

MINISTRY OF NATIONAL DEVELOPMENT

STATE OF ERITREA

**IMPLEMENTING THE BRUSSELS PROGRAM OF ACTION
PROGRESS, CHALLENGES AND PROSPECTS**

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1. BACKGROUND

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

1.2 The Transitional Government had its work cut out for it. It had to transform the Eritrean Peoples Liberation Front, the nationalist movement that led the independence struggle, into a modern government. The social, economic and physical infrastructure had to be rehabilitated and reconstructed as a matter of urgency. It had to cope with the continuous large inflows of the population into Eritrea from different sources: fighters from the field, returning refugees and other returning Eritrean expatriates from around the globe.

2. THE DEVELOPMENT CONTEXT AND STRATEGY

2.1 The Government's development philosophy is to foster economic growth that is widely shared among the various segments of the society. The Government aimed at narrowing down differences in the well being of its citizens whether they were gender, region or rural-urban based differences. Eritrea's development strategy has been articulated in a number of documents, including the 1994 Macro Policy paper, the 2001 Transitional Growth and Poverty Reduction Strategy Paper, the Interim Poverty Reduction Strategy Paper (I-PRSP) and the Food Security Strategy Paper, both of 2003, and the first Millennium Development Goals Report, (MDGR) of the country, which was prepared in April 2005.

2.2 These documents may differ in the way they detail Eritrea's development strategy. Nevertheless, they share a common thread in that they reflect the Government's development philosophy as briefly outlined below:

- Eritrea's core strategy is to build an economy that is lead by the private sector and is export-oriented;
- Growth is prerequisite for development, as is the establishment of a business friendly environment; and
- The building of human and institutional capacity and the rehabilitation and reconstruction of the physical and economic infrastructure, including roads, airports, harbors, and power, water and sanitary facilities are priority areas for public investment.

3. THE INTERGRATED RURAL DEVELOPMENT PROGRAM-2006-2010

3.1 Eritrea has just prepared its Integrated Rural Development Program (IRDP) for implementation during the next five years, 2006-2010. The Program focuses on achieving the three-pronged objectives of food security, poverty reduction and the MDGs. All these three objectives are, of course closely linked. Food insecurity is, for instance, both a cause and a consequence of poverty. A generalized poor health and sanitation among the labor force can lead to poor labor productivity and hence lead to poverty. The strategy is, therefore, to make a coordinated frontal attack on all the three major ills of food insecurity, poverty and the underlying causes of low human development index such as poor health, gender inequality, low access to education, health, water and sanitary facilities.

3.2 The IRDP will have the following principal components:

- Agriculture;
- Education;
- Health;
- Energy; and
- Water, sanitation, and the environment.

3.3 The IRDP is sponsored by the Government, IDA, the EU, the AfDB and some bi-laterals. The envisaged total investment over the 5-year plan period is US \$ 100 million. Project identification and preparation is expected to begin with all-partner conference planned for July 2006.

4. PROGRESS MADE ON THE BPOA GOALS AND TARGET

4.1 The MDGR, a study conducted by a consulting team with the financial support from UNDP, projects that Eritrea will achieve eight of the ten MDG targets by the target year of 2015. The Report indicates, however, that Eritrea will be off track in two areas-reduction of poverty and achievement of universal primary education. It would be impossible to give an exhaustive account of the progress Eritrea made in the various sectors during the last few years. The brief account below only highlights some of the major progresses made.

4.2 Since independence, tremendous progress has been made in education, health, water sanitation and energy and infrastructure. Major progress has been made in increasing access to **education**: almost doubling the number of students in elementary schools and more than doubling the numbers in middle and secondary schools. In 2003, the county introduced a new 5-year education program. The Program focuses on increasing access to education, especially in under-served areas, and ensures curriculum relevance to Eritrea with the appropriate balance between academic and vocational training throughout the educational system.

4.3 Eritrea continues to make progress also in the health sector. The infant mortality (IMR) rate fell from 72 per 1,000 live births in 1995 to 48 in 2002 while under-five mortality rate (U5M) fell from 136 to 93 over the same period. These are well below the Sub-Saharan Africa (SSA) average of 101 for the IMR and 171 for U5M. Immunization coverage is one of the highest in SSA, with 76% of children ages 12-23 months fully

immunized in 2003. This represents an 83% improvement over the 1995-level-at a time when immunization rates have generally been decreasing across Africa.

4.4 Malaria mortality and morbidity were reduced by more than 80% in the last four years, by far the best performance in SSA. Eritrea also has one of the best insecticide-treated nets (ITN) coverage in SSA. HIV/AIDS prevalence remains relatively low at 2.4 % of pregnant women in 2003. Over the same period, the number of reported sexually transmitted infections fell by 25%. In the last four years, Eritrea has initiated an excellent peer-lead Behavior Communication (PBC) program for HIV/AIDS as well as a successful condom promotion and distribution initiative. Blood safety has generally improved with 100% of blood units now screened for HIV.

4.5 Demographic and Health Survey (DHS) data of the Government indicate that the proportion of households without access to **safe drinking water** declined from 83.6% in 1993-95 to 32.5 % in 2001-03. In the urban areas, only 3 % of households are without clean water in 2001-03 while 51.7% of rural households were without clean water. The DHS data further show that the proportion of households without **flush toilets or ventilated improved pit** latrines declined from 87.2 in 1993-2005 to 74.45 in 2001-03.

4.6 In recognition of the importance of environmental sustainability, the Government established the Ministry of Land, Water, and Environment (MLWE) in 1997. The MLWE is being continuously strengthened so that it can play the lead role in integrating the principles of sustainable development into country policies and programs. A coastal and island biodiversity conservation and management project funded by UNDP, the Global Environmental Fund and the Government has also been established under the close supervision of the Ministry of Fisheries. An inter agency steering committee has also been recently established whose principal mandate is to draw up recommendations on how to establish a National Integrated Coastal Management body to ensure that an integrate approach to investment activities with the participation and consultation of all stakeholders is adopted rather than a single sectoral approach that might endanger the environment.

4.7 Eritrea has increased its **power generation** by 330% from 35 MW at independence in 1993 to about 150 MW at present. Progress has also been made in rural electrification that has enabled many villages to have access to electricity for the first time in their history. There is also an on-going wind energy project supported by GEF, an attempt to diversify energy sources and to harness an environmentally clean source of energy.

4.8 The Government recognized early on the important role of **transport**, especially the road network, in economic and social development. Consequently it invested, and continues to invest, heavily in this sub-sector. To-date some 7,000 km of roads have been rehabilitated, constructed or resurfaced. As a result, vast areas of the country that were previously inaccessible or accessible only with great difficulty have now been opened up.

4.9 The Port of Massawa has undergone a considerable modernization and expansion under a World Bank financing. The Government has also built two airports, bringing the number of international airports in the country to four. Eritrea established its first air link with the

international community with the commissioning in 2003 of its first flagship civilian air transport, Eritrean Air Lines.

5. CHALLENGES AND PROSPECTS

5.1 Eritrea has faced, and continues to face, four major constraints in its efforts to maintain sustainable development: (1) the current no-peace no-war situation, (2) lack of adequate material, human and institutional capacities (3) persistent droughts and (4) rising energy prices. During the first 6 years of its independence (1992-97), the prudent macro policy and development strategy the country adopted lead to a real GDP growth of over 7%, an inflation rate of less than 5 %, a budgetary deficit of around 8 % and a 6-month of import equivalence of foreign exchange reserves. **Ethiopia's refusal** to accept and abide by the decision of the internationally sanctioned Eritrea-Ethiopia Boundary Commission (EEBC) and continued hostile posture towards Eritrea obliged the country to allocate high defense expenditures during 1998-2000 relative to the peaceful period of 1991-1997.

5.2 As a direct outcome of the border conflict and Ethiopia's refusal to accept the decision of the Boundary Commission, Eritrea's economic performance did not, during 1998-2004, continue on the high growth path established during the seven-year period of 1991-97. While Eritrea takes Ethiopia's behavior and posture as given, it cannot but remind the **Security Council and the Guarantors of the Algiers Peace Agreements** of their collective failure so far in enforcing the Agreements and, therefore, for the major portion of the constraints Eritrea faces in its efforts to secure food, reduce poverty and achieve the MDGs, not to speak of their contributions to the lack of peace and security in the region.

5.3 The persistent drought that the country has faced in the last few years has had a significant negative impact on crop and livestock production and the water and sanitary conditions of the population. **Resource limitations**-human, institutional and financial-and the worldwide phenomenon of the steeply rising energy prices are posing significant hurdles on Eritrea's development efforts. The MDGR estimates that Eritrea will need US \$ 1,500 million during the coming 10 years in order to achieve the MDGs. These resources can be realized only if the promises made by the international community to support the achievement of the MDGs/BPOA are kept.

5.4. As imposing as these constraints are to Eritrea's development efforts, the People and Government of Eritrea will continue to invest in the future of their country confident that their determination, perseverance, and sacrifices are bound to pay off in the end.