent. However, real GDP growth slowed down from 6.8% in 2008 to 4.5 % in 2009, as a result of the global crisis and the decline in international oil prices (refer to Annex II). With recovery in the oil prices and world economy, FDI inflows and the ongoing reforms, real GDP growth is expected to rebound to 5.5% in 2010. Average annual **inflation** fell from 14 % in 2008 to 11% in 2009, and is projected to drop to 10% in 2010.<sup>5</sup>

1.3.3 The **fiscal performance** improved in 2009, reflecting stronger revenue collection efforts by the tax and customs administration, and the containment of most expenditure (except for transfers and fuel subsidies). The overall non-oil deficit (commitment basis) narrowed from 8.7% of GDP in 2008 to 4.8% in 2009, and is projected to drop further to 2.9% in 2010. In the South, the fiscal situation has been worse, given the high dependency of the region on oil revenue and weaker capacity in public finance management (PFM).<sup>6</sup>

1.3.4 The external **current account deficit** reached 11.5% of GDP in 2009, despite the decline in imports. The rebound in oil prices in the second half of 2009 were insufficient to compensate for the decline in annual oil receipts<sup>7</sup>. The central bank's net international reserves dropped from US\$ 980 million in 2008 to US\$ 390 million in 2009. In response, the central bank also introduced in June 2009 new restrictions on hard-currency purchases. In 2010, the current account deficit is expected to narrow to 8.5% of GDP. The stock of international reserves would rebound to US\$ 950 million.

1.3.5 Despite the increase in non-concessional borrowing, the structure of Sudan's **external debt** has remained broadly unchanged since 2000 (refer to Annex III). In nominal terms, the total external debt amounts to US\$ 35.7 billion as at end-2009. The share for official bilateral creditors accounts for 68.8%, of which 31.4% to the Paris Club.<sup>8</sup> The debt of multilateral institutions represents 14.8%, with the rest owed to commercial banks and suppliers (16.5%). The country's debt ratios are unsustainably high, with the net present value (NPV) of debt-to-exports of over 200% in 2009, well over the Heavily Indebted Countries (HIPC) debt sustainability analysis (DSA) threshold of 150%. Contracting or guaranteeing of new non-concessional debt will weaken further the country's debt sustainability outlook and delay creditors' participation in a potential debt-relief operation.<sup>9</sup>

<sup>4</sup> A delegation of the United Nations – African Union Hybrid Mission (UNAMID) in Darfur visited the Bank in June 2010 to discuss the need for international resource mobilization efforts to resolve the water crisis in Darfur.

<sup>5</sup> IMF WEO Statistics

<sup>6</sup> Oil revenues make up over 98% of the revenues of the Government of South Sudan.

<sup>7</sup> IMF, Article IV Consultation, 2010

<sup>8</sup> In 1979, 1981, 1983 and 1984, respectively, Sudan managed to conclude rescheduling arrangements with the members of the Paris Club covering 100% of its debt due in those years, with grace periods of over 6 years, but was not able to make use of them as they did not include any exemption for principal or interest.

<sup>9</sup> IMF Staff-Monitored Program for 2009-10

## 1.4 Social Developments

1.4.1 Despite large endowments of natural resources and sustained GDP growth in recent years, social indicators of Sudan remain weak. According to the 2009 Human Development Index, Sudan was ranked 150<sup>th</sup> out of 182 countries, broadly unchanged compared to 1999 (147<sup>th</sup> out of 174 countries). Sudan's performance in the social sector has been greatly affected by protracted civil conflicts and related governance problems. The robust GDP growth rate over the past decade has not been broad based to make a dent in **poverty**. The devolution to the federated states of the responsibility for social services has contributed to the breakdown of local services, in the absence of institutional and human capacity, as well as the provision of adequate funding.

1.4.2 Regional disparities prevail for almost all **Millennium Development Goals** (MDGs), such as basic health services, food insecurity, water and sanitation. Conflict from the three fronts (East, West and South) and internal displacement of civilians have resulted in chronic food insecurity in parts of the country and continue to cause egregious human suffering and loss of life.<sup>10</sup> The incidence of poverty is particularly higher in the Southern and Western States.<sup>11</sup> Huge development gaps exist between the North and the South, with fragile regional situations along the Border States such as South Kordofan, Blue Nile, Abyei and Red Sea. The agricultural sector, which provides livelihood for over 70% of the population in the South, has been rather neglected, despite its contribution to GDP of about one third.<sup>12</sup> Gender inequalities in access to resources, decision making, employment and wages are also issues of concern.

## 1.5 Challenges and Potential

1.5.1 The process of decentralization, introduced to address some of the regional disparities in the country, has brought to light problems of **capacity deficits** (institutional, human and physical) common in most post conflict countries. The situation is worse at the GoSS, state and local levels.<sup>13</sup> Most states face serious public finance management (PFM) problems, characterized by weak financial accountability and reporting, ineffective controls and lack of transparency. This problem has been compounded by the complex **governance structures**, with weak inter-ministerial and inter-governmental coordination. Moreover, all 25 States have their own Legislative Councils, Authority to levy taxes, in addition to the federal tax. This situation makes it difficult even for the Federal Government to effectively monitor the utilization of budgetary allocations and revenue mobilization.

1.5.2 The **external debt** remains high and unsustainable. **Poverty** is pervasive, especially in Southern Sudan. The economy remains hugely uneven with significant regional disparities in investment allocations, health care, education and industries. **Internally displaced persons (IDP)** of Southern Sudan living in the North are estimated at about 4 million. The social and economic impact of the massive current and expected wave of returnees is a major concern. Another challenge relates to the restoration of productive assets and the delivery of basic services, especially given the highly militarized context in which a large section of the pastoral communities in the South are used to managing their affairs with limited interaction with any form of government.

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<sup>10</sup> With a population estimated at 41.9 million in 2010, Sudan is geographically and religiously diverse and a multicultural, multiethnic, and multilingual country, with 134 listed languages.

<sup>11</sup> In Southern Sudan, the incidence of poverty ranges from 25% in Upper Nile to 75% in Northern Bahr El Ghazal (NBHS, 2009).

<sup>12</sup> Pre-crisis official unemployment rate was 20%, with majority employed in the agricultural sector, while industry engaged less than 10% of the labour force. Since the 1990s there has been a boom in the informal sector and a proliferation of smaller employers.

<sup>13</sup> Southern Sudan consists of the ten states which formerly composed the provinces of Equatorial (Central Equatorial, Eastern Equatorial, and Western Equatorial), Bahr el Ghazal (Northern Bahr al Ghazal, Western Bahr el Ghazal, Lakes, and Warrap), and Upper Nile (Jonglei, Unity, and Upper Nile).

1.5.3 Sudan's **economic outlook** is challenging. The near term prospect will be affected by the uncertainties relating to the upcoming referendum and the risk of factional fighting. The medium term outlook will depend on a speedy resolution of the political uncertainties, the governance and institutional arrangements. The huge regional disparities in capacities and investments will need to be addressed urgently. Reconstruction and development needs are expected to be enormous and will require international support, including in resolving the external debt issue. Furthermore, it has become urgent to accelerate steps towards economic diversification, as oil production is expected to decline significantly in the coming years in the absence of new discoveries. The unrealized potentials include the immense natural resources and the rich agricultural land. Recovery and growth in agriculture will contribute to diversifying the economy and revitalizing the rural areas, with the ultimate goal of poverty reduction through private sector-led growth. Key constraints will need to be addressed, such as the high transaction costs of doing business, weak market institutions, inadequate infrastructure and cumbersome administrative barriers.

## **2 BANK'S RELATION WITH SUDAN**

### **2.1 Bank Group Portfolio**

2.1.1 The Bank Group started its lending operations in Sudan in 1971, and has provided development support to various sectors, including capacity building, emergency and technical assistance. Not much needed investment activities in the country has taken place since 1995 because of arrears. The Bank has engaged in policy dialogue with the Government of Sudan.

2.1.2 The on-going operations in the country are: (i) Institutional Capacity Building for Poverty Reduction and Good Governance Project (ICBPRGGP), approved in March 2007 for UA 9.62 million in the form of an ADF grant; and, (ii) Pillar III grants of the FSF in support of various capacity building and technical assistance activities in Southern Sudan. In addition, an Emergency Relief Assistance to Khartoum State for Schools affected by Flood was approved in July 2010 for US\$ 1.0 million. The assistance aims at responding to the urgent needs of flood victims, especially school children in poor segments of the state.

2.1.3 The ICBPRGGP supports activities both in the North (30%) and South (70%) with three major outputs: carrying out Household Survey, preparing Poverty Eradication Strategy Paper (PRSP) and providing support at the State levels. The ICBPRGGP, disbursed at 51.3%, is expected to be completed by December 2011. The Sudan Baseline Household Survey (NBHS) was completed for the South (June 2010) and the North (October 2010). The data from the two regions (North and South) is currently being consolidated. The Survey, as key databases for policy making, is a major accomplishment in the sense that such instruments were non-existent for three decades. Support to GoSS under Pillar III of the FSF has covered economic and sector work (ESW) and capacity building, including studies and seminars, technical assistance and training programs.

### **2.2 Evolution of Arrears**

2.2.1 **Triggered by the outbreak of civil war in 1983**, Sudan began accumulating arrears with the IMF (1984), the World Bank (1993) and AfDB (1995). As at end-September 2010, the arrears to the Bank stood at UA174.8 million<sup>14</sup> (equivalent to US\$ 263.8 million), which is much lower than the arrears to the IMF and the World Bank standing at US\$ 1.6 billion and US\$0.6 billion, respectively. With the country facing numerous socio-economic challenges, the full resumption of Bank Group's operations in the country, after arrears clearance, will have a significant positive impact.

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<sup>14</sup> An agreement was reached in 2003 for Sudan to make monthly token payments of US\$500,000. Total payments made to the Bank to date, an equivalent to US\$13.5 million, have not been sufficient to stabilize the arrears with new maturities falling due at an average of UA 10-12 million per year.

<b>Sudan: Arrears to the ADB Group as at 30 September 2010</b>			
<i>(Thousands UA)</i>			
	<b>Total</b>	<b>Principal</b>	<b>Charges</b>
<b>ADF</b>	67,485.7	45,537.0	19,948.7
<b>ADB</b>	107,307.5	55,125.1	52,182.4
<b>Total</b>	174,793.2	102,662.1	72,131.1

### **3 DONOR ACTIVITIES AND AID COORDINATION**

3.1 Following the signing of the CPA, the level of engagement by the international community has increased, including various donor conferences and meetings. The main objective is to lay the groundwork for a short to long term program aimed at supporting the peace process, settlement of external debt and arrears, and post conflict reconstruction. Most of Sudan's traditional development partners still operate in the country, with stronger presence in the South.

3.2 Coordination of donors' aid falls under the responsibility of two ministries. The Ministry of International Cooperation (MIC) follows up on grants from bilateral and multilateral partners. The Ministry of Finance and National Economy (MoFNE) deals with multilateral financial institutions (AfDB, World Bank and IMF).

3.3 A Joint Donor Team (JDT)<sup>15</sup> is working with other donors to help GoSS address the fiscal crisis. The Team is also a member of the Task Force<sup>16</sup> established in 2008 to come up with a Compact between the GoSS and the donor partners. The Compact was formulated as a mutual accountability results framework, with the GoSS and donors pledging to monitor progress in implementation of the reforms.<sup>17</sup> The JDT is also interested in the work on the growth strategy, and has invited AfDB to join hands with other interested donors to take forward this process to the States level. The Task Force also oversees the implementation of the Multi-Donor Trust Fund (MDTF).<sup>18</sup> Discussions are underway to resolve the Darfur conflict, including the water crisis.

3.4 Donor coordination in South Sudan is effective, with a well established system of thematic groups. Development partners in Juba include UNDP, World Bank (MDTF), bilateral donors through the Joint Donor Team, DfID, USAID and others. The Bank contributes to the dialogue and coordination on the ground with other development partners through its Khartoum-based Field Office. The Bank participated in the Darfur Joint Assessment Mission in July 2006 and co-led with the World Bank work on the Reconstruction and Development Track.

3.5 A recent donor meeting held in Brussels in September 2010 endorsed the National Development Plan 2011-2013 and 19 core governance functions for South Sudan, of which seven have been prioritized. The seven governance functions fall under Executive Leadership, Rule of Law, Law Enforcement, Security, Public Administration, Fiduciary Management and Natural Resources. However, donors have expressed the need for mutual accountability based on the Juba Compact. They urged the GoSS to improve transparency and management of public funds, fight corruption and engage in peace building and reconciliation efforts. The Diaspora is to play an important role. All these issues will be further discussed at a planned Roundtable in Juba (South Sudan) in mid-November 2010. At the Development Partners Roundtable on Sudan held in October 2010 in Washington,<sup>19</sup> donors committed to strengthening coordination in addressing the development

<sup>15</sup> Represents Canada, Denmark, the Netherlands, Norway, Sweden and United Kingdom.

<sup>16</sup> Joint Donor Team, the World Bank and the UN

<sup>17</sup> The Compact was endorsed by GoSS and donor community in the South in June, 2009.

<sup>18</sup> There is the MDTF- national and MDTF-South managed by the World Bank.

<sup>19</sup> Discussion at the Roundtable on Sudan focused on post-2011 referendum era; debt sustainability issues; Darfur and international engagement particularly on capacity development.

challenges of Sudan, including the issue of debt relief and critical capacity building needs in South Sudan consistent with the seven priority governance functions.

## **4 BANK GROUP'S STRATEGIC APPROACH FOR SUDAN**

### **4.1 Proposed Re-engagement Approach**

4.1.1 The Bank cannot resume regular operations in Sudan on account of its non-accrual status. The main thrust of the Bank's strategic engagement will consist of sustaining its dialogue efforts with the country on monitoring the political and economic situation, arrears clearance and debt relief, and support for capacity building. The Bank will also enhance its knowledge and analytical work that will feed into the design of a credible plan for full resumption of operations in the country.

4.1.2 The Bank's financial support to Sudan will be limited to providing support using resources that are not affected by the arrears situation, primarily through Pillar III of the FSF (UA 4.48 million) and, to some extent, the African Water Facility (limited to €2 million per intervention), and the Special Relief Fund (limited to \$1 million per intervention).

### **4.2 Eligibility to Resources from the Fragile States Facility**

4.2.1 Sudan is one of the twenty Regional Member Countries (RMCs) that were identified as fragile states at the beginning of the ADF-11 cycle in 2008. At that time, Sudan had a harmonized average World Bank and AfDB Country Policy and Institutional Assessment (CPIA) score of 2.53, which was below the cut-off score of 3.2 or below.<sup>20</sup> With a 2009 average CPIA rating of 2.50, Sudan is still classified as fragile, and has been allocated resources under pillar III of the FSF.

4.2.2 Sudan's total allocation under Pillar III of the FSF amounts to UA 4.48 million, of which UA 1.3 million has been committed to support capacity building in the priority areas in South Sudan.<sup>21</sup> The Guidelines on Administration of the Technical Assistance and Capacity Building (TCB) Program of Pillar III Operations, approved in June 2010, reaffirmed the requirement of a programming document. This Country Brief aims at addressing this gap in the case of Sudan.

4.2.3 The uncommitted FSF-Pillar III resources for Sudan stand at UA 3.18 million, as at end September 2010. The resources will be used primarily to support technical assistance and capacity building in PFM reforms in Southern Sudan, given the huge gaps identified and priority areas agreed upon, in coordination with the Government and other development partners. Addressing the water crisis in Darfur can also be explored in the context of an international partnership with other donors in an effort to contribute to conflict resolution in a sustainable manner.

4.2.4 Arrears can be settled through the Arrears Clearance window (Pillar II) of the FSF, the main objective of which is to provide partial funding to eligible post-conflict and fragile states to clear arrears with the Bank Group. Sudan's eligibility to Pillar II of the FSF will need to be established in coordination with BWIs within a broader context of debt relief assistance, including eligibility to the Highly Indebted Poor Countries (HIPC)/Multilateral Debt Relief Initiative (MDRI).<sup>22</sup>

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<sup>20</sup> The Bank uses the Multilateral Development Bank Working Group definition to classify countries as fragile. Under this definition, countries are fragile if they have a harmonized World Bank and AfDB Country Policy and Institutional Assessment (CPIA) rating of 3.2 or less and/or if they have had the presence of a UN and/or Regional peace-keeping or peace-building mission during the past three years.

<sup>21</sup> Pillar III of the FSF Operational Guidelines approved in July 2010.

<sup>22</sup> Sudan has been included in the list of ring-fenced countries that potentially could benefit from the debt relief under the enhanced HIPC Initiative, and the World Bank envisages technical studies on Sudan's eligibility under the HIPC debt relief based on the end – December 2009 debt stock and income criteria. The Bank will coordinate with the BWIs on HIPC/MDRI, and also undertake Sudan eligibility exercise under Pillars I and II of the FSF. Preliminary eligibility issues of Sudan to Pillars I and II of the FSF are discussed in Annex V.

### **4.3 Dialogue on Arrears**

4.3.1 Currently, the arrears clearance discussion is a priority in the Bank's re-engagement agenda. The Government has expressed on several occasions its commitment to settle Sudan's arrears to the Bank using its own resources. Recently, this position was officially confirmed in October 2010. In the context of the 2010 IMF/World Bank Annual Meetings, the Bank held discussions with the Sudanese Authorities at a bilateral level and at the Development Partners Roundtable on Sudan held on 9th October 2010 in Washington.

4.3.2 It was agreed that the Bank will work in close coordination with the Bretton Woods Institutions (BWIs). The objective is to ensure that the Bank's arrears clearance is dealt with in an internationally coordinated re-engagement process within the broader context of Sudan's eligibility for HIPC/MDRI debt relief and its ability to access all possible funding opportunities and financing instruments to tackle the major development challenges of the country. The Bank will sustain dialogue and engage in technical discussions with the Government, in coordination with the BWIs. The Bank will actively participate in major international conferences, seminars and workshops on Sudan's debt issues and development challenges.

### **4.4 Dialogue on Political and Economic Developments**

4.4.1 Sudan historical link with the Bank and its geopolitical importance provide compelling reasons for the Bank to monitor the political and economic developments that will pave the way for resumption of normal operations in terms of financing of projects and programs. The Bank will collaborate with the international community in monitoring the progress on peace and reconciliation, particularly the implementation of the CPA and other agreements.

4.4.2 Partnership with other development partners in aid coordination and resource mobilization for the country's reconstruction efforts will be critical for the Bank in setting new modalities for enhanced collaboration and operational frameworks.

4.4.3 In view of the need to address the daunting economic challenges and pervasive poverty in the South, the Bank will be closely involved in policy dialogue with the GoSS to explore technical support opportunities based on the immediate priorities. The focus of the Bank will be to support key reforms needed to enhance governance and achieve fiscal sustainability.

### **4.5 Knowledge Generation**

4.5.1 The Bank has recently prepared a Discussion Paper, "Re-engaging with Sudan – Lessons from Post-Conflict Countries". Under alternative scenarios, the paper reviews and discusses some of the issues that would need to be addressed to facilitate the process of arrears clearance and debt relief. The paper made a strong case for a coordinated approach to arrears clearance. Going forward, the Bank will carry out further analytical work focusing on strategic issues that will guide the dialogue and re-engagement strategy for Sudan.<sup>23</sup> Possibilities of accessing existing bilateral trust funds will be explored to support the Bank's knowledge work and other areas of engagement (in coordination with other development partners). Involving stakeholders on socio-economic issues will be critical, using tools such as focus-group discussions, seminars, workshops, communication campaigns and opinion surveys.

4.5.2 The Bank will assist in the preparation of sector policies and strategies, and will take stock of assessments already done, including other studies carried out by other development partners. Based on the recently completed Household Survey data, the Bank has identified potential ESWs, namely poverty mapping, gender inequalities and women's empowerment, household vulnerability to shocks,

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<sup>23</sup> For example, growth, diversification and economic transformation, governance policies and institutions, fiscal and debt sustainability, infrastructure development, private sector, inequality and poverty, and human resource development

pro-poor policies analysis, labor market and employment issues, education and health. Discussions on collaboration on these household survey related ESWs, initiated with the World Bank, will be enlarged to include other development partners.

#### **4.6 Support for Capacity Building and Emergency Assistance**

4.6.1 Strengthening capacity of local administration to plan, formulate and implement national development policy is a key area of focus in the planned intervention of the Bank. The Bank will continue to monitor the implementation of the on-going capacity building programs (ICBPRGGP and support under Pillar III of FSF). In addition, the Bank will work with the Government officials to define a capacity building framework, in coordination with other development partners. The Bank's main areas of focus will be on public financial management, planning, monitoring and evaluation of development policies. Increased capacity building support to South Sudan is necessary to constitute the critical mass of experts to build and run the fragile economy. The Bank's capacity building activities will focus on PFM and fiduciary issues, in line with the agreed seven priority core governance functions (cf. paragraph 3.5).

4.6.2 As the severe water shortage in Darfur remains a challenge in the peace process, the Bank will explore the possibility of enhancing capacity in the sector. The Bank's support will aim at complementing other on-going efforts to resolve the political crisis and achieve durable peace and sustainable development.

4.6.3 In the area of emergency assistance, the Bank will closely monitor the activities of the "Humanitarian Assistance to Flood Victims in Khartoum State", approved in June 2010. Two main activities are covered: (i) school supplies and materials re-acquisition; and (ii) urgent school infrastructure restoration and facility repairs, including sanitation.

#### **4.7 Monitoring and Way Forward**

4.7.1 The key elements of Bank strategy and planned activities with associated performance indicators are summarized in the Result-based Activities Framework. The Bank will monitor performance in collaboration with other development partners, including through regular review of the country economic and political situation, with assistance of the Sudan Field Office (SDFO).

4.7.2 A needs assessment will be conducted by mid-2011, with collaboration of other development partners. The Bank will establish a framework for future interventions in Sudan. A roadmap for the Bank's re-engagement with Sudan will be established, with the identification of appropriate reforms to undertake following arrears clearance, including addressing the development challenges of the country and eventually support for debt relief and the HIPC process. This road map will be agreed with the Government and refined within the framework of the Country Dialogue Paper or any other relevant strategic or programming document to be prepared tentatively in 2011.

4.7.3 SDFO will liaise regularly with the official authorities on the evolving dialogue on arrears, to follow up on agreed arrears clearance strategy, and on any specific initiative which may require proactive support of the Bank.

#### **4.8 Risks and Mitigation Measures**

The major risks facing Sudan are as follows:

- (i) **Risk 1: Uncertainty surrounding the outcome of the 2011 referendum:** This could potentially result in political instability, new large scale conflict or civil wars. This situation could have adverse consequences on the rest of the Horn of Africa, Kenya, Uganda and Eastern DRC, through forced migration, displacement and humanitarian crises, cross-border armed groups and militias and food insecurity. It could also threaten

international agreements governing the use of Nile Waters, two thirds of which are within Sudan's borders. **Measures:** This risk can be mitigated by sustaining the efforts within the current peace and mediation mechanisms, through the AU/UN Peace and Security Architecture and African sub-regional organizations;

- (ii) **Risk 2: Potential threats to macroeconomic stability:** Given the unsustainable debt position of Sudan, limited assistance from the international community can trigger the contracting of non-concessional loans by the Government and a reversal of the notable macroeconomic reform achievements made over the last decade. **Measures:** The coordinated support of the international community and the proposed Bank's participation in the process will contribute to mitigating this risk. The implementation of the final provisions of the CPA will also facilitate the process; and,
- (iii) **Risk 3: Limited human and institutional capacity:** Failure to address urgently the huge regional disparities in capacities could particularly delay further the process of peace consolidation and reconstruction efforts, once the most pressing political and security issues are settled. **Measures:** Donors' commitment, including the Bank, to deliver urgently on the seven core governance functions in Southern Sudan should be sustained.

## 5 CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Conclusions

Sudan has been engaged in devastating civil conflicts triggered by widespread poverty, regional inequalities and disparities and competition for scarce natural resources. The current macroeconomic stability achieved and the implementation of the remaining provisions of the CPA, if completed successfully, could contribute to establishing a new stable political order and providing a window of opportunity for Sudan's full re-engagement with the international community. Sudan is now at a critical juncture in the country history, i.e. transition from a conflict situation towards reconstruction and development of its economy. Regardless of the outcome of the referendum, the coming months will have historic implications for Sudan's future. Besides North-South issues, there are several important considerations, including Darfur and Border States. The Bank should position itself to play a proactive and substantive role in its core areas of comparative advantage. The Bank's active involvement in monitoring the situation, dialogue, knowledge work and capacity building will play a critical role in a timely and coordinated reengagement process.

### 5.2 Recommendations

5.2.1 In the final phase of the implementation of the CPA, the Bank's re-engagement approach in Sudan should aim at dialogue on arrears settlement and debt relief issues, capacity building, technical assistance as well as supporting analytical work and knowledge generation, in particular through the FSF Pillar III resources and any other Bank instruments not affected by the arrears situation.

5.2.2 The Boards of Directors are invited to approve the eligibility of Sudan for continued utilization of resources from Pillar III of the Fragile States Facility, in line with the existing policy guidelines.

# ANNEXES

## ANNEX I: SUDAN – Key Features of the Comprehensive Peace Agreement (CPA)

### Key Features of the Comprehensive Peace Agreement (CPA), January 9, 2005

The CPA represents a complex and detailed set of arrangements and actions. The CPA is also supported by various commissions (i.e. National Petroleum Commission-NPC, Fiscal and Financial Allocation and Monitoring Commission- FFAMC, etc.). The main features include the followings:

**The Power Sharing Agreement** provides for a largely autonomous government for Southern Sudan, as well as a share for Southern Sudan in the National Government (NG), with a view to making unity attractive to the Southern Sudanese population before it votes in six years on whether to remain unified with the North or become independent. The Agreement provides the basis for broader participation in government and civil service, the restructuring of critical national institutions (e.g. the judiciary), and a new national constitution. It also recognizes the right of the Sudanese to elect their representatives in free and fair mid-term elections at all levels of government, and emphasizes internationally-acknowledged human rights and freedoms, including a commitment to a bill of rights and basic freedom of expression, religion and association.

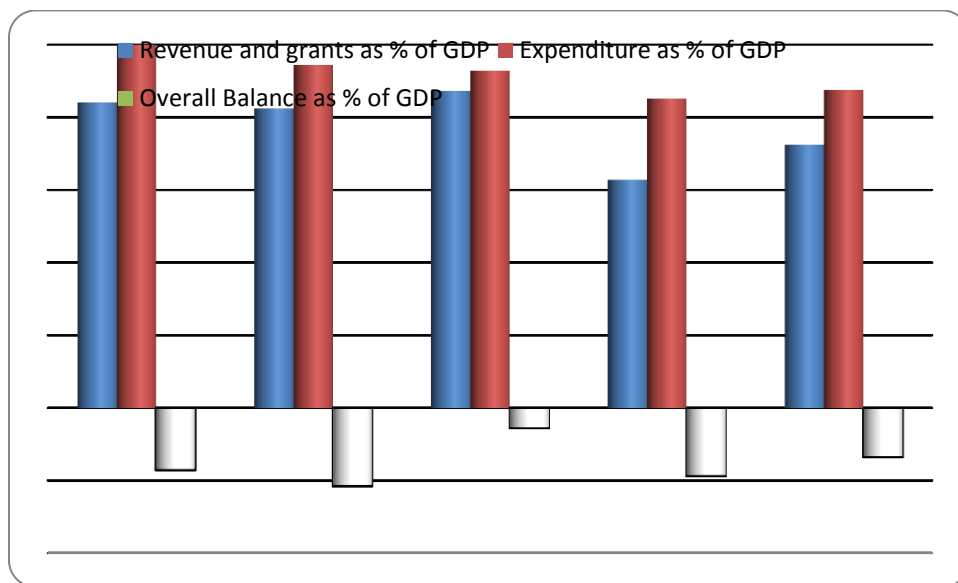
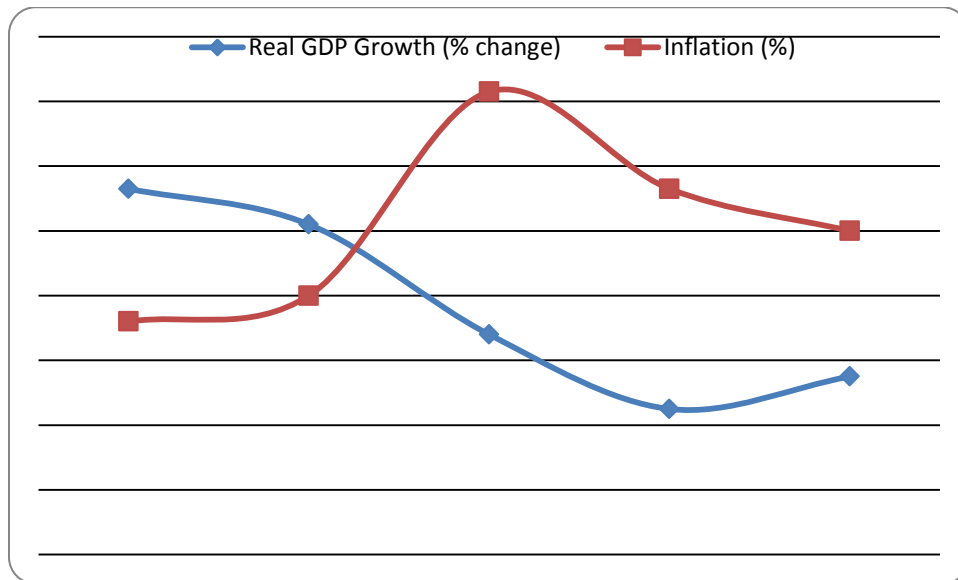
**The Wealth Sharing Agreement** provides a framework for resource allocation and sustainable decentralization, establishing comparative underdevelopment and war-affected status as the key criteria for prioritization for public revenue allocations. The Agreement assigns a share of oil to the South, as well as the right to collect additional domestic revenue and external assistance, and the right to have its own banking system within the framework of the Central Bank of Sudan.

*According to the Wealth Sharing Agreement, 50% of net oil revenue derived from oil producing wells in Southern Sudan after payment to the Oil revenue Stabilization Account and to the oil producing states in Southern Sudan, will go to the Government of Southern Sudan (GoSS) and the remaining 50% to the National Government and states in Northern Sudan. As part of the Wealth Sharing Agreement, the new national currency, the Sudanese Pound, was launched in Juba on 9 January 2007. On July 2007, the Sudanese Pound officially replaced the Dinar as legal tender.*

**The Security Protocol** outlines a collaborative approach to security issues by providing for two armed forces and joint integrated units that will become the nucleus of a future national army, enabling the parties to gradually downsize their forces and allowing the GOSS to mobilize resource for the SPLA.

The particular factors that precipitated conflict in **Abyei, Nuba Mountains/Southern Kordofan and Blue Nile** (also referred to as the Three Areas) are recognized and special power and wealth sharing arrangements have been agreed upon. These include the establishment of State Land Commissions, special provisions on education and security, the right to solicit external resources, popular consultation rights for the local population, and a unique administrative status for Abyei including a referendum on its final status within the North or the South.

**ANNEX II: SUDAN – Selected Macroeconomic Indicators, 2006 - 2010**



Source: Sudanese authorities and staff estimates

### ANNEX III: Debt Rescheduling Operations and Indicators of Debt Sustainability

#### Previous Debt Rescheduling Operations

	Date	Creditor	No. of Participating Creditors	Amount Consolidated (US\$m)	Maturity years
Sudan I	Nov-79	Paris Club	11	487	10
Sudan II	Mar-82	Paris Club	13	203	10
Sudan III	Feb-83	Paris Club	15	518	16
Sudan IV	May-84	Paris Club	15	249	16

Source: Michael G. Kuhn, Jorge P. Guzman

#### Composition of External Debt (as % of Total)

	2001	2002	2003	2004	2005	2006	2007	2008
Total Public and Publicly guaranteed external debt (\$ bn)	20.8	23.6	25.7	26.8	27.7	28.5	31.9	34
Multilateral Creditors	18.8%	17.4%	17.1%	17.2%	16.2%	16.8%	16.0%	16.8%
Paris Club Creditors	36.1%	36.9%	33.5%	34.0%	35.0%	35.4%	36.4%	36.2%
non-Paris Club Creditors	29.3%	30.1%	33.1%	32.5%	30.7%	32.3%	32.3%	31.8%
Commercial Banks	12.0%	12.3%	13.2%	13.1%	12.6%	12.6%	12.2%	12.4%
Suppliers	3.8%	3.8%	3.1%	3.0%	2.9%	2.8%	3.1%	2.9%

Source: /Central Bank of Sudan and staff estimates

#### Debt Sustainability Analysis Indicators

	Thresholds	2004	2005	2006	2007	2008	2009	2010
Debt/XGS	150	914	560	499	343	264	572	416
Debt/ Government Rev	250	670	540	406	333	269	482	431
Government Rev/GDP	15	21	19	22	21	22	16	17
XGS/GDP	30	20	18	16	20	22	12	15
P Debt/GD	80	137	102	78	68	59	71	63

Source: Central Bank of Sudan and staff estimates

## ANNEX IV: Relations with the Bretton Woods Institutions

Donor	Activities
<b>IMF</b>	<p>The <b>IMF</b> has played a multi-faceted role in Sudan since the mid 1990s. It has provided policy advice, usually in the context of successive Staff Monitored Programs (SMPs), to re-establish macroeconomic stability and sustained growth; contributed extensive technical assistance and training to strengthen institutions and promote capacity building; and coordinated with donors in identifying development needs and canvassing for associated financial support. These SMPs centered on providing extensive technical assistance in strengthening fiscal policy and deepening the tax base, improving expenditure control, adopting banking sector reforms, improving transparency, and liberalizing the exchange system. The IMF new Staff Monitored Programme (July 2009-December 2010) was approved in July 2009.</p>
<b>The World Bank</b>	<p>The <b>World Bank</b> initiated non-lending activities within areas of capability in policy analysis, design and reform. It has also been advising the GoS on agricultural reforms, and supports social services delivery within the framework of Nuba Mountains Program. It also provided resource persons for discussions around wealth sharing in the peace process, and has just concluded preparation of a Country Economic Memorandum covering socio-economic developments over the past decade. The country's arrears with the World Bank currently stand at US\$580 million. Given the political nature of the arrears issue, the World Bank has made a strategic decision to focus its efforts more on building country knowledge through CEM, II PER, investment climate assessment, financials sector policy note, support to the CBOS, Review of the Accounting Standards Code, CIFA for Southern Sudan, CFA, Public expenditure tracking, financial sector project, microfinance project, administrative barriers reforms programme, etc.</p> <p>The World Bank is also managing the multi-million dollar MDTF-National and MDTF South. Given the support provided by the Bank through the FSF on the growth seminars and the WB's growth analysis in the CEM, the WB indicated its desire to see the momentum created by these initiatives is maintained and called upon the AfDB to join hands with the interested donors in the growth area (JDT, UN, USAID, WB) to support the South in developing the national Growth Strategy as well as the States. The CEM also indicated that there was a need to undertake an Agricultural Sector Review in the South.</p>

## ANNEX V: Eligibility of Sudan to FSF Pillar I (SSW) and Pillar II (ACW): Preliminary Assessment

### Eligibility Criteria

*Pillar I – Supplemental Support window: (i) commitment to consolidate peace and security; (ii) unmet social and economic needs; (iii) improving macroeconomic conditions and pursuit of sound debt policy; (iv) sound financial management; and (v) transparency of public accounts.*

*Pillar II – Arrears Clearance: All of the above plus (i) respecting the Bank Group’s preferred credit status; and (ii) eligibility for HIPC debt relief, but not yet the decision point of the program.*

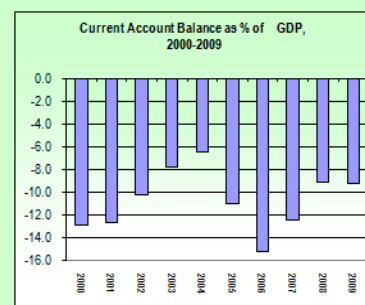
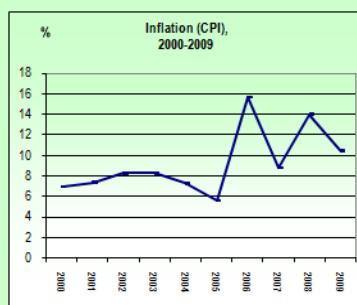
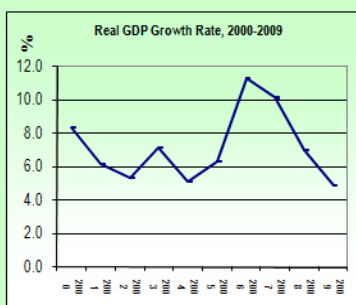
<b>I. First Stage Criteria</b>	
<b>Commitment to Consolidate Peace and Security</b>	<ul style="list-style-type: none"> <li>• A <b>Comprehensive Peace Agreement (CPA)</b> signed in January 2005 by the NCP and SPLM, main political parties in the North and South, respectively, for the period of six years.</li> <li>• The <b>Government of National Unity (GNU)</b> and the <b>Government of South Sudan (GOSS)</b> established in 2005 to form a Confederation system for governance under the ‘<b>one country, two systems</b>’ framework acceptable by the international community.</li> <li>• The first <b>Presidential and Parliamentary elections</b> were held during the period April 11-13, 2010.</li> <li>• <b>Security situation</b>, especially in the Southern states remains worrying as tribal clashes continue to persist with death tolls rising.</li> </ul>
<b>Unmet social needs</b>	<ul style="list-style-type: none"> <li>• Per capita income has increased considerably since 1999 to reach over a thousand dollars, driven largely by the increase in oil production, but poverty remains widespread and deep and the inequality levels seem to be increasing.</li> <li>• Huge development gaps exist between the North and South, with fragile regional situations along the Border States such as South Kordofan, Blue Nile, Abyei and Red Sea.</li> <li>• It is unlikely that the country will achieve most of the MDGs.</li> <li>• Sudan is ranked 150<sup>th</sup> out of 182 countries survey according to the 2009 Human Development Report among countries with medium HDI, which is not in the bottom quintile.</li> </ul>
<b>II. Second Stage Criteria</b>	
<b>Improvement of the macroeconomic environment and sound debt policy</b>	For the past decade the country has implemented successfully macroeconomic policies under successive IMF Staff Monitored Programmes (currently implementing the eighth consecutive SMP). Sudan has made every effort to comply with the SMP requirements at policy level and debt repayment for several years.
<b>Sound Financial management practices</b>	Sudan is a decentralized State with four levels of government; the national level (GoNU), the GoSS, the State level and the local level of government. Most of the States are facing serious public finance management problems characterized by weak financial accountability and reporting, ineffective commitment controls and lack of transparency. This problem has been worsened by complex governance structures characterized by weak inter-ministerial and inter-governmental coordination.
<b>Transparency of public accounts</b>	Although there has been some progress, the level of transparency remains weak.
<b>III. Eligibility to the Arrears Clearance Window</b>	
<b>Qualification for debt relief under HIPC Initiate</b>	Sudan is potentially eligible for debt relief under HIPC and is among the five countries in the pre-decision point list.
<b>Coordinated Arrangement with the BWIs</b>	Currently, Sudan is dealing individually with its creditors, repaying some their arrears, rescheduling their debts with some and not paying others. The amount paid to the IMF is highly disproportionate to the irregular repayments to the WB and Bank.
<b>Maximum effort to repaying Bank Group’s arrears</b>	Sudan has not been regular with its repayments to the Bank and has been paying more to the IMF (over and above what it needed to stabilize the arrears).



## ANNEX VII : SUDAN – Selected Macroeconomic Indicators

### Sudan Selected Macroeconomic Indicators

Indicators	Unit	2000	2004	2005	2006	2007	2008 <sup>r</sup>	2009
<b>National Accounts</b>								
GNI at Current Prices	Million US \$	11,075	18,511	22,946	29,250	36,703	46,520	...
GNI per Capita	US\$	320	490	590	740	910	1,130	...
GDP at Current Prices	Million US \$	12,367.1	21,509.6	27,797.5	36,409.9	46,531.3	58,028.7	54 707.5
GDP at 2000 Constant prices	Million US \$	12,367.1	15,579.7	16,565.7	18,435.8	20,309.4	21,731.1	22 802.2
Real GDP Growth Rate	%	8.4	5.1	6.3	11.3	10.2	7.0	4.9
Real per Capita GDP Growth Rate	%	6.0	3.0	4.2	8.9	7.8	4.7	2.7
Gross Domestic Investment	% GDP	18.3	22.5	24.0	25.1	26.5	22.7	22.8
Public Investment	% GDP	2.3	5.0	5.8	6.7	9.5	6.5	6.0
Private Investment	% GDP	16.0	17.5	18.2	18.4	17.0	16.2	16.8
Gross National Savings	% GDP	9.9	16.0	13.0	9.9	14.0	13.7	10.2
<b>Prices and Money</b>								
Inflation (CPI)	%	6.9	7.3	5.6	15.7	8.8	14.0	10.5
Exchange Rate (Annual Average)	local currency/US\$	2.6	2.6	2.4	2.2	2.0	2.1	2.3
Monetary Growth (M2)	%	36.9	30.8	43.5	29.7	10.3	16.3	10.5
Money and Quasi Money as % of GDP	%	10.9	17.2	20.7	22.6	21.0	18.9	19.8
<b>Government Finance</b>								
Total Revenue and Grants	% GDP	10.3	19.8	22.0	21.0	20.6	21.8	18.1
Total Expenditure and Net Lending	% GDP	11.0	18.2	25.1	25.6	26.0	23.2	21.8
Overall Deficit (-) / Surplus (+)	% GDP	-0.7	1.5	-3.1	-4.6	-5.4	-1.4	-3.7
<b>External Sector</b>								
Exports Volume Growth (Goods)	%	94.0	10.3	-3.5	9.5	44.2	0.3	-3.7
Imports Volume Growth (Goods)	%	13.0	28.1	58.1	12.8	-2.0	2.3	-16.5
Terms of Trade Growth	%	27.8	20.4	27.6	2.8	-4.2	20.6	-30.7
Current Account Balance	Million US \$	-1,601.6	-1,397.8	-3,080.3	-5,541.4	-5,812.2	-5,301.2	-5,055.7
Current Account Balance	% GDP	-13.0	-6.5	-11.1	-15.2	-12.5	-9.1	-9.2
External Reserves	months of imports	0.6	2.2	2.0	1.3	0.9	0.9	1.0
<b>Debt and Financial Flows</b>								
Debt Service	% exports	4.5	8.1	5.7	5.1	1.9	2.5	6.5
External Debt	% GDP	153.6	116.7	97.2	78.1	68.5	58.0	67.1
Net Total Financial Flows	Million US \$	315.4	1,013.7	1,847.4	2,115.2	2,144.9	2,404.3	...
Net Official Development Assistance	Million US \$	220.4	991.9	1,823.2	2,044.1	2,111.5	2,383.6	...
Net Foreign Direct Investment	Million US \$	392.2	1,511.1	2,304.6	3,541.4	2,436.3	2,600.5	...



Source : ADB Statistics Department; IMF: World Economic Outlook, September 2009 and International Financial Statistics, February 2010; ADB Statistics Department: Development Data Platform Database, March 2010. United Nations: OECD, Reporting System Division.

Notes: ... Data Not Available

Last Update: May 2010