Before delving into discussion of Sudan’s energy resources, it is first important to review key general characteristics of Sudan that have important implications for the country’s energy sector and renewables industry, in particular. With an area of 2,376,000km² (World Bank, 2004 & AFREPREN, 2005;), Sudan is Africa’s largest country which increases the cost of ensuring adequate energy services to all its communities found in different parts of the country. Sudan’s population is estimated at over 35 million, growing at an average annual rate of 2.18% (World Bank, 2004) with a significantly large proportion of young people who require employment. The energy sector could be an important contributor to job generation that would employ the growing number of young people entering to the job market every year. The urban population is estimated at 38%, and is expected to grow rapidly in the near future. Consequently, urban energy demand is expected to grow rapidly. While traditionally, it was believed that the bulk of the poor were found in rural areas, the picture is changing with rapid urbanization. A growing number of the poor are now found in urban areas and their need for adequate energy services will need to be addressed by Sudan’s policy makers. Sudan’s GDP increased from US$5 billion in the early nineties to almost $15 billion in 2002. The GDP growth rate in 2002 was estimated at 5.5% (World Bank, 2002) close to double the population growth rate. A large proportion of the growth is attributed to the energy sector – primarily revenues flows from a rapidly growing oil industry that is able to meet the bulk of local petroleum demand as well as generate a very substantial growth in oil exports. The per capita income was estimated at USD340 in 2002. A significant proportion of the population lives in poverty, with limited access to resources and incomes. The southern region of the country has registered the highest poverty levels over the years primarily due to political instability and simmering conflict that has now been brought under control with the recent signing of major peace agreements. The current political process in Sudan is likely to lead to a significant change in the development of the country. A peace agreement signed in January 2005 is currently being implemented, and is expected to result in better integration of the Southern Sudan in the national development process. Of particular interest has been the agreement to share oil revenues in an equitable fashion. Several processes have been initiated to build on the peace dividend with one of the most important being the Joint Assessment Missions, that have highlighted key development projects that should be given priority in the South; and the preparation of an interim poverty reduction strategy for Southern Sudan, which is ongoing and which will be merged with the existing draft poverty reduction paper and which is expected to provide the basis for more equitable development of the country as well as drastic reduction in poverty levels. A national initiative on Sudan’s strategies for achieving the MDGs has also been launched by the Ministry of Finance. These initiatives are likely to result in a significant reduction in poverty levels, and accelerated as well as more equitable development of Sudan.