

What are Eritrea's policy commitments to development?

Amina Khan, Mark Miller and Abraham Diing Akoi

Overseas Development Institute

October 2015

EPS-PEAKS is a consortium of organisations that provides Economics and Private Sector Professional Evidence and Applied Knowledge Services to the DfID. The core services include:

- 1) Helpdesk
- 2) Document library
- 3) Information on training and e-learning opportunities
- 4) Topic guides
- 5) Structured professional development sessions
- 6) E-Bulletin

To find out more or access EPS-PEAKS services or feedback on this or other output, visit the EPS-PEAKS community on <http://partnerplatform.org/eps-peaks> or contact Alberto Lemma, Knowledge Manager, EPS-PEAKS core services at a.lemma@odi.org.uk.

Disclaimer Statement:

The views presented in this paper are those of the authors and do not necessarily represent the views of Consortium partner organisations, DFID or the UK Government. The authors take full responsibility for any errors or omissions contained in this report.

Contents

List of Boxes, Figures and Tables	iii
1 Executive Summary	1
2 Introduction	3
3 Country context	4
3.1 Geography	4
3.2 Ethnicity	4
3.3 Political and economic history	5
3.4 Agriculture, climate and food security	6
3.5 Governance and human rights	6
3.6 International relations	7
3.7 Key Indicators	7
4 What are Eritrea's policy commitments to development?	8
4.1 What is its policy commitment to sustaining economic growth?	8
4.2 What is its policy commitment to financial management?	11
4.3 What is its policy commitment to poverty reduction?	13
4.4 What is its policy commitment to the MDGs aside from reducing poverty?	15
4.5 What are its policy commitments in specific sectors and to delivering public services?	17
5 What are its commitments to human rights and governance?	24
5.1 The prevailing situation	24
5.2 The state of migration	27
5.3 Forms of human rights violations	28
6 What are the current development challenges and needs in Eritrea?	30
6.1 Current development challenges	30
6.2 Current development needs	30
6.3 Obstacles to effective aid programming in Eritrea	31
6.4 Facilitators of effective aid programming in Eritrea	31
References	33
Annex 1. Summary findings of the Commission of Inquiry on human rights in Eritrea	35
Annex 2: Ratification of international human rights treaties by Eritrea	35

List of Boxes, Figures and Tables

Boxes

Box 1: Eritrea's progress towards meeting the MDGs	16
Box 2: Eritrea's mandatory conscription through 'national service'	25
Box 3: People's Army	26
Box 4: The state of migration	27

Figures

Figure 1: Sectoral composition of GDP, 1992 and 2009	9
Figure 2: Exports and imports of goods and services, percentage of GDP, 1992-2011	9
Figure 3: Military expenditure as a percentage of GDP, 1993-2003	14

Tables

Table 1: Sanctions imposed by the UN on Eritrea since 2009	7
Table 2: List of key indicators	7
Table 3: Fiscal indicators as a percentage of GDP	10
Table 4: World Bank CPIA Ratings on Governance 2005-2014 (1=low, 6=high)	11
Table 5: ODA Flows by Donor in USD millions	12
Table 6: Percentage share of aid between 2009 and 2012	13
Table 7: Poverty incidence in Eritrea, headcount, 2003	13
Table 8: Ratification of international human rights treaties by Eritrea	35

1 Executive Summary

While evidence discussing poverty and the MDGs is available, the information on public financial management is rather slim. Several reports document Eritrea's human rights situation, which is deplorable and is plunging the country into serious jeopardy, both domestically and internationally.

Economic development - and in particular creating a modern, private sector-led economy - is central to the Eritrean government's policies. The National Indicative Development Plan (NDP) covering a four-year period, from 2014 to 2018 has identified three strategic priority areas: development of human capital; food security; and infrastructure development. The government has designed a few sectoral plans and strategies around the NDP with a view to improving growth prospects in the country. Most sector plans, covering the period 2013-2017, have been completed, in particular for education, agriculture, energy, water, sanitation and for the environment. The sector plans have been submitted to the Ministry of National Development for consolidation into the NDP.

Yet, complicating Eritrea's commitment to economic development is a weak investment and business environment, sanctions by the UN since 2009 over the findings of the Monitoring Group that Eritrea has provided political, financial and logistical support to armed groups engaged in undermining peace and reconciliation in Somalia and regional stability, a poor human rights record, and weak macroeconomic conditions in general.

No systematic assessments of Eritrea's public financial management (PFM) system have been undertaken by donors in recent years. No budgetary data is made publicly available, so it is difficult to see from the outside how money is being allocated and used. The limited fiscal information provided in the African Economic Outlook (AEO) (2015) suggests that there are systems in place which allow the government to exert a basic degree of fiscal control, but the reliability of this data is questionable. PFM in key areas such as national economic planning, medium term expenditure framework (MTEF), annual budgeting, financial management & accounting, investment planning and procurement is weak.

The lack of information understandably translates into a lack of confidence amongst international organisations in Eritrea's PFM systems. There have been some isolated efforts to provide technical assistance on specific issues including the introduction of a new chart of accounts and increased computerisation of financial management. These initiatives seem to be responses to *ad-hoc* requests, rather than based on a detailed understanding of the major constraints to the system's effective functioning.

The absence of publicly available and reliable socio-economic statistics means that significant caveats are required in making objective assessments of macroeconomic management in Eritrea. No budgetary data is made available in the public domain (Open Budget Index and International Budget Partnership, 2015). The fiscal statistics published on the African Economic Outlook (AEO) 2015 are based on IMF estimates.

According to the AEO (2015), economic growth in Eritrea is projected at 2.1 percent in 2015, up from 1.3 percent in 2013 and 2 percent in 2014, reflecting improved economic activity and increased investment in the mining sector as well as increased production of gold and silver at the Bisha mine. Over the medium term, the government is optimistic about improved trade with Middle-Eastern and Asian countries, the growth of the food sector and the development of tourism.

Economic prospects in the immediate to medium-term will be contingent on how the following factors are dealt with:

- tensions over the border with Ethiopia, which entail high security infrastructure expenditure;
- the state of migration;
- fragile relations with the international community;

- implementation of the regional programme on drought resilience and sustainable livelihoods under the Intergovernmental Authority on Development (IGAD);
- capacity building under the African Development Bank's new Transition Support Facility (TSF);
- increasing investments in the mining sector;
- continued engagement with Middle-Eastern and Asian countries;
- responses to the fluctuating supply of energy; and the
- ability to retain and/or develop skilled labour.

Data on Eritrea suggests it is on track to achieve four of the eight MDGs. The commitments made by the government of Eritrea to reduce poverty and improve socio-economic development are likely linked to improvements in some areas like MDGs 4, 5, 6 and 7 (see footnote and Box 1).¹

However, Ethiopia remains a poor country, with high poverty rates, low technical capacity, considerable basic infrastructure needs and little international development financing. This situation must be seen against the backdrop of a poor human rights record, judged to be repressive by the UN Human Rights Council (UN HRC), whereby people in Eritrea are deemed to be deprived of their fundamental freedoms (see Annex 1 on the inquiry on human rights in Eritrea).

In terms of international ranking, the Freedom House 2015 report on political rights and civil liberties has given Eritrea the lowest rating (7), i.e. "not free". Eritrea has been at this level since 2010 (UK FCO, 2015a).

It ranks at the bottom of the Human Development Index (HDI) as well. Its HDI value for 2013 was 0.381—in the low human development category—positioning the country at 182 out of 187 countries and territories (UNHDRO, 2015).

¹ MDG 4: reduce child mortality; MDG 5: improve maternal health; MDG 6: Combat HIV/AIDS, malaria and other diseases, and MDG 7: ensure environmental sustainability

2 Introduction

This review, prepared under the DFID Economics and Private Sector Professional Evidence and Applied Knowledge Services (EPS-PEAKS) framework seeks to understand Eritrea's policy commitments to development in the areas of:

- Sustaining economic growth,
- Reducing poverty and achieving the Millennium Development Goals (MDGs),
- Strengthening public financial management and accountability, and
- Improving its human rights record.

We have conducted a comprehensive desktop review of available national and international assessments, reports, strategies and plans. Where relevant and when data were available, we relied on quantitative analysis. We also used correspondence with officials from international development institutions like the World Bank and the International Monetary Fund (IMF) to corroborate information (or lack thereof) on matters related to public financial management and accountability.

This introductory section provides a summary of the findings. Section 2 provides a detailed context of the country, covering its geography; ethnic profile, political and economic history; agriculture, climate and food security; governance and human rights; international relations; as well as a summary of key indicators. Section 3 covers Eritrea's commitment to development, beginning first with its commitment to sustaining economic growth (with an overview of the economy, the structure of the economy, macroeconomic stability, public financial management, and development finance); its commitment to poverty reduction; to the MDGs aside from the first one on reducing poverty; and to delivering core public services. Section 4 deals with Eritrea's commitment to human rights or lack thereof, documenting first the prevailing situation, the state of migration, and the forms of human rights violations taking place in the country. Section 5 closes with a discussion on Eritrea's current development needs, as well as the obstacles to and facilitators of effective aid programming.

3 Country context

Section 2 provides a detailed context of the country, covering its geography; ethnic profile, political and economic history; agriculture, climate and food security; governance and human rights; international relations; as well as a summary of key indicators.

3.1 Geography

Eritrea is situated in the Horn of Africa. It has common borders with Sudan in the north and west, Ethiopia in the south, Djibouti in the southeast and the Red Sea in the East. Asmara is its capital. It has a landmass area of about 125,700 square kilometres, with nearly 390 islands; including the Dahlak Archipelago and several of the Hanish Islands. The north-eastern and eastern parts have an extensive coastline spanning approximately 1,900 kilometres along the Red Sea directly across Yemen and Saudi Arabia (World Bank, 2014).

Eritrea is endowed with commercial deposits of several mineral resources including gold, potash, zinc, copper, silver, marble, barite, feldspar, kaolin, and rock salt, as confirmed by recent mineral explorations. The government's mining law appears to provide attractive and competitive benefits and incentives to investors. The potential of this sector as a new source of growth is stated to be high (African Development Bank Group, 2014; CAFOD, 2014).

Eritrea's geostrategic location can offer investment opportunities in the trade logistics industry. The recently built Massawa international airport, located in the North of the Red Sea region, can support high-value seafood trade. Its coastline can also be used to promote tourism.

The country is also geo-strategically important in international relations, due first to its close engagement with Middle Eastern countries and second, to UN sanctions imposed on it since 2009 (see table 1).

3.2 Ethnicity

Eritrea has a multi-ethnic society of 9 recognised populations groups, and 4 recognised religious groups. The ethnic and religious groups include:

- The *Afar*, primarily pastoralists who inhabit areas of the southern Red Sea. They are Muslims and organised in strong clans.
- The *Bilen*, traditionally farmers, populate Keren and its immediate surroundings. Their social structure is organised by kinship groups. There are equal numbers of Christians and Muslims.
- The *Hidarb*, *Cushtic Beja* that are semi nomadic pastoralists specialising in raising camels and cattle. They live in the western lowlands.
- The *Kunama*, they are mainly found in villages between the Gash River and in Barentu. They are Nilotic and renowned for developing more than 25 different dancing forms. They are mainly Christians and Muslims.
- The *Nara*, also Nilotic, they live in the area east of the Gash River, and have a culture similar to that of the Kunamas. They are Muslim.
- The *Rashaida*, the most recent tribe to come to Eritrea from the Arabian Peninsula. They are predominantly nomadic people who live along the northern Red Sea coast. They are Muslim.
- The *Saho*, they occupy the territory on the south-eastern slopes of the highlands as far as the coastal plains south of Massawa. They are small scale farmers who are skilled in bee-keeping. They are either Muslims or Christians.
- The *Tigre*, they cover a large area of northern, north-eastern and western Eritrea. They are either Muslims or Christians.

- The *Tigrina*, they populate the highlands of Eritrea and are mainly farmers. There is a mix of Coptic Christians, Catholics and Protestants. A small group of Muslims also form part of this ethnic group.

Given such a diverse ethnic profile, there are tensions over land between pastoralists and farmers, with considerable implications for local conflict and the use of scarce resources, mainly land.

3.3 Political and economic history

Eritrea has had a tumultuous political and economic history. It is a former Italian colony, and was also occupied by the British in 1941. In 1952, the UN resolved to establish it as an autonomous entity federated with Ethiopia as a compromise between Ethiopia's claims for sovereignty and Eritrea's aspirations for independence. However, 10 years later the Ethiopian emperor, Haile Selassie, decided to annex it, triggering a 32-year conflict. This culminated in independence in 1991 after an alliance of the Eritrean People's Liberation Front (EPLF) and a coalition of Ethiopian resistance movements defeated Haile Selassie's communist successor, Mengistu Haile Mariam (BBC, 2015). Through a referendum supported by Ethiopia, Eritreans voted almost unanimously for independence, leaving Ethiopia landlocked (State of Eritrea, 2004 and BBC, 2015). Eritrea was formally recognised as an independent country in 1993.

At independence, the new Eritrean government inherited poor infrastructure, inefficient agricultural, manufacturing and service enterprises and weak public institutions. Exports were limited to basic commodities and consumer products that did not generate enough foreign exchange to import machinery, equipment and production inputs. Jobs were limited, and poverty widespread among both the rural and urban residents. The private sector was severely repressed. It had little capacity to invest in long-term growth and development (State of Eritrea, 2004). The war created a large number of refugees (mostly in Sudan) and migrants. In 1991, an estimated 20 percent of the population was either displaced internally or outside the country as refugees. The government tried to organise resettlement for the returning refugees under a Programme for Refugee Return and Reintegration (PROFERI). Returnees were resettled on state-owned lands in the western lowlands (World Bank, 1996).

Eritrea concentrated on meeting the most immediate needs of the people, on rebuilding and rehabilitating its economic and social infrastructure and the institutions needed to achieve rapid economic and social development. The government set up a Macro Economic Policy Framework and made key investments in priority sectors. Its aims were to move to a market economy, to introduce a liberal trade policy, provide a key role for the private sector as the engine of growth and to prioritise human resource development. Projects with external assistance were initiated under an Emergency Recovery and Rehabilitation Programme as well as a Community Development Fund Project.

By early 1993, Eritrea had apparently managed to lay the basis for broad-based and sustainable growth. The economy experienced growth in Gross Domestic Product (GDP) of about 7 percent over the period 1993-97 and progress was made in increasing access to education and health facilities as well as rural roads. These positively affected the living conditions of the people (State of Eritrea, 2004).

In 1998 border disputes around the town of Badme erupted into open hostilities between Ethiopia and Eritrea. This conflict ended with a peace deal in June 2000, but not before leaving both sides with tens of thousands of soldiers dead. A security zone separates the two countries. The UN patrolled the zone at one time but pulled out, unable to fulfil its mandate (BBC, 2015).

The border conflict with Ethiopia during 1998-2000 offset Eritrea's initial progress, caused the destruction of economic and social infrastructure including roads, bridges, businesses, farms, schools, clinics and homes. It displaced over one million people, mainly farmers,

the elderly, women and children. It also caused the disruption of economic activities and slowed down domestic and foreign direct investment (FDI), resulting in major macroeconomic imbalances and stagnant or minimal growth of the economy. The situation worsened with the onset of the worst drought in many years. Poor rainfall in several regions of the country resulted in crop failures leaving over 60 percent of the population without adequate food (State of Eritrea, 2004).

The unresolved 'no peace-no war' border stalemate remains a major impediment to the government's development efforts as several possible national socioeconomic interventions and resources remain linked with the border stalemate (The State of Eritrea and UN, 2013). The conflict has left large areas of cultivable and fertile land unused due to unexploded landmines (CAFOD, 2014).

3.4 Agriculture, climate and food security

Eritrea's vulnerability to recurrent droughts and variable weather conditions has affected an estimated 3.6 million people who depend on subsistence agriculture and pastoralism for their livelihoods (CAFOD, 2014). Agriculture and pastoralism remain primary sources of livelihood for about 80 percent of the population. The agricultural sector, including livestock and fisheries, accounts for roughly only one-fifth of GDP and is mainly dependent on rain, with less than 10 percent of the arable land currently irrigated. In addition, only about four percent of arable land is under cultivation. The remainder are permanent pastures and forests, and serving other uses. Agricultural productivity, especially for the poor segments of society, has remained low due to the use of 'traditional agriculture practices' and limited inputs.

Food shortages in Eritrea are aggravated by the residues of the border conflict that has forced the country to conscript nearly all able bodied young people into the army or the national service programme, depriving households of their most productive members. Other factors hampering household food security include poor farming techniques that have continuously contributed to land degradation and low household income. Food and fuel prices in Eritrea are likely to remain as high as twice the average regional prices, putting severe pressure on vulnerable groups' coping mechanisms (CAFOD, 2014).

3.5 Governance and human rights

The government is highly centralised and authoritarian. The People's Front for Democracy and Justice (PFDJ), headed by President Isaias Afwerki, is the only political party ruling since 1993. A transition towards political pluralism was initiated in 1994 with the drafting of a national constitution, which was ratified by a Constitutional Assembly in May 1997. However, the constitution, which allows for multiparty democracy, has not been formally adopted yet let alone implemented (African Development Bank Group, 2014). The government follows very strict security measures, most often to the detriment of people's rights and freedoms (US Department of State, 2014).

Eritrea's human rights record is bad. Incommunicado detention, forced conscription in the national service programme, often for periods beyond the 18-month obligation, abuses including killings, disappearances, torture and other cruel treatment, executive interference in the judiciary, lack of due process and excessively long pre-trial detention, politically motivated detentions, infringement of privacy rights, restrictions on freedom of speech and press, on academic freedom and cultural events, on internet freedom, on freedom of assembly, association, and religion, on freedom of movement and travel, domestic violence against women, discrimination against ethnic minorities, female genital mutilation/cutting, human trafficking, and forced child labour are among the many human rights abuses occurring in the country (US Department of State, 2014).

3.6 International relations

These economic, socio-political and environmental conditions notwithstanding, an especially important development since 2009 has been the international community's engagement with Eritrea. Sanctions were imposed by the UN then and continue till date over the findings of the Monitoring Group that Eritrea has provided political, financial and logistical support to armed groups engaged in undermining peace and reconciliation in Somalia and regional stability (UN, 2009). A brief overview of what these sanctions entail is documented in Table 1.

Table 1: Sanctions imposed by the UN on Eritrea since 2009

Measure	Description	Exceptions to the measure
Two-way arms embargo (territorial)	All Member States shall take measures to prevent the sale or supply to Eritrea of arms and related materiel of all types as well as technical assistance, training, financial and other assistance related to military activities or to the provision, manufacture, maintenance or use of these items. Eritrea shall not supply, sell or transfer directly or indirectly from its territory or by its nationals any arms or related materiel.	Set out in paragraphs 12 and 13 of UN Resolution 2111 (2013).
Arms embargo (targeted ban on arms transfers to individuals and entities)	All Member States shall take the necessary measures to prevent the direct or indirect supply of arms and related materiel of all types as well as technical assistance or training, financial and other assistance related to military activities to the individuals or entities designated by the Committee.	None.
Travel ban	All Member States shall take the necessary measures to prevent the entry into or transit through their territories of individuals designated by the Committee.	Set out in paragraph 11 of UN Resolution 1907 (2009).
Assets Freeze	All Member States shall freeze without delay funds, other financial assets and economic resources owned or controlled, directly or indirectly, by individuals and entities designated by the Committee.	Set out in paragraph 14 of UN Resolution 1907 (2009).

Source: UN (2009)

3.7 Key Indicators

Table 2 presents a list of key indicators to show where Eritrea stands demographically, socioeconomically and politically.

Table 2: List of key indicators

Key indicators	
Population (2014)	6.3 million
Gross national income (GNI) per capita (2011, PPP\$)	1,147
GDP growth (2014)	2%
GDP growth per capita (2014)	-1.5%
Life expectancy at birth (2013)	63 years
Maternal mortality rate (2013)	380/100,000 live births
Under-five mortality rate (2013)	50/ 1000 live births
Infant Mortality Rate (2013)	37/1000 live births
Children not registered at birth (2011)	40%
Mean years of schooling (2012)	3.4 years
Expected years of schooling (2012-2013)	4.1 years
Human Development Index (HDI) rank (2014)	182 out of 187 countries
Health expenditure as a percentage of GDP (2011)	2.6%
Education expenditure as a percentage of GDP (2005-2012)	2.1%
Refugees by country of origin (in thousands) (2012)	247,800
Internally displaced persons (IDPs)	10,000
Homeless people as a percentage of population (2009)	0.4%

Sources: World Bank (2015a), Index Mundi (2014), UNDP (2014), WHO (2014) and the UNHRO (2015)

4 What are Eritrea's policy commitments to development?

This section reviews the available literature and relevant government policies to demonstrate whether and how Eritrea is committed to development, in particular to sustained economic growth, reducing poverty, achieving the MDGs, and to strengthening public financial management and accountability.

4.1 What is its policy commitment to sustaining economic growth?

Overview of the economy

According to the AEO (2015), economic growth in Eritrea is projected at 2.1 percent in 2015, up from 1.3 percent in 2013 and 2 percent in 2014, reflecting improved economic activity and increased investment in the mining sector as well as increased production of gold and silver at the Bisha mine. Over the medium term, the government is optimistic about improved trade with Middle-Eastern and Asian countries, the growth of the food sector and the development of tourism. The current composition of GDP is: services (60 percent), non-manufacturing (17 percent), agriculture, hunting, forestry and fisheries (17 percent) and industry (6 percent) (AEO, 2015).

Eritrea is committed to creating a modern, private sector-led economy, as envisaged in its National Indicative Development Plan (NDP) 2014-2018. Yet, complicating this commitment is a weak investment and business environment, sanctions by the UN since 2009, and weak macroeconomic conditions in general (AEO, 2015).

Eritrea occupies the lowest rank (189 out of 189) on the Index of *Ease of Doing Business* in comparison to all other countries worldwide (World Bank, 2015c). It has been among the bottom ten countries for each of the last five years of the survey. According to the report, an entrepreneur in Eritrea needs an average of 84 days to open a business, 59 days to get electricity, and 59 days to import goods, costing US\$ 2,000 per container. In the highest ranked country – Singapore - it takes just 2.5 days to open a business, 31 days to get electricity, and 4 days to import goods, costing US\$ 440 per container.

The current account balance is forecast to shrink from 0.2 percent of GDP in 2014 to -1.2 percent and - 1.5 percent of GDP in 2015 and 2016 respectively, in particular due to decreases in both remittances and the 'development and recovery tax', which is a 2 percent tax levied on the Eritrean diaspora (AEO, 2015).

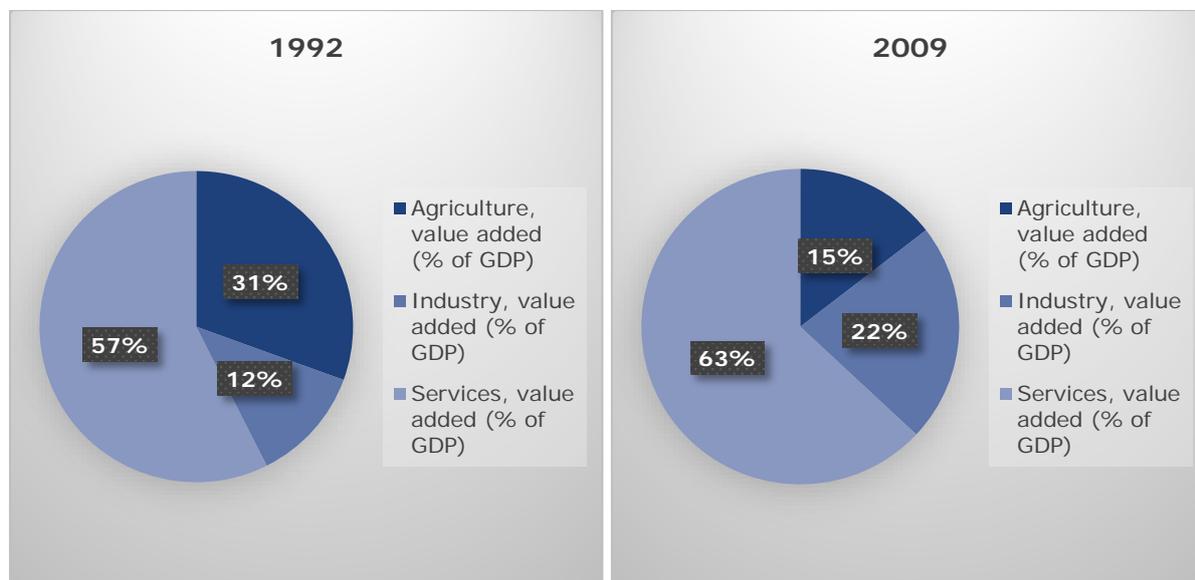
Economic prospects in the immediate to medium-term will be contingent on the following factors:

- tensions over the border with Ethiopia, which entail high security infrastructure expenditure;
- migration;
- fragile relations with the international community;
- implementation of the regional programme on drought resilience and sustainable livelihoods under the Intergovernmental Authority on Development (IGAD); capacity building under the African Development Bank's new Transition Support Facility (TSF);
- increasing investments in the mining sector;
- continued engagement with Middle-Eastern and Asian countries;
- responses to the fluctuating supply of energy; and,
- the ability to retain and/or develop skilled labour.

Structure of the economy

The sectoral composition of GDP has changed between 1992 and 2009 indicating structural transformation in the country (see figure 1).

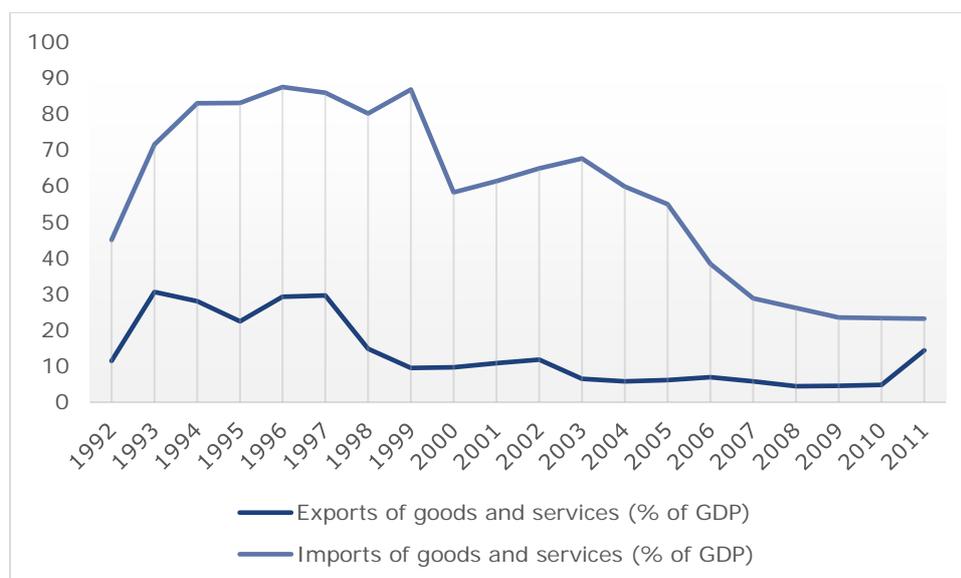
Figure 1: Sectoral composition of GDP, 1992 and 2009



Source: World Bank (2015a).

In recent years, growth in Eritrea has been declining. This is largely because of major crop failures and shortages of foreign exchange, which constrain the ability to import intermediate goods that are critical to industry (see also figure 2 on exports and imports of goods and services as a percentage of GDP). Eritrea's key potential growth drivers include the expansion of the tertiary services sector, increasing the agricultural sector's productivity, and switching public expenditure towards private sector development. These considerations, therefore, underscore the urgent need for the government to undertake macroeconomic policy and structural reforms (African Development Bank Group, 2014).

Figure 2: Exports and imports of goods and services, percentage of GDP, 1992-2011



Source: World Bank (2015a).

Macroeconomic stability

The absence of publicly available and reliable socio-economic statistics means that significant caveats are required in making objective assessments of macroeconomic management in Eritrea. No budgetary data is made available in the public domain (Open Budget Index and International Budget Partnership, 2015). The fiscal statistics published on the African Economic Outlook (AEO) (2015) are based on IMF estimates.

With these caveats in mind, data suggests that fiscal deficits soared between 2009 and 2011 due to a slowdown in economic activity resulting in lower tax revenues and an increase in public investments in the mining sector (African Development Bank Group, 2014). Overseas development assistance has fallen considerably in recent years, as Eritrea has become increasingly politically isolated (see a more detailed breakdown in table 5).

Domestic debt was estimated at roughly 85.9 percent of GDP, while that of external debt at 25.2 percent. The country's disbursed and outstanding external debt to official creditors steadily declined from about 62 percent of GDP in 2008 to an estimated 29 percent in 2012, in sharp contrast to an average of 10.5 percent for sub-Saharan Africa over the last five years. Debt service as a ratio of exports steadily declined from about 35 percent in 2007 to an estimated 13 percent of GDP in 2011, compared to 11 percent for Africa in 2011 (AEO, 2015).

Medium-term projections of fiscal performance indicate that Eritrea's public deficit will continue to decline due to anticipated revenue increases from the mining sector and a privatisation programme. However, the approach to contain fiscal deficits through monetary policy will deprive the private sector of credit (African Development Bank Group, 2014). Although debt levels are high, they appear to be stable. See table 3 on Eritrea's fiscal indicators.

Table 3: Fiscal indicators as a percentage of GDP

Fiscal indicator (%)	2005	2010	2011	2012	2013(e)	2014(p)	2015(p)
Total revenue and grants	35.3	20.8	18.4	18.4	18.4	18.7	18.8
Tax revenue	14.9	8.7	8.3	10.2	10.7	11.2	11.7
Grants	9.3	6.9	4.5	1.9	1.2	1	0.9
Total expenditure and net lending	56.5	36.3	31.6	28.6	28.6	29.5	28.2
Current expenditure	40.3	25.4	23.3	22	22.8	23.1	22.3
Excluding interest	37.1	22.2	20.3	19.2	20.1	20.4	19.6
Wages and salaries	19.6	10.6	9.5	8.7	8.4	9	9.2
Interest	3.1	3.2	2.9	2.8	2.7	2.7	2.7
Capital expenditure	17.9	10.9	8.3	6.7	5.8	6.4	5.9
Primary balance	-18.1	-12.3	-10.2	-7.5	-7.5	-8	-6.7
Overall balance	-21.2	-15.5	-13.2	-10.3	-10.3	-10.7	-9.4

Source: AEO (2015).

Inflation is in double digits since the last decade, even though it came down from about 20 percent over the period between 2008 and 2011 to about 17 percent in 2012, and further down to an estimated 13 percent in 2013. Annual inflation is likely to remain high due to scarcity-induced food price hikes. However, lower international food prices should help contain annual inflation between 13 percent and 14 percent in 2015 (African Development Bank Group, 2014).

Since 2005, the government has adopted a fixed exchange rate regime. The official exchange rate of the national currency, the Nakfa, has been pegged at 15.38 units per US dollar. The parallel market exchange rate has consistently exceeded the official rate by a wide margin. In 2013, the parallel exchange rate was three times higher than the official rate. Over time the combination of foreign exchange scarcity and accelerating inflation has resulted in the overvaluation of the official exchange rate. The government has recently embarked on economic policy reforms directed at removing foreign exchange market restrictions to ease pressure on scarce foreign exchange resources. In 2013, the government announced a proclamation law, legalising the opening of foreign currency deposit accounts by both government institutions and Eritrean citizens (African Development Bank Group, 2014).

4.2 What is its policy commitment to financial management?

Public financial management

The available evidence base to assess Eritrea's public financial management system is extremely thin. There have been no Public Expenditure and Financial Accountability (PEFA) assessments undertaken in Eritrea and international organisations have also not assessed Eritrea's PFM system in recent years. The last Article IV assessment to take place in Eritrea was in 2009 (IMF, 2015).

The Government of Eritrea is in arrears to the World Bank and as such there is no active country programme in place.² This means that there has not been a requirement to undertake fiduciary and procurement assessments for new World Bank projects.

The African Development Bank has an active project portfolio, but works through project management units 'because the Bank has not as yet assessed the country's PFM system' (personal interview, 2015).³

There are scores for Country Policy and Institutional Assessment (CPIA), but sources at the World Bank have 'stated that the evidence base for assessment is thin', as there is no local presence and 'dialogue is restricted' (personal interview, 2015).⁴

Table 4: World Bank CPIA Ratings on Governance 2005-2014 (1=low, 6=high)

Series Name	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
CPIA quality of budgetary and financial management rating	2.5	2.5	2.5	2.5	2.5	2.5	2	2	2	2
CPIA quality of public administration rating	3	3	3	3	3	3	3	3	3	3
CPIA transparency, accountability, and corruption in the public sector rating	2.5	2.5	2	2	2	2	2	2	2	2

Source: World Bank (2015b).

There has been some international engagement on specific public finance reforms. According to AEO (2015), UNDP is supporting the Ministry of Finance in fiscal planning and

² This was verified via e-mail correspondence by Carolyn Turk, World Bank Country Director for Rwanda (she also covers Eritrea).

³ This was verified via e-mail correspondence by Carolyn Turk, World Bank Country Director for Rwanda (she also covers Eritrea).

⁴ This is according to Toru Nishiuchi, World Bank Country Economist for Eritrea.

budget reforms, treasury management, and customs. The report also suggests that Eritrea is adopting a Medium Term Expenditure Framework (MTEF). The IMF East AFRITAC (East African Regional Technical Assistance Centre) has also provided some technical assistance including support for the development of a Chart of Accounts and the forthcoming introduction of an integrated financial management system. However, there are no written reports available on the details of the assistance provided.

There is little confidence in Eritrea's public financial management system, which is understandable given the lack of information. There is also seemingly a lack of deep understanding about how effectively different parts of the system function and what the most pressing priorities for improvement might be. According to the IMF Country Economist for Eritrea, everything is a priority:

[Eritrea] is well behind others in Africa and will benefit from support in areas related to management of natural resource revenues (mining of base metals), modernisation of the tax administration and public expenditure. The country has been heavily isolated and the needs are countless.⁵

Development Finance in Eritrea

According to the Organisation of Economic Cooperation and Development's (OECD) international development statistics, aid flows to Eritrea are declining. Contributions from DAC donors and multilaterals have steadily declined since 2009. Aid flows in 2012 were buoyed by financing from the United Arab Emirates. Within the OECD Credit Reporting System, these funds are classified as General Budget Support. The largest provider of funds over the last two years has been the Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM).

It is difficult to estimate the size of aid-flows as a proportion of GDP, because of the reliability of OECD development statistics⁶ and Eritrea's GDP statistics. It is possible to say confidently though that they are lower compared to other countries at Eritrea's income level in 2013.

OECD data exclude development finance provided by China. Reports in the media suggest that China has been an active investor in Eritrea's mining sector, but the exact size and nature of these financing flows is difficult to gauge.

Table 5: ODA Flows by Donor in USD millions

	2009	2010	2011	2012	2013
Germany	1.43	1.14	0.80	1.61	0.80
Japan	8.78	9.86	9.44	1.73	1.14
Norway	9.63	9.63	8.07	3.20	0.79
United Kingdom	6.45	5.51	8.37	4.01	7.29
Other DAC	13.60	10.11	6.76	5.13	4.85
DAC Countries Total	39.88	36.25	33.44	15.68	14.87
United Arab Emirates	1.30	3.68	1.53	53.48	0.16
Non-DAC Countries Total	1.30	3.68	1.61	53.48	0.16
EU Institutions	42.87	37.05	40.57	9.42	13.00
AfDF (African Dev. Fund)	5.41	6.91	9.13	12.08	11.80
Global Fund (GFATM)	12.84	41.12	14.13	28.17	28.40

⁵ Based on email correspondence with Gustavo Ramirez, the IMF country economist for Eritrea.

⁷ Deaths due to HIV/AIDS (per 100,000) reduced by more than half from 97 in 2000 to 35.1 in 2013. Steady progress is said to have been made in expanding preventive and treatment services by the government.

IDA	8.09	5.49	16.77	1.14	0.00
UNDP	8.44	7.10	4.99	5.21	4.72
UNICEF	2.73	2.93	2.21	1.71	2.29
Other Multilaterals	7.25	5.28	8.77	5.00	7.18
Multilateral, Total	87.64	105.88	96.57	62.74	67.39
All Donors Total	128.82	145.81	131.62	131.89	82.42

Source: OECD Credit Reporting System (2015).

The majority of on-going aid provided to Eritrea is in the health sector. In 2011, significant funding was also provided to respond to the drought in the Horn of Africa. The breakdown below provides an indicative view of how funds are allocated by sector between 2009 and 2012.

Table 6: Percentage share of aid between 2009 and 2012

Education	5%
Health	40%
Agriculture	3%
Emergency Response, Food Aid and Reconstruction	14%
Governance and Civil Society	7%
General Budget Support (from UAE)	20%
Other	10%

Source: AidData (2015).

4.3 What is its policy commitment to poverty reduction?

In 1993 (data for the most recent year available), 69 percent of the population lived below the national poverty line, when the population of Eritrea was 3.3 million (World Bank, 2015a).

According to the 2003 Living Standards Measurement Survey (LSMS), 66 percent of Eritreans were unable to obtain sufficient food (in terms of calories) and other essential goods and services to lead a healthy life. Among these, approximately 37 percent lived under extreme poverty, i.e., below the food poverty line. In rural areas, about 65 percent of the population was unable to obtain sufficient food (in terms of calorie intake) and other essential goods and services to lead a healthy life. In Asmara, the capital city, the incidence of poverty was about 56 percent and the incidence of poverty was higher in smaller urban centres. The proportion of the population that was poor and dependent on food assistance had increased because of the adverse effects of the border war and severe drought (State of Eritrea, 2004).

Table 7: Poverty incidence in Eritrea, headcount, 2003

Poverty incidence (headcount)			
Location	Population (%)	Poor (%)	Of which Extreme Poor (%)
Rural	68.8	64.64	38.90
Urban	31.2	70.32	32.65
Overall	100.0	66.40	36.97

Source: LSMS and Dimension of Poverty, NSEO (2003) in State of Eritrea (2004).

Note: The poverty line was Nakfa 240 per capita/month; the extreme Poverty line was Nakfa 150 per capita/month.

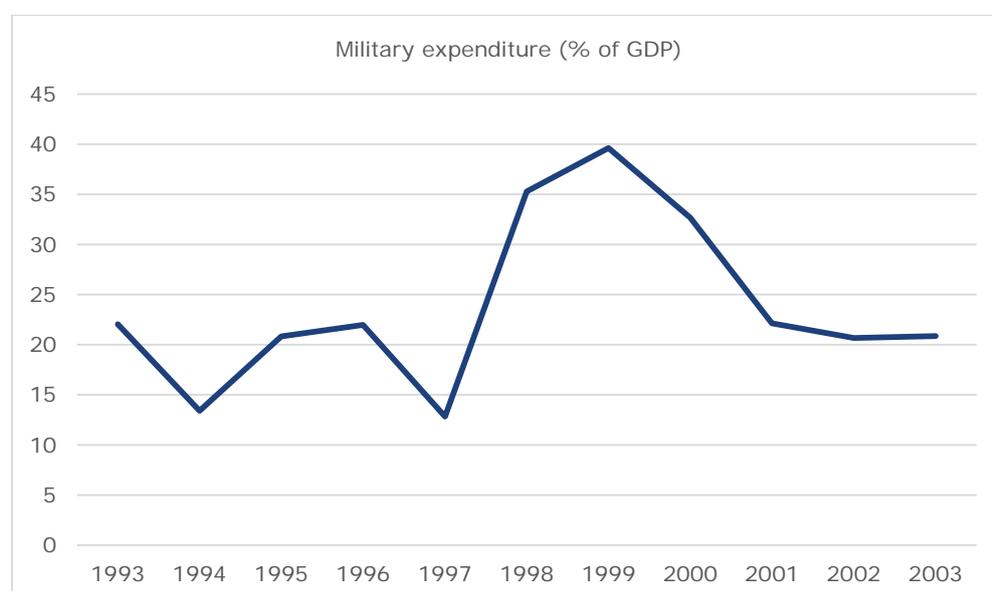
Since the end of the border war with Ethiopia and as a result of the stalemate over the border demarcation and recurrent drought, the economy did not perform as well as it did

between 1993 and 1997 (State of Eritrea, 2004). In 2000, the economy contracted by over 10 percent, followed by a 9.2 percent rebound the subsequent year. Between 2002 and 2004 the economy grew by an average of 2.2 percent a year. Taken as a whole, the post-war period saw very little economic growth, with serious implications for poverty reduction. This development and related ones such as increased vulnerability to poverty need to be seen in the context of three main influencing factors:

- The stalemate over the demarcation of the border with Ethiopia;
- Recurring droughts and the resulting food insecurity; and
- Severe resource constraints, including human capacity gaps.

The stalemate caused by Ethiopia's refusal to abide by the decision of the Eritrea-Ethiopia Boundary Commission (EEBC) led Eritrea to pursue economic policies that were dictated by the no-war-no-peace situation. Under these circumstances, there was the need to tie up significant resources for defence that could have gone towards the development effort, including investments in critical social infrastructure (see figure 3 on military expenditure as a percentage of GDP). For instance, military expenditure as a percentage of GDP peaked at 40 percent in 1999.

Figure 3: Military expenditure as a percentage of GDP, 1993-2003



Source: World Bank (2015a).

Eritrea's Interim-Poverty Reduction Strategy Paper (I-PRSP) (State of Eritrea, 2004) outlined key targets for 2004 to 2007 based on four pillars: reinvigorating economic growth, whilst making it equitable, broad-based and pro-poor; creating income earning opportunities for the poor; enhancing access to and utilisation of essential services for human development; and promoting active participation of the people in the political, economic and social aspects of nation-building by putting in place an enabling environment and strengthening institutional capacity.

With its population in 2014 estimated at 6.5 million and without figures available on the number of people living below the international poverty line (\$1.25, 2005 PPP), it is hard to assess Eritrea's progress in reducing poverty.

The 2014 Global Hunger Index has also ranked Eritrea number 75 out of 76 countries. It ranks at the bottom of the Human Development Index (HDI) as well. Its HDI value for 2013 was 0.381—in the low human development category—positioning the country at 182 out of 187 countries and territories. Between 2010 and 2013, Eritrea's HDI value increased from 0.373 to 0.381, an increase of 2.1 percent (UNHDRO, 2015). The low HDI score is

attributed to Eritrea's high levels of poverty and weak growth redistribution strategies, and in particular their low impact in improving the rural majority's share in the country's GDP (African Development Bank Group, 2014).

Skilled human resources are also one of the major challenges to overcome on the road to inclusive growth and poverty reduction. About 38% of men and 15% of women are illiterate (African Development Bank Group, 2014). Supply-side gaps in education and skills, structural problems in the educational system, and the misalignment of skills' supply and demand are the major challenges. In this regard, the government has prioritised youth training and education to curb unemployment and under-employment with a view to promoting inclusive and sustainable socio-economic development.

The majority of Eritrean students do not acquire specific job related skills after high school, thereby increasing youth unemployment. Lack of requisite skills is also a major disadvantage for manufacturing firms and companies. The negative impact of recurrent droughts on people's livelihoods and gender balance has also challenged the inclusiveness agenda.

Moreover, 80 percent of the Eritreans derive their livelihood from agriculture which is dependent on underground water. Consequently, a large proportion of the population is vulnerable and food insecurity is high with an estimated 50 percent of children suffering from under-nourishment. Other challenges include governance issues and weak capacity to manage and build resilience in the rural communities (African Development Bank Group, 2014).

Against this backdrop, the African Development Bank now identifies high unemployment, poverty and environmental challenges as among the primary bottlenecks for inclusive growth in Eritrea (African Development Bank Group, 2014).

With an overarching aim to address these, the government has increased its focus on policies for social inclusion and equity. The National Indicative Development Plan (NDP) 2014-2018 has identified three strategic priority areas: development of human capital; food security; and infrastructure development (African Development Bank Group, 2014). The government aims to create the conditions for a modern, technologically advanced, and internationally competitive economy. Notable progress has been made in finalising the sector plans. Most sector plans, covering the period 2013-2017, have been completed, in particular for education, agriculture, energy, water, sanitation and for the environment. The sector plans have been submitted to the Ministry of National Development for consolidation into the NDP.

The sector plans articulate the country's development challenges, constraints and opportunities as well as the strategic directions, priorities and implementation strategies of the government till 2017. The sector plans continue to place emphasis on the achievement of international goals like the MDGs and goals to reduce poverty. The Education and Human Development sector plans are considered by far the most advanced ones.

The Strategic Partnership Cooperation Framework (SPCF) between the UN (2013-16) and Eritrea also prioritises five strategic areas for cooperation and interventions – these include basic social services, national capacity development, food security and sustainable livelihoods, environmental sustainability, and gender equity and the advancement of women.

4.4 What is its policy commitment to the MDGs aside from reducing poverty?

Eritrea's I-PRSP (State of Eritrea, 2004) viewed the MDGs as a foundational point for assessing progress towards addressing the key challenges facing the country, and how it was planning to deal with each of the thematic areas. As early as the first MDG report,

Eritrea was on track to achieve the MDG target dealing with gender equality at the primary school level, child health, maternal mortality, HIV/AIDS, malaria and other major diseases, and access to safe water. But it was off track with respect to the eradication of extreme poverty and achievement of universal primary education. More importantly, without the resumption of rapid economic growth the MDG report stated that the gains made so far to achieve the goals were at risk.

The I-PRSP specified how crucial it was to achieve the MDGs as a whole and, in particular, the MDG dealing with the eradication of extreme poverty. The key challenge it highlighted was on how to embark on the economic growth and development path that had commenced in the period preceding the border war with Ethiopia.

Eritrea is apparently on track to achieve four of the eight MDGs (MDGs 4, 5, 6 and 7), but still off track to realise other MDGs, in particular MDG 1 (on halving extreme poverty and hunger) and MDG 2 (on achieving universal primary education) and MDGs 3 (promote gender equality and empower women) and 8 (global partnership for development). No census has been carried out in Eritrea to date and official statistics on the prevalence of poverty in the country are limited. Based on anecdotal evidence, poverty is still widespread in the country.

Box 1: Eritrea's progress towards meeting the MDGs

MDG4: In terms of the MDGs, Eritrea apparently achieved MDG4 in 2013 (to reduce by two thirds the under-five mortality rate between 1990 and 2015), with major reductions in infant mortality rates between 1990 (92/1,000 live births) and 2012 (32/1,000 live births); and in under-five mortality rates between 1990 (150/1,000 live births) and 2013 (50/1,000 live births) (UNDP, 2014).

MDG 5: It also exceeded MDG5 (improve maternal health) in 2013 with a reduction in maternal mortality from 1,700/100,000 live births in 1990 to 380/100,000 live births, against a target of 425/100,000 live births (UNDP, 2014).

MDG 6: Significant progress has been made towards achieving MDG6 (controlling HIV/AIDS⁷, tuberculosis⁸ and malaria⁹), with prevalence in all three sharply reduced. However, women are 2.26 times more likely to be infected with HIV than men in Eritrea, consistent with the ratio in other Sub-Saharan African countries, with age patterns showing that young women are particularly vulnerable to HIV infection compared with young men.¹⁰ (UNDP, 2014).

In addition, Eritrea achieved polio-free status in 2008, eliminated neonatal tetanus in 2007 and has almost eliminated measles as a major threat to children due to a huge increase in immunisation coverage. The Global Alliance for Vaccine Initiative (GAVI) recognised Eritrea's high and sustained immunisation coverage in 2009, with a special award.

MDG7: (environmental sustainability). Eritrea appears to be on track towards achieving the MDG7 target on developing sustainable environmental policies, demonstrating strong political will through plans and policies to deliver against international conventions (Climate Change, Desertification, Biological Diversity) and national priorities (National Adaptation Programme of Action, National Action Plan for Combatting Desertification, National Environmental Management Plan, Action Plan on Water Resources, etc.). In 2010 the proportion of the population using improved drinking water was 74.5 percent against a 2015 target of 50 percent. However, there are significant capacity and infrastructure limitations and there is a likelihood that the MDG sanitation target

⁷ Deaths due to HIV/AIDS (per 100,000) reduced by more than half from 97 in 2000 to 35.1 in 2013. Steady progress is said to have been made in expanding preventive and treatment services by the government.

⁸ The incidence of tuberculosis decreased by 60% per 100,000 between 1990 and 2011 and is now below both the global average (125/100,000) and the Africa Average (243/100,000).

⁹ Deaths due to malaria reduced from 5.5 per 100,000 in 2000 to 3.2 in 2012. However, some areas remain malaria endemic whilst others are almost malaria free.

¹⁰ Among women aged 15-19, 0.15 percent are HIV infected, compared with nil for men aged 15-19.

will not be met. Rural sanitation coverage was only 25 percent in 2011 compared to 92 percent in urban areas and overall coverage was only 24.2 percent compared to the 2015 target of 50 percent.

Other MDGs

MDG1: (eradication of extreme poverty and hunger). Of the nine indicators information is limited and UNDP considers little progress has been made overall.¹¹ Food security is an overarching priority for the government which has invested in micro-dams to expand irrigable land. Severe and continuing challenges relate to landmine-infested land from the conflict with Ethiopia in prime fertile areas and also the effects of climate change and recurrent drought.

MDG2: (attainment of universal primary education) also remains well below target. Although Eritrea made investments in education, improving the national enrolment rate from 23 percent to 52.6 percent between 1993 and 2005, it then experienced a decline to 49.6 percent by 2010, with disparities in enrolment by location and gender (nomadic populations, girls dropping out). Despite an overall literacy rate of 68.9 percent in 2010, the literacy rate for 15-24 year olds was 90 percent. A Policy and Strategy on Inclusive Education in Eritrea was developed in 2008, focussed on increasing access to education, whilst in 2010 a Nomadic Education Policy was developed to address exclusion of this population.

MDG3: (gender equality and women's empowerment). Much remains to be done to integrate gender into policies and programmes, and to tackle entrenched cultural norms on gender. Gender parity in schools has improved but women's share of waged employment outside of agriculture and women's representation in parliament (22 percent in 2013) need to be improved. Legal reforms have seen marriage for people under the age of 18 years outlawed (1991) and FGM/C banned (2007). However, significant numbers of girls continue to be affected. Following sensitisation and awareness campaigns, the government claims that FGM/C is starting to decline markedly in many areas.¹²

MDG8: (develop a global partnership for development). Lack of data thwarted assessment of progress made under MDG8.

The considerable commitments made by the government of Eritrea to reduce poverty and improve socio-economic development have seen significant improvements in some areas (MDGs 4, 5, 6 and 7). However, Ethiopia remains a poor country, with high poverty rates, low technical capacity, considerable basic infrastructure needs and little international development financing. This situation must be seen in light of and assessed against a serious human rights situation, judged to be repressive by the UN Human Rights Committee, whereby people in Eritrea are deemed to be deprived of their fundamental freedoms. The situation fuels outward migration, depletes human development potential, undermines the scope of international development assistance and remains a significant obstacle to inclusive development in Eritrea.

Source: UNDP (2014).

4.5 What are its policy commitments in specific sectors and to delivering public services?

Education

Eritrea has developed an Education Sector Development Plan (ESDP) for the period covering 2013 to 2017. It has reinforced its commitment to the MDGs and the Education for All (EFA) goals to achieve universal primary education, i.e. a net enrolment of 100 percent by 2015. The government intends to raise gross and net enrolment ratios at the middle level to 106.4 percent and 50 percent respectively by 2016, with corresponding

¹¹The share of the poorest quintile in national income/consumption expenditure was 20 percent in 2010; the employment to population ratio for women was 23 percent and 63 percent for men in 2010; the prevalence of underweight children under-five years of age was 38.6 percent in 2010.

¹² The prevalence of FGM/C in girls under 15 declined to 33 percent and the number of mothers supporting FGM/C declined from about 50 percent in 1995 to 12 percent in 2010. The UNDP in Eritrea says that FGM/C has decreased from 95 percent in 1995 to 83 percent in 2010; and that the prevalence among under 15 girls is 33 percent, and in under 5 girls 12.9 percent.

gross and net enrolment ratios of 43.4 percent and 35 percent at the secondary level. These targeted increases imply an additional enrolment of 207,408 pupils at the elementary level, 35,258 at the middle level and 56,492 at the secondary level (Government of the State of Eritrea, 2013).

In the planned five-year period the Ministry of Education (MOE) wants to target out-of-school youth, reduce class sizes and the number of double shift schools, reduce repetition and increase learning achievement. This it expects will allow significant gains in internal efficiency that will increase the net enrolment ratio to about 100 percent, 50 percent and 35 percent at elementary, middle and secondary levels education respectively, by 2016-17. The MOE is prioritising the expansion of educational opportunities for females. Female gender parity with males can be achieved in elementary and middle education by 2015-16. However, gender parity cannot be achieved in secondary education until 2016 (Government of the State of Eritrea, 2013).

The three objectives specified in the ESDP (2013) include:

- Increased *equitable access* to basic (including adult and non-formal education), secondary and technical and vocational education;
- Improved *quality* of basic, secondary and technical and vocational education (TVET); and
- Better *institutional capacity* to deliver quality education services.

The ESDP (2013) notes that:

'At the time of liberation, education and training were extraordinarily limited in terms of access, infrastructure and quality. Since then Eritrea has achieved significant progress in rehabilitating, expanding and improving the education system. Total enrolments more than doubled at elementary level between 1991/92 and 2010/11, and tripled at middle and secondary levels over the same period. Enrolments in adult literacy classes reached over 40,000 in 2010/11. Despite the impressive progress, Eritrea faces daunting challenges in its quest to provide equitable access to quality basic education and employable skills for its youth and adults' (Government of the State of Eritrea, 2013: ix).

Challenges confronting the education sector as cited in ESDP (2013) in Eritrea include:

- *Low access and high disparities that are based on location and gender* Several factors explain the disparities, including the marked variation in physical and climatic conditions, shortage of schools, community attitudes to education, and the difficulty of reaching certain segments of the population, especially in sparsely populated areas. Significant differences also exist between boys' and girls' participation in education. Negative environmental (demand) side factors include poverty, inability to afford the direct costs of schooling as well as loss of children's labour, and social and cultural obstacles, such as early marriage and undervaluing the benefits of education for girls. Educational supply factors include lack of female teachers and of trained teachers in mothers' tongue, overcrowded classrooms, inadequate supply of learning and instructional materials, perceived lack of relevance of the curriculum, lack of sanitation facilities, and long distance to school.
- *Low quality and relevance* The Monitoring of Learning Achievement (MLA) study of 2008 analysed the proportion of students in elementary education who acquired learning competencies in core subjects. It indicated that despite great efforts to extend access, quality was very low. Both supply and demand factors explain these disappointingly low academic results, for similar reasons to those which inhibit access. Demand-side problems include poverty, child domestic labour, weak parental interest, distance from school and socio-cultural barriers. Multiple supply-side educational factors include: shortage of teacher and school manager competencies, qualifications and accountability for results (in the 2010/11 academic year, only 69 percent of teachers at middle level were formally qualified, and just 83 percent in the secondary phase); problems in curriculum relevance; overcrowded schools and classrooms, often with

dilapidated facilities and broken equipment (at secondary level, on average teachers teach about 65 students per class); and inefficient use of the school calendar and school day.

- In TVET as well, lack of relevance manifests itself first in the lack of demand-responsiveness. The country does not have an effective labour market information system (LMIS). Formal skills training is limited to traditional trades. Technical schools are marginal in the overall education system. Public non-formal skills training is also negligible. The quality and effectiveness of TVET also present problems. TVET institutions lack the main inputs required for sound and effective training: qualified and experienced instructors, textbooks and teaching materials and operational, reasonably up-to-date equipment. Mechanisms do not exist to coordinate training policies among the key public actors and employers. Insufficient data exists about the performance of the training institutions and their graduates in the labour market.
- *High wastage and dropout* The Eritrean education system is characterised by wastage due to high repetition rates at all three levels, generally between around 12 percent of students at each grade each year. Low internal student flows mean that it takes 6.5 student-years to graduate one student from the five-year elementary phase. Repetition and late entry account for large differences between net and gross enrolment ratios at elementary and middle levels. Male dropout rates are also significantly higher than female dropout rates.
- *Limited institutional and financial capacity* The MOE faces two main constraints: limited MOE implementation capacity at central, at the six regional (known also as Zoba) levels as well as at the local or sub-Zoba levels, along with scarce financial resources. Modern systems are lacking that would enable more efficient management of planning information, budgeting and expenditures. EFA goals cannot be reached without substantial increases in financial resources to support education and training. The ability of the government to mobilise further resources for education is constrained under the present circumstances. Education and training are free at all levels and the government shoulders virtually all the expenses of teacher salaries and building construction. Parents at present finance some of the operating costs of schools through voluntary contributions.

United Nations Eritrea also notes in its Strategic Partnership Cooperation Framework (SPCF) the education outcomes it is interested to see in Eritrea. These include:

- Children, including refugees, having equitable access to quality basic education in the hard to reach areas of Anseba, Gash-Barka, Southern Red Sea, Northern Red Sea and Debub.
- Strengthened protection and participation of vulnerable children, adolescents, young people, women, and people with special needs, including refugees, from the impact of poverty, harmful practices, exploitation and injuries in high prevalence areas.

The SPCF wishes to realise by 2016 increased school enrolment, participation, learning and completion of basic education with an inclusive approach for girls, nomadic children, and children under special circumstances, including refugee children. Support is going to be targeted towards establishing sustainable learning spaces for out of school children in less accessible areas. It will also contribute towards improving teacher capacity to deliver basic education using good teaching standards.

Health

The existing national health policy aims to ensure access by the majority of the population to essential health services at an affordable cost, consistent with the principles of 'Universal Health Coverage'.

The government has been committed to promoting universal access to health since independence. State of Eritrea (2014) notes concerted government investments in the health sector since 1990. The I-PRSP (State of Eritrea, 2004) also underscored Eritrea's emphasis on improving access to health services, with mother and child health a top priority to meet MDG targets and beyond. Other priorities include control of communicable and non-communicable diseases, as well as strengthening the health system.

The national health policy is translated into a health sector strategic plan as well as other roadmaps to address already identified health priorities. These include roadmaps for maternal morbidity reductions; adolescent and child health; HIV, TB and malaria strategies; national joint plan of action on health and environment; strategic plans for non-communicable diseases including for violence and injuries; and quality assurance and registration systems for medicines (State of Eritrea, 2014).

Policy commitments underpinning Eritrea's health achievements include the National Health Policy (2010), the Health Sector Strategic Development Plan (2012-2016).

The Integrated Management of Childhood Illness (IMCI) programme was formally launched in 2000, and by 2010, all facilities had at least one health worker trained to manage childhood illnesses in line with IMCI guidelines. Although there are no current statistics, a recent evaluation of IMCI implementation confirmed improvements in the use of antibiotics, the quality of care and the level of knowledge and skills of health staff, as well as a reduced fatality rate (State of Eritrea, 2014).

To complement the IMCI programme, Eritrea introduced Community-IMCI (C-IMCI) in 2005. Immunisation coverage for the third dose of the diphtheria, tetanus toxoids and pertussis (DPT) vaccine (and since 1998 with the third dose of the hepatitis B vaccine) increased from 10 percent in 1991 to 98 percent in 2013. As a result of its strong routine immunisation programme, Eritrea was certified as a polio-free country by the WHO in 2008. Eritrea has maintained its polio-free status, despite its proximity to countries where polio has not yet been contained. Since 2004, neonatal tetanus has been virtually eliminated, as certified by WHO in 2007. Measles also no longer pose a major threat to children with virtually all children taking their doses according to schedule. In recognition of Eritrea's strong immunisation programme, the Global Alliance for Vaccine Initiative (GAVI) awarded the country for high and sustained immunisation coverage on October 17, 2009 in Hanoi, Vietnam (State of Eritrea, 2014).

The government has also invested in an extensive social safety net covering food security and agricultural production, infrastructure development, and human resources development, though there are challenges in reaching vulnerable groups (State of Eritrea, 2014).

The health delivery system in Eritrea is organised in a three-tier system namely primary, secondary and tertiary levels through national facilities in Asmara. As a matter of government policy, there are no private health facilities operating in the country. However, there is a system of private practice within government health facilities by way of partnerships between the government and health workers. A health insurance scheme is yet to be developed in the country. The development of a health care financing policy and a clear strategy for health system financing remains a gap to be filled (State of Eritrea, 2014).

The MoH has devised a strategy of preventing, promoting, curing and rehabilitating people. At the national level, the MoH administers and oversees the work of the National Referral Hospitals, specialised diagnostic and care/service provision institutions, training institutions and regulatory bodies. The second tier health station services are the primary formal health facility, which provides basic preventive and curative services. At the third tier regional/zoba level, the Zoba Medical Team is responsible for the provision of health services (State of Eritrea, 2014).

Although health care spending is generally low in Eritrea, the prevention strategy generated significant achievements, including more than 90 percent of immunisation coverage and a major decline in prevalence levels of communicable diseases, malaria and HIV/AIDS. These achievements are also due to community health services, which mobilise and empower communities with key skills and ensure the availability of basic health services (UNDP and Government of the State of Eritrea, 2014).

The Reproductive Health (RH) unit within the Primary Health Care Division (PHCD) has been working towards reducing maternal mortality. The coverage and quality of their services, including the delivery of RH information, services and commodities at the local level, have continued to improve. Free health care is currently offered to pregnant women and children under 5, as are strengthened referral services, emergency obstetric care, neonatal and assisted delivery services, and interventions such as early malaria treatment and provision of vitamin A supplements (UNDP and Government of the State of Eritrea, 2014).

Despite the progress illustrated above, Eritrea still faces serious challenges from non-communicable diseases (NCDs) and malnutrition, access to potable water and sanitation, Female Genital Mutilation/Cutting and violence against women and girls (UNDP and Government of the State of Eritrea, 2014).

Gender: a cross-cutting issue

To redress the country's gender imbalances, the government has ratified and passed several legislations that cover, among others, land legislation and gender based violence and under age marriage. The government has also introduced various policies. Through the National Union of Eritrean Women (NUEW), the Government approved a National Policy on Gender (NPG 2004), and the National Gender Action Plan (NGAP 2003-2008). The latter articulates separate strategies for female education and gender awareness and a data collection system for the effective monitoring and evaluation of the plan (UNDP and Government of the State of Eritrea, 2014).

Some noticeable progress has been made in closing the gender gaps, particularly in enhancing the position of women in certain areas. Notable ones include progress in improving the skill capacities of women and their achievements in general education. NUEW has also initiated a programme for providing 'hard infrastructure' through establishing resource centres in each sub-region. The NUEW and the government have also instituted measures to establish Gender Units and designate Gender Focal Points in all government ministries (UNDP and Government of the State of Eritrea, 2014).

However, many challenges remain in gender and youth inequalities in economic participation. The 2008 Gender Profile reported considerable challenges. For instance, the proportions of males and females in the 15-64 years currently in formal employment are 61% and 15% respectively (UNDP and Government of the State of Eritrea, 2014).

Women's participation in the business sector is dominant in the informal sector due to low levels of education and limited financial capacity. Female participation in the services sector tends to be concentrated in occupations like nursing, teaching and in non-technical jobs such as catering services. Women are still vastly under-represented in many occupations, especially in the science and technology fields (UNDP and Government of the State of Eritrea, 2014).

A number of factors explain the poor economic conditions of women. Some of these are related to the long lasting war and drought, a traditional patriarchal system and norms and values, which are firmly anchored in socio-cultural contexts. It is also important to note that more than 40 percent of the Eritrean household populations are female headed families and more than 50 percent are still illiterate. These factors determine gender roles and responsibilities in society making women's position and participation more precarious (UNDP and Government of the State of Eritrea, 2014).

Gender roles and relations underwent rapid change as a result of the war with Ethiopia, with many women drawn into the war effort which laid the groundwork for change and the government's increasing commitment towards gender equality, demonstrated through the introduction of laws and regulations. Local customs and traditions still clash with existing legislation, awareness of gender equity legislation is low in remote and rural areas, continuing the bias against women in some areas (e.g. in land rights), and slow change in others (e.g. women's political decision making – 30 percent of parliamentary seats reserved for women are unfilled) (UNDP and Government of the State of Eritrea, 2014).

Access to land needs to be gender sensitive. The majority of farmers are women and so their economic empowerment through access to land, extension services, training, credit and social protection mechanisms will be important to improving agricultural productivity and mitigating livelihood risk (African Development Bank Group, 2014).

Partnerships for the delivery of core services

The government and the UN signed the Strategic Partnership Cooperation Framework (SPCF) in January 2013. It forms the basis of UN work in the country. Basic services' provisions are integrated into this framework. The SPCF is fully aligned with the national development priorities as articulated through the government's sector plans, strategies and policies for the period 2013-2016, the MDGs, and other internationally agreed goals and commitments. It is also informed by lessons drawn from previous UN cooperation with the government. It comprises five strategic priorities for intervention and cooperation, and related response outcomes (Government of the State of Eritrea and United Nations Eritrea, 2013).

- *Basic Social Services:* that access and utilisation of quality and integrated health and nutrition services improve among the general population with particular emphasis on children under five, youth, women and other vulnerable groups; that children, including refugees have equitable access to quality basic education in the hard to reach areas of Anseba, Gash-Barka, Southern Red Sea (SRS), Northern Red Sea (NRS) and Debu; and that vulnerable children, adolescents, young people, women, and people with special needs, including refugees, are protected from the impact of poverty, harmful practices, exploitation and injuries in high prevalence areas.
- *National capacity development:* that elected government institutions have the capacity to effectively and efficiently deliver services to all; and that national and sectoral disaster risk management is strengthened.
- *Food security and sustainable livelihoods:* that poor and vulnerable households have improved access to, and utilisation of quality food and enhanced livelihoods opportunities.
- *Environmental sustainability:* that Eritrea is on track towards achieving MDG targets on environmental sustainability (MDG 7).
- *Gender equity and advancement of women:* that national institutions have gender responsive sector plans and policies and promote the empowerment of women.

In addition to the government's own resources in supporting these areas, the UN's indicative funding requirements amount to approximately US\$ 188 million. By 30 September 2014, US\$ 60.3 million had been raised from donors representing 32 percent of the total requirements for the four-year period.

The following sectoral response activities have been prioritised for 2015:

- *Health and Nutrition:* supporting the Ministry of Health to reach the most vulnerable people and hard-to-reach areas with life-saving health and nutrition services. These will include controlling outbreaks of communicable diseases, vaccination in pocket areas poorly covered by routine immunisation, provision

of reproductive health services and nutrition support through blanket supplementary feeding and integrated management of malnutrition.

- *Water and Sanitation:* Integration with nutrition programmes is prioritised in order to address water, sanitation and hygiene issues in areas where nutrition programmes are ongoing and to prevent related diseases from reversing nutritional gains.
- *Child Protection:* Absence of demining operations in at least 481 landmine affected communities leaves mine risk education and victim support as the only interventions, to protect the most vulnerable children and women among the 650,000 people living with the risk of landmines and explosive remnants of war.
- *Multi-sector assistance to refugees:* 2,943 refugees, most of them Somalis (2,800 at Umkulu Camp) depend on relief support for their basic needs. Priorities include provision of basic social services; reinforcing core protection, enhancing child protection and attending to persons with specific needs; as well as, supporting livelihoods development, socio-economic integration, community participation and capacity building. Varied durable solutions are also pursued and include resettlement and voluntary repatriation where feasible.
- *Food Security:* Selected communities affected by drought and locust infestation in Red Sea coastal areas require assistance to cope with food insecurity and livelihoods. Planned programmes seek to build resilience, livelihoods and ultimately achieve food security. The interventions will mitigate the effects of drought, locust infestation, and the residual effect of a 2011 volcanic eruption. Up to 36,700 beneficiaries from households affected by drought and desert locust outbreak in 2014, and volcanic eruption in 2011 in Northern and Southern Red Sea regions will be assisted. Another 50,000 beneficiaries in two of the main agricultural areas (Maekel and Debub regions) will be assisted with improved seeds to contribute to a better harvest by the end of 2015.

5 What are its commitments to human rights and governance?

5.1 The prevailing situation

Eritrea continues to be a country of concern to the international community with regard to human rights and freedoms. It remains at the lowest rating (7) "not free" in the Freedom House 2015 report on political rights and civil liberties. Eritrea has been listed at this level since 2010. Reporters without Borders welcomed the release from detention in late January of six radio journalists who had been detained without trial since February 2009. However, this is only a small positive development in an otherwise hostile environment for journalists (UK FCO, 2015a).

Areas such as arbitrary and inhumane detention, religious freedom, freedom of expression and assembly, freedom of movement, and the implementation of a constitution (that was ratified by its National Assembly in 1997) need particular attention.

The National Assembly stopped convening in 2002. Even while it was sitting, laws were passed by government decree i.e. through proclamations. Since 2002, it has been the exclusive way to promulgate legislation. Some important policies adopted by the government, including those severely affecting individual rights and freedoms, are not embodied in law; they are announced by government media or in messages passed on by local administrative authorities.

Without the implementation of the constitution, Eritrea continues to function as a one-party state. The media is not independent, the rule of law is arbitrary, and the judiciary is weak and often circumvented through informal and extrajudicial forms of justice. Judges are appointed, reassigned and dismissed at the will of the President and are directed in their actions and influenced in their decisions by members of the People's Front for Democracy and Justice (PFDJ) and of the army. The judicial system has also been affected by the creation of a parallel structure, the Special Court that presides over and rules on all kinds of crimes, operating with clear disregard for the most basic safeguards related to due process. Its judges are senior military officers without legal training, apparently directly appointed by the President and directly accountable to him.

Human rights violations are mainly perpetrated by state entities - the Eritrean Defence Forces, in particular the Eritrean Army; the National Security Office; the Eritrean Police Forces; the Ministry of Information; the Ministry of Justice; the Ministry of Defence; the PFDJ; the Office of the President; and the President.

Recent international assessments of human rights in Eritrea provide a comprehensive picture of the predicaments facing the Eritrean population and of the lack of 'real' commitment by the government to resolve gross human rights violations. Even though international standards apply and the country has ratified several international treaties (see Annex 2 table 1), these do not reflect ground realities. Eritrea demonstrates a deplorable human rights environment, with serious implications for inclusive social, political and economic development, and for poverty reduction.

In accordance with its resolution 26/24, the UN Human Rights Council (HRC) established the Commission of Inquiry on Human Rights in Eritrea for a period of one year with the mandate to investigate all alleged violations of human rights in Eritrea. The Commission found that systematic, widespread and gross human rights violations have been and are being committed in Eritrea under the authority of the government. Some of these violations may constitute crimes against humanity (see Annex 1 for a summary of the findings from this Inquiry).

The Commission presented an oral update of its work to the HRC on 16th March, and published its report on 4th June 2015. Its chairman reported that the government of

Eritrea had not cooperated with the Commission nor accepted its requests to visit Eritrea. From evidence gathered through interviews with 500 people in five other countries, and the submission of written evidence, the Commission reported that it had identified significant human rights violations in Eritrea since the country's independence with no evidence that the individuals responsible were held accountable for them. These violations included enforced disappearances; arbitrary arrest and detention; torture and inhumane prison conditions; violations of freedom of expression and opinion; and forced military conscription (see Box 2) (UN HRC, 2015).

Box 2: Eritrea's mandatory conscription through 'national service'

Eritrea justified its practice of mandatory conscription, *hagerawi agelglot* in Tigrinya under its National Service Proclamation No. 82/1995 that was published on 23 October 1995 in the Eritrean Gazette. According to this, all Eritrean nationals, both female and male between the ages of 18 and 50 years have the duty to participate in the national service. According to estimates, the majority of the estimated 201,750 current active members of the armed forces are national service conscripts.

The Government of Eritrea deems as the main purpose of the national service the formation of a secular and socially integrated nation, transcending ethnic, religious, community and provincial allegiances, which are seen as possible causes of division and threats for the country. Conscripts are referred to as *Warsai Yikealo* ("heirs of the freedom fighters"), who, during their national service, are supposed to embrace the virtues attributed to the freedom fighters during the struggle which contributed to their victory over the Ethiopian army. The national service thus provides the framework for indoctrination of subsequent generations and the creation of ideal citizens.

The *Warsai Yikealo* Development Campaign, launched in mid-2002, is presented by the Government as an additional national, social and economic development effort to reconstruct the country further devastated by the border war with Ethiopia. With the national service as its main pillar, the *Warsai Yikealo* Development Campaign provides for the deployment of national service conscripts in the military service, in the civil service (including in ministries and local administration) and in companies owned by the State, under the authority of the Ministry of Defence. National service conscripts are assigned to fulfil a broad set of tasks, going by far beyond military core functions, and to work in the development, construction and maintenance of infrastructure projects, in the agricultural sector and in the fledgling industrial and mining sectors.

The National Service Proclamation stipulates that the 18-month long active national service may be extended in case of general mobilisation. With the *Warsai Yikealo* Development Campaign, the Government extended the statutory national service of 18 months to an indefinite period, effectively leading to a constant state of general mobilisation. The Government argues that the so-called "no war, no peace" situation with Ethiopia justified an indefinitely extended period of conscription. The "no war, no peace" situation does not fulfil the criteria required under international law for a state of emergency. It has no legal ground or effect on the application of the international obligations of Eritrea.

Contrary to the lower age limit for national service of 18 as stipulated by national law, Eritrea's current system of conscription results in the drafting of minors, including children below the age of 15. Almost all of these children are recruited involuntarily. Children were among those conscripts who had to participate in the 1998-2000 war against Ethiopia.

Members of the Eritrean Defence Forces regularly conduct round-ups in search of citizens who have failed to respond to a national service call by the Government to report for national service, have absented themselves from the army without leave or have otherwise attempted to evade conscription. These round-ups are known as *giffas* in Tigrinya or *raffs* in Afari.

Article 37 of National Service Proclamation provided for punishments for the non-performance of military service, without prejudice to more rigorous punishment under the 1991 Transitional Penal Code of Eritrea. Avoiding national service by mischief, deliberate infliction of bodily injury or by any other means (para 1); absconding from national service by leaving the country (para 2); and assisting to avoid national service or registration (para 3) were punishable with payment of a fine or imprisonment of up to five years. Under the

Transitional Penal Code, these statutory offences would lead to imprisonment of longer periods of time, in the case of desertion in times of emergency, and in the case of general mobilisation or war up to life imprisonment. Desertion from active service could also be punished with the death penalty. This Transitional Penal Code is meant to be replaced with new Civil, Penal, Civil Procedure and Criminal Procedure Codes.

Source: UN HRC (2015).

In addition to a harsh national service programme, Eritrea also has a People's Army with a slightly different mandate to the above, and targets a much older cohort of citizens (see Box 3).

Box 3: People's Army

In 2012, the Government started to arm civilians and recruit them into the People's Army, *Hizbawi Serawit* in Tigrinya ('population soldiers'). The People's Army undertakes various duties, from guarding public sites to contributing to development projects. There is no official government document that outlines the policy. Anyone who is not actually serving in the army is a potential recruit for the People's Army, including those who are currently in the national service. People who have been released from national service due to health problems or their age are nevertheless obliged to join the People's Army. Although women are exempted from serving in the People's Army, they have also had to join. There are people in their 40s who have to join the People's Army. However, the majority are people in their 50s and older, some even up to the age of 70.

Source: UN HRC (2015).

Eritrea made some limited progress against its international commitments on human rights during the period from 1 January to 30 June 2015. The Commission acknowledged recent cooperation by Eritrea with some human rights mechanisms, including its ratification of the UN Convention Against Torture, and also noted the government of Eritrea's decision to limit national service for new entrants to 18 months. The most significant development was the publication in May 2015 of new Civil, Penal, Civil Procedure and Criminal Procedure Codes to replace the previous Transitional Codes. The government of Eritrea also hosted a visit by representatives of the Office of the High Commissioner for Human Rights to consider potential project work in the field of human rights in Eritrea (UK FCO, 2015a).

The HRC Commission of Inquiry into Eritrea visited the UK in January 2015. This visit was facilitated by FCO officials who set up meetings for the Commission and helped identify premises where members of the Commission could conduct confidential interviews with Eritreans in the UK. Commission representatives met senior FCO and Home Office officials and academics from Chatham House to discuss their remit and mandate (UK FCO, 2015a).

The UK participated in the interactive dialogue with the Commission at the HRC on 24 June 2015 in Geneva. It shared the Commission's concerns regarding human rights in Eritrea, and noted that Eritrea continued to fall short of domestic implementation of its international human rights obligations. It urged Eritrea to release all those arbitrarily detained, to hold those responsible for violations and abuses to account, and also to extend the commission's mandate for another year. It reaffirmed its disappointment that the government of Eritrea continued to deny the Special Rapporteur access. It also sought the views of the Special Rapporteur on business and human rights in Eritrea, and asked if she would engage with international companies who were seeking to operate in Eritrea, particularly the extractives sector (UK FCO, 2015a).

The EU and its member states also continue to use every opportunity to raise the importance of progress on human rights with the government of Eritrea, including through direct representations to the government in Asmara, in their response to the Commission's Inquiry, and during high-level visits to Eritrea, including the visit of the EU's Special Representative for the Horn of Africa (UK FCO, 2015a).

5.2 The state of migration

Eritrea is one of the top sources of irregular migration to Europe (see Box 4). The human rights situation forces scores of Eritreans to flee their country. It is estimated that approximately 5,000 people leave Eritrea each month, mainly to neighbouring countries. The trend has been rising, with a marked spike during the latter months of 2014. In October 2014, the registered refugee population was 109,594 in the Sudan and 106,859 in Ethiopia. The total Eritrean population of concern to the United Nations High Commissioner for Refugees (UNHCR) in mid-2014 was 357,406. This is roughly between 6 and 10 percent of the national population (Palacios Arapiles, 2015).

The "Khartoum Process" (EU – Horn of Africa Migration Route Initiative) aims at increasing EU support to Eritrea to tackle trafficking and smuggling of migrants. Specifically, with regard to Eritrea, reports have appeared suggesting that the EU is considering a multi-million development package for the country. UK, and EU partners are stepping up dialogue with Eritrea on how to stem the migrant flow, including by addressing the reasons why migrants leave in the first place. FCO and Home Office officials from the UK have discussed these issues with the government of Eritrea bilaterally and Eritrea's engagement in the "Khartoum Process" is a positive signal to the international community (UK FCO, 2015b).

Box 4: The state of migration

The following excerpt from TIPS (2015) discusses what migration from Eritrea entails and the challenges migrants face abroad.

Human trafficking to the Middle East, Africa and Europe is not uncommon, even though the government has laws prohibiting this. Many Eritreans are also claiming refugee status in neighbouring countries, Europe and the Middle East.

Eritrea is a source country for men, women, and children subjected to forced labour domestically, and to some extent, forced prostitution and forced labour in other countries. Thousands of people continue to flee the country, many escaping the government's mandatory national service programme. Eritreans fleeing national service, persecution, or seeking economic opportunities abroad primarily migrate to Ethiopia, Sudan, Djibouti, and Yemen; in 2013, new migration routes extended from Sudan to Libya and from Libya to Europe. The government's strict exit control procedures and limited issuance of passports and exit visas effectively oblige those who wish to travel abroad to do so clandestinely, increasing their vulnerability to trafficking.

As of December 2013, Sudan hosted an estimated 114,900 Eritrean refugees and asylum-seekers, with 400-600 Eritreans arriving to Sudan per month. Eritreans accounted for 78,974 of Ethiopia's registered asylum-seeker population; from October to December 2013, 3,496 new Eritrean asylum-seekers registered in Ethiopia. Smaller numbers of Eritrean refugees and asylum-seekers were registered in Uganda, Yemen, and Djibouti in the reporting period. Some fleeing Eritreans face being shot and killed by Eritrean or Egyptian authorities or are forcibly repatriated to Eritrea, where they are sometimes detained without charge by the Eritrean government, or recalled into national service. Adolescent children who attempt to leave Eritrea are sometimes detained or forced to undergo military training despite being younger than the minimum service age of 18.

Some Eritreans become victims of forced labour, primarily domestic servitude, in Sudan, Egypt, Israel, Yemen, Djibouti, Saudi Arabia, or other Gulf countries. Eritrean women and girls are sometimes recruited to travel to Saudi Arabia or other Gulf states for domestic work with employment contracts that provide them with visas and work permits but they are forced to engage in prostitution after they arrive. Smaller numbers of Eritrean women and girls are subjected to sex trafficking in South Sudan, Sudan, Israel, and Gulf countries; some Eritrean men are reportedly vulnerable to sex trafficking in Israel as well. International criminal groups kidnap vulnerable Eritreans inside and outside of refugee camps, particularly in Sudan, and transport them to Egypt's Sinai Peninsula. In the Sinai, migrants and refugees are subjected to severe abuses, including human trafficking, at the hands of criminal groups.

Abuse often consists of being forced to call family and friends abroad to pay ransom for release; some migrants and refugees report being forced to work as cleaners or on construction sites during their captivity. Victims of these criminal groups also report being chained together, whipped and beaten regularly, deprived of food, and repeatedly raped.

The Government of Eritrea does not fully comply with the minimum standards for the elimination of trafficking and is not making significant efforts to do so. The government did not report data regarding efforts to combat human trafficking, as distinct from human smuggling. The government continued to subject its citizens to forced labour of a non-military nature in its compulsory national service, often for periods of indefinite duration, and in its citizen militia, whose members were also sometimes obliged to carry out public works such as tree-planting and dam-building. The government failed to identify and adequately protect victims of forced labour and sex trafficking, and it continued to arrest and detain unidentified victims for acts committed as a direct result of being subjected to human trafficking, such as immigration and prostitution violations. Although the government continued to warn its citizens of the dangers of trafficking, authorities largely lacked understanding of the crime, conflating it with all forms of transnational migration. The government took no effective measures to stem the exodus of thousands of Eritreans fleeing the country every month to seek economic opportunities abroad via clandestine migration that increased their vulnerability to forced labour and sex trafficking abroad.

Source: TIPS (2015).

5.3 Forms of human rights violations

Religious discrimination: Even though the Eritrean constitution enshrines the right to practice any religion, in practice only four traditional religious organisations (Orthodox Christian, Sunni Muslim, Catholic, and the Lutheran Evangelical Church of Eritrea) are approved officially to operate (UK FCO, 2015b).

Refugee population: Many refugees have been in Eritrea for nearly two decades but are not adequately recognised by domestic legislation. As of December 2014, Eritrea had 2,902 refugees and asylum seekers, of which roughly 2,800 were Somalis. Others belonged to Ethiopia, the Sudan and South Sudan (UK FCO, 2015b).

Women: Even though women are protected by law, they face widespread discrimination due to cultural attitudes and lack of access to economic opportunity. Eritrea has not endorsed the Declaration of Commitment to End Sexual Violence in Conflict. Female genital mutilation (FGM/C) is illegal. Its incidence has reduced through active campaigning by the government, yet is still common among some groups and in some areas. Whereas the 2002 Demographic and Health Survey had found that 89 percent of girls and women had undergone FGM/C, the 2010 Population and Health Survey reported that 83 percent of girls and women ages 15 to 49 had undergone FGM/C. The study also found older cohorts had a higher prevalence of FGM/C than younger cohorts (UK FCO, 2015b).

Children: Children's rights are also protected by law, but implementation is weak. Eritrea has ratified the International Conventions on Child Labour (see Annex 2 table 2). There are laws, regulations and policies related to child labour as well as agencies responsible for law enforcement (UK FCO, 2015b).

Child labour below the age of 14 is illegal but is prevalent in rural areas. Children in Eritrea are engaged in child labour in agriculture and are victims of commercial sexual exploitation. The Government of Eritrea is also complicit in the worst forms of child labour through national policies and programmes. It sponsors a national programme called *Maetot*, under which children in grades nine through eleven are required to engage in team-building through public works projects in agriculture, environmental protection, or hygiene during their summer holidays, in some cases for as long as two months. It also engages in a compulsory practice, whereby, in order to graduate from high school, students are required by the government to complete their final, 12th year of schooling and military training at the Sawa Center for Education and Training in remote Western Eritrea (UK FCO, 2015b).

Ethnic groups: The Eritrean government recognises nine official ethnic groups (see ethnic profile in Section 2.2). Of these, the Tigrinya is politically and culturally dominant. Representatives of other groups have complained of discrimination and violation of their rights. Relations between the government and the Kunama and Afar are especially tenuous (UK FCO, 2015b).

Lesbians, gays, bisexuals and transgender (LGBT): Same-sex activity is a crime in Eritrea and there is no antidiscrimination legislation to protect LGBT individuals. The Eritrean government intends to retain a tough stance against them (UK FCO, 2015b).

6 What are the current development challenges and needs in Eritrea?

The information captured in this review reveals to some extent Eritrea's policy commitment to development (economic and social), yet many challenges remain. A list of challenges and needs are stated below:

6.1 Current development challenges

- *Closed media:* Eritrea is one of the world's most secretive countries. It does not have any privately-owned indigenous media, and ranks alongside North Korea in global media freedom. It is also strict about foreign journalists' coverage unless they agree to portray a positive story about the government. The challenge for development partners is to know the realities on the ground, and what conditions – social, political and economic – are truly like.
- *Development planning:* The National Development Plan (NDP) in particular as well as development planning in general is taking long to formulate, much less implement in the backdrop of low planning capacity as well as statistical information issues. At the core of this problem is the weak relationship among stakeholders in the national statistics system (that is, producers, users, and partners). This problem is attributed to inadequate operational frameworks for compiling, coordinating, and distributing national statistics for facilitating the formulation and implementation of the NDP. The lack of a credible national statistics data base has also prevented the development of a robust monitoring and evaluation (M&E) system (African Development Bank Group, 2014).
- *Gaps in skills and human resources:* The public and private sectors have insufficient human capital. Eritrea's youth also faces a lack of employment opportunities. The deficit of skills and jobs is problematic for a country wishing to transform economically and socially.
- *Low agricultural productivity:* Climate change has taken a toll on Eritrea's agricultural sector. Yields are low, nutrition is poor, and people's incomes are unpredictable due to recurrent droughts and water stress.
- *Fragile regional peace and stability, and international isolation:* Eritrea has suffered from years of conflict. UN sanctions for a country attempting to break out of this political turmoil and economic uncertainty are detrimental in the immediate and long-run. However, the country's own role in destabilising regional peace and security cannot be ignored. Fragile regional dynamics coupled with international isolation are deterrents to foreign direct investment and fiscal flows.
- *Infrastructure deficits:* Insufficient road, energy and telecommunications infrastructure are bottlenecks to encouraging trade and country competitiveness. Access to clean water and proper sanitation is low. Eritrea relies mainly on ground water resources, yet ground water development and management is weak.

6.2 Current development needs

- *Open media:* An urgent and important development need in Eritrea is an open-media. While it will take some time for the government to recognise the merits of this, from a human rights point of view this is critical because a more open media will help citizens at home and abroad and for humanitarian partners to assess the security situation in the country. It is equally important for citizens at home and abroad, for foreign investors as well as for development partners to gauge whether economic opportunities the country is likely to offer, and the government likely to encourage are tangible.

- *Development planning:* A gap in the areas of capacity building, public finance management, economic planning, gender-sensitive and ethnically representative statistics as well as in monitoring and evaluation of public policies and programmes needs to be urgently filled. Support is needed to update data on economic and social sectors, and formulate a statistical Master Plan, Statistical Act, population & social statistics, and preparation of national accounts (African Development Bank Group, 2014).
- *Investment in skills and human resources:* Targeted investments in skills and human resources development by the private and public sectors as well as by development partners are needed to enhance the skills base of young people in the country, and to make them more competitive in the job market.
- *Improving agricultural productivity:* Eritrea's new strategic plan (2013-2017) focuses on water and soil conservation, and technological inputs to increase agricultural productivity, resilience and sustainable use of land. The benefits of this approach are central to achieving inclusive and green growth, while contributing to bridging the human resources deficit. Interventions in boosting agricultural productivity and incomes will also facilitate poverty reduction, food security, and nutritional improvement (African Development Bank Group, 2014).
- *Enhancing regional peace and stability:* The UN needs to evaluate the role of its sanctions on Eritrea, whether and how these can be phased out and the implications these are likely to have. At the same time, the country and in particular the government needs to demonstrate to the international community that removing sanctions would indeed be a step in the right direction, and would be an ideal way to restore regional peace and stability.
- *Meeting infrastructure needs:* Eritrea's need for infrastructure in roads, energy, telecommunications and basic services such as water supply and sanitation is critical.

6.3 Obstacles to effective aid programming in Eritrea

- The lack of clear population figures is a major impediment to provision of assistance and tracking of progress on key development indicators in Eritrea (CAFOD, 2014).
- The government has a policy of limiting reliance on foreign assistance arguing that a sovereign country's development should not be based on aid, but investment from development partners. Tenuous relations with some regional partners and the international community have led it to adopt a strategy of keeping countries and international organisations at arm's length (African Development Bank Group, 2014).
- Despite many development partners operating in Eritrea, (e.g. the African Development Bank, UN agencies, the EU, the Government of Japan (JICA), and China), and the Eritrean Development Partners Forum (EDPF), with a presence in Asmara, meeting periodically to share information on developmental issues, their procedures, programmes, and funding are not harmonised with the Paris Declaration (African Development Bank Group, 2014).
- Related to the point above, the government also does not take part in aid coordination and harmonisation meetings. Its policy restricts public sector institutions and agencies from dealing directly with development partners. This translates into less effective aid-related interventions in many important sectors.

6.4 Facilitators of effective aid programming in Eritrea

- When negotiating development assistance and investment projects in Eritrea, governments, non-governmental organisations and private sector companies

should ensure that decent wages for locally engaged staff are an integral part of the agreement, and insist that wages effectively go to those doing the work.

- In negotiating access to the country and in proposing programmes and projects, organisations should ensure that a positive impact on the enjoyment of rights and freedoms of the people of Eritrea as recognised under international law is a central priority.

References

- African Development Bank Group (2014) 'Eritrea: Interim Country Strategy Paper (ICSP) 2014-2016'. East African Regional Resource Centre (EARC).
- Africa Economic Outlook (AEO) (2015) 'Eritrea'. African Development Bank, OECD and UNDP.
- Aid Data (2015) Open Data for International Development: Research Datasets-Donor datasets. Available at: <http://aiddata.org/donor-datasets>. The information is not fully consistent with the reporting directly from OECD International Development Statistics, but provides an indication of donor priorities.
- BBC (2015) 'Eritrea' country profile. Available at: <http://www.bbc.com/news/world-africa-13349078>
- CAFOD (2014) 'Needs Assessment Report: Eritrea'. London: CAFOD.
- Carey, K (2015) Correspondence between ODI research staff and Kevin Carey, World Bank Economist who works on Eritrea.
- Global Hunger Index (2015) 'Eritrea'. Washington, DC: IFPRI.
- Government of the State of Eritrea (2013) 'Education Sector Development Plan 2013-17.' Asmara: Ministry of Education, Government of the State of Eritrea.
- Government of the State of Eritrea and European Commission (2009) 'Eritrea – European Community Country Strategy Paper and National Indicative Programme for the period 2009 – 2013.' Government of the State of Eritrea and European Commission.
- Government of the State of Eritrea and United Nations Eritrea (2013) 'The Strategic Partnership Cooperation Framework (SPCF) between the Government of Eritrea and the United Nations 2013-2016: Driving Towards MDGs.' Asmara: Government of the State of Eritrea and United Nations Eritrea.
- IMF (2015) Article IV. Washington, DC: IMF. Available at: <http://www.imf.org/external/np/pp/eng/2015/020915.pdf>
- Index Mundi (2014) 'Country Statistics: Eritrea'. Index Mundi.
- Nishiuchi, T (2015). Correspondence between ODI research staff and Toru Nishiuchi, World Bank Country Economist for Eritrea.
- OECD Credit Reporting Services (2015) International Development Statistics (IDS) online databases. Available at: <http://www.oecd.org/development/stats/idsonline.htm>
- Open Budget Index and International Budget Partnership (2015) Available at: <http://www.obstracker.org/locale/en>
- Palacios Arapiles, S (2015) 'The true human rights situation in Eritrea: the new UK Home Office Guidance as a political instrument for the prevention of migration.' Refugee Law Initiative (RLI) Working Paper No.14.
- Pontara, N (2015) Email correspondence between ODI research staff and Nicola Pontara, Former World Bank Country manager for South Sudan and current World Bank country manager for Bolivia.
- Ramirez, G. (2015) Email correspondence between ODI research staff and Gustavo Ramirez (IMF country economist for Eritrea).
- Reporters Without Borders (2015) 'World Press Freedom Index.' Reporters Without Borders.
- State of Eritrea (2004) Interim Poverty Reduction Strategy Paper (I-PRSP). Asmara: State of Eritrea.
- TIPS (2015) Country Extracts. TIPS.
- Turk, C (2015) Personal interview of Carolyn Turk, World Bank Country Director for Rwanda (also covering Eritrea).
- UK FCO (2015a) Eritrea Human Rights Report. In year update June 2015. London: UK FCO.
- UK FCO (2015b) Eritrea: Country of concern. London: UK FCO.
- US Department of State (2014) Eritrea Human Rights Report 2014. Washington, DC: US Department of State.

UN (2009) 'List of Sanctions on Eritrea.' New York: UN.

UN Development Programme (UNDP) (2014) 'Innovations Driving Health MDGs in Eritrea.' Abridged version. Asmara: UNDP Eritrea.

UNDP and Government of the State of Eritrea (2014) 'The implementation of the Beijing Declaration and Platform for Action and the Outcomes of the 23rd Special Session of the General Assembly.' Asmara: UNDP and the Government of the State of Eritrea.

UN Human Development Report Office (UNHDRO) (2015) Human Development Index (HDI) rankings. New York: UNHDRO.

UN Human Rights Council (2015) 'Human Rights Council, 29th Session Agenda Item 4, 5 June 2015, on human rights situations that require the Council's attention.' UN HRC.

WHO (2014) 'Country cooperation strategy at a glance'. Geneva: WHO.

World Bank (1996) 'Eritrea Poverty Assessment'. Washington, DC: World Bank.

World Bank (2014) Global Environment Facility Country Portfolio Evaluation Eritrea (1992-2012). Final Evaluation Report. Available at: http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2015/09/06/090224b0830be25c/1_0/Rendered/PDF/Eritrea000GEF00a10evaluation0report.pdf

World Bank (2015a) World Development Indicators 2015. Washington, DC: World Bank.

World Bank (2015b) World Bank Governance Indicators. Country data reports. Washington, DC: World Bank. Available at: <http://info.worldbank.org/governance/wgi/index.aspx#countryReports>

World Bank (2015c) 'Doing Business Report and Rankings 2015.' Washington, DC: World Bank.

Annex 1. Summary findings of the Commission of Inquiry on human rights in Eritrea

In its resolution 26/24, the Human Rights Council established the Commission of Inquiry on human rights in Eritrea for a period of one year with the mandate to investigate all alleged violations of human rights in Eritrea, as outlined by the Special Rapporteur, Sheila Keetharuth on the situation of human rights in Eritrea in her reports (A/HRC/23/53 and A/HRC/26/45). Although the Commission was unable to visit Eritrea, it obtained first-hand testimony by conducting 550 confidential interviews with witnesses residing in third countries. It also received 160 written submissions.

On the basis of this body of evidence, the Commission found that systematic, widespread and gross human rights violations have been and are being committed in Eritrea under the authority of the government. Some of these violations may constitute crimes against humanity.

In the report, the Commission shows how the initial promises of democracy and rule of law, incarnated in the never-implemented Constitution of 1997, were progressively suppressed and then extinguished by the government. It details how the government has created and sustained repressive systems to control, silence and isolate individuals in the country, depriving them of their fundamental freedoms. Information collected on people's activities, their supposed intentions and even conjectured thoughts are used to rule through fear in a country where individuals are routinely and arbitrarily arrested and detained, tortured, made to disappear or extra-judicially executed. The Commission also describes how, on the pretext of defending the integrity of the State and ensuring its self-sufficiency, Eritreans are subject to systems of national service and forced labour that effectively abuse, exploit and enslave them for indefinite periods of time.

Source: UNHRC (2015).

Annex 2: Ratification of international human rights treaties by Eritrea

Table 8: Ratification of international human rights treaties by Eritrea

International Bill of Human Rights	Signature	Ratification/Accession
International Covenant on Economic, Social and Cultural Rights		17 April 2001
International Covenant on Civil and Political Rights		22 Jan 2002

Optional Protocol to the International Covenant on Civil and Political Rights	Not signed	
Second Optional Protocol to the International Covenant on Civil and Political Rights, aiming at the abolition of the death penalty	Not signed	
Prevention of discrimination on the basis of race, religion, or belief; and protection of minorities		
International Conventions on the Elimination of All Forms of Racial Discrimination		31 Jul 2001
Women's Rights		
Convention on the Elimination of All Forms of Discrimination against Women		5 Sep 1995
Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women	Not signed	
United Nations Convention against Transnational Organized Crime	Not signed	
Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime Preamble, supplementing the United Nations Convention against Transnational Organized Crime	Not signed	
Protocol against the Smuggling of Migrants by Land, Sea and Air, supplementing the United Nations Convention against Transnational Organized Crime	Not signed	

Slavery and Slavery-Like Practices		
Slavery Convention	Not signed	
Protocol amending the Slavery Convention	Not signed	
Supplementing Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery	Not signed	
Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others	Not signed	
Protection from Torture, Ill-Treatment and Disappearance		
Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment	Not signed	
Freedom of Association		
Freedom of Association and Protection of the Right to Organise Convention		22 Feb 2000
Right to Organise and Collective Bargaining Convention		22 Feb 2000
Employment and Forced Labour		
Convention concerning Forced or Compulsory Labour		22 Feb 2000
Equal Remuneration Convention		22 Feb 2000
Abolition of Forced Labour Convention		22 Feb 2000
Discrimination (Employment and Occupation) Convention		22 Feb 2000
Employment Policy Convention	Not signed	

Convention concerning Occupational Safety and Health and the Working Environment	Not signed	
Convention on the Protection of the Rights of All Migrant Workers and Members of their Families	Not signed	
Education		
Convention against discrimination in education	Not signed	
Refugees and Asylum		
Convention relating to the Status of Refugees	Not signed	
Protocol Relating to the Status of Refugees	Not signed	
Nationality, Statelessness, and the Rights of Aliens		
Convention on the Reduction of Statelessness	Not signed	
Convention relating to the Status of Stateless	Not signed	
War Crimes and Crimes Against Humanity, Genocide and Terrorism		
Convention on the Non-Applicability of Statutory Limitations to War Crimes and Crimes Against Humanity	Not signed	
Convention on the Prevention and Punishment of the Crime of Genocide	Not signed	
Rome Statute of the International Criminal Court	7 Oct 1998	
Law of Armed Conflict		
Geneva Convention for the Amelioration of the Condition of		14 Aug 2000

the Wounded and Sick in Armed Forces in the Field		
Geneva Convention for the Amelioration of the Condition of the Wounded, Sick and Shipwrecked Members of Armed Forces at Sea		14 Aug 2000
Geneva Convention relative to the Treatment of Prisoners of War		14 Aug 2000
Geneva Convention relative to the Protection of Civilian Persons in Time of War		14 Aug 2000
Protocol Additional to the Geneva Conventions of 12 August 1949, and Relating to the Protection of Victims of International Armed Conflicts (Protocol I)	Not signed	
Protocol Additional to the Geneva Convention of 12 August 1949, and Relating to the Protection of Victims on Non-International Armed Conflicts (Protocol II)	Not signed	
Terrorism and Human Rights		
International Convention Against the Taking of Hostages		14 Jan 1999
International Convention for the Suppression of Terrorist Bombing	Not signed	
International Convention for the Suppression of the Financing of Terrorism	Not signed	
International Convention for the Suppression of Unlawful Seizure of Aircraft	Not signed	
International Convention on the Prevention and Punishment of Crimes Against International Protected Persons		22 Dec 1999

UN Activities and Employees		
Convention on the Privileges and Immunities of the United Nations	Not signed	
Convention on the Safety of the UN and Associated Personnel	Not signed	
African Regional Conventions		
African (Banjui) Charter on Human and People's Rights	Not signed	
Convention Governing the Specific Assets of Refugee Problems in Africa	Not signed	
Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa	Not signed	
Protocol of the African Charter on Human and People's Rights on the Establishment of an African Court on Human and Peoples' Rights	Not signed	
African Charter on the Rights and Welfare of the Child		22 Dec 1999

Source: Government of the State of Eritrea and European Commission (2009)

Table 2. Ratification of International Conventions on Child Labour

Ratification of International Conventions on Child Labour	Ratification
ILO Convention, 138, Minimum Wage	Yes
UN Convention on the Rights of the Child	Yes, on 3 Aug 1994
UN CRC Optional Protocol on the involvement of children in armed conflicts	Yes, on 16 Feb 2005
UN CRC Optional Protocol on the Sale of Children, Child Prostitution and Child Pornography	Yes
Convention concerning the prohibition and immediate action for the elimination of the worst forms of child labour	Not signed

Laws and regulations related to child labour	Age	
Minimum age for work	14	Labour Proclamation 118 of 2001 (15)
Minimum Age for Hazardous Work	18	Labour Proclamation 118 of 2001 (15)
List of Hazardous Occupations Prohibited for Children		Labour Proclamation 118 of 2001 (15)
Prohibition of Forced Labour		Constitution (16)
Prohibition of Child Trafficking		Penal Code (17)
Prohibition of Commercial Sexual Exploitation of Children		Penal Code (17)
Minimum Age for Compulsory Military Recruitment	18	Proclamation 11/1991 (18, 19)
Minimum Age for Voluntary Military Service	18	Proclamation 11/1991 (18, 19)
Compulsory Education Age	14	National Policy on Education (20, 21)
Free Public Education		National Policy on Education (20)