



SUSTAINABLE DEVELOPMENT COOPERATION FRAMEWORK BETWEEN

GOVERNMENT OF THE STATE OF ERITREA AND THE UNITED NATIONS

2022-2026

"Delivering as One for the SDGs, Leaving No One Behind"







SUSTAINABLE DEVELOPMENT COOPERATION FRAMEWORK BETWEEN

GOVERNMENT OF THE STATE OF ERITREA AND THE UNITED NATIONS

2022 - 2026

"Delivering as One for the SDGs, Leaving No One Behind"



About

Copyright © UN in Eritrea 2021. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by means, electronic, mechanical, photocopying, recording or otherwise, without prior permission. The designations employed in this report as well as the presentation of the material in this report does not imply the expression of any opinion whatsoever on the part of the United Nations Development System in Eritrea, concerning the legal status of Eritrea, its territory, city or area of its authorities, or concerning the delimitation of its frontiers or boundaries.

Any maps used, whether dotted and or dashed lines represent approximate border lines for which there may be or may not yet be full agreement. The mention of any company(s) does not in any way imply an endorsement by the United Nations Development System in Eritrea.

Further, some figures used may be an estimation by the UN in Eritrea and do not necessarily reflect the official statistics of Eritrea.

However, all statistics used are from official sources and as such, all necessary precautions have been employed to verify such data. As such, the responsibility for the interpretation lies with the reader, therefore, under no circumstances shall the UN in Eritrea be held liable for any damages arising from the use of this report.

Learn more at <u>United Nations in Eritrea</u> or follow at @UNinEritrea and @UN.

GRAPHIC DESIGN: William Sila - UNDP-Eritrea and Tsegai Tesfai - OCHA Eritrea

PHOTOGRAPHY (UNLESS OTHERWISE STATED): UN Communications Group Eritrea and Ghideon Musa, Eritrea

Foreword

As the Joint Government of the State of Eritrea and UN Development System Joint Steering Committee Heads in Eritrea, we are very pleased with the outcome of the entire Cooperation Framework (CF) preparatory process, which has been a great learning experience for all parties involved. As the first-generation Sustainable Development Cooperation Framework in Eritrea and in the current dispensation of UN Reform approved by the UN General Assembly in Resolution A/RES/72/279, we have jointly assessed the development challenges, formulated strategic results, and mapped our collective capacities through a configuration exercise.

Those steps made clear the individual and collective finance, technical, functional, and operational capacities available or to be mobilised for the Cooperation Framework over the next five years. The new generation CF, a fundamental outcome of recent UN reforms, puts the entire United Nations Development System (UNDS) at the disposal of Member States as the committed partner on the ground. The early benefits of the reforms to UNDS, anchored in empowered and independent Resident Coordinators, have been evident in the leadership being provided on the ground, addressing inefficiencies, complementarity, and others challenges around "Delivering as One".

Throughout the planning process, the technical team benefited from a vibrant government leadership, championed by the Ministry of Finance and National Development. For this, we jointly express appreciations to the teams of the Ministry of Finance and National Development, all line ministries as well as the UN Resident Coordinator's Office staff in providing inputs, participating in workshops, and reviewing various versions of the document to bring us to the conclusion of the process. COVID-19 has been a major obstacle throughout the design phase of the CF, and it seems, this might linger into the early years of the implementing phase of the new framework in Eritrea.

The different mutations and variants of the virus since the pandemic was declared have each sent waves of concerns across the world as leaders grapple to find solutions for the new risk of infection, hospitalization, or death the new variant poses. The United Nations has seen countries resort to immediate travel ban on the affected countries, imposed stricter lockdowns measures or curfews despite the experience garnered since December 2019. The Government of the State of Eritrea is also noted for its national preparedness and effective prevention response to mitigate the spread of the virus. Others have demonstrated learning from the past two years by only tweaking travel requirements and other internal measures to keep the economy

open. The truth of COVID-19 pandemic is that it has tested and exposed the underlying structural challenges to achieving the SDGs, especially on poverty, climate crisis and inequality. As Eritrea strives for a people-centred sustainable development, this Cooperation Framework 2022-2026 will add to the foundation and serve as a catalyst of opportunities for all as it seeks to expand access to universal health coverage, quality education, social protection, energy, and digital connectivity.

It aims to further increase access to clean water, sanitation, and hygiene, improved nutrition for children and enhance their social skills. Through this CF, there will be more investment in life-long learning, re-skilling of youth and women and expansion in agro-business to unlock the advantages of job creation and expanded livelihoods to usher a phase of transition to sustainable growth and sustainability. However, development work in Eritrea, like anywhere else, needs to focus on the health of the planet as it is becoming increasingly worrying that humanity is losing the battle against climate change. This cooperation Framework seeks to build and mainstream resilience across institutions and sectors for enhanced environmental sustainability and climate resilience.

To achieve the above, we need to be bold and take on transformative initiatives and ambitious measures, policies and instruments with high impact for the economy, the people and for gender equality and gender-balanced leadership in all areas, as well as targeted steps to ensure women, youth, and disability's economic inclusion. By so doing, we ensure no one is left behind. We must ensure our collective financing and resource mobilisation drives are aligned with the sustainable development goals and climate targets with the people of Eritrea at the centre of all development agenda.

The United Nations will continue to leverage its convening power to mobilise collective actions and resources to support sustainable development in Eritrea both in the era of COVID and beyond. The United Nations Country Team in Eritrea, the respective GoSE sectors and the civil associations have assured us of full commitment to advancing and accelerating Eritrea's 2030 and Agenda 2063 within the framework of the Decade of Action for accelerating sustainable solutions to all the world's biggest challenges.

Table of Contents

II III V VI 4 6	About Foreward List of Acronyms Joint Statement Executive Summary The Cooperation Framework's Alignment to National Priorities
7	CHAPTER ONE: NATIONAL VISION AND THE UN PROGRAMMING PRINCIPLES
9	CHAPTER TWO: DEVELOPMENT PROGRESS AND CHALLENGES 2.1 Country Context 2.2 Development Progress over the last decade (2010 – 2020) 2.3 Regional Trends and Dynamics 2.4 COVID-19 Containment and Impacts 2.5 Development Challenges
18	CHAPTER 3: UN DEVELOPMENT SYSTEM SUPPORT TO THE 2030 AGENDA 3.1 Cooperation Framework Priorities 3.1.1 Alignment to National, Regional and Global Agendas 3.2 Cooperation Framework Theory of Change 3.3 Cooperation Framework Priorities Areas 3.3.1 Strategic Priority Area One: Human Development and Wellbeing 3.3.2 Strategic Priority Area Two: Inclusive, Diversified and Climate Resilient economy 3.4 Cooperation Framework Outcomes and Outputs 3.4.1 Outcome One: People 3.4.2 Outcome 2: Peace 3.4.3 Outcome 3: Prosperity 3.4.4 Outcome 4: Planet 3.5 UNCT Configuration
30	CHAPTER 4: COOPERATION FRAMEWORK FINANCING
33	CHAPTER 5: PROGRAMME MANAGEMENT AND ACCOUNTABILITY FRAMEWORK 5.1 Cooperation Framework Governance Structure 5.1.1 The Joint National UNSDCF Steering Committee (JSC) 5.1.2 United Nations Country Team (UNCT) 5.1.3 Results Groups 5.2 Cooperation Framework Implementation Approach and Modality 5.3 Derivation of UN entity country programming instruments from the Cooperation Framework 5.4 Joint Workplans 5.5 Business Operations Strategy in support of the Cooperation Framework 5.6 Cooperation Framework Risks Analysis
37	CHAPTER 6: CCA UPDATE, MONITORING, EVALUATION AND LEARNING PLAN 6.1 Updates of the UN Common Country Analysis 6.2 Cooperation Framework Monitoring, Annual Reporting 6.3 Evaluation Plan
39 47 51 54	ANNEX I: UN ERITREA COOPERATION FRAMEWORK (2022-26) RESULTS FRAMEWORK ANNEX II: UNCT CONFIGURATION OUTCOME ANNEX III: GOSE COOPERATION MODALITY AND PROCEDURE ANNEX IV: HARMONIZED APPROACH TO CASH TRANSFER (HACT)

• • • • • • • • • • •

List of Acronyms

AAAA	Addis Ababa Action Agenda	MoLSW	Ministry of Labour and Social Welfare
ACRWC	African Convention on the Rights and	MPP	Master Programme Plan
	Welfare of Children	MSY	Maximum Sustainable Yield
ADR	Alternative Dispute Resolution	MTEF	Medium Term Expenditure Framework
AfCFTA	African Continental Free Trade Area	NCD	Non-Communicable Disease
AfDB	African Development Bank	NDP	National Development Plan
AIDS	Acquired Immune Deficiency Syndrome	NER	Net Enrolment Rate
ARFSD	Africa Regional Forum on Sustainable	NIDP	National Indicative Development Plan
	Development	NRA	Non-Resident Agency
AU	African Union	NRS	Northern Red Sea
AUC	African Union Commission	NSDS	National Strategy for the Development of
AWD	Acute Watery Diarrhoea		Statistics
BOE	Bank of Eritrea	NSUDP	
			National Spatial Urban Development Plan
CCA	Common Country Assessment	NUEW	National Union of Eritrean Women
CEDAW	Convention on the Elimination of Discrimina-	OAU	Organization of African Unity
	tion Against Women	OCHA	Office of Coordination for Humanitarian
COMESA	Common Market for East and Southern		Affairs
	Africa	ODA	Overseas Development Assistance
COVID	Corona Virus Disease	OOSC	Out of School Children
CPI	Consumer Price Index	PFDJ	People's Front for Democracy and Justice
CRC	Convention on the Rights of the Child	PFM	Public Finance Management
CRVS	Civil Registration and Vital Statistics	POP	Persistent Organic Pollutant
ECA	· ·	PPP	
	Economic Commission for Africa		Purchasing Power Parity
EDHS	Eritrea Demographic Health Survey	SAM	Severe Acute Malnutrition
EMIS	Education Management Information System	SDG	Sustainable Development Goals
ERN	Eritrean Nakfa	SNC	Second National Communication
EU	European Union	SPCF	Strategic Partnership Cooperation Frame-
FAO	Food and Agriculture Organization		work
FDI	Foreign Direct Investment	SRS	Southern Red Sea
FGM	Female Genital Mutilation	UAM	Underage Marriage
FHH	Female-Headed Household	UN	United Nations
GAM	General Acute Malnutrition	UN Habitat	United Nations United Nations Human Settlement
		UN Habitat	
GCM	Global Compact on Migration		Programme
GDP	Gross Domestic Product	UNAIDS	United Nations Joint Programme on HIV/
GER	Gross Enrolment Rate		AIDS
GOE	Government of Eritrea	UNCTAD	United Nations Conference on Trade and
GPE	Global Programme on Education		Development
GPI	Gender Parity Index	UNDESA	United Nations Department for Economic
HDI	Human Development Index		and Social Affairs
HIV	Human Immunodeficiency Virus	UNDP	United National Development Programme
HRC	Human Rights Council	UNDSE	United National Development System in
	•	UNDSL	
HSSDP	Health Sector Strategic Development Plan	LINIEGA	Eritrea
IAEA	International Atomic Energy Agency	UNECA	United Nations Economic Commission for
ICCPR	International Covenant on Civil and Political		Africa
	Rights	UNEP	United Nations Environment Programme
ICERD	International Convention on the Elimination	UNESCO	United National Educational, Scientific and
	of Racial Discrimination		Cultural Organization
ICSP	Interim Country Strategy Paper	UNFCCC	United Nations Framework Convention on
IFAD	International Fund for Agricultural		Climate Change
	Development	UNFPA	United Nations Fund for Population
IGAD	Inter-Governmental Authority on	ONTITY	Activities
IGAD		LINIOA	
	Development	UNGA	United Nations General Assembly
ILO	International Labour Organization	UNHCR	United Nations High Commissioner for
IMF	International Monetary Fund		Refugees
INC	Initial National Consultation	UNICEF	United Nations Children's Fund
INDC	Intended Nationally Determined	UNIDO	United Nations Industrial Development
	Contribution		Organization
		UNSC	United Nations Security Council
IOM	International Organization for Migration	00	
IOM	International Organization for Migration	UNSD	United Nations Statistics Division
IWRM	Integrated Water resources Management	UNSD	United Nations Statistics Division
IWRM IYCN	Integrated Water resources Management Infant and Young Child Nutrition	UNSD UNSDF	United Nations Sustainable Development
IWRM IYCN JRMS	Integrated Water resources Management Infant and Young Child Nutrition Joint Resource Mobilization Plan	UNSDF	United Nations Sustainable Development Cooperation Framework
IWRM IYCN JRMS LAR	Integrated Water resources Management Infant and Young Child Nutrition Joint Resource Mobilization Plan Labour Absorption Rate	UNSDF UPR	United Nations Sustainable Development Cooperation Framework Universal Periodic Review
IWRM IYCN JRMS LAR LNOB	Integrated Water resources Management Infant and Young Child Nutrition Joint Resource Mobilization Plan Labour Absorption Rate Leave No One Behind	UNSDF UPR USD	United Nations Sustainable Development Cooperation Framework Universal Periodic Review United States Dollar
IWRM IYCN JRMS LAR LNOB MAM	Integrated Water resources Management Infant and Young Child Nutrition Joint Resource Mobilization Plan Labour Absorption Rate	UNSDF UPR	United Nations Sustainable Development Cooperation Framework Universal Periodic Review
IWRM IYCN JRMS LAR LNOB	Integrated Water resources Management Infant and Young Child Nutrition Joint Resource Mobilization Plan Labour Absorption Rate Leave No One Behind	UNSDF UPR USD	United Nations Sustainable Development Cooperation Framework Universal Periodic Review United States Dollar
IWRM IYCN JRMS LAR LNOB MAM	Integrated Water resources Management Infant and Young Child Nutrition Joint Resource Mobilization Plan Labour Absorption Rate Leave No One Behind Moderate Acute Malnutrition Millennium Development Goals	UNSDF UPR USD	United Nations Sustainable Development Cooperation Framework Universal Periodic Review United States Dollar Vienna Convention for the Protection of the Ozone
IWRM IYCN JRMS LAR LNOB MAM MDG	Integrated Water resources Management Infant and Young Child Nutrition Joint Resource Mobilization Plan Labour Absorption Rate Leave No One Behind Moderate Acute Malnutrition Millennium Development Goals Maternal, Infant and Young Child Nutrition	UNSDF UPR USD VCPOL	United Nations Sustainable Development Cooperation Framework Universal Periodic Review United States Dollar Vienna Convention for the Protection of the Ozone Voluntary National Report
IWRM IYCN JRMS LAR LNOB MAM MDG MIYCN MMR	Integrated Water resources Management Infant and Young Child Nutrition Joint Resource Mobilization Plan Labour Absorption Rate Leave No One Behind Moderate Acute Malnutrition Millennium Development Goals Maternal, Infant and Young Child Nutrition Maternal Mortality rate	UNSDF UPR USD VCPOL VNR WASH	United Nations Sustainable Development Cooperation Framework Universal Periodic Review United States Dollar Vienna Convention for the Protection of the Ozone Voluntary National Report Water, Sanitation and Hygiene
IWRM IYCN JRMS LAR LNOB MAM MDG MIYCN	Integrated Water resources Management Infant and Young Child Nutrition Joint Resource Mobilization Plan Labour Absorption Rate Leave No One Behind Moderate Acute Malnutrition Millennium Development Goals Maternal, Infant and Young Child Nutrition Maternal Mortality rate Ministry of Finance and National	UNSDF UPR USD VCPOL VNR WASH WFP	United Nations Sustainable Development Cooperation Framework Universal Periodic Review United States Dollar Vienna Convention for the Protection of the Ozone Voluntary National Report Water, Sanitation and Hygiene World Food Programme
IWRM IYCN JRMS LAR LNOB MAM MDG MIYCN MMR	Integrated Water resources Management Infant and Young Child Nutrition Joint Resource Mobilization Plan Labour Absorption Rate Leave No One Behind Moderate Acute Malnutrition Millennium Development Goals Maternal, Infant and Young Child Nutrition Maternal Mortality rate	UNSDF UPR USD VCPOL VNR WASH	United Nations Sustainable Development Cooperation Framework Universal Periodic Review United States Dollar Vienna Convention for the Protection of the Ozone Voluntary National Report Water, Sanitation and Hygiene

Joint Statement





This Joint Statement represents the collective agreement between the Government of the State of Eritrea (GoSE) and the United Nations Development System in Eritrea (UNDSE) to galvanize their collective resources for the implementation of the United Nations Sustainable Development Cooperation Framework (UNSDCF) for the five-year period of 2022-2026. The process of the development of this UNSDF, its content, proposed delivery, and accountability mechanism are consistent with the UN Member States' call for a "needs-based tailored country presence" contained in the United Nations General Assembly resolution 72/279 of May 2018.

The GoSE and the UNDSE are committed to expanding socio-economic opportunities to meet the needs of Eritrea's people. They are determined to work together towards realizing the Eritrean development aspiration articulated in the National Charter of 1994, which states that the Government shall seek to build a prosperous, peaceful, and just country based on the principle of self-reliance; and to the 2030 Agenda and the African Union Agenda 2063 through the priorities articulated in this UNSDCF, in line with the national development priorities. The priorities presented in this document resulted from participatory evidence-based analysis involving national institutions and regional and international partners. The priorities and results outlined in the document are broad, forward-looking, multi-sectoral and incorporate the UN reform agenda as mandated under the UN General Assembly Resolution 72/279. Collectively, the UNDSE will support

economic transformation, job creation and institutional capacity strengthening in Eritrea, including mitigating, and adapting to the impacts of climate change in a way that builds resilience across all sectors to absorb shocks and risks. It will also address the adverse effects of the COVID-19 pandemic on lives, livelihoods, and the economy.

The Joint Statement embodies the commitment of the GoSE and the UNDSE to delivering on agreed priorities and endorses the UNSDCF as the basis of cooperation between the two signatories, which will guide their work from 2022 to 2026. It is premised on the principles of self-reliance and social justice, while promoting gender equality, youth empowerment and the right to development in a way that leaves no one behind. The cooperation between GoSE and the UNDSE outlined in this document aims to place Eritrea at the helm of its sustainable development agenda, guided by its principles of self-reliance and social justice, while promoting gender equality, youth empowerment and the right to development in a way that leaves no one behind. The parties recognise the need to fully develop all the accompanying documents of this Cooperation Framework after its signature as well as the need to develop an addendum of analysis of developments that could impact this agreement at a later stage. Both parties express their unwavering commitment to achieving the results contained therein, for the benefit of the people of Eritrea, and in pursuance of the 2030 Agenda and Sustainable Development Goal priorities.

Signed in Asmara, Eritrea on this 20th of December 2021

かりちん H.E Dr. Giorgis Teklemikae ster of Finance and National Developer

Government of the State of Eritrea

Resident and Humanitarian Coordinator for Eritres





UN Agencies, Funds and Programmes Working in the State of Eritrea

The below Agencies, Funds and Programmes commit to work together in pursuing the strategic priorities laid out in the UNSDCF 2022-2026, towards achieving the 2030 Agenda on Sustainable Development. In line with

the national priorities of the Government of the State of Eritrea, our ultimate goal is to collectively improve the quality of life of Eritreans

















unicef 😉

for every child

















UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION











Executive Summary

The United Nations Sustainable Development Cooperation Framework 2022-2026 (UNSDCF) is a forward-looking, dynamic, and flexible plan embracing the spirit of the reform of the UN development system at country level, as mandated by the UN General Assembly Resolution 72/279. It outlines the UN development system's contribution to national development, and by extension, to the Sustainable Development Goals (SDGs) to end poverty and protect the planet under the Agenda-2030, along with the Agenda 2063 in a coordinated, integrated way. It reflects an unwavering commitment to the principles of Leaving No One Behind (LNOB), gender equality and women's empowerment, as well as the UN system's obligations to international standards and treaties.

In keeping with the UN reforms for a broad and participatory process, and the GoSE cooperation modality¹, the Cooperation Framework was anchored on key stakeholder consultations to elicit feedback and inputs on its draft analysis, including socio-economic and environmental trends, and the peace-human development nexus to assess critical development and data gaps that are imperative for achieving the SDGs in Eritrea. The consultations provided a unique opportunity to receive feedback from the Government of the State of Eritrea, the development partners, and the UN Regional Directors on how the UNCT could leverage its comparative advantage to deepen the space for implementation of SDGs in the country. These stakeholder consultations were organized by the Resident Coordinator's Office (RCO) in close collaboration with the UNCT. These were conducted through online virtual meetings, in-person interactions and direct sharing of the draft for actual inputs. Recognizing the importance of the International Financial Institutions (IFIs) to Eritrea's SDGs and national development, the RCO is in the process of formulating a joint Compact with some of the IFI institutions.

The Compact is envisaged to support the CF, CCA, VNR and other important processes in developing common positions with the UN. The collaboration with the IFIs will also support and enhance the effectiveness and coherence of the UNCT's policy engagement, advocacy and strategic communication around the Agenda 2030 and the SDGs. The UNSDCF-2022-2026 aligns with Eritrea's overarching priorities of achieving rapid, balanced, homegrown, and sustainable growth, alongside social equity, and justice, anchored in the principles of national dignity and self-reliance. The formulation of UNSDCF outcomes was informed by development challenges identified by the Common Country Analysis (CCA); and by Eritrea's guiding principles articulated in the National Charter of 1994. The UNSDCF formulation process benefitted from strong leadership coordinated by the Government through the Ministry of Finance and National Development (MFND) in an inclusive, participatory, and evidence-based process. Besides the Eritrea National Charter, the formulation process took into consideration recent policy statements

and sector-related strategies contained in detailed concept notes received through the MFND. These were then distilled based on the established criteria for prioritization. Following the prioritization process, two broad areas with two outcomes each were agreed. They are as follows:

1. Human Development and Wellbeing

People: Equitable access to quality essential social services.

Peace: Accountable and efficient Institutions

2. Inclusive, Diversified and Climate Resilient Economy

Prosperity: Livelihoods, inclusive & diversified economy.

Planet: Climate resilient, sustainable environ ment & natural resources

Cross-cutting themes such as capacity building, innovation, gender, women empowerment, youth, and disability are all grouped under the UN Programming Principles, to engender greater accountability on them. UN agencies, relevant Ministries and national actors will be grouped around cross-cutting issues in all the above outcome areas, to consolidate our work on capacity building, gender equality, youth, and women's empowerment, as well as ensuring the principle of "leaving no one behind". The UNSDCF is envisaged to be implemented through four Joint Multi-Year Workplans tied to the four Results Areas agreed between the GoSE and the UNDSE and carried out with a range of national implementing partners.

A Joint Cooperation Framework Steering Committee (JSC), co-chaired by Senior Officer from the Ministry of Finance and National Development and the UN Resident and Humanitarian Coordinator will be established to provide general overview to the implementation that will be guided by the Ministry of Finance and National Development. The JSC will meet semi-annually, to review progress against the framework and provide substantive oversight on the UNSDCF's implementation. Under the umbrella and overall guidance of the Ministry of Finance and National Development and the UN Country Team, the implementation of the Cooperation Framework will be structured around joint groups such as the Joint Results Groups.

As part of the United Nations internal implementation arrangement, there will be results and working groups established on Programme Management, Data and Monitoring and Evaluation (M&E), Partnership and Resource Mobilization, Communications, Operations Management Team, and the Programming Principles Results/Working Groups. The UN will prioritise joint workplans, resource mobilization and greater synergy on interventions where multiple agencies are working with a single sector.

^{1.} See Annex III



The Cooperation Framework's Alignment to National Priorities

Access to Equitable Essential Social Services

Accountable and Efficient Institutions and Right to Development

















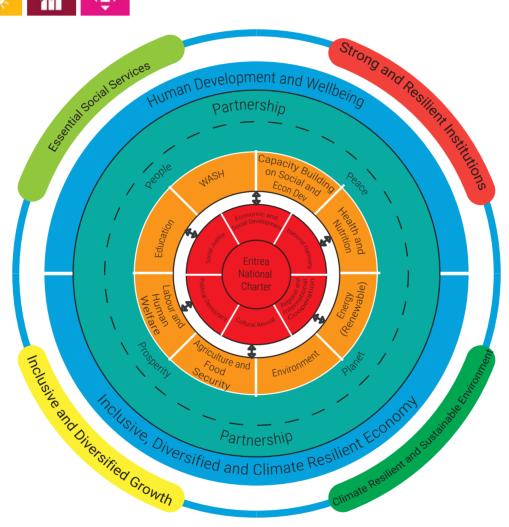












Livelihood, Inclusive and Diversified Economy

Climate Resilience, Sustainable Environment and Natural Resources management





























.

CHAPTER ONE: NATIONAL VISION AND THE UN PROGRAMMING PRINCIPLES

Following its liberation struggle, Eritrea developed its post-independence vision which is outlined in the 1994 National Charter. The Charter states that:

"Our vision is for Eritrea to become a country where peace, justice, democracy and prosperity prevail. Our vision is to eliminate hunger, poverty, and illiteracy from Eritrea. Our vision is for Eritrea to preserve its identity and uniqueness, develop commitment to family and community care, and by advancing economically, educationally, and technologically, find itself among the developed countries. Our vision is for Eritrean society to be known for harmony among its different sectors, gender equality, love of country, humanity, discipline, hard work and love for knowledge, respect for law and order, independence, and inventiveness. Our vision is to perform miracles in peaceful nation-building as we did .in the war of liberation.²"

This vision provides guidance on the long-term direction of the country and its people along with its development aspirations. It can be summarized into six core goals: (i) Political democracy (ii) Economic and Social Development (iii) National Harmony (iv) Social justice (v) Cultural revival and (vi) Regional and International cooperation.

'National Harmony' refers to the people of Eritrea living in harmony, peace, and stability, with no distinction along regional, ethnic, linguistic, religious, gender or class lines.

'Political Democracy' means the people of Eritrea are active participants and become decision-makers in the administration, the conduct of their lives and of their country, with their rights guaranteed by law and in practice.

'Economic and Social Development' commits to Eritrea progressing socially and economically in education, technology and living standards.

'Social Justice (Economic and Social Democracy)' means there is equitable distribution of wealth, services, and opportunities, with special attention to be paid to the most disadvantaged sections of society.

'Cultural Revival' refers to developing an Eritrean culture characterized by love of country, respect for humanity, solidarity between men and women, love of truth and justice, respect for law, hard work, self-confidence, self-reliance, open mindedness, and inventiveness.

'Regional and International Cooperation' is to make sure Eritrea becomes a respected member of the international community, by coexisting in harmony and cooperation with its neighbours and by contributing to the extent of its capability to regional and global peace, security, and development.

In tandem with the national vision, the UN system aims to support the Government of the State of Eritrea to achieve: 'An inclusive, prosperous, resilient, peaceful and socially just ERITREA 'in line with the context-driven understandings articulated below:

The UNSDCF adopts an integrated programming approach that addresses core programming principles in a holistic manner. These principles are integrated throughout all stages of the programme cycle. By adopting an integrated and multidimensional programming approach—in line with the "five P's" of the 2030 Agenda (people, prosperity, planet, peace, and partnerships) —the UNSDCF identifies how working on and advancing one SDG can maximize synergies and positive impacts, while managing potential trade-offs.

The programming principles include:

- Leaving No One Behind (LNOB)
- 2. Human Rights-Based Approach
- 3. Gender Equality and Women's Empowerment
- 4. Resilience
- 5. Sustainability, and
- 6. Accountability

Leaving no one behind is the central transformative promise of the 2030 Agenda, a rights-based framework that represents the unequivocal commitment of all UN Member States to eradicate poverty in all its forms, end discrimination and exclusion, as well as reduce inequalities and vulnerabilities, including to the impacts of climate change and environmental degradation. This is consistent with the Eritrean principle of social justice.

The Human Rights-Based Approach is a conceptual framework for the process of sustainable development that is normatively based on international human rights standards and principles, as well as operationally directed to promoting and protecting human rights. Under the HRBA, development plans, policies and processes are anchored in a system of rights and corresponding obligations established by international law, including all civil, cultural, economic, political, and social rights, and the right to development.

2 PFDJ National Charter, 1994, "National Vision of Eritrea', p.7



Gender equality and women's empowerment are integral to realizing the 2030 Agenda and all SDGs. To integrate a focus on these issues throughout the UNSDCF, UN development entities put gender equality at the heart of programming, driving the active and meaningful participation of both women and men.

In an increasingly uncertain and volatile environment, resilience is a key principle to guide the design of integrated, cost-effective approaches that reduce risks, as well as help to prevent disasters and crises particularly those brought by climate change.

Sustainability guides the focus on maintaining and building on development results. The 2030 Agenda calls for ensuring the lasting protection of the planet, along with its natural and cultural resources. Strengthening the capacities of national and subnational institutions, as well as communities, is essential.

Accountability in the UNSDCF strengthens the UN development system's collective support that is being provided to countries in achieving the 2030 Agenda.



CHAPTER 2: DEVELOPMENT PROGRESS AND CHALLENGES

2.1 Country Context



This map used above, whether dotted and or with dashed lines represent approximate border lines for which there may be or may not yet be full agreement. The use of the map does not in any way imply an endorsement by the United Nations Development System in Eritrea. © UN in Eritrea/2021

Eritrea is situated on the western shore of the Red Sea with a total land area of 124,000 km2 and coastline spanning 2,400km including its archipelago of islands. The country has six major agro-ecological zones namely moist and arid lowlands, semi-desert, moist and arid highlands, and sub-humid micro-catchment areas on the eastern escarpment. It exhibits a varied topography, rainfall and climate with altitude that ranges from 120 meters below sea level to over 3,000 meters above sea level.

Eritrea is one of the youngest countries in Africa, having achieved independence in 1991 with a similar demographic pattern to many countries on the continent. Its 3.65 million population³ mostly resides in rural areas, at about 65 to 70 percent according to the National Statistics Office (NSO) Report of 2015. The NSO report further indicates that Eritrea has a very young population, with 49.2 percent under the age of 15. The youthful population may signal higher dependency, but also indicates a higher future demographic dividend from the large prospective workforce, the potential increase in economic output and the likelihood of more wealth created to cope with the future elderly population.

The country operates a dual administration system: national and regional or Zoba levels. Zobas are the primary geographic divisions through which Eritrea is administrated. With six in total, they include the Anseba, Maekel (Central), Debub (Southern), Gash-Barka, Northern Red Sea and Southern Red Sea while the capital city, Asmara, is in the Maekel Zoba. Regional and local elections are conducted on a periodic basis and all men and women of voting age are eligible to vote.

As part of its legal framework, Eritrea has enacted numerous regulations and laws dealing with nationality, monetary and banking systems, the fiscal and financial system, transport and communications, health, national security, education, social welfare, land tenure, mining and energy, management, and privatization of public enterprises, along with fisheries. There are registered national unions for women, youth, and students, as well as workers, through the National Union of Eritrean Women, the National Union of Eritrean Youth and Students, along with the National Confederation of Eritrean Workers, respectively.

There are also several registered non-governmental organisations and expert groups for teachers, doctors, lawyers, people with disabilities, religious groups and community-based organisations promoting group, regional and community interests, as well as welfare. The country's vision is consistent with most goals of the SDGs: prosperity (SDG 3- Health, 8- Decent Work and 9 – Industry, Innovation, and Infrastructure); eliminate hunger (SDG 2), poverty (SDG 1), illiteracy (SDG 4), gender equality (SDG 5), national harmony (Goal 10 – Reduced Inequality, 11-Sustainable Cities and Communities), Peace, Justice and Democracy (SDG 16); and Goal 17 on partnership and international cooperation.

Though not clearly spelled out, the vision also aligns with SDGs 6 – Clean Water and Sanitation, 7- Affordable and Clean Energy, 12 – Responsible Consumption and Production, 13 – Climate Action, 14 – Life below Water and 15 – Life on Land as they are all relevant to prosperity and national harmony. The UNSDCF priorities and results are formulated in line with UN programming principles, guided by the Eritrean National Charter. Eritrea envisages reaching the SDGs and Agenda 2063 through the government's six basic principles of national unity, active public participation, the human element, the link between national and social struggles, self-reliance, and a strong relationship between people and leadership.

.

³ National Statistics Office Report, 2015

The country's prospects for recovery from COVID-19 look positive. The onset of the COVID-19 pandemic may have slowed down growth because of weakening global demand for raw materials and reduced economic activities domestically. However, Eritrea's growth was expected to rebound in 2021, with a projection of 5.7 percent⁴, thanks to measures since April 2021 to keep the economy open while containing the virus, as well as improving economies among major trading partners, such as China.

The observed increase in demand for raw materials, including minerals and base metals due to the relaxing of global lockdown measures, also offers some latitude for economic recovery. According to the 2019 World Investment Report (WIR), the stock of FDI in Eritrea increased to US\$600 million in 2018, up from US\$55.5 million in 2017⁵. Underpinning this positive outlook was the optimism following the July 2018 peace agreement with the Federal Democratic Republic of Ethiopia and removal of UN Security Council (UNSC) sanctions in 2018⁶.

The normalization of relations with the Federal Republic of Somalia and improving relations with the Republic of Djibouti are expected to strengthen growth potential, as more cross-border activities, such as increased trade, are envisaged. Adding to Eritrea's challenges, its environmental and natural resources are still not fully exploited. The country signed the Paris Agreement and submitted its Intended Nationally Determined Contribution (INDC) on 22ndApril 2016. The INDC outlines Eritrea's vulnerability to climate change arising from rising temperatures and variable rainfall and sets an unconditional target to reduce 'business as usual emissions' by 39.2 percent by 2030, with a conditional target of 80.6 percent if additional finance is made available.

Pressures on the country's environment include the need to meet the food and energy requirements of the population, along with the need for economic growth and job creation. Although major global climate hazards such as temperature increases, reduced precipitation, droughts, flash flooding, heat stress, and sea level rise are of less likelihood and threat in Eritrea,

there is need to focus efforts on preparedness as way of mitigating disaster risks and reducing their potential impacts in the event of an occurrence. The country's vulnerability to weather and climatic variability, locust infestation and flash flooding underscores the relevance of interventions in these areas. The July 2018 rapprochement with Ethiopia has been considered an important watershed for the possible future direction of development in Eritrea. It initially signalled a shift in development focus and ushered general improvement of relations with countries in the region.

Nevertheless, expectations of sustained shifts in the country's development trajectory decreased somewhat as various indicators suggested the need for continued caution to further observe developments in the region and their implications for Eritrea. While Eritrea remains peaceful as a country, there are trends in neighbouring countries that raise concerns. In particular, conflicts in Ethiopia, Somalia, Sudan, and Yemen, as well as relations with countries along the Red Sea and Nile countries are considered important external influence on Eritrea's socio-economic prospects.

Nonetheless, there are also emerging opportunities in mining, tourism, agriculture especially agro-industry and significant potential in the blue and green economies. Increased investment in copper, zinc, and Colluli potash mining are expected to drive growth in mining in the coming years. Agriculture is attracting development partner investments in irrigation, microcredit, and alternative livelihoods. Eritrea's investments are consistent with the Horn of Africa's initiative on infrastructure and human development as drivers of growth. It remains fully committed to global and regional development with Eritrea in the driving seat.

This could be seen in the country's position on global development anchored in the principles of self-reliance, Eritrean resources-first, and social justice. The country would tap into the global expertise and opportunities on offer by the UN through its configuration and, also that of the African Development Bank, international financial institutions (IFIs), the private sector, academia, and its pool of diaspora experts in a way that puts Eritrea and Eritrean interests first and conforms with the country's long-term development goals.

.

⁴ https://www.imf.org/en/Countries/ERI#countrydata

⁵ Real GDP growth had increased from 9.6percent in 2017 to 12.2percent in 2018

⁶ https://www.securitycouncilreport.org/atf/cf/percent7B65BF-CF9B-6D27-4E9C-8CD3-CF6E4FF96FF9percent7D/s_res_2444.pdf



2.2 Development Progress over the last decade (2010 – 2020)

Eritrea's approach to development is people-centred and driven by the principles of social justice and national harmony. The country has made steady progress since independence in 1991 across many areas of development. It seeks to lift its people out of poverty into a healthy sustainable economy that serves everyone equally⁷. Significant progress has been made in reducing poverty and addressing food security⁸. Eritrea acknowledges food supply gaps exists but is certain it does not result in hunger.

Although end data are not available, the proportions of poor people and those suffering from food insecurity are believed to have declined substantially since independence in 19919. Eritrea was one of few African countries to achieve its health targets of the Millennium Development Goals (MDGs)10. It was the only African country to achieve all three public-health related targets on the reduction of child mortality, improving maternal mortality, and combating HIV/AIDS, malaria, and other diseases. With primary health care seen as the pathway to achieving universal health coverage, Eritrea has consistently focused on reducing maternal mortality, neonatal and child mortality. Child mortality has been reduced on average at a rate of 4 percent over the last decade.

This is largely due to the focus on expanding (in geographic scope) and increasing the coverage of basic public health services. Both the health facility and community-based health services contributed to the reduction of child morbidity and mortality. More mothers and new-borns are now receiving postnatal care within two days of childbirth (19.5 percent- HMIS 2020). The country plans to start providing holistic/comprehensive child health care based on an ongoing integrated management of neonatal and childhood illnesses (IMNCI) in communities and facilities around the country. Given the burden posed on the health system by the

7. National data on the proportion of the population that is poor and those that suffer from hunger are not available. Progress on hunger is assessed in terms of progress made in the overall effort in food production and per capita consumption (calories per person per day) rather than by estimating the proportion of the poor and hungry .

8. Millennium Development Goals Report, 2015; State of Eritrea, Ministry of Finance and National Development 9. Ibid

10. Ibid

COVID-19 pandemic, current gains are at risk of being reversed due to overstretched capacity. Immunization rates are at 98 percent, while the infant mortality ratio decreased by more than two thirds and the under-five mortality ratio dipped by an impressive 72 percent between 2010 and 2018 (National Health Policy of Eritrea, 2020). The country has also made significant progress in improving education, particularly access to elementary schools. Access to pre-primary education remains low and largely urban.

The adjusted net enrolment rate (ANER) at primary level of education increased slightly from 83.5 percent (Female: 81.2 percent) in 2019, to 83.7 percent (Female: 81.5 percent) in 2020. This means a slight decline in the proportion of primary age out-of-school children from 16.5 percent in 2019, to 16.4 percent in 2020. While gender equality and empowerment have received the Government's proactive support since independence, challenges persist.

Parity between boys and girls in primary education has been achieved, while gender disparities in secondary education enrolment have been reduced. Women constitute about 50 percent of the country's estimated 1-million-person labour force. In addition to their pri-



School reopening following the lockdown in 2020. © UN Communications Group/2021/Eritrea

11

mary responsibility of family care, food processing and preparation, along with community activities, they contribute significantly to crop production and subsistence farming. Recognizing that gender equity and equality are intricately linked to the socio-economic development of the country, the UN supported the government of Eritrea to formulate a policy to improve the status of women. Over the past years, significant achievements have been recorded regarding, among other things, women's health, education, along with participation in civil, cultural, economic, political, and social life.

Data on water, sanitation and hygiene from the Ministry of Land, Water and Environment showed that the proportion of total population with access to safe drinking water increased by 50 percent to 85 percent by end of 2015. Eritrea's long-term objective of improving living standards by developing the energy sector is to electrify all households in the long-term, to halve the proportion of households without access to adequate lighting and ensure sustainable cooking methods between 2014 and 2020. Quantitative targets include electrifying 50 villages per year and reaching 100 percent access to electricity by 2030. According to 2016 data, access to electricity in urban areas averaged 46.7 percent. The urban sector accounted for 77.1 percent in 2018.

In rural areas, access to electricity is reported at 34.5 percent 11. Non-renewable energy use accounts for 78 percent of all energy consumption, due to significant biomass, wood and cow dung for cooking and heating, whereas access to clean fuels and cooking technology remain low. With the country's energy output below the national requirement to meet the needs of all citizens, biomass remains the main source of energy, especially among rural households. Biomass is unsustainable and increasingly scarce, due to deforestation and environmental degradation. The completion of more than 5,000 water catchments and dams, including the Hirgigo electricity project, has more than doubled the power generating capacity from 52 to 136 megawatts.

However, the country, with the support of development partners, needs to scale up investment in sustainable energy infrastructure, to reverse the country's deforestation and environmental degradation. On Decent Work and Economic Growth, Eritrea's 'national unemployment rate is 3.5 percent¹². Nevertheless, 57.4 percent of jobs are considered 'vulnerable employment.'¹³ <u>Vulnerable employment</u> is more common among fe-

males (69.4 percent) and rural residents (68.8 percent), compared to their male and urban counterparts. The MOLSW Labour Force Survey also showed that close to one-sixth (17 percent) of the labour force remains not gainfully employed. The Labour underutilization rate of youth (14-40) among urban residents was reported at 16.1 percent and 18.5 percent respectively for men and women and was higher than the national average of 15.6 percent¹⁴. Women have about the same unemployment rates as men.

Agriculture provides livelihoods and economic opportunities for almost 65 per cent of the country's rural population. The contribution of Agriculture to GDP is outweighed by the service sector¹⁵. The rates of employment in the informal economy are much higher in urban than rural areas and much higher for females than males¹⁶.

Eritrea's approach to addressing inequality is in the long-held principle of social justice (equitable distribution of resources), which has become the foundation of all public policies and strategies geared towards reducing inequality by serving everyone equally (social justice). This is in line with its programmes guided by Eritrean national laws, policies, principles, the Labour Law of 2003, and proclamations including the 1994 National Charter on leaving no one behind.

COVID-19 has made it even more critical to reach those furthest behind and to minimize the socio-economic effects of the pandemic on their wellbeing through mainstreaming the principle of Leaving No One Behind (LNOB) in the response to the impacts of COVID-19. Sustainable and productive cities and communities are engines of growth because of the agglomeration economies they offer in terms of skilled labour, information networks, physical and soft infrastructure, access to markets for goods and services as well as knowledge spill overs¹⁷. Despite the growing urban settlements, land consumption to population growth rates indicates urbanization is increasing at a controlled pace¹⁸, with limited sprawl and land consumption, concentrated along major routes (sustainable cities and communities). Urban Development Plans exist for main cities (Asmara, Massawa) or parts of them. The main cities also enjoy a network of public transport (buses) in

• • • • • • • • • • • •

^{11.} World Bank, www.data.worldbank.org

^{12.} Government of the State of Eritrea (2016) Eritrea Labour Force Survey, 2015/16, Ministry of Labour and Human Welfare 13. Source: Government of the State of Eritrea (2016), Eritrea Labour

^{13.} Source: Government of the State of Eritrea (2016), Eritrea Labou Force Survey 2015/16, Ministry of Labour and Social Welfare

¹⁴ Ibic

^{15.} African Development Bank, Eritrean Development Outlook 2020: Accessed on April 7, 2020

^{16.} Source: Government of the State of Eritrea (2016), Eritrea Labour Force Survey 2015/16, Ministry of Labour and Social Welfare 17. ECA 2017. Urbanization and Industrialization for Africa's Transformation. Economic Report on Africa, Addis Ababa, Ethiopia 18. SGD 11.3.1

11

main cities (Asmara, Massawa), although statistics on population coverage, frequency and reliability are lacking. The more Eritrea harnesses from its growing urban population the better it will be for the country and the economy. With the view that the development of our planet should be recalibrated, the UN and the Government of the State of Eritrea are taking key measures and actions to promote climate resilience and environmental sustainability. The driving forces and pressures on the country's environmental situation include the need to meet the food and energy requirements of the population, and along with the need for economic growth and job creation.

Eritrea's minerals, natural resources and biodiversity offer opportunities for economic growth by harnessing the dividend from green and blue economies. The presence of natural resources and biological resources (life on land and life under water), as well as their diversity, provide raw materials and inputs for domestic and commercial production along with consumption, as well as providing a range of ecosystem services which support human populations and their economic activities. Biodiversity also allows for the possibility of future economic growth and holds intrinsic cultural, bequest and heritage values for the Eritrean state and people. Eritrea has made concrete steps to protect its cultural and natural heritage.

Two cornerstones for the country were the "Cultural and Natural Heritage Proclamation", which, since 2015, lists immovable assets eligible for having national significance and the inclusion, in 2017, of Asmara in the UNESCO World Heritage List. Land tenure is also a common issue. However, some progress on equal land rights has been made, starting with the explicit recognition of the equal rights of men and women, along with the explicit prohibition of gender-based discrimination laid down in the Constitution¹⁹. Peace, stability, and strong institutions are fundamental to Eritrea's well-being and economic prosperity. Except for a few short years after independence, the country has endured long periods of conflict and tense relations with Ethiopia alongside international sanctions. These conditions are seen to have impacted the country's state-building and development processes. The July 2018 Peace and Friendship Agreement between Eritrea and Ethiopia as well as stable relations with its neighbours would benefit Eritrea's national and regional development.

2.3 Regional Trends and Dynamics

Eritrea is strategically located in one of the world's major global trade routes along the Red Sea, in the eastern part of Africa. Different comparative studies indicate that Eritrean ports are some of the best-situated to be a gateway to multiple countries in Africa. Eritrea also sits on the Arabian-Nubian Shield, known for its rich endowment with various precious metals. Furthermore, the eastern Africa region within which Eritrea is located is home to the world's longest river, the Nile. Eritrea, although not among the major contributors, is one of the important Nile basin Countries.

Throughout history, these geo-strategic and other advantages in the region have been attracting great global interests. Some of the conflicts in the region have been attributed to competing external interests in the region. In July 2018, Eritrea and Ethiopia brought the two decades-old state of war to an end through signing 'Joint Declaration of Peace and Friendship' in Asmara. This, alongside the Tripartite Agreement reached between Eritrea, Ethiopia, and Somalia to boost regional peace and development on 5 September 2018 in Asmara, has created new positive energy across the region.

Furthermore, the lifting of the 9-year UNSC sanctions over Eritrea on 14 November 2018 has further encouraged the region to push forward so as to materialize the dream of the people. In line with the above-mentioned agreements, air and communications links between Eritrea and Ethiopia have resumed. Furthermore, the two countries are working to promote a comprehensive cooperation including economic, trade, and investment on the basis of complementarity and synergy.

There remains optimism that the Tripartite Agreement and the subsequent developments marked renewed commitment of the countries for regional peace, development and cooperation and further integration with the world economy. Furthermore, it is expected that the countries of the region will mobilize their internal resources and international finances (grants & FDI) in a concerted effort to reverse the negative impacts of the last several decades of disrupted development. Improved relations with its neighbours in the Horn of Africa and the Red-Sea Countries will enhance regional trade and commerce and will be a boost for Eritrea's quest to be a hub for regional trade. Eritrea's position in the new Horn of Africa Cooperation is envisaged to be a more rewarding to its member states. Growth

راي

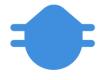
^{19.} UN-Habitat 2005, Innovations in Land Tenure, Reform and Administration in Africa https://rmportal.net/framelib/ltpr/052709/habitat-bankpaperedited.doc

dynamics for East Africa indicate that the region is the fastest growing on the continent. It grew by 6.2 percent in 2018, a percentage point higher than in 2017. This was mostly driven by government spending on infrastructure and increased domestic demand (ERA, 2019). Stability in the region will also relieve the burden on the country's public finances to enhance efficiency in utilizing resources, both financial and human, for socio-economic development, and reduce unemployment and the flow of out-migration. Without peace and stability in the region, without regional integration and commerce, Eritrea's sustainable socio-economic progress will continue to be constrained.

2.4 COVID-19 Containment and Impacts

Eritrea reported its first positive COVID-19 case on March 21, 2020, but there was no reported COVID-19 related death until December 23, 2020, a remarkable achievement in terms of containment and care. By 11 August 2021 the total number of confirmed cases in the country was 6,593, among the lowest infection rates in Africa, with 6,514 recoveries and 36 deaths, also among the lowest deaths per infection in the region²⁰. This is the result of proactive pandemic containment measures. Eritrea started early restriction and quarantining of travellers who originated from or had transited through countries with reported COVID-19 cases and immediately established a High-level Task Force on COVID-19, the central coordinating mechanism for the response to the pandemic. The country further closed eateries, bars, entertainments venues, institutions of learning and worship centres.

20 Government of Eritrea update through the Ministry of Information on December 31, 2020 accessed here, accessed on March 18, 2021



Wearing masks





Physical distancing



It also postponed court sessions for those not deemed urgent, as well as enforced and mandated physical distancing in commercial units and centres before reporting its first positive case. Two weeks after the first case was detected on March 21, the Government, on April 2, 2020, through the High-Level Task Force, announced stringent lockdown measures including the closure of all land and sea borders and air space to commercial flights and instituted a 21-day mandatory stay-at-home order. The order was extended following a rise in cases. In December 2020, it was reaffirmed there was a spike in cases. To alleviate the hardship caused by the lockdown, the Government clamped down on commercial enterprises and discouraged individuals from hoarding or hiking prices of essential commodities.

The containment measures for Eritrea reveal two trends associated with the pandemic²¹. The first was slow with fewer infections and no death until December 10, 2020. The second wave, appearing more contagious, increased infection rate 1.5 times in about a month (from 754 cases and zero death from the first case until December 19, 2020; to 1,877 cases and 7 deaths by January 15, 2021) with evidence of community transmission. As the country progressively eased containment measures and relaxed restriction around April and May 2021, an upsurge in new infections and fatality was observed.

Based on the findings of CCA, the true extent of the COVID-19's socio-economic impacts could not be ascertained due to data challenges. However, according to the global UN SDG Report 2020," an estimated 71 million people are expected to be pushed back into extreme poverty in 2020, the first rise in global poverty since 1998. Lost incomes limited social protection and rising prices mean even those who were previously secure could find themselves at risk of poverty and hunger²²." The observed impacts, which are not unique to Eritrea, ranged from a sudden drop or disappearance of income due to the reduction or cessation of economic activities from workplace closures, loss of business and jobs, curtailing of the transport sector, and imposed restrictions on movements.

In Eritrea, the impacts are summarized as follows:

- 1. Reduced economic activity in the country, decreased income, and employment
- Disruption of essential production and supply
- 3. Reduced Government revenue and public spending.





^{21.} United Nations, Rapid Assessment of Socio-economic Impact of COVID-19 in Eritrea, July 2020

^{22.} UN SDG Report 2020 accessed here in February 2021

Although data is not available to quantify exact numbers that have been impacted, there is qualitative evidence that the pandemic could have affected those in informal and vulnerable employment the most. As in other settings, the impacts of the pandemic have been felt most by front-line workers, the unemployed, those employed in the informal, hospitality and service sector, as well as people living with disabilities²³.

However, the scaling up of the national social protection programme during the height of lockdown and stringent containment measures may have cushioned the impact on the most vulnerable and ensured socio-economic indicators on poverty and income are less impacted.

2.5. Development Challenges

Eritrea's promising growth in its early years of independence (between 1993 and 1997) was affected by the 1998-2000 war with Ethiopia followed by an 18 yearlong stand-off. The situation impacted local businesses and cross border trade in both countries. Eritrea's economy has been largely agrarian and minimally diversified. After years of developing dams, the irrigation system and extension services, along with an input and post-harvest treatment system, the sector is in the right direction to contributing significantly to economic growth in Eritrea.

There is a need for more investment in increasing agricultural productivity through improved infrastructure, efficient use of yield enhancing inputs and technologies, as well as expanded irrigation systems and post-harvest storage facilities. Since 2018, Eritrea has been engaged in reforms to revamp, revitalize and diversify its largely agrarian economy.

Economic growth in recent years has been modest, due to high reliance on agriculture, along with exports of minerals and raw materials. There is large informal employment, a high proportion of volatile employment, and a skills gap in the labour market. Most jobs (57.4 per cent) are highly vulnerable, affecting women and people living in rural areas the most. Addressing these challenges remains fundamental to realizing sustainable, inclusive growth in Eritrea²⁴.

The gap in the variety of social services delivered between cities and rural areas is narrowing and so too is the quality of service. The challenge facing the country is supply related to reaching the last person and the last mile. Multidimensional poverty is still

23. https://sdg.iisd.org/commentary/policy-briefs/leaving-no-one-behind-after-covid-19-findings-from-the-front-lines/ 24. Eritrea Labour Force Survey 2015/16, Ministry of Labour and Social Welfare

a major concern. The challenge to inclusive growth could be addressed by ensuring equal opportunities exist for people in rural and urban areas. Eritrea's national data infrastructure and architectures are being reviewed for development. The scope of review includes policies, strategies, and systems along with technologies, and action to enable periodic data to be made available. The country is working on its National Strategy for the Development of Statistics (NSDS), which will be vital for supporting statistical operations and evidence-based decisions in both the public and private sectors. This constitutes an obvious population shift that calls for planning, managing, and financing towards productive and sustainable cities that will unleash the potential of urbanization as a strategic driver of industrialization, urban jobs, and poverty reduction.

Although the evaluation of the previous SPCF is ongoing, preliminary evidence suggests that the plan was encumbered with low implementation rates arising from several factors that include slow uptake of programmes and projects by the national counterparts. Eritrea's natural endowments are not fully exploited. The county is using less than 500,000 ha of its 2.1 million ha of agricultural land²⁵. Mining is in its infancy and the sea is underutilized.

National frameworks to mitigate the impact of climate change resulting from drought, and other natural disasters are being developed. With an installed energy capacity of around 300MG and about 42 percent of the population connected to electricity²⁶, there is unmet energy demand even as the country's grid system is expanded. Woody biomasses and sun-dried cow dung provide power for most of the population where electricity has not reached. The African Agenda on Gender Equality and Discrimination acknowledges that women and girls in Africa are disadvantaged by social norms, beliefs, practices, traditional and in some cases by law.

This results in unequal access and benefit to social services, opportunities, leadership, management, and decision-making at both community and national levels. Eritrea as a country recognizes and upholds the principle of equality of opportunity between men and women in all spheres of life. Several regulations have been developed to secure women's right, including positive discriminations systems. The country has seen all areas of women's rights particularly social rights, strengthening in policies and regulations. The country recognizes the need to continue to deliver on this principle which would require more policies, laws, actions, and systems that might affect the achievement of gender equality.

25. Source: Ministry of Finance and National Development, 2021 26. Ibid





CHAPTER 3: UN DEVELOPMENT SYSTEM SUPPORT TO THE 2030 AGENDA

3.1 Cooperation Framework Priorities

The UNSDCF priorities were derived from a rigorous country analysis where key development challenges were identified. The challenges identified in the CCA were buttressed by sector-specific concept notes developed by relevant government departments. Due consideration was also given to recent policy statements contained in presidential speeches, especially the nine points on the 28th Independence Anniversary of Eritrea, which focuses on infrastructure (road, ports, and rail); agriculture, health, education, energy, and regional integration.

Once the challenges were identified, the next step was translating these into development priorities and results. The UNCT and the MFND thus undertook a two-day prioritization workshop to agree on key areas of intervention. The selection of each priority area was guided by six criteria: (i) transformational effects, (ii) reach, in terms of number of people and places, (iii) time sensitivity, (iv) the effort needed in terms of resources and what could be done in the context, (v) alignment to national priorities, and (vi) impact on LNOB. Further, the UN considered its collective comparative advantage to deliver the desired change within the given timeframe. Out of the development challenges articulated in the CCA, those on the list below were rated highest in the prioritization exercise.

Prioritized Development challenges and Gaps

- Supply challenges for the equitable distribution of essential services such as health, energy, electricity, water, sanitation, and hygiene between rural and urban areas
- Poverty and food supply gaps affecting urban and rural households especially children and households headed by women
- Moderate levels of income inequality with those most affected being women, children within female-headed households, people living with disabilities, migrants, refugees, returnees, PLHIV, elderly people, war veterans, people with chronic illnesses, etc)
- The regulatory framework for the efficient functioning of markets needs strengthening

- An agrarian agricultural sector which is less diversified and subsistent and low-value services dominated employment
- Challenges related to essential facilities and systems affecting the extension of public services to all parts of the country
- An inadequate national data ecosystem along with general human capital and capacity challenges at national and Zoba levels

The outcome of the prioritization and alignment exercise were two broad priorities. Each priority area has two broad outcomes and seven outputs to be delivered between 2022 and 2026.

Priority Area one: Human Development and Wellbeing

Outcome 1: By 2026, more people have benefitted from equitable access to and use of inclusive high quality essential social services.

Output 1.1 Policy instruments and strategies developed and adopted to guide institutional capacity building, service delivery, emergency preparedness and response

Output 1.2 Equitable age-appropriate and gender-responsive essential social services are delivered and strengthened

Output 1.3 National and community-based systems for delivering social services are improved

Outcome 2: By 2026, Eritrea's public sector institutions are more accountable and efficient, and more people enjoy the right to development.

Output 2.1 Capacities of institutions to provide oversight and deliver services are improved

Output 2.2 National statistical and data-producing institutions have increased their capacity to collect, collate, analyse, use, and manage data.

(18

.

Output 2.3 Capacities of public institutions to consolidate national harmony and socio-economic development have increased.

Output 2.4 Communities have increased capacities to counter harmful traditional practices

Output 2.5 Continuous dialogue to achieve consensus between the UN and the Ministry of Foreign Affairs on refugee and migration issues²⁷

Priority Area 2: Inclusive diversified and climate resilient economy

Outcome 3: By 2026, people in Eritrea, especially the disadvantaged population, have increased livelihoods as economic growth becomes more inclusive and diversified.

Output 3.1 Public sector capacities are strengthened to develop strategies and policies for enterprises, job creation and employment.

Output 3.2 Skills and capacities of people, especially women and youth, are improved for increased access to diversified livelihoods and employability

Output 3.3 Access to finance, productive assets, technology, infrastructure, and equipment is increased, in support of sustainable livelihoods.

Output 3.4 National social security and protection systems are strengthened and expanded to reach the most vulnerable families and population groups.

Outcome 4: By 2026, people in Eritrea have benefited from climate resilient, sustainable environment and natural resources management.

Output 4.1 Capacities of institutions and communities are strengthened to sustainably manage and use environmental and natural resources

Output 4.2 Access to modern, renewable, and affordable clean energy sources and services increased

Output 4.3 Capacities of communities and national institutions are enhanced to mitigate, adapt to and mainstream climate change and disaster risks

The cross-cutting themes are capacity building gender, youth and women empowerment, social justice and leaving no one behind, along with disability inclusion. As a way of facilitating, accelerating, and enabling the implementation of the UNSDCF, the UN will rely on:

- Joint and integrated approaches to programme implementation (more synergy)
- Increased operational efficiency
- An improved and integrated data ecosystem
- Human capital and capacities
- Gender equality and right to development
- Innovation and digital technology
- Human rights underpinned by social justice and human dignity

As part of the UN's internal governance arrangement, the UN Country Team will establish an intersectoral and multi-agency working group on these cross-cutting themes to capture all work on gender, leave no one behind to ensure their inclusion, monitoring and reporting on workplans and project documents.

3.1.1 Alignment to National, Regional and Global Agendas

The table below illustrates the alignment of the UNSD-CF priority areas and outcomes to the national priorities in health and nutrition, education, water, sanitation and hygiene, energy, agriculture and food security,

social protection, the environment, along with investments in human and technical capital. The table also shows the alignment with regional and global development agendas.

UNSDCF Strategic Priority Area	UNSDCF Strategic Outcomes	Alignment to National Priorities	Alignment to the African Agenda 2063	Alignment to Agenda 2030
Human Development and Wellbeing	People: By 2026, more people have benefitted from equitable access to and use of inclusive and quality essential social services	Health and Nutrition	Goal 3: Healthy & well-nour- ished citizens	SDGs 3,5,10 and 17
		Education	Goal 2: Well-educated citizens underpinned by STI & Goal 18: Engaged & empowered youth and children)	SDGs 4,5, 10 and 17
		Water, Sanitation, and Hygiene	Goal 7: Goal 7: Environmen- tally sustainable climate resilient economies & com- munities – Water security	SDGs 6,5 10 and 17
	Peace: By 2026, Eritrea's public sector institutions are more accountable and efficient, and more people enjoy the right to development	Capacity building on social and economic development	Goals 11, 12, 13 and 14. Goals 2,3,4,5,6,7 and 17	SDG 16, 17, and 1,2,3, 5,6,7,8,9,10,11,12,13, 14,15,16,17
Inclusive, diversified and climate resilient economy	Planet: By 2026, people in Eritrea have benefited from climate resilient, sustainable environment and natural resources management	Environment	Goal 7: Environmentally sustainable climate resilient economies & communities	SDGs 5, 10, 11, 13, 14, 15 and 17
		Energy with a focus on renewable	Goal 5: Blue/ocean economy for accelerated economy growth – marine resources and energy	SDG 5, 7, 10 and 17
	Prosperity: By 2026, people in Eritrea, especially the disadvantaged population, have increased livelihoods as economic growth becomes more inclusive and diversified	Agriculture and Food Security	Goal 5: Modern agriculture for increased productivity and production and Goal 6: Blue economy	SDG 1, 2, 5, 8, 10 and 17
		Labour and human welfare (social security and social protection	Goal 1: High standard of living, quality of life & well-being for all. Goal 2, 3,4,5,6,7 and 17	SDG 1, 5, 8, 10 and 17

3.2. Cooperation Framework Theory of Change

The theory of change is premised on the axiom that economic, socio-political, and environmental institutions, frameworks, and systems in Eritrea exist. Institutions that are not resilient could point to potential weaknesses and vulnerabilities, exposing countries to internal and external shocks that can be overwhelming. The country's path to high human development and wellbeing can only be realistically channelled through strong, resilient institutions, that drive economic prosperity with people at the centre. With a goal of ensuring that by 2026 more people in Eritrea have benefitted from equitable access to and use of inclusive, quality essential social services, along with public institutions

that are more accountable and efficient, the UN will consolidate its strong collaboration with all development actors in the country and leverage its assets to strengthen community platforms for essential health services. This includes for HIV/AIDS and non-communicable diseases; education, water, sanitation and hygiene, immunization, as well as high-impact nutrition interventions across all Zobas in Eritrea. It also includes supporting the Government in addressing all possible barriers that may have affected people's access to essential health and related services, through the lens of equity, gender sensitivity, inclusiveness, and social justice. The UN will further support the design

20

COOPERATION FRAMEWORK THEORY OF CHANGE

Development Challenge **Priority Assumptions Outputs Key Activities Impact Outcome Areas** People: then more There is a peaceful and Where supply challengity of duty bearer should be built and investment in and strategies to guide institutional capacity people benefit from stable political environ es inhibit the equitable and wellbeing equitable distribution of essentia ouilding, service deliver services such as health and emergency prepared ness and response will be made available; the platforms increased for energy, electricity, water the provision of the full range of essential uality essential social sanitation, and hygiene And there is adequate between rural and urban Delivery of equitable capacity at national and Zoba levels to age-appropriate and ealth including HIV/AIDS Human and non-communicable diseases, education, water, sanitation and hy gender-responsive sential social service development and wellbeing • And the national data nplement programme ecosystem for periodic data production is weak and projects in Eritrea are **Partnership** public sector instinational and commu giene, immunization, and high, and more nity-based systems for delivering social service And there are human capital and capacity nutrition across all Zobas people benefit n Eritrea and address ar Goals accountable and barrier inhibiting people' access to those services challenges at national and Zoba levels And there is continued efficient, and more engagement and compeople enjoy the right in a way that ensures eq 1 mitment with key Gov to development uity, gender and disabilit ernment counterparts · And extending overinclusivity such that no one is left behind. **-->** on the cooperation sight, accountability, and national statistical and Prosperity: then people difficult design and roll-out of an integrated national data in Eritrea, especially he disadvantaged pop The priorities remain • And there is slow ecosystem to strengthe ulation, have increased use, and manage data, growth due to high deelevant to the Govern vidence-based oversigh ivelihood as economic accountability, and service delivery with a focus on ment of the State of endence on the primary growth becomes nore capacity to count harmful traditional Eritrea throughout the more inclusive and ender and the right to de programme cycle outputs diversified practices and there wil velopment to stir greate protection of vulnerable Poverty and food insecurity affect urban Inclusive, is left behind and rural households UN Agencies have the Diversified & especially children from minimum financial Planet: then people in and human resources requirements year-bybenefited from climate resilient, sustainable cooperation framework ment of appropriate
policies and laws should environment and develop strategies and policies for enterprise, income inequality exist be conducted, capacity with those most affected management being women, children at female-headed nouseholds, people living b creation and emplo of duty bearers built The programmes are of people will improve to ensure more diverimplemented in line ductive assets, finance with the UN programwith disability, migrants ming principles that ensures inclusion, and refugees, returnees, PLHIV, elderly people, employability; access to finance, productive ssets, technology, infra technology for improving economic opportunities livelihoods and reducing no one is left behind var veterans, people with chronic illnesses, etc) tructure, and equipme curity through integrated And agricultural practic national social security agriculture, agribusiness es are largely small scal and there is low-value enterprises and modern technology will be strengthened services dominated employment And partnership strengthened with Gov-ernment and developmen · And existing frameworks to mitigate the impact of climate Finally, institutions and ight policies and system for social security and change, natural resourc es management are inadequate to sustainably manage protection of the most and use environmenta and natural resources, . isadvantaged populatio are in place and expand the existing network of partners in developing affordable clean energy sources and services and using the appropri measures and strategies to tackle climate change to mitigate, adapt and mainstream climate and the sustainable change and disaster management of natural esources and the enviror

.

and roll-out of an integrated national data ecosystem, to strengthen evidence-based oversight, accountability, and service delivery. This will focus on gender and the right to development to strengthen protection of the vulnerable population from harmful practices and violence, as well as support the review and amendment of appropriate policies and laws, with duty bearers and right holders having the capacity to demand and provide equal benefits to development.

Towards an inclusive, diversified and climate-resilient economy, the UN will work with the Government to address poverty, especially rural poverty linked to subsistence agriculture and low-value services, food insecurity and malnutrition. These affect urban and rural households the most, especially children, as well as drive down incomes and widen disparities among urban, peri-urban, and rural dwellers²⁸. The UN will work in partnership with the GoSE to further ensure people have access to and utilize productive assets, finance, equipment, and the right technology for improving economic opportunities and livelihoods.

It will also cooperate with the GoSE on reducing poverty and food insecurity through integrated agriculture, agribusiness, micro, small and medium enterprises. along with the advancement of digitization and technology. With Government leadership and in collaboration with other development partners, the UN will contribute to ensuring the right policies and systems for social security and protection of the most disadvantaged population are in place, while expanding the existing network of partners to support those left furthest behind. As a way of ensuring adequate frameworks are in place to mitigate the impact of climate change and build resilience to drought, famine and natural disasters, the UN will continue strengthening its engagement with the Government and external partners through the global compact and actions on climate policies at all levels, to adopt measures and strategies that tackle climate change.

The figure above (page 21)depicts the detailed Theory of Change with clear pathways and links from the development challenges to the long-term impacts through the inputs, activities, outputs, and outcomes.

3.3. Cooperation Framework Priorities Areas

In formulating priority areas and outcomes, the goal was to address underlying and root effects to changes Eritrea would want to see in the next five years. These were identified in the CCA in the form of development challenges and gaps. They focus on expected changes at the institutional level for both duty-bearers and rights-holders, and clearly articulate the UN's value addition guided by the 5-Ps of People, Peace, Prosperity, Planet and Partnership.

3.3.1 Strategic Priority Area One: Human Development and Wellbeing

The Human Development and Wellbeing priority area seeks to improve the prosperity and wellbeing of all Eritreans. It focuses on a wide range of areas, including health and nutrition, education, water, sanitation and hygiene, immunization, and energy. It also addresses issues around general governance, public management, and accountability. This priority has two outcomes that respond to at least nine (9) SDGs (on Health, Education, Water and Sanitation, Gender Equality, Affordable and Clean Energy, Reduced Inequality, Peace, and Strong Institution and Partnerships), along with national priorities.

Outcome 1: By 2026, more people have benefitted from equitable access to and use of inclusive and quality essential social services.

Outcome 2: By 2026, Eritrea's public sector institutions are more accountable and efficient, and more people enjoy the right to development.

Within the framework of the Goals, the execution of both outcomes will take an integrated approach, targeting the most vulnerable people and communities to ensure high-quality essential services provided across various spectrums at national and Zoba levels in Eritrea. Working with relevant implementing ministries, departments, and agencies, as well as utilizing its global network of expertise to streamline and strengthen systems and solutions and develop appropriate policies, strategies and programmes, the UN work will take to scale and expand access to essential services in health, nutrition, immunization, water, sanitation, and hygiene, as well as energy, while promoting quality education and life-long learning.

The range of services will target the Eritrean population and community with a focus on improving health security, aimed at re-tooling the health system to ensure it is not only able to provide required essential health services, but also resilient enough to absorb shocks due to health threats arising from disease epidemics or disasters. It will also drive actions towards universal

^{28.} The core population is the population at the most risk of being left behind and they include women, children, people with disability, migrants, refugees, returnees, PLHIV, elderly people and people with chronic illnesses

health coverage aimed at making additional services available by focusing on non-communicable diseases (NCDs) risk factors, HIV/AIDS, reproductive health and services for adolescents and elderly persons, while expanding the continuum of care to include sub-specialties. The intervention will scale up access to available services focusing on primary referral services (community hospital and health stations), services and improving financial risk protection in a sustainable manner, through introducing pre-payment financing mechanisms built around insurance systems.

Education services will focus on improving quality learning, along with access to quality Basic and Secondary Education with special attention for children with disabilities, along with girls and children from disadvantaged communities. It will also prioritise expanding adult and non-formal education, as well as promoting continued lifelong learning and striving to meet SDG 4. Access to basic Vocational Training will increase, while public-private partnerships in skills development will be expanded.

Water, sanitation, and hygiene will focus on addressing the country's vulnerabilities in water supply, continue to combat hygiene related to open-air defecation, as well as expanding sanitation and hygiene facilities and services to all Zobas. Over the next five years, the focus will be on building capacities, as well as consolidating and conserving existing solutions, to ensure water supply is climate resilient. The UN will work closely with the Government in conserving the country's major water basins in Setit, Mereb, Gash-Barka/Anseba, Keyihbahri and Dankalia. The Water Sanitation and Hygiene (WASH) intervention would benefit from a coordinated and concerted approach of different institutions including communities for successful implementation of WASH programs and progress towards achieving SDG 6 target.

The programme will focus on conserving water, while eliminating leakage and wastage in urban areas and unaccounted spillage due to water supply network (pipeline) problems, to reach the 20 litre per person per day target as per international benchmarks. Access to energy for all is a principal target of the Government in the medium term and the Government is currently discussing with countries in the Gulf to scale up investment in this sector. As part of this UNSDCF, the UN will support the extension of electric power service by 15% to 25% from the baseline of the present rural access level of about 10 percent. This will be achieved through provision of hybrid and stand-alone renewable power systems or through interconnection to the main grid. Additional work under Human Development Pillar includes reducing the prevalence of stunting and tackling the prevalence of malnutrition among children under 5 years of age, by type

(wasting and overweight), as well as building resilience to pandemic and other natural disasters by establishing early warning systems, while integrating preparedness and resilience to emergencies and disasters. In equal measure, the UN will work with key national and regional stakeholders to support Eritrea its efforts to consolidate peace and harness the full width of the peace dividend on offer. It will strengthen the capacity of public service institutions. Based on the country's inclusive approach, the UN's effort will tackle broader capacity (human and systems) issues through key oversight and accountability institutions.

or the SDGs, Leaving No One Behind

The United Nations system will collaborate with national and local governments to ensure accountability as promulgated by the country. It will continue to leverage its global comparative advantage in pulling technical and financial resources to supporting the development of national statistical capacities and the data ecosystem. The UN will explore innovative data methods including 'big data', crowd sourcing, digitization, artificial intelligence (AI) and other data analytic tools for data generation, disaggregated, dissemination and utilisation. The programme will promote the revitalisation and reactivation and expansion of national data collection systems around health, incomes and poverty, education, environment as well as the labour force.

It will work to strengthen capacities to collect, collate and report progress on the SDGs, as well as support national efforts to implement the Convention on Elimination of All Forms of Discrimination against Women (CEDAW). It will also advance the development progress as a human right and prepare the Universal Periodic Review report, including by developing implementation plans and strengthening coordination. These are important anchors to advance the right to development. In line with the Gender Equality Strategy (2018-2021, and its successor), the UN will support the Government in gender retated work.

The UN will further support Eritrea's regional integration agenda through trade reform to facilitate trade and improve implementation of labour migration. It will also build national capacities to maximize efficiency and competitiveness in regional and sub-regional markets, as well as and improve the quality of international trade data.

3.3.2 Strategic Priority Area Two: Inclusive, Diversified and Climate Resilient economy

The Inclusive, Diversified and Climate-Resilient priority area acknowledges that climate change affects each aspect of sustainable development with profound and potentially lasting implications for people, planet, partnerships, and prosperity. The pursuit of an inclusive and diversified economy would have to be climate resilient to generate and sustain the gains required for achieving medium and long-term development goals. This priority area focuses on multi-dimensional poverty, hunger and food security, agriculture, livelihood, job opportunities and employment. It also focuses on climate change, sustainable natural resources management, disaster risk reduction and mitigation, biodiversity, responsible consumption and production, urbanization, sustainable cities and communities, conservation, and environmental degradation.

Outcome 3: By 2026, people in Eritrea, especially the disadvantaged population, have increased livelihoods, as economic growth becomes more inclusive and diversified.

Outcome 4: By 2026, people in Eritrea have benefited from climate resilient, sustainable environment and natural resources management.

This priority area also focuses on about twelve (12) of the SDGs, namely Poverty, Hunger, Decent Work, Gender, Inequality, Industry, Innovation and infrastructure, Sustainable Cities and Communities, Responsible Consumption and Production and Climate Action, Life below Water, Life on Land, and the Partnership Goals. Anchored in the concept of LNOB, the UN will promote social and economic inclusion in an equitable way, through access to decent work and employment opportunities, promoting entrepreneurship through micro, small and medium enterprises and improving social protection.

Through innovative partnerships and in close collaboration with a broad range of stakeholders, the UN will ensure that policies, actions, and strategies reflect the fact that people experience poverty and benefit from economic growth differently. Working with the right government ministries, departments and agencies, the UN will also collaborate to drive the overarching objective of the country in transforming the agriculture sector, turning ambitious micro, small and medium-sized business into larger businesses and industries. The interventions will promote labour market institutions that facilitate young people's employment and equal employment opportunities, as well as bringing relevant laws in compliance with international and regional obligations, particularly for the protection of women and children. The aim will be providing decent employment that generates sustainable, fair incomes for young people, widening opportunities for work that is productive, while delivering security at work and social protection for families. It will also foster economic freedom for people to engage in appropriate jobs that match their skillsets, organize, and participate in the decisions that affect their lives, as well as equal opportunities and treatment for all women and men in labour and social security markets.

The UN and its development partners will work on supporting introduction of improved policies and programmes that support productive activities, while addressing underemployment, volatile employment, and job losses in the informal sector, as well as a skills-mismatch in the labour market. It will drive diversification, technological advancement, creativity, and innovation as enablers for decent job creation, entrepreneurship, and encouraging the formalization and growth of micro, small-and medium-sized enterprises. Considerable efforts will be directed to facilitating employment for disadvantaged populations, with a view to targeting incomes and poverty.

Agriculture will be the centre of eliminating poverty and hunger in Eritrea, as well as increasing employment and income generation opportunities. The focus will be on increasing farmer's productivity through value-added agro-processing and packaging, institutional and human capacity enhancement within the agricultural sector, along with generating quality data and sharing information with farmers. This would aim to enhance their prospects of profiting, through increasing their incomes and foreign currency earnings via exports of agricultural and agro-industrial products, as well as substitute imports. Key transformations in the agriculture sector will include shifting from surface or furrow irrigation to a pressurized irrigation system, in addition to shifting from monoculture to polyculture (an integrated agricultural system), upgrading from an outdoors to protected cultivation system and enhancing agricultural value-chain development, food quality and safety, as well as promoting agricultural mechanization.

UN efforts will also target institutional weakness that challenge enforcement of regulations as well as implementation of efficient management and use of natural resources. The focus areas are land degradation, biodiversity and habitat loss, water quality and quantity deterioration, pollution, and inappropriate waste management, along with other environmental problems. Actions and measures will be taken to restore ecosystem degradation, including sustainable land and sea management (soil and water conservation, proper land use), construction of water storage and water supply structures, afforestation, establishment of terrestrial (including community based) and marine protected

24

areas, introduction of renewable energy, etc. Different regulatory instruments and management tools will be developed and implemented, to ensure sustainable management and use of land, sea, and environmental resources. With the required capacity at institutional levels, the UN will support relevant legal and institutional reforms to ensure inclusive and sustainable solutions are adopted, as well as facilitating policies and programmes for climate change adaptation, disaster risk reduction, along with universal access to clean and sustainable energy.

Significant investment will be directed towards building national capacities for evidence-based policy and decision-making, as well as ensuring measures are in place to protect and rehabilitate the environment, enhance ecosystems, as well as ensure community resilience and adaptive capacity to cope with climate change and other related issues. Urbanisation is one of the mega trends affecting all the SDGs, directly and indirectly. With resource and energy use, waste, and pollution, along with incomes and wealth concentrated in cities, sustainable development depends on sustainable urbanization²⁹.

This requires meeting SDG 11 (sustainable cities and communities). According to UNDESA, success in addressing any of the challenges posed by urbanization will generate direct advantages or indirect co-benefits across the entire sustainable development agenda. Mainstreaming urbanisation in national development planning processes and explicitly linking it to key economic sectors, such as manufacturing and modern services, will be essential in driving industrialization and wealth creation, as well as generating productive urban jobs for reducing poverty in Eritrea. As cities and towns expand and more challenges related to urban planning and urbanization emerge, the UN will also work closely with governments and partners on improving urban planning.

This includes implementing operational development plans that explicitly address climate hazards and disaster risks, while making provisions for sustainable urbanization, resilience and DRR. The growth of well-planned and managed cities is an essential route to structural transformation and economic development in Eritrea. Thus, urbanisation offers the greatest impact across social, economic and the environmental dimensions of the sustainable development agenda in the country. Within the country's medium-term priorities, the UN will support the expansion of infrastructure to smaller towns, to extend supply chains and distribution networks, as well as support studies of efficiency improvement potential in the transport, industry, household, and commercial sectors.

29. UN DESA 2020. Report of the UN Economist Network for the UN 75TH Anniversary: Shaping the Trends of Our Time

It will also coordinate development planning thereafter to implement efficiency and resilience measures by cities and major towns.

3.4. Cooperation Framework Outcomes and Outputs



3.4.1 Outcome One: People

One lesson from the COVID-19 pandemic is that no one on this planet is safe as long as our systems and institutions are not sufficiently capable to face and deal with all forms of hazards and shocks affecting humanity. This is true for developed as well as developing countries. Drawing from this lesson, this outcome of the UNSDCF was formulated in acknowledgement of the need to promote human development and wellbeing, through delivery of efficient, high-quality essential social services that ensure equity. It argues that through the development and adoption of the right policy instruments and strategies to guide institutional capacity building and the distribution of social services, delivery of essential services at national and local levels will be enhanced as more community-based systems are made available to deliver essential social services. That way, more people will benefit from equitable access to and use of inclusive, high-quality essential social services, which will in turn engender improvements in their wellbeing.

Outcome: By 2026, more people have benefitted from equitable access to and use of inclusive and high quality essential social services.

Related Outputs:

- 1.1. Policy instruments and strategies are enhanced and developed to guide institutional capacity building, service delivery along with emergency preparedness and response.
- 1.2. Delivery of equitable age-appropriate and gender-responsive essential social services is strengthened
- National and community-based systems for delivering social services are improved

The outputs are meant to provide a foundation of effective service for all by expanding access to universal health coverage, quality education, water and sanitation and energy, with digital connectivity and efficient community platforms as enablers. The above outputs will be delivered, with strong emphasis on an integrated approach to policy development and advocacy, along with full utilization of technical expertise in social service delivery in the areas of Nutrition, Health, WASH, Education and Child Protection across the government and UN. Emphasis will also be placed on people-centred service delivery that ensures the use national systems to deliver outputs around the related sustainable development goals. This will be delivered in a way that provides the full range of services to the last mile and hardest-to-reach communities for distribution, as well as access equity, while mainstreaming the principle of LNOB in gender, youth, and disability.



3.4.2 Outcome 2: Peace

This outcome draws its lessons from the country's history and development work over the last decade, along with the COVID-19 pandemic. This is based on consolidating peace through institutional resilience and sustainability. It goes beyond public service delivery, to tackling issues of oversight and accountability in the public sector and people's right to development, through the lens of the SDGs. The outputs are tailored to improving institutional capacities for oversight and service delivery, developing national statistical and data-producing capacity of institutions. These should be delivered in a way that is inclusive, gender-equitable and accountable, making available the right capacities at the community level to counter harmful traditional practices, while enabling advocacy on conventions.

Outcome 2: By 2026, Eritrea's public sector institutions are more accountable and efficient, and more people enjoy the right to development.

Related Outputs:

- Capacities of institutions to provide oversight and deliver services are improved
- 2.2 National statistical and data-producing institutions have increased capacity to collect, collate, analyse, use, and manage data

- Capacities of public institutions to consolidate national harmony and socio-economic development increased.
- 2.4. Communities have increased capacities to counter harmful traditional practices
- 2.5. Continuous dialogue to achieve consensus between the UN and the Ministry of Foreign Affairs on refugee and migration issues¹
- 1. This has been requested by the Ministry of Foreign Affairs

These outputs will be delivered by pulling together institutional resources and requirements for service delivery, information and reporting requirements for data capacity strengthening, data gathering and use, along with ensuring institutions are resilient in delivering their mandates. The key enablers of this output are increased synergy in institutional capacity building, as well as data ecosystem strengthening, innovation, technology, along with an improved institutional framework and systems for accountability and providing services.



3.4.3 Outcome 3: Prosperity

The economic fallout of COVID-19 entails considerable disruption and contraction in economic activity, sudden sharp declines in government and business revenues, job losses, along with countless livelihood losses for formal and informal daily wage earners. Small and Micro enterprises have been disproportionately affected. In Eritrea, as in many developing countries, it is important the programme focuses on transformative impacts in areas of policies, investments in key economic sectors, social protection systems and economic infrastructure.

This outcome is towards economic growth that is distributed and bridges the social and economic gaps in the country. The outputs demand investment in people and improving economic governance, through improved policy and institutional frameworks, while promoting systemic public policy changes that are aligned to the long-term national development aspirations of Eritrea. It would require mobilising more actors and resources to address the underlying challenges to systems, tools, policies, and financing for growth that is sustainable and diversified.

This outcome acknowledges the multi-dimensional nature of poverty and inequality, while emphasizing the need for creating a more reliable and sustainable means to livelihood and economic prosperity through agriculture, economic diversification, and industrialization.

26

.

Outcome 3: By 2026, people in Eritrea, especially the disadvantaged population, have increased livelihoods as economic growth becomes more inclusive and diversified

Related Outputs:

- 3.1 Public sector Capacities are strengthened to develop strategies and policies for enterprise, job creation and employment.
- 3.2 Skills and capacities of people, especially women and youth, are improved for increased access to diversified livelihoods and employability
- 3.3 Access to finance, productive assets, technology, infrastructure, and equipment is increased to support sustainable livelihoods
- 3.4 National social security and protection systems are strengthened and expanded to reach the most vulnerable families and population groups.

It underscores the relevance of effective policies and strategies for enterprise, job creation and employment as means for increasing access to diversified livelihoods and jobs in Eritrea. It also sheds light on access to finance, productive assets, technology, infrastructure, and equipment, as ways of ensuring sustainable income generating opportunities and improving livelihoods. To ensure social justice and that no one is left behind, this outcome also seeks to provide support expanded social security and protection systems for the most vulnerable families and people.



3.4.4 Outcome 4: Planet

This outcome espouses the concepts of sustainability and resilience as general notions, as well as an integral part of the UNSDCF. It recognises the unprecedented nature of crises like COVID-19 and natural disasters. In the face of such uncertainties, it seeks to pull together all the work for the next five years towards resilience, sustainability, and disaster risk responsiveness. It seeks to address structural challenges to sustainable development, such as reliable and sustainable energy for all, disaster risk mitigation and adaptation, climate crisis, biodiversity, and chemical concentrations, including carbon dioxide, for a planet that is safer for all Eritreans.

Outcome: By 2026, people in Eritrea have benefited from climate resilient, sustainable environment and natural resources management

Related Outputs:

Output 4.1 Capacities of institutions and communities are strengthened to sustainably manage and use environmental and natural resources

Output 4.2 Access to modern, renewable, and affordable clean energy sources and services is increased

Output 4.3 Capacities of communities and national institutions are enhanced to mitigate, adapt, and mainstream climate change and disaster risks

These outputs are based on strengthening capacities of institutions and communities as the means of ensuring the sustainable management and use of environmental and natural resources, as well as mitigating, mainstreaming, and adapting to climate change and disaster risks. The outputs will also increase access to modern, renewable, and affordable clean energy sources and services, towards the national goal of all Eritreans having sustainable energy for domestic use by 2050. UN Agencies, Funds and Programmes on this outcome will also adopt a consolidated and integrated approach to support all areas related to this.

The country's principle of social justice resonates with the UN programming principles of Leave No One Behind. Among the measures to realise this, the UN in Eritrea will step-up policy advocacy and other measures for gender equality and gender-sensitive programming, as well as inclusion of people living with disabilities, youth, and the elderly. It will also ensure children of female headed households are targeted for socio-political and economic inclusion, along with people living with chronic ailments and refuges.

3.5 UNCT Configuration

As part of the new UN business model for delivering country support to national authorities, a configuration exercise is an important part of the Cooperation Framework process. To this effect, the UNCT in Eritrea undertook an elaborate exercise aimed at assessing the best alignment of capacities (financial and technical) and assets needed to deliver on the prioritized outcomes and associated outputs of the 2022-2026 UNSDCF. At the core of the UNSDCF is a deliberate attempt to match the UN offer with national development priorities.

After the adoption of broad priority areas, outcomes and performance measurement indicators, the UN in Eritrea embarked on a broad introspection exercise involving capacity assessments to ascertain the adequacy of its existing technical, functional, financial, and other resources, both locally and abroad, to fully implement the UNSDCF 2022-2026. This exercise helped to ensure that the UNSDCF interventions are grounded in an in-depth understanding of the whole capacity of the UN over the longer-term and identifies the normative

role of the UN system, as well as the role of the UN in supporting the country, along with our value proposition to the national vision, priorities, and policies for the 2030 Agenda and SDGs. The exercise resulted in an expanded and revitalized team to support the implementation of national priorities and the efforts of the country in meetings in its SDG commitments, as well as the Africa Agenda 2063, among others.

The Configuration outcome is attached as an annex to this document. There will be 21 UN Agencies, Funds and Programmes (AFPs) that have committed with the RC to deliver the UNSDCF 2022-26. These UN entities bring complementary capacities in the priority sectors outlined in the UNSDCF. The AFPs are FAO, IFAD, ILO, IOM, ITC, UN OCHA, UNAIDS, UNDP, UNECA, UNEP, UNESCO, UNFPA, UNHCR, UNICEF, UNIDO, UN WOMEN, UNODC, UN Habitat, UNV, WFP and WHO. This line-up of AFPs is the highest number of agencies to commit to delivering development interventions and this represents an of six more entities in addition to the 15 that supported the 2017-2021 UNSDCF. Based on evolving





CHAPTER 4: COOPERATION FRAMEWORK FINANCING AND RESOURCE MOBILISATION

The world is barely less than ten years away from the SDGs target of 2030, yet many countries, especially in Africa, are still struggling to raise the resources needed to finance their national development plans and sustainable development in general. The situation has been exacerbated by declining global official development assistance (ODA) and private remittances, with ripple effects on low-income countries (LICs), such as Eritrea. For Eritrea, this calls for a blend of policies, tools, and innovative financing strategies to meet the SDGs, as well as national development priorities encapsulated in the 2022-2026 Cooperation Framework. Exploring innovative options for financing national development priorities, including the SDGs, is not only necessary, but a development imperative.

There are several instruments that Eritrea could tap into, to boost resources for the SDGs. Blended finance, climate finance and, where feasible, access to grants and softer loans from multilateral and bilateral institutions, offer an open window for raising resources for development. Others are issuance of infrastructure bonds in capital markets. It is generally recognized that infrastructure development is a critical aspect of financing for development and by implication, attaining the SDGs. Specifically, infrastructure bonds to support investments in energy, water and sanitation, housing, as well as urban and rural roads, among others, are crucial if Eritrea is to achieve the SDGs.

The other significant option for raising resources for financing Eritrea's development needs beyond the UNSDCF is regional and international trade. Trade among equals generates revenues for development and propels growth for poverty reduction. The role of fiscal policy in support of growth and revenue generation for development is crucial in Eritrea's quest to mobilize domestic resources for financing national priorities and SDGs. Expanding fiscal space for growth and employment creation through key reforms could play a catalytic role in raising revenues for the SDGs in Eritrea. Notably, the Government could benefit from strategic tax reforms aimed at reining in more tax revenues, while at the same time improving overall tax governance. However, domestic resource mobilization is only part of it.

There is also a need to effectively use public resources for sustainable development. The UN Economic Commission for Africa (UNECA) has proposed the following fiscal reforms as a vehicle for raising financing for sustainable development (i) adopting the right fiscal policy stance, (ii) reviewing and updating tax policy, (iii)

expanding and deepening the tax base, (iv) improving tax administration, (v) tackling tax avoidance and (vi) enhancing non-tax revenue collection and improving natural resources governance, to combat tax evasion³⁰. These reforms should be augmented by institutional strengthening, including modernizing modes of collecting tax revenues through electronic payments and platforms, to reduce the cost of collection. Such capacities should specifically target tax and customs authorities in Eritrea.

As the global economy begins to pick up steadily, Eritrea should leverage private remittances by reducing the cost of transmitting such resources. The country should also reengage both bilateral and multilateral development partners, including philanthropic foundations within the framework of the South-South Triangular Cooperation, to complement existing North-South Cooperation in development finance. As a partner of many years in development, the UNCT in Eritrea will provide capacity building, technical and policy advisory services to the Government of the State of Eritrea in tax governance and cooperation, to enhance domestic resource mobilization. It will also mobilize financial resources for programme implementation of the UNSD-CF, as its contribution to realizing the SDGs in Eritrea.

The UNSDCF funding and resource mobilisation will follow the needs-based logic underpinning the UNSD-CF. Budgets and resource mobilization strategies of the UN development entities are to be aligned with the UNSDCF budget, not vice versa. The UN in Eritrea will also seek to leverage different sources of financing and investment flows outside the UN system that support Governments in financing national priorities to achieve the SDGs. Beyond its own funding requirements, the UNCT will facilitate a dialogue with the Government and development partners on the volume and mix of financing required to achieve the SDGs.

The UN system agencies will provide support to the development and implementation of activities within the Cooperation Framework, which may include technical support, cash transfers, supplies, commodities and equipment, procurement services, transport, funds for advocacy, research and studies, consultancies, programme development, monitoring and evaluation, training activities and staff support. Additional support may include access to UN organization-managed global information systems, the network of the UN system

30

0 0 0 0 0 0 0 0 0 0 0

^{30.} Economic Commission for Africa, 2019. Fiscal Policy for Financing Sustainable Development in Africa. Economic Report on Africa, Addis Ababa, Ethiopia



agencies' country offices and specialized information systems, including rosters of consultants and providers of development services, and access to the support provided by the network of UN specialized agencies, funds, and programmes. The UN system agencies shall appoint staff and consultants for programme development, programme support, technical assistance, as well as monitoring and evaluation activities. Subject to annual reviews and progress in the implementing the programme, the UN system agencies' funds are

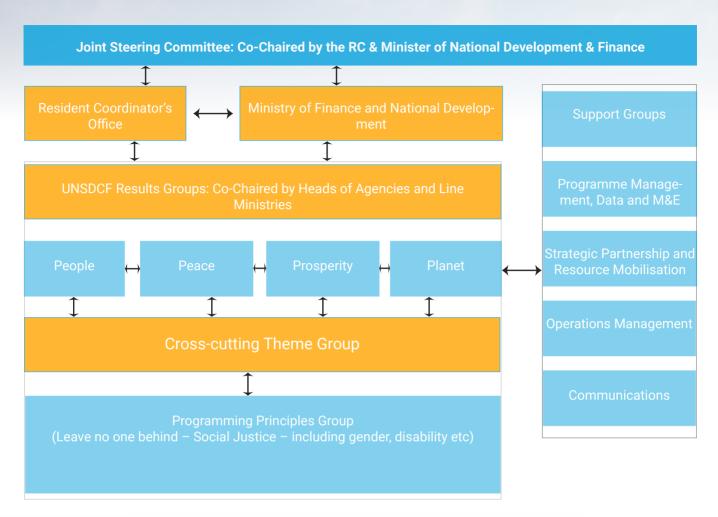
distributed by calendar year and in accordance with the UNSDCF. These budgets will be reviewed and further detailed in the workplans and project documents. By mutual consent between the Government and UN, funds not earmarked by donors to UN development system agencies for specific activities may be re-allocated to other programmatically equally and worthwhile activities.

Figure 4.1: Resource Requirement to Deliver the Cooperation Framework 2022-26 (amount in million USD)

Total Resources Requirement (US\$ Millions) US\$720

People Planet Prosperity Peace Outcome 1 Outcome 2 Outcome 3 Outcome 4 165M Output 1 Output 1 Output 1 Output 1 5.6% 5.9% 6.1% 40.2M 50.5M 43.6M Output 2 Output 2 Output 2 Output 2 11.2% 7.7% 9.8% 80.7M 55.7M 76.3M 70.8M Output 3 Output 3 Output 3 Output 3 10.3% 4.6% 7.0% 74.5M 33.1M 52.1M 50.6M Output 4 Output 4 18.3M 2.5% 26.1M Output 5 0.7% 4.7M

(31





CHAPTER 5: PROGRAMME MANAGEMENT AND ACCOUNTABILITY FRAMEWORK

5.1. Cooperation Framework Governance Structure

The governance structure and implementation mechanism for the UNSDCF will be aligned as much as possible with global standards of governance for the UNSDCF. The UNSDCF governance arrangement will seek a structure with strong national leadership, ownership and engagement through a Joint National Steering Committee, Results Groups, Monitoring and Evaluation groups, Communications, and other relevant thematic groups.

The Joint National UNSDCF Steering Committee will be the highest governing body chaired by higher official from the Ministry of Finance and National Development and the UN Resident Coordinator (RC). The UNSDCF implementation will be supported by United Nations inter-agency groups including the United Nations Sustainable Development Group, United Nations Results-based Management Group, Communications, Gender and Operations Management Teams, the Prevention of Sexual Exploitation and Abuse Group and sub-groups on operational efficiency.

5.1.1 The Joint National UNSDCF Steering Committee (JSC)

The JSC will ensure strategic direction and oversight of the UNSDCF, aligned with national, regional, and international development processes, mechanisms, and goals; as well as links with other processes such as the Agenda 2030 and Voluntary National Reviews. The JSC will monitor progress, challenges, and opportunities, as well as steer the direction of implementation; review the One UN Country Results Reports; and support resource mobilization for the UNSDCF, as well as development financing opportunities. The JSC will be co-chaired by a Senior Government Official on behalf of the Government of Eritrea and the UN Resident Coordinator, on behalf of the UNCT.

The JSC includes the UN Country Team and key national partners. JSC meetings will take place at least once a year to undertake annual reviews, update the United Nations Common Country Analysis (CCA) and assess implementation of the joint work plans. In case of evolving national priorities, it will also make formal decisions on amendments or revisions to the UNSDCF to ensure continued relevance and focus.

5.1.2 United Nations Country Team (UNCT)

The UNCT, under the leadership of the Resident Coordinator, will be responsible for implementing the UNSDCF and provide oversight to various inter-agency groups. The Resident Coordinator and United Nations entities will adhere to individual and mutual accountabilities stipulated in the Management and Accountability Framework. Through this framework, the UNCT will ensure a consistent approach and commitment to the General Assembly resolution on repositioning the UN development system

5.1.3 Results Groups

The Results Groups are part of the UNSDCF implementation arrangements. The Results Groups are responsible for UNSDCF implementation, monitoring progress and reporting. They are established based on UNSDCF priority areas and are responsible for inter-agency coordination and technical support associated with the implementation of agreed UNSDCF Outcomes, including on cross-cutting issues. The participation of national implementing partners in the Results Groups will be coordinated and facilitated by the Ministry of Finance and National Development.

The Results group will bring together the collective UN-Government capacity for implementation including expertise in various fields of work. The Result Groups would also serve as a policy network providing substantive policy advocacy and advise on the management, implementation and reporting of programmes and projects. They will work closely with the RC Office to develop the joint work plans, identify joint programmes where agency activities can complement one another, including reporting, joint resource mobilization, while ensuring that the theory of change through outlined activities and outputs of the agencies remain consistent and relevant throughout the programme cycle.

5.2. Cooperation Framework Implementation Approach and Modality

The UNSDCF will be nationally executed under the overall co-ordination of the MFND. The Cooperation Modalities and Procedures of the Government issued by the Ministry of Finance and National Development³¹ and the standard UN policies and procedures on programme implementation across the UN Development System will form the basis of the cooperation framework implementation over this programme cycle, with room for flexibilities in line with the principles of effectiveness, efficiency, and value-for money. The RCO and the Ministry of Finance and National Development) will ensure individual UN agency programme documents are fully aligned and can directly contribute to national priorities, along with the strategic outcomes of the UNSDCF 2022-2026.

The UNSDCF will be made operational through the development of joint work plan(s) (JWPs) around the four Results Areas and project documents by IFIs as necessary. These will form the basis for agreement between the UN system agencies and each implementing partner as necessary on the use of resources. To the extent possible, the UN system agencies and partners will use the minimum documents necessary, namely the signed UNSDCF, as well as signed joint Multi-Year Results Area Work Plans and project documents with IFIs, to implement programmes and projects. However, as necessary, and appropriate, project documents can be prepared using, inter alia, the relevant text from the UNSDCF work plans and/or IFIs project documents.

Strategic decisions, directions, and actions on implementing the Results Matrix of the UNSDCF 2022-2026 will be made by the co-chairs of the Joint Steering Committee. While the UNCT, under the leadership of the RC, will be accountable for UN System commitment to the outputs of the UNSDCF. The MFND will provide the overarching oversight and guidance to national implementing partners to ensure their work contributes to the agreed outputs and outcomes of the UNSDCF.

In terms of cash transfer and method of implementation, the UNSDCF will be implemented using National implementation modality (NIM). Cash transfers to implementing partners will be based on pre-agreed work plans, letters of agreements, memorandums of understanding and other relevant documents, using the following:

- All disbursements will be channelled through the MFND as the lead GoSE authority. From the ministry, cash will be transferred directly to the implementing partners prior to the start of activities and depending on the approved work plans by the MFND.
- Other cash transfer modalities, such as reimbursement (after activities have been completed depending on the agreement and agency in question), or direct payment to vendors or third parties for obligations incurred by the implementing partners, will be utilised as agreed by all parties at the start of the intervention.

5.3 Derivation of UN entity country programming instruments from the Cooperation Framework

The UN system, resident, and non-resident worked together to develop the UNSDCF along with the GoSE. The UNCT has been part of the UN Sustainable Development Cooperation Framework (UNSDCF) processes starting from socio-economic impact assessment of COVID-19, Common Country Assessment (CCA), strategic visioning, prioritization, results formulation, and configuration, leading to the design of the UNSDCF for 2022-2026. In turn, agencies developed their country programmes, cooperation documents or partnership frameworks with the GoSE.

These documents are aligned with results of the UN-SDCF for Eritrea, as well as with the National Development Priorities of the Government. The availability and sustainability of support through agency programmes and implementation avenues have been extensively discussed and agreed during the UNCT Configuration exercise.

5.4. Joint Workplans

The UNSDCF 2022-26 implementation in Eritrea will usher the move to a Joint Work Plan, in line with the global UN reform and actions towards efficiency, reduced duplication, complementarity and avoidance of cost. The UN agencies, through the RC Office, Results Groups and the Ministry of Finance and National Development, will develop, monitor, and report on the multi-year joint work plans.

The joint work plans will ensure greater alignment with national priorities, support country capacities to deliver development results, as well as ensure transparency and accountability in their implementation. The joint work plans will further strengthen the UNSDCF theory of change through a clear articulation and demonstration of links from outcomes to measurable and time-bound outputs and activities with the resource (inputs)

(34

to achieve them. It will also demonstrate connections to enable the attribution of UN contributions to national priorities. Embracing a multi-year joint work plan per Strategic Priority, the 2022-2026 UNSDCF will advance the harmonization and simplification of UN operations, while strengthening the links between the UNSDCF and agency-specific planning frameworks.

Developed using a results-based management framework with specific, measurable, attainable, results-based, and time-bound indicators, joint work plans will ensure a coordinated and consistent response, while aligning programming with global and regional frameworks. The UNCT in Eritrea will extend its joint work to sectors to generate further synergies, reduce duplication, and streamline cooperation with national implementing partners working with multiple UN Agencies in Eritrea.

5.5. Business Operations Strategy in support of the Cooperation Framework

The UNCT Business Operations Strategy will align with the global UN efficiency agenda. It will be anchored on four major pillars - Business Operation Strategy (BOS) 2.0, Common Back Office, Client Satisfaction, and a gradual move to Common Premises. The actions will ensure further streamlining of service lines: human resources, procurement, administration, finance, etc. to address inefficiency and duplications. This is envisaged to continue building on the cost avoidance and improving efficiency in processes over time. On common premises, the UNCT is working on consolidating

premises and reducing the spread of agencies in the country and also on improving common services – a common solar setup, common internet, and common procurement. Eritrea efficiency agency is geared towards a functional Common Back Office by end of the first year of the cooperation framework and providing client responsive services throughout the UNSDCF period.

5.6 Cooperation Framework Risks Analysis

From the Common Country Analysis process to developing the UNSDCF, the UN has identified key risk and influences that will threaten or impact the achievement of results if not properly managed. The risks are based on external and other exogenous factors such as pandemics and human or natural disasters, as well as those related to partnership, operations, economic, finance and organizational environmental, and other multi-dimensional risks. The risks matrix below already categorizes the risk in terms of likelihood and potential impacts with the generic action top consider as part of the overall risk management process.

As a general mitigation measure, the UN in coordination with GoSE and development partners, UN Agency regional Offices and Headquarters will closely monitor local and international trends, strengthening partnership and information exchange on those risks classified as severe and extreme to ensure proactive and timely actions are taken to avert potential major loss or damage

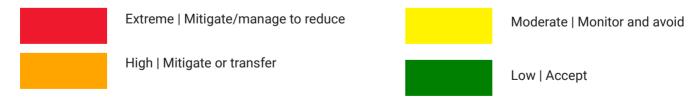
Below: One of the major dams constructed by the Government of the State of Eritrea to enhance food security. © Ghideon Musa/Eritrea/2020



Cooperation Framework Risk Matrix

			Consequence/Impact			
		Negligible	Minor	Moderate	Significant	Severe
	Certain			Procurement delays and local suppliers unable to meet UN supply demands ¹	Resource mobilization challenges resulting from loss of funding due to in-country process delays	Low fund absorption capacity and delays in activity implementation
	Highly likely	ICT and local electricity disrup- tions affecting daily operations	External restrictions or sanctions affecting the flow of remittances to Eritrea	High turnover among implementing partners Recurring and frequent droughts and the risk of locust infestation threatening the attainment of the SDGs	Data paucity impacting reporting and overall accountability Partnership and cooperation with government suffer setback due to external risks and uncertainties	Global pandemic persists or new epidemic emerge disrupting pro- gramme implementation Regional political challenges and external interference
Likelihood	Likely	Road accidents affecting several UN properties and staff	Difficulty to convene a large set of key national stakeholders on CF related issues for review and decision making	Loss of foreign currency and domestic revenue due to significant drop in the prices of Eritrean products and exports Global oil price fluctuations and supply shocks	Weak coordination and programme management structures impacting oversight and accountability on results	Funding and financing risks due unilateral sanctions
	Rare	Foreign exchange and interest rate fluctuations	Sea, air and land transportation risks that delay supply deliveries	UN priorities lose relevance due to national develop- ment priority shift	Inflationary and inflation tax risks	UN operational challenges due to sanctions on national institutions
	Unlikely	UN personnel strike action causing disruption in project activities	Change in tax policy on develop- ment financing	Local Financial market meltdown Internal civil unrest and armed insurgence	Internal civil unrest and armed insurgence	Political unrest or change Fire outbreak in the UN premises causing damage to properties

The GoSE has been taking actions to address all possible delays in procurement which might mitigate the impacts of this risk



36

CHAPTER 6: CCA UPDATE, MONITORING, EVALUATION AND LEARNING PLAN

6.1. Updates of the UN Common Country Analysis

As the essential source of up-to-date information and analysis for the UNSDCF and in ensuring priorities remain relevant over time, the CCA will be updated annually by activating the existing support system and technical capacity across UN agencies to review, update and validate existing and new information. This will be an annual event led by the UNCT and coordinated by the RCO.

6.2. Cooperation Framework Monitoring, Annual Reporting

Implementing Partners agree to cooperate with the UN system agencies for monitoring all activities supported by cash transfers and will facilitate access to relevant financial records and personnel responsible for administering cash provided by UN system agencies. To this effect, Implementing Partners agree to the following:

- Periodic on-site reviews and spot checks of their financial records by UN system agencies or their representatives, as appropriate and as described in specific clauses of their engagement documents/ contracts with the UN system agencies'
- 2. Programmatic monitoring of activities following the UN system agencies' standards and guidance for site visits and field monitoring
- 3. Special or scheduled audits. Each UN organization, in collaboration with other UN system agencies (where so desired and in consultation with the respective coordinating Ministry) will establish an annual audit plan, giving priority to audits of Implementing Partners with large amounts of cash assistance provided by the UN system agencies, and those whose financial management capacity needs strengthening.

The UNDSE will report periodically to the RC on progress in achieving the UNSDCF outcomes and outputs through UN INFO. It should also provide updates on work related to outcomes not in the UNSDCF. The Government provides input to the Country Results Reports which is consolidated and to produce the One UN Country Results Report and presented to the host Government and key partners at least once a year. This can feed into Government thematic/sector reports, as well as Voluntary National Reviews (VNRs) at the High-level Political Forum (HLPF).

6.3 Evaluation Plan

Using the initial CCA report as a benchmark, the UNSDCF evaluation will assess whether expected results were achieved, if other unintended results are observed, and whether the UNSDCF made a worthwhile, coherent, durable, and cost-efficient contribution to collective UN system outcomes and national development processes to achieve the 2030 Agenda. The UNSDCF evaluation will build on annual reviews, data collection, analysis, and monitoring exercises, to ascertain the extent of contributions or attribution of results to development change in Eritrea. A mandatory independent evaluation will be conducted in 2025, as the first step in the strategic planning process for the following programming cycle.

The evaluation will be undertaken by independent consultant(s) commissioned by the UN RCO. The evaluation Terms of Reference will ensure an inclusive and participatory approach involving all stakeholders, as well as the independence and impartiality of the evaluation team, in line with UN Evaluation Group (UNEG) norms and standards. Multiple data collection methods will be used to allow for the triangulation of findings, comprising focus group discussions, online surveys, facilitated participatory workshops and indepth interviews. The independent evaluation will be planned by the UNCT in coordination with the GoSE to draw on individual UN agency/entity country programme evaluations, reducing transaction costs for the stakeholders involved.

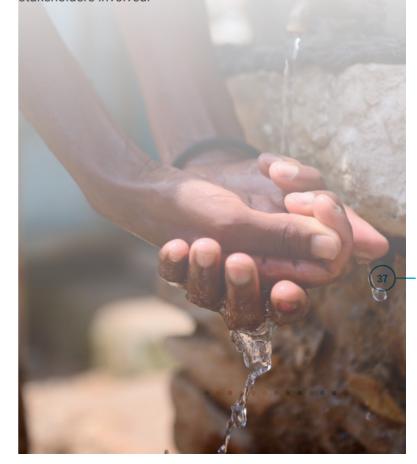


Table 6.2: Cooperation Framework Monitoring and Evaluation Plan

Description of Activities	Responsible Coordination	Lead UN Agencies	Frequency			Timeline	es	
Activities	Group	Agencies		2022	2023	2024	2025	2026
General oversight and programme management	Joint Steering Committee	RCO	Once a year	x	х	X	х	x
National joint-steering committee meetings	UN Country Team	RCO	Biennial	Х		Х		X
National SDG stocktake	UNCT	RCO	Biennial	Х		Х		Х
Monitoring								
UN Joint monitoring missions	UN PMT and M&E	UNDP	Twice per annum	2(x)	2(x)	2(x)	2(x)	2(x)
Support to national surveys (examples population, poverty, households, census etc)	UNCT	RCO	As and when required	x	х	х	х	X
Data collection and analysis of against each UNSDCF outcome/output indicators by results groups	UN PMT and M&E	UNDP	Annual	Х	X	Х	X	X
Review and Reporting								
Support to annual national voluntary reviews of progress towards SDGs.	UNCT	RCO	At least once in a cycle	х				
Thematic studies/reviews and publications as relevant	UNCT	RCO	Annual	X	Х	х	Х	Х
Data entry into UN Info by all UN entities	Results Groups	Lead Agencies	Quarterly	4(x)	4(x)	4(x)	4(x)	4(x)
Results Groups review of progress towards outputs and outcomes	Results Groups	Lead Agencies	Quarterly	4(x)	4(x)	4(x)	4(x)	4(x)
UNSDCF Annual Performance Review	UN PMT and M&E	UNDP	Annual	X	Х	х	Х	X
Evaluation								<u>'</u>
UNSDCF Baseline Study	UN PMT and M&E	UNDP	At least once in a cycle	Х				
Independent evaluation of the UNSDCF	UN PMT and M&E	UNDP	At least once in a cycle				Х	
Independent evaluation of individual UN entity country programme instruments	Agencies	HoAs	At least once in a cycle				Х	
Independent evaluations of UN joint programmes.	UN PMT and M&E	UNDP	At least once in a cycle				Х	
Learning								
Document and collectively analyse lessons emerging throughout programme cycle	UN Communications Group	UNCHR	Annual	x	Х	X	Х	х
Establish a learning mechanism for making emerging lessons available across the UN System.	UN PMT and M&E and UNCG	UNDP and UNHCR	Once per cycle	Х				
Lessons Leaning workshop: SDG Acceleration and Stocktake	UNCT	RCO	Biennial		Х		Х	
Learn and Adapt: Pathways to enabling change in UN Eritrea (UN reform reflection)	UNCT	RCO	Biennial	X		Х		X

ANNEX 1: UN ERITREA COOPERATION FRAMEWORK (2022-26) RESULTS FRAMEWORK

Vision of Eritrea:		Regional Frameworks:	Alignment with SDGs and Target	Assumptions		
 National Priority Areas: (Based on sector plans) Ensure full employment and increase in productivity Essential quality health, nutrition, Education, WASH services efficiently and equitably available to all Eritreans Aspiration to produce all rounded citizens along with a firm commitment to country, people, and social justice 		AU Agenda 2063 IGAD Strategic Plan CAADP, Malabo Declaration on Accelerated Agricultural Growth & Transformation for Shared Prosperity & Improved Livelihoods	SDG 3.8.1, SDG 16.6.2, SDG 10.3.1, SDG 17.9.1, SDG 1.1.1, 1.1.2, SDG 8.5.2, SDG 2.4.1, SDG	 UN entities will have the minimum financial, technical and human resources required year-by-year to implement the CF There is a peaceful and stable political environment in Eritrea The identified priorities remain relevant to the Government of the State of Eritrea to out the programme cycle Partnership continues to improve and collaboration on the CF is not upended Risks/Influences Conflict in the Horn of Africa, especially in neighbouring countries, spills over to Edisrupts the implementation of the CF Delays the implementation of the CF Delays in accountability procedures due to inadequate timely, quality disaggregate inform programming, monitoring, evaluation and reporting Delays caused by the persistence of COVID-19 or an outbreak of a new pandemic, ic, or other disasters Weak programme coordination that impacts programme implementation Existing skills gaps, absorptive capacities and limited uptake negatively impact the of programmes 		
UNSDCF Result	Performance Indicator	Baseline (Year)	Target (2026)	Data source and Means of Verification	Assumptions and Influences or risks	Responsible UN Entitie
Outcome 1: By 2026, more people have benefitted from equitable access to and use of inclusive and quality essential social services.	UHC Service coverage Indices: Proportion of the population living within 10 km of a health facility ANC attendance of at least 4 visits Skilled attendance at birth Percentage of children under-5 with Acute Respiratory Infection treated by an appropriate provider Percentage of children fully immunized (Penta-3) Percent of population: (i) aware of their HIV status (ii) on ART care and support and (iii) are virally suppressed Contraceptive Prevalence Rate TB treatment success rate for new TB cases	44.5% (2019) 80% (2020) 40% (2020) 57.8% (2020) 45% (2010)*1 98% (2020) 86%-73%-85% 13.5% (2010) 92% (2020)	50% 90% 60% 80% 75% 99% 95%-95%-95% 18% 95%	Eritrea DemographicHealth Survey (EDHS), UN Eritrea Annual Review Report, UN Statistics Division, Global SDG Indicator Database, WDI, HMIS, MOH Reports, EPHS, EPI Coverage Survey and EPI Routine Data	All disadvantaged groups including people with disability, PLHIVs, refugees and use essential health services	UNICEF, UNFPA, WHO, UNAIDS, UNHCR, UNWOMEN,

All baseline data older than 2020 will be updated at the first annual review

.

	1.2 Change in Human Development	Low Human Development	Medium Human Development	UNDP Human Development Reports, National Statistics Office database, UN Statistics Division, UNESCO	The change in human development is inclusive and does not leave any one behind	UNDP, UNESCO, UNWOMEN, IOM, UNICEF
	1.3 Prevalence of stunting (height for age <-2. Standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age	56% rural; 38% urban (2019)	51% rural; 33% urban	Ministry of Health Annual Report (EDHS), EPHS,WHO Annual Re- port, UNICEF Annual Report	All affected children in the targeted area are identified and provided with the necessary service	UNICEF, WHO, UNHCR, FAO
	1.4 Prevalence of malnutrition (weight for height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight)	GAM - 15.3% (2019) SAM - 4.2% (2019)	GAM - 10% SAM - 2%	EPHS, Sector Review Reports, Global SDG Indicator Database, UNESCO Information System (UIS)	All affected children in the targeted area are identified and provided with the necessary service	UNICEF, WHO, UNHCR, WFP, FAO
	1.5 Proportion of population with access to climate resilient WASH services	85% (2015)	90%	Eritrean Demographic and Healthy Survey (EDHS), Sector Review Report National WASH Inventory	The focus of WASH service will be sustainable and climate resilient	UNICEF, WHO, IFAD, FAO, UNDP
	1.6 Adjusted Net Enrolment Rate (A-NER) at pre-primary, primary and secondary level of education	Pre-Primary: 17.4% Primary: 84.1% Middle: 65% Secondary: 46.7% EMIS 2018/2019	Pre-Primary: 50% Primary: 89.5% Middle: 77% Secondary: 58%	Education Management Information System (EMIS), Demographic and Household Survey (DHS), National Statistics Office database	All parents/guardians with children of school-going age ensure those children are enrolled and regularly attending schools	UNICEF, UNESCO, UNHCR, UNWOMEN
	1.7 Survival rate to grade 5 (Boys; Girls)	TBD	High (by 2026)	National COVID-19 Reports and Bulletin, Shabait, UN Situation Reports on COVID-19	COVID-19 needs, measures and actions persist beyond 2021	UNICEF, WHO, UNICEF, UNDP, FAO, UNEP, IOM, IFAD
	1.8 Degree of national preparedness, and response to COVID-19 or similar health emergencies (None, Low, Medium, High)	TBD	High (by 2026)	National COVID-19 Reports and Bulletin, Shabait, UN Situation Reports on COVID-19	COVID-19 needs, measures and actions persist beyond 2021	UNICEF, WHO, UNICEF, UNDP, FAO, UNEP, IOM, IFAD
Output 1.1 Policy instruments and strategies developed and adopted to guide institutional capacity-building, service delivery and emergency preparedness and response	1.1.1 Number of policy instruments and strategies developed and adopted on service delivery and emergency preparedness and response 1.1.2 Percentage of targeted population using at least basic sanitation	3 Sanitation: 60% (2020) Hygiene: 60% (2020)	100%	Ministry of Health Report, National WASH inventory, Sector Review Report, Administrative Data/ Records, Field Monitoring Reports, ODF Real-time Monitoring	There is the enabling environment to develop and use statistic policies and instruments	IFAD, UNICEF, UNDP, UNESCO, UNAIDS, WHO, UNWOMEN, UN-Habitat
Output 1.2 Delivery of equitable age-appropriate and gender-responsive essential social services is strengthened	1.2.1 Proportion of population (disaggregated by sex and Zoba) receiving age-appropriate and gender-responsive social services	To Be Determined (TBD)	To Be Determined (TBD)	Sector Review report, EPHS, EMIS, HMIS	The delivery of social services will take an approach that is age appropriate and gender- sensitive	UNICEF, WHO, UNAIDS, FAO, UN WOMEN, UNFPA, UN-Habitat
Output 1.3 National and community-based systems for delivering social services improved	1.3.1 Number of improved communities-based systems for delivering services	0	2	Ministry of Health, Community-Based Health Services report/roadmap	Community based systems developed and are fully utilised	UNAIDS, UNFPA, UNHCR, UNICEF, WHO, UNWOMEN

-(40]

CF Result	Performance Indicator(s)	Baseline (Year 2019/2020)	Target (End of UNSDCF)	Data source and Means of Verification	Assumptions and Influences	Responsible UN Entities
Outcome 2. By 2026, Eritrea's public sector institutions are	2.1 Proportion of the population satisfied with their last experience of public services	TBD	≥ 50%	Survey Report, Sector Review Reports, UN Eritrea Annual Review Report	Annual perception surveys on public service delivery will be conducted to ascertain the proportion	UNDP, UNICEF, UN- FPA, IOM, UNESCO, UNAIDS, WHO, UNHCR, UN-Habitat
more accountable and efficient, and more people enjoy the right to development	2.2 Percentage of governance institutions perceived as of high integrity and performance	TBD	52%	Auditor Generals' Report, UN Eritrea Annual Results Report	Annual integrity and performance assessment of governance institutions will be conducted	UNDP, UNEP, UNFPA, UNIDO, OHCHR, IFAD
development	2.3 Proportion of the population reporting having personally felt discriminated against or harassed within the previous 12 months based on a ground of discrimination prohibited under international human rights law	TBD	Annual Report of the Ministry of Labour and Social Welfare, Sect Review Report, UN Annual Revie Report, NUEW, MOJ, Office of the Attorney General, Eritrea Police Survey Report, IIA Index		Prohibitions under international human rights laws will be implemented and the established mechanism to report on them will ensure protection of victims or the reporter.	UNDP, UNFPA, UNWOMEN
	2.4 Change in Gender Inequality Index	TBD	>50 points gain in index	UN Statistics Division, UNDESA Database, World Bank WDI, UNDP Human Development Report; UN Women and UNFPA Global Report on Women and Gender, EMIS-gen- der parity in education	An improvement in the gender inequality index shows improvement in all forms of distinction, exclusion or restriction made based on sex	FAO, IAEA, IFAD, ILO, IOM, UNAIDS, UNDP, UNEP, UNESCO, UNFPA, UNHCR, UNICEF, UNIDO, UNODC, WHO
	2.5 Dollar value of all resources spent to strengthen statistical capacity of institutions over the last 12 months	\$130,775 (2020)	≥ US\$ 500, 000 per annum	World Bank WDI, UNDESA Database, inistry of Finance and National Development Reports, National Statistics Office Reports, UN Entities Report on data eco- system strengthening	Higher financial investment in statistical capacity of institutions will translate into improved data infrastructure and management capacity at the national and sub-national levels	FAO, IAEA, IFAD, ILO, UNAIDS, UNDP, UNEP, UNESCO, UNFPA, UNHCR, UNIDO, UNODC, WHO, UN-Habitat
	2.6 The extent to which legal frameworks and instruments are enforced to prevent and respond to sexual and gender-based violence at all levels (under-age marriage, female genital mutilation etc.)	Very Low (6/100) (2020)	Medium (>25/100)	Sector Reports, National Service Delivery Survey, Community mapping survey reports on decla- rations of abandonment	There will be systems and struc- tures to support the enforcement of legal frameworks and instru- ments	IFAD, ILO, OHCHR, UNDP, UNDP, UNFCC, UNFPA, UNAIDS, UNICEF, UNWOMEN
Output 2.1. Capacities of institutions to provide	2.1.1 Number of national institutions with improved oversight and service delivery capacity per annum	TBD	≥ 10 per annum	Periodic Audit Report, Public Service Institutions Annual Reports	Oversight instruments and reports are not only produced, but made accessible produced, but made accessible	FAO, IAEA, IFAD, ILO, IOM, UNAIDS, UNDP, UNEP, UNESCO, UNF- PA, UNHCR, UNICEF, UNIDO, UNODC, WHO, UNDESA, UN-Habitat

.

.

Vision of Eritrea: UNSDCF PRIORITY AREA: INCLUSIVE, DIVERSIFIED AND CLIMATE RESILIENT ECONOMY National Priority Areas based on sector plans: 1. Improve crop, livestock and fishery production and productivity including market access, Agro-processing, as well as value addition 2. Secure sufficient, reliable and sustainable production and supply of affordable energy throughout Eritrea 3. Protection and rehabilitation of the environment and enhancement of the ecosystem and life supporting services		Alignment with Regional Frameworks: AU Agenda 2063 IGAD Strategic	Alignment with SDGs and Target SDG 1.1.1, 1.2.1, 1.3.1, SDG 2.1.2, 2.3.1, 2.3.2, 2.4.1, 13.3.1, 3.c.1, SDG 15.1 and 15.2, SDG 7.3, (0-100), SDG 6.5.1, 5.2, 8.3, 7.2,7. b, 8.5, 14.4.1, 14.5, 14.6.1, 14.7.1, 15.7, 15.a, SDG 9	 Assumptions UN Agencies will have the minimum financial, technical and human resources requested ments year-by-year to implement the UNSDCF There is adequate capacity at national and Zoba levels to implement programmes projects Economic and financial regulations and policies will be relaxed to allow the flow of ments into the blue and green economies and into industry, technology, and innovation. Science, innovation, and technology become enablers of commerce, service delive production There is a peaceful and stable political environment in Eritrea The identified priorities remain relevant to the Government of the State of Eritrea the out the programme cycle The partnership continues to improve and collaboration on the UNSDCF is not upe Risks/Influences Conflict in the Horn of Africa especially in neighbouring countries spills over to Erit disrupts the implementation of the UNSDCF Economic shocks (internal and external) that divert financial and technical resource away from the implementation of the UNSDCF Poor programme coordination that slows down implementation Existing skills gap, absorptive capacity and limited uptake negatively impact the deprogrammes 		
CF Result	Performance Indicator(s), disaggregated	Baseline (Year 2019/2020)	Target (End of UNSDCF)	Date source and Means of Verification	Assumptions and Influences/Risks	Responsible UN Entities
Outcome 3 By 2026, people in Eritrea, especially the disadvantaged population, have increased livelihoods, as economic growth	3.1 Proportion of population below the national and international poverty line, by sex, age, employment status and geographical location (urban/rural)	National – TBD International – TBD Male – TTBD Female – TBD Urban – TBD Rural – TBD Employed - TBD Unemployed - TBD	National – TBD International – TBD (2010) Male – TBD Female – TBD Urban – TBD Rural – TBD Employed - TBD Unemployed - TBD	Demographic and Household Survey; National Labour Force Survey, National Statistics Office database, Global SDG Indicator Database, UN Statistics Division, UNDESA Database, World Development Indicators, UN-Habi- tat Global Urban Observatory	Economic growth that is inclusive and diversified will prioritise the needs of the poor and most vulner- able population	FAO, IFAD, ILO, IOM, ITC, UNAIDS, UNDP, UNEP, UNESCO, UNF- PA, UNHCR, UNICEF, UNIDO, UNODC, WHO, , UN-Habitat
becomes more inclusive and diversified	3.2 Unemployment rate by sex, age and persons with disability (PWD), rural/urban	3.5% (2015) - M: 3.4%; F: 3.7%) - PWD: TBD - Rural: TBD - Urban: TBD	TBD - M: TBD; F: TBD - PWD: TBD - Rural: TBD - Urban: TBD	Labour Force Survey, National Statistics Office database, World Bank WDI, UNDESA Database, Global SDG Indicators Database, UN Statistics Division, UN-Habitat Global Urban Observatory	As economic growth becomes more diversified, various skills will be required and more people will have decent jobs, job opportunities and unemployment rate will drop	FAO, IFAD, ILO, IOM, ITC, UNDP, UNEP, UNESCO, UNFPA, UNHCR, UNIDO, UNODC, WHO, UN-Habitat
	3.3 Proportion of productive areas under sustainable agriculture and marine resources	TBD	TBD	Sector Review Report, Sector Field Monitoring reports, UN Eritrea Annual Review Report	Sustainable agriculture and marine resource management guarantee current and long-run yields and livelihoods in those areas	FAO, IFAD, UNDP, UNEP, UNESCO, UNIDO
	3.4 Average income of small-scale enterprises, by sex and geographic area	Average in \$/ERN - TBD M: TBD F: TBD Rural - TBD Urban - TBD	Average in \$/ERN - TBD M: TBD F: TBD Rural - TBD Urban - TBD	Household Survey, National Statistics office database	Supporting small-scale business & enterprise development initiatives will increase the incomes of the beneficiaries and bridge the income gap	FAO, IFAD, IOM, UNDP, UNEP, UNESCO, UNIDO

Outcome 3 By 2026, people in Eritrea, especially the disadvantaged population, have increased livelihoods, as economic growth becomes more inclusive and diversified	3.5 Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, new-borns, work-injury victims/survivors and the poor and the vulnerable	Total – TBD M: TBD F: TBD Children: TBD Youth: TBD PWDs: TBD Older persons: TBD Pregnant women: TBD New-borns: TBD Work-injury victims: TBD	Total – TBD M: TBD F: TBD Children: TBD Youth: TBD PWDs: TBD Older persons: TBD Pregnant women: TBD New-borns: TBD Work-injury victims: TBD	Ministry of Labour and Social Welfare Report, UN Eritrea Annual Review Report, - Infographics and Data bulletin, Ministry of Agricul- ture – project level M&E reports Ministry of Marine Resources – project level reports	Social protection either through cash transfers, input distribution or other forms are human rights-based approaches that would allow people to meet their most immediate needs, without engaging in negative coping strategies	FAO, IFAD, ILO, UNDP, UNESCO, UNICEF, UNWOMEN, WHO
	3.6 National response rate to the socio-eco- nomic impact of COVID-19 (Low – High	TBD	High by 2026	National COVID-19 Report, UN Entities COVID-19 reports	There will be a set of national actions on the socio-economic impacts of COVID-19	FAO, IFAD, IOM, UN- AIDS, UNDP, UNEP, UNESCO, UNFPA, UNHCR, UNICEF, UNIDO, WHO
3.1 Public sector capacities are strengthened to develop strategies and policies for enterprises, job creation and employment.	3.1.1 Number of policy and legal frameworks developed and implemented 3.1.2 Number of enterprises and jobs created as a result of policies and legal frameworks developed	TBD	TBD ≥ 5000	Ministry of Labour and Social Welfare Report, UN Eritrea Annual Review Report, - Infographics and Data bulletin, Field Monitoring Reports, Administrative Records, Ministry of Agriculture, Ministry of Marine Resources	Providing the right capacity for developing strategies and policies will generate the establishment of enterprises, creation of job opportunities and employment	FAO, IFAD, ILO, IOM, UNAIDS, UNDP, UNEP, UNESCO, UNFPA, UNHCR, UNIDO,
3.2 Skills and capacities of people, especially women and youth, are improved for increased access to diversified livelihoods and employability	3.2.1 Number of new decent jobs (formal and informal) created for women and youth disaggregated by sex and age 3.2.2 Number of people (women and youth) that have capacity to engage on diversified livelihood opportunities 3.2.3. Number of households including refugee households provided with small grants for livelihoods.	TBD TBD	≥ 2500 per annum (M:50%; F:50%) TBD	Ministry of Finance and National Development Reports, Ministry of Labour and Social Welfare Report, UN Eritrea Annual Review Report, Field Monitoring Reports, Administrative Records, Ministry of Agriculture, Ministry of Marine Resources, National Confederation of Eritrea Workers, National Union of Eritrean Youth and National Union of Eritrea Women reports.	Women and youth are among the most vulnerable in Eritrea, both in the labour market, as well as in the pandemic and economic crisis. Targeting them with these interventions will reduce inequality and lessen their vulnerability	FAO, IFAD, ILO, IOM, ITC, UNDP, UNEP, UNESCO, UNFPA, UNHCR, UNICEF, UNIDO, UN-Habitat, WFP
3.3 Access to finance, productive assets, technology, infrastructure, and equipment is increased to support sustainable livelihoods	3.3.1 Percent of the targeted population and MSMEs receiving finance, disaggregated by sex 3.3.2 Percent of the targeted population provided with productive assets 3.3.3. Proportion of the targeted population including MSMEs with better technology and infrastructure for sustainable livelihoods 3.3.4 Percent of the targeted population with	Total: TBD M: TBD F: TBD TBD 0%	Total: TBD M: TBD F: TBD 75% 50%	Household surveys, Ministry of Finance and National Development Reports, Ministry of Labour and Social Welfare Report, UN Eritrea Annual Review Report, Field Monitoring Reports, Administrative Records, Ministry of Agriculture, Ministry of Marine Resources	Access to finance, productive assets, technology, infrastructure, and equipment ensures the targeted population is gainfully engaged and will help more people escape the poverty trap, increase their assets, as well as improve household wealth and welfare	FAO, IFAD, ILO, IOM, ITC, UNAIDS, UNDP, UNEP, UNESCO, UNFPA, UNHCR, UNIDO, WFP
	agricultural equipment for sustainable livelihoods 3.3.5 Average value of asset of targeted households	LBD	≥ 50% increase the asset value			

(44

3.4 National social security and protection systems are strengthened and expanded to reach the most vulnerable families and population groups	3.4.1 Beneficiaries of cash income support (% of vulnerable/poor population disaggregated by sex) 3.4.2 Geographic coverage of social protection (% of beneficiary by Zoba)	National: TBD Zoba/Regional Level: Anseba: TBD Debub: TBD Gash Barka: TBD Maekel: TBD SKB (NRS): TBD DKB (SRS): TBD	≥ 80% of the targeted beneficiaries National: TBD Zoba/Regional Level: Anseba: TBD Debub: TBD Gash Barka: TBD Maekel: TBD SKB (NRS): TBD DKB (SRS): TBD	Ministry of Labour and Social Welfare Report, UN Eritrea Annual Review Report, Field Monitoring Reports, Admin- istrative Data/Records	The social protection initiative will target the most vulnerable and those at risk of being left behind. The support provided will help people cope with hardships and shocks, by allowing them to meet their most basic needs without engaging in negative coping strategies	FAO, IFAD, ILO, IOM, OHCHR, UNAIDS, UNDP, UNEP, UNESCO, UNFPA, UNHCR, UNICEF, UN-Habitat	
CF Result	Performance Indicator(s), disaggregated	Baseline (Year 2019/2020)	Target (End of UNSDCF)	Date source and Means of Verification	Assumptions and Influences/Risks	Responsible UN Entities	
Outcome 4 By 2026, people in Eritrea have benefited	4.1 Percentage of the population negatively impacted by natural and man-made disasters and shocks	TBD	TBD	National Environment Report, UN Entities Environment Report, Sector Review Report, UN-Habitat Global Urban Observatory	Natural and man-made disasters and shocks are tracked and report- ed regularly	FAO, IFAD, ITC, UNDP, ITC, UNEP, UNESCO, UNIDO, WHO, UN-Habitat	
from climate resilient, sustainable environment and natural resources management	4.2 Proportion of terrestrial, marine and inland conserved for biodiversity and ecosystem services (by Forest Cover)	Forest Cover: 1% – Conserved area: TBD Terrestrial: TBD Marine: TBD	Forest Cover: 1.25% Conserved area: TBD Terrestrial: TBD Marine: TBD	National Environment Report, UN Entities Environment Report, Sector Review Report	The data will be collected and provided by the	FAO, IFAD, UNDP, UNEP,	
	4.3 Climate Change Vulnerability Index (from extreme to least)	125/200 (2018)	75/200	Red List Index published by the International Union of Conserva- tion and Nature; Germanwatch Publications <u>link here</u>	responsible UN entities and partners	UNESCO, UNIDO	
	4.4 Share of total renewable and non-renewable energy consumption	Percent with access – 48.42% (2020) -Rural 8%; Urban-98%) -Renewable – 0.5% (2015) -Non-renewable – 99.5% (2015)	Percent with access -> 60% (Rural TBD; Urban-TBD) Renewable - 25% Non-renewable - 75%	Report by Ministry of Mines and Energy, International energy Agen- cy Energy Report, World Bank WDI	There will be more investment on energy, especially renewable energy, and more people will benefit from reliable and efficient, clean energy services.	FAO, IFAD, UNDP, UNEP, UNESCO, UNIDO, WHO	
	4.5 Percent of the population making a living from the sea/marine resource	TBD	TBD	Ministry of Marine Resources Report, Sector Review Report, UN Entities Annual Review Report	The blue economy will remain a priority, which will be sustainably exploited for livelihoods and food production	FAO, IFAD, UNDP, UNEP, UNESCO, UNIDO	
	4.6 Degree of integrated water resources management implementation (Low to High)	Degree – Low (2019)	Degree - Medium by 2026	Sector Review Report, Water System Survey/ Analysis Report, Water System Evaluation Report, UN-Water SDG 6 Data Portal	An integrated water resource management will enhance efficiency and sustainability of water supply systems sustainability of water supply systems	FAO, IFAD, UNDP, UNEP, UNICEF, UNIDO, WHO, UN-Habitat	

.

Output 4.1 Capacities of institutions and communities are strengthened to sustainably manage and use environmental and natural resources	4.1.1: Coverage of protected marine areas 4.1.2: Area under sustainable forest management 4.1.3: Total number of additional men, women and youth of all ages benefitting from strengthened livelihoods, through solutions for management of natural resources, ecosystems 4.1.4: Number of cities implementing environmentally sustainable waste management	2021: 0 ha. 574,000 ha Total: 152,280. M: TBD F: TBD	880,000 ha 674,000 ha Total 325,000 M: 50% F: 50%	Ministry of Marine Resources Report, Annual Environment Report, Sector Review Report, UN Entities Publications and data portals on Climate Change and Environmental Sustainability Curated satellite imagery, including those captured by the Global Forest	Long-term viability of land is dependent on its sustainable use, management, and conservation	FAO, IFAD, ITC, UNDP, UNEP, UNIDO, UNICEF, UN-Habitat
Output 4.2 Access to modern, renewable, and affordable clean energy sources and services is increased	4.2.1 Percent of households with access to modern clean energy (renewable) and/or technology 4.2.1 Percent of the population with access to electricity/non-renewable energy	0.5% 48.42% (2016)	> 25%	Ministry of Energy Progress Report, National Publications and Articles on Energy, UN entities' re- ports and country profiles, with a feature on Eritrea's energy outlook	Energy sources will be diversified, with more focus on clean and renewable energy	FAO, IFAD, UNDP, UNEP, UNIDO
Output 4.3 Capacities of communities and national institutions are enhanced to mitigate, adapt to and mainstream climate change and disaster risks	4.3.1: Number of key public institutions with integrated climate adaptation and climate-related disaster risk reduction strategies and action plans 4.3.2: Number of Zobas (Zoba admin division) implementing local mitigation, actions, adaptation, and disaster risk reduction plans	0	6	Sector Review Report, Annual Environment Report, UN Entities Publications on Climate Change and Environmental Sustainability, UN-Habitat Global Urban Observatory	Without the right capacities at the community and national level to mitigate, adapt and mainstream climate and disaster risks, there will be significant economic losses.	FAO, IFAD, UNDP, UNEP, UNESCO, UNICEF, UNIDO, IOM, UN-Habitat, WFP, WHO
	4.3.3: Number of communities with operational development plans that explicitly address climate-related hazards and disaster risks	20	50			
	4.3.4 Number of (government endorsed) city plans that makes provisions for environmentally sustainable urbanization, resilience and DRR	0	10			

.

ANNEX II: UNCT CONFIGURATION OUCTOME

Outcome	Deliverables (Indicative Outputs)	Implementation Modality	Available Technical Capacity	Available Functional Capacity	Additional Technical or Functional Capacities Needed	Tentative, Available Financial Resources	Tentative Additional Financial Resources Required	Synergies
By 2026, more people have benefitted from equitable access to and use of inclusive and quality essential social services.	tional capacity building, service delivery and emergency preparedness and response.	Work directly with relevant implementing ministries, departments, and agencies Technical assistance and capacity building support in the preparation for the VNRs process	Health systems strengthening, reproductive, maternal newborn and adolescent health (RMNCAH) and nutrition, disease prevention and control - public health, health emergencies and security, immunizations, health promotion and health information systems and data, human rights, gender and social protection and programme management, administration, and finance	Communications and policy advocacy and advice, social service delivery in nutrition, health, WASH, education and child protection, emergency preparedness and response, partnership, capacity building, outreach monitoring, evaluation and reporting, partnership building and cash and material assistance for education, Technical and advisory policy services on VNR and related kniowledge products				Emphasis on Integrated programming in service delivery with focus on hard-to-reach communities for equity and inclusiveness. Synergy and joint high-level advocacy Mainstreaming the principle of LNOB, gender, youth and disability into joint programmes and annual work plans Pulling together: (i) institutional resources and requirements for service delivery (ii) information and reporting requirements (iii) data capacity strengthening, data gathering and use (iv) research and (v) targeted training
	Delivery of equitable age- appropriate and genderre- sponsive essential social services strengthened	priate and genderre- ive essential social departments, and agencies	Health systems strengthening, reproductive, maternal newborn and adolescent health (RMNCAH) and nutrition disease prevention and control - public health, health emergencies and health security, immunizations and health promotions, health information systems and data, programme management, administration and finance	Communication and policy advocacy and advice on gender, nutrition, health, WASH, education and child protection sectors integrating gender with a gender action plan-GAP and resource mobilization	Technical assistance in policy advice, communication and advocacy and monitoring and evaluation			Opportunity for joint UN Gender programme and synergistic support to government. Mainstreaming the principle of LNOB, gender, youth and disability into joint programmes and annual work plans Pulling together: (i) institutional resources and requirements for service delivery (ii) information and reporting requirements (iii) data capacity strengthening, data gathering and use (iv) research and (v) targeted training
	National and commu- nity based systems for delivering social services improved	Work directly with ministries		Knowledge management, communication, implementation modelling and expertise across all thematic areas, service deliv- ery in nutrition, health, WASH, education and child protection sectors	Any additional strategic technical needs that arise can be provided by RO/HQ, policy advice, communication and advocacy, cash for health service, supply delivery, monitoring and evaluation			Convergence and Integrated programming at Community levels Pulling together: (i) institutional resources and requirements for service delivery (ii) information and reporting requirements (iii) data capacity strengthening, data gathering and use (iv) research and (v) targeted training

 $\overline{}$

By 2026, Eritrea's public sector institu- tions are more ac- countable and efficient, and more people enjoy the right to develop- ment.	Capacities of institutions to provide oversight and deliver services improved	Work directly with min- istries, departments, and agencies. Agency capacity, service provider and IPs and partnership		Knowledge management, and technical expertise in relevant thematic areas, bringing in up to date global guidelines and tools, policy advice, strategy development, design and implementation of programmes, monitoring reports and projects, capacity building, advocacy and outreach, partnership building and UNESCO Standard Setting Instruments		Potential synergy with other UN Agencies Mainstreaming the principle of LNOB, gender, youth and disability into joint programmes and annual work plans Pulling together: (i) institutional resources and requirements for service delivery (ii) information and reporting requirements (iii) data capacity strengthening, data gathering and use (iv) research and (v) targeted training
	National statistical and data-producing institutions have increased capacity to collect, collate, analyze, use and manage data	Work with implement- ing partners at national and Zoba levels Support for statistical system development	Technical assistance on: (1) National Strategy for the development of Statistics and Coordination of National Statistical System; (2) Economic Statistics and National Accounts and Price Statistics (3) Geospatial information management; (4) Demographic and Social tatistics	Knowledge management, technical expertise and innovations, policy advice, strategy development, design and implementation of programmes, monitoring reports and projects, capacity building, advocacy and outreach, monitoring and reporting Partnership building,	Additional Support will be from RO/HQ Technical assistance in policy advice, communication and advocacy, monitoring and evaluation, registration and improved data management system	Synergy with UN Agencies on data including CRVS, and other population data – EPHS. Mainstreaming the principle of LNOB, gender, youth and disability into joint programmes and annual work plans Pulling together: (i) institutional resources and requirements for service delivery (ii) information and reporting requirements (iii) data capacity strengthening, data gathering and use (iv) research and (v) targeted training
	Capacities of public institutions to consolidate national harmony and socio-economic development are increased	Provide technical support and resources to relevant ministries	Expertise in child protection, urban legislation, land and governance, housing land and property, land conflict and local dispute resolution as well as capacity building for local and state actors	Knowledge management, and child justice and child protection technical expertise, technical assistance and capacity building, advocacy and outreach, monitoring and reporting and partnership building	Any additional strategic technical needs that arise can be provided by RO/HQ Advocacy and training, production and distribution of advocacy materials and trainings	Synergy across other sectors and with UN agencies on UPR Mainstreaming the principle of LNOB, gender, youth and disability into joint programmes and annual work plans Pulling together: (i) institutional resources and requirements for service delivery (ii) information and reporting requirements (iii) data capacity strengthening, data gathering and use (iv) research and (v) targetedtraining
	Communities have increased capacity to counter harmful traditional practices	Work directly with ministries, department and agencies		Knowledge management, communication, advocacy, policy development and implementation, modelling best community practices related to abandonment of harmful practices.	Technical assistance in policy advice Technical support in communication and advocacy Technical support in monitoring & evaluation	Joint Programme with UNFPA. Synergistic wok across Ministries of health, MoLSW, NUEW. and NUEYS Mainstreaming the principle of LNOB, gender, youth and disability into joint programmes and annual work plans Pulling together: (i) institutional resources and requirements for service delivery (ii) information and reporting requirements (iii) data capacity strengthening, data gathering and use (iv) research and (v) targeted training

By 2026, people in Eritrea, especially the disadvantaged population, have increased livelihood as economic growth becomes more inclusive and diversified	Capacity of public sector is strengthened Macroeconomic and trade analyses conducted	Agencies at all levels Service providers Partnership with other development partners	Agribusiness, value chain development and agricultural finance and investment economics and nutrition, MSME development, industrial policy development and capacity building for enhanced trade and market access Urbanization and development	Provision of technical support and advice			Pulling together: (i) institutional resource- sand requirements for service delivery (ii) information and reporting requirements (iii) data capacity strengthening, data gathering and use (iv) research and (v) targeted training
	Skills and capacity of people, especially women and youth, are improved for increased access to diversified livelihoods and employability.	Agencies at all levels Service providers Partnership with other development partners	Developing livelihood opportunities for marginalized groups and youth, incubators and start-ups as well as jobplacement for graduates, tools and expertise in entrepreneurship development, capacity-building and policy development to equip women and youth with knowledge, skills and attitudes to seize economic opportunities	TA in capacity building and market linkages of smallholder farmers Expertise and consultants Technical assistance and capacity building Advocacy and outreach Monitoring and reporting Partnership building	Provision of small grant for business, training on business management, monitoring of implementation and progress		Mainstreaming the principle of LNOB, gender, youth and disability into joint programmes and annual work plans
	Access to finance, productive assets, technology, infrastructure, and equipment is increased, in support of sustainable livelihoods		Expertise in climate smart agriculture and technology Expertise in knowledge and technology transfer and development of industrial infrastructure	TA support	In-kind support of relevant materials		
	National social security and protection systems are strengthened and expanded to reach the most vulnerable families and population groups	Work directly with ministries, depart- ments and agencies Agencies at all levels Service providers Partnership with other development partners	Health systems strengthening, reproductive, maternal newborn and adolescent health (RMNCAH) and nutrition, disease prevention and control - public health, health emergencies and health security and immunizations	Other policy formulation and implementation capacity exists in relevant thematic areas of social services Institutional capacity at regional level	UNICEF Eritrea will need additional capacity at country office level in child poverty and social protection at P4 level. Other expertise can be sourced from Regional Office or HQ. Technical assistance in policy advice, communication and advocacy, monitoring and evaluation, cash assistance for multipurpose for refugees, reintegration package for returnees and post distribution monitoring		Synergy with UNDP, FAO on expanding the scope of Social Cash transfer. Linking SP with other social sector service delivery and access to address multidimensional poverty Mainstreaming the principle of LNOB, gender, youth and disability into joint programmes and annual work plans Pulling together: (i) institutional resources and requirements for service delivery (ii) information and reporting requirements (iii) data capacity strengthening, data gathering and use (iv) research and (v) targeted training

.

By 2026, people in Eritrea have benefited from climate resilient, sustainable environment and natural resources management	Capacity of institutions and communities are strengthened to sustainably manage and use environmental and natural resources	Work with relevant ministry Agencies at all levels Service providers Partnership with other development partners	Environment and social standards, environmental and social management Guidelines (ESMG), urban resilience planning, municipal solid waste, drainage and sanitation, and other basic services measures in conjunction with local governance and urban management, and implementation of multilateral environmental agreements	TA in policy formulation, coordination & monitoring of projects Technical assistance and capacity building Advocacy and outreach Partnership building	Other expertise can be sourced from Regional Office or HQ Technical assistance in policy advice Technical support in communication & advocacy Technical support in monitoring & evaluation	Coordination with MOE and MOH for ensuring inventories, of WASH in Health facilities and education Institutions Mainstreaming the principle of LNOB, gender, youth and disability into joint programmes and annual work plans
	Access to modern, renewable, and affordable clean energy sources and services increased	Work with relevant ministry	Energy-smart food system, developing national strat- egies for sustainable and renewable energy develop- ment and development of renewable energy options	Technical Knowhow, Policy formulation, Implementation, Monitoring and Coordination Provision of policy advice, monitoring of projects, provision of TAs Development and Finance		Synergy with other UN Agencies, with potential for use of renewable energy to light up rural health facilities and schools. Mainstreaming the principle of LNOB, gender, youth and disability into joint programmes and annual work plans
	Capacities of communities and national institutions are enhanced to mitigate, adapt and mainstream climate change and disaster risks	Work with relevant ministry Agencies at all levels Service providers Partnership with other development partners	Health information systems and data, programme management, administration and finance, guiding low carbon industrialization, development of green jobs, health promotion, immunizatios, health emergencies and health security, disease prevention and control - public health and health systems strengthening	Technical capacity, knowledge management, communication, advocacy, policy development and implementation Provision of policy advice, monitoring of projects, provision of TAs Technical assistance and capacity building Advocacy and outreach Partnership building	Other expertise can be sourced from Regional Office or HQ	Synergy with FAO and UNDP for tapping into water for Agriculture for safe drinking water for communities Mainstreaming the principle of LNOB, gender, youth and disability into joint programmes and annual work plans Pulling together: (i) institutional resources and requirements for service delivery (ii) information and reporting requirements (iii) data capacity strengthening, data gathering and use (iv) research and (v) targeted training

.

ANNEX III: GOSE COOPERATION MODALITY AND PROCEDURE



ሃገሪ ኤርትራ ሚኒስትሪ ሃገራዊ ልምዓት

The State of Eritrea
Ministry of National Development

دونة ارتبيا ورارة التمية الوطنية

Date 25/01/2013 Ref MND/UN-001/2013

To: Ms Christine N.Umutoni UN Resident Coordinator

From Ministry of National Development (MND)

Subject: Cooperation Modalities and Procedures Issued by the Ministry of National Development

The MND would like to bring to the attention of UN agencies and infact to all our development partners that there is a new cooperation modalities and procedures which are being introduced as of January 2013, with the aim of achieving more efficient and effective cooperation and these are detailed below. As it already known, it is the policy of the GOSE the socio-economic development of the country will be guided by National Strategic Development Plan of the short to medium nature.

Sector plans/strategies are the building blocks of the national strategic development plan but they need to be analyzed, prioritized and harmonized and consolidated into national development plan through iterative consultations between MND and line ministries. This process is now underway and is expected to be completed within the first quarter of this year.

- Proposal for co-operation shall originate from and be aligned with the GoE's strategic development plan. The latter is normally worked out through interactive consultations between the MND and line ministries and finally approved by the government;
- Sector ministries will have involved representatives from the MND in the preparation of their projects proposals long before review time by the MND to ensure a speedy review process;
- 3. The MND shall review the capital budget component of each sector Ministry and Non-State Actor for, among other things, policy coherence as well as economic and financial feasibility analysis, including the component of the expenditure with hard currency if any. The MND in consultation with MoF will prioritize projects that may be partially or fully funded by the GoE's development partners;



ሃባሪ ኤርትራ ሚኒስትሪ ሃገራዊ ልምዓት

The State of Eritrea Ministry of National Development

هونسة ارتسويسا بزارة النتمية الوطنية

- 4. Upon the final approval of the capital budget, the MND will approach its international development partners for funding;
- 5. Once agreement is reached between the MND and partners on the funding level, the fund will be deposited in bank accounts of the executing agencies.
- 6. Project funds will be disbursed as stipulated in project/program documents;
- 7. Projects will be implemented by sector ministries and Non-State Actors.
- 8. In order to follow the efficient and effective implementation of the project, the development partners have the right to receive from the MND regular progress reports of the implementation and outcomes of the projects for which they have contributed. In addition development partners may visit and observe project implementation on site facilitated by MND and obtain additional explanation from the executing agencies.
- Balance of payments and budgetary support funds will be deposited into the accounts of MoF.

Best regards:

Giorgis Teklemikael

Minste



ሃገሪ ኤርትራ ሚኒስትሪ ሃገራዊ ልምዓት

The State of Eritrea Ministry of National Development

دونــة ارتــريــا زارة التتمية الوطنية

Ref: MND/46/2019 Date: 29/07/2019

Susan N.Ngongi Resident Coordinator UNDP Asmara

Subject: Cooperation Modalities

Dear Susan,

In response to your request for a copy of the old letter (Ref: MND/UN-001/ 20013 dated 25/01/2013) sent from Ministry of National Development (MND) to the UN agencies in Asmara Eritrea informing about the new cooperation modalities and procedures, the Ministry is now sending you a copy of the letter as per your request.

However, we would like to inform you that of the nine points stated in the letter one i.e. no five (5) has now been slightly changed. The change made is that funds coming from the development partners will not be directly deposited in the bank account of the IPs as practiced before but in the bank account of the MND from where they will be directed to the account of the IPs.

Another point to be mentioned here is that the Ministry of National Development (MND) shall insure compliance with the accountability and reporting arrangements as described in the attached letter, including the Harmonized Approach to Cash Transfers (HACT) framework. Both the UN agencies and the MND shall ensure compliance to the HACT audits.

Regards.

Giorgis Teklemikael (Ph.D)

Minister

Manufley of Cooperation Modality dated 25/01/2013

Letter of Agreement for disbursement of funds to IPs

Annex IV: Harmonized Approach to Cash Transfer (HACT)

All cash transfers to an Implementing Partner (IP) are based on the Work Plans (WPs) agreed between the implementing Partner and the UN system agencies and in line with Government guidelines. Cash transfers for activities detailed in work plans (WPs) can be made by the UN system agencies using the following modalities:

- 1. Cash transferred directly to the Implementing Partner: (direct cash transfer or reimbursement)
- Direct payment to vendors or third parties for obligations incurred by the implementing Partners on the basis of requests signed by the designated official of the Implementing Partner.
- Direct payments to vendors or third parties for obligations incurred by UN system agencies in support of activities agreed with Implementing Partners.
 Direct cash transfers shall be requested and released for programme implementation periods not exceeding three months.
- 4. Reimbursements of previously authorized expenditures shall be requested and released quarterly or after the completion of activities. The UN system agencies shall not be obligated to reimburse expenditure made by the Implementing Partner over and above the authorized amounts.

Following the completion of any activity, any balance of funds shall be refunded or programmed by mutual agreement between the Implementing Partner and the UN system agencies. Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government Implementing Partner, and of an assessment of the financial management capacity of the non-UN Implementing Partner. A qualified consultant, such as a public accounting firm, selected by the UN system agencies may conduct such an assessment, in which the Implementing Partner shall participate.

The Implementing Partner may participate in the selection of the consultant Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits. A standard Fund Authorization and Certificate of Expenditures (FACE) will be used by implementing partners for requesting fund and reporting on utilizations of cash received. Cash received by the Government and national NGO IP shall be used in accordance with established national regulations,

policies and procedures consistent with international standards, in particular ensuring that cash is expended for activities as agreed in the work plans (WPs), and ensuring that reports on the utilization of all received cash are submitted to the UN organization within six months after receipt of the funds. Where any of the national regulations, policies and procedures are not consistent with international standards, the UN system agency financial and other related rules and system agency regulations, policies and procedures will apply.

To facilitate scheduled and special audits, each IPs receiving cash from the UN organization will provide UN system agency or its representative with timely access to:

- All financial records which establish the transactional record of the cash transfers provided by the UN system agency, together with relevant documentation.
- All relevant documentation and personnel associated with the functioning of the Implementing Partner's internal control structure through which the cash transfers have passed.

The findings of each audit will be reported to the Implementing Partner and the UN organization. In case of direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; or to vendors or third parties for obligations incurred by the UN system agencies in support of activities agreed with Implementing Partners, the UN system agencies shall proceed with the payment within seven days.

The UN system agencies shall not have any direct liability under the contractual arrangements concluded between the Implementing Partner and a third-party vendor. Where the UN system agencies and other UN system agency provide cash to the same Implementing Partner, programme monitoring, financial monitoring and auditing will be undertaken jointly or coordinated with those UN system agencies.

(54





SUSTAINABLE DEVELOPMENT COOPERATION FRAMEWORK 2022-2026

BETWEEN

GOVERNMENT OF THE STATE OF ERITREA

AND

THE UNITED NATIONS

United Nations in Eritrea | Hday Street #5 (Airport Road)

P.O.Box 5366 Tel: +291-1-151166 | website: https://eritrea.un.org/en

