

Document:	<u>EB 2021/132/R.21/Add.2</u>
Agenda:	<u>12(b)(iii)(a)</u>
Date:	<u>15 April 2021</u>
Distribution:	<u>Public</u>
Original:	<u>English</u>

E



Republic of Sudan

Country Strategic Opportunities Programme 2021-2027

Addendum

Management's Response to Member States' Comments

Executive Board — 132 Session
Rome, 19-21 April 2021

For: **Information**

Comments from India	Management response
<p>We appreciate the management for preparing Sudan's Country Strategic Opportunities Programme 2021-2027 and acknowledge the envisaged strategic objectives in the document.</p>	<p>IFAD Management thanks India for the positive feedback on the RB-COSOP for Sudan. IFAD Management intends to facilitate learning from India's development experience in dryland agriculture, financial inclusion and gender transformative approaches to improve the performance of the Sudan programme in these domains.</p>
Comments from France	Management response
<p>France would like to thank IFAD for this very clear document. We support its overall goal and strategic objectives, which are coherent with the Sudanese context. We note with appreciation that the country team will seek to develop partnerships and synergies with the Great Green Wall Initiative, and we do encourage IFAD to take advantage of its position as coordinator of the GGW Initiative Umbrella Programme of the Green Climate Fund. Natural resource management is a key component to the COSOP; however, what it specifically entailed could be further developed in the document. Moreover, we would welcome further information on the lessons learned from the Sustainable Natural Resources and Livelihoods Programme and how future projects will build on this. The deployment of a sustainable seed management system is important from an institutional perspective. We invite IFAD to elaborate on the links envisaged with the Agriculture Research Corporation (ARC), an organization to be associated with the R&D component. We would like to recall the importance of encouraging research and development, protection and distribution of certified seeds, but also to ensure and strengthen healthy private sector competition in the seed sector in Sudan.</p>	<p>IFAD Management thanks France for its constructive feedback on the RB-COSOP for Sudan. Management would like to reassure France that IFAD and the Government of Sudan are currently planning a green finance project under the Green Climate Fund's umbrella programme for the Great Green Wall (GGW) Initiative.</p> <p>With regard to natural resources management (NRM), IFAD will continue to support the scaling up of successful interventions in soil and water conservation, rangelands and stock routes management, afforestation, agroforestry. In addition and as mentioned in paragraph 30(a) of the COSOP, IFAD will contribute to the ongoing policy discussions for the development of an institutional framework for sustainable NRM.</p> <p>The Sustainable Natural Resources and Livelihoods Programme (SNRLP) became effective in February 2021 only, as its ratification was delayed. It builds on successful experience in NRM investments and governance of past projects. We are pleased with France's interest in the lessons learned on NRM and we would be happy to organize a briefing session in this regard targeting development practitioners in Sudan.</p> <p>With regard to the seed system, we invite France to review the project completion report of the Seed Development Project (https://www.ifad.org/en/document-detail/asset/40957997). Paragraph 35 of the report explains the public-private-producer partnerships around seed supply that the project brokered. ARC is producing breeder seeds based on extensive consultations with private seed companies and producers. The Seed Development Project also succeeded in helping private seed companies grow their business in the rainfed areas.</p>
Comments from Canada	Management response
<p>At present, given the relative absence of many players, duplication of effort does not seem to be a strong risk. However, as sanctions are lifted and international presence in Sudan strengthens, coordination is likely to become a more significant concern and should be monitored carefully. The suggested activities are quite broad and as other actors move into the area it may be wise to specialize further. The evaluation discusses difficulties receiving appropriate data to analyze project results, and the COSOP does not discuss this in depth. As such, it may be difficult to analyze</p>	<p>IFAD Management thanks Canada for its constructive feedback on the RB-COSOP for Sudan.</p> <p>The point on duplication of efforts and need for coordination as well as specialization is very relevant. IFAD has embarked on an exercise to geospatially map its interventions in Sudan and will be inviting other partners to do the same in order to ensure equity in allocation of development resources and leaving no one behind.</p> <p>The point on strengthening the monitoring and evaluation system in the Sudan country programme is well noted and the Near East, North Africa and Europe Division (NEN) is already allocating financial and human resources to improve results measurement, support sound analytical work and improve reporting against relevant indicators for the Nationally Determined Contribution (NDC), National Biodiversity Strategy and Action Plan (NBSAP) and land degradation neutrality</p>

1

<p>project performance – improving this element would strengthen project and COSOP viability. Would encourage information to be included on national environmental frameworks of relevance (such as NDC, NBSAP, LDN), and ensure that COSOP activities contributing to reaching national targets are adequately captured through monitoring and evaluation processes, especially given that Sudan is a participating country under the Great Green Wall Initiative. Regarding fragility, while working in relatively stable areas certainly increases the COSOP’s viability (page 33: “Most of the potential COSOP areas are safe and far from country borders.”), it may negatively impact the conflict sensitivity of the COSOP’s activities if individuals in areas receiving less support feel marginalized. Would recommend liaising with the new Sudan Conflict Sensitivity Resource Facility to assess these risks and develop conflict sensitivity analysis further. Would invite gender analysis to be strengthened in certain areas. For example, supporting cash crops may not benefit women as much as it benefits men (apart from hibiscus, which is noted as being a women’s responsibility) – it would be important to analyze this and maximize equality in this set of activities to the extent possible.</p>	<p>(LDN). NEN has hired a dedicated staff (international UN Volunteer) to support the Sudan programme in this area, supported by the NEN regional team and the Environment, Climate, Gender and Social Inclusion Division.</p> <p>The country team will liaise with the Sudan Conflict Sensitivity Resource Facility as suggested.</p> <p>As recommended by Canada, gender analysis will inform the development of future investments in market-led agriculture, and the formulation of the gender mainstreaming strategy accordingly. It is worth mentioning that in the evaluation of the Sudan country programme, the Independent Office of Evaluation of IFAD (IOE) rated gender equality and women’s empowerment as satisfactory.</p>
<p>Comments from United Kingdom</p>	<p>Management response</p>
<p>We recognise strong alignment in the first strategic objective (SO1) with our UK programming, especially regarding work on groundwater recharge infrastructures and climate smart agriculture supporting pro-poor infrastructures. We would welcome the opportunity for discussing and sharing lessons out of the Rural Water for Sudan and Taadoud II programmes which we have supported through NGO consortia.</p> <p>Strategic Partnerships:</p> <p>Prime Minister Hamdok has personally requested the formation of an Agricultural Transformation to be up and running within six months. This would be a government agency responsible for transformation and innovation in the entire food sector, and coordination across relevant line ministries. How is IFAD linking up with others on this? How do you see the linkages with your programme?</p> <p>The World Bank is mentioned as a key potential cofinancier via third party trust funds. Now that the Bank is formally reengaging with Sudan and considering its options for IDA funding, how is IFAD engaging with the Bank to ensure complementary activities?</p>	<p>IFAD Management welcomes the comments from the United Kingdom on the Sudan COSOP, and would like to provide the following responses:</p> <p>Pleased to note the strong alignment in the first strategic objective with UK programming, and we very much welcome discussions and sharing lessons with your colleagues in the Foreign, Commonwealth and Development Office Sudan office.</p> <p>Agricultural Transformation Agency (ATA): We understand from the Ministry of Agriculture that this is still at an idea stage and discussions are ongoing with the Ethiopia ATA to adapt their experience to Sudan. The IFAD Country Office (ICO) will follow up with the Ministry accordingly and plans to support further exchanges through the South-South and Triangular Cooperation and Knowledge Centre in Ethiopia.</p> <p>Partnerships with development partners: The ICO is engaging with all major development partners. There is an in-principle approval from the Government of Sudan for joint financing with the World Bank of the next pipeline project under the Twelfth Replenishment of IFAD’s Resources (IFAD12), which will focus on value chain development. We are aware of the initiatives of the African Development Bank and United Nations Development Programme (UNDP), and meetings already took place to exchange knowledge in these areas and explore potential collaboration whether in the context of the upcoming regional Inclusive Green Financing Initiative (IGREENFIN), which will cover Sudan, or in the context of the recently ratified SNRLP. IFAD meets and exchanges information regularly with both the Food and Agriculture Organization of the United Nations and the World Food Programme. We are aware that donor coordination at country level and at government level needs to be strengthened and for this reason IFAD has embarked on an</p>

Disasters:
 We welcome IFAD's work on Early Warning Systems and its aim to continue strengthening these and welcome its relationship with the AfDB via Feed Africa. Sudan is in process of taking out drought insurance with AfDB via the Africa Risk Capacity, which will include some capacity-building on disaster risk management re drought and floods. Does IFAD intend to link with AfDB on disaster risk management at the agricultural production level?

Climate:
 Climate is well addressed on the strategy but note only passing mention of NDC and no relation to Sudan's current clear-state-level NAP. How will IFAD be working to deliver these priorities, including linking in with FAO-supported NAP review that is now underway?

Targeted groups and geographic coverage of the strategy are apparently based on the vulnerability to the climate change, but then the absence of the 5 Darfur states is quite stark despite clearly meeting the selection criteria. If, as it appears, selection is based on historical IFAD support then this is understandable but could be more clearly outlined.

Natural Resources:
 We welcome the activities surrounding improving the institutional framework for sustainable natural resource management as highlighted as a clear area of need in the recent State of the Environment Report. We would however welcome further details upon how this work will integrate with related initiatives such as:

- What will be the role of the [Higher Council for Environment and Natural Resources] HCENR at both federal level and state (given intention to develop State-level environmental institutions in [the Poverty Reduction Strategy Paper] PRSP)?
- How will the programme complement and coordinate with the institutional capacity-building of the recently commenced GCF programme FP139? There is no mention of UNDP in the COSOP but there is clear overlap in support of state-level agriculture institutions with a focus on rainfed production. We would also recommend the potential for IFAD's new programme to build on value chain development which is beyond the GCF programme's scope. How will the three regional natural resource management policy coordination centres ensure linkages across similar programmes for a cohesive policy framework?
- How will IFAD engage the MIWR on its new water supply and [integrated water resource management] IWRM strategies? We

exercise to map its interventions geospatially in Sudan and will be inviting other partners to do the same in order to ensure equity in allocation of development resources across geographies and "leaving no one behind".

Climate: The results of the COSOP are discussed and agreed with the Government of Sudan and, as per the first strategic objective's focus on resilience of livelihoods and production systems, the indicators that the Government will track are number of households that are climate-resilient and the area of land improved through soil and water conservation methods/plans which would contribute to government reporting under the NDC and Sustainable Development Goal (SDG) 2.

NRM and community engagement: The country strategy and programme evaluation (CSPE) just completed by IOE states "there has been a concerted effort not only to raise awareness on environmental issues but also to build capacities for more effective natural resource management at the decentralized and community levels. There is evidence that solid achievements have been made on improved range and forestry resources as well as soil and water conservation linked to crop cultivation. Environment and natural resource management is rated as satisfactory". The details on capacity-building of decentralized organizations as well as engagement with community organizations are available in the project implementation manuals (PIMs) of the projects rather than in a strategy document like the COSOP. PIMs are annexed to the design reports of the IFAD-funded projects and available on IFAD's website. With regard to engagement with the Ministry of Irrigation and Water Resources (MIWR), the programme has already developed effective agreements between MIWR and the communities for water management and collection of fees for operation and maintenance.

Reflections on value chain and on social protection: In IFAD's view, developing Sudan's agricultural exports is a sound investment for economic growth and given the years of sanctions, there is real pent-up potential, and ensuring inclusive participation of smallholders in export-oriented value chains is effective in improving incomes and reducing poverty. Increased livestock exports whether in the form of live animals or meat encourage fattening enterprises and accelerate the off-take of the herd, with better consideration of safety and quality standards. Hence, the environmental effects of livestock exports can be mitigated. With regard to the equity issues in the value chains, IFAD's experience is that, thanks to effective farmers' organizations for aggregation and marketing as well as primary value addition, farmers receive a better share of market prices and these are invested in the local economy. In addition, in the context of value chains, projects support an enabling environment especially in terms of taxation of agriproducts, access to finance, etc. With regard to social protection, this domain is not part of IFAD investments under the current strategy; however, the team would be keen to learn more from the Sudan Family Support Programme on the social protection programme you refer to.

would encourage development of state-level IWRM institutions alongside community-level initiatives.

Whilst the ecosystem clustering of communities is welcome, there is no clear description on the strategy on community engagement and role of local people. Can further detail on the approach be outlined based on lessons from evaluation?

Funding and projects:

We note the menu of the IFAD interventions (loans and grants); this fund is expect to trigger utilization of land which may lead of certain degree of environmental degradation as a result, yet there is not the expected strong emphasis on the need to have a proper [Environmental and Social Impact Assessment] ESIA prior to expected expansion.

Among targeted value chains (gum arabic, sesame seeds and livestock for meat, in addition to organic herbal, medicinal and aromatic plants such as hibiscus and baobab), we have two reflections:

- How will it be ensured that the revenue generated will not cause over-abstraction or going beyond sustainable limits, which is important especially when dealing with the livestock. For example, how would the Sudan livestock market be opened sustainably given the considerable pressures to generate forex?
- Regarding revenue coming back to area of production, there is an equity issue between rural producers (the most climate vulnerable) receiving small proportions of returns compared to actors further up the value chain. Can IFAD provide a clearer outline of how this will be addressed?

We note with interest that IFAD is experimenting with social protection activities in other countries. If it were to introduce these in Sudan, it will be important to engage with and learn from the Sudan Family Support Programme now ongoing in response to Sudan's macroeconomic reforms under the SMP.

Related to this, the COSOP also suggests IFAD's interest in insurance products for farmers and/or pastoralists. If this were to be pursued in Sudan, it would be crucial to link with organisations/initiatives looking to extend access to credit and financial markets given low banking (and mobile) penetration in Sudan.