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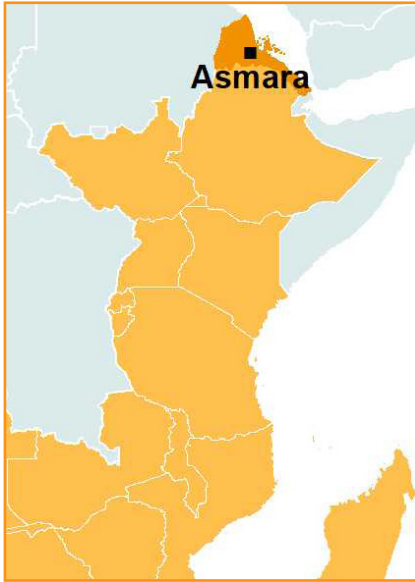
Investing in rural people in **Eritrea**

Eritrea is currently recovering from 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 on the country, widening the space for international cooperation. Since then, Eritrea has continued to develop and build resilience, but it remains highly vulnerable to the effects of economic shocks and climate change, including fluctuating commodity prices for its raw material exports.

Agriculture and fisheries contribute only 17.6 per cent of GDP, although the sector employs about 75 per cent of the population, who depend on rainfed crop production and cattle-raising in traditional smallholder systems. Factors contributing to the low productivity of the agricultural sector include: (i) heavy reliance on rainfed agriculture in a context of low and erratic rainfall; (ii) limited soil fertility, combined with limited access to improved inputs, technologies and equipment; and (iii) inadequate technical skills at different levels.

Not all rural people in Eritrea have access to the same opportunities. Women constitute 55 per cent of Eritrea's population and head 47.2 per cent of all households. According to estimates from the International Labour Organization and the United Nations Population Division, in 2021 women made up 46.9 per cent of the labour force. Yet cultural factors and unequal access to inputs and economic opportunities continue to constrain women's socioeconomic empowerment in rural areas, leaving them in non-skilled and low-paying jobs.

Additionally, about 70 per cent of Eritrea's population is under 35 years old, and many young people lack the relevant job skills and training to thrive in the Eritrean



economy. Although young men are primarily engaged in national service and unlikely to undertake income-generating activities, investments in young people and taking advantage of the youth bulge will be central to driving agricultural transformation and innovation.

Eradicating poverty and building resilience for rural people

The vision of the government is articulated in the National Indicative Development Plan 2014-2018, which places high priority on exploiting the country's natural resources for sustainable socioeconomic development.

The main frameworks for the agricultural sector include the 2019 National Agriculture Development Policy and Strategy; the Five-Year Strategic Agricultural Development Plan 2019-2023; the Small and Medium Commercial Farmers Strategy; and the Minimum Integrated Household Agricultural Package.

IFAD's investments in Eritrea are geared towards building the resilience of rural people and the ecosystems from which they secure their livelihoods, and thereby contributing particularly to the food and nutrition security of smallholder farmers and small-scale fishers.

IFAD's investments target areas where rural poverty is most severe and where conflict has seriously disrupted social and economic infrastructure. The aim is to raise living standards, promote a more equitable socioeconomic environment and improve safeguards against climate change and natural disasters.

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 of sustainable development.

IFAD's strategy in Eritrea

IFAD and its partners have been engaged in Eritrea since 1966, investing a total of US\$248 million across eight projects and impacting over 500,000 rural households. IFAD's long-term vision for the country is to gradually steer agriculture and the blue economy (fisheries) onto a more commercial, resilient and sustainable pathway. To achieve maximum buy-in, programmes are fully integrated into central and decentralized government structures.

In line with the National Agriculture Development Policy and Strategy, the Strategic Agricultural Development Plan (2019-2023) and the Minimum Integrated Household Agriculture Package, IFAD's strategy in Eritrea focuses on establishing the conditions for sustainable, productive and market-oriented rural agriculture and fisheries, notably by building resilience and enhancing rural livelihoods and food security. It uses a programmatic approach to promoting climate change adaptation and natural resource management, including by strengthening individual and institutional capacities; enhancing productivity and value addition; and developing alternative, off-farm livelihood opportunities.

IFAD's strategy in Eritrea is underpinned by three key objectives:

- 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.
- Greater institutional, community and individual capacities to enhance food and nutrition security and sustainable livelihoods.

In addition, the strategy 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 is designed to mainstream gender, youth, nutrition and climate change, and focuses particularly on creating employment opportunities for youth, women and persons with disabilities.

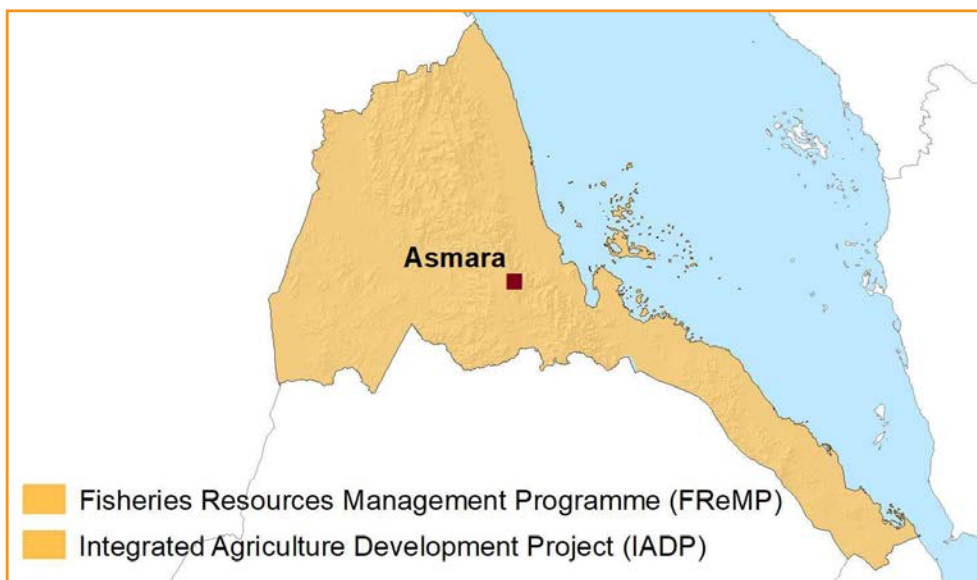
Ongoing operations

Fisheries Resources Management Programme 2016-2023

The Fisheries Resources Management Programme (FReMP) aims to transform the small-scale fisheries sector in Eritrea from subsistence to a sustainable commercial fish industry through maximizing sustainable yields and connecting small-scale fishers with other value chain actors. 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.

FReMP has a national scope, targeting 17,500 poor rural households across all six *zobas* (regions), including the Eritrea coastal and inland areas; in these inland areas, FReMP particularly targets water reservoirs for aquaculture and fish markets in rural areas. Target groups consist of small-scale fishers, rural smallholders, youth entrepreneurs, women (especially heads of households) and demobilized soldiers. FReMP uses communities as the entry point, engaging local institutions in participatory planning procedures for sustainable fisheries development.

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 the beneficiaries (US\$1.35 million).



Integrated Agriculture Development Project 2020-2028

The Integrated Agriculture Development Project (IADP) seeks to enhance the availability of water for agricultural and livestock production, strengthen access to improved and productive inputs, and encourage adoption of climate-smart agriculture and labour-saving technologies. The project supports sustainable watershed management through capacity-building and community-based integrated soil and water conservation strategies linked with productivity.

IADP will directly benefit 60,000 rural households. Priority beneficiaries include rural small-scale farmers involved in subsistence agriculture; farmers and young people interested in establishing farmers' associations or cooperatives; smallholders available to pilot microenterprises; women; and youth (between 18 and 35 years of age), including demobilized soldiers.

As a nutrition-sensitive project, IADP prioritizes increasing the availability and accessibility of diversified and nutritious foods. Among other strategies, IADP encourages intercropping with pulses, beans and vegetables and provides Minimum Integrated Household Agricultural Packages (MIHAPs) to improve the livelihoods, agricultural assets and nutrition of selected households. This outreach is complemented by education on improving nutrition and dietary diversification.

The total cost of the project is US\$46.65 million, including a US\$37.05 grant by IFAD. It is cofinanced by the Government of Eritrea (US\$4.9 million) and by the beneficiaries (US\$4.7 million in-kind).



IFAD is an international financial institution and a United Nations specialized agency. Based in Rome – the United Nations food and agriculture hub – IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided more than US\$24 billion in grants and low-interest loans to fund projects in developing countries.

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Investing in rural people

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