



# COVID-19 Socio-Economic Impact Assessment for Sudan

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# COVID-19 SOCIO-ECONOMIC IMPACT ASSESSMENT FOR SUDAN



## Executive Summary

This paper reviews the potential impact of COVID-19 on Sudan, seeking to identify socio-economic structural issues that have rendered the country fragile, and advocating for rebuilding better and more resilient. We explore the impact of the pandemic on economic activities and social sectors, identifying the most vulnerable, and offering suggestions for mitigating measures in line with demands of the revolution for dignity, freedom, and peace.

Before COVID-19's appearance the Sudanese economy was already stressed, suffering from structural trade and fiscal deficits, mass poverty, high inflation, high levels of inequality, untargeted fuel subsidies, limited public expenditures on basic services and low fiscal effort that relies on regressive indirect taxes. The economy has been in a downward spiral since 2011, with GDP halving from US\$ 66.4 billion in 2011 to US\$ 33.6 billion by 2019. The health sector has been starved of resources for many years with 1.9 medical doctors per 10,000 inhabitants and high levels of out of pocket health costs.

The global pandemic has already reduced prospects for livestock exports, and remittances by the Sudanese diaspora, while reducing the foreign exchange cost of fuel subsidies. Oil export proceeds and transit fees for South Sudanese oil will also decline substantially due to lower oil prices. IMF projects a further 7.2 percent GDP contraction for 2020, as a result of the COVID-19 pandemic.

Sudan has had to take strict preventive measures given its high vulnerability to a potential COVID-19 outbreak, due to limited healthcare facilities and over one third of the population living in urban areas dominated by slums.

The preventive measures adopted, including a nightly curfew, banning gatherings, and closure of the international airport, markets, schools, and universities, have impacted the livelihoods of many urban poor who depend on daily work in the informal sector. The crisis affects women as caregivers, while the nightly curfew may increase their risk of experiencing gender-based violence at home. Women and men involved in hospitality, trade and human transport activities have lost their livelihoods. This loss of income, combined with ever rising prices of necessities, will substantially increase urban poverty and may force many to return to poor rural areas they left in search of a better life. The impact may increase following the complete lockdown of Khartoum, in effect since 18 April 2020.

The Government of Sudan, despite limited fiscal space and lack of access to concessional funding, plans to alleviate some of the economic pain of preventive measures on the poorest one third of the population by distributing critical commodities and cash. Adversely affected businesses will be supported through tax breaks and loan extensions.

Sudan suffers from a debt burden twice its GDP but is unlikely to qualify for debt relief under the HIPC initiative before 2021. The country needs international support to maintain necessary disease prevention measures in place to counter COVID-19, including expedited access to debt relief and funding from the World Bank and IMF COVID-19 dedicated funding windows.

This report follows the leaving no one behind approach of the SDG paradigm. The suggested measures address the consequence of historic unequal and uneven development that have left millions at risk from the pandemic and its economic ramifications. The response is a further opportunity to build a new, resilient, and more equal Sudan, where all human life has value.

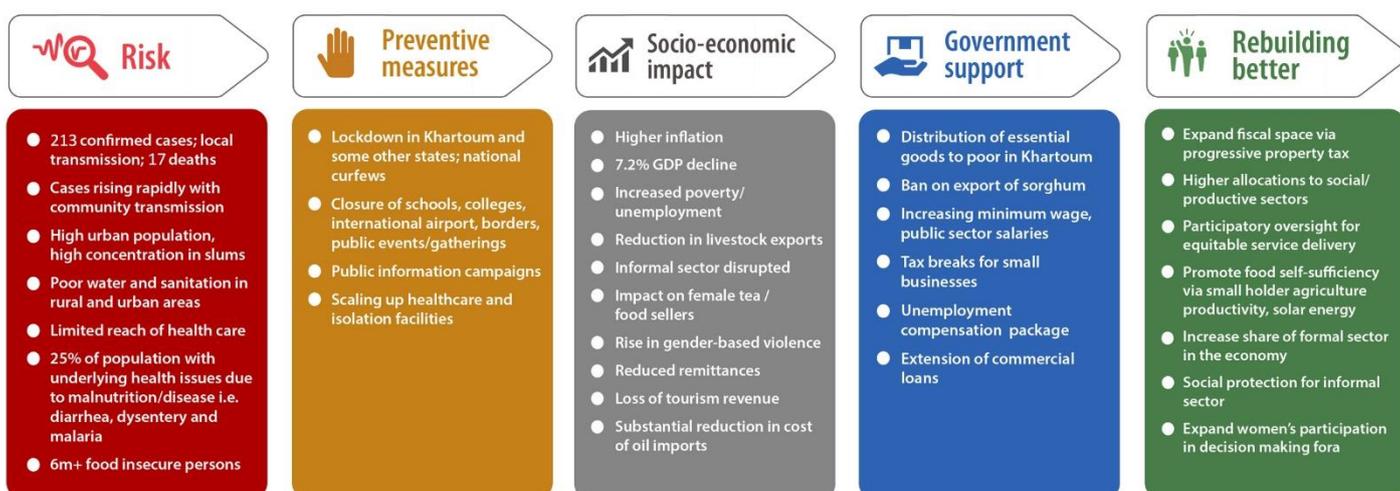
A successful transition to peace and democracy remains possible despite the pandemic. The pandemic may even expedite the peace process by concentrating the attention of armed groups and the transitional authorities on the common invisible enemy.

The response measures are classified following the UN Sustainable Development Group guidance on responding to the socio-economic impacts of COVID-19.

We suggest the Government increase its support to the health sector and vulnerable populations by **maximizing budget allocations to health and social protection**, while **expanding fiscal space** through additionally mobilized revenue from inequality reducing property taxes. We recommend a **‘whole-of-government’ and ‘whole-of-society’ approach** to prevent disease and maintain livelihoods. This can **leverage the Sudanese tradition of social solidarity**, and **facilitate participation** of civil society organizations and women and youth. We also recommend a **focus on smallholder agriculture and solar technology** to achieve sustainable food self-sufficiency and greater resilience against shocks.

In the immediate response, it will be important to focus on these issues: a) **respond to the health emergency** with a focus on higher risk groups (i.e. the elderly, those with underlying medical conditions), b) establish a **multi-sectoral crisis management arrangement** and a whole-of-government and whole-of-society approach to tackle the pandemic and its impact; c) provide **social protection and a stimulus package** to the vulnerable in urban slums, informal workers and female heads of households; d) **put women and girls at the centre** of recovery efforts; e) **sustain jobs and incomes to break the vicious cycle of poverty** by supporting upcoming agriculture seasons and small and medium enterprises; and e) repurpose **production facilities to produce PPEs**, currently in short supply.

## At a glance: COVID-19 in Sudan





## Introduction

This report adopts the guidance offered in the UN Sustainable Development Group note, “A UN framework for the immediate socio-economic response to COVID-19<sup>1</sup>”. We cluster the responses into the following seven areas: health first; protecting people; investing in resilience; labour markets; economic recovery; macroeconomics; and social cohesion.

COVID-19 started as a public health problem and rapidly evolved into a global economic crisis, causing massive disruption to production, global value chains, trade, and investment. The World Trade Organization (WTO) has projected global trade will decline between 13 - 32 percent in 2020<sup>2</sup>, impacting every country in an increasingly integrated global economy. ILO notes the economic effects of COVID-19 on the world of work are proving to be far worse than the 2008-9 financial crisis, with cutbacks equivalent to nearly 200<sup>3</sup> million full-time workers expected in the next three months alone.

UNESCO and Plan International in a 30 March joint statement warn: “*the potential for increased drop-out rates which will disproportionately affect adolescent girls, further entrench gender gaps in education and lead to increased risk of sexual exploitation, early pregnancy and early and forced marriage*<sup>4</sup>.” The Economic Commission for Africa (ECA<sup>5</sup>) has a sobering message, warning, “anywhere between 300,000 and 3.3 million African people could lose their lives as a direct result of COVID-19, depending on the intervention measures taken.”

In Sudan, IMF forecasts a 3-percentage point increase in the unemployment rate, to 25 percent in 2020<sup>6</sup>. The situation requires a major financial rescue package simply to keep the economy afloat.

The COVID-19 crisis risks increasing already significant needs and vulnerabilities, and further compromising Sudan’s chances to achieve the SDGs. It adds to the challenges of internal conflicts, political transition, economic crisis, climate change, natural disasters, disease outbreaks and gaps in basic service provision. Health services are overstretched and risk collapse. Water and sanitation coverage are poor, and three million children remain out of school. The social protection system has limited coverage, irregular transfers, and underdeveloped implementation systems. Locusts threaten food security and livelihoods if they re-infest Sudan as expected. Nearly two million people remain internally displaced and face dire conditions, living in camps or settlements in peri-urban areas, unable to meet their basic needs, while returnees suffer from lack of access to basic services and livelihood opportunities. Sudan also hosts more than 1.1 million refugees and migrants.

There remains significant disparities in the enjoyment of fundamental freedoms and rights, including economic and social rights, with states in eastern Sudan, Darfur and Kordofan regions being particularly disadvantaged, as extreme poverty remains widespread and access to education, health services and safe drinking water is limited.<sup>7</sup>

Sudan has porous borders and significant population contact with its neighbours, including tribes that reside on both sides of borders and frequently cross. In addition, unplanned urbanization has turned the population over one third urban, with well over half of urban areas classified as slums with inadequate water and sanitation. **In sum, the risk of rapid COVID-19 spread is high.**

<sup>1</sup> A UN framework for immediate socio-economic response to COVID-19: UN Sustainable Development Group, New York, US, 10 April 2020

<sup>2</sup> World Trade Organization, 8 April 2020, Geneva

<sup>3</sup> International Labour Organization, Geneva, ILO Monitor: COVID-19 and the World of Work, 7 April 2020

<sup>4</sup> UNESCO website

<sup>5</sup> ECA COVID-19 in Africa: Protecting Lives and Economies, April 2020, Addis Ababa, Page V

<sup>6</sup> IMF the World Economic Outlook, 2020, the Great Lockdown, April 2020, Washington, D.C.

<sup>7</sup> Committee on Economic, Social and Cultural Rights. Concluding Observations on the second periodic report of the Sudan. 2015. Para 21, E/C.12/SDN/CO/2



## Socio-economic context

Sudan suffers from a 9-year economic crisis that began with the separation of South Sudan and loss of 75 percent of oil revenues in 2011. This left behind a host of economic challenges that derailed growth, reduced government ability to address the serious macroeconomic imbalances, particularly inflation, and widened fiscal and trade deficits. According to the IMF, the economy contracted by 2.2 percent in 2018 and 2.5 percent in 2019. Inflation rose significantly after currency devaluation and the increase of bread prices in January 2018, and has since averaged in excess of 60 percent, reaching 71.3 percent in February 2020. As a result of the downturn, GDP fell from US\$ 66.4 billion in 2011 to US\$ 33.6<sup>8</sup> billion by 2019. The Central Bank of Sudan indicates a trade deficit of US\$ 5.2 billion for the same year, or 15.5 percent of GDP.

The outlook is bleak due to downside risks including political uncertainty, vulnerability to climate change and external shocks - notably weak global growth and trade tensions. The IMF predicts that the GDP will decline by 7.2 percent in 2020, with trade deficit at 15.2 percent of GDP, and inflation rising to 81.3<sup>9</sup> percent, implying further slippage of vulnerable people into poverty.

Sudan also suffers from fiscal fragility, as indicated by low tax effort, with tax revenues accounting for 6 percent of GDP<sup>10</sup>. Government expenditures are dominated by fuel and food subsidies, which the IMF estimates at over 11 percent of GDP for 2019. The budget for basic services is low and mostly covers salaries that have not kept pace with inflation, pushing most teachers and health personnel into poverty. Out of pocket health expenditures exceed 69 percent for the average Sudanese<sup>11</sup>. COVID-19 further reduced the Government's ability to mobilize taxes and maintain the already meagre expenditures on basic services.

As indicated by Figure 1, the economy is stuck at a low-level equilibrium in 2019 with 57.9 percent of GDP from low value-added services sector, showing an increase of 13.2 percentage point from 2011. The commerce, restaurants and hotel subsector that accounts for 17 percent of GDP and bulk of jobs in urban areas is at highest risk from COVID-19 related lockdowns. The tourism sector accounts for 3 percent of GDP at US\$ 1 billion a year. The share of agriculture and livestock sector declined from 32 to 20.2 percent over the same period, reflecting continued neglect of the Sudanese hinterland. The industrial and mining sector accounts for 21.9 percent of GDP, with the manufacturing subsector only accounting for 8 percent of GDP.

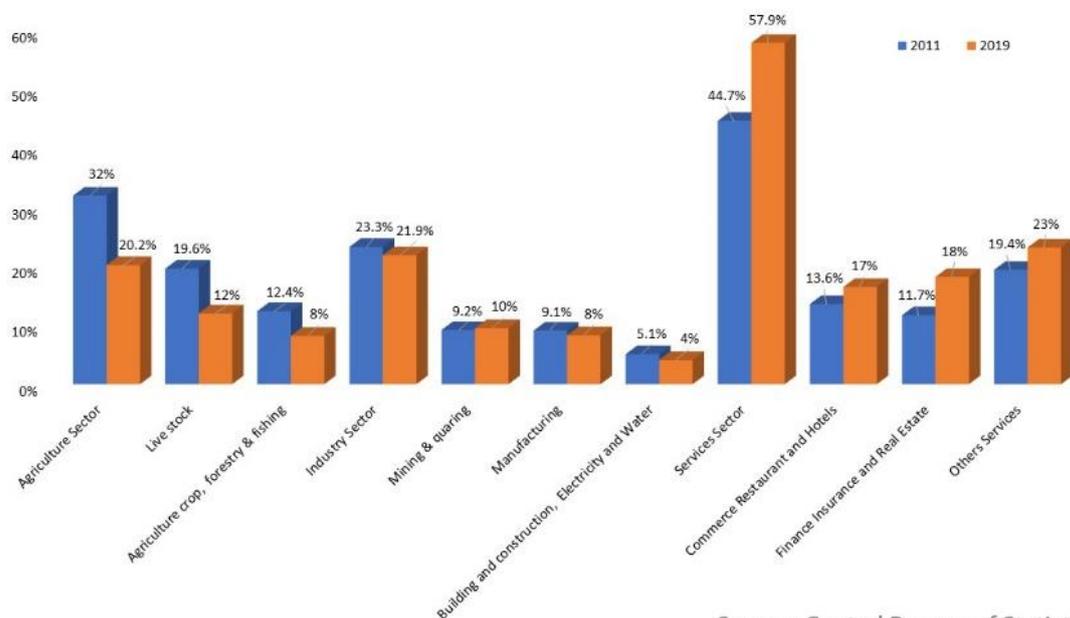
<sup>8</sup> As noted in the latest IMF Article 4 mission report issued in March 2020

<sup>9</sup> World Economic Outlook: The Global Lockdown, April 2020, IMF Washington D.C, USA

<sup>10</sup> IMF considers a tax effort below 15 as the signal of a fragile country

<sup>11</sup> National Health Account 2018

Figure 1: Sectoral contribution to GDP in 2019 compared to 2011



Source: Central Bureau of Statistics

Gold mining has replaced oil as the dynamic sector, accounting for the bulk of the 10 percent share of mining in GDP. The sector is composed of a few large mines run by notable entities, and close to one million workers engaged in artisanal mining, often in unhealthy conditions for minimal income.

Agriculture and livestock provide the bulk of food needed, except for imports of wheat, sugar and edible oils, and account for two thirds of non-oil exports, with gold providing the balance. Estimated gold production is higher than exports, indicating smuggling. There is also smuggling of agricultural and animal products, as well as subsidized fuel, to neighbouring countries.

Sudan receives foreign direct investment, predominantly from China and Arab countries. This has provided foreign exchange and technical expertise. Foreign companies have also bought into Sudan’s telecommunications sector, with profit repatriation putting additional pressure on limited foreign exchange availability of late.

Sudanese society is marked by high levels of wealth and income inequality and has been deprived of basic services. The demand for social justice underpinned the demands of Sudanese revolutionaries for freedom, peace, and justice. The transitional Government has had little time and resources to deal with the developmental roots of the protest movement. The peace negotiations are in progress and the Transitional Legislative Council has not yet been established. An agreed vision for a new socio-economic order to replace the old one is being articulated, and disagreements remain on how best to deal with the vexing issue of fuel subsidies.

Some major features of social development and vulnerabilities are discussed in the following sections.

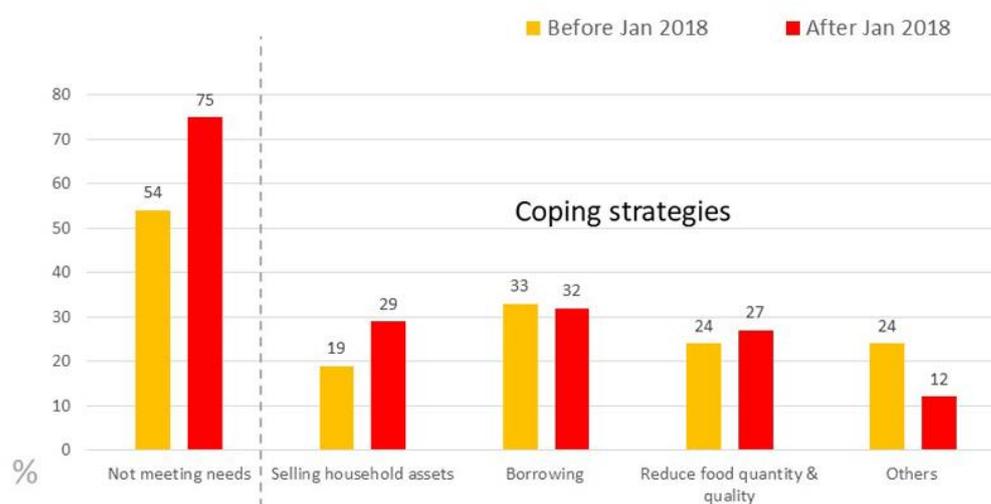
**Poverty and informality**

The 2014 poverty survey indicated rural and urban poverty at 54.1 and 39.9 percent, respectively.<sup>12</sup> These rates have increased due to high inflation and stagnant incomes. Rising destitution is reflected in the number of people needing humanitarian assistance - increasing from 5.2 million in 2015 to 9.3 million in 2020, or by 75 percent. 6.2 million people suffer from extreme poverty, evidenced by severe acute food insecurity, based on IPC<sup>13</sup>, more than double the number in April 2017.

The labour market is mostly informal, with 65 percent of the labour force engaged in informal work. Even within the formal sector, 98 percent of firms employ less than 200 workers and count as medium and small enterprises (MSME). Thus, most workers are either employed by MSMEs or in the informal sector and are liable to be hit hard by COVID-19 preventive measures. Urban centres have seen growing participation of women in the informal sector, especially in food and beverage sales.<sup>14</sup> A growing number of formal sector workers engage in informal work, to supplement eroding incomes due to spiralling inflation. High levels of food price inflation create basic food access problems for the poor.

The Khartoum Urban Poverty Study<sup>15</sup>, carried out by UNDP, UNICEF, WFP and African Development Bank in 2018, indicated a substantial increase in urban poverty following a doubling of the price of subsidized bread and a tripling of the exchange rate applied to imports in January 2018 and the resultant double digit monthly inflation. As indicated in Figure 2, perceived poverty in the study sample jumped from 54 to 75 percent between 2017 and August 2018, when the survey was carried out. As can be seen, the poor adapted to the rising poverty by increasingly selling their meagre assets and reducing their food intake, draining their human and physical capital.

Figure 2: Khartoum State households poverty & coping strategies Before and after Jan 2018



Source: UNDP/UNICEF/WFP/AfDB, Rapid Assessment of the Impact of the Economic Situation on the Urban Population of Khartoum State, 2020

<sup>12</sup> Sudan national household budget and poverty survey, 2014/15 first draft 13/12/2016

<sup>13</sup> Integrated Food Security Phase Classification (IPC)

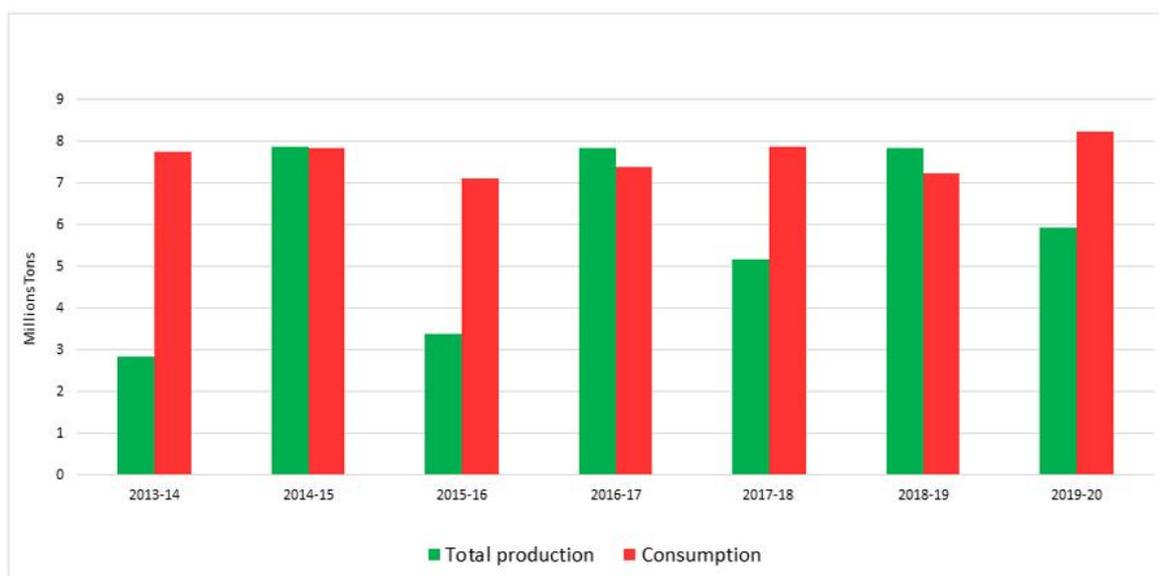
<sup>14</sup> ANND (Arab NGO Network for Development) Arab Watch on economic and social rights: Informal labor 2016, Sudan country report by Hassan Abdel-Ati and Ashraf al- Hassan

<sup>15</sup> Rapid Assessment of the Impact of the Economic Situation on the Urban Population of Khartoum State, 2020, undertaken by UNDP, UNICEF, WFP, and African Development Bank.

### Food security and nutrition

As indicated in Figure 3, the Crop and Food Supply Assessment Mission found a cereals deficit of 2 million tons for the 2020 season, in contrast to last year when the country was able to meet its needs.

Figure 3: Cereal Production and Consumption



Source: Crop and Food Supply Assessment Mission Reports

With some major wheat producers limiting their exports, Sudan responded by preventing exports of sorghum in April. Sorghum prices had increased substantially, with wholesale prices 122 percent higher in March 2020 compared to the same month last year, while the retail price was 132 percent higher. Low output and high production cost keep prices high, even during the harvest season, while 3.2 million women and children are malnourished.

### Health

Sudan has a critical shortage of human resources for health (HRH). Density of physicians is 1.9 per 10,000 population (the regional average is 10)<sup>16</sup>. HRH are inequitably distributed with 70 percent of health workers located in urban areas, of which more than half are in the capital, Khartoum. There is high staff turnover and brain drain at different levels. This is mainly due to low wages and salaries, poor working and living conditions (mainly in rural and remote areas), lack of security in conflict-affected areas and low chances for career development. According to the Global Universal Health Coverage (UHC) Monitoring Report 2019, Sudan’s UHC Index is 44 percent<sup>17</sup>. There are remarkable discrepancies between and within states. The lack of equity is apparent between socio-economic strata and rural and urban areas. Inequity can also be seen in the distribution of health system inputs including health expenditure.

Based on the Humanitarian Needs Overview (HNO <sup>18</sup>) 2020 the existing facility-based disease surveillance system covers less than 40 percent of health facilities across the country, which limits its capacity for timely needs monitoring. Access to integrated quality healthcare services remains a key

<sup>16</sup> WHO, Eastern Mediterranean Regional Office, Regional Health Observatory Data Repository, <https://rho.emro.who.int/ThemeViz/TermID/142>

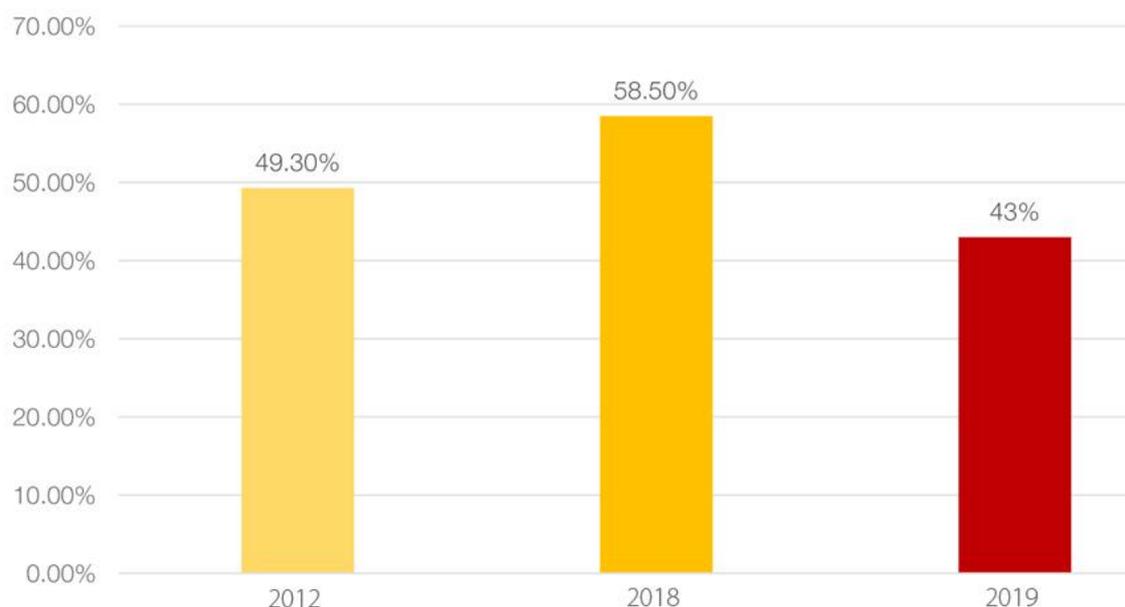
<sup>17</sup> Global UHC Monitoring Report 2019, Primary Health Care on the Road to Universal Health Coverage

<sup>18</sup> UN Office for the Coordination of Humanitarian Assistance (OCHA) Sudan, Humanitarian Needs Overview 2020

challenge. Over 30 percent of existing health facilities are non-functioning mainly due to lack of human resources, medical equipment, financial resources, and weak managerial capacities, particularly at sub-national levels. Only 33 percent of health facilities offer the complete basic healthcare package. In sum, Sudan’s health system is marked by decades of neglect.

Furthermore, there are shortages of isolation and intensive care units, infection control material, medicines and medical supplies, and adequately trained staff to address disease outbreaks including COVID-19. Medicine availability is only 49 percent in the national health insurance fund, and 59 percent in the private sector. Availability and affordability of essential medicines, including for non-communicable diseases, is another area of concern - affected by devaluation of the local currency and measures taken by manufactures and exporting countries. As Figure 4 indicates, availability, after rising from 49 percent in 2012 to 58 percent in 2018, fell to 43 percent in 2019. Given the continuation of foreign exchange shortages into 2020, availability is unlikely to improve.

Figure 4: Availability of Essential Medicines: 2012-19

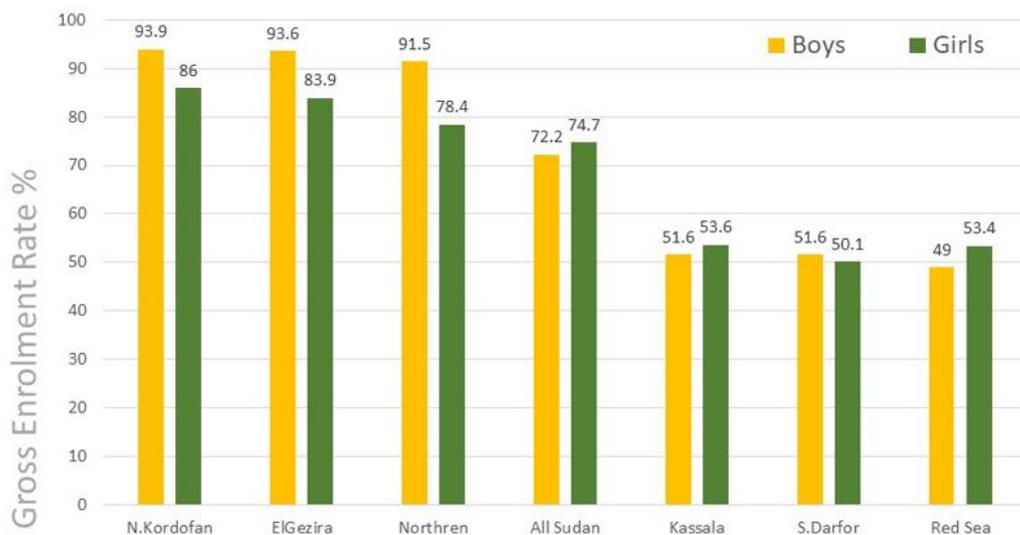


Source: WHO/FMoH, Availability, affordability and price components of medicines in Sudan, July 2019

**Primary education**

Sudan has managed to close the gender gap in primary education, with the national gross enrolment rate for boys only 2.5 percentage points higher than the rate for girls. Sadly, more than one quarter of children under 13 are out of school. The other disappointing feature of education, indicated by Figure 5, is high levels of regional disparities with the gross enrolment rate varying between a low of just over 50 percent for the Red Sea state to close to 90 percent for North Kordofan.

Figure 5: Regional Disparities in Primary Education



Source: 2017/18 Educational Yearbook, issued by the Ministry of Education.

While primary education is formally free, limited public funding forces schools to charge students fees to obtain the required supplies.

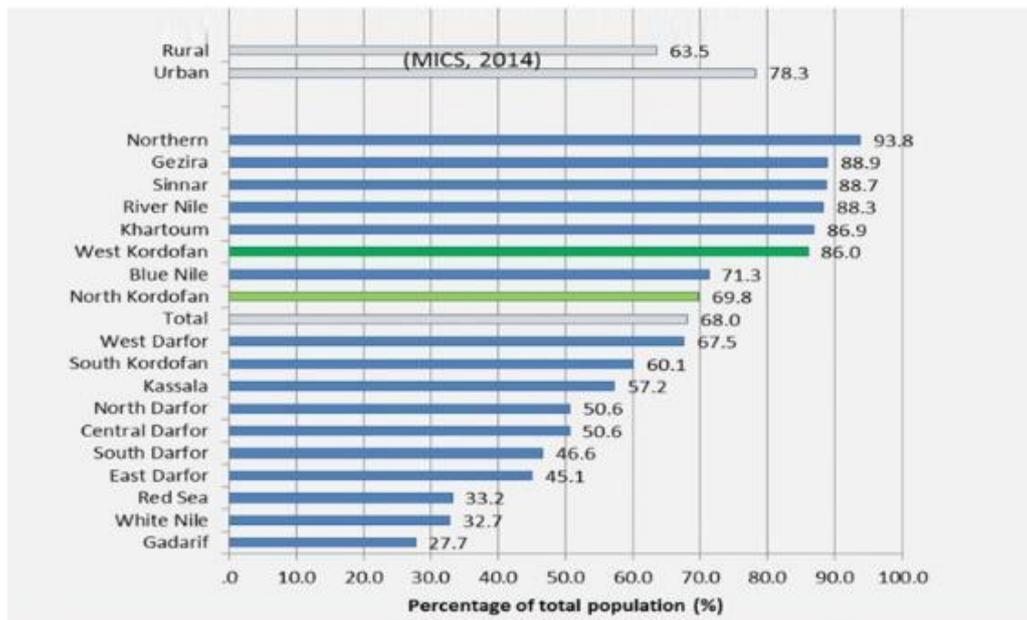
**Water and sanitation**

Only about a third of the Sudanese population have simultaneous access to basic water and sanitation, with low levels of proper handwashing with soap. Often people walk long distances to collect water from crowded water points. This presents significant challenges in containing COVID-19 if there is widespread community transmission. Many people are unable to comply with the required WASH and waste management practices for prevention of human-to-human transmission of the COVID-19 virus, including proper hand hygiene. Health care settings are expected to comply with recommended water, sanitation and hygiene measures but often fail to provide adequate care for patients and protect patients, staff, and caregivers from infection risks.<sup>19</sup>

Figure 6 indicates major regional disparities in access to water and sanitation facilities, with access to improved water varying from a high of around 90 percent in Northern and Gezira states, to 1/3 in the Gedarif, White Nile and Red Sea states at the other extreme. The national average is at 68 percent, with substantial disparities between rural and urban areas with respective access rates of 64 and 78 percent.

<sup>19</sup> <https://www.who.int/publications-detail/water-sanitation-hygiene-and-waste-management-for-covid-19>

Figure 6: Regional Disparities in Access to Improved Water



Source: Multiple Indicator Cluster Survey (MICS) 2014.

**Vulnerable populations**

The highest numbers of vulnerable persons to COVID-19 are found in urban slums - home to more than half the urban population, or some 9 million people. Sudan also has millions of internally displaced persons (IDPs), refugees and migrants living in congested camps. Women and children are vulnerable on account of their low social status and patriarchy. Most of the rural poor are also vulnerable due to non-existent water and sanitation facilities and long distances to health facilities.

Nomadic populations are in constant movement and routinely cross international borders with limited access to health facilities and reliable information about communicable disease. Residents of disadvantaged States are also at greater risk, due to the combination of poor WASH and health infrastructure and structural poverty. Sudan has 600,000 elderly people with chronic health conditions, who are at high risk should the pandemic spread.



## Potential socio-economic impact from the global contagion

Sudan has a fragile trade situation with high concentration of exports in terms of commodities and trading partners. UAE, China, Saudi Arabia, and Egypt account for 67 percent of exports, over three quarters of which are contributed by just four commodities: gold; sesame; livestock and associated products; and oil and its derivatives. Livestock exports are largely to Saudi Arabia and are likely to be negatively affected by the drop in pilgrims due to border and travel restrictions put in place by the Government. The loss could be as high as 50 percent of exports in 2019 or US\$ 300 million.

The decline in oil prices is likely to reduce oil export earnings by 80 percent or US\$ 400 million, given the nature of production sharing agreements. Total loss in export earnings can thus be US\$ 700 million or 17.5 percent of the total.

Sudan's imports are more varied in number of items and geographic spread. In addition, the Sudanese demand for imported items is not significant on a global scale. Consequently, there is no reason to expect disruption to imports, except possibly for wheat. To safeguard against such likelihood Sudan has introduced limits on exports of locally produced cereals to achieve greater food self-sufficiency.

Cost of oil and derivative imports might be reduced by as much as two thirds due to the drop in international prices, and contraction in transport demand for fuel caused by COVID-19 related limitations on internal movements, saving Sudan in excess of US\$ 1 billion. On balance the IMF does not expect much change in foreign trade, with the deficit remaining in the 15 percent of GDP range. Transit fees on South Sudanese oil will, however, decline substantially. The drop in oil prices could ease the fiscal situation by reducing the foreign exchange cost of subsidies, thus generating fiscal space for additional expenditures to mitigate the socio-economic impact of the crisis.

The industrial sector is dependent on imports of intermediates goods and FDI from China. It may be affected by the impact of the COVID-19 pandemic in China, particularly Sudan's basic metal sector, which is dependent on China for over half its inputs. The food and beverages industry are also heavily dependent on imported inputs from Turkey, Russia, Ukraine, the Netherlands, and Malaysia and will be affected by any disruption of inputs.

The expected drop in FDI, from China and the Arab region, will reduce availability of foreign exchange and further reduce investment, negatively impacting the construction and transportation sectors. Remittances from the Sudanese diaspora is likely to decline by US\$ 500 million, worsening the foreign exchange balance and accelerating the depreciation of the Sudanese Pound and resulting inflation.



## COVID-19 threat in Sudan, response, and ramifications

In Sudan, 213 cases of COVID-19 have been confirmed with 17 resulting fatalities as of 25 April 2020. While many cases either are imported or have a history of contact with infected persons, community transmission is suspected in Khartoum. The government declared a public health emergency on 16 March 2020 and closed all airports, ports and land crossings, schools and universities, restricted intra-state public transport and imposed a nightly curfew. The Government has declared a full lockdown in Khartoum, as of 18 April to contain further local transmission

The Federal Ministry of Health supported by the World Health Organization (WHO) and other UN agencies responded to the crisis through immediate and three-month response plans and allocated half the funds needed for the immediate response. The plan covers management of arrivals at points of entry, isolation, case management, infection prevention and control, supplies, risks communication, surveillance, and capacity building of front-line health workers. The Government looks to donor support to meet the shortfall of the immediate response plan of some 290 million SDGs and the three months follow on response, costing 3.8 billion SDGs.

The UN Country/Humanitarian Country Team developed a COVID-19 Preparedness and Response Plan to support the Government of Sudan's efforts to respond to COVID-19, in line with the Global Humanitarian Response Plan to Fight COVID-19. The plan conforms with "operational planning guidelines to support country preparedness and response" issued by WHO HQ on 12 February 2020. The objective is to stop community transmission and prevent import of cases through control measures at points of entry. The response also covers care for the affected. The Refugee Consultation Forum (RCF) is developing a complementary plan to provide multi-sectoral prevention and response for refugees.

The COVID-19 crisis, and measures adopted to manage the health risks, may worsen the dire socio-economic situation of the poor majority in Sudan.

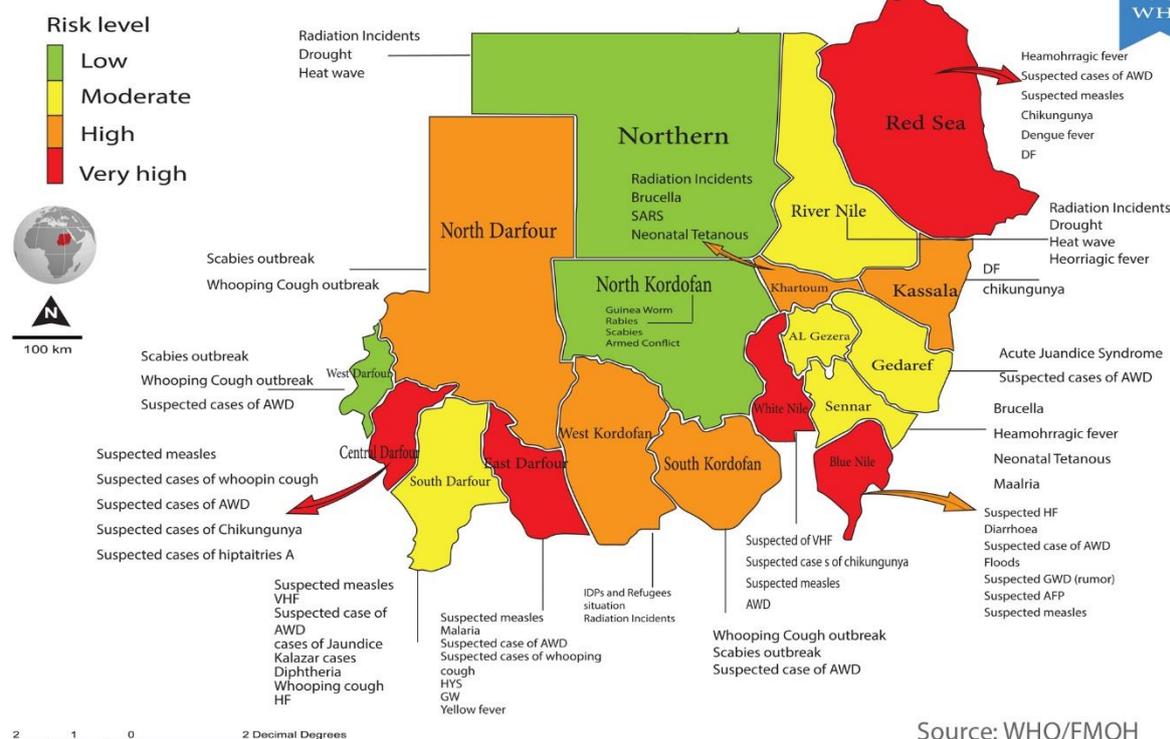
We briefly elaborate on some of the likely impacts below. The assessment that follows does not consider the additional impact of a complete lockdown for Khartoum that went into effect as of 18 April and impacts additional sectors such as all non-essential manufacturing and service activities in Khartoum.

### **Health**

The most obvious and direct impact of the crisis will be on the health situation, especially in the case of widespread community transmission. This would exasperate the infectious disease burden in Sudan that affects 25 percent of the population and includes malaria, diarrheal disease, dysentery, typhoid, and pneumonia. Effects may include disruption of basic health services such as immunization, malaria, TB, HIV/AIDS, and other services, particularly for vulnerable populations. Availability and affordability of essential medicines including medications for chronic diseases is a critical area of concern. Widespread COVID-19 infection may undermine the ability of the health system to prepare and respond to other threats, outbreaks, and emergencies, particularly those linked to the rainy season such as cholera, malaria, chikungunya, and dengue.

The impact will be particularly acute in States classified by WHO as being at high and very high levels of health risk. As seen on the below risk map, Khartoum State has high health risks, while the States of Red Sea, Blue Nile, White Nile and East and Central Darfur are at very high risk.

## Sudan : Health Risks in 2018



### Education

School closures are likely to adversely impact children and youth, including interrupted learning and human interaction, essential to social and behavioural development. Teachers, especially volunteers, are on low salaries and depend on additional income from private tuition, making them vulnerable during extended school closures. Many children lose meals provided at school and a zone of safety with a knock-on effect on family income, which adds to women and girls’ unpaid work. Sustained disruption of education can increase dropouts, especially among girls, child labour and marriage.

### Food security

COVID-19 is likely to impact food availability and accessibility, thus increasing the threat of food insecurity. Possible containment measures may disrupt the food supply chain and limit food availability in remote areas, especially if the long summer planting season is affected due to lack of inputs and low supply of labour force given the restrictions in movements. Food insecure populations, including IDPs, refugees, migrants, returnees, host communities, and women and children have limited coping mechanisms to buffer the impact. Food safety is also an issue due to outdated legislation and limited capacity for carrying out the required inspections of food processing and storage facilities.

### Nutrition

There is little evidence and research available to date on the impact of COVID-19 on nutritional status. Multiple and overlapping vulnerabilities, including food insecurity, undernutrition, the infectious disease burden, and lack of access to adequate WASH facilities, could put the most vulnerable populations at higher risk. The COVID-19 virus could further exacerbate acute malnutrition in vulnerable households as a result of reduced food security and limited access to healthcare due to the

increased burden on health services from COVID-19 and containment measures.<sup>20</sup> Lifesaving health and nutrition services for children and pregnant/lactating women should reduce exposure of these vulnerable groups to COVID-19 infection.

In times of crisis and in humanitarian settings women and girls and, more specifically, female-headed households, are more likely to reduce the quality and quantity of food consumption and adopt negative coping strategies increasing the risk of malnutrition.

### **Livelihoods**

Physical distancing measures negatively impact the service sector, which absorbs over a million workers, mostly in low-income and casual jobs. The sector is dominated by small and medium size businesses, most of whom lack access to financing. Consequently, there is a high risk many businesses may fail if the disruption of normal business operation continues for two or more months. Some of the larger firms may be unable to meet their banking obligations, thus tipping already fragile banks into insolvency and destroying the limited public trust. Reduced trust in banks is likely to increase cash transactions further, exposing people to health risks through infected banknotes.

The many low-income service sector workers risk destitution from loss of their daily wage/income, which risks triggering negative coping mechanisms, including increased drug use, gender-based violence, child labour and petty crime. If left unaddressed, rising levels of urban poverty could lead to protests, compromise Sudan's democratic transition and create political instability that will complicate Sudan's development trajectory. The added care burden imposed on women will likely strain their capacity as guardians of family welfare and erode their limited voice on how family income is spent. Overall, it is critical the negative impact of health mitigation measures be reduced.

The economic sectors most affected by COVID-19 precautionary measures are hospitality and transportation, employing large numbers, mostly on a daily wage basis. The closures also impact those involved in daily trade and casual labour, including domestic workers. The tourism sector is likely to see its income decimated through the closure of Sudan's land, sea, and air borders to human traffic. The informal hospitality sector, notably women tea sellers, is impacted through the general reduction of economic activity, notably reduced flow of construction and transport workers as customers. The transportation sector is heavily affected by the closing of inter-state human traffic and limits on intracity movement. Construction workers are likely to be affected by declines in investment.

The full lockdown in Khartoum adds additional trading and manufacturing sectors to those already affected, as only activities considered essential continue. The planned distribution of a package of support to the most vulnerable groups before the lockdown should partially help those reached to cope with the induced loss of income.

### **Women and socio-economic processes**

Women and girls are likely to be greatly affected by the direct and secondary impacts of the pandemic and be exposed to significant risks. Lockdowns will impact access to care for pregnancy, childbirth and postpartum needs as clinics are impacted by COVID-19, and funding diverted from regular operations. Limited access to family planning services and increased risk of gender-based violence, due to curfews, may increase the number of unwanted pregnancies and unsafe abortions.

The increased domestic work burden and caregiving roles that women and girls perform within the home exposes them to greater health risks, while the 70 percent female composition of the global

<sup>20</sup> [https://reliefweb.int/sites/reliefweb.int/files/resources/FSNWG\\_COVID\\_19\\_Alert\\_30.03.2020.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/FSNWG_COVID_19_Alert_30.03.2020.pdf)

health workforce heightens their risk of infection. Access to menstrual health items may be impacted as supply chains are strained by pandemic response.

A COVID-19 outbreak poses a serious threat to women's work, income, and business activity, and increases threats to their health. Informal and low wage occupations, where most women work, are highly prone to disruption during public health emergencies, and will be particularly affected. Women in the agriculture sector – dependent on unpaid female family labour, who also engage in unpaid care work – face increasing work burdens due to trade disruptions and disease impact.

Along with potential loss of household income, there may be longer-term and widespread economic impact on women, with increased risk of exploitation and abuse. More women are expected to fall into poverty during the COVID-19 pandemic, which will severely affect female-headed households. This is compounded by the underlying gender biases that consider men as the main breadwinner. Women and girls, existing victims of domestic violence or not, may experience new or increased violence during the COVID-19 pandemic, owing to heightened family tensions, and confinement with abusers due to lockdown measures. Lack of water and sanitation facilities, including toilets, in urban slums impacts women and girls disproportionately. Fetching water is a female task and can become more daunting with lockdown measures that might lead to increased gender-based violence by male law enforcement agents.

### **Vulnerable populations**

COVID-19 infections lead to higher mortality amongst older persons and people whose immune systems are compromised due to chronic diseases, including malaria, dysentery, and HIV/AIDS.

Containment measures disrupt the livelihoods of informal sector workers, who are mostly women. The stricter the measures the more stress it will create. Nomadic population are likely to have their incomes reduced because of the drop in the price and quantity of livestock exports. The disruption to international flights has already affected the planned movements of some refugees and migrants.

Containment measures, such as physical distancing and self-isolation, impose burdens on persons with disabilities, most of whom rely on the support of others to eat, dress and bathe. Should restrictions on movement impede existing family and social support networks, exemptions need to be considered. The 2008 National Sudan Census estimated prevalence of disability at 4.8 percent.

### **Whole of society response**

Precautionary measures to prevent a COVID-19 outbreak impact the whole-of-society, disrupt normal economic activity, and necessitate a whole-of-society and whole-of-government participatory response, including civic engagement initiatives. **Flattening the disease spread curve should be accomplished by a whole-of-society approach.**

Global experience highlights the importance of investing in societal stakeholder consultations to design solutions to respond and recover from the COVID-19 pandemic<sup>21</sup>. Structures and platforms that foster a whole-of-society integrator role, like the Sudan Platform Combating Corona, merit sustaining during the COVID-19 response and recovery period.

Like many countries, Sudanese social cohesion risks stress should the COVID-19 pandemic expand. It is therefore important to bring those that often risk exclusion (e.g. national, ethnic or religious minorities, migrants, displaced persons, and refugees, older persons, persons with disabilities or people affected by extreme poverty) into the design of the solution. In this context maximal

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<sup>21</sup> The experience of the State of Kerala in India is one such case, worth studying in detail.

consultation and coordination of Government actions and synergy between the civilian and military elements of the State are critical for the battle against the COVID-19 threat.

Figure 7: Vulnerable groups for targeted response measures



**In sum, if the precautionary measures are not supported by the whole of society, they will likely have limited success and impact.** Additionally, COVID-19 exposes societal failings that can lead to the emergence of similar crises in the future. This requires a transformative approach, dealing with systemic inequalities by activating participatory change processes that recognize societal wisdom and strengthen communal resilience against similar shocks in the future.

As part of a whole-of -society response, it is important to tackle health and wellness vulnerabilities that straddle humanitarian, developmental and peacebuilding interventions. A joined-up or ‘nexus’ response, which brings these actors together, is vital. We have learnt from health emergencies like Ebola that underdevelopment worsens the impact of emergencies, hampers recovery and undermines future disease control. A nexus approach is imperative for addressing and responding effectively to this COVID-19 crisis and building the resilience of the most vulnerable.



## Government plans for dealing with socio-economic shocks associated with COVID-19

The Government of Sudan has launched a rapid response program to support the poor in Khartoum's peripheries for the expected three-week duration of the lockdown. The aim is to provide in-kind food assistance to the poorest households to help meet their needs. The scheme is implemented in a whole-of-government and whole-of-society manner, involving diverse public entities, at both federal and state levels, as well as civil society actors, including revolutionary committees and the private sector.

The Government has proposed a fivefold average increase in salaries of public sector employees, a similar substantial increase in the minimum wage, subsidies for badly affected small businesses, and measures to prevent widespread defaults on loans to keep the banking sector solvent. The Government is also putting an emergency unemployment benefit scheme in place to support workers laid off as a result of COVID-19 preventive measures, for up to three months. Given the huge cost of these measures and expected fall in public revenue, the Government expects generous support from the Friends of Sudan and seeks access to COVID-19 funding windows in IMF and the World Bank, despite its overdue debts to these institutions.

One of the key components of the medium-term response plan is the roll out of the Quasi Universal Basic Income programme (QUBI), aiming to provide cash to 60-80 percent of households in Sudan, originally planned to mitigate the impact of subsidy reforms.

The Ministry of Industry and Trade has banned export of sorghum starting 15 April until further notice, to increase domestic food stock in light of COVID-19's spread.

The Ministry of Finance has signed an agreement with WFP to provide 200,000 tons of wheat to the Government with payment received in local currency. This will assist the Government with increasing the local availability of wheat (and thus bread) at this critical juncture.



## Possible complementary socio-economic impact mitigation measures

In the face of unprecedented economic fallout related to COVID-19, countries around the world – both industrial and developing countries – are adopting expansionary fiscal and monetary policies to lessen the recessionary impact of mitigation measures.

To date, 106 countries have responsively introduced social protection and labour market programmes. Social assistance (cash or in-kind transfers) are the most widely used instrument, followed by social insurance (mostly paid sick leave), and labour market interventions (largely wage subsidies).<sup>22</sup>

The Sudanese Government has more limited fiscal space than many others, given its low tax effort and high cost of subsidies, which cannot be eased in the immediate future. The banking sector is already under stress with limited room for providing additional credit to businesses. The country also faces a binding foreign exchange constraint, making it difficult to import much-needed commodities and provide the population with necessities, in the face of COVID-19 induced loss of income and production. The implementation of the needed expansionary policies is therefore dependent on generous support from the international community.

The proposals are a menu derived from international best practice on what is possible to ensure that the most vulnerable are protected against the pandemic, and its health and socio-economic impacts addressed. The recommendations include options for increasing fiscal space, but the choice of measures to be adopted depends on available fiscal space and societal choices on how best to allocate the available resources. The UN system stands ready to provide the required technical and operational support to the Government within the mandate and resources available to different agencies.

We have grouped the list of possible interventions into the following seven areas:

Figure 8: Comprehensive response to COVID-19



<sup>22</sup> Social protection measures are inclusive of social assistance (non-contributory social transfers), contributory insurance schemes, social services, and labor market programs.

### **A) Health First: Protecting health services and systems**

- Learning from the Ebola experience, rapidly scale up availability of critical healthcare facilities to allow an upward shift in the tolerable case load of COVID-19 victims while providing essential health services (HIV/AIDS, nutrition, mental health, immunization, ANC and delivery services) and enhancing readiness for seasonal outbreaks and emergencies.
- Support and strengthen capacities of the health workforces as a first line of defence against COVID-19 (training, protection, remuneration, etc.).
- Support facility and community-based surveillance. Strengthen data management and capacities to use modelling to inform evidence-based planning and decision-making processes.
- Strengthen infection, prevention and control measures including management of biomedical and health-care waste.
- Strengthen civil society participation in, and oversight of, health care provision to promote communal health, including communal contributions and information dissemination.
- Prioritize older persons, persons with compromised immune systems and persons with disabilities in COVID-19 prevention and treatment.
- Facilitate and enhance private sector and NGO engagement in COVID-19 response.
- Pre-position and distribute mensural dignity kits with COVID-19 information materials.
- Enhance and promote regional and cross-border collaboration focusing on sharing surveillance and epidemiological data.

### **B) Protecting People: Social protection and basic service delivery, including food, nutrition, and protection services**

- Lay the foundations for an equitable social protection system that reaches informal sector workers, particularly women, by providing the most vulnerable households with in-kind and cash benefits.
- Put in place innovative mitigation measures to avoid relapse on education, given difficulties impeding distance learning for vulnerable children in isolated locations throughout Sudan.
- Support continuity of local food markets, value chains and systems, focusing on smallholder farmers, food workers and food insecure households - particularly female headed ones.
- Distribute packages like those planned by government to registered refugees and displaced communities.
- Provide persons with disabilities additional income support to cover needed stay-at-home caregivers.
- Alleviate disproportionate weight of care on women and respond to gender-based violence (GBV), given increased risk due to lockdowns, through hotlines, police units and new protocols for shelters and safe houses, including mobile and remote delivery of GBV services.
- Apply appropriate targeting methodologies, including, universal, geographic and community-based targeting, depending on data availability and nature of the vulnerability.
- Improve water and sanitation in refugee camps and urban slum areas to promote good hygiene, reduce the burden of water fetching on women and girls, and slow down virus transmission.

### **c) Investing in Resilience: Community led resilience and response systems**

- Strengthen resilience of communities by ensuring women have an equal voice in all decision-making forums, from village councils to the national legislature.
- Reduce the risk for first responders and vulnerable population, including prisoners, detainees, and correction officials, through decongestion measures including amnesties.

- In the agriculture sectors, scale-up distributions of agricultural inputs and provision of animal health support to ensure continuous food production and income generation in the most vulnerable areas, including within the rural-urban interface.
- Support food production in IDP/refugee camps and host communities to protect food availability and improve access to food and healthy diets.
- Sensitize refugees/IDPs in camp population and other congested areas to observe curfew hours and obey authorities' guidance about remaining at their premises.
- Promote mobile banking to reduce cash transactions, support economic activities in areas without banking services and slow down disease transmission through contaminated cash.
- Ensure strategic reserve of staple food items by managing exports and cross border trading.
- Sensitize actors along the food supply chain on best practices to mitigate the risk of infection, and train local authorities and extension services on best practices to mitigate risk of infection.

#### **D) Labour Markets: Protecting jobs and promoting decent work**

- Institute special measures to protect employment for vulnerable groups such as youth, women, minorities, and persons with disabilities and avoid negative and harmful coping mechanisms and protect them from abuse including online abuse.
- Cover the cost of social insurance on employers to allow them to maintain their workers despite reduction in business activity.
- Plan for instituting the social protection floor and extending needed support to the informal sector to enable workers in this sector to benefit from decent work conditions.
- Plan for labour intensive public works, as productive safety nets in the most affected areas.
- Promote self-employment by enabling micro-finance opportunities and making digital banking more accessible to the poor.
- Assess and address as a matter of urgency the occupational health and safety of those working during this crisis, particularly health workers. No one should feel forced to work in conditions that unnecessarily endanger their health because they fear losing a job or a paycheck.
- Ensure continuation of the services of labour inspectors during the crisis to avoid regressions on acceptable working conditions in firms that operate during the lockdown.

#### **E) Economic Recovery: Protecting SMEs, farmers, and the most vulnerable productive sectors**

- Support badly affected economic sectors (tourism, hospitality, food and beverages, basic metals, livestock and transport) and MSMEs, to engage in new economic activities such as production of masks, gowns, gloves and certain basic medications, while mandating delays in payment of interest and tax, and municipal levy holidays and exempting from penalties.
- Promote food self-sufficiency by supporting small holder agriculture, resolving diesel shortages, and encouraging urban-rural reverse migration by providing incentives such as access to solar energy for households and access to solar pumps in rural areas with good potential for agricultural activities. Prioritize female-headed households that face the double burden of the care economy.
- Ensure timely transportation of agricultural products to major markets centres, including through removal of local taxes/fees that slow down and raise the cost of food transport.
- Support livelihood diversification and home-based food production (e.g. backyard gardens) when feasible, to ensure fresh food availability (e.g. distribution of small stock, distribution of tools and seeds for home gardening) and income.
- Support diaspora investment and promote an increase in remittances.

### F) Macroeconomics: Surge in fiscal and financial stimulus

- Advocate for Sudan to benefit from IMF and World Bank COVID-19 funding windows.
- Expedite the process for Sudan’s inclusion in the HIPC debt reduction initiative.
- Maintain the real funding of the health sector by raising the allocated budget in line with the inflation faced by the sector.
- Increase the allocation to social protection programmes to allow for speedy upscaling of financial and material support to poor families who are further impoverished due to COVID-19 mitigation measures.
- Increase the allocation of resources to poorer states to enable them to invest in maintaining local production and avoid further increases in poverty due to COVID-19 induced measures.
- Mobilize additional resources through progressive taxation of property to create fiscal space for supporting the population in need, while dealing with underlying inequalities that render the poor more in danger of diseases, including COVID-19.
- Shore up the capital base of banks to save the banking system from collapse and strengthen the resilience of key economic sectors against shocks.

### G) Social Cohesion: Social dialogue and political engagement

- Mobilize Sudanese media to engage communities in activities that support their livelihoods and new opportunities for self-development during and after the COVID-19 emergency.
- Put in place multisectoral crisis management to enhance national and sub-national capacities for planning, financing, coordination, and crisis management.
- Promote the ‘nexus approach’ through joined-up assessments, planning, programming, and results frameworks to underpin peace and democracy transitions in the face of adversity.
- Ensure that national response mechanisms have the required gender expertise and voices of women, youth and girls are reflected, and gender disaggregated data is available.
- Facilitate and enhance participation of community-based organizations, youth, and women groups in all COVID-19 related sensitization and response activities.
- Put in place appropriate information, education and communication (IEC) systems to reach all ethnic and religious minorities, and people with specific needs, including the visually- and hearing-impaired, and reaching those with limited or no ability to read or access internet.
- Use the upcoming economic conference to get national consensus on measures for dealing with the needs of vulnerable population groups and reducing inequalities in wealth, income and access to services highlighted by differential impact of COVID-19.



## Conclusion

Sudan, as a young democracy, should follow a participatory, whole-of-government and whole-of-society approach in responding to the socio-economic challenges of COVID-19. **The occasion of rebuilding the economy, following the pandemic induced recession, offers an opportunity for the people of Sudan to rebuild better.** By responding to the crisis through mobilizing the revolutionary zeal of youth and women, authorities can use this occasion to improve social cohesion. By reviewing budget allocations and revenues to render them more pro-poor and inequality reducing, the new social contract of mutual accountability between the state and citizens will be buttressed. Safeguarding people’s livelihoods will prevent large numbers from falling into destitution and lay the foundation for a productive economy that provides decent work opportunities to many. Improving basic service delivery and social protection systems will allow new generations to fully develop their human potential, while a more resilient and robust health system will safeguard vulnerable populations against preventable death and poverty by improving public health outcomes.

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