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# Investing in rural people in **Eritrea**

Eritrea is currently recovering from the effects of 30 years of war, which ended with the signing of a peace agreement with Ethiopia in July 2018. In November 2018, the United Nations Security Council lifted sanctions, widening the space for international cooperation. This peace dividend offers Eritrea opportunities to reallocate public resources to its economic and social development, update its development strategies and create jobs for young people.

IFAD has been engaged in Eritrea for the past 26 years, investing a total of US\$165 million across seven projects. IFAD's long-term vision for the country is to gradually steer agriculture and the blue economy (fisheries) towards a more commercial, resilient and sustainable pathway. To achieve maximum buy-in, programmes are fully integrated into central and decentralized government structures.

Located in the Horn of Africa, on the Red Sea, Eritrea is highly dependent on rainfed agriculture, making it vulnerable to food and nutrition insecurity, a situation that is worsened by periodic droughts.

## **Eradicating poverty and building resilience for rural people**

IFAD's investments in Eritrea are geared towards building the resilience of rural people and the ecosystems from which they secure their livelihoods.



Activities target areas where rural poverty is most severe and where social and economic infrastructure has been seriously disrupted by conflict. The aim is to raise living standards, promote a more equitable socio-economic environment and improve safeguards against climate change and natural disasters.

The major thrust of IFAD interventions in Eritrea is to contribute to enhancing the food and nutrition security of smallholder farmers and small-scale fishers through interventions to build resilience.

Strong institutions are central to sustainable nation-building. IFAD supports reconstruction built on structured development that emphasizes strong institutions and systems, policy and regulatory frameworks and production capacities, while placing great value on partnerships as a key enabler to sustainable development.

Eritrea also experienced an outbreak of desert locusts in 2020, which affected all *zobas* (regions) of the country, with Debub, Maekel and Northern Red Sea the worst hit.

The Government of Eritrea, led by the Ministry of Agriculture, devised control mechanisms that managed to save 210,000 hectares of crop, according to reports from the National Agriculture Project.

The COVID-19 pandemic exacerbated the situation as it disrupted people's lives while also severely affecting economic activity, further deepening vulnerability levels. IFAD intervened through its one-off cash disbursements programme, which brought immediate relief to beneficiaries.

## IFAD's strategy in Eritrea

IFAD's strategy in Eritrea is aligned with the country strategic opportunities programme (COSOP) jointly developed by IFAD and the Government of Eritrea. The COSOP, which runs from 2020 to 2025, is synchronized with the updated Eritrea National Agriculture Development Policy and Strategy, the Five-year Strategic Agricultural Development Plan (2019-2023) and the draft Strategic Development Plan (2016-2020) prepared by the Ministry of Marine Resources.

The COSOP will ensure that IFAD's lending and non-lending support is continuously aligned with the Government's priorities. This will be achieved through three strategic objectives aligned with IFAD's Strategic Framework 2016-2025:

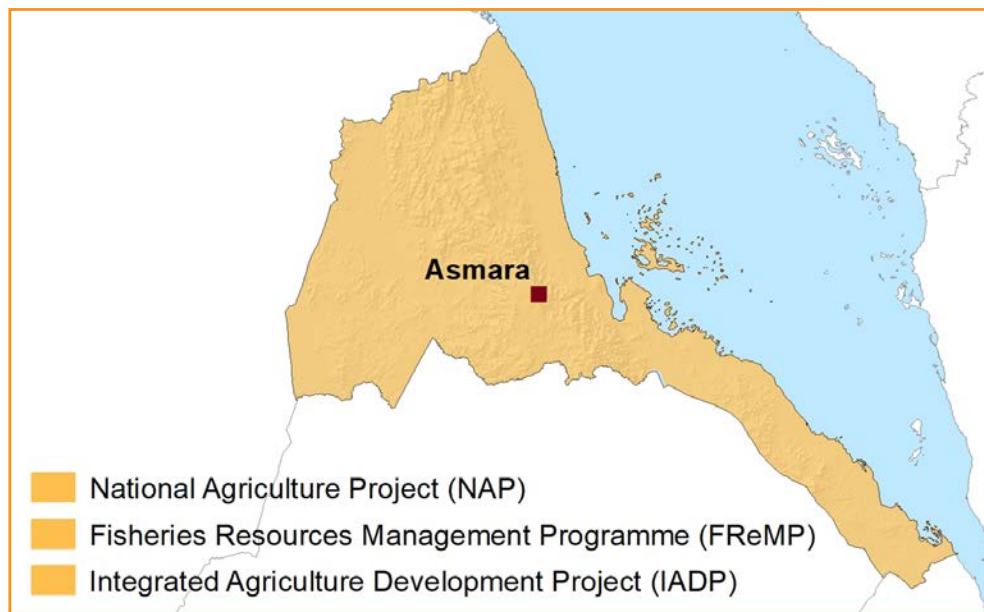
- Increased resilience and adaptation to climate change through sustainable management and utilization of natural resources (land and water).
- Improved access to and use of appropriate technologies, infrastructure and services for enhanced productivity and sustainability of smallholder agricultural and fisheries systems.
- Build institutional, community and individual capacities to enhance food and nutrition security and sustainable livelihoods.

The COSOP also focuses on achieving change and expanding IFAD's core thrusts in the agriculture sector and the blue economy by:

- establishing the resource base for agriculture and fisheries development; through water and soil management and irrigation development;
- structuring and strengthening of producers' organizations;
- strengthening of national input development and delivery systems;
- access to intensification and value addition factors;
- training and institutional capacity development; and
- aquatic ecosystem management.

IFAD's investment portfolio in Eritrea will mainstream gender, youth, nutrition and climate change, with particular attention to creating employment opportunities for youth, women and demobilized soldiers.

## Ongoing operations



### Fisheries Resources Management Programme

The fisheries industry in Eritrea offers substantial opportunity for growth. In view of this, the Government of Eritrea partnered with IFAD to develop the seven-year Fisheries Resources Management Programme (FReMP) to run between 2017 and 2023.

The programme is designed to increase incomes and improve the nutrition situation of coastal communities. It also supports the sustainable management of marine fisheries resources.

FReMP seeks to achieve change by raising awareness, building the right skills, and enabling members of communities (especially youth and women) to acquire equipment for fishing and learn how to process and market fish.

The programme supports the establishment of infrastructure and technologies for production, post-harvest operations and marketing of both marine and inland fisheries. It also promotes the development and capacity-building of cooperatives and other enterprises, ensuring that they have access to the requisite tools to undertake economically viable and sustainable fish-related businesses. The programme is expected to transform Eritrea's small-scale fisheries sector from subsistence to a sustainable commercial fish industry.

The total cost of the programme is US\$37.71 million, including a US\$15 million grant from IFAD. It is cofinanced by the Government of Germany (US\$11.55 million), the Government of Eritrea (US\$1.42 million) and by the beneficiaries themselves (US\$1.35 million). Some 17,500 poor rural households across six regions of Eritrea are expected to benefit from this programme designed to boost coastal and inland fisheries and improve the livelihoods of the coastal communities.

### National Agriculture Project

The National Agriculture Project aims to ensure the use of climate-smart technologies and services to enhance the productivity and sustainability of smallholder agricultural systems.

The project sustainably raises the productivity of smallholder farmers through improved water resources and integrated agricultural production, targeting poor and food-insecure households, particularly those headed by women, who are given priority when land in new irrigation zones is allocated. The total cost of the project is US\$36.15 million, including an investment of US\$26.61 million from IFAD. It is cofinanced by the Government of Eritrea (US\$5.4 million) and the beneficiaries themselves (US\$3.7 million). The project has surpassed the expected outreach of 81,292 households with an achievement of 209 per cent of the original target.



## Pipeline operations

### Integrated Agriculture Development Project

The International Agriculture Development Project (IADP) seeks to contribute to poverty reduction and food and nutrition security in rural households. The project's development objective is to enhance smallholder agricultural production and productivity in a sustainable and climate-resilient manner and to improve rural livelihoods.

IADP will directly benefit some 60,000 rural households, or more than 300,000 people, of whom 40 per cent will be women and 40 per cent youth.

IADP is a US\$37.05 million investment by IFAD. The Government of Eritrea is contributing US\$4.9 million and beneficiaries US\$4.7 million in kind.

### Inclusive Green Financing for Climate Resilient and Low Emission Smallholder Agriculture (IGREENFIN)

The Inclusive Green Financing for Climate Resilient and Low Emission Smallholder Agriculture (IGREENFIN) initiative, financed by the Green Climate Fund, provides a regional approach to enable a market for investments on adaptation, mitigation practices and climate technologies by removing the financial and technical barriers faced by local public development banks, particularly agricultural banks. Eritrea is expected to receive US\$15 million.



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IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$23.2 billion in grants and low-interest loans to projects that have reached an estimated 518 million people. IFAD is an international financial institution and a United Nations specialized agency based in Rome – the United Nations food and agriculture hub.

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