

Sudan

February 2021

Scoping Report

CHALLENGE
FUND
FXR
YOUTH
EMPLOYMENT

Contents

1. Why this report?	3
2. The Challenge of Youth Employment in Sudan	4
2.1 <i>Introduction</i>	4
2.2 <i>Unemployment and underemployment in Sudan</i>	5
2.2 <i>Decent work</i>	7
2.3 <i>Entrepreneurs and self-employment</i>	9
3. Who are the youth and what are their aspirations?	11
3.1 <i>Different categories of youth</i>	11
3.2 <i>Youth Aspirations</i>	12
3.3 <i>Young women</i>	12
4. What are the main obstacles to youth employment?	14
4.1 <i>Labour demand</i>	15
4.2 <i>Job related skills and employability</i>	16
4.3 <i>Business support and access to finance</i>	17
4.4 <i>Culture and social norms</i>	18
4.5 <i>Macro-economy and institutions</i>	19
5. A call for solutions	20
5.1 <i>Creating new jobs</i>	20
5.2 <i>Matching jobs</i>	21
5.3 <i>Improving jobs</i>	21
5.4 <i>Promising Sectors</i>	22
5.5 <i>Eligibility Criteria</i>	23
Annex 1. List of Acronyms	24
Annex 2. Bibliography	25
Annex 3. Persons interviewed during scoping study	26
Annex 4. Promising sectors in Sudan (based on our own assessment)	28

This report has been produced by the Challenge Fund for Youth Employment
<https://fundforyouthemployment.nl/>

The Challenge Fund for Youth Employment (CFYE) is a 6-year programme funded by the Netherlands Ministry of Foreign Affairs, managed by Palladium, VSO Nederland and Randstad.

1. Why this report?

The Challenge Fund for Youth Employment (CFYE) was launched in 2019 by the Dutch Ministry of Foreign Affairs to create more, better and more inclusive jobs for 200,000 young people in the Sahel, the Horn of Africa, the Middle East and North Africa. The Fund is looking for private sector-driven proposals from Implementing Partners that offer solutions to create and improve jobs and better placement opportunities for young women and men.

A scoping study was performed to get a better understanding of the country context and specific challenges affecting youth employment in Sudan. The study also aimed to identify the key opportunities and solutions to increase youth employment and assess how the Fund can play a role in supporting them. Information was collected through desk research, interviews with around 40 key informants – including government representatives, NGOs and private sector firms – and participative workshops with youth in Sudan¹.

A caveat should be mentioned with regards to the data that is presented in this report, most of which pre-dates the political transition that initiated after the ousting of the long-time dictator Omar Hassan al-Bashir in April 2019. In fact, the most recent labour market data goes back to 2014, when the National Household Budget and Poverty Survey was conducted. However, based on information from interviews we held with key informants, we believe the trends mentioned in those studies are still valid and, if anything, have only been reinforced in recent years.

1 The research took place in the period October 2020 to January 2021



2. The Challenge of Youth Employment in Sudan

2.1 Introduction

Sudan is the third largest country in Africa. Until mid-2011, when South Sudan became independent, it was the largest in area. With a total population of around 44 million, it is the tenth most populous country on the continent. The population is very young with 61.5% under the age of 25 and about half the population under the age of 18. Only about one-third of the population lived in urban areas in 2015, up from only 20% in 1980. The capital Khartoum has an estimated population of over 5 million. Sudan has 597 ethnic groups that speak over 400 different languages and dialects.

Sudan has experienced protracted social conflict and the loss of three quarters of its oil production due to the secession of South Sudan. The oil sector drove much of Sudan's GDP growth since 1999. Despite a few periods of steady economic growth, thanks to the oil sector, it is considered a low-income country and has high rates of poverty: 13.5% extreme poverty (less than USD 1.90 per day) and 46% moderate poverty (less than USD 3.20 per day) in 2014. Poverty is still significantly higher in rural areas but has risen sharply in urban areas in recent years. For instance, in Khartoum state, the most urbanized of Sudan's 18 states, extreme poverty climbed from 3.3% in 2009 to 9.4% in 2014. The state now accounts for 12% of the extreme poor, up from 4% in 2009².

Figure 1. Map of Sudan after the Secession of South Sudan



2.2 Unemployment and underemployment in Sudan

Economic and political instability in the country, including the secession of South Sudan in July 2011, the 2019 revolution and hyperinflation, have led to a decline in the number of job opportunities in Sudan. Sudan has an extremely young population, with a median age of 18.9 as of 2015 with 61.5% of the population under the age of 25³. In 2018, 11 million people were in the labour force in Sudan which accounts for about half of the working-age

population. The female labour force participation rate is, however, much lower than the male rate. According to the 2011 Sudan Labour Force Survey, the LFPR for men above 15 was 71% and for women 29%. For the age group 15-24, the corresponding figures are less extreme – 40.5% and 20.5% respectively – but there is still a wide gap⁴.

Table 1. Select Labour Market Indicators by Rural/Urban and Region, 2009 and 2014

	Unemployment rate (%)		Youth unemployment rate (%)		Labor force participation (%)		Female labor force participation (%)	
	2009	2014	2009	2014	2009	2014	2009	2014
(a) All Sudan								
Sudan	12.5	11.3	20.2	22.3	48.3	53.5	23.8	32.9
(b) By rural/urban								
Rural	13.9	8.3	20.4	15.6	50.7	56.0	26.8	35.4
Urban	9.9	16.8	19.7	39.3	44.4	49.3	18.9	28.8
(c) By region								
Northern	10.1	16.6	22.4	38.5	41.3	46.7	9.7	16.7
Eastern	9.0	7.1	17.5	14.8	43.2	47.0	8.3	16.3
Khartoum	8.8	16.6	18.0	41.7	41.8	46.2	15.4	25.1
Central	7.8	15.1	14.3	30.6	45.1	47.5	16.6	18.8
Kordofan	21.1	7.2	26.4	14.0	62.7	64.3	47.1	51.0
Darfur	16.9	7.8	22.9	13.0	56.4	67.9	42.2	61.9

Source: Own calculations based on NBHS 2009 and NHBS 2014/15.

Although the overall unemployment rate dropped from 12.5% in 2009 to 11.3% in 2014, there were marked regional differences and between age groups, as can be seen in the table above. For instance, while urban unemployment went up from 9.9% to 16.8%, rural unemployment fell from 13.9% to 8.3%⁵. The higher urban unemployment rate also explains the increase in unemployment in Khartoum, the Central and Northern regions, which are more urban than other regions.

2.1.1 Youth unemployment

Youth unemployment in urban areas increased sharply between 2009 and 2014, from less than 20% to almost 40%.

Overall youth unemployment increased from 20.2% in 2009 to 22.3% in 2014, but once again regional differences were much larger. Whereas youth unemployment in rural areas dropped from 20.4% to 15.6%, this was outweighed by a duplication of the youth unemployment rate in urban areas from 19.7% to 39.3%.

And just as we saw for all age categories, this trend is very clear in Khartoum, the Central and Northern regions. A possible explanation is that (unemployed) youth tend to migrate to urban areas – in particular, to Khartoum – thus increasing the labour supply in those areas and at the same time reducing the labour supply in rural areas.

Youth unemployment is especially prevalent among university graduates. According to data from the 2011 SLFS, quoted in an UNESCO study, the unemployment rate among university graduates was more than twice as high as the average unemployment rate across the board⁶ (see table 2 below).

³ <https://www.statista.com/statistics/727308/average-age-of-the-population-in-sudan/>

⁴ World Bank (2015) *Realizing the Potential for Diversified Development*.

⁵ World Bank (2019) *Poverty and Inequality in Sudan 2009-2014*. There may be a seasonal bias in the data collected in the NHBS for 2009 and 2014, which could (partially) explain the lower rural unemployment in 2014.

⁶ UNESCO (2017) *TVET Sudan Policy Review*.

Table 2. Unemployment Rate by Level of Education

Level of education	Rate of unemployment % (2011 survey)		
	Total	Male	Female
Total	18.5	13.3	32.1
Illiterate	11.4	8.3	16.9
Able to read	11.1	10.2	16.8
Elementary dropout	12.8	10.3	23.4
Completed elementary	11.1	7.6	32.0
Completed basic education	26.5	20.2	48.3
Academic intermediate	11.7	6.9	43.9
Vocational intermediate	0.0	0.0	0.0
Vocational training	16.9	17.2	0.0
General secondary	24.8	15.6	55.1
Technical secondary	23.8	21.0	62.6
Technology diploma	25.6	14.0	45.9
University graduate	39.7	31.0	51.5

Source: Ministry of HRD and Labour (undated, but includes info. on the 2011 survey), Education and Unemployment among Youth in Sudan, p. 8 (in Arabic).

Of course, this does not imply that the higher the level of education, the more difficult it becomes to find a job. Rather it may suggest that there is a relative scarcity of jobs for university graduates and, to a lesser extent, youth that have completed secondary education. It stands to reason that the educated youth will have higher aspirations with regards to the kind of job and pay that they are willing to accept, whereas illiterate youth will take on any kind of employment. Moreover, there is likely to be a correlation between the education level and the income level, as a result of which highly educated youth can afford to be more selective, whereas uneducated youth may need to work simply to survive.

2.1.2 Women unemployment

Although women are less likely to participate in the labour force, those who do are considerably more likely to be unemployed and those who work earn lower wages than men.

Gender gaps in the labour market remain huge. There are many legal obstacles to women's economic activities

in Sudan: women cannot, in the same way as men, work the same night hours, perform jobs deemed hazardous, arduous, or morally inappropriate, or perform the same tasks or work in the same industries⁷. Only one in every three working-age women are either employed or actively seeking employment, compared to three in four men.

While rural areas tend to have higher rates of female labour force participation, low rates of participation are found especially in more rural states in the vicinity of Khartoum: Northern, Eastern, and Central region all had female labour force participation rates below 20%. In contrast, more than half of all working-age women in Darfur and Kordofan were economically active in 2014 (see Table 1 above)⁸.

Women unemployment related to their level of education can be interpreted in different ways. On the one hand, it can be argued that the difference between women with lower levels and those with higher levels of education is less pronounced than for men. On the other hand, it is quite shocking to note that over 50% of the women with tertiary education degrees is unemployed.

⁷ World Bank, 2018. *Women, Business and the Law 2018*. Washington, DC: World Bank Group.

⁸ World Bank, 2019, *Poverty and Inequality in Sudan 2009-2014*.

Gender inequality is also a major barrier to human development in Sudan. Discrimination against women and girls in health, education, economic status and political representation limits their freedom of choice and represents a major loss to human development. Hence, reducing the gender gap is another major development policy challenge in Sudan⁹.

2.1.3 Informal sector

A significant portion of the Sudanese workers is engaged in the informal sector.

There is a very large informal economy in the Sudan, with a labour force that is characterized by seasonal migration, around 85% of workers engaged in vulnerable employment and 60% of the labour force engaged in subsistence agriculture¹⁰. Informality is particularly prevalent in the agricultural, transportation, construction, trade and repair services sectors¹¹.

There are also enterprises which are not legally registered due to complications in the legal registration process, such as inaccessibility for those operating outside Khartoum, high costs and rigid procedures, which only recognise traditional forms of business. For instance, it is not yet possible to register venture capital firms, digital enterprises or social enterprises, leaving these entities with the choice of either having to register as a different kind of company or not registering at all.

According to 2011 SLFS, 25% of the employed workforce is employed in the informal sector, but this is clearly a gross underestimation. A more realistic figure is given by

the ILO, which estimates that 65% of prime-age workers (25-54 years old) are involved in the informal sector¹². This group includes people who have been internally displaced due to conflicts in the West and South of the country, refugees, seasonal workers and other mostly unskilled and low-income parts of the population.

In 2014, a UNDP study illustrated the scale of the informal sector. It revealed, for example, that there were 13,000 women tea sellers in Khartoum State, including 73 with postgraduate degrees and 399 university graduates¹³. Women tea (and food) sellers belong to the informal sector. They normally operate in the open air, from sheds or under trees, near busy offices and government departments, transportation centres, markets and in residential neighbourhoods.

There is not much data on working conditions in the informal sector, but it is evident that informal jobs are more precarious, and that workers in this sector are not protected by labour legislation. Child labour tends to be more prevalent and wages tend to be lower on average than for the same types of job in the formal sector. Informal-sector jobs provide no social security, and safety at work is less observed¹⁴.

Besides high unemployment, the labour force is characterized by a high level of underemployment. According to the SLFS, 31% of all employed individuals were classified as part-time employed, 34% of all rural and 26% of all urban workers. There was no great difference between men and women on this issue. Underemployment is likely to be higher in the informal sector, as the employee (or self-employed worker) is not protected by any kind of labour legislation.

2.2 Decent work

The economically vulnerable in Sudanese society are forced to find work in the informal sector, in jobs that are often insecure and unsafe. Thus, focusing on youth unemployment is not enough; we need to also consider the issue of young people trapped in jobs that guarantee neither stability nor security. Sudan's official policies and laws around some of the key issues underpinning decent work, are outlined below. It is important to note that most labour rights are denied to workers in the informal

economy and often not guaranteed for employees in the formal private sector, which has a poor record of adherence to statutory requirements for workers.

2.2.1 Wages and other working conditions

Decent work indicators were computed for the first time in the SLFS. The survey concluded that 29.5% of

⁹ UNESCO (2017) TVET Sudan Policy Review.

¹⁰ ILO (2020) The potential of skills development and recognition for regulated labour mobility in IGAD Region.

¹¹ UNESCO (2017) TVET Sudan Policy Review.

¹² ILO (2014) A Roadmap Toward A National Employment Policy for Sudan.

¹³ UNDP (2014) Trends in the Sudanese economy, 1st quarter 2014, newsletter, Khartoum.

¹⁴ UNESCO (2017) TVET Sudan Policy Review.

all employees received wages below the poverty line (meaning that they experience in-work poverty). Of course, this does not mean that the remaining 70.5% all received 'decent' wages that provided them with a relatively good standard of living. The survey also recorded a 47% gender pay gap. The gender income difference was more or less constant across urban and rural areas, even though the average monthly wage of women in rural areas was slightly below the monthly minimum wage¹⁵.

The percentage of employed persons with access to social security was 12% and to health insurance 18%. Only 15% stated that occupational safety was taken seriously at their main workplace, while 70% said that there were none and 6% that they were not aware of their existence; 12% said they received training and capacity-building; 20% said they were allowed to join a trade union, while 36% believed that trade unions are essential¹⁶.

Based on the SLFS, we can conclude that only 12% of all the jobs meet all the ILO criteria for decent work. Access to better-quality jobs is normally determined by a combination of factors that include gender, age/ experience, education, screening tests, personal characteristics, social background and social connections. This latter factor (commonly called *wasta*) seems to be important in Sudan (as it is generally in countries in the MENA region). Using connections was by far the most popular method for job seeking: 50% of individuals in employment found their job in this way¹⁷.

In April 2020, the Sudanese Ministry of Finance raised the statutory minimum wage from SDG 425 to SDG 3,000 (about 44 Euro)¹⁸. It is unclear whether this minimum only applies to civil servants or also to workers in the private sector. Sudan's minimum wage excludes agricultural and domestic workers¹⁹. Research conducted by the SPA found that the monthly cost of living for a family of five people was about SDG 15,218 (about 220 Euro) in 2020, and this amount only covered the basic needs²⁰.

In early January 2021, a survey was sent out to an online group of HR professionals working in privately owned companies in Sudan to assess current wage levels in the

private sector²¹. Only a small number of responses were received, representing a diverse group of companies by size and sector. Most respondents mentioned minimum salaries above SDG 15,000. This is compatible with another survey conducted among large companies, which only mentioned a lower salary of SDG 10,000 for cleaners²². Nevertheless, with the current inflation rate it is even doubtful whether SDG 15,000 can be considered a living wage. Interestingly, the same respondents to our own survey mentioned almost unanimously that a reasonable living wage for young people should be at least SDG 30,000.

Sudanese law stipulates that apprenticeships should be done under the provision of a written contract²³, however, this does not always happen. Skilled technicians often provide training to family members, neighbours or family friends which is why many vocational school students specialise in skills wherein they have a pre-existing network so that they can find a suitable apprenticeship upon completing their educational qualifications. Employers seem to be largely unregulated and under no compulsion to spend money on training, be it for citizens or migrants²⁴.

2.2.2 Specific issues for female workers

The Sudanese labour law specifically states that women and young persons, who are defined as those under the age of 16, are entitled to a paid one-hour period of rest. Women are not to work for more than five continuous hours without rest and employers are also forbidden from making a young person work for more than four consecutive hours without rest.

Only women employed in health or social services are permitted to be contractually obligated to work between 10 pm to 6 am, as these sectors are considered necessary for the public interest. Children under the age of 15 are not supposed to work between 8 pm and 6 am. This can also be applied to young people up to the age of 16, at the discretion of their respective employers.

Sudanese labour laws also limit the type of work women are permitted to engage in, prohibiting the employment

15 ILO (2014) *A Roadmap Toward A National Employment Policy for Sudan*.

16 UNESCO (2017) *TVET Sudan Policy Review*.

17 Ibid.

18 Radio Dabanga (2020) *Sudan raises minimum wage by 700%*. Available at: <https://www.dabangasudan.org/en/all-news/article/sudan-minimum-wages-raised-by-700> [Accessed 29 Dec. 2020].

19 ILO (2020). *Global wage report 2020-2021*. [online] www.ilo.org. Available at: https://www.ilo.org/wcmsp5/groups/public/-/dgreports/-/dcomm/-/publ/documents/publication/wcms_762534.pdf [29 Dec. 2020]., p. 92.

20 <https://www.dabangasudan.org/en/all-news/article/sudan-workers-demand-increased-minimum-wage>.

21 Internal document based on survey among HR professionals (January 2021).

22 Recent survey conducted by the Elnefeidi Group among 7 large family-owned businesses.

23 The 1997 Labour Code

24 ILO (2020) *The potential of skills development and recognition for regulated labour mobility in IGAD Region*.

of women in “occupations which are hazardous, arduous or harmful to their health, such as carrying weights or assigning women to perform jobs under ground or water”. While the law provides special protections for women and young people under the age of 16, they are not always enforced and almost never enforced in the informal sector.

SIHA (Strategic Initiative for Women in the Horn of Africa) has a strong focus on empowering women economically, which is at the heart of their Economic, Social and Cultural Rights (ESCR) program. The ESCR program supports women in the informal economy across the Greater Horn of Africa, to know and claim

their economic, social and cultural rights, whilst enabling them to organize in cooperatives and unions. More than 5,000 women informal laborers have been organized in cooperatives.

SIHA targets the economic empowerment of women informal laborers to bring them out of the margins of employment through skills-building specifically around literacy skills and marketable skills beyond the informal economy. Beyond this, SIHA supports these women to break gender stereotypes in employment options that are typically and primarily available to men such as carpentry, general electrical and mechanic courses²⁵.

2.3 Entrepreneurs and self-employment

2.3.1 Cultural factors

The Entrepreneurial Intention Rate (EIC) is about 30% for youth in Sudan, according to a recent survey by IEC. This rate does not differ significantly from the global average based on GEM reports. Interestingly, this rate is about the same for male and females, whereas the actual number of women entrepreneurs is much lower. Entrepreneurship is considered a desirable career choice rate by 78% of the sample. In this case, the difference is more pronounced with 83% of the men and 70% of the women expressing a desire to set up their own business. 58% of the sample perceive the entrepreneur as someone with superior social status²⁶.

Nevertheless, there are economic as well as cultural factors that lead youth to shy away from becoming entrepreneurs. This applies more to women than to men, although there are strong regional, ethnic and educational variations. An overview of some of the cultural factors is shown below.

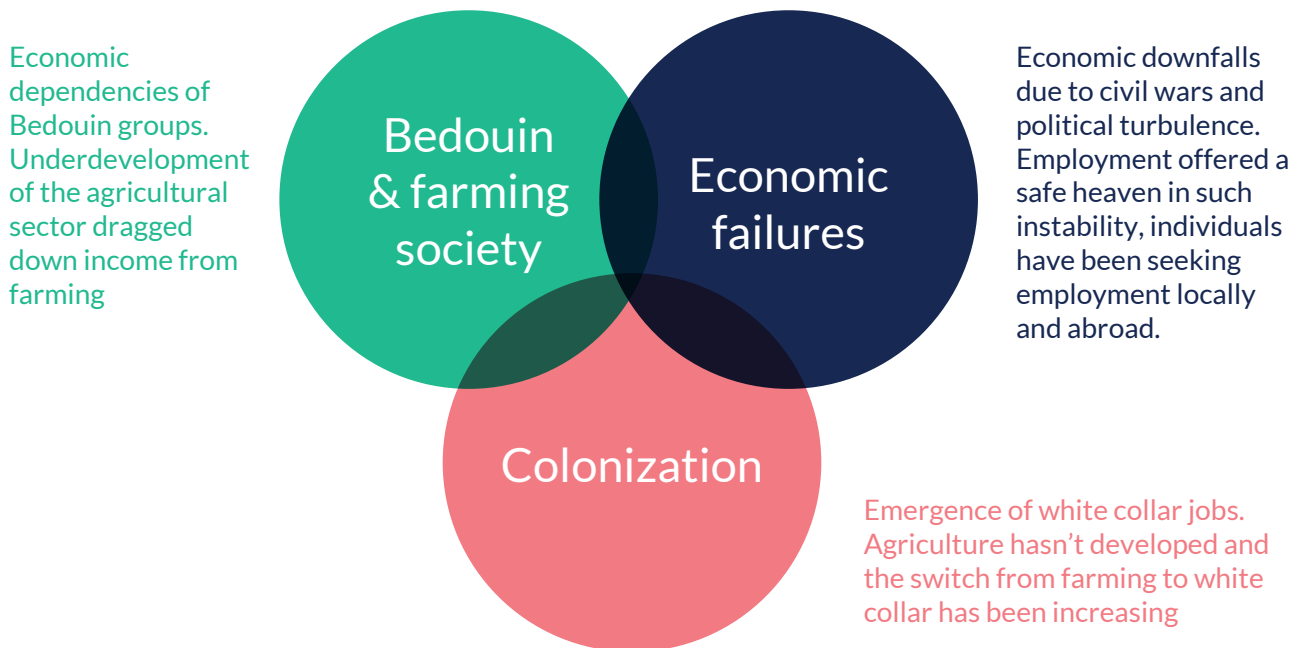
²⁵ Personal interview with SIHA, November 2020.

²⁶ IEC Research Chapter (2017) *Entrepreneurship Scene in Sudan*.

Figure 3. Cultural Factors Influencing Entrepreneurial Behaviour in Sudan

Cultural Factors

Social values in Sudan might not be supporting entrepreneurial activity. This could be a result of several social, political & economic factors.



Source: IEC Research Chapter (2017) Entrepreneurship Scene in Sudan, Khartoum.

2.3.2 The entrepreneurship ecosystem

The entrepreneurship ecosystem in Sudan is still in its infancy, the provision of non-financial resources to entrepreneurs and start-ups is almost non-existent. A few incubators have been set up in Khartoum in recent years, but there are hardly any support services for start-up entrepreneurs outside Khartoum. Thus, the ecosystem is still underdeveloped, and there is a lot of scope for expansion. The best-known examples of business incubators are 249 Start-ups, the Impact Hub and Savannah Innovation Lab. There are also some more recent initiatives outside Khartoum, for example the start-up hub Sharezone in El Fasher (North Darfur), that is supported by GiZ, but they are few and far between.

The IEC survey mentioned above also included some questions to determine the main obstacles facing start-up entrepreneurs in Sudan. The lack of access to tangible and intangible resources has been the number one difficulty for entrepreneurs at all stages of development, followed by the current (economic) situation in the country. The researchers conclude that besides financial resources, there is a clear need for non-financial resources in the form of tailored activities and roles that Sudanese enablers and facilitators can perform. They also observe that the connection and collaboration between academia, start-ups and end users is still weak due to lack of hubs and sharing spaces²⁷.

²⁷ IEC Research Chapter (2017) Entrepreneurship Scene in Sudan. The survey was conducted with a sample of 33 start-ups based in Khartoum, 63% men- and 37% women-owned.

3. Who are the youth and what are their aspirations?

3.1 Different categories of youth

Youth is not a homogeneous group. Roughly we can distinguish the following sub-groups:

1. Rural youth from modest farming families
2. Low-skilled, self-employed youth (urban or rural) in 'survival enterprises'
3. Low-skilled, employed youth in unskilled, low-paid jobs, both formal and informal
4. Young vocationally trained in rural or urban individual enterprises, mainly formal sector
5. Young urban educated youth employed or seeking wage-employment in the formal sector
6. Young urban educated youth with their own business or starting their own business

Categories 1-3 represent by far the largest youth groups, both in rural and urban areas. The youth that are most likely to be impacted by the economic crisis following the COVID-19 pandemic are those in categories 2 and 3 plus those who are just starting to look for work. The dearth of new jobs is further compounded by the increase in young people who recently became unemployed as a result of the Covid-19 lockdown and who are now also looking for work.

In 2013, around 33% of young people (aged between 15 and 24 years) in Sudan were unemployed. Young people were 2.3 times more likely to be unemployed than adults. These numbers represent not only a personal failure for those individuals concerned but a threat to social cohesion and a squandered investment of the Sudan nation. At present, in Sudan, even those young people who succeed in entering the labour market mostly obtain vulnerable and low-quality jobs in the informal sector, while young women have more difficulty than young men in finding decent work: 57.9% of all young women

compared with 22.2% of young men were unemployed in 2013²⁸.

Together with other socio-economic factors, education and training lie at the root of this situation. Too many young people in Sudan leave the education and training system without acquiring the appropriate skills. They have difficulty making the transition to the world of work and so have trouble finding decent work. Thus, there is an urgent need to improve youth employability, in particular through technical and vocational education and training (TVET).

3.1.1 Urban vs Rural Youth

In 2014, overall unemployment in rural areas was 8% in comparison to 17% in urban areas with youth employment in urban areas reaching 40% due to the competitiveness of the labour market in Khartoum State and other large cities in the country. While large corporates are present outside Khartoum, there are less office jobs available there compared to those in the capital which is why university graduates gravitate towards jobs in Khartoum State thus, educated youth seeking white collar jobs migrate and are concentrated in urban centres. Working conditions in local companies based in rural areas are not as high in comparison to those in the Greater Khartoum area, with limited positions and room for professional growth.

The Sudanese youth in rural areas are usually overlooked as training and incubation programs are more frequent in Khartoum and other large cities in the western and eastern regions such as Nyala, El Fashir, Port Sudan and Kassala. Most of the limited opportunities available in the more rural parts of Sudan are provided by international INGOs with an emphasis on poverty reduction rather than sustainable job creation.

3.2 Youth Aspirations

Youth is by no means a monolithic category. We have highlighted just a few different broad groups, which themselves can be further cut in a myriad of different ways. It is worth briefly looking into what kind of employment young people from these different groups aspire to. Based on the youth sessions we conducted in Khartoum, most youth expressed the universal desire to 'start their lives'. In the Sudanese context this means to earn enough money to be able to get married and settle down. Thus 'decent work' is defined as work that pays enough to cover these immediate needs.

The Sudanese youth is highly motivated, taking advantage of opportunities that allow them to develop on both a personal and professional capacity by attending workshops, applying to training programs and mostly recently due to the spread of COVID-19, online conferences and webinars.

Summary of youth aspirations:

- ▶ Preference for employment in the same field as their university or vocational major
- ▶ Job security and room for professional growth
- ▶ Attaining a role in the private sector or an INGO
- ▶ Decent work environment with a living wage
- ▶ Work close to home

- ▶ Additional training courses and access to internship programs to bridge the gap between theoretical knowledge and practical experience

- ▶ Ability to start an entrepreneurial endeavour

The enthusiasm youth in Sudan have for developing their skill set can be attributed to a pro-active personal initiative, increased competition in the labour force, especially in the case of white-collar jobs and dissatisfaction with the quality of education they have received. This is the case for both TVET and university graduates who feel their education is lacking in practical experience, soft skills and ICT applications. There is also a mismatch between the curriculum at vocational schools and labour demand, prompting TVET graduates to seek apprenticeships which are usually secured through personal connections.

Social and parental influence have a large impact on the youth's career choices encouraging them to pursue specific fields, such as engineering, medicine and law, causing increased competition and a mismatch in the labour market with the few attractive jobs available. For instance, while society attaches a high value to employment in the STEM field, clinical doctors are paid very low salaries and subjected to verbal and physical abuse in the workplace. Such difficult conditions encourage young medics to migrate to the Gulf region or the west in search of better paid positions in a safe, better equipped work environment.

3.3 Young women

Historically, women in Sudan have always been active in civil society and have been in decision-making roles on an organisational and political level. Despite this, many young women in Sudan today are prevented from completing their education or from getting a job by their families or husbands. Sudan ranks at 168 out of 189 on the Global Gender Gap Report.

Young Sudanese women's participation rate in the labour force is 25%, less than half that of young Sudanese men which was at 54% in 2014. This can be traced to a number of factors including social or familial barriers to work, insufficient incentives for young mothers to continue working outside the home and transportation issues.

Currently, a substantial portion of demand in the labour market is for low-skilled manual labour, which women are legally prohibited from engaging in according to the 1997 Labour Laws and are socially discouraged from considering, leaving many young women with limited career opportunities. The segment of society with the highest level of unemployment is educated women.

3.3.1 Unemployment after marriage and unpaid care work

Women are expected to bear the brunt in terms of domestic duty including childcare, household chores and looking after other relatives. Many young girls living in poverty are forced into marriage so that the financial

burden is shifted from their families to their husbands. While there are relatively high rates of women enrolled in higher education, many of whom go on to graduate, some are not allowed to complete their education or are forced to leave their jobs by their husbands in order to fulfil traditional roles as stay-at-home mothers and caretakers. Working women who fail to adhere to social norms such as completing household chores are often forced to leave their jobs or are threatened with polygamy or divorce by their husbands.

The impact of COVID-19 has exacerbated these issues and further limited women's employment, especially married women and mothers with the nationwide lockdown restricting movement, the closure of schools forcing some women to reduce their working hours or quit their jobs due to insufficient access to affordable childcare for those who do not live in close proximity to extended family. The World Bank reported that COVID-19 restrictions and closures also left 320,000 women without access to family planning services²⁹.

3.3.2 The need for flexibility of working hours and location

Standard working hours from 8 am to 4 pm are considered desirable for women as it means that they can get home relatively early in the evening. This is important for safety reasons and to dissuade family members from forcing them to stop working. Many families encourage young women to follow career paths that are considered to have more reasonable working hours, affecting their choice in what to pursue at university. Faculties such as business administration and economics are dominated by women as they can potentially lead to careers in what are considered safe work environments with acceptable working hours e.g., banks, corporates, etc.

Current shortages in public transportation caused by a hike in fuel prices following the removal of subsidies has made it even more important that young women are in roles that have social working hours or provide transportation for staff so that they are not forced to spend countless hours waiting for public transport. It has also led to many young women opting for roles closer to their homes regardless of personal interest, their aspirations and relevance to their work experience or career trajectory.

3.3.3 Fewer options for work

Some limitations exist in the type of work that is considered respectable and appropriate for women, this is especially true in the case of middle-class women

whereas those living in poverty often have less choice and are driven by necessity, forcing them to occupy roles that are associated with social stigma.

Differing social norms in different parts of the country mean that jobs that are common for women in one region may be seen as unacceptable for women in another. For example, in the western region of the country, the agricultural sector is dominated by women who are involved in all forms from farming to selling crops whereas the inclusion of women in farming in eastern regions is seen as inappropriate as it is considered to be a man's job.

University graduates often find themselves having to forgo a career in their respective fields and settle for more appropriate positions such as kindergarten or primary school teaching despite not having teaching qualifications. This is especially prevalent among women who studied engineering that involve working in a male-dominated environment. Many young mothers also prefer taking such roles as the working hours ease the complications associated with childcare in other jobs.

3.3.4 Violence against women

Vulnerable women engaged in the informal sector, including tea ladies or women who make home-brewed alcohol, are routinely exposed to harassment from the general public and authorities. There are no protections in place for such women who are often abused, harassed and sometimes stripped of the equipment used to produce the goods they sell by the authorities. Street vendors have their stalls confiscated for failing to produce a valid permit but many claim to be unaware that a permit is legally required in order to sell on the street. Refugees and IDPs are especially susceptible to violence.

Police harass women working in the informal sector – arbitrarily choosing to confiscate their material, arresting them or charging them fines, sometimes for not having a vendor's license. The process of attaining a license is unclear, most vendors are not informed of. In other words, they are punished for breaking laws they aren't aware of. SIHA is calling for the Sudanese government to ratify the ILO's Violence and Harassment Convention (2019).

SIHA also utilizes its position as a global actor to advocate for the safety and protection of women working in the informal economy – not limited to women street vendors, petty traders, domestic workers or alcohol brewers. SIHA also focuses its programming and advocacy in favour of women IDPs coming from rural areas, refugees, minority groups and others on the margins of society particularly vulnerable to economic exploitation³⁰.

29 World Bank Country Engagement Note, Sudan, 2020

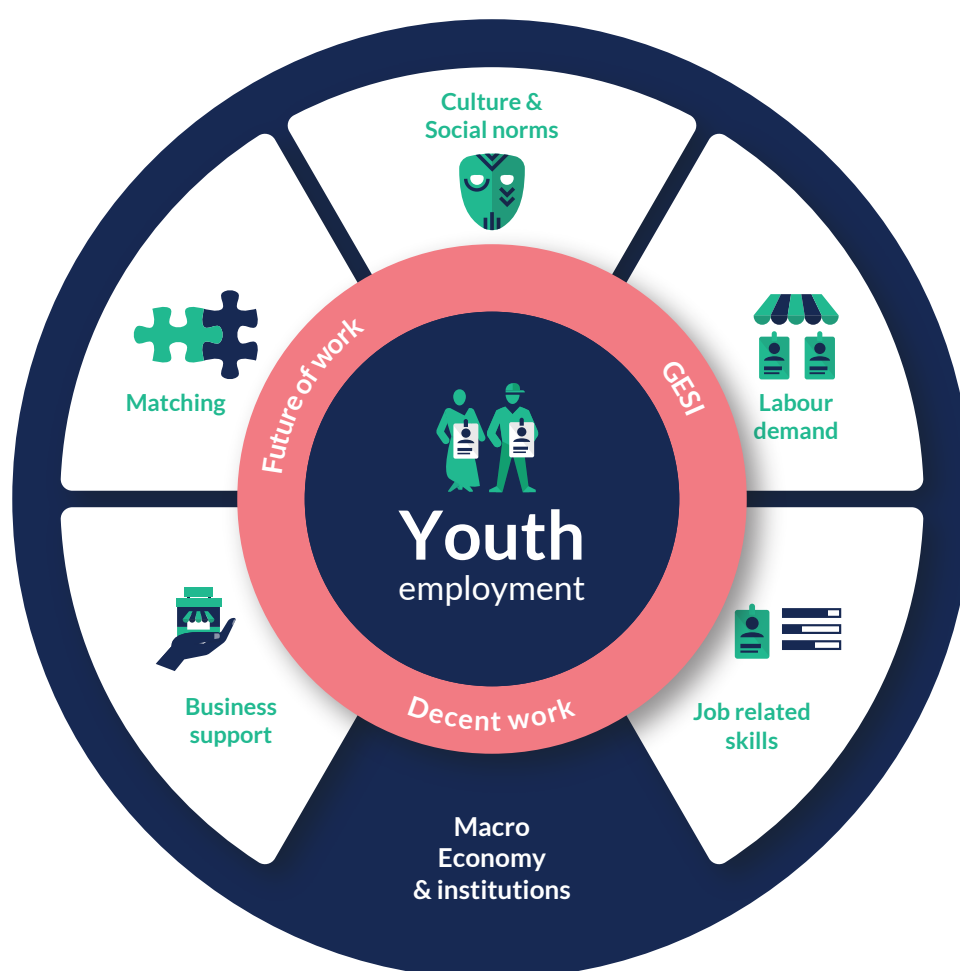
30 Personal interview with SIHA, November 2020.

4. What are the main obstacles to youth employment?

This chapter is divided into sub-sections, each focusing on a different thematic obstacle that Sudanese youth typically encounter in accessing decent work. The

conceptual framework we present for understanding these obstacles is depicted in the diagram below.

Figure 3. Different thematic domains of youth employment





4.1 Labour demand

Key facts

- ▶ The shrinking of the public sector has disproportionately affected women, who have historically worked more in Sudan's public sector. Public sector employment is no longer an attractive option for young, well-educated job seekers, providing low returns compared to the private sector.
- ▶ The growth of the informal sector is due to systemic failures from the labour demand side, as well as constraints for the creation and growth of new businesses. Many young entrepreneurs choose the informal route, thus contributing to further growth of the informal sector.
- ▶ Many youths work two shifts a day (morning shift with one employer, evening shift with another), in order to make ends meet, thus reducing the jobs available for other job seekers. Some try to create extra revenue streams by starting small businesses besides their day job.
- ▶ Due to the deteriorating economy and hyperinflation, many youths wish to move to GCC, Europe, Canada and USA. This has created a gap in the labour market, mainly for white collar jobs.
- ▶ Many immigrants from Ethiopia, Eritrea and Syria have left the country, but Sudanese youth are reluctant to take low-paid jobs in food services, barber shops, auto-rickshaw drivers, etc.
- ▶ Saudi Arabia used to be a popular destination for Sudanese youths, taking on basic jobs to be able to send money to their families in Sudan. In 2016, a new "Saudization" policy forced many employers to hire Saudis. As a result, many Sudanese workers - including accountants, drivers and hospitality workers - had to return home. Many returnees have difficulties finding a job.

Challenges

- ▶ Sudan's deteriorating economy has pushed many youths to immigrate, creating a gap in the labour market, mainly for white collar jobs.
- ▶ Lack of public sector jobs due to privatisation, affecting women disproportionately.
- ▶ Public sector jobs, generally not well paid, are no longer attractive for educated youths.
- ▶ Informal business and informal jobs in formal business result in a lack of decent jobs.
- ▶ Negative effects of Covid-19 on labour demand in certain sectors.

Opportunities

- ▶ Facilitate the access to finance for SMEs with growth potential.
- ▶ Promote value chain strengthening projects that can link SMEs to large firms.
- ▶ Stimulate initiatives to formalize firms and/or the jobs that they offer to the youth.
- ▶ Identify sectors with growth potential and resilience in the face of Covid-19
- ▶

Relevance for CFYE

Youth employment initiatives funded by CFYE should focus on:

- ▶ Innovative SMEs, with growth potential and ambitious employment goals.
- ▶ Spin-offs from large, multi-sector companies and/or collaboration between large companies and new, innovative SMEs, with growth potential
- ▶ Formal or semi-formal employment that meets minimum standards of decency.
- ▶ Initiatives that create or improve jobs for young women, preferably with career prospects.

Practical Example

- ▶ A medium-sized business based in Khartoum, producing processed agricultural goods for the local market, wishes to expand its operations to other supply chains or other geographical areas, thus creating decent jobs for youths - including young women - at different levels of its own business, while increasing the income for smallholder farmers supplying to the business.
- ▶ A recent start-up with an innovative product or business model, that has successfully created a niche market for itself, wishes to expand aggressively and in order to be able to do so partners with a large company that is active in a related field and can co-invest in the scale-up.



4.2 Job related skills and employability

Key facts

- ▶ In spite of high unemployment rate, many firms are unable to find qualified Sudanese workers with a good work ethic. As a result, they recruit foreign workers³¹.
- ▶ Informal apprenticeship plays a basic role in skill acquisition in Sudan. More than three times as many youths have received this type of training than formal vocational training, thus providing a major pathway for young people to become employable and enter the job market³².
- ▶ Most vocational training centres suffer from the fact that they are not accommodated for the large number of students, sometimes up to twice as much as their original capacity³³.
- ▶ Constraints facing the TVET system in the Sudan include not only the lack of funds for TVET, but also the management and utilization of the funds that are available. Qualifications do not respond to the needs of the labour market, leading to a lack of employability amongst TVET graduates³⁴.
- ▶ Increasing the technical skills of youth is an important priority for the Sudanese government. The Supreme Council of Vocational Training and Apprenticeship (SCVTA), set up by the GoS and the Sudanese Businessmen Association, has set itself the objective to create 55,000 jobs³⁵.
- ▶ High unemployment among those with higher education, at 23% (of whom 71% were urban, and of these 74% were female) suggests that there are too few jobs for the more highly educated or that there is a mismatch between higher education graduates and labour market needs³⁶.
- ▶ The Sudanese education system has declined in recent years. Lack of regulation of universities and colleges has led to a fall in standards of academic facilities or academic workforce. This has affected the calibre of graduates from most universities and in turns their employability.
- ▶ There is a serious skills mismatch: training at a TVET institution does not equip a young person with the requisite skills to meet the demands of industry. Enrolment is skewed towards social sciences, in private as well as public universities and colleges³⁷.
- ▶ There is no clear or standardised certification for TVET. Most TVET curricula were developed in the 1970s, with the help of the ILO, with a strong focus on three-year standard courses. Thus, there is a need for short courses tailored for women.

Challenges

- ▶ Standard curricula at TVET institutions do not focus on labour market requirements.
- ▶ Most students at universities and colleges are enrolled in social sciences and humanities.
- ▶ There are a few vocational training initiatives from the private sector, but they tend to focus on Greater Khartoum.
- ▶ Youth from outside Khartoum that have come to Khartoum for better paid jobs are gradually forced to move back to their home states due to increasing cost of living in Khartoum

Opportunities

- ▶ Support private sector initiatives that combine relevant theoretical content with on-the-job practical training
- ▶ Build upon the existing informal apprentice-ship system, as it offers a clear pathway to employment to young people.
- ▶ Support initiatives that focus on rural areas and other less privileged areas.
- ▶ Raise awareness of the importance of technical education to increase the interest of youth in pursuing a technical career.

Relevance for CFYE

Youth employment initiatives funded by CFYE should focus on:

- ▶ (Private sector) Initiatives that focus on bridging the gap between skills supply and demand.
- ▶ Initiatives that focus on relevant skills development linked to jobs outside Greater Khartoum.
- ▶ Initiatives that aim to overcome the gender barrier in technical education and employment.

Practical Examples

- ▶ A project that brings together a well-placed TVET academy with a manufacturing company that needs fresh recruits with relevant skills a project combining customized, state-of-the art training with apprenticeship offering a clear pathway to employment.
- ▶ A training centre offering short courses in advanced digital skills to STEM graduates, combined with on-the-job training at selected companies, with a high degree of job placement.

31 UNESCO (2016) TVET Sudan Policy Review, p.26.

32 Ibid.

33 ILO (2020) Labour Market Assessment with Focus on Migrant Workers – Sudan Country Report, p. 32.

34 ILO (2020) The potential of skills development and recognition for regulated labour mobility in IGAD Region.

35 SCVTA (2020) Emergency Strategic Plan 2021-2023 "A bright future for youth"

36 UNESCO (2016) TVET Sudan Policy Review, p. 24.

37 Ibid, p.38.



4.3 Business support and access to finance

Key facts

- ▶ Absence of regulations and policies for entrepreneurship support hinders the growth of start-ups and SMEs that are already operating in a harsh economic environment
- ▶ Financing from banks and business loans are practically out of reach for start-ups and SMEs, as banks have very stringent requirements regarding collateral and other aspects.
- ▶ A few incubators/accelerators have been set up in Khartoum in recent years, e.g. 249Startups, Impact Hub and Savannah Innovation Labs. However, there are very few support services for start-up / early stage entrepreneurs outside Khartoum.
- ▶ The entrepreneurship ecosystem in Sudan is still in its infancy, access to non-financial resources to entrepreneurs and start-ups is grossly insufficient.
- ▶ With a young population of increasingly tech-savvy consumers, Sudan provides opportunities for innovation. However, it lags behind some its neighbours, e.g. Egypt, Jordan or Lebanon.
- ▶ There is a lack of angel investors in Sudan. This is partly due to the financial restrictions, imposed on the Al Bashir regime, which make it difficult for foreign impact investors to operate in Sudan.

Challenges

- ▶ Lack of adequate policies and regulations do not create a favourable breeding ground for innovative (tech) start-ups.
- ▶ Business support services for SMEs/start-up entrepreneurs are few and far between in Sudan, in particular outside of Khartoum.
- ▶ Access to finance is still very limited, in particular for SMEs and start-ups (can be attributed to stringent bank policies)

Opportunities

- ▶ Support initiatives from the private sector that contribute to creating a favourable ecosystem for innovative start-ups.
- ▶ Expand accelerator and other business support services across the country.
- ▶ Fintech can democratize financial services by increasing availability and lowering costs and barriers to access finance.

Relevance for CFYE

- ▶ Youth employment initiatives funded by CFYE should focus on:
- ▶ Expanding business support services beyond Khartoum, as well as for underprivileged groups including TVET graduates and women.
- ▶ Fintech solutions that democratize the access to financial services for one and all.
- ▶ Collaboration between growth-oriented SMEs, as well as between start-ups with growth potential and large companies, may lead to win-win solutions.

Practical Examples

A collaboration between a large, family-owned business and tech start-up that can promote solar energy equipment through e-commerce and other digital tools.



4.4 Culture and social norms

Key facts

- ▶ The labour force participation rate of women is much lower than that of their male peers. Only one in every three working-age women are either employed or actively seeking employment, compared to three in four men.
- ▶ Women are often expected to manage household chores, childcare and other domestic duties, which makes it difficult for them to find a job, let alone pursue a career.
- ▶ Some young women are forced to find employment unrelated to their educational background as the working hours and environment are considered more appropriate, e.g. primary school teacher - so that mothers can work in the same school their children attend.
- ▶ Certain jobs may be considered appropriate for women in some regions, but inappropriate for women in other parts of the country. For example, women participate actively in the agricultural sector in western states, but this is considered a male-dominated sector in eastern regions.
- ▶ Men are expected to be the breadwinners, making young men less likely to stay in one job for a long time in comparison to their female counterparts, as they frequently look for better paying jobs to help provide for their families. This is exacerbated by the high rate of inflation in Sudan.

Challenges

- ▶ Low participation of women in the labour force
- ▶ Lack of access to childcare discourages some women from working outside the home
- ▶ Low wages result in job-hopping
- ▶ Cultural factors in recruitment, e.g. wasta

Opportunities

- ▶ Support private-sector initiatives that provide job opportunities for women
- ▶ Provide childcare facilities to women to enable them to remain in the workforce
- ▶ Promote recruitment practices based on “what you know” rather than “who you know”

Relevance for CFYE

- ▶ Youth employment initiatives funded by CFYE should focus on:
- ▶ Incentivizing the employment of young women.
- ▶ Ensuring jobs created pay a living wage, which is equal for all in the same job.
- ▶ Look for women who can act as role models for young women or other marginalized groups.

Practical Example

A medium-sized company - eager to hire more women - plans to invest pro-actively in childcare facilities and set flexible working hours to facilitate recruiting and retaining of female employees.



4.5 Macro-economy and institutions

Key facts

- ▶ Since independence, Sudan has been beset by conflict. Once it achieves political stability, massive reforms will be required to address shortcomings in fiscal health, investment freedom, and the three pillars of rule of law: property rights, judicial effectiveness and government integrity.
- ▶ Sudan's economy is one the least free in the world. Its score decreased due to a substantial drop in fiscal health. Sudan ranks 44th among 47 countries in Sub-Saharan Africa. GDP has contracted in recent years, because of high inflationary pressures and sharp currency movements that have dampened private consumption and deterred investment³⁸.
- ▶ Sudan also scores relatively low - 171st out 190 countries – on the Doing Business 2020 report. Areas in which the country is ranked below #150 include Starting a Business, Protecting Minority Investors, Getting Electricity, Getting Credit, Paying Taxes and Trading Across Borders³⁹.
- ▶ Sudan's inclusion on the SST list has for many years limited access to funds for Sudan-based businesses. As a result, the financial and digital infrastructure is not ready to meet international banking regulatory standards to qualify for those funds and benefit from them.
- ▶ Just like other countries, Sudan's economy has been hit by the Covid-19 pandemic and restrictions that were put in place by the GoS to control the spread of the virus.

Challenges

- ▶ Sudan's inclusion on the SST list has for many years limited access to funds for Sudan-based businesses.
- ▶ The financial and digital infrastructure does not meet international banking standards.
- ▶ Employers struggle to keep up salaries with rising inflation rate
- ▶ Economic growth has slowed down due to COVID lockdown.

Opportunities

- ▶ Lifting Sudan from SST list will give access to funds and international investments.
- ▶ Lifting Sudan from SST list will allow Sudan-based businesses to have access to better technologies that can boost their growth.
- ▶ Support projects that provide employees with a living wage/decent income..
- ▶ Digitalized sectors have proven resilient in spite of a nationwide lockdown in 2020.

Relevance for CFYE

- ▶ Youth employment initiatives funded by CFYE should focus on:
- ▶ Making use of funds that have become available now that Sudan was lifted from SST list.
- ▶ Focus on sectors that have demonstrated resilience in face of the Covid-19 pandemic.
- ▶ Focus on the provision of a living wage rather than minimum wage.

Practical Example

A Fintech initiative involving a local young tech start-up, in collaboration with an international market leader, that addresses and resolves the issues of the greater unbanked population.

³⁸ Heritage Foundation (2020) Index of Economic Freedom.

³⁹ World Bank (2020) Doing Business - Economic Profile Sudan.

5. A call for solutions

Our scoping study enabled us to identify key opportunities for impact on youth employment in Sudan in the short to medium term. Recognizing Sudan's status as a low-income country that is in the midst of an economic and political transition, we do not intend to limit the scope of CFYE-funded projects to particular sectors or opportunities. Projects should show a clear pathway to employment, whether the focus is on improving the

supply of labour, creating more labour demand, matching youth to decent jobs, or – in combination with any of the previous criteria – sustaining jobs at risk. The comments below, based on our own scoping research, can serve as guidelines for applicants while designing their ideas. Projects ideas that fall outside the scope outlined below will also be considered.

5.1 Creating new jobs

Medium-skilled jobs in growth sectors: There is potential for significant impact in job creation in fast-growing industrial sectors such as manufacturing and agribusiness. Implementing partners' solutions on creating new jobs in these sectors may focus on:

- ▶ Creating work opportunities in the industrial sector which have a technical focus, to make them more attractive to youth
- ▶ Advancing the decent work agenda to make newly created jobs in the industrial sector more attractive to youth, focusing on income, workplace security or social protection for families.
- ▶ Creating work opportunities that are inclusive, taking into account the particular needs of women (e.g. safe transport to and from work, appropriate bathroom facilities, etc.) and protection against psychosocial hazards such as sexual harassment or discrimination.
- ▶ Providing access to finance leading to job creation and incentivizing the hiring of youth.

Digitization across sectors: Capitalizing on the value of Sudan's human capital and the new collaboration opportunities brought about by the opening up of Sudan's economy, there is huge scope for increasing productivity by introducing tech-based solutions. The COVID19 pandemic has accelerated this process and clearly demonstrated that the more technologically integrated firms are, the more resilient they will be to external shocks.

While technological advances will affect the distribution of jobs and dynamics of the labor market, innovation will certainly boost competitiveness, productivity, and job growth in the knowledge economy. Solutions may focus on:

- ▶ Tech-oriented business models based on the “sharing economy” approach: marketplace applications connecting service providers with customers, thereby gainfully employing hundreds of youth.
- ▶ Integrating technology into various sectors (e.g. agriculture, health and education), thereby making jobs more COVID-resilient, efficient, and also attractive to youth.
- ▶ Innovative partnership models promoting collaboration between entities to create sustainable, demand-aligned jobs. For example, digital skills partnerships between private sector firms and education or training institutions.
- ▶ Improving internal processes and international accreditation for firms to expand their regional or global reach. This may include product upgrading, employee training, improving business development or market intelligence, with a clear pathway to creating new jobs locally.

5.2 Matching jobs

Unemployment is especially high among university (or higher qualified) graduates in Sudan. At the same time, employers are hard-pressed to find suitable candidates for entry level positions. Anecdotal evidence through conversations with key informants shows that employers prefer that youth are strong in soft skills including leadership, time management, organization, and business writing, and are willing to train on technical aspects on-the-job.

Implementing partners can promote allocation efficiency in the job market by:

- ▶ Enhancing the services of matchmaking platforms connecting youth to jobs and increasing awareness of job opportunities by directly engaging with them.
- ▶ The private sector providing opportunities for youth upskilling (technical and soft skills) to become better

suited to available jobs through apprenticeships, on the job trainings, and internships.

- ▶ Integrated partnerships between industry and TVETs, focusing on priority areas for job growth and the qualification of technical work, including gender-inclusive curricula, and challenging stereotypes of female work
- ▶ Enhancing vocational training (particularly for women) in targeted areas, both in as well as outside Khartoum, in partnership with the private sector, in order to establish a clear pathway for matching these graduates to jobs.
- ▶ Upgrading transport services to improve accessibility between governorates and growth areas to enable youth to take up particular jobs.

5.3 Improving jobs

Solutions in this category will mainly focus on blue-collar jobs in the industrial or agricultural sector, aimed at improving the decency or quality of jobs that youth are currently employed in. Project ideas could include:

- ▶ Digitizing payments to grant employees access to a range of new financial services (and make businesses more resilient).
- ▶ Ideas for enabling women to work flexibly, in working hours or location, while maintaining job stability and ensuring the flexibility of the job doesn't come with trade-offs in decent work aspects (see below for examples).
- ▶ Ideas that advance the decent work agenda for blue collar workers, focusing on several of the following aspects:
 - ▶ **Living income/wage**, in particular focusing on redressing the gender wage gap by supporting women into higher paid jobs or senior positions in firms, and improving their career prospects in general. This includes policies for ensuring workers are compensated for overtime and transportation.
 - ▶ **Security in the workplace**, including physical safety provisions that take into account the

particular needs of women (e.g. safe transport to and from work, appropriate bathroom facilities, etc.) and protection against psychosocial hazards such as sexual harassment or discrimination.

- ▶ **Social protection**, which does not reinforce women's traditional roles and responsibilities, but contributes to the transformation of gender relations in socio-economic spheres (e.g. maternity leave, childcare provision or subsidies for working mothers to access childcare, strengthening young women's agency and participation in social protection schemes).
- ▶ **Prospects for personal development** and social integration, for example by conducting risk assessments of how a job or a promotion might affect how a worker is perceived in their family and community, and deploying strategies to mitigate against any harm (e.g. community outreach activities to protect women employees against domestic recriminations for working).
- ▶ **Equality of opportunity and treatment**, for example, applying a gender and inclusion lens to HR practices, especially at hiring and promotion stages (avoiding stereotypical language in job descriptions, avoiding unconscious bias in training, establishing clear evaluation criteria, etc.)

The Covid pandemic is expected to bring about a loss of jobs across multiple sectors. Sudan seems to have been less hard-hit than other countries in the region. However, studies by 249 Startups and the World Bank suggest that, in particular, small firms have suffered from the lockdown. The long-term economic fallout remains to be seen. Thus,

interventions that make a strong case for “sustaining” jobs that would otherwise be at risk as a result of the pandemic may also be considered, but only in combination with any of the previous 3 categories. Sustained jobs are considered to be part of the improved category.

5.4 Promising Sectors

5.4.1 Services

The services sector has been growing steadily in recent years, in terms of contribution to GDP and employment. The sector still has a lot of growth potential, in particular for women.

- ▶ **Digital Business Support Services**, offering technological solutions or using technology-based business models to enhance business performance within companies, between companies or between companies and consumers. This includes for example ICT in general, e-commerce and the creative sector. The ride-hailing/sharing digital platforms are among the first digital business success stories in Sudan. Mobile applications providing food delivery services have also become quite popular recently. More such services are expected to enter the market especially now that Sudan has been lifted from the SST list, which will give businesses easier access to digital tools and increase competition by enabling targeted ads. Moreover, the impact of globalization and the rise of digital business is inspiring young entrepreneurs to innovate and explore what is trending globally to be tested, adapted and implemented in Sudan.

Business software such as Enterprise Resource Planning (ERP) systems are rapidly gaining ground in Sudan. ERP providers have become increasingly important to power entities into the digitized business era. Likewise, ICT-based studies have become more popular following the global trend, however graduates have limited employment routes to pursue: either with telecom operators or the few big private corporations. Unlike other technical and engineering sectors, females in the ICT-based professions have good opportunities to compete on the job market.

- ▶ **Hospitality and Food Services**: Food services have seen a significant growth in recent years. The influx of foreign-owned companies has boosted competition in the sector, many of them with extensive experience and substantial investments. There are opportunities

for women in this sector, albeit mostly limited to the day-time jobs for safety reasons. Tourism remains underdeveloped, notwithstanding Sudan’s strategic location and strong potential. Focusing more on tourism could have a direct impact on the growth of the hospitality sector. Among other things, the sector still lacks regulatory standards of food safety and hygiene, which is an area that requires training, education and policy changes.

5.4.2 Agriculture

Agriculture holds great potential for economic growth and employment in Sudan. A large share of the rural poor are engaged in agriculture, either in farming or livestock raising. The potential for productivity gains is substantial given Sudan’s level of agricultural productivity today. However, this will require that smallholder farmers have access to crucial inputs, especially fuel and fertilizer, and an institutional framework that encourages investment. The number of employment opportunities and roles for females in the agricultural sector varies from one region to another. Growth and optimization of the agricultural sector will add value across the whole supply chain and will provide Sudan with export commodities that may curb inflation and devaluation of SDG against the USD.

5.4.3 Manufacturing

The manufacturing sector provides employment opportunities across several industries including food packaging, furniture production, consumer electronics and home appliances. Manufacturing sector growth is linked to local sourcing and local production routes that businesses have had to pursue to overcome the increased costs of imports in a struggling economy. Moreover, the manufacturing sector is linked to the agri-cultural sector, as businesses add value to products by processing, packaging and branding raw materials, enabling them to charge a higher price on export markets. Women are able to find employment opportunities in more advanced and decent working environments.

5.5 Eligibility Criteria

Sector focus

Recognizing Sudan's status as a low-income country that is in the midst of an economic and political transition, we do not intend to limit the scope of CFYE-funded projects to particular sectors or opportunities. However, we have highlighted some promising sectors showing potential for job growth, in the previous section.

Employment type

- ▶ Both informal and formal sector jobs are eligible.
- ▶ Youth can be at any level of low-medium-or high-skilled.
- ▶ Decent jobs or clear prospects for improved jobs are a firm requirement.

Business Development stage

Applications from start-up businesses at ideation stage will not be considered. The business should already be generating revenue and be ready for scaling up.

Lead applicant

Both companies and NGOs are eligible as lead applicants, but there should be a private company in the consortium (with confirmed labour demand) if an NGO is the lead applicant.

Minimum number of jobs

Minimum number of jobs is 250, of which at least 50% should be for women.

Minimum grant amount

The minimum contribution from the CFYE to the project will be at least 100,000 Euros. Thus, as the co-funding from the applicant should be at least equal to the grant requested, this implies that the minimum amount invested by the applicant should also be at least 100,000 Euros or as high as the CFYE grant.

Annex 1. List of Acronyms

CBS	Central Bank of Sudan
EIC	Entrepreneurial Intention Rate
ERP	Enterprise Resource Planning
ESCR	Economic, Social and Cultural Rights, a program implemented by SIHA
EYES	Empowerment of Youth Entrepreneurs in Sudan (funded by UNDP)
GEM	Global Entrepreneurship Monitor
GEMS	Genuine Employable Skills (funded by JICA)
GCC	Gulf Cooperation Council, political-economic alliance of six Middle Eastern countries - Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman
GoS	Government of Sudan
IDPs	Internally Displaced Peoples
IEC	Innovation & Entrepreneurship Community
IGAD	Intergovernmental Authority on Development (created in 1996 by Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda to coordinate the response to droughts and natural disasters in the region)
ILO	International Labour Organization
JICA	Japanese International Cooperation Agency
LFPR	Labour Force Participation Rate
LMIS	Labour Market Information Survey
NEP	National Employment Policy
NHBS	National Household Baseline Survey
NHBPS	National Household Budget and Poverty Survey
SCVTA	Supreme Council of Vocational Training and Apprenticeship
SDG	Sudanese Pounds
SIEN	Sudanese Innovation and Entrepreneurship Network
SIHA	Strategic Initiative for Women in the Horn of Africa
SLFS	Sudan Labour Force Survey
SPA	Sudanese Professionals Association
SST	State-Sponsored Terrorism
STEM	Science, Technology, Engineering and Mathematics
SUDIA	Sudanese Development Initiative
SWEA	Sudanese Women's Economists Association
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
WBG	World Bank Group

Annex 2. Bibliography

249 Startups (2020) Impact of Covid19 on MSMEs In Sudan Overview, Khartoum.

Ahmed, Omer & Salma Mohamed (2020) Stakeholder's Opinion Survey on Youth Employment & Vocational Training, Department for Research & Development, Khartoum, March 2020 (for JICA).

Heritage Foundation (2020) Index of Economic Freedom. Available at: www.heritage.org/Index

IEC Research Chapter (2017) Entrepreneurship Scene in Sudan, Khartoum.

ILO-UNDP (2014) A Roadmap Toward A National Employment Policy for Sudan, January 2014.

ILO (2016) A Tracer Study of Technical Vocational Education and Training Institute Graduates in Khartoum State.

ILO (2020) The potential of skills development and recognition for regulated labour mobility in the IGAD Region – scoping study covering Djibouti, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda.

ILO (2020) Global wage report 2020-2021. Available at: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_762534.pdf

ILO (2020) Labour Market Assessment with Focus on Migrant Workers – Sudan Country Report (by MarketShare Associates), October 2020.

IMF (2020) Sudan – Selected Issues, prepared by Olusegun Akanbi, Qiaoe Chen, Mizuho Kida and Marta Spinella, Washington, DC, February 2020.

Ministry of HRD and Labour (undated), Education and Unemployment among Youth in Sudan, based on data from the 2011 Sudan Labour Force Survey.

Radio Dabanga (2020) Sudan raises minimum wage by 700%. Available at: <https://www.dabanga.sudan.org/en/all-news/article/sudan-minimum-wages-raised-by-700>

Supreme Council for Vocational Training and Apprenticeship (2020) SCVTA Emergency Strategic Plan 2021-2023 “A bright future for youth”

UNDP (2014) Trends in the Sudanese economy, 1st quarter 2014, newsletter, Khartoum.

UNESCO (2016) TVET Sudan Policy Review.

World Bank (2015) Realizing the Potential for Diversified Development – Sudan Country Economic Memorandum, Washington, DC.

World Bank (2018) Women, Business and the Law 2018, Washington, DC.

World Bank (2019) Poverty and Inequality in Sudan 2009-2014, Washington, DC.

World Bank (2020) Doing Business - Economic Profile Sudan (online version).

World Bank (2020) Effects of COVID-19 on Sudanese Enterprises - Initial Findings, December 2020.

Annex 3. Persons interviewed during scoping study

Organisation	Name	Position
(Semi-)Government		
Khartoum State Governor's Office	Hala Elamin	
Ministry of Labour and Social Development	Lena El Shiekh	Minister
Social Security Investment Agency	Hanan Abelkareem Abbas Nafisa Mahdi Sharfi	
International organisations		
GiZ	Anette Hoffmann	
ILO	Sean Paterson	Programme Manager, Prospects Sudan
JICA (Japan)	Mariko Ikawa Ahmed Abdalnaby	GEMS Project Team Leader
Netherlands Embassy	Sjoerd Smit Chelsey Buurman	Deputy Head of Mission
RVO (Netherlands)	Martijn Moonen	PSD Officer for Sudan
SIHA	Yousra Akasha Ibtihal Muzamil	Sudan Programme Coordinator
UNEP	Flemming Nielsen	
Donor-funded projects		
CIPE (funded by USAID)	Shaza Elmahdi	Country Director
RDPP (funded by MFA, Neth.)	Eman Abdelkarim	Project Manager
Local NGOs		
SUDIA (Sudanese Development Initiative)	Lameese Badr	Communications Officer
Kassala Women's Development Network	Hanan	President
IEC	Zulfa Malik	Programs Manager
Membership organisations		
SWEA	Jawhara Kanu Eiman Osman	Founding Member Founding Member
Enterprise Support Organisations Impact Hub	Khalid Ali	
Savannah Innovation Labs	Yousif Yahia	Founder and Managing Director

249 Startups/Orange Corners	Mutaz Mohamedhour Lujain Mahmoud Ahmed Elmurtada	Co-founder and Managing Partner Gender Specialist
Financial institutions		
Anafi Venture Capital	Khalid Mamoun	
Education institutions		
Garden City University, Khartoum	Khaled Abu Ghasim	
TechnoPole, University of Khartoum	Dr. Dina Mohamed Belal	Manager
Private sector companies		
Araak Group	Hassan Abdelhalim	
DAL Group	Sara Osama Daoud Daoud Mutasim Daoud Azza Nuri	
CTC Group	Amr Tayfour	Group Business Development and Sustainability Manager
EcoGenius		
Elbarbary Group	Randa Elbarbary	
El Amin Hamid Group	Imam Mahmoud Elamin	
El Nasr Company	Ahmed Eltom	
Elnefeidi Group	Wail Amin Elnefeidi	
Empower	Mohamed Mukhtar	
Expresso (telecom) Go Digital Services	Mustafa Abdelmalik Muhanad Osman Abdelazim	General Manager
Haggar Group	Mona Merghani	
HudHud iATL	Safia Elfadni Khaled Abu Ghasim	
Inmaa	Mohamed Elmamoun Samah Suliman	General Manager
Khodorgy	Mostafa Faiz	
Orooma	Mohammed Satti	Founder and Managing Partner
Tafaseel	Ahmed Khbeer Jephein Matthew	CEO, based in Dubai
Takreer Recycling	Halim Abdelhalim	
Tanzeen	Abdulrahman Eisa	

Annex 4. Promising sectors in Sudan (based on our own assessment)

Sectors	Potential to create jobs for youth (especially post COVID-19)	Opportunities for women	Interest of women to work in the sector	Required skills level
Digital Business Support Services	Low-Medium <ul style="list-style-type: none"> ▶ A growing sector due to increased adoption of technology and digitization (includes ICT, e-commerce and the creative sector). However, still at an early stage compared to other countries in the MENA region. ▶ Growth boosted by the expected lifting of tech restrictions with the removal of Sudan from SST list ▶ Youth increasingly shifting to digital, creative and tech-based disciplines and away from the traditional careers (Medicine, Law, Engineering). 	Medium <ul style="list-style-type: none"> ▶ Women have a relatively higher chance of competing in the ICT job market in particular. ▶ Moreover, online jobs may be convenient for women working from home. 	High <ul style="list-style-type: none"> ▶ Jobs in this sector are preferred by women as they tend to be in the more established companies with a more professional and safe working environment, and either practical to commute to or providing company transportation. 	Semi-skilled to High skilled <ul style="list-style-type: none"> ▶ At least a university degree is required for all employment in this sector. ▶ Jobs in the creative sector depends on actual role and the hiring company.
Hospitality and Food Services	Medium <ul style="list-style-type: none"> ▶ A big employer of youth, this sector is growing, especially in the capital attracting a lot of youth who have come from other states to find work. ▶ Many youth take on jobs in this sector out of necessity or take on part-time jobs while studying. ▶ Although it is a growing sector, it remains mostly an informal and not regulated sector. ▶ The sector was impacted by COVID19 during the lockdown from April to June. The sector is slowly coming back to its normal pre-COVID19 state, but as lot will depend on the future development of the pandemic and GoS response. 	Medium-Low <ul style="list-style-type: none"> ▶ Main employers are restaurants and cafes operating morning and night shifts, which is considered less appropriate for women. ▶ While some businesses are formal and offer suitable employment for women, most are informal and operate in a woman-unfriendly environment. ▶ There may be opportunities for women at management or administrative level. 	Low-Medium <ul style="list-style-type: none"> ▶ Long/irregular working hours, possible night shifts and geographic location are disadvantages for women – either for safety reasons or due to a traditional mindset which suggests that women should not work late hours or too far from home. 	Unskilled to Medium skilled <ul style="list-style-type: none"> ▶ Most jobs in this sector are unskilled, low income jobs ▶ There may be some opportunities for women in semi- or medium skilled jobs, in particular in the hotel sector or at travel agencies.
Agriculture	High <ul style="list-style-type: none"> ▶ One of the biggest employers and the leading employer in most states outside Greater Khartoum state ▶ An economic pillar for Sudan and core to stabilizing the devaluating currency. A strategic sector that needs government support, policy changes, and international investment, funding and technical support, to increase its productivity, which is currently very low. ▶ While providing a lot employment, most traditional jobs are not very attractive to youth. However, youth are becoming increasingly interested in agri-entrepreneur-ship and digital agri-solutions (ag-tech). ▶ Enrolment in agricultural studies at both public and private universities and technical colleges in very low (UNESCO, TVET Sudan Policy Review, 2016) 	Medium-Low <ul style="list-style-type: none"> ▶ In general, a male-dominated sector, but there are some regions where women play a more prominent role. ▶ Opportunities for young, educated women in initiatives that include digital agri-solutions. 	Low-Medium <ul style="list-style-type: none"> ▶ Women's interest in this sector differ strongly based on cultures and traditions. ▶ Young women increasingly interested in digital jobs in organic cosmetics or other types of ag-tech business. 	Unskilled - Semi-skilled <ul style="list-style-type: none"> ▶ Depends on the value chain and the type of job. ▶ Agri-processors need skilled workers; ag-tech activities require digital skills.
Manufacturing	Medium <ul style="list-style-type: none"> ▶ This is an important sector that the government is keen to support as it has a direct stabilizing effect on the currency (local production can replace imports and boost exports). ▶ Most manufacturing businesses are based in Khartoum; there is a need for further diversification and expansion. ▶ Enrolment and level of engineering and other technical training graduates is below par, leading to a mismatch on the labour market for manufacturing jobs. 	Low - Medium <ul style="list-style-type: none"> ▶ Depending on the sector, women can compete for certain jobs, but will find it more difficult for other kinds of jobs, which tend to be male dominated. 	Medium-High <ul style="list-style-type: none"> ▶ Blue collar jobs in formal industries may present job opportunities for women. ▶ Most formal companies offer adequate working conditions due to closer regulation of the sector. 	Semi-skilled to High skilled <ul style="list-style-type: none"> ▶ Skills level depends on the type of job. ▶ Additional skills development will be necessary for most blue-collar jobs

Sectors	Potential to create jobs for youth (especially post COVID-19)	Opportunities for women	Interest of women to work in the sector	Required skills level
Transportation and logistics	Medium-High <ul style="list-style-type: none"> ▶ This sector represents the backbone for all industries in Sudan, linking all different states of Sudan to each other and to the seaports and bordering countries. ▶ Has potential to grow as Sudan cities become more connected by land. ▶ Digital platforms providing transportation via ride-hailing/sharing have growth potential. 	Medium-Low <ul style="list-style-type: none"> ▶ Drivers and mechanics jobs male dominated ▶ Women can compete for admin as well as management positions ▶ There be more opportunities in the logistics sector ▶ There may be some scope for promoting non-traditional jobs, e.g. women-only taxi services 	Low <ul style="list-style-type: none"> ▶ No significant interest in the sector, at the moment, except for jobs in management or admin 	Semi-skilled to High skilled <ul style="list-style-type: none"> ▶ Skills level depends on the type of job ▶ Less skills needed for drivers or technicians ▶ Additional capacity development will be necessary for some administrative jobs.
Renewable energy	Medium <ul style="list-style-type: none"> ▶ Due to lifting of subsidies on diesel renewable energy options have become more cost effective, especially for industrial and agricultural businesses. Several generator suppliers now provide renewable energy solutions. ▶ There is an increased awareness for environmentally friendly energy solutions among youth especially those pursuing engineering majors which is a popular study. ▶ Growth of this sector simultaneous to growth of and modernisation of the agri-sector 	Low-Medium <ul style="list-style-type: none"> ▶ Currently male-dominated as most businesses adopting renewable energy solutions are based in rural areas, far from main cities ▶ Women with engineering or sales background are preferred at admin level in energy companies. 	Low-Medium <ul style="list-style-type: none"> ▶ Many women study engineering at university level but few pursue it as a career, due to harsh working environment in most companies. ▶ Women who cannot pursue an engineering career tend to shift their interest to admin jobs. 	Semi-skilled to High skilled <ul style="list-style-type: none"> ▶ Skills level depends on the type of job ▶ Less skills needed for lower technician jobs ▶ Additional capacity development will be necessary for some technical jobs.
Health	Medium <ul style="list-style-type: none"> ▶ Healthcare is a major employer as medical School is one of the preferred academic disciplines in Sudan. Overall, the sector is severely underdeveloped in terms of working environment, facilities and infrastructure. The situation made much worse as a result of the COVID19 pandemic and lack of government support. ▶ Number of graduating doctors is more than the number of available suitable jobs. ▶ Many states are in desperate need for more healthcare centres, which provides opportunities for growth as well as to fill the unemployment gap. ▶ Sudan should be subject to funds for relief to tackle the dangerous healthcare environment, which could provide jobs for many in the sector ▶ Rise of digital and home-service healthcare services, as a result of the pandemic, is creating new opportunities for medical practitioners. 	Medium-High <ul style="list-style-type: none"> ▶ Women can compete for most jobs in the healthcare sector, except in emergency wards or night-shifts due to less suitable working hours. ▶ For cultural and religious reasons women patients prefer to be seen by women doctors/nurses. ▶ With a great number of men pursuing healthcare careers outside Sudan seeking better pay, many women who cannot leave Sudan find opportunities. 	Medium <ul style="list-style-type: none"> ▶ Healthcare jobs are pursued by men and women alike as it is seen as a prestigious and respectable profession. ▶ Pay tends to be very poor, limited number of jobs and harsh working environment are pushing women to pursue jobs in other sectors. 	Semi-skilled to High-skilled <ul style="list-style-type: none"> ▶ Relatively low skill requirements for nurses ▶ High skills required for medical specialists, biomedical engineers and pharmacists.