

**Government of Sudan**  
**United Nations Development Programme**  
**(UNDP, Sudan)**



**Sudan**

**Red Sea Ministry of Finance, Economy (MOFE)**

**Ministry of International Cooperation (MIC)**

**Selected NGOs and Associations**

---

**Poverty Alleviation-Oriented Governance Programme for the Red Sea State**

**Component: State Capacity Building for Planning**

**Brief Description**

This Programme aims at creating institutional, social and economic environment conducive for poverty reduction in the Red Sea State of Sudan through innovative interventions and constructive partnership. It focuses on:

- Strengthening the capacity of the State administration at all levels in designing and implementing pro-poor strategies and ensuring sound development resources management;
- Enabling the private sector, the civil society, the grassroots organizations and the poor to play a proactive role in the participatory development process.

January, 2007

## Table of Content

Abbreviations and Acronyms	3
Background	4
Situational Analysis	4
The Conflict in the East	6
Legal Framework for the Decentralisation Process	7
Financial Resource Generation and Allocation	8
The Red Sea State Government Structure	9
The Red Sea State Ministry of Finance and Economy	11
Planning, Budgeting and Financing	14
General Characteristics and Capacity Review of the Localities	17
Gender and Governance	18
Local Development Fund	19
Objectives	19
Intervention Strategy	20
Outputs and Activities	22
Results and Resources Framework	26
Management Arrangement	29
Implementation Arrangement	29
Inputs	31
Monitoring, Reporting and Reviews	32
Assumptions, Risks and Re-conditions	33
Legal Context	34
Budget and Financial Management	35
Plan of Implementation	36
Annexes:	38
Annex 1: Terms of Reference: Public Expenditure Management / Decentralization Adviser	
Annex 2: Terms of Reference: Strategic Planning Adviser	
Annex 3: Terms of Reference: Local Development Adviser	

## Abbreviations and Acronyms

CDF	Community Development Fund
CMU	Component Management Unit
CPA	Comprehensive Peace Agreement
DMFA	Danish Ministry of Foreign Affairs
DP	Development Projects (Department)
ESPA	Eastern Sudan Peace Agreement
ESRDF	Eastern Sudan Reconstruction and Development Fund
FAO	Food and Agriculture Organisation of UN
FFAMC	Fiscal and Financial Allocation and Monitoring Committee
GoS	Government of Sudan
IDP	Internally Displaced Person
IMF	International Monetary Fund
INC	Interim National Constitution
INGO	International Non-Governmental Organisations
JAM	Joint Assessment Mission
LLC	Locality Legislative Council
MIS	Management Information System
MoFE	Ministry of Finance & Economy
MoLGCS	Ministry of Local Government and Civil Service
NDA	National Democratic Alliance
NGO	Non-Governmental Organisations
NRF	National Revenue Fund
PEM	Public Expenditure Management
PER	Public Expenditure Review
PIC	Planning and International Cooperation (Department)
RSS	Red Sea State
SC	Steering Committee
SLC	State Legislative Council
SPLM	Sudan People Liberation Movement
ToT	Training of Trainers
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
VAT	Value Added Tax
VAU	Village Administrative Unit
WB	World Bank



## Background:

In 2005, after the signing of the Comprehensive Peace Agreement (CPA) by the Government of Sudan and Sudan People Liberation Movement (SPLM), the Danish Government decided to support the peace process in Sudan with approximate 90 million USD - half of the amount earmarked for humanitarian assistance. An Identification Team was subsequently fielded by the Danish Ministry of Foreign Affairs (DMFA) to outline a support Programme. The outcome of the mission was presented in a Concept Note (November 2005) including support to education, rule of law, institutional capacity building, national population census, lands commission, and conflict prevention planning. It was also proposed that part of the support should be used to address root causes of secondary conflict fault lines on other parts of Sudan, since the CPA was mainly focussing on the north-south conflict.

The Team had visited the Kassala and Red Sea states and because of the severe poverty and marginalisation of the people of Eastern Sudan, it was recommended to support the UNDP managed '*Poverty Alleviation-Oriented Governance Programme for the Red Sea State*', which was launched in March 2005. However, based on findings during its visit to the Red Sea State, the Danish Team found that the Programme was focussing too one-sided on capacity building of the civil society sector. The Team further stated that if the Programme's objectives should be achieved more focus would be needed to build the state's capacity to direct development activities and build the capacities of the local authorities. The UNDP agreed requested the DMFA to field a team to assist the Red Sea State (RSS) Government and the UNDP in designing a capacity building component targeting state and local authorities.

In agreement with and participation of the RSS Government and the UNDP, the DMFA fielded the mission in September 2006. The present component description is the outcome of the mission's work and it will together with the other component for capacity building support to civil society organisations, which is currently being revised, constitute the '*Poverty Alleviation-Oriented Governance Programme for the Red Sea State*'.

## Situational Analysis:

**Red Sea State Context:** The Red Sea State (RSS) total area is about 212,887 km<sup>2</sup> (10% the area of Sudan). The total population is about 725,000 persons (2.7% of Sudan's population) with an annual growth rate of 2.9% and an average population density of about 3.3 persons per km<sup>2</sup>, though it considerably varies between the different localities of the state with a very low density in the rural areas. Around 45% of the state population lives in Port Sudan locality.

MAHALIYA (LOCALITY)	POPULATION
Hailab	65,929
Sinkat	56,673
Port Sudan	326,686
Suakin	22,094
Gonob & Oleib	25,254
Haya	111,851
Tokar	65,833
Ageig	51,007
Total Red Sea State	725,326



The Red Sea State population growth rate is among the highest in the country; largely a result of migration. Economic dependency ratio in Port Sudan town is 5 persons per income earner, which is much higher than in rural areas indicating the impact of migration, unemployment and the larger size of urban households. The state also hosts about 95,000 internally displaced people (IDP). The most recent wave of IDPs, which began in 1997, is the result of civil conflict in the region. The new arrivals have joined others who arrived as long as 20 years ago, fleeing poverty and drought, but still living in shanty dwellings on the outskirts of urban areas.

The Red Sea State has historically suffered from chronic poverty and food insecurity for decades. The RRS faces several structural issues such as a weak agricultural base, closure or restrictions on livestock routes, environmental degradation, climatic variations, and lack of water for agricultural as well as human and livestock consumption. This has caused displacement of large segments of the rural population, who together with refugees and internally displaced people from other parts of Sudan and the neighbouring countries have settled in and around Port Sudan.

According to an assessment done by FAO in February 2006 33 percent of the population in the assessed locations of the Red Sea State will experience food gaps and be in need of food assistance from various national and international sources.

The RSS is also struggling with a high unemployment rate. In particular, the mechanization of Port Sudan has limited alternative employment opportunities for unskilled labour making it harder for the displaced rural population to earn an income.

There is a chronic lack of reliable data on human development indicators for the Red State but some indicators are available to illustrate the situation. The school gross enrolment rate in 2005 is 50 percent in RSS compared to an average of 62 percent across all northern states, while under-age-five mortality rate is 107 per 1000 children compared to 64 per 1000 for the Sudan. Approximately 32 percent of children and 24 percent of women in the age 15-45 are malnourished. The illiteracy rate for people over 15 is 48% with 54% in rural Red Sea State. While the Red Sea State has the second highest VAT receipts among the northern states indicating a significant economic activity, the overall socio-economy is characterised by:

- Low population density and sparse distribution
- High vulnerability to droughts
- High poverty rates
- Food insecurity and frequent food gaps
- High unemployment and low level of skills.

Eastern Sudan covering the Red Sea, Kassala and Gedaraf States, is inhabited mainly by the Beja, one of the most ancient of Sudan's population groups.

Large numbers of other ethnic groups like Hausa, Fallata, Nuba and northern Sudanese are found in Port Sudan town. The main tribal groups of the Beja ethnic conglomerate are the Bishariyin, Hadandawa, Amrar, and Ben Amir with the Handandawa comprising the largest Beja tribe (estimated 600,000).



### *The Conflict in the East:*

In October 2006 the GNU and the Eastern Front signed The Eastern Sudan Peace Agreement (ESPA) in Asmara, Eritrea. The agreement put a stop to the armed conflict, which with relative low intensity had been going on since 1995, when the Beja Congress joined an alliance of key northern opposition parties united in the National Democratic Alliance (NDA) and began military activities in coordination with the Sudan Peoples' Liberation Movement/Army (SPLM/A).

The CPA signed by the Government of Sudan and SPLM in January 2005 addressed the latter's presence in eastern Sudan by stipulating the withdrawal of its military forces, but it did not provide a mechanism for transferring authority of the opposition-controlled areas to the Government of Sudan or for dealing with the presence of other armed groups, such as the Beja Congress or the Rashaida Free Lions. Nor did it address the grievances of the people of eastern Sudan. Hence, the Eastern Front insisted on a separate agreement with the Government of Sudan based on the principles of the CPA.

After signing the ESPA the Government of Sudan has lifted the State of Emergency in the eastern states. The lifting of the State of Emergency is expected to facilitate movement within the eastern states of Sudan and across the borders with Eritrea. It is also expected to allow access for humanitarian and development institutions to many areas in Red Sea and Kassala states that were previously subject to restrictions.

The armed conflict in eastern Sudan had been instigated by a number of political and development-related grievances that can be summarized in the following:

- The unfair share in power compared to the size of population
- Unfair share in national wealth, particularly that generated in the region but transferred to the centre
- Problems caused by intensive migration to the region by economic migrants, IDPs and refugees which is believed to have put more pressure on the meagre natural resources of the region, overstretched the limited social service institutions, especially education and health, both putting the Beja and other ethnic groups such as the Raishaida at a competitive disadvantage with regard to employment and access to services
- Beja exclusion from the benefits of national projects implemented in the region such as the oil ports, the gold mines, pipe lines, New Halfa scheme, etc. that is believed to have displaced the Beja without fair compensation, did not generate employment for them and/or had negative environmental impact on the local people

*The Eastern Sudan Peace Agreement (ESPA):* The ESPA set up the guiding principles for power and wealth sharing between the federal government and the eastern states. The agreement recognises the federal system in which power shall be effectively devolved between the national and other levels of government including local administration.

The principles of administration and intergovernmental relations are based on the subsidiary principle implying a greater and more active role of local authorities in addressing the basic needs of local communities. This, however, raises major issues of implementation of the decentralisation reforms, and particularly of its administrative and fiscal dimensions.

The three states of eastern Sudan - Red Sea State, Kassala State and Gadaref State - shall constitute a fifteen member Eastern Sudan States' Coordinating Council to enhance cooperation and coordination among them.



Further the Government of Sudan commits itself to convene, by the end of 2007, a nationwide conference to revisit the administrative structure of the country.

In order to ensure effective participation of the people of eastern Sudan in all institutions at national, state and local levels, relevant precedents, population size, level of marginalisation, and principles of affirmative actions shall be used to determine their representation.

Further, to secure funds for development of the eastern states, the parties agreed to establish a separate 'Eastern Sudan Reconstruction and Development Fund' no later than 90 days after signing of the agreement. The Fund will be responsible for production of an 'Eastern Sudan reconstruction and Development Plan' and its monitoring and follow up. The reconstruction and development efforts shall comprise:

- Rehabilitation of war-affected areas;
- Rehabilitation of social services including health, education and water;
- Rehabilitation and development of infrastructure;
- Human and institutional capacity building;
- Eradication of poverty;
- Rehabilitation and development of agriculture, industry, tourism, fisheries, and other priority sectors,
- Encouraging investment and job creation;
- Protecting and enhancing the fragile environment;
- ~~Protecting and promoting historical and cultural heritage;~~
- Ensuring the return and rehabilitation of refugees and internally displaced people;
- Ensuring that all the development Programme address the specific needs of women.

The Government of Sudan has committed allocation of USD 100 million. as seed money for the Fund in 2007, and an amount of not less than USD 125 million per annum for the years 2008, 2009, 2010 and 2011. The funds will be additional to the share that eastern Sudan will receive from the transfers of the Fiscal and Financial Allocation and Monitoring Commission.

The ESRDF will be governed by a board chaired by the Minister of Finance and National Economy and include: The governors of Kassala State, Red Sea State and Gadaref State, the finance ministers of the three states, three nominees of the Eastern Front and two persons appointed by the President of the Republic. The daily management will be in the hands of a professional manager appointed by the President of the Republic from a list of nominees presented by the board.

This Component therefore comes timely to prepare the ground for change since it attempts to build the capacity of the RSS and locality institutions to plan for economic and social development based on people's needs through participatory and transparent planning procedures.

#### ***Legal framework for the decentralisation process:***

The CPA is aiming at creating a robust system of decentralisation and adoption of mechanisms ensuring greater accountability of political institutions. The Interim National Constitution of July 2005 which followed the CPA confirmed the federal structure and three levels of governments for northern Sudan, which was established in 1991 by the 4th Constitutional Decree and the re-confirmed by the 1998 Constitution. The three-tiered system consists of; - a national government, states and localities with legislative and executive structures at all three levels.

According to the 1998 Constitution, however, the ultimate authority rested both formally and financially at the federal level. This top-down source of authority is currently under change. The individual states have



been given the full executive and legislative powers by the INC to decide and define the roles and responsibilities of local self-government. In 2006 a new constitution has been approved by the Red Sea State legislature and in July 2006 the State Wali issued a Local Government Act decree. The Act, which is modelled after an earlier Local Government Act issued by the Federal Government in 2003, is expected to be approved unchanged by the State Assembly during its next session starting in November 2006.

***Financial resource generation and allocation:***

Reform of existing system for financial resource generation and allocation at various levels of government forms an integrated part of forming a new decentralisation system. This is an essential aspect of any governance system, since the source of funding and degree of financial autonomy of any institution inevitably affects not only its capacity to plan and implement its Programme but also who the institution will be ultimately accountable to. In Sudan the national government has traditionally dominated both revenue and expenditure decisions. The JAM calculated that on average, the centre accounts for around 77 percent of total public expenditures and about 87 percent of aggregate public revenues and that the local own tax bases and revenue sources are small, because all major revenue sources and tax bases are concentrated within the national domain. Decisions to distribute intergovernmental transfers from the national level to separate states used to be and still are non-transparent and discretionary creating low predictability for the states' and localities' budgets. However the provisions of the INC and the monitoring mechanisms prescribed therein are expected to improve current practices.

~~Chapter V of the INC determines that all revenues collected nationally shall be pooled in a National Revenue Fund (NRF) administered by the National Treasure and that all the revenues and expenditures of the government shall be on-budget operations and made public. Furthermore, to ensure transparency and fairness both in regard to the allocation of nationally collected funds to the Government of southern Sudan and the states, a Fiscal and Financial Allocation and Monitoring Commission (FFAMC) shall be established. The FFAMC was established by a Presidential decree in November 2005 but has first recently started to work.~~

Assisted by the World Bank and other development partners, the Government of Sudan is also in the process of preparing Sudan's first Public Expenditure Review (PER). The aim is to support improvements in budget processes, with the overarching goal of increasing pro-poor expenditure through identifying and supporting appropriate policy reforms and institutional arrangements. In order to overcome the information gaps on the fiscal relationship between the three levels of government in Sudan, the WB and the GoS have elected three states as case studies, one of them being the Red Sea State. A PER was conducted in April/May 2006 to get a better sense on the actual budget situations on the ground.

### *The Red Sea State Government Structure:*

Since the mid-1970s, the Red Sea State passed through several developments in its status as a council, a province, a region and a state with the adoption of the federal system in 1994. Following the signing of the CPA and in accordance with the INC, the Red Sea State Government drafted a new state constitution and new local government act which inter alia added two new ministries and re-divided the existing four localities into eight.

*Chart 1 Red Sea State Government Organisational Structures*

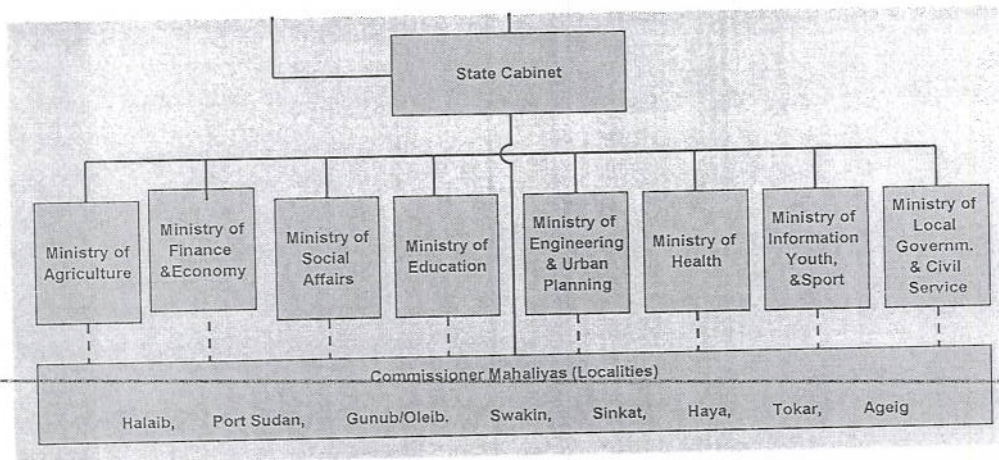


Chart 1 above provides a snapshot of the Red Sea State's Government organizational structures.

The state is currently headed by a governor (Wali) assisted by eight ministers (see chart above). The Wali is nominated by the President of the Republic from among a number of candidates recommended by the State legislature. The State Legislative Council (SLC) in turn includes both elected deputies and deputies nominated by the ruling party and the President in consultation with the Wali. However, this is going to change. According to the newly drafted constitution all the Council members will be elected and the Wali appointed by the SLC.

*Local government structure:* In the 2006 Local Government Act, localities are recognised as local entities and defined as municipalities, urban localities and rural localities. Their primary functions are to provide basic services to the citizens, develop the local economies, and improve local infrastructure.

The executive branch at the locality level is governed by a Commissioner who is appointed by the State Wali in consultation with the President. The State Ministry of Finance and Economy (MoFE) has a representative in the locality to coordinate the State and locality affairs.

The responsibilities of the Commissioner include i.e.:

- ensuring good governance;
- management of the locality resources and executive structures,
- maintaining law and order,
- representation of the locality,



- formulation of development budgets and plans and presenting it to the council for approval; and
- development and supervision of the traditional administrative structures.

The responsibilities and the lines of accountability of the Commissioner did not change with the 2006 Act, as s/he will continue to oversee political and security affairs while at the same time being responsible for the locality administration. The Commissioner assumes the general supervision, follow-up and responsibility of the executive and administrative tasks of the state's organs at the locality level, and represents the state's ministers in conducting these tasks.

The locality administration is headed by an Executive Director, who is appointed by the Wali and accountable to the Commissioner. Administration is divided into the following five administrative units: finance, health, primary education, engineering (development) and agriculture. Local administrative units under the Executive Director make the lowest level administrative units.

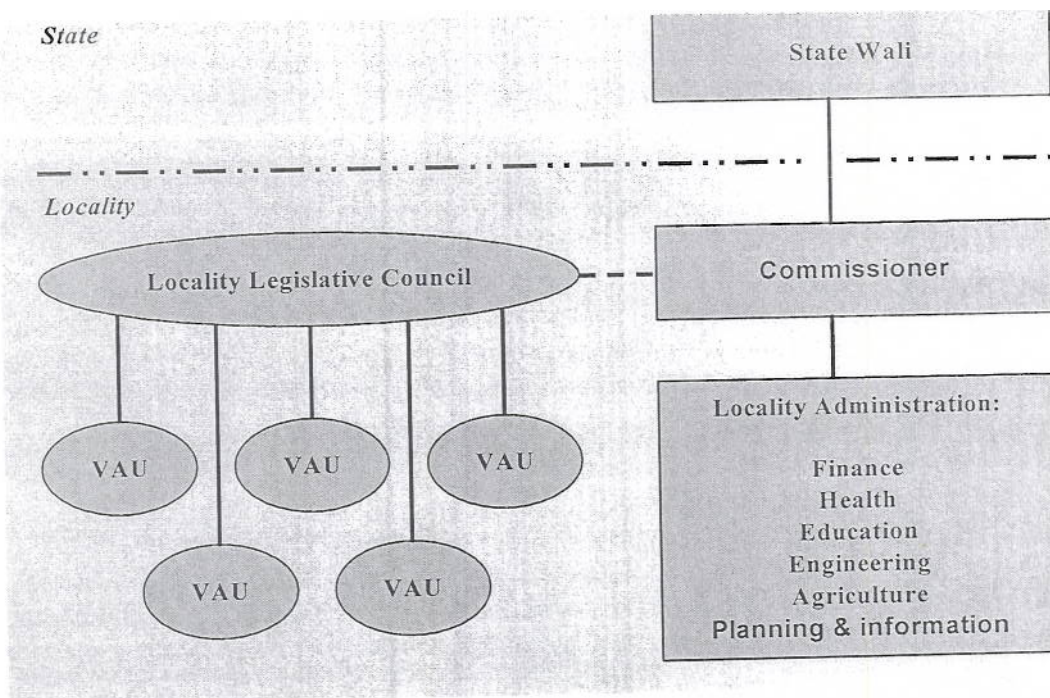
The Locality Legislative Council (LLC) shall consist of 20-30 members of whom at least 10% should be women and 10% professional and experienced persons. Till general elections can take place, the members will be appointed by the Wali in consultation with the commissioner. The LLC is responsible for passing of local laws and orders, approving annual budgets and development plans, mobilization of people for development work, approval of formation and dissolution of traditional administration and monitoring the performance of the executive bodies of the locality. In order to carry out the latter the LLC has the mandate to obtain information on implementation of the work plans from the Commissioner. The LLC can decide to open the council session for the general public, which also has the right to check documents and deliberations of LLC.

The LLC has further the right to approve formation and dissolution of Village Administrative Units (VAU) in villages, market places and industrial areas. The VAU will be responsible for all the functions of the popular committees dissolved after the signing of the Comprehensive Peace Agreement in 2005. The VAU's will consist of six members elected directly by the people for 2 years at a general public meeting. One of its main tasks shall be to ensure public participation in planning and implementation of basic services and assist the locality in information collection.

The Act defines the locality resources as revenues coming from investment taxes, transport fees, houses taxes, trade alliances, local services, % of state fees, % of commercial taxes, % on investment profit, any other local fees not in contradiction with the national system, and any resources that the state council of ministers deems necessary.

*Chart 2: Locality structure*





### ***The Red Sea State Ministry of Finance and Economy:***

The Red Sea State Ministry of Finance and Economy (MoFE) is the government agency that plays a key role in preparation and execution of the state budget. Among other things it is the MoFE that forwards and issues budget directives to line ministries and localities and eventually ensures that the budget is managed in accordance with the national and state policies; and that resources for effective service delivery at the locality level are provided.

The ministry is divided into 11 departments with the following functions:

MoFE Units	Responsibilities
Planning and International Cooperation	<ul style="list-style-type: none"> <li>• Preparation of development plans objectives and indicatives within the national plan framework.</li> <li>• Carry out economic studies especially those related to Gross State Product, level of incomes in coordination with federal concerned institutions and organizations.</li> <li>• The Department is responsible for coordination and contacts with the international and regional organizations and work (advocate) for financial and technical support for economic and social development projects.</li> <li>• The Department represents the secretariat of the State Strategic Planning Council and follow up on its recommendations.</li> <li>• Updating the State encyclopaedia</li> <li>• Issuance of annual economic surveys,</li> <li>• Impact assessment</li> <li>• The Information Centre is a part of the Planning Department. (not yet operationalised).</li> </ul>
Development Projects	<ul style="list-style-type: none"> <li>• Supervision and preparation of development projects and keep record of development projects profiles,</li> <li>• Supervision of the development budget implementation.</li> <li>• Follow up, monitoring and evaluation of projects</li> <li>• Make sure that contracts are fulfilled.</li> </ul>
Investment	<ul style="list-style-type: none"> <li>• Identifying &amp; marketing investments</li> <li>• Issuance of licenses</li> <li>• Linkages with private sector</li> </ul>
Information Centre	<ul style="list-style-type: none"> <li>• Maintain computerized register on personnel &amp; salaries information for 8 ministries in an information network.</li> <li>• Can train other ministry staff in basic computer skills.</li> </ul>

Revenue	<ul style="list-style-type: none"> <li>• Supervise revenue collecting</li> <li>• Work out annual plans for revenue collection by ministries and localities</li> <li>• Devise strategies to increase revenues</li> <li>• Reporting</li> </ul>
Expenditure	<ul style="list-style-type: none"> <li>• Preparation of budget proposals for Legislative Assembly on salaries and wages, running costs, maintenance, development.</li> <li>• Analysis of line ministry and locality budgets</li> </ul>
Accounts	<ul style="list-style-type: none"> <li>• Accounts supervision</li> <li>• Monthly monitoring of budget performance with ministries &amp; localities</li> <li>• Preparation of quarterly financial reports</li> <li>• Six-monthly &amp; annual financial statements</li> <li>• Administrative control with Parliament &amp; independent systems</li> </ul>
Industry	<ul style="list-style-type: none"> <li>• Provision of licenses</li> <li>• Liaise between industry and Government</li> <li>• Consult with State general investment unit</li> <li>• Sugar distribution – collaboration with all industries</li> <li>• Follow-up new industries (i.e. land, licenses, construction etc.)</li> </ul>
Cooperatives	<ul style="list-style-type: none"> <li>• Facilitation and follow-up of cooperatives</li> <li>• Maintain registrar of cooperatives</li> </ul>
Trade	<ul style="list-style-type: none"> <li>• Quality control of products in the markets</li> <li>• Maintain relationship with other ministries, departments on trade issues, particularly sugar quota and coordination of trade protocols</li> <li>• School feeding Programme for 35.000 children.</li> </ul>
Foreign Trade (RSS Trade Point)	<ul style="list-style-type: none"> <li>• Maintain a system of information on foreign trade, quality control, procedures, and customs requirements</li> <li>• Maintain links with Chamber of Commerce</li> <li>• Promote small enterprises, particularly for women</li> </ul>

The Planning and Development Departments were earlier united in one organisational unit but were separated in 2006. Overall strategic planning was referred to the Planning and International Cooperation (PIC) Department while preparation, implementation and monitoring of concrete projects were assigned to the Development Projects (DP) Department.

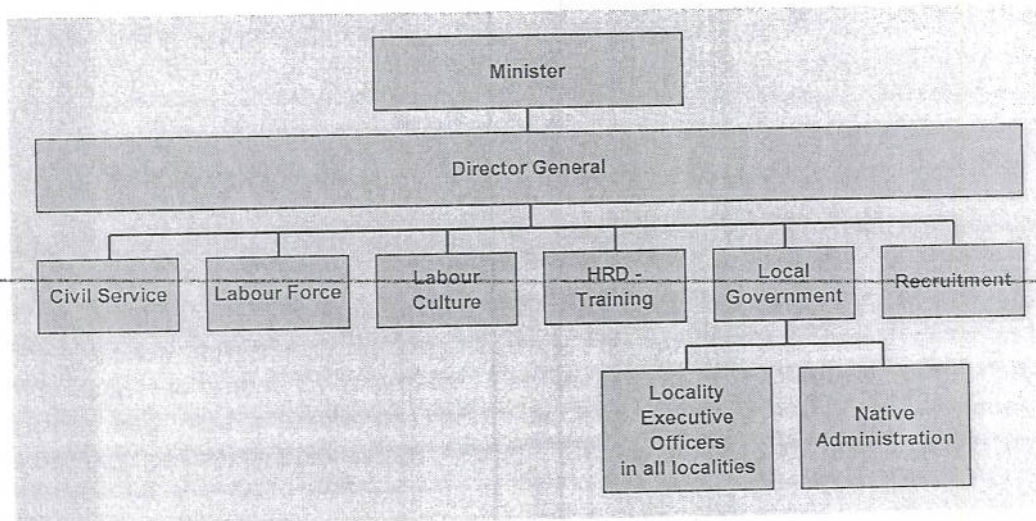
The DP Department staff consists of 10 graduates and 10 clerks working mainly with projects within the health, education and water sectors, while the PIC Department is staffed by 4 graduates, 3 accountants and 2 clerks (September 2006). Further the PIC Department has 8 planning and information officers deployed in the localities - one in each. Terms of Reference are yet to be developed. However, the scope of work will probably include; assistance to preparation of yearly budget of the locality; monitoring of project execution and providing information to line ministries and MoFE for coordination of local level activities. Among the line ministries only Ministry of Health has a locality representation. MoFE and the localities are currently discussing under whose jurisdiction the planning and information officers should be placed.



*Ministry of Local Government and Civil Service:* The Ministry of Local Government and Civil Service (MoLGCS) is a recent creation. Earlier locality matters were dealt with by a Locality Administration Unit directly under the State Wali's Office, and the Ministry of Finance and Economy was coordinating line ministry activities at the locality level. The new MoLGCS undertakes an amalgamation of different functions including: civil service; human resource development; recruitment; labour force, labour culture and local government. The Local Government Department is responsible for the contact to the localities and the native administration. The Local Government Department is newly established and has not yet a clearly defined role vis-à-vis the other ministries and localities. It is in need of basic facilities, and UNDP has agreed to provide some IT equipment.

This Component will provide basic capacity building of the MLGSC in order for the ministry's staff to participate in the capacity building at locality level and be an active part of the core group.

*Chart 3: Ministry of Local Government and Civil Service*



*Traditional Administrative System:* The tribal-based traditional administration system historically played the vital roles of maintaining law and order, collection of taxes, management of natural resources and conflict prevention and resolution in most rural areas of Sudan. The traditional based institutions were thus part of Sudan's governance structure.

Since its formal dissolution in 1971, its role and effectiveness started to diminish but as a social institution it remained as a recognized authority and a vital conflict management mechanism for inter-tribal and intra-tribal conflicts, especially in pastoral areas. At the national level, a presidential decree reinstating the traditional administration in the East was issued in 2005. It determined that the first three tiers of the four major Beja tribes in East Sudan, the nazir, omda and shaykh levels should be paid as civil servants.

In the Red Sea State, a new law (Law for Organizing the Traditional Administration) was issued by the State Wali in September 2006. The Law entrusted the traditional administration with a wide range of responsibilities, among which are:

- Assisting the authorities in maintaining law and order and administering criminal justice within the judicial powers delegated by the Judiciary;
- Conflict prevention and out of court resolution;
- Environmental conservation and protection of natural resources from misuse, destruction and pollution;
- Assisting the authorities in assessment and collection of taxes and zakat;
- Assisting authorities in implementing local and executive orders issued;
- Reporting on natural disasters, plagues, epidemics and pests;



- Assist in mobilizing population and organizing campaigns e.g. vaccination and against mal-social practices (e.g. FGM);
- Organizing resource use and deciding on stock routes and pastoral mobility patterns;
- The guarding and protection of forests.

The above tasks require capacity building of traditional institutions to perform the above mentioned tasks and will moreover include the identification of possible links to the government institutions, particularly at locality level.

The law is administered by the Local Government Department of the Ministry of Local Government and Civil Service as shown in chart 3.

### ***Planning, Budgeting and Financing:***

*Strategic Planning:* Planning at the ministry and locality level is not linked to the State's or the localities' available financial resources and has therefore more the character of a wish list. Further, the State lacks an overall poverty reduction strategy and a development plan to direct resource allocation. Policies and action plans need to be developed. Planning and budgeting have further been developed without much consultation between the different levels of governments and between the government and the civil society organisations, and planning has only to a limited extent been informed by data and analysis on poverty and development needs of the localities.

In a donor conference held in Port Sudan in May 2006 on support to development of eastern Sudan these issues were highlighted. After the conference the Red Sea State decided to develop a Strategic Development Plan for the State covering the period 2007-2009. The work plan was to be coordinated by the Planning Department of the MoFE and facilitated by a UNDP contracted facilitator. The main objective of the plan formulation was rehabilitation, recovery and development of Red Sea State.

Through a consultative process involving all levels of governments under the auspices of the Red Sea State Wali, the process of formulation of a three years strategic development plan for the Red Sea State took place. The formulation process involved the cabinet secretary, general managers and heads of the departments of all the ministries, commissioners and executive directors of the localities and representatives of the civil society organizations, business sector and the UNDP-Red Sea Programme.

The strategic development plan, which was drafted during July 2006, can be regarded as a first step towards a poverty reduction strategy. The draft plan summarises the current knowledge and analysis of the Red Sea State's poverty situation and contains a list of selected interventions for each of the eight localities in the following sectors: education; health; water; social development; agriculture; and other infrastructure. The draft is currently being discussed in ministries and localities and during a meeting in October 2006 amendments were made mainly upon comments from the localities. The work on the draft is still in progress and expected to be concluded in early 2007. The MoFE view this work as an activity under this Component.

The logical next step would be to work out sector and locality analyses and on the background of these analyses prioritise interventions for broad-based growth and poverty reduction with major sources of financing including determination of external financial needs.

According to the Draft Plan document, the main limitation of the plan process was the inaccuracy and contradiction of information gathering, absence of coordination between government departments, and clear budgeting and authority overlaps among ministries and localities. It also concluded that an important



prerequisite for plan implementation, besides an enabling policy environment, will be the capacity of state and locality authorities to *plan, coordinate and implement* the projects.

In order to address the information gaps the MoFE has started to produce an 'Information Encyclopaedia' compiling plan data submitted by ministries and localities. First edition was produced in 2003 and the second edition has just been published September 2006. The information compilation is coordinated by the PIC, which is responsible for maintaining and updating the data base. A copy has been sent to the GoS MoFE, which are distributing it to all states as a model to be copied.

In order to speed up implementation of the JAM recommendations, the GoS formed the General Secretariat of the Council for Strategic Planning (GSCSP), which besides its function as secretariat to the National High Committee for Strategic Planning will be the focal point and coordinator between the National Council for Strategic Planning, the National Ministerial Planning Units and the State Councils for Strategic Planning. The last-mentioned has just recently been established in the Red Sea State and as a result the planning period will be changed from three to five years.

*The Budget:* The fiscal year in Sudan follows the calendar year. After receiving directives from the GoS Ministry of Finance in Khartoum, around August / September of each calendar year the RSS MoFE directs the line ministries and localities to start the budget process for the next financial year. While the federal budget directive contains general directions, objectives and overall policy orientation at the federal level, Ministry of Finance directive reflects the RSS's own goals and objectives. This year (2006), the Red Sea State Ministry of Finance has formed a Budget Committee to supervise and coordinate preparation of the 2007 budget. The Committee comprises the Director General of MoFE and the Heads of MoFE's Planning, Development, Expenditure and Revenues Departments.

The line ministries and localities prepare their budgets during September and October and forward them to the Expenditure Department of MoFE in November. Prior to discussions with ministries and localities, the Expenditure Department analyse the received budgets. After consultations with ministries and localities, the Ministry of Finance forwards next years budget to the State Cabinet for finalisation. Eventually, the budget is forwarded to the SLC for approval by December 21 at the latest.

During budget preparation, the budget officers will review current operational expenditures, capital maintenance and development spending. MoFE and locality budgets are classified in four chapters: (1) wages and salaries, (2) recurrent operation and maintenance expenditures; (3) capital maintenance expenditures and; (4) development project expenditures.

*Chapter 1:* Locality level governments prepare chapter 1 budget analysis on the basis of the actual labour force employed at the locality and according to a State government determined salary scale. Chapter 1 locality government level expenditures take into consideration directives by the State Ministry of Finance. It is exceedingly difficult to create or fill locality level posts (or dismiss) employees without prior approval from the State Ministry of Finance. Ministries and localities have virtually no discretion in establishing wage or salary levels and employment benefit structures, which are worked out separately by the Ministry of Local Government & Labour Force. However, in essence, all local government employment and wage (salary) outlays are determined solely by the GoS.

*Chapters 2 and 3:* These expenditures are defined as non-wage recurrent (O&M) expenditures and capital maintenance expenditures, respectively. Chapters 2 and 3 are in some instances calculated by localities on the basis of three year moving averages and then adjusted for inflation. No medium term strategic outlook is taken to reduce costs, increase efficiency, or to evaluate effective performance. The most common complaint among localities is that there are insufficient budgeted (realized) resources in Chapters 2 and 3 to enable satisfactory deliverance of local government services.



*Chapter 4* concerns development project. Developmental and investment plans are not included in the locality budget, and MoFE dominates in setting the priorities, budgeting and implementation of development projects. The current system of expenditure assignment fails to ensure effective locality financial management. Especially Chapters 1 and 4 have limited control of major expenditure items.

The State Wali has recently established a Development Committee under his chairmanship. The other members are Minister of Finance, Minister of Engineering and Physical Planning; and representation of other ministers according to the development projects is to be discussed. A technical commission headed by the General Director of Engineering and with participation of MoFE's Departments for Investment and Planning and Development, the State's legal and engineering consultants will function as secretariat for the Development Committee. The Development Committee has replaced the former High Committee for Development, which had the power to select and recommend on development projects in the Red Sea State.

*Revenue:* The Red Sea State operates with three broad classes of revenues: (a) Tax revenues; (b) non-tax revenues and; (c) the federal support.

*The tax revenues* consist of transferred taxes which are collected by the federal Chamber of Taxation on behalf of the state. These taxes include property tax, individual business tax, service tax on imported goods going through the port and value added tax (VAT). The state is entitled to a certain percentage of these taxes.

*The non-tax revenues* broadly consist of:

- Ministries departmental fees, which are fees and charges collected by different units of various ministries in the state;
- Localities own revenues (charges and fees collected by the localities);
- State centralised revenues, which are contributions to state revenues by publicly owned corporations that originate at federal level but operating in the state.

*The federal support* is composed of funds received from Khartoum that are earmarked for either current or development spending. Current support is a transfer to support chapter 1 of state budget and development support is a transfer allocated to finance development projects in the state. However, the RSS has not received any transfers in support of chapter one since 2000.

*Findings of the World Bank PEM Review:* The PEM pilot case study of the Red Sea State provides some interesting findings to explore further:

*Budget processes and institutional arrangements:* Reviewing the budget preparation process the PEM found that in particular development planning shows significant limitations and room for improvement to enhance pro-poor expenditure plans;

- Coordination problems between state line ministries' and localities' proposals for development projects.
- In the past the proposals have been made independently and without coordination, leaving the MoFE to come up with a single development plan that neither the line ministries nor the localities are generally satisfied with.
- Lack of sound development expenditure planning and budgeting is constrained by the lack of adequate capacity to appraise projects. Localities are able to propose projects, but without sufficient analysis to provide detailed cost estimates (including an assessment of required running costs).



*Budget classification:* Concerning the structure of the state budget the PEM found;

- The budget structure does not reveal the use of government funds according to functional units,
- The budget structure is generally limiting the fiscal transparency of state operations.
- The GoS with support of International Monetary Fund is planning to change the budget classification system, but the RSS have no plans so far and neither the human and physical capacity in place.

*Expenditure assignments and monitoring:* Expenditure assignments are relatively clearly laid out;

- The localities cover part or all of ministries' obligations towards wages and salaries (chapter 1), depending on their ability to secure funds from their own resources.
- Deficits are automatically covered by the state. Chapter 2 is the responsibility of localities and 3 and 4 the state's responsibility.

*Budget performance:* Poor revenue projections, showing consistent overestimation and volatility which are largely due to;

- The lack of analytical capacity in the state ministry of finance regarding own revenues and;
  - The lack of timely and accurate estimates from the central level regarding transfers.
- These performance shortfalls undermine budget credibility and successful implementation of fiscal decentralization.

*Transfers versus own-resources:* The state relies very little on the federal government for its financial support;

- ~~However there is a significant share of revenues (25%) that are transferred from the federal on the event of executing its obligation on VAT, agricultural compensation and the petrol surcharge. These transfers are the states entitled to according to the law.~~
- The process of federal transfers is not transparent and there are significant differences between the federal and the states records regarding what resources are transferred.

Localities own revenue collection is budgeted to increase from average 900 million per year (2000-2003) to 1,900 million SD in 2006;

- It is unclear what policies or actions will be responsible for this gain.
- There is no definite formula for the revenue sharing between state and localities. Allocations are ad-hoc and the burden of revenue shortfall is not shared proportionally between the state and the localities.

*Pro-poor expenditure:* Analysis of the pro-poor content of state expenditures showed that;

- Per capita pro-poor expenditure in RSS had increased significantly over 2000-2005, though from a very low base (from roughly 10 - 45 USD);
- Per capita development pro-poor expenditures on health, education, agriculture and social sector have been relatively stagnant;
- Then increase in pro-poor expenditure is largely targeting roads, water, and electricity;
- Considering that pro-poor expenditure is driven by development expenditure (Chapter 4) the 2006 budget entails huge promises for the poor, which realisation is doubtful when looking at budget performance in the past.

### ***General characteristics and capacity review of the localities:***

A capacity review of seven of the eight localities was carried out in June 2006 by the UNDP Governance Programme. Some of the key findings are presented below:

#### ***Mandate***

- An overlap of responsibilities between localities and line ministries due to absence of clear mandate;



- Clear division of responsibilities and tasks between the legislative council and the locality administration needs to be developed;

#### *People's participation:*

- Locality structures (VAUs) for people's participation not in place.
- Lack of women's participation in the political, economic and social life;

#### *Planning and budgeting*

- Budgetary allocations not according to plans and irregular;
- State budgeting procedures do not emphasise consultations between state and localities and communities;
- Imbalance in development and investment projects within the state.
- Developmental and investment plans not included in the locality budget;
- Need for improved information on poverty and development needs of the localities.
- Severe shortage in allocations for basic infrastructure and services in development budget.
- MoF dominates in setting the priorities, budgeting and implementation of development projects.
- Localities discuss plans and budgets but have no power over defining revenue sources or its allocation.
- Localities are generally unable to provide basic services to the citizen;

#### *Human Resources*

- Staff has the minimum experience to run the day to day activities but are lacking essential skills in development planning and implementation including participatory approaches;
- Lack of incentive systems creates poor motivation among staff;
- No proper filing systems in the localities, difficult to trace documents;
- Good experience on partnerships between localities, UNDP and Red Crescent but timeliness of locality commitment a constraint.

#### *Gender & Governance:*

Women in Sudan have always been active in agriculture and food security. In the northern, central and eastern regions, where women are relatively more secluded, their participation in agriculture is confined to their households where they are responsible for keeping small ruminants and poultry. Women are equal farmers in traditional household farming, but their participation is dramatically diminished as the farms becomes commercial or part of a pump irrigated schemes in which case outside labour is introduced and women's participation diminished.

Women's influence in society can be summarised in the following way: They are only marginally involved in decision making processes at the political level (policies), not at all involved in Programme implementation (for example. food distribution) and are entirely responsible for food provision at the household level. Despite being in control of food at the household level, buying food from the market is a male undertaking. Further, female participation in income-generating activities is limited.

Women in Sudan secured the right to vote and stand election in 1964. A quota system further guarantees women representation in the national, state and locality legislative councils. There are approximately 70 women in the 450-person National Legislature, three national women state ministers and one women minister in the federal government. At the state and locality level 10% of the seats in the legislatures are reserved for women.

In general the most important limiting factors for women participation in decision-making are:

- The prevalence of traditional/tribal values that largely govern the day to day life.



- The high illiteracy rate among women, which amount to 43, 5% compared to 26% for men resulting in among other things in the limited number of women in senior posts and/or social positions within the community (see chart 4).

*Chart 4: Percentage of women in different positions in Red Sea and Kassala states*

Position	% Women
Ministers	None
State Assembly members	10,0
Judiciary	None
Senior posts (Min. of Education	6,7
Senior posts (Min. of Social Welfare)	21,0
Member of trade unions	4,6
NGO staff	17,5
Members of Cooperative Societies	4,0
Lawyers	35,0

Source: Hassan Abdel Atti el. al: An analysis of Food Security constraints and potentials in the Red Sea and Kassala States in Eastern Sudan, UNDP Sudan, April 2005.

### **Local Development Fund:**

In 2005, the United Nations Capital Development Fund (UNCDF) developed a proposal for establishment of a local funding mechanism to support public and private investments for local development in the RSS on a pilot basis. A first draft outline was produced, which besides the local funds consisted of proposals to install a decentralised PEM system and activities to increase the revenue base of the localities. A central idea of the proposal was not to create new or parallel structures but to build to strengthen the institutional capacities of the localities to provide the much needed services. For some reason the proposal was never finalised. Recently, however, on UNDP Sudan's inquiry the UNCDF has expressed its interest in continuing the work on developing a local funding mechanism suited for the localities of the Red Sea State. The UNCDF Advisor has already proposed a specialist to the UNDP, Khartoum.

Currently the Northern Sudan Multi-Donor Trust Fund is planning to fund a Community Development Fund (CDF) project to provide urgently needed local public infrastructure and, in the longer term, to establish the capacities, mechanisms, and procedures in selected localities to enable them to support sustainable, locally led development. The RSS is currently not included in this phase of the project, which maybe at a later stage will be expanded to cover all states in northern Sudan.

### **Objectives:**

The Capacity Building Component will contribute to the achievement of the overall objective of 'Poverty Alleviation-Oriented Governance Programme for the Red Sea State', which is;

- To ensure that local government in the Red Sea State is able to deliver adequate public social and economic infrastructure and services based on participatory, pro-poor, gender-sensitive, responsive, and transparent planning procedures.

The component will address the following of the Programme's outputs, which will serve as immediate objectives for the Component.

- Improved capacity of the state in performing its overall role of participatory policy-making, regulation and coordination and in managing pro-poor development policies.



- Strengthen capacity of local government for poverty reduction and good governance.

### **Intervention Strategy:**

In the new Sudanese context where more power is being delegated from the Federal Government to the State Governments, the State MoFE's will get increasing responsibilities for ensuring that priorities emerging from poverty reduction strategies and plans are reflected in budget allocations to state line ministries and localities.

Improving the existing RSS planning and budgetary system by pursuing more transparent practices and promoting accountability will play a crucial role in achieving efficient public service delivery and pro-poor development. Hence, the Red Sea State Ministry of Finance and Economy will provide the entry point for the Component's capacity building interventions.

The Component will focus on building MoFE's planning and budgeting capacities and seek to strengthen its directive and coordinating role and its ability to transform poverty reduction policies and strategies into plans and budgets. The Departments of Planning, Development, Expenditure and Revenue will be the focal points of the capacity building activities at state level. Technical assistance will be provided to the above mentioned departments in the shape of a Public Expenditure Management Expert and a Strategic Planner who will train and work with a core group of 8-10 department staff throughout the implementation period. The Ministry of Local Government and Civil Service will when trained also contribute staff to the core group for the work at locality level.

The core-group will receive ToT training in budgeting and planning and will under guidance of the technical experts train and support planning and budgeting officers at locality level seeking to strengthen their ability to plan, budget and monitor service delivery and development activities. Tools for participatory planning approaches, and pro-poor and gender sensitive planning and budgeting will be introduced and used. In this way, budget and planning training will serve as a vehicle for organising local government processes with the Ministry of Finance and line ministries.

Poverty policy needs to be informed by good analysis, which again has to be based on accurate and reliable information. Training planning and information officers in the ministries and localities on data collection and physical upgrading of the planning and information units will thus be part of the capacity building activities. A communication network will be established linking all the units to a common data base in the Planning Department of the Ministry of Finance and Economy.

In existing localities legislative councils are functioning. However, in the newly established localities, legislative councils are yet to be formed. Moreover, VPUs are still to be established. Elections will take place at the earliest in 2008. However, the appointed LLC and VPU members and tribal leaders need to be informed and aware of new Local Governance Act and Native Administrative Act and the role and responsibilities of the councils, VPUs and tribal institutions embedded herein to be able to participate in the political process and participate in decisions on development priorities. In cooperation with the new Ministry of Local Government and Civil Service, the Component will support workshops to discuss and understand the new acts. These activities should be coordinated with the coming civic education activities under the Programme's civil society support component.

Finally, to enhance localities' capabilities to identify, prioritise, plan, implement and monitor projects, the component will support preparation of local support mechanisms to enable local authorities and communities, to address poverty issues. Initially, limited funds will be provided by the Component for small-scale investments serving the poorest communities related to:



- Improved delivery of basic socio-economic infrastructure and services for education, health, and water.
- Improved delivery of basic economic infrastructure, such as feeder road/ track.
- Markets.

The management experience gained by local authorities and communities will be used when designing a Local Development Fund to channel funds from state and donors for implementing local development activities. The investments will be supervised by a Local Development Adviser and UNDP field staff.

*Gender strategy:* Gender cuts across all aspects of public policy. Gender planning and budgeting should be integrated into planning and budgeting processes in a way that generates tangible improvements in policy outcomes. Further, gender disaggregated data should be collected to reveal possible gender inequalities so they can be presented in the coming locality profiles and addressed in development plans and budgets of the locality and state. Therefore the activities of the project will include gender orientation and training on gender sensitive budgeting to core group. Moreover, gender auditing for the Strategic Plan should take place.

*Implementation strategy:* A phased and flexible implementation approach will be necessary and warranted particularly taking into account the new policy of devolution which ultimately will change the nature of relationships between the different levels of government. This will include new ways of working and demand development of planning, monitoring and budgeting skills of state and locality staff. The approach will therefore have to be tested and adjusted accordingly.

- Inception Phase: First half of 2007 (month 1-6) will see deployment of the main technical advisers to work with the MoFE, selection of a core group of 8-10 staffers from MoFE and MoLGCS and, agreement on a detailed work plan for phase 1 activities accounted for in an Inception Report issued at the end of the Inception Phase. Planning and Information Officers will be appointed for the Planning and Information Units in the localities. During the inception phase the Component Management Committee will be established and a kick-off workshop arranged for its members.
- Phase 1: Second half of 2007 (month 6-12) will see finalisation of the five years Strategic Development Plan, establishment of planning and information units and development of a five years locality action plans in the eight localities, support to preparation of Budget 2008 and preparation of a locality fund mechanism. A small pilot locality fund will be established in each locality and public infrastructure projects selected for 2008 funding. Awareness workshops for Commissioners, legislative councillors, VAU members, and tribal leaders on their roles and responsibilities under the new state constitution, local government act and native administration act will be conducted. The MoFE and the MoLGCS core group will get a ToT training course in planning and budgeting under supervision of a training advisor in order to start training of locality planning and budgeting officers. Based on a training needs assessment of locality staff a training plan will be developed for implementation in 2008. In order to inform and orient the appointed locality legislative members, VAU and tribal leaders on their role and responsibilities as provided for in the State Constitution, Local Government Act and Native Administration Act, the Component will support the MoLGLF in preparing an information campaign to be launched in 2008. Finally the Component will support the MoFE and MoLGLF in developing a locality fund mechanism for public infrastructure and private enterprise projects. The Component will provide seed money to establish a small pilot fund for public infrastructure projects in each of the eight localities. The structure and procedures will be established during this phase and projects selected and included in the 2008 locality budgets and developed for funding in 2008. Training of locality staff (2 from each locality) in basic project management skills will be done by a professional training institute. Hands-on-supervision and training will regularly take place by the Component's Local Development Advisor.



- Phase 2: During 2008 the Component will continue to provide assistance to review of budget execution procedures and budget 2007, preparation of budget 2009, and continued training of planning and budget officers at ministry and locality level. The Component will support development of a MIS system for the RSS based on decentralised data collection in the localities coordinated by the Planning and Information Units. In September 2008 a joint RSS, UNDP, and donors Mid-term Review will take place to decide for 2009 activities and the need for future capacity building activities in the RSS.
- Phase 3: For activities in 2009 there is only budgeted for continued funding of the locality pilot funds, project management and monitoring support and some technical support to budget preparatory activities. However, depending on the outcome of the September 2008 Mid-term Review new activities could be added to include other areas of the public administration.

### **Outputs and Activities:**

#### **Output 1:**

*Improved capacity of state in performing its overall role of participatory policy-making, regulation and coordination and in managing pro-poor development policies.*

*Output 1.1: The MoFE's five years' Strategic Development Plan for Poverty Reduction finalised*

#### **Activities to output 1.1:**

The Red Sea State government has decided to continue its work on producing a Strategic Development Plan. The Component will offer technical assistance for its finalisation. A working group consisting of senior government officers will be established. The working group will be responsible for the drafting process and finalisation of the Plan along with a five year operational action plan for its implementation. As an integrated part of the technical assistance, support will be given to line ministries for development of sector policies and plans and to localities for improvement of locality action plans. A Strategic Planning Adviser will supervise the process and advice on collection and analysis of data.

During the second year, the Strategic Development Plan will be integrated into the State Budget.

*Output 1.2: Strengthened capacities for improved pro-poor, gender sensitive planning and budgeting at state level.*

#### **Activities to output 1.2:**

Technical assistance to improve the annual preparation and execution of the budget will be provided to Departments of Planning, Development, Expenditure, and Revenues of Ministry of Finance. The Public Expenditure Management (PEM) technical adviser will work closely with and train a core group of selected staff from the above departments and include among other tasks the following activities:

- Selection of core group of 8 - 10 MoFE staff based on qualifications and experience. The staff for the core-group will be selected from the Departments of Planning, Development, Expenditure and Revenues and be coached by the PEM adviser in budget preparation and execution skills and how to train and supervise planning and budget officers from line ministries and localities.
- Supported by a training consultant, the MoFE Planning Department will carry out a training needs assessment of line ministry and locality planning and budget officers and decide on a training plan for upgrading of their skills. Funds will be made available for identified training courses in Sudan.



- Detailed review of the current budgetary process to describe the framework that regulates the budget, identify responsibilities and typical weaknesses in procedures and, agree on how these can be overcome. If the IMF PEM Report for RSS is not considered sufficient background analysis a budget performance review 2006 together with line ministry and locality budget officers will take place.
- Gender orientation and training on gender sensitive budgeting to core group. Moreover, gender auditing for the Strategic Plan will be organised.
- Support to budget preparation, including determination of the macro-economic framework for the budget year; allocation of this global total among line ministries and localities; prepare directives; submission of bids from line ministries and localities, budget negotiations on the basis of the bids and finally; endorsement by the State Cabinet.
- Carry out a training course for budget officers in line ministries and localities before start of budget planning for 2008. The course trainers will be the MoFE core group under supervision of the PEM Technical Adviser and supported by a master trainer. The training will focus on poverty and gender sensitive planning and budgeting.
- Hands-on-training to budget officers at line ministry and locality level to prepare and negotiate the budget.
- ~~A review of budget execution procedures will be carried out to identify problems and make a plan on how to overcome them. The review will be undertaken by the core group of staff from the Expenditure, Revenues, Planning and Development Departments supplemented with a senior staff from the Account Department. A training course on Financial Management Systems and Budget Analysis will be part of the activities.~~
- A study tour for the core-group to for example Uganda or Tanzania or a third country in the region to study experience of pro-poor planning and decentralisation. The study tour should first take place after completion of Budget 2008.

The MoFE and MoLGCS core group will simultaneously function as trainers for locality staff and councillors in planning and budgeting.

## **Output2:**

### ***Strengthened capacity of localities for poverty reduction and good governance***

*Output 2.1: Strengthened local government authorities' capacities for pro-poor planning and just delivery of basic services to its citizens*

#### **Activities to output 2.1:**

Support to establishment of planning and information units in the localities. MoF Planning Department in cooperation with the respective localities will select staff to the new Planning and Information Units. Office space will be provided by the Ministry of Finance/Locality. The planning units will be a part of the locality administration and equipment of the offices will be provided for by the Component. Equipment will include two computers and printers, a photocopier and a vehicle for transportation (pick-up or motor-cycles).

An introductory course for the Planning and Information Officers will be conducted right after the appointment. The training will be an intensive 2 weeks training in participatory planning and budgeting,



implementation and monitoring of development projects. The training will be planned and conducted in collaboration with a professional training consultant.

Under guidance of the Strategic Planning Technical Adviser and the MoFE core group, the locality planning officers will mobilise the locality administration, VAU members and NGOs and INGOs for development of a locality profile, which can be used as a baseline for planning and monitoring and evaluation of projects. Participatory poverty assessment techniques will be applied to collect the information.

Before launching of the data collection, the locality administration, line ministries (health, education, water, social development, agriculture and infrastructure) planning and information units, along with the MoFE staff, the Planning Adviser and a MIS specialist will discuss the design of the information system to be created. Based on the needs, a simple MIS will be designed. A working group should be formed by 4-5 Information Managers to drive the process. MoFE's Planning Department should chair the group.

Based on the locality profile, the locality administration will be receiving technical support to development of a three years' locality action plan, which can be integrated into the 2008, 2009 and 2010 fiscal budgets.

In order to upgrade the basic skills of the locality staff, training packages will be provided to administrative and finance officers in book-keeping, record keeping, note taking, planning, budgeting and monitoring of projects. The training will be conducted in cooperation with the Sudan Academy for Administrative Sciences and National Centre for accounting studies as on-the-job training. Exchange visits to other more advanced localities within the Red Sea State or Kassala State for peer education will be part of the activities.

*Output 2.2:* Legislative Council members, members of the Village Administrative Units and Tribal Leaders informed and aware about their role and responsibilities according to the CPA, INC, State Constitution, Local Government Act (2006) and Native Administration Act.

*Activities to output 2.2:*

Support to the Ministry of Local Government and Civil Service in form of technical assistance to develop information packages and facilitation of workshops will be provided by the Component. It is anticipated that it will be the responsibility of the Ministry of Local Government and Civil Service to carry out the information campaign. The Ministry will be offered technical assistance to training of trainers and design of a training package for legislative council members, VAU members, women leaders, and community and tribal leaders respectively.

Further, to strengthen the linkages between the locality administration and the tribal system, the Component will provide assistance, organise inter-tribal dialogue workshops, exchange visits and joint tribal forums to discuss the consequences of the Local Government Act and Native Administration Act.

*Output 2.3: A local development funding mechanism designed and implemented*

*Activities to output 2.3:*

The UNCDF developed in 2005 a draft proposal for introducing decentralised public expenditure management in Red Sea State through the availability of investment funding to generate local development through increased provision of public assets and private business development.



The Component will provide technical assistance to continue the work and prepare a final proposal for setting up a locality development fund for public and private investments. The assistance will comprise support to drafting of objectives, procedures and criteria for selection of projects and training in fund and project management skills.

Further, the Component will provide a small grant to the localities for projects aiming at providing support to the most needed communities in the eight localities. A pilot structure for the local development funds will be established and used as a learning exercise for prioritising, planning, implementation and monitoring of projects.

Criteria for support could be:

- that the intervention is in the Strategic Development Plan
- that the intervention is directly poverty reducing (raising incomes or improving the quality of life of the poor)
- that the intervention supports service delivery to the poor; and
- that the intervention is guided by a well developed plan (including a budget and targets that can be monitored). This activity will be supported by UNDP field staff.

---

The activities should be coordinated with and informed by the current work of the Northern Sudan Multi - Donor Trust Fund to establish community develop funds in a selected number of northern states.

## Section II: Results and Resources Framework

	<p><b>Intended Outcome as stated in the Country Programme Results and Resource Framework:</b> Outcome (1): Better governance, peace building and respect for and protection of human rights.</p>
<p>Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and target:</p> <p>Indicator (1a): Public Institutional Strengthening  Indicator (1 b): Promotion of peace building at national as well as grass-roots level  Indicator (1 c): Greater empowerment of women  Indicator (1 d): Broad based, environmentally sustainable, economic growth</p>	
<p><b>Applicable MYFF Service Line:</b>  SL 2.6 Decentralization, local governance and urban/ rural development  SL 7.1 Civil Society empowerment</p>	
<p><b>Partnership Strategy:</b>  This Programme touches on many aspects of governance, rule of law, recovery and service delivery, and will be carried out in partnership with a wide range of other actors, including UN and donor agencies, central, state and local authorities, civil society groups, private sector and communities. The Programme's success will require effective coordination of interventions by the different actors towards its objectives, as well as linkages with broader policies and Programme on recovery and development that impact local governance. Moreover, it will require effective interaction with and between a levels of government (federal, states and local) to ensure complementarities, balanced inputs, and sustained support by all actors.</p>	
<p>Project title :Poverty Alleviation-Oriented Governance Programme for the Red Sea State  Project ID: 00043506 ((ATLAS Award ID: 00038981)</p>	

Intended Outputs	Output Targets ( 2007-2009)	Indicative Activities	Responsible Parties	Inputs
<p>1. Improved capacity of state in performing its overall role of participatory policy-making, regulation and coordination and in managing pro-poor development policies.</p>	<p>1.1. State Strategic 5 Years Development Plan. finalized in consultation with localities and civil society organizations and approved by the State Legislative Council.</p>	<ul style="list-style-type: none"> <li>- Establishment of a working group responsible for the drafting process</li> <li>-Drafting and agreeing on an overall process action plan.</li> <li>-Drafting of line ministry sector plans</li> <li>-Drafting of locality development plans</li> <li>- Finalization of State Strategic Development Plan</li> </ul>	<p>Strategic Planning Advisor/ MOFE &amp; PEM Advisor</p>	<p>Contractual Services( Individuals) USD 412,000</p> <p>Local Consultants USD 21,0000</p> <p>Services USD 8,900</p> <p>Travel 22,000</p> <p>Contractual services (Companies) USD 26,000</p>
<p>1.1:1 The MoFE's five years' Strategic Development Plan for Poverty Reduction finalized</p>	<p>1.1.2. .1. Core staff of MOFE with</p>			



<p>1.1..2: Strengthened capacities for improved pro-poor, gender sensitive planning and budgeting at state level</p>	<p>technical capacity for developing pro-poor , gender sensitive plans and budget</p>	<ul style="list-style-type: none"> <li>- Training of trainer course on budget and planning for the core group including gender sensitive budgeting.</li> <li>- Training needs assessment of line ministry and locality planning and budgeting officers.</li> <li>-Development and implementation of training plan.</li> <li>-Review of existing budgetary procedures.</li> <li>-Conduct a budget performance review of the 2006 budget together with line ministry and locality.</li> <li>-Poverty and gender sensitive planning and budgeting training course for budget officers in line ministries and localities carried out by MoFE core group assisted by TA and a master trainer.</li> <li>-TA support to preparation of budget 2008, 2009, and 2010.</li> <li>- Review of budget execution procedures</li> </ul>	<p>PEM Advisor &amp; MOFE</p> <p>PEM Advisor &amp; MOFE &amp; national consultants</p> <p>PEM Advisor &amp; MOFE</p>	<p>Study tour USD 50,000</p> <p>Supplies USD 12,000</p> <p>Vehicle USD 20,000</p> <p>It equipment USD 4,000</p>
<p>2. Strengthen capacity of localities for poverty reduction and good governance</p> <p>2.1: Strengthened local government authorities' capacities for pro-poor planning and just delivery of basic services to its citizens.</p>	<ul style="list-style-type: none"> <li>- Planning &amp; Information Units established in 8 localities.</li> <li>- Locality MIS containing updated social and economic data and locality profiles developed.</li> <li>- Localities staff with capacity to operate the MIS for planning and service delivery</li> </ul>	<ul style="list-style-type: none"> <li>-Furnishing and Equipping the Planning &amp; Information Units</li> <li>-Training on participatory, gender sensitive planning, budgeting, and management of development projects.</li> <li>-Selection of MIS Working Group</li> <li>-Development of Process Action Plan</li> <li>-Design of a MIS for RSS</li> </ul>	<p>PEM Advisor &amp; MOFE &amp; MIS consultant</p> <p>PEM Advisor &amp; MOFE</p>	<p>Contractual Services ( Individual USD 118,000</p> <p>Contractual Services ( Companies) USD 60, 000</p> <p>Local consultant USD 57,000</p> <p>Travel USD 9,625</p> <p>Services USD 2,000</p> <p>LDF USD 465,000</p> <p>IT Equipment USD 30,000</p>



<p>2.2: A local development funding mechanism designed and implemented.</p>	<p>-Localities with action plans</p> <p>- Ministry of Local Government and Labour Force conduct information campaigns in all 8 localities to inform locality legislative members, VAU members and tribal leaders on participatory pro-poor planning and service delivery and their roles and responsibilities in process.</p> <p>- Pilot locality funds established in the localities aiming at supporting the most needed communities.</p>	<p>-Training in 8 localities to introduce the MIS.</p> <p>-Planning and Information officers mobilize and train locality staff, VAU members, NGO and INGO staff on information collection.</p> <p>-Drafting and updating of locality action plans.</p> <p>-Locality staff participates in basic skills training courses</p> <p>-Development of information packages.</p> <p>-Information campaigns in the localities on the CPA, State Constitution, Local Government Act and Native Administrative Act.</p> <p>-Organize inter-tribal dialogue workshops on cooperation with the Native Administration Department.</p> <p>- Contracting UNCDF for developing the fund proposal in cooperation with the MoFE and MoLGCS and the localities.</p>	<p>LDF Advisor &amp; MOFE/ Localities' authorities</p>	<p>Equipment USD 67,000 Furniture USD 15,000 Vehicles USD 160,000 Communication services USD 30,000 Supplies USD 10,000</p> <p>Sub-total USD 1,602,525</p> <p>F&amp;A USD 160,253 Miscellaneous USD 112,177</p>
<p>Grand Total</p>				<p><b>USD 1, 874, 954</b></p>



## **Management Arrangements:**

*Prior obligations and pre-requisites:* The MoFE will closely plan, monitor the implementation of the component and provide necessary inputs, substantive and managerial, for successful implementation including responsibility for development of annual work plan and budget together with the TA management, the UNDP and in accordance with the overall budget in this Component Description. As a clearinghouse of financial policies and Programme, it is expected that the Ministry will facilitate linkages with other ongoing as well as planned externally supported/centrally sponsored projects on public expenditure management and decentralisation.

The ministries and localities identified under this component will ensure effective implementation of the project activities in their respective ministries and localities.

The Ministry of Finance and Economy and Ministry of Local Government and Civil Service will put in place adequate implementation arrangements and meet the salaries and incentives of staff involved in the component activities and provide funds for separate office space for TA at state level and the Planning & Information Units in the locality administration. The Ministry of Finance and Economy will also ensure convergence of this project with other schemes being implemented in the ministries and localities.

UNDP assistance will be provided subject to the satisfactory fulfilment of the above pre-requisites. If ~~anticipated fulfilment of one or more pre-requisites fails to materialize, UNDP may, at its discretion,~~ either suspend or terminate its assistance.

## **Implementation Arrangements:**

The Red Sea Poverty Alleviation Governance Programme is implemented directly by the UNDP under the DEX modality. The Capacity Building Component will therefore be under direct UNDP execution; however, as successful implementation of the capacity building interventions only can take place in close collaboration with the Red Sea State Government, the implementation arrangement should demonstrate a clear partnership profile.

The Head of UNDP's Governance Unit in Khartoum is responsible for Programme management in collaboration with the MoFE, RSS and the UNDP Programme Manager in the Red Sea State. In order to support implementation, the UNDP has established an office in Port Sudan with four locality satellite offices staffed by four project coordinators, six community mobilizers, two administrative assistants, and one finance assistant.

The existing Steering Committee (SC) was formed in 2005. It never met. The SC will be activated to provide guidance and oversee the overall Programme implementation. The 13 members SC comprises:

- State Wali
- Ministers from the RSS Ministry of Finance and Economy and Ministry of Local Government and Civil Service
- Two representatives from relevant state line ministries
- One representative from Federal Ministry of International Cooperation,
- Two representatives from the localities (e.g. 1 Commissioner and 1 Director of Administration)
- One representative from the Zakat Chamber
- Two representatives from CSO including women CSO
- One representative from UNDP



- Representative of donor (observer only)

The SC composition will be confirmed during the Inception Phase. The Steering Committee is expected to meet twice a year.

*Component Management Committee:* In order to establish strong partnership relations for the Capacity Building Component a Management Committee (MC) will be established. The MC comprises the following members:

- A representative of the Ministry of Finance and Economy (Chairperson);
- A representative from the Finance Committee of the State Assembly;
- A representative of the Ministry of Local Government & Civil Service;
- Four Commissioners from the eight localities;
- Four Chairpersons from the State Legislative Council and the locality Legislative Council(s);
- The UNDP Programme Manager;
- The UNDP Senior Public Expenditure Management Adviser
- The Head of the Component Management Unit (Secretary).

The MC's mandate will be to ensure that the Component is implemented, work plan including outputs achieved, and funds managed efficiently and effectively in accordance with the Component document, Government Agreement, and other legal documents. Where deviations from the Component document are considered necessary, the MC takes the decisions regarding mitigating action. Programme objectives and target outputs cannot be altered by the MC but recommended to the SC.

Furthermore, the mandate of the MC will include approval of annual work plans and budgets, overall responsibility for implementation and monitoring of component activities and target output; monitoring of technical assistance, and recommendations to the SC regarding major implementation issues such as budget, procurement, timing and preparation of ToR of technical advisers, short-term consultants, and studies.

The MC will meet quarterly.

*Component Management Unit:* A Component Management Unit (CMU) will be established in MoFE's Department for Planning and International Cooperation. The CMU have the overall responsibility for the management of all component activities and act as secretariat of the CMC. The Chief of the Planning and International Cooperation Department will be the Component Manager and head of the CMU, which will be staffed by two graduates. The Component Manager will refer to the CMC and his/her responsibilities will include; drafting work plans, budgets and ToR for technical assistance; plan study tours for CMC's approval; and progress reporting. Further the Component Manager will liaise between MoFE, MoLGCS, and UNDP.

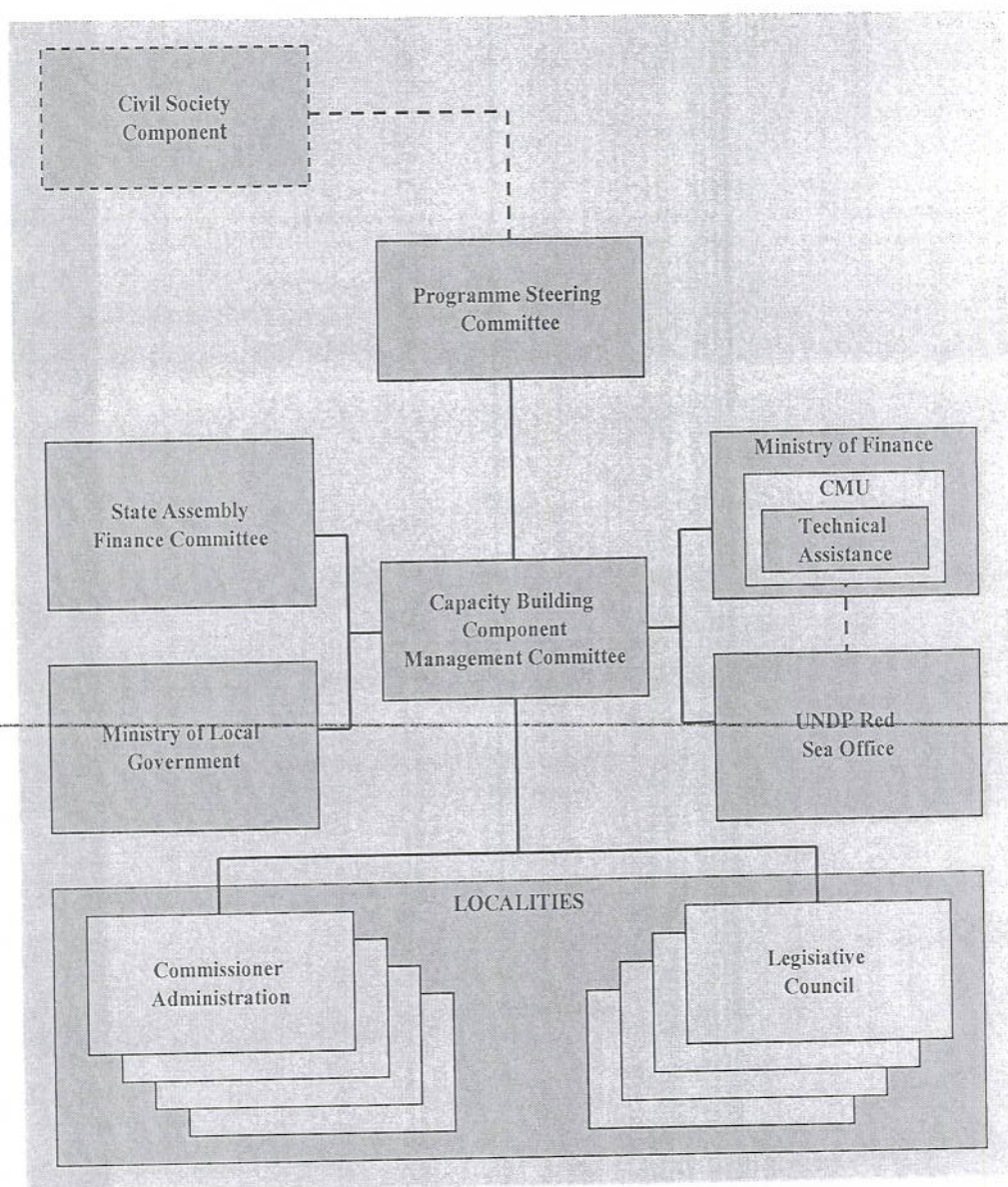
The PEM advisor together with the UNDP office in Port Sudan will provide assistance to the Component Manager and help coordinate inputs from the Red Sea State and the UNDP.

The CMU will, in cooperation with the UNDP Programme Manager, be responsible for coordination of component activities with the other Programme components, and where feasible UNDP field staff will be sought utilised for implementation of Component activities in the localities.

Chart 5 illustrates the component management set-up and its linkages to the overall Programme framework. The Programme SC will be responsible for overall coordination between the components. The UNDP Red Sea Office will coordinate at the operational level.



Chart 5: Linkages between component management partners



### Inputs:

*Technical Assistance:* The Component will provide the following technical assistance:

- *Public Expenditure Management Adviser* to assist the Ministry of Finance in budget preparation and monitoring of budget execution. The Adviser will be placed in MoF's Department for Planning and international Cooperation. (Total 18 man-months over three years; 8 months continuously in year 1, 5 months in year 2 and 5 months in year 3).
- *A Strategic Planning Adviser* to assist the Ministry of Finance and Economy to finalise the draft 5 years' Strategic Development Plan for the Red Sea State and assist the localities in developing locality action plans. The Strategic Planning Adviser will work closely together with the Local



Development Advisor, the Public Expenditure Management Specialist, the relevant MoF departments, and line ministry and locality staff responsible for planning (Total 6 man-months during year 1).

- *A Local Development Adviser* to support locality planning and selection, preparation, implementation and monitoring of projects in connection with the small grant scheme. (18 man-months; 8 months continuously the first year - followed by periodic visits the second year (5 months) and the third year (5 months) in accordance with the work plan).
- *A Management Information Specialist* to assist the Ministry of Finance, line ministries and localities in setting up a system for management and dissemination of information (5 man-months - continuously in 2008).
- *A Local Fund Specialist* to assist in establishing systems, procedures and mechanisms for the management of a local funding mechanism (3 man-months - continuously in 2007).

The technical assistance will also include contracting of national training institutions, which will function as master trainers and assist in developing training manuals and material in relation to budgeting and planning (12 man-months).

Further seven man-months of unallocated technical assistance will be kept in a pool to be deployed as per need.

Study tour to a country in the region to study poverty oriented and decentralised public expenditure management system (e.g. Uganda, Tanzania and Mozambique). The study should take place after one year to ensure that the core-group has sufficient experience and knowledge about decentralised public management, poverty and gender planning and budgeting to gain from a study tour.

*Equipment:* Furnishing and equipping 8 Planning & Information Units with:

- A vehicle (pick up) for each locality and for the CMU - 9,
- Computers, printers and accessories 3 per locality and two for CMU - 26.
- One copier per locality and one for CMU - 9
- A generator for each locality - 8
- An air conditioner for each locality - 8
- Furniture for each locality and the CMU.
- Additional computers and accessories for Ministry of Finance Advisers - 2
- Communication network system linking MoFE, line ministries and localities.

*Funding sources:* The UNDP/Danish Government/Strategic Partnership will provide the funds to cover the expenses for the technical assistance, training, and equipment, while the Red Sea State Government will be responsible for covering staff salaries and incentives of Government and locality staff, recurrent costs for operation of office equipment and vehicles and provision of sufficient office space from the onset of the Component.

### **Monitoring, Reporting and Reviews:**

The Component Manager, in collaboration with the UNDP Portfolio Manager, will be responsible for the over-all monitoring of the component in close collaboration with the SC and the MC. Yearly work plans and budgets setting the annual target for implementation will be jointly prepared by the Component Manager, the MC, the MoFE, and the MoLGCS. The Annual Work Plan will be discussed in the MC and approved by the SC. The work plan and budgets will be used to monitor progress.



The Component Manager, in collaboration with TA team and the MOFE team, will prepare an inception report at the end of the inception period

The Component Manager with his TA team and the MoFE, RSS will be responsible for preparing six-month progress reports detailing the achievements/constraints in receiving the set targets and benchmarks. The progress reporting will follow the UNDP format, be consolidated with the other component of the project and be submitted to the Steering Committee and the UNDP for approval.

September 2008, a Mid-Term Review of the component activities will take place. The review team will have participation of Red Sea Government representatives, UNDP, the Strategic Partnership (donor) and international experts in public expenditure management and decentralisation. Based on the findings, the review will make recommendations for future implementation work plan with an associated budget for the remaining period.

The UNDP Country Office will conduct monitoring visits and review meetings to adjust activities to the evolving situation on the ground and maintain a results-oriented approach. The quarterly meetings of the MC are also important to ensure the progress of the activities as planned and in response to the dynamics of the situation. The monthly meeting of the Programme staff will serve as an important mechanism for ensuring coordination of activities across the components in all localities and experience exchanging among field staff. The project will also undergo a mid-term evaluation, wherein the recommendations will form the basis of review, and reformulation as necessary, of the project's work plan. Upon completion of the project, a final evaluation will be conducted. All reports will follow relevant UNDP format.

#### ***Assumptions, Risks and Preconditions:***

The signing of ESPA, the new state constitution along with the State Government's introduction of the new Local Government Act emphasising the localities' role in providing basic services to its citizens and the continued discussions on the strategic development plan for poverty reduction in the Red Sea State, provide a good basis for pro-poor policies.

However to succeed, the proposed capacity building project will need full commitment and backing from the RSS political and administrative executives and authorities. Improvement of the existing planning and budgetary system by pursuing more transparent practices and promoting accountability must have high political priority and continued proven willingness of implementation. This should be regarded as a precondition.

Further, the Red Sea State has to be seen in the national context. An important factor influencing the feasibility of achieving Programme objectives will be the establishment of a transparent formula based inter-governmental financial transfer system and a civil service reform transferring powers from the federal government to state governments. The reform process is moving ahead and the speed of progress will influence the outcome of the capacity building component. But even if the speed of progress is slow at the federal level there is plenty of room for improvements at the state level - improvements that will only be depending on the political will to carry them through.

At the internal Programme level, it is important to stress that the realization of these objectives is based on the assumption that the other support component aiming at building the capacity of civil society organisations, direct support to poverty alleviation interventions in poor communities and the general campaign and awareness raising activities on good governance will be continued and expanded and that synergy between the different components can be achieved. The UNDP Sudan Country Office has informed that those are currently under development and will be reflected in the UN Work Plan 2007.

Regarding management of the Component's activities it is assumed that the UNDP office in Port Sudan is strengthened with a full time experienced Programme Manager to plan and coordinate with the RSS government, other donor organisations and civil society organisations and an expert in capacity building. If these professionals are not in place and include the necessary competences, lack of management capacity could put the success of component activities at risk. However, the risk is sought mitigated by an extensive input of technical assistance during the three years implementation period.

**Legal context:**

This project document shall be the instrument referred to as such in article 1 of the SBAA between the Government of Sudan and UNDP, signed by the parties on 24 October 1978 and ratified by the Government of Sudan on 2 January 1980.

---



## 1.1. Budget and Financial Management

	Activity in USD	Rate	Units	2007	2008	2009	Total
<i>Output 1.1: Strategic Plan finalised</i>							
	Finalisation of Plan	Lumpsum		16,000			16,000
<i>Output 1.2: State capacities improved</i>							
	ToT of core group/Training specialist	175/day	12d	2,100			2,100
	Training of core group in gender budgeting	175/day	6d	1,050			1,050
	TNA of line ministry and locality P&B officers	175/day	18d	3,150			3,150
	Implementation of training plan	150/w/pers	32	4,800	4,800		9,600
	Study tour for core group	Lumpsum			50,000		50,000
<i>Output 2.1: Localities capacities improved</i>							
	Training of P&I staff by MoFE core group	175/day	6d				0
	Drafting updating of locality plans	Lumpsum		8,000	6,000	2,000	16,000
	Design and installment of MIS (TA)	4000	5 m		20,000		20,000
	Training on MIS	Lumpsum			2,000		2,000
	Training of VAU, NGO, etc. in datacollection	625	8		5,000		5,000
	Locality profile updated	1250	8		10,000		10,000
	TNA of locality staff	175/day	30d	5,250			5,250
	Implementation of training plan	Lumpsum			20,000	20,000	40,000
<i>Output 2.2: Locality LC, VAU, tribal leaders informed, etc.</i>							
	Development of information packages	175/day	50d	8,750			8,750
	Materials	Lumpsum		10,000			10,000
	ToT of MoLGCS staff	175/day	5d	875			875
	Intertribal workshops	Lumpsum			20,000		20,000
<i>Output 2.3: A local funding mechanism</i>							
	Training in fund & project management skills	150/w/pers	20pers/5w	9,000	6,000		15,000
	Grant for locality fund	56250	8	225,000	225,000		450,000
<i>Equipment</i>							
	Computers & Printers, etc.	1500/unit	18	27,000			27,000
	Photocopiers	3000/unit	9	27,000			27,000
	Accessories to computer, etc.	Lumpsum		7,000			7,000
	Vehicles (pick-up cars)	20000	9	180,000			180,000
	Generators	4000	8	32,000			32,000
	Airconditions	1000	8	8,000			8,000
	Furnitures P&I units and CMU	Lumpsum		15,000			15,000
	Communication network (server, cabling, etc.)	Lumpsum		30,000			30,000
	Stationary	Lumpsum		12,000			12,000
<i>Technical Assistance</i>							
	PEM/Decentralisation Adviser	18000/m	18	144,000	108,000	72,000	324,000
	Strategic Planning Adviser	18000/m	6	72,000		36,000	108,000
	UNCDF Adviser	18000/m	3	54,000			54,000
	LDF Adviser	3750/m	18	30,000	22,500	15,000	67,500
	Unallocated TA	3750/m	7		26,250		26,250
<i>Total</i>							
	Miscellaneous 10%			93,198	52,555	14,500	160,253
	Fees and administration 7%			65,238	36,789	10,150	112,177
<b>Grand Total</b>				<b>1,090,411</b>	<b>614,894</b>	<b>169,650</b>	<b>1,874,954</b>

The cost of TA is based on UNDP figures for TA: Up to USD 216,000 per year for level 4 & 5 International Advisers and up to USD 45,000 for National Advisers including all expenses. The MIS figures are based on information collected in Khartoum.

The Component budget, totalling USD 1,874,954, is presented above. All Component expenditure will be in accordance with the work plan, agreed by the MC. Component Cost will be paid directly by the UNDP based on requests from the Component Manager and appropriate supporting documents. The technical assistance will thus be contracted directly by the UNDP after approval of the Component Management Committee. The allocation of the Component budget between sub-heads is indicative, pending more detailed assessments of needs. Any reallocation between budget sub-heads will be suggested and prepared by Component Management Committee and approved by the Steering Committee.









## **Annex 1: Terms of Reference: Public Expenditure Management/Decentralisation Adviser**

### **Objective of the assignment:**

The Adviser will provide technical support to build the capacity of Ministry of Finance and Economy; (i) for effective public expenditure management and; (ii) to support and advise local governments on participatory, pro-poor and gender sensitive planning and budgeting.

### **Scope of Work:**

The adviser's task will include but not be limited to the following:

- Provide on-the-job training to a group of core staff from MoFE Departments of Planning, Development, Revenue, and Expenditure, and MoLGCS.
- Provide technical assistance to carry out analyses of the macro-economic framework of the budget year.
- Supervise and facilitate reviews of budget performance and execution procedures, and assist in making recommendations for improvements.
- Supervise training of line-ministry and locality Planning and Budget Officers by MoFE core-group,
- Train and supervise MoFE staff on budget analysis.
- Provide technical input and guidance of pro-poor planning and budgeting.
- Provide technical input and guidance to gender sensitive planning and budgeting.
- Supervise the MoFE core group when advising on line ministries and localities planning and budget work.
- Conduct courses in financial management systems.
- Assist in planning of staff courses for MoFE core staff and planning and budgeting officers of line ministries and localities.
- Work closely with the MoFE Head of Planning Department, the Strategic Planning Adviser and the UNDP Programme Officer.
- Participate in Component Management Committee meetings as per request.
- Refer to the Component Manager.

The Adviser will work on the basis of work plans approved in the Management Committee. The Adviser will provide support to the Component Manager in managing the Component and liaise with the UNDP Programme Officer regularly. Other relevant stakeholders like for example the Ministry of Local Governments and Civil Service or other line ministries might however also draw upon the Adviser if and when required.

### **Qualifications:**

- Advanced University degree in Development Economics, Public Administration or other relevant field;
- At least 10 years of progressively responsible experience in public expenditure management and fiscal decentralisation;
- In-depth knowledge of socio-economic and poverty issues and a strong commitment to poverty reduction;
- Profound knowledge and experience of gender and pro-poor budgeting and planning;



- Strong management, analytical, negotiation, communication, networking and partnership-building skills;
- Excellent knowledge of the socio-political context of Sudan, particularly in rural areas and a thorough understanding of conflict dynamics;
- Excellent knowledge of capacity building policies and methodologies;
- Strong team player with the ability to work under pressure;
- Ability to manage multiple tasks;
- Strong organizational and writing skills;
- Ability to work in a multi-cultural environment and travel within/outside Sudan when needed;
- Excellent knowledge of English and Arabic;
- Ability to use information technology effectively.

**Additional assets include:**

- Experience from working with local governments
- Knowledge of UN/UNDP policies and Programme frameworks and previous experience working for the UN.

**Duration and location**

18 man-months in Port Sudan, Red Sea State, Sudan. over 3 years from 2007.

---

## **Annex 2: Terms of Reference: Strategic Planning Adviser**

### **Objective of the assignment:**

The objective of the assignment is to provide technical assistance to the Ministry of Finance and Economy for finalization of the Draft Strategic Development Plan of the Red Sea State.

### **Scope of Work:**

The specific tasks will include but not be limited to the following:

- Assist and facilitate the MoFE Planning Department in finalising the draft Strategic Development Plan;
- Assist and facilitate the Ministry of Health, Ministry of Education, Ministry of Agriculture, and Ministry of Social Affairs, in developing sector plans;
- Assist the eight localities in the Red Sea State to develop rolling action plans to be integrated into the annual budgets;
- Provide on-the-job training to state and locality planning and budget officers;
- Facilitate training of planning and budget officers on participatory poverty and gender sensitive assessment techniques.
- Work closely together with Public Expenditure Adviser at Ministry of Finance and Local Development and Local Fund Specialist;
- Refer to the Component Manager.

The Adviser will work on the basis of work plans approved in the Component Management Committee. The Adviser will report to the Component Manager and liaise with the UNDP Programme Officer regularly. Other relevant stakeholders like for example line ministries and localities might however draw upon the Adviser when required for development of sector plans and locality action plans.

### **Qualifications:**

- Advanced University degree in Development Economics, Public Administration or other relevant field;
- At least 10 years of progressively responsible experience in development Programmes;
- Specialist in Strategic Planning and poverty reduction strategies;
- Profound experience in participatory poverty assessment techniques;
- Excellent facilitation and teaching skills
- Experienced in collection and analysing socio-economic data,
- Good communication and mobilisation skills;
- In-depth knowledge on the different levels of government in Sudan and their interactions;
- Excellent knowledge of English and Arabic;
- Ability to use information technology effectively.

### **Additional assets include:**

- Knowledge of UN/UNDP policies and Programme frameworks and previous experience working for the UN.

### **Duration and location**

6 man-months in Port Sudan, Red Sea State, Sudan in 2007



### **Annex 3: Terms of Reference: Local Development Adviser**

#### **Objective of the assignment:**

The objective of the assignment is to provide technical assistance to localities in implementation of the small grant scheme, and facilitate establishments of locality planning and information units including strengthening the linkages to the state authorities. Technical assistance will be provided to Ministry of Finance, Ministry of Local Government and the localities.

#### **Scope of Work:**

The specific tasks will include but not be limited to the following:

- Provide technical advice on management of the Component Small Grant Scheme including establishment of criteria, procedures and regulations;
- Assist in training locality staff in participatory planning techniques, project management and monitoring;
- Assist in training civil society organisations in planning and project monitoring;
- Provide technical advice and facilitate the establishment of Planning Units at the locality level;
- Provide technical advice and support to development of locality action plans.
- Establish a close working relationship with staff of the Ministry of Local Government and Civil Service and the Ministry of Finance and Economy;
- Assist in the preparation of annual, quarterly and monthly work plans in accordance with the Project support activities and outputs;
- Assist in on-the-job training activities;
- Develop and maintain strong partnerships between the project and counterparts including government, civil society, private sector, UN and international agencies;
- Assist in dialogue and coordination within the Government and with the civil society on policy design and resources allocation;
- Refer and liaise closely with the Component Manager.
- Work closely with the Strategic Planning Adviser.

#### **Qualifications:**

- Advanced University degree in Development Economics, Public Administration or other relevant field;
- At least 10 years of progressively responsible experience in development Programmes;
- Strong experience in management of local development funds;
- State and a strong commitment to poverty reduction;
- Strong project management skills;
- Good analytical, negotiation, communication, networking and partnership-building skills;
- Excellent facilitation skills;
- Excellent knowledge of the socio-political context of Sudan, particularly in rural areas and a thorough understanding of conflict dynamics;
- Excellent knowledge of capacity building policies and methodologies;
- Strong team player with the ability to work under pressure;
- Ability to manage multiple tasks;
- Strong organizational and writing skills;

- Ability to work in a multi-cultural environment and travel within/outside Sudan when needed;
- Excellent knowledge of English and Arabic;
- Ability to use information technology effectively;

**Additional assets include:**

- Knowledge of UN/UNDP policies and Programme frameworks and previous experience working for the UN.

**Duration and location**

18 man-months in Port Sudan, Red Sea State, Sudan over 3 years



### **Annex 3: Terms of Reference: Local Development Adviser**

#### **Objective of the assignment:**

The objective of the assignment is to provide technical assistance to localities in implementation of the small grant scheme, and facilitate establishments of locality planning and information units including strengthening the linkages to the state authorities. Technical assistance will be provided to Ministry of Finance, Ministry of Local Government and the localities.

#### **Scope of Work:**

The specific tasks will include but not be limited to the following:

- Provide technical advice on management of the Component Small Grant Scheme including establishment of criteria, procedures and regulations;
- Assist in training locality staff in participatory planning techniques, project management and monitoring;
- Assist in training civil society organisations in planning and project monitoring;
- Provide technical advice and facilitate the establishment of Planning Units at the locality level;
- Provide technical advice and support to development of locality action plans.
- Establish a close working relationship with staff of the Ministry of Local Government and Civil Service and the Ministry of Finance and Economy;
- Assist in the preparation of annual, quarterly and monthly work plans in accordance with the Project support activities and outputs;
- Assist in on-the-job training activities;
- ~~Develop and maintain strong partnerships between the project and counterparts including government, civil society, private sector, UN and international agencies;~~
- Assist in dialogue and coordination within the Government and with the civil society on policy design and resources allocation;
- Refer and liaise closely with the Component Manager.
- Work closely with the Strategic Planning Adviser.

#### **Qualifications:**

- Advanced University degree in Development Economics, Public Administration or other relevant field;
- At least 10 years of progressively responsible experience in development programs;
- Strong experience in management of local development funds;
- State and a strong commitment to poverty reduction;
- Strong project management skills;
- Good analytical, negotiation, communication, networking and partnership-building skills;
- Excellent facilitation skills;
- Excellent knowledge of the socio-political context of Sudan, particularly in rural areas and a thorough understanding of conflict dynamics;
- Excellent knowledge of capacity building policies and methodologies;
- Strong team player with the ability to work under pressure;
- Ability to manage multiple tasks;
- Strong organizational and writing skills;

- Ability to work in a multi-cultural environment and travel within/outside Sudan when needed;
- Excellent knowledge of English and Arabic;
- Ability to use information technology effectively;

**Additional assets include:**

- Knowledge of UN/UNDP policies and programme frameworks and previous experience working for the UN.

**Duration and location**

18 man-months in Port Sudan, Red Sea State, Sudan over 3 years.

---