Country Development Cooperation Policy for State of Eritrea

April 2024

1. Objectives of Japan's Development Cooperation with Eritrea

Eritrea, a country of approximately 120,000 square kilometers facing the Red Sea, gained independence from Ethiopia in 1993 and has a population of around 3.75 million. As indicated by major development indices¹ and the Human Development Index², the country remains in a state of serious underdevelopment.

From 1961 to 1991, Eritrea experienced a 30-year war for independence from Ethiopia as well as internal conflict during the same period. Even after gaining independence, border disputes persisted. Although diplomatic relations with Ethiopia were reestablished in 2018, regional instability remains a concern.

Eritrea's domestic economy is primarily supported by joint ventures between Chinese companies and the government of Eritrea in the mining of copper, zinc, and phosphate. However, infrastructure essential to economic recovery—such as roads and electricity—remains underdeveloped, with coverage rates below 50%, leaving the population in poverty. Social infrastructure, including education and healthcare, remains severely damaged by years of conflict, and adequate services are not being provided. Improvement is also needed in the protection of human rights, including freedom of expression, press, and assembly. The large-scale outflow of citizens—estimated at several thousand to over ten thousand annually—poses a significant challenge. In light of these circumstances, Japan's contribution to the stability and development of Eritrea will not only benefit Eritrea itself but also contribute to the stability of the Horn of Africa region, as well as neighboring countries and European nations that are major destinations for refugees.

Under its national development plan, Eritrea prioritizes sustainable economic growth and social development, focusing on agricultural, fisheries promotion and the development of social infrastructure. Japan will consider support that contributes to the achievement of the Sustainable Development Goals (SDGs), while paying attention to the country's democratization efforts and the international community's response. It is important to develop basic living infrastructure rooted in the concept of human security.

2. Basic Policy of Japan's ODA (Overall Goal): <u>Stabilization and Development of Society through Improvement of Basic Living Infrastructure</u>

From the perspective of human security, Japan will focus on improving basic living infrastructure to enhance the quality of life and support democratization and economic stability in Eritrea.

¹ GNI per capita: USD 740 (African Development Bank, 2015)

² HDI: 0.493, ranked 175th out of 193 countries (UNDP, 2022)

3. Priority Areas (Medium-Term Goal): Improvement of Basic Living Infrastructure

Japan will support improvements in basic living conditions through initiatives in water resources and supply, fisheries promotion, and healthcare including preventive medicine.

4. Points of Consideration

- 1. Japan will continue to closely monitor Eritrea's position within the international community and proceed cautiously with project planning.
- 2. As one of the few countries implementing bilateral economic cooperation with Eritrea, Japan recognizes that it is unrealistic to meet the country's vast development needs alone. Therefore, in planning projects, Japan will strategically utilize its ODA budget and actively engage in dialogue with international organizations and regional development banks. By combining different schemes and approaches, Japan will aim to generate high synergistic development effects in coordination with other donors.