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Round Table on Fiscal Decentralization-Inter-Governmental Fiscal Transfer Systems in Sudan

Khartoum- October 30, 2013- The Ministry of Finance and National Economy in collaboration with the United Nations Development Programme (UNDP) is organizing a Round Table on fiscal decentralization with focus on the topic entitled “The Need for a Well Functioning Inter-governmental Fiscal Transfer System for Pro-poor Growth and Poverty Reduction in Sudan: Global Lessons Learned”.

The Round Table draws more than 150 participants representing federal and state governments, private sector, academia, think tanks, non-governmental organizations/Civil society organizations and international development partners. For enriching the discussion, each state will be represented by three participants drawn from relevant state level institutions given the paramount importance of inter-governmental fiscal transfer issues to sub-national governments.

This Round Table intends to inform and support public policy decisions through galvanizing views, new ideas and perspectives on the existing inter-governmental fiscal transfer system in Sudan with a view to turning it into more pro-poor, equitable and efficient system.

The annual budget being an important instrument to implement national policies and strategies, a well-functioning inter-governmental fiscal transfer system enables each level of government to fulfill its constitutional mandates in terms of basic service delivery and provision of infrastructure to grass root population. This mechanism also guides national development actors to identify their areas of engagement to play complementary developmental role effectively towards improving the living conditions of the Sudanese people. As part of the round table, experiences and lessons from other countries with comparable contexts will also be shared.

Two research papers will be presented by high-level national and international experts, elaborating on concepts and principles of intergovernmental fiscal transfer system along with the review of policy, strategy and institutional issues as well as review of existing literatures on best practices and lessons to be drawn for Sudan.

According to some of the research key findings, the overall transfers to the states have declined from about 2% of GDP in 2011 to 1.6 % of GDP in 2012. This may seem a small reduction but it has huge negative implication on basic service delivery at the level of states and localities.

This same research indicate that during 2000-2010 states cover on average only about a third of their expenditures from their own resources and this share is likely to have declined given the post-secession pressure on the budget. Sub-national governments have become increasingly dependent on transfers from the central government!

At the same time, states and localities are mandated for the provision of basic services such as education, health, water, sanitation and local roads to their respective constituencies. For instance, health and education pro-poor spending stood at 1% of GDP during 2011-2012. Sudan has had one of the lowest rates of pro-poor spending on health & education compared to its comparators in Africa.

This roundtable is part of UNDP's **Sudan Talks initiative**, an initiative that aims at facilitating multi-stakeholder policy dialogue on selected current development topics of national significance for Sudan.

Date: November 3rd, 2013

Time: 8:30 am -4:00 pm

Location: Corinthia Hotel-Lebdah Hall