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## I. Situation analysis

1. From its independence in 1993 until 1997, Eritrea formulated and implemented socioeconomic policies and strategies that led to a rise in economic growth (averaging 7 per cent per annum) and other marked improvements in health and education. However, the border war with Ethiopia (1998-2000), the stalemate over the border demarcation and recurrent drought reversed the positive post-independence gains. For instance, between 1998 and 2004, the country averaged annual gross domestic product (GDP) growth of only 1 per cent and a high incidence of poverty at 66 per cent,<sup>1</sup> thereby intensifying the vulnerability of the population. Moreover, unemployment, especially among youth, became a major and persistent concern of the Government. Given the paucity of data, it is difficult to state the country's present youth unemployment rate. More recently, there have been signs of economic improvement, as investments in the mining sector continue to grow, offering a good opportunity for job creation. GDP has been projected to grow by 2 per cent in 2012 and 7 per cent in 2013.<sup>2</sup> On the political and diplomatic fronts, after years of absence from international and regional bodies such as the African Union and Inter-Governmental Authority on Development, in 2011 the Government took steps to reactivate its full participation and membership in these bodies. These positive initial reengagement efforts require a sustained investment by the Government and the international community.

2. Eritrea is on track to achieve the Millennium Development Goals (MDGs) dealing with child health, maternal mortality, HIV/AIDS, malaria and other diseases. The country has made significant progress in reducing under-five mortality in the last decade, from 93 deaths per 1,000 live births in 1995 to 48 in 2010. It has also reduced maternal mortality significantly from 998/100,000 live births in 1995 to 486/100,000 live births in 2010.<sup>3</sup> Despite progress made on the health-related MDGs, Eritrea still remains off-track in major MDGs critical for achieving human development, such as eradication of extreme poverty and hunger and achievement of universal primary education.<sup>4</sup> For instance, by 2005, Eritrea managed to increase the net enrolment rate from 23 to 52.6 per cent after developing a rapid expansion programme in basic education. However, by 2010, this had declined to 49.6 per cent,<sup>5</sup> with disparities by location and gender.

3. Eritrea is situated in an arid and semi-arid region of the Sahel in Africa, making it vulnerable to the adverse effects of increased variability in rainfall patterns, which causes floods and droughts, water stress, land degradation, rising temperatures and deforestation (given the country's high dependence on fossil fuels and associated energy-intensive products and fragile ecosystem).<sup>6</sup> These factors could potentially undermine the progress it has made toward attaining sustainable development, poverty reduction, food security, and improved livelihoods. At the moment, about 70 per cent of the country's population, most of whom are women and children, reside in rural areas and predominantly rely on crop and rain-fed agriculture, livestock and fisheries for employment and income generation.<sup>7</sup> Therefore, ensuring food security, sustainable livelihoods and building resilience among these groups requires the right mix of community development and policy interventions, which are all important national priorities of the Government.

4. At the time of independence, the Government demonstrated strong commitment to creating a public administration that could ably deliver effective and efficient public services. It was successful in establishing the different institutions but was unable to

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<sup>1</sup> *The State of Eritrea Millennium Development Goals Report*, 2006, Ministry of National Development.

<sup>2</sup> Eritrea Country Report, Economist Intelligence Unit, 2012.

<sup>3</sup> Health Management Information System, 2009-2010, Ministry of Health.

<sup>4</sup> *The State of Eritrea Millennium Development Goals Report*, 2006, Ministry of National Development.

<sup>5</sup> Education Management Information System, 2009-2010, Ministry of Education.

<sup>6</sup> Eritrea's Initial National Communication under the United Nations Framework Convention on Climate Change, December 2001.

<sup>7</sup> Government Food Security Strategy, 2004.

effectively deal with human capacity challenges resulting from the severe shortage of qualified staff to manage the day-to-day administration and implementation of policies and regulations. The situation still persists, especially with respect to managing international relations and human rights; trade and investment policy formulation; and statistics, which should provide the foundation for evidence-based policy development. Furthermore, the strong national commitment to gender equality and the advancement of women in Eritrea are being undermined by the lack of adequate capacity to mainstream gender into national development policies and strategies and to undertake advocacy and policy dialogue on gender issues. For instance, Eritrea has a legislated quota in decision-making, reserving 30 per cent of seats for women in provincial and district administration and in national parliament. However, women currently make up only 22 per cent of the National Assembly and 18 per cent of ministerial positions in the cabinet, although women's participation in decision-making is stronger at the lower government levels.<sup>8</sup> There is therefore a strong need to prioritize capacity-building interventions for gender mainstreaming and policy dialogue on gender issues, with a focus on women in leadership and higher-level decision-making.

## II. Past cooperation and lessons learned

5. *Past cooperation.* As an integral part of the United Nations Development Assistance Framework (UNDAF), the country programme 2007-2011 was designed and implemented jointly by UNDP and the Government of Eritrea to address national priorities. The final country programme evaluation found strong evidence of the UNDP contribution to development results in Eritrea. This includes support to the resettlement and reintegration of internally displaced persons (IDPs)/expellees and returnees (71,000) who were in emergency camps at the start of the programme and most of whom have now improved their livelihoods. Regardless, they have a long way to go toward restoring their assets to pre-war levels and building resilience to natural and socioeconomic shocks. In addition, the successful implementation of the first wind energy pilot project in Eritrea through the support of UNDP/Global Environment Facility (GEF) has positively influenced government policy on the replication of wind energy in other wind-rich areas (in line with MDG 7). The project, which was commissioned in the Port City of Assab, currently produces 20 per cent of the city's energy needs with annual generation costs having been reduced by over 30 per cent.<sup>9</sup>

6. In 2011, the collaboration between the Government and the United Nations system went through a critical and uncertain period, following the abrupt termination of the UNDAF 2007-2011 by the Government. Instead of following the UNDAF, the Government requested the United Nations system to channel its resources to three areas: health, water supply and sanitation, under an interim cooperation framework, which ended in December 2012. The role of UNDP was drastically reduced to operational and regulatory capacity development for the Ministry of Health, and to strengthening the capacity of the Ministry of Land, Water and Environment to provide sustained water supply and sanitation. However, the recent renewed commitment of the Government to engage with the United Nations system and the international community has paved the way for broader, deeper programming in a new partnership framework that takes into account the mandates of each United Nations organization. Therefore, the proposed priority areas of the country programme include national capacity development and gender, sustainable livelihoods and food security, and environmental sustainability.

7. *Lessons learned.* The first lesson is that UNDP programmes can and should be implemented without costly programme implementation units. Despite the cited national capacity challenges, UNDP was able to integrate nearly all its programmes, both at national and regional levels, fully into government structures without separate programme

<sup>8</sup> "Eritrea Gender Profile 2008", African Development Bank.

<sup>9</sup> "Pilot Wind Energy Project Terminal Evaluation", 2009, UNDP.

units consisting of chief technical advisors and other staff. This was largely a result of strong government leadership and its policy that discourages the creation of such units. Second, in the last UNDAF, some joint programmes were not fully implemented owing to unrealistic programme resource forecasts by some United Nations organizations. In future programmes, the United Nations system needs to invest in assessing more accurately the resource situation and liaise more closely with donors so that the resource forecasts are more realistic. Third, government policy formulation and adoption at the national level appears to be cautious and slow with delays in the enactment of draft policies and laws. As such, UNDP needs to better understand the government policy-making process and engage more thoroughly with the leadership in the country prior to supporting policy formulation.

### **III. Proposed programme**

8. The programme is anchored in the Government-United Nations Strategic Partnership Cooperation Framework (SPCF) 2013-2016, which is aligned with the national development priorities articulated in sector plans, strategies and policies. The programme has been designed while the Government is still preparing the National Development Plan, and while the broad parameters are defined in this country programme, the country programme will remain somewhat flexible in order to accommodate relevant issues under areas that may emerge from the National Development Plan. The programme strategy, which comprises three main strategic priority areas, has been designed to respond to the development aspirations of the Government aimed at achieving rapid, balanced, home-grown and sustainable economic growth with social equity and justice, based on its self-reliance principle. The programme strategy focuses on providing support to the Government to accelerate progress in achieving MDGs that are not on track by building capacity in targeted public sector institutions for effective and efficient service delivery, promoting gender equality and empowerment of women and youth, ensuring conservation and sustainable use of natural resources, and building resilience at household levels. The programme foresees cross-thematic integration where impact can be achieved by developing linkages among the various interventions. The programme's three priority areas are as follows:

#### *National capacity development (MDG 3 and 8)*

9. UNDP support aims to enhance national capacity in the following strategic areas: (a) international relations and human rights, diplomatic engagement, and implementation of Universal Periodic Review recommendations; (b) trade and investment negotiations and policy formulation, which will improve the policy regulatory environment and thus contribute to attracting foreign direct investment to spur the domestic economy; and (c) disaggregated data collection, analysis and dissemination and the establishment of a comprehensive and gender responsive national data management system to inform evidence-based development planning and management. In addition, UNDP will focus on women in leadership and higher decision-making positions. It will also support the National Union of Eritrean Women and key national institutions to strengthen its human and institutional capacities to mainstream gender in national policies and strategies. This includes engaging in advocacy and policy dialogue on gender issues, including in areas related to sustainable livelihoods and agriculture, and integrated water resources management. Where possible and appropriate, the Eritrean diaspora will be used to support the national capacity development efforts.

#### *Sustainable livelihoods and food security (MDG 1 and 7)*

10. This strategic area will build on the past Early Recovery Programme to focus on developing long-term resilience and economic empowerment of local communities through area-based development and integrated approaches. The major area of intervention will be strengthening communities' productive capacity in farming, fishing, and agriculture, in collaboration with the Food and Agriculture Organization of the United

Nations (FAO), and creating employment and income generating livelihood opportunities with a focus on women and youth. In addition, UNDP will support awareness and training programmes on drought preparedness, mitigation and contingency planning at regional and sub-regional levels in order to enable communities to build coping mechanisms against natural and economic-shocks. UNDP will also support building local leadership capacity in a wide range of areas, including planning, programming, management and efficient utilization of resources as well as raising awareness of legal frameworks that benefit the poor. Moreover, UNDP, in collaboration with the United Nations Children's Fund (UNICEF) and the Eritrean Demining Authority, will support targeted communities to increase arable farmlands through demining as a continuation of the UNDP Mine Action programme, thereby contributing to sustainable livelihoods, poverty reduction and food security.

#### *Environmental sustainability (MDG 7)*

11. UNDP will contribute to the implementation of the overall strategy of the Government for integrated land, water and environmental resources management. The specific areas of support will be: (a) integrated water resource management (watershed management) that increases infiltration, recharge and reliability of increased, safe and sustainable water sources for personal, domestic and agriculture uses. Gender inequalities regarding equitable water resource management will also be addressed within this context; (b) conservation and sustainable use of natural resources and biodiversity through the establishment of new protected areas and the application of sustainable land management systems (SLM); (c) increasing community resilience and adaptive capacity to climate change through implementation of appropriate mitigation and adaptation programmes aimed at reducing climate change risks and communities' vulnerability; (d) supporting advocacy and awareness raising on the effects of climate change and building adaptive capacity of national institutions to undertake adaptive and mitigation assessments to generate information for decision-making; and (e) conducting studies on alternative sources of energy and promoting/replicating successful pilot renewable energy technologies in wind-rich areas in Eritrea. UNDP aims to work with multilateral facilities that support environmental efforts, such as the Adaptation Fund, Global Environment Facility, and Least Developed Countries Fund.

#### **IV. Programme management, monitoring and evaluation**

12. The programme will be nationally executed with national ownership and the involvement of national institutions in programme implementation. This remains the guiding principle for UNDP, with other implementation modalities, such as direct implementation, utilized in agreement with the Government. The Ministry of National Development, as the national coordinating authority for international cooperation, will approve programmes and projects and ensure coherence of activities with national policies and objectives by participating in the preparation of UNDP programmes and projects and in their appraisal process. Annual work plans will also be prepared through consultation with national counterparts and signed by implementing partners.

13. UNDP core funds will be used as catalytic resources while efforts are made to mobilize additional resources from development partners. This will entail developing a resource mobilization strategy. Furthermore, UNDP will place greater emphasis on results-based management to enhance programme coordination and implementation. In addition, UNDP will work with other United Nations organizations and the Government to review quarterly outcome progress reports of programmes and projects and conduct joint annual reviews, outcome and programme evaluations, and mid-term and final country programme action plan evaluations. Programme steering committees with the Government and other stakeholders will serve as important mechanisms for programme monitoring, evaluation and review. UNDP will align itself with the proposed programme and further strengthen operational capacities for efficient implementation. Continuous monitoring of needs will facilitate further adjustments as required.

### Annex. Results and resources framework for Eritrea, 2013-2016

NATIONAL PRIORITY OR GOAL: <i>Strengthening regional and national capacity for development efficiency and effectiveness in Eritrea.</i>					
SPCF OUTCOME 4: <i>Selected government institutions have the capacity to effectively and efficiently provide services to all.</i> Outcome indicator: <i>Selected government institutions delivering quality services. Related strategic plan focus areas: Capacity of institutions developed.</i>					
GOVERNMENT PARTNER CONTRIBUTION	OTHER PARTNER CONTRIBUTIONS	UNDP CONTRIBUTION	INDICATOR(S), BASELINES AND TARGET(S) FOR UNDP CONTRIBUTIONS	INDICATIVE COUNTRY PROGRAMME OUTPUTS	INDICATIVE RESOURCES BY OUTCOME (United States dollars)
The Government will put in place the enabling environment for effective human and institutional capacity development.	United Nations organizations – UNFPA, World Health Organization (WHO), and the Office of the United Nations High Commissioner for Refugees (UNHCR) – and development partners will provide technical and financial support and participate in the implementation of programmes through joint planning, coordination, monitoring and evaluation.	UNDP will provide access to best practices for increased institutional performance for effective and efficient service delivery. In addition, standards, organizational and process design, and technical inputs for targeted skills development will be supported by UNDP.	<p><b>1. Indicators:</b> Updated communication strategy approved; Universal Periodic Review (UPR) implementation mechanism in place; and database of diaspora professionals established. <b>Baseline:</b> Existing communication strategy; absence of UPR implementation mechanism and diaspora database. <b>Target:</b> A national communication strategy approved and fully operational; UPR implementation mechanism in place; and a comprehensive diaspora database system in place.</p> <p><b>2. Indicators:</b> Reformulated trade and investment policies and regulations implemented. <b>Baseline:</b> Trade and investment policies and regulations exist. <b>Target:</b> Reformulated national trade policy and strategy approved and implementation started.</p> <p><b>3. Indicators:</b> Number of national institutions fully equipped to mainstream gender into sector and national plans, strategies and policies and to engage in advocacy and policy dialogue on gender issues (for example, women in leadership and decision making; women in sustainable livelihoods and agriculture; and women integrated in water resource management). <b>Baseline:</b> Five (5) national institutions with gender responsive sector plans, strategies and policies. <b>Target:</b> Seven (7) national institutions with gender responsive sector plans, strategies and policies.</p> <p><b>4. Indicators:</b> National gender disaggregated database established. <b>Baseline:</b> No national gender disaggregated database. <b>Target:</b> A comprehensive gender disaggregated database to inform evidence-based development planning and management.</p>	<p><b>Output 1:</b> Enhanced capacity of the Ministry of Foreign Affairs in diplomacy for effective development intervention.</p> <p><b>Output 2:</b> Enhanced capacity of the Ministry of Trade and Industry to better engage in trade and investment promotion.</p> <p><b>Output 3:</b> Enhanced capacity and coordination mechanism in targeted public institutions to mainstream gender and engage in advocacy and policy dialogue on gender issues.</p> <p><b>Output 4:</b> Enhanced national capacity in gender disaggregated data collection, analysis and dissemination.</p>	<p><i>Regular:</i> 4.275 million</p> <p><i>Other:</i> 0.96 million</p>
NATIONAL PRIORITY OR GOAL: <i>To ensure that all Eritreans have sufficient quantity of acceptable quality of food at an affordable price at any time and place within the country.</i>					
SPCF OUTCOME 6: <i>Poor and vulnerable households have improved access to, and utilization of, quality food and enhanced livelihoods opportunities.</i>					

<p>sector ministries/authorities, regional administrations and local communities to have access to and utilization of quality food at the household level and improve the livelihoods of the poor and vulnerable groups.</p>	<p>Coordination of Humanitarian Affairs (UNOCHA), UNDP Small Grant Programme and donors will be key contributing organizations technically and financially. National unions of women, youth and workers and local communities will be involved in mobilizing and conducting consultations with communities and ensuring that interventions are appropriate for the specific communities.</p>	<p>community resilience and economic recovery of the war and drought affected population by strengthening and developing communities' productive sectors and creating employment and income-generating livelihood opportunities through a package of inter-related economic activities (MDG1). These community development interventions will inform national level policy discussions.</p>	<p>with focus on women and youth; and number of women and youth trained in vocational skills; the Government Food Security Strategy enhanced. <b>Baseline:</b> 60 per cent and 25 per cent food secure during good and bad seasons, respectively; percentage of households engaged in income generating activities and number of women and youth trained in vocational skills are to be determined; policy level Government Food Security Strategy exists. <b>Targets:</b> 10 per cent of food increased in households; 1,000 households with enhanced food security; 1,000 households (5,800 people) engaged in employment and income-generating schemes; and 1,000 women and youth trained in vocational skills; broadened Government Food Security Strategy that ensures access to and utilization of quality food and the improvement of livelihoods for the poor and vulnerable.</p>	<p>communities and regions. <b>Output 2:</b> Women and youth have the skills to participate in income generating activities and are employed. <b>Output 3:</b> Policy level Food Security Strategy broadened and ensures access to and utilization of quality food and the improvement of livelihoods.</p>	<p><i>Other:</i> 2 million</p>
<p><b>NATIONAL PRIORITY OR GOAL:</b> <i>To establish an integrated land, water and environmental resources management and secured real asset ownership/rights for sustainable development (MDG 7).</i></p>					
<p><b>SPCF OUTCOME 7:</b> <i>Eritrea is on track towards the achievement of MDG targets for environmental sustainability.</i>  <b>Outcome indicator:</b> (a) <i>National Environment Bill adopted and implemented;</i> (b) <i>National Water Sector Management Plan outlining roles and functions in place.</i> <b>Related strategic plan focus areas:</b> <i>Environmental sustainability and energy</i></p>					
<p>The Government will put in place institutional capacity at all levels and structures, and among local communities for participatory natural resource management in protected territories. It will also commit to supporting the establishment and sustainable management of new protected areas.</p>	<p>Regional administrative offices and community-based organizations will mobilize local communities; United Nations organizations (FAO, UNHCR, UNICEF and WHO) and GEF will provide technical and financial resources and will be part of promoting ecosystem services through joint coordination, planning, implementation, monitoring and evaluation.</p>	<p>UNDP will contribute seed money, support the Government to mobilize resources, jointly plan, manage, and evaluate programs to build national capacity, to mitigate climate change risks, to reduce vulnerability, reduce environmental degradation and enhance development of natural resources.</p>	<p>1. <b>Indicators:</b> Number of policies and plans with sustainable land management (SLM) mainstreamed; number of households with improved land use management systems; number of protected area financial plans; and number of communities with access to integrated sustainable water supply and renewable energy sources. <b>Baselines:</b> No policies and plans with SLM mainstreamed; inexistence of SLM practices; no protected area financial plans; and inadequate access to water and energy sources. <b>Target:</b> SLM mainstreamed in three national policies and plans; 31 villages implementing SLM practices; Three (3) protected area financial plans in place; 22 selected communities with access to integrated sustainable water supply and renewable energy sources.</p>	<p><b>Output 1:</b> Access to safe water sources increased.  <b>Output 2:</b> Integrated land management plans enacted for protected area systems and SLM mainstreamed, piloted and linked to adaptation and mitigation measures.  <b>Output 3:</b> Community resilience to climate change increased.  <b>Output 4:</b> Capacity of national institutions to undertake adaptive and mitigation assessments enhanced.  <b>Output 5:</b> Renewable energy technologies piloted, promoted and replicated.</p>	<p><i>Regular:</i> 10 million  <i>Other:</i> 34.7 million</p>