

The Sudanese Private Sector and the Environment

Dr. Musa Al Khalifa

1. Introduction:

1.1 For almost two weeks in 1992 an historic event which was envisaged to have deep implications for the destiny of the Earth in the 21st century was taking place in Rio. This event represented a historic pinnacle of public and political support for the inter-linked goals of development, poverty eradication and environmental protection.

1.2 United Nations Conference on Environment and development (UNCED) sought to build upon Declaration of the United Nations Conference on the Human Environment (Stokholm, 1972), by establishing a new global partnership among states , sectors of societies and peoples and by working towards international agreements to protect the integrity of the global environmental and development systems. In this view the (UNCED) adopted the Rio Declaration on Environment and development, Agenda21. (a global plan of action for sustainable development),and the statement for forest principles. It also opened for signature the two conventions on Climate Change and Biodiversity.

1.3 The first major review of progress in achieving the (UNCED) commitments, Rio+5 took place in 1997. The general assembly in resolutions 8 (19-2,approved a programme for the Future Implementation of Agenda21. This resolution identified the date of the next comprehensive review and assessment of progress in the implementation of the (UNCED) commitments: June2002.

1.4 The last ten years showed improved environmental legislation, strengthened institutions in charge of environment and sustainable development generally increased national action and commitment to Agenda21 implementation of national coordination and collaboration, more involvement of NGOs and little involvement of private sector, yet current analyses indicate that governments and people have not done enough to respond to our crisis; ecosystems are being destructed, land and soil degraded, forests lost, air and water polluted, poverty increasing and social conflicts spreading.

1.5 The specified objectives for the assessment process of the NCSA may be summarized as follows to conduct national multi stakeholder assessment, strategies, integration and participation, critical issues and education and public awareness identify implementation problems, weaknesses and barriers and recommend solutions in the form of national and regional action programmes.

1.6 Points of focus suggest to diagnose strengths and weakness in implementation are (a) organizational and management systems; (b) institutional capacity, (c) resourcing, (d) political support and (e) legislative support.

2. International View:

2.1 A statement to the 21st session of the Governing Council of the United Nations Environment Programme (UNEP) regarding the 2002 World Summit on Sustainable Development mentions :

As the (UNEP) Governing Council conducts its dissections of emerging issues and papers for the 10th Anniversary of Rio Earth Summit, the International Chamber of Commerce (ICC) wishes to signal business commitment, engagement and priorities for the ongoing pursuit of sustainable development.

Many stakeholders are working toward the achievement of sustainable development, in order to improve the quality of life for all on the planet. The (ICC) recognizes that economic growth ,

environmental protection and social development are all inter –related aspects of sustainable development and that business has a central role with respect to all three of them .

On basis of the clear relationship between economic growth which is made possible by business, large and small, and greater social well being and quality of life, which extends beyond much needed material prosperity, to people’s health ,education and civic rights.

On those basic assumptions and statements the (ICC) states its commitment to sustainable development as a way in which public policy makers and business decision – takers alike can mediate and balance the sometimes competing imperatives of economic growth, environmental protection and social development for the benefit of humankind.

2.2 Whether the phenomenon of globalization is a result or a cause of the earth or a natural breed of international relations it is necessary to consider. The traditional barriers restricting the flow of information, participation, trade, investment, and cooperation are lowered. As a result it becomes a priority of the global community to create the conditions of good governance, trade and investment liberalization in which business can flourish and economic growth can occur.

The compatibility of globalization with sustainable development is a valid question. According to (ICC) it is important to recall, in this respect, that the process of globalization result not by a particular design but from a synergy encompassing free movement of capital, goods, services and people; rules and institutions that permit more open trade and investment; greater information access world wide through telecommunications and the internet, and upgraded participation by non –governmental organizations in international policy making.

Relating the issue of environment to economic growth the (ICC) proposal states , more fundamentally economic growth generates additional resources for environmental protection and social development in terms of employment and social services . Increased trade and investment also promote opportunities for countries and companies to exchange more environmentally efficient technologies, share good practices and contribute to environmental capacity building, particularly in developing countries.

The ongoing pursuit of sustainable development as an enabling framework will depend on maximizing the benefits of globalization while minimizing the negative effects so that all countries and stakeholders may share and benefit.

The (ICC) concludes its proposal with emphasizing:

- The importance of a strong and supportive framework for sustainable development through globalization, international cooperation and public – private sector partnership to improve quality of life and continue to find economic growth with environmental and social improvement.
- The urgent need to attack poverty by improving conditions for greater flow of trade and investment, better environment and technological cooperation, and increased efforts to improve market access, remove non- tariff barriers , create jobs and promote economic and social development .
- The need to identify priorities for international cooperative interaction towards sustainable development in the areas of:
 1. poverty reduction
 2. Integrating developing countries into the globalizing world economy development and capacity building

3. Integrating developing countries into the global knowledge economy with improved scientific cooperation and information sharing.
4. Continuing public – private partnership that is transparent, voluntary and built on joint ownership and trust.

3. Country View:

3.1 Environmental and sustainable development conventions and declarations related to the Earth Summit were meant to specify issues of more urgency and set the modality for treatment. Some sectors and roles were defined. Participation and involvement of some sectors was recommended. Collaboration, cooperation is to be observed. Government and societal institutions shall establish links and collaboration. The private sector is a societal, economic, non- governmental sector. It is called for participation accordingly.

3.2 On basis of the introduction and the international outlook some basic assumptions can be drawn as:

- Establishing global partnership.
- Work towards international agreements.
- Agenda21 is a global plan of action.

The current state indicates, on the eighth session of the (UNCSD) April 2000 recommendations, that:

- The 2002 review should result on action-oriented decisions and renewed political commitment and support for sustainable development from both government and civil society.
- Agenda 21 is:
 - Not negotiable
 - Constitutes framework to review progress.
- The private sector is looked at against this background.

3.3 Sudan has introduced a number of plans and some time strategies in its recent history plans and strategies may be characterized as:

- A number of plans.
- Variable periods of time.
- Variability in naming; plan, strategy.
- Variability in structure and content.
- Transient institutions and frequently changing administrative systems and personnel.
- Political power over expertise in decision-making.
- Abstract rather than operational.
- Rarely completed its terms to be monitored and evaluated toward its successor.

3.3 An example of plans and strategies is the Comprehensive National Strategy (1992-2002)

1. The document bases the over all framework of the economic strategy on a number of mutually connected guide lines:

- One. Upholding meaning of qualitative development human elevation and the enrichment of soul by faith .
- Two. Search for justice and equality
- Three. Reliance on natural resources, capabilities knowledge and skill and potentials.
- Four.** Adoption of strategy for economic reform based on the liberalization of the national economy.

2. procedures in liberalizing the national economy
 - One. Canceling the limitations on external currency and liberating price system ... to reflect the economic and social cost.
 - Two. The real value of local currency is to be determined by market mechanisms
 - Three. Adoption of policies that allow for the establishment of broad forms of private ownership and encouraging investment

3. priorities and main policies.
 - One. Raising capacities of investment in the agricultural sector , orienting to the production of export products .
 - Two. Giving absolute priority, in the framework of the leading sector strategy to the projects of vertical development and rehabilitation ...Also giving priority to basic infrastructure projects .
 - Three. Giving absolute priority to projects of major establishments and the necessary economic services, power, railways and ports.
 - Four. Utilizing credit and loan facilities to allow the free flow of the balance of payment obligations.

4. Objectives of the economic performance.
 - One. The multiplication of national income twenty-fold
 - Two. Doubling the checks of the banking units fifty fold.
 - Three. Realization of the stability of the national monetary value internally and externally

5. A look at the strategy reveals:
 - One. Lack of coordination that may have lead to conflicting aspirations. The objectives of forestry, agriculture and grazing are good example.
 - Two. Wishful thinking, the fifty fold doubling of insurance and the twenty fold doubling of GNP are not operationally feasible.
 - Three. Policies that are necessary to implement the strategy were loosely defined.
 - Four. Change in policies during the implementation period hindered the attainment of the objectives of strategy.
 - Five. Consistency in directing economy towards privatization, yet lack of transparency in implementation lead a blare view of results of privatization on the social and economic level.
 - Six. Privatization on the local level added to globalization on the international level tipped the balance in flow of money oriented economy against the prevailing subsistence economy. What depends on this on the social level, income distribution, standard of living remains to be seen.

5. Sudanese Private Sector:

5.1 The Early Period 1950-1969:

The private sector in Sudan described in this period, as service oriented generally in trade, agriculture and industry.

- Traditional trade in agricultural products.
- Related industry oil extraction, most by traditional methods.
- Export of agricultural products.
- Milk products, mostly cottage industry.
- Import machinery, agriculture, transportation and utility.

- Weaving mostly traditional.
- Some few families lead big business houses with a wide geographical and social distribution of small business and cottage industry.

Examples of small business distributions:

Crafts: *Birish, Guffa*, Kordufan, Darfur, Northern state and Gazira, Milaya and Tagia, Omdurman, Barber and some other big cities . This industry is predominantly female produced and marketed Dalaliat. Door to door trading most big cities and some villages, female dominated.

- Crafts: Anagreeb, boats, surrouge... etc Omdurman, Ed Dueim, Kosti for boats, South Blue Nile, Omdurman and other places for *anagreeb* and *surrouge*. Predominantly male production and marketing.
- Street Venders: Casual bye and sell off street corners and around the market place, male dominated, shared by females.

Indications:

- One. Environmental Impact Assessment (EIA) was not of concern as an issue, yet health inspection and health precautions were observed and health licensing was enforced when relevant.
- Two. Wide geographic distribution and localization of business tips the balance towards the subsistence economy, better distribution of income, more involvement of women.
- Three. Less government interventions in business.

5-2 Intermediate period: 1970-1990

This period can be characterized, in general terms by:

- Rapid growth of light industry i.e., food processing and canning, building and construction, furniture, etc
- Importation of machinery.
- Growth of industrial areas workshops and machinery necessary for workshops.
- Ownership and working force predominantly male. (Nationals some foreign naturalized citizens).

Indications:

- (EIA) although not a consideration, namely, legislation and regulations for health inspection and licensing and safety measures were developed and reinforced.
- Skilled labour training and development.
- Opened jobs for women in textiles and packaging.
- Government intervention as far as planning regulations and legislation is concerned was minimal.
- The middle the period, early seventies witnessed confiscation and nationalization, the result of which was discouraging the private sector .
- The complex process of business, the hierarchy of the working force, the complexity of work and working force, helped building awareness of working rights and organization of guilds and trade unions in private sector.

5.3 Late period: 1990 –2001

Generally described as rapid growth of industry, import and export, introduction of multi National Corporation, open to foreign investment.

The global dimension emerging as an issue in cost effectiveness and priorities. Growth covers both foreign and national private sector. Another issue that emerged strongly is privatization.

The balance is tipped towards money oriented economy rather than subsistence economy. This period is characterized by rapid reduction of value of the national currency and rapid growth of the volume of money in circulation.

Indications:

1. Toward the end of this period the “Environment Act” was passed (2001). The Higher council for Environment and Natural Resources (HCENR) is the body responsible for observing the reinforcement of the law. Accordingly (EIA) became a mandatory process that shall be carried, planned and or supervised by (HCENR) more over all major development schemes or projects or investment shall be subject to the approval of (HCENR)
2. The emergence of globalization and the late operation and agreements of World Trade Organization (WTO) have implications on the global and local level, on the global level: The rules of (WTO) were viewed by the “Civil society consultations on International Governance “Nairobi, 22/ 23 May 2001“ as “undermining the implementation of sustainable development agreements”. (WTO) had a committee on trade and environment, but it had been inclined to look at the negative impacts of sustainable development on trade rather than the negative impacts of trade on sustainable development“.

The Question of what may the effects of globalization be on private sector is in place:

Investment	Developed countries	Developing countries
Capital	International value	Local value
	High rate of exchange	Low rate of exchange
	Fast processes	Slow process
	Wide range of relations	Narrow range of relations
	Less of government control	Changing government policies
Product	High technology	Intermediate technology
	High level cosmetics	Low level cosmetics
	Skilled labour	Migrating skilled labour
	Strong public relations & advertisement	Weak public relations & advertisement
	Established names & markets	Emerging names & new markets
	High capacity institutions	Low capacity institutions
Commerce	Little government intervention	more frequently changing government intervention
	Efficient communications	Inefficient communication
	Established in external markets	Initiating external markets
	Abundance in markets	Scarcity in markets
	Consumer concerned with quality	Consumer seeks availability

This simple comparative table indicates that:

- With the power, volume and mobility of capital developed countries can invest in developing countries while the reversed is not feasible.
- Products of the developed countries are in better position to compete in the market in both developing and developed countries, while products of developing may be face tough competition even within country.
- Commerce in developing countries does not compete on equal footing with developed countries internationally nor does it within developing countries.

5.4 Emerging Approach:

Within the last ten year following the strong concern over the environment, the emergence of the concept of sustainable development, and participatory approach to development some projects,

pilot projects emerged as contribution to environmental conservation and or sustainable development.

As part of the process of implementation of the project "Support to Strategic Planning Process for Sustainable Development and Environmental Protection" a number of pilot project were funded the pilot projects were implemented by non government organizations NGIs, non government institutions NGIs and private sector P.S. Geographically they spread in Khartoum State, Gadaref and River Nile State.

Six of the pilot projects are briefly introduced for their relevance as emerging approaches to the private sector.

All projects quality as successful examples for:

1. Learning by doing
2. Observing the dimensions of sustainability and environmental conservation.
3. Relevant to the private sector.
4. Replicable

5.5 Projects:

1. Establishment of Shelter Belts in Mechanized Rein-fed Agricultural in Gedaref area.

The project was implemented by Gedaref Agriculture Graduates Society. The project provided:

- A model for the private sector investing in the area.
- Remedial work for an area struck by land degradation.
- Involvement of government authority.
- Possibility to extend to community.

2. Game farm Project:

This project was introduced by Wild Life Research Centre and implemented by private sector. The Project provides

- Feasibility study and planning to wild life farmers.
- Data base and technical knowledge to encourage private sector to invest in wild life breeding.
- Encourage collaboration between research institutes and private sector
- Calls for government facilitation.
- Educationally and aesthetically sound.

3. The Effectiveness of Traditional Medicine in Controlling Animal Diseases:

This project was Proposed and implemented by "Animal Resources Research Corporation". The project provided:

- Bio chemical assessment of types used traditionally in controlling animal disease "4 types"
- Applications of the products to relevant disease.
- Documenting the process.
- Dissemination of results among animal owners and traditional healers
- The study provides a good feasibility study for small business.

4. Supplementary Irrigation Project in Mechanized Rain-fed Scheme (using Wadi flow):

This project was introduced and implemented by Agro-Service a private sector firm in Gadaref. This project provides:

- A model to enable farmers to grow crops at early or late dates grow high market value products and diversify products.
- Avail water for drinking for human and life stock.
- Provide a model for investment

5. Use of plant Extracts of Essential Oil for Aromatic and Medicinal Uses":

This project was introduced and implemented by "Industrial Research and Cosultancy Centre. The projects provides:

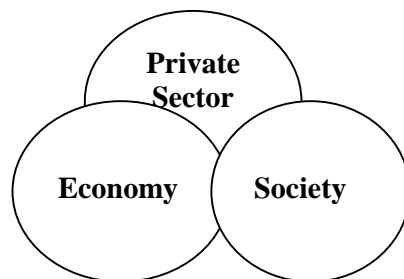
- Possibility of NGIs and researchers to study, experiment and produce.
- Disseminate results.
- Encourage private sector to invest in new areas.
- Collaborate with private sector for mutual capacity building.

6. Investment Legislation:

The main objective of the legislation is to encourage the private sector to invest in areas of development e.g.:

- Rehabilitation of projects in all aspect of economic and commercial areas.
- Article 7 of aspects of investment include among others includes among others environment
- Article 8 (1) prohibits discrimination on basis national vs. foreign vs. public invested capital.
- Article 16 (1) defines seven characteristics of favorable investment neither environment nor sustainability is among them.
- Article 18 states "in spite of any other legislation no administration is allowed to refrain from implementing the favorable states and guarantees offered by this legislation"
- Article 1 of "Environmental Act" State: " In spite of the rulings of any other legislation in regard to the specified authority inducement of project and programmes, any person who plans to execute any project the us most likely to have negative effects on the environment and natural resources shall present an (EIA), signed by a monitoring and evaluation committee designated by (HCENR).
- The evident conflict between the two articles calls for revision to remove the conflict,

7. Conclusion:



If the three components are inter dependent any instability in any of them would effect the others.

- Displacement as a social problem is an economic problem and as problem to he private sector to the sometime.

- Replacement those groups where they are socially, culturally and economically fitting is a requisite for sustainable development model.
- Reorganization of the relations between those replaced as productive force and local markets and sougs to national and international market is they way to revive both local producers and private sector on national and international level.
- This process put a bigger portion of the national economy processes within the country, encourage local production and local consumption result in
 1. Stronger local currency
 2. Stronger local private sector
 3. Less competition