

# **Sudan Mutual Partnership Framework**

**May 2020**

## **Preamble**

Affirming the value of a strengthened partnership between the Republic of the Sudan and the international partners supporting the transition as expressed in the Political Declaration and Constitutional Declaration signed in August 2019, this Mutual Partnership Framework (MPF) establishes principles for support to assist Sudan achieve its economic recovery, governance and development priorities in line with the goals of the Sudanese revolution of freedom, peace and justice and are supported by the 2030 Agenda for Sustainable Development.

## **Context**

The new civilian led transitional government (CLTG) has a daunting task ahead for economic recovery and will need to address the interrelated challenges of improving political and economic governance, improve and increase access to basic services, promote pro-poor growth to mitigate some of the main causes of conflict in several parts of Sudan, and reform the Sudanese economy. Improved capability, responsiveness, and accountability will be essential for development interventions to be effective and responsive to the needs of the poor and marginalized populations and the broader Sudanese population given the expectations of the populace for better living conditions. Increasing pro-poor public spending is critical to extending basic services and maintaining peace and stability, particularly in war-affected and marginalized areas. While more pro-poor allocation of expenditures is vital, this will need to be accompanied by equitable economic growth to ensure sustained reductions in poverty and inequality.

At the national level, a focus on macroeconomic stability and economic growth policies will be required to create the conditions for macroeconomic stability and implementing consistent economic policies to support growth and good economic governance. Moreover, addressing Sudan's large debt stock and negotiating with international bilateral and multilateral donors will require substantial and sustained efforts and strong partnerships with the donor community. Strong commitments from both the government and the donor community are even more critical in the context of the current Covid-19 pandemic and the potential for the broad negative impact this may have on Sudan and its fragile economy.

## **Principles of mutual partnership**

The partnership between the civilian led transitional government (CLTG) and international partners participating in this MPF is intended to strengthen their cooperation and will be guided by the following principles:

1. The CLTG and participating international partners desire to strengthen their partnership to improve the lives of the Sudanese people and to set Sudan firmly on the path to economic recovery, justice, peace and prosperity;

2. The prosperity and well-being of the Sudanese people hinge upon the CLTG pursuing fundamental economic reforms while protecting the most vulnerable;
3. The CLTG will design a comprehensive ‘home grown’ economic reform program consistent with the objectives of macroeconomic stability and inclusive growth that will form the basis of an IMF Staff Monitored Program (SMP). These reforms will be reflected in the structural benchmarks that will be agreed upon with the IMF and reflected in a matrix to allow tracking. These agreed reform areas are necessary to provide macroeconomic stability that would demonstrate the intent of the CLTG with regards to these benchmarks and the proposed timelines for implementation;
4. The proposed areas of reform, included in the next section, will require substantive international engagement, cooperation and investment in order to bridge the gap between Sudan’s needs and its capabilities in the short- and medium-term;
5. The CLTG’s commitment to transparency, efficiency and effectiveness is critical for good governance and combatting corruption and requires sustained international support to achieve its goals. Progress in the implementation of different reforms will be communicated to all stakeholders so that are actively engaged in assessing progress toward the goals of the Sudanese revolution; and
6. The participants of the MPF will undertake to coordinate continuously their efforts and review progress on these measures and supporting assistance.

### **Declaration of intentions**

The MPF partners intend to do the following:

1. Retain clear and united support for the CLTG under the leadership of Prime Minister Abdalla Hamdok and cabinet ministers, while acknowledging that the Sovereign Council shares responsibility for supporting essential economic reforms;
2. Deliver its assistance in alignment with the strategic priorities of the transitional government, including mitigating the socio-economic impacts of any reforms;
3. Whenever possible, to frontload support to Sudan in line with the transitional government’s priorities, especially the Sudan Family Support Program and the Five-Point Plan in response to Covid-19;
4. Follow the principles contained in the 2011 Busan Partnership for Effective Development Cooperation; such as:
  - a. Gradually increase the use of country systems in accordance with tangible progress in Public Financial Management Standards;

- b. Assist in improving national institutional capacities to implement the Government's economic agenda.
5. Utilize and follow the Government's own fiduciary reporting systems which will be strengthened with assistance from donor partners;
6. Encourage Paris Club members to undertake an accelerated process to achieve Sudan's debt sustainability;
7. Deliver its assistance in a coordinated and transparent manner which supports accountability and transparency;
8. Fulfill existing and prior funding pledges/obligations/commitments consistent with availability of funds and national legal requirements;
9. Recognise that the COVID-19 pandemic may shift the priorities of the CLTG and participating partners but seek to continue assistance in alignment with the strategic objectives of the CLTG.

The CLTG intends to do the following for the duration of their mandate:

1. Establish a national and well-structured assistance coordination system;
2. Take the lead in the coordination of assistance;
3. Remain committed to continued engagement with the International Financial Institutions to improve public financial management consistent with the general standards and principles historically used by the Paris Club for country eligibility under the HIPC initiative, and to become a member of the international financial community in good standing;
4. Initiate discussions with the IMF for a Staff Monitored Program (SMP) with clear structural benchmarks.
5. Commit to adopt measures to attain macroeconomic stability and build the foundation for equitable, broad-based and inclusive economic growth that will promote a favorable outcome for the welfare of the Sudanese people. These include:

*A. A budget which reflects SDG priorities with increased focus on education, health care and agriculture;*

*B. Assist families withstand the impact of COVID 19 and macroeconomic reforms through a Family Support Program of cash transfers.*

*C. Reform the legal and regulatory environment that encourages the Sudanese private sector to grow and provide employment especially for the youth.*

*D. Place special emphasis on programs of support for youth, women and marginalized areas of Sudan.*

*E. Improve operating environment for civil society, NGOs (local and international) so that their full contribution to societal development can be achieved.*

6. Ensure a transparent, fiscally reliable and widely endorsed national budget with sufficient economic information necessary for partners to properly appreciate the transitional government's sources of income and expenditure;
7. Govern in accordance with the principles, timelines and obligations set out in the Constitutional Charter in order to achieve a democratic, civilian-led government at the end of the transitional period; and
8. Take the necessary measures to promote the swift launching of the debt relief process, including but not limited to, the preparation of a National Development Plan and an agreed Staff Monitored Program (SMP) with the IMF.

The parties agree to work together to strengthen the capacity of Sudan to meet the needs arising from the current COVID-19 pandemic.

### **Monitor and Review**

Using data and information utilized by the CLTG to communicate progress to the Sudanese people, to provide feedback the CLTG and the participating partners anticipate holding quarterly reviews of progress through the CLTG's aid coordination mechanism, which will be strengthened.