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دولة إرتريا
وزارة الشؤون الخارجية

The State of Eritrea
Ministry of Foreign Affairs

Brief National Progress Report of Eritrea

on the implementation of the

Istanbul Program of Action

Decade 2011-2020

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Developed Countries (LDCs)**

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I. Introduction

This Brief report on National Policies gives a glimpse of Eritrea's efforts towards achieving the objectives of Istanbul Program of Action (IPOA) 2011-2020. It is limited in its scope. It covers a brief summary of the developmental principles and actions that are most relevant to the IPOA.

Eritrea is one of the youngest sovereign states of the international community. At independence in April 1993, the Transitional Government of Eritrea had just emerged from a 30 year long arduous armed struggle for national independence. It inherited a ruined physical, economic and social infrastructure and literally an empty treasury.

The post independent period was characterized mostly by rapid development both at social and economic fronts. Some of this progress was, however, undermined by another cycle of war with Ethiopia that erupted in 1998 lasting until 2000. The border war ended with the signing of the Algiers Peace Agreement which established and mandated an independent arbitration Commission to demarcate and delimit the boundary in a final and binding manner.

The Commission fulfilled its delimitation mandate in 2002 and its demarcation mandate in 2007. However, Ethiopia's illegal occupation of sovereign Eritrean territories continues to this day. The United Nations, African Union, United States and European Union who explicitly committed themselves to guarantee the implementation of the Algiers Peace Agreement have failed to shoulder their responsibility. Moreover, Eritrea has been subjected, since 2009, to unjust sanctions by the UNSC which has further emboldened Ethiopia not only continue to maintain its occupation in violation of its treaty obligation, but also to engage in a regime change scheme.

Despite these challenges of underdevelopment, occupation, and sanctions, Eritrea's development strategy has focused on preparing the ground work for productive investment and sustainable development as well fostering economic growth that is widely shared among the various segments of its society.

II. The national developmental planning process, including key economic, social, political and environmental trends

The Government's development philosophy is to foster economic growth that is widely shared among the various segments of the society. Its policies have been articulated in a number of policy documents. Briefly, Eritrea's core strategy is to build a mixed economy that is open and export oriented; growth is prerequisite for development, as is the establishment of a business friendly environment, and the building of human and institutional capacity and the rehabilitation and reconstruction of the physical and economic infrastructure, including roads, airports, harbors, and power, water and sanitation facilities and priority areas for public investment.

Few weeks ago, the cabinet met and discussed and assessed progresses and challenges faced by each sector during the current year. A new action plan for the year 2016 has been drawn. The cabinet stressed that for 2016 more resources shall be devoted to the human resources as a way of enhancing developmental activities. Ownership and leadership of the development policy and programs shall be maintained and the broad participation of the people shall be ensured. Not to give any room to corruption, proper utilization of the scarce human and natural resources shall also be highlighted and the principle of accountability shall be promoted.

III. Assessment of progress and challenges in the implementation of the Istanbul Program of Action for the Decade 2011-2020

The Government of Eritrea is building up its social and physical infrastructures and boosting the stock of its human capital. Yet, it is facing multiple challenges including: Ethiopia's continued **occupation** of the sovereign Eritrean territory, including the town of Badme, and the unjust **sanctions** imposed on Eritrea by the United Nations Security Council that create obstacles to the government's efforts to establish a life of prosperity and dignity for everyone.

The impact of resource limitation, low productivity, underdeveloped infrastructure, and inadequacy of statistical systems at national level, and the economic and financial instability at the global level could not also be overemphasized to the implementation of IPoA.

a. Productive capacity

Mainstreaming the policy to **improve productive capacities** of key sectors, such as agriculture, fisheries, mining, manufacturing and services will continue to be important towards the implementation of the IBoA. Eritrea has established Geographical mapping Information Institute (GMIS) that is equipped with modern facilities and the requisite professional expertise in order to enhance and update primary data on the natural resources that the country is endowed with.

To ensure **food security** and transforming the **agricultural sector** more and more dams are built to introduce irrigation. Water harvesting and soil conservation activities are intensified.

Eritrea is rich in volcanogenic massive sulphide deposits that are good sources of various minerals. The mining sector continues to be important with seventeen foreign companies involved in production and exploring.

The Red Sea Coast is very rich in marine resources and can sustainably yield 80,000 to 100,000 tons of fish annually. There is rich investment potential to develop and export these untapped resources in Eritrea.

The country's location in the Horn of Africa with its natural resources and rich historical sites and its close proximity to the European and Middle Eastern market, makes it an attractive destination for **tourism** as well as strategic trade point. To boost the tourism industry, basic

infrastructure is being put in place and training of the needed work force is done on ongoing basis. This sector has the potential of being a good source of foreign exchange earnings if well developed and managed.

The two **ports**, Massawa and Assab, still have potential of becoming the country's foreign exchange earners by also serving other countries in the region. To facilitate this, efforts are currently being made to attract investment services to the port and shipment sectors as well as to **Free Zone Trade (FTZ)**. The completion of the free-port in Massawa is expected to also give boost to the export services, especially transport and logistics services. Furthermore, more opportunities are opening up in small and medium-sized enterprises in manufacturing, trade and services.

One of the goals of the Eritrean government is to make Eritrea a knowledge based society. Accordingly, ICT development is regarded crucial.

Eritrea has increased its power generation from 30 MW at independence in 1993 to 300 MW at present. Greater efforts are made to expand rural electrification and to introduce improved traditional stoves, including dissemination of alternative **energy** sources, such as solar. There is a major effort going on with the support of EU to expand solar energy in various parts of the country. Moreover, there are on-going initiatives to set up high speed wind farms, with one already established in Assab.

b. Agricultural capacity

Eritrea has been prioritizing the attainment of national **food security** and transforming the **agricultural sector**, where over 65%-70% of the population depends on subsistence farming. The government has mapped out since 2005, and is rolling an integrated Five Year Strategic Agricultural Development Plan in order to achieve sustainable food security. This policy was instrumental in ensuring food security, in the face of drought that affected the Horn of Africa in 2010-11. However, the last rainy season was not good and there is a need to closely monitor how El-Niño will impact the eastern region of Africa.

c. Trade

The recent licensing of a number of mining concessions is expected to make the **mining** sector one of the main drivers of growth. Exports are projected to grow in 2016, driven by the onset of the mining sector. Recently, commercial quantity of **oil and gas** reserve has been confirmed. Even though the country's full potential has not been exploited fully, it is reported that it has a potential of producing to 200,000 barrels of oil per day;

Eritrea has also started to export fish and sea cucumbers from the Red Sea on small scale to markets in Europe and Asia.

d. Commodities

Recently, a team made up of Market experts from WFP and National Statics Office visited markets in the capitals of total of five zobas/administrative zones to fully understand of commodity flows, market chains, and collected additional information that strengthened the understanding of food and nutrition security.

e. Private Sector Development

Eritrea believes that trade and investment are important tools for development. Recently, two conferences were held with the view of promoting the participation of the private sector in investment. To encourage foreign direct investment, it has enacted competitive fiscal regulation and packages to ensure fair return for risk while maximizing the benefits to the host country. At this point several corporations are operating in Eritrea and the trend is increasing. In this regard, several foreign companies, including from China, Canada, Australia, UK, South Africa, Russia and India are engaged in the exploration and development of the extractive industry. In the spirit of South-South Cooperation, China and other states are also involved in several developmental projects.

f. Human and Social Development

Education: Eritrea has adopted a policy of universal free education from pre-primary to higher education. This policy ensures that every child, irrespective of family economic background, gets the opportunity to enroll in education. Basic education is compulsory. Gross enrollment ratio at primary level is above 62.8% for girls and 71% for boys. Six specialized colleges located in the different regions of the country have been established giving certificates, diplomas, undergraduate and post-graduate degrees. Literacy rate for population aged 15 and over is 67.4% (2010).

Culture: Eritrea is a multi-ethnic society composed of nine ethnic groups. This diversity is considered a source of strength. Children are instructed in their mother tongue at the primary school level of education. All ethnic groups have the right and are indeed encouraged to develop their own language and culture through the provision of commensurate time in all media outlets.

Population and primary health: Eritrea's vision is the development of a healthcare system in which all persons have easy access to quality health services at affordable cost. About 60% of the population has access to health care within 5km while 40% have access to health facility within 10km radius. Reduction of maternal and infant mortality rate has scored big achievements and Eritrea is the first African states to achieve the three health MDGs by 2013, ahead of the target year of 2015. Immunization coverage is one of the highest in Sub-Sahara Africa, with 89% of children aged 12-23 months fully immunized in 2015.

The Government has adopted a strategy that places Non-communicable Diseases (NCDs) high on the agenda of health issues by building the capacity for community-based action, and strengthening health services for integrated prevention and management of chronic diseases. Life expectancy at birth increased from 46 years in 1991 up to 63.0 years at the present moment (World Health Report 2010).

Youth development: Eritrea's development strategy is anchored on investing in its human capital which involves upgrading and expanding its educational system and creating economic opportunities for the youth. This is an area that requires more investment and cooperation. As part of the government's effort to address the rising cost of living, effective last July, salary increments have been introduced for the civil servants, including the youth.

Last November, the National Union of Eritrean Youths and Students (NUEYS) adopted an Action Program for 2016 at a meeting conducted in Asmara that includes, on nurturing competent youth and reinforcing their active participation in the nation-building process. The youth continue to make significant contribution to the national and economic development of the country and climate change agenda by getting involved in afforestation, water harvesting, and several infrastructure construction programs.

Water and sanitation: Basic infrastructure has been developed to ensure efficient and equitable distribution of water to household, farms and manufacturing plants. The proportion of household without access to safe drinking water declined from 89% (1993-1995) to 32.5% in 2015. The proportion of households without flush toilets or ventilated improved pit latrines declined from 87.2% (1993-2005) to 68% in 2015.

Gender equality and empowering of women: Women's issues are mainstreamed in the political, social and economic life of the Eritrean society. Women's position in decision making and power is increasing at all levels, starting from the village level. By decree, 33% of the National Assembly seats are reserved for women, with no limits for higher representation. The same applies to Regional/Zoba Assemblies. The Government is also striving to bring about gender parity in governance and legislative bodies. Currently, women make up 22% of the National Assembly members and 18% of ministerial positions in the cabinet. Women's participation in the judiciary is also improving. Currently, 11.4% and 10.5% of the High Court and Regional Court judges, respectively, are women. Furthermore, waged and salaried women workers averaged 64% of men's earning while the mean wage of self-employed women was 112% of men.

Social protection: The state of Eritrea is committed to secure the social welfare of all persons and particularly of those disadvantaged. To this end, several mechanisms are put in place. The government with the support of Eritreans in Diaspora has taken responsibility to support families hard hit by the war. The government also provides monthly monetary and in-kind support to martyr's families and their children. Several saving and micro-credit facilities have been

operational with special focus on women-headed households with the aim of enhancing their economic empowerment. A Pension fund has also been established.

Environmental Sustainability: Eritrea is signatory to all of the relevant multilateral agreements and protocols related to the safeguarding of human health and the environment. Activities and projects pertinent to conventions and protocols are being developed and implemented. Large-scale soil and water conservation works and afforestation programs have been undertaken with full public participation. Guidelines for environmental assessment and protection against pollution in the mining sector in accordance with international standards are also put in place. As part of Eritrea's commitment to the international effort to mitigate global warming and climate change, it has submitted its intended nationally determined contribution (INDC) document to the Secretariat of UNFCCC.

g. Multiple crises and other emerging challenges

Moreover, high energy prices and low agricultural productivity and food insecurity, mainly due to **unreliable rainfalls and recurrent droughts** limit the government's role in providing and securing essential elements for the economic growth. The last rainy season was not good and there is a need to closely monitor how El-Niño will impact the eastern region of Africa.

Human Trafficking is another challenge that affects its migrants while making the long and arduous journey to reach rich countries with the view of a better life. At the national level, Eritrea has intensified preventive awareness campaigns through mass media, grass root organizations and community based town hall meetings. To tighten its fight against organized criminal networks, global extremism and terrorism, Eritrea has introduced an anti-money laundering proclamation and has been engaged in border security initiatives. Under the Khartoum process, Eritrea has forged a common front and strategy with its neighboring states, AU, EU, UNODC, IOM and other institutions, to step up its fight against human trafficking and human smuggling. On the issue of illegal migration, constructive dialogue is taking place between the European Union and Eritrea. Eritrea has welcomed the AU-EU Valletta Action Plan on Migration.

h. Mobilizing financial resources for development and capacity building

Eritrea's developmental strategy is anchored on the principle of **self-reliance**. Accordingly, Eritrea's development agenda primarily depends on locally mobilized skills and resources. Eritrea values international cooperation on the basis of mutual trust, mutual understanding and mutual benefit and based on the principles of partnership. Eritrea believes that the international cooperation programs should be supportive of the integrated national development plan. Since in 1994, Eritrea has instituted a 2% Rehabilitation and Reconstruction Tax for its nationals in the Diaspora which is useful in the country's efforts towards sustainable development.

Eritrea encourages foreign direct investment and has enacted competitive fiscal regulation and packages to ensure fair return for risk while maximizing the benefits to the host country. At this point several corporations are operating in Eritrea and the trend is increasing. In this regard, several foreign companies, including from China, Canada, Australia, UK, South Africa, Russia and India are engaged in the exploration and development of the extractive industry. In the spirit of South-South Cooperation, China and other states are also involved in several developmental projects.

The Strategic Partnership Framework of Cooperation with the UN is coming to an end in 2016, and new framework of cooperation will commence in due time. The 11th European Development Fund (EDF) is also to be signed in the context of the ACP-EU Cotonou Agreement.

i. Good governance at all levels

Eritrea has embarked upon a five-year Medium Term Development Programme that stresses on: (1) redoubling of development efforts (2) reorganizing the public institutions and (3) consolidating the political process of nation building, with human rights being mainstreamed as an integral part of this development programme.

Eritrea believes in constructive engagement in the promotion and protection of human rights. Last year, Eritrea presented its second cycle of Universal Periodic Review to the Human rights council and accepted a broad range of recommendations in the field of economic, social, cultural, political and civil rights as part of its commitment to advancing human rights. Reorganization of government institutions has been initiated and last May, The Government has issued civil and criminal codes and their procedures to strengthen it's the rule of law. There is zero tolerance for corruption in the country. Proper use of resources is stressed at all levels of the government structure and there is no impunity for any person that is involved in corruption.

IV. Coherence and linkages with the Post-2015 Development Agenda and other global processes

The transition from the MDGs to the SDGs has already been launched in a joint program with the UN country team equally, AU officials visited Eritrea recently with of view of initiating the domestication the AU vision and action plan of Agenda 2063 in order to build a prosperous and united Africa based on shared values and common destiny.

V. Conclusion and Way Forward

The Istanbul Program of Action is comprehensive and is useful in building partnership and addressing the overarching challenge of poverty eradication. Eritrea views the IPoA in conjunction with other international development agenda and Eritrea will continue to develop and strengthen its own mechanisms for ensuring that the areas identified in the Programme of Action are tackled in a an effective and country-owned manner. Without minimizing the

potential contribution of other sectors, the discovery of substantial mineral deposits in parts of the country and large foreign investments in this sector will significantly add to the economic growth of the country and in the creation of employment opportunities. However, Eritrea's developmental agenda faces serious challenges from several angles. Ethiopia's continued occupation of sovereign Eritrean territory needs to be recognized as an impediment to the national efforts of the country and should be addressed appropriately. The sanctions regime imposed on Eritrea is another challenge that cannot be underestimated in its negative impact with respect to the security dimension and the overall social and economic wellbeing of the country.