UNITED NATIONS DEVELOPMENT PROGRAMME

PROJECT DOCUMENT

Project Title: Economic and Social Data Development Programme

Project Number: 00095534

Implementing Partner: Ministry of National Development/National Statistics Office

Partners: Key Ministries, Departments, and Agencies (MDAs) and UN/other Agencies

Start Date: 2018   **End Date:** 2021   **PAC Meeting date:**

Brief Description
The programme aims to produce and disseminate data on key economic indicators related to national accounts, and other key macroeconomic statistics in Eritrea. It will be implemented in two phases. Phase I shall focus mainly at preparing an annual time series for national accounts statistics for a recent year back to 2002 based on the production approach alone. Phase II will focus on broadening the sustainable production, management and dissemination of mainly economic and social statistics.
This is a five-year programme and the implementing partner will be the National Statistics Office operating under Ministry of National Development (MND) in collaboration with the Ministry of Finance, and all statistics producing ministries, departments, and agencies in the country.
Key deliverables are: (i) prepared statistical capacity building plan; (ii) Finalized Statistical Master Plan (SMP); (iii) Published key economic indicators e.g. inflation rates, Gross Domestic Product and other available macro-economic indicators using Output Approach; (iv) deepened and published social statistics e.g. life expectancy at birth, literacy level, mortality rates, enrolment at school rates, etc; (v) prepared and implemented statistical capacity building plan; (vi) published and disseminated statistical journals; and (vii) established robust National Statistical System (NSS).

Contributing Outcome (SPCF/CPD, RPD or GPD):	Total resources required:		6,826,899
By 2021, the population, including vulnerable groups, benefit from evidence based planning and policy; accountable public institutions and systems that ensure human rights and equitable public service delivery	**Total resources allocated:**		
		UNDP TRAC:	6,826,899,
Indicative Output(s) with gender marker[2]:		**Donor:**	
Output 3.1. National institutions are able to collect, analyse and use data for planning and decision making, including SDG implementation		**Government:**	
		In-Kind:	
	Unfunded:		

Agreed by (signatures)[1]:

Government/Implementing partner	UNDP
Dr. Giorgis Teklemikael Minister of National Development	Susan Nigongi UNDP Resident Representative
Date: 05/04/2018	Date: 5.4.2018

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[1] Note: Adjust signatures as needed

[2] The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality)

I.   DEVELOPMENT CHALLENGE

1. BACKGROUND

The Government of the State of Eritrea (GoSE) is focused on facilitating rapid economic and social development of the country in order to meaningfully and equitably impact on the living conditions of Eritreans. To achieve this, the generation of timely, complete, and quality statistics is key to informing evidence-based policy formulation, planning and assessment of development changes. GoSE's vision is to produce and disseminate timely, complete, and quality statistics that reflect the true value of what is intended to be measured, with the primary objective of achieving the following six dimensions: accuracy, validity, timeliness, consistency, completeness and accessibility. In the short term, GoSE is interested in compiling gross domestic product (GDP), current account surplus/deficit, exports, imports, consumption, and inflation, among other economic statistics. In the medium to long term, the GoSE is keen to establish a robust National Statistical System (NSS).

Currently, there is no National Strategy for the Development of Statistics (NSDS) in the country which would serve as a roadmap for statistical development over the long term. Universal experience shows that a robust NSS is founded on an efficient NSS and a well-functioning National Statistics Office (NSO). The capacity of a NSO determines the quality and credibility of national statistics and this is ensured through continuous building and enhancement of human and technological resources, adopting modern managerial practices and adhering to international statistical standards. It also implies close collaboration and partnership between national and international organizations on statistical development.

The NSS of any country comprises all producers of official statistics, operating within a coherent and integrated structure. In Eritrea, producers of official statistics would comprise: (i) the NSO, a Department in the Ministry of National Development (MND); and (ii) Ministries, Departments and Agencies (MDAs) responsible for key functions of government such as finance and investment, economic planning, agriculture, industries, trade, mining, education, justice, health, labour, environment and local government; central bank; revenue authority; and academia. In many countries, NSS also includes organized private sector, civil society, and media statistics.

Following attainment of formal independence in 1993, the ensuing partnerships with the United Nations System and Norwegian Government as well as other bilateral agencies (e.g. USAID and CIDA) have strengthened the capacity of Eritrea's NSO, to a large extent, to produce, manage, and disseminate important statistics to guide policy formulation, planning, and evaluation of development results in Eritrea. This capacity includes improvement and upgrading of staff capacity, production of data for development planning, and provision of facilities and equipment such as IT as well as provision of office space (a complete building). Some of this support such as data for development has continued to date, but significantly dwindled from 2010 when Statistics Norway (through NORAD) stopped providing regular technical support to NSO. Further improvement is still required to rebuild capacity and to enable the NSO become an effective, efficient and sustainable anchor for production, management, and dissemination of the necessary national statistics.

The activities of NSO have been hindered by a number of other factors, which can be summarized as follows:

(i) Inadequate capacity e.g. human resources (there is high manpower turnover in NSO mainly due to inadequate remuneration); and

(ii) Inadequate data and information sharing systems and limited consolidation of the NSS, which hinder the establishment of a balanced demand and supply of national statistics.

There is a draft National Statistics Master Plan (NSMP) prepared by NSO, but it requires a review and implementation.

With the state of the NSS of Eritrea as briefly described above in mind, and noting the role of a complete, timely and quality statistics, the Minister of National Development of the GoSE requested UNDP's support in fielding a mission to explore and establish a realistic framework for producing quality statistics. Specifically, the Minister requested for support to complement the efforts of the Government in producing and disseminating data on key economic indicators related to national accounts, and other key macroeconomic statistics in Eritrea. The mission took place in August 2014, and filed an exploratory and fact-finding report on the development of national accounts and related statistics in Eritrea, which is the basis of this programme.

The key recommendations in the report are:

1. Full compilation of GDP estimates is achievable in three years backed by sound technical commitment, strong political-will, adherence to strict timelines, and compliance with international standards;
2. Focusing substantial attention on institutional and human capacity building as well as accelerating partnership building on statistical system; and
3. Implementation of priority actions in the short, medium and long terms. Short term priority actions (1 – 2 years) include: Finalization and implementation of Statistical Master Plan; Development and implementation of statistical capacity building plan; Production of national accounts; Deepening social statistics; and Publication and dissemination of statistical journals. The medium to long term actions are consolidation and deepening of short term actions, leading an established robust NSS.

As discussed earlier, NSO received technical assistance (TA) in statistics, particularly in the area of national accounts statistics (NAS) during 2004-2011. During this period, in 2010, NSO staff reached a maximum of about 91 persons of which 16 were NAS staff, and statistical capacity also reached a high point. Since 2010, NSO capacity has declined sharply. Total NSO staff declined from about 91 in 2010 to about 72 in January 2016, while staff working on National Accounts Statistics (NAS) declined from 16 to just 9; mostly fresh or new graduates. The decline was due in large part to inadequate salaries.

When the TA ended in 2011, NSO was unable to carry forward with the preparation of NAS on its own, except for the most basic estimates such as value added Gross Domestic Product (GDP). The NAS work was interrupted in anticipation of government preparation of "a five year plan" that would guide the kind of statistics that will need to be compiled, although some results were prepared for internal use.

2. UN PROGRAMMING IN ERITREA

The UN work in Eritrea has had seven cycles since 1992. The first UNDAF (2002-2006) was signed in 2002 and its priorities were promotion of democratic governance, pro-poor economic growth and sustainable livelihoods. The second UNDAF (2007-2011) supported capacity development, emergency and recovery, environment, food security and gender. However, this UNDAF was truncated by six months following its abrupt termination in 2011, and instead an Interim Cooperation Framework (July 2011 – December 2012), whose priority areas were health, safe water supply and sanitation, was signed.

The Strategic Partnership Cooperation Framework (SPCF) signed on 28 January 2013 between the Government of State of Eritrea (GoSE) and the United Nations system for the period of 2013 to 2016 and prepared in lieu of the UNDAF, is the current cooperation framework. It summarizes how the UN in Eritrea supports the GoSE in achieving the national objectives and priorities. Although a full exercise for preparation of the UNDAF was not adopted due to limited timeframe available for preparation, the SPCF addressed key considerations applied for a standard UNDAF and provides a succinct overview of the main areas of intervention and collaboration of the UN system in Eritrea.

The Framework focuses on five strategic areas of cooperation, namely, (i) Basic Social Services; (ii) National Capacity Development; (iii) Food Security & Sustainable Livelihoods; (iv) Environmental Sustainability; and (v) Gender Equity and Advancement of Women in Eritrea, which have been further elaborated into eight SPCF Outcomes to form the basis for specific programme interventions and the establishment of thematic working groups.

3. SPCF STRATEGIC PRIORITY AREAS AND OUTCOMES

The execution of the SPCF is guided and coordinated by the MND and the UN Resident and Humanitarian Coordinator with the programmatic direction of the sector ministries, relevant institutions and the UN agencies. UN resident agencies in Eritrea include UNDP, UNICEF, UNFPA, WHO, FAO, OCHA, UNHCR, UNAIDS, and WFP while the non-resident UN agencies are: UNEP, IAEA, UN Women, UNIDO, ILO, UNODC and IFAD. In order to facilitate the implementation arrangement at technical level, thematic outcome groups are developed involving respective governmental ministries, departments or institutions and UN agencies that are contributing to particular thematic outcome areas. Thus, there are *eight* thematic outcome groups established at technical level with designated convenors/co-convenors in order to oversee implementation progress on the ground in respective outcome areas.

II. STRATEGY

1. THE UNDP STRATEGIC PLAN

In order to remain valued and effective in a dynamic world, UNDP designed a new Strategic Plan (SP) 2018-2021, to help programme countries achieve stronger results either through UNDP-specific action or in partnerships with others. It also aims for a sharper focus that effectively responds to actual needs of programme countries and interest of donors. This approach helps country offices to be more strategic and contribute substantially to country-led development efforts. All country programmes designed under this Strategic Plan should be more tightly focused on time-bound outcomes contained in the SP and underpinned by explicit theories of change, incorporating a robust, aligned, rigorously defined, sex-disaggregated and measurable results framework.

Anchored in the 2030 Agenda, and committed to the principles of universality and equity, UNDP's vision for the 2018-2021 Strategic Plan is to help countries eradicate poverty in all its forms, accelerate structural transformations for sustainable development, and build resilience to crises and shocks. This Strategic Plan sets out a vision for UNDP's evolution over the next four years, responding to a changing development landscape and the evolving needs of our partners. It describes how we will support countries to achieve the 2030 Agenda and the Sustainable Development Goals, as well as other commitments agreed by UN Member States. The Plan reinforces our commitment to working in partnership with Governments, civil society and the private sector, as a catalyst and facilitator of support from the United Nations System as mandated by the QCPR.

The Strategic Plan describes how UNDP will better adapt to the range of country contexts we work in, framed through:
- three broad development settings our approach responds to;
- a series of signature solutions that define UNDP's work;
- two platforms through which we will deliver our work;
  - Country Support Platforms for the SDGs, and
  - a Global Development Advisory and Implementation Services Platform; and
- an improved business model to underpin our efforts.

By 2021, the SP aims to catalyse tangible progress on:
- Eradicating poverty in all its forms – and keeping people out of poverty;
- Accelerating structural transformations for sustainable development, especially through innovative solutions that have multiplier effects across the SDGs;
- Building resilience to crises and shocks, in order to safeguard development gains.

Although on the ground in 177 countries, UNDP recognizes that each country is different and each country's priorities and reality are valid, even if different. Aligning the Eritrea country office to the UNDP corporate plan involves balancing and matching the country's priorities with the strategic priorities, substantive focus and methodological endowments of the strategic plan. UNDP activities in Eritrea prioritize based development areas namely, sustainable development pathways and inclusive development implemented under the Inclusive and Sustainable Development (ISD) Unit; effective democratic governance, implemented under the Strategic Governance Unit (SGU). The UNDP CO Eritrea has two units: ISDU and SGU.

Support to the development of a robust national statistical system, and particularly, the production and dissemination of data on key economic indicators related to national accounts, and other key macroeconomic statistics in Eritrea is considered critically important for the GoSE and the UN, especially for strengthening strategic governance in Eritrea.

UNDP is providing support to a Labour Force Survey, which is in the field as of January 2016. It has also been providing support for upgrading Civil Registration at the local level, so as to provide better statistics on vital events. There has also been support for raising statistical capacity in local government.

2. MDGs AND SDGs

In 2000, the UN General Assembly adopted the Millennium Development Goals (MDGs), which rallied the world around a common 15-year agenda to tackle the indignity of poverty. The MDGs established measurable, universally-agreed objectives for eradicating extreme poverty and hunger, preventing deadly but treatable disease, and expanding educational opportunities to all children, among other development goals.

Monitoring the MDGs took place at both global and national levels: At the global level, the UN Secretary-General reported annually to the General Assembly on the progress of implementation of the MDGs. At national level, the preparations of the MDG Country Reports were nationally led and owned by the governments. However, in several countries, the production of these reports was not regular, and fretted by disagreements over processes and findings. In Eritrea, two MDG reports were produced: 2006 and 2015.

As the MDGs era came to a conclusion in 2015, the 2030 Agenda for Sustainable Development was adopted by world leaders in September 2015 at the United Nations General Assembly. Eritrea was one of the countries that adopted the SDGs and committed itself to their full implementation. The SDGs are the seventeen Sustainable Development Goals of the to-do list for people and planet, and a blueprint for success for the world transformation and eradication of extreme poverty among other vices. They will guide policy and funding for the next 15 years.

As a lesson learned from the implementation of the MDGs, SDG 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development – calls for establishment of a framework for successful implementation of the SDGs. Among the key envisaged activities under Goal 17 is monitoring and evaluation, which requires generation of the necessary data and information. In turn, this implies that the statistical systems of countries will be at the centre stage of SDGs implementation and therefore, will require strengthening. The Economic and Social Data Development Programme for Eritrea is a major initiative for the development of the NSS in Eritrea, which will not only serve to provide the required national statistics, but will also be critical in monitoring and evaluating the SDGs progress and achievements.

3. Program Justification

Statistics plays a vital role in nearly all fields of human activity, be it economic, social, environmental, or political. For example, statistics can give an existing position of wealth, per capita income, social progress, unemployment, population growth rate, housing, schooling, medical facilities, etc., in a country. In Eritrea, published statistics and especially economic statistics are generally either not available or outdated, and yet there is a strong demand for national accounts in Eritrea within the MDAs, research institutions, academic institutions, private sector, development partners, community, international organizations, and the general public at large.

National accounts are mainly used for: monitoring the behaviour of the economy; informing economic policy and decision-making processes; economic analysis and research; international comparisons; and as a co-ordination framework for economic statistics. Other key macroeconomic statistics include Balance of Payments (BOP); Government Finance Statistics (GFS) and Monetary and Financial

Statistics, Prices (e.g. CPI, Producer Price Index (PPI)), import and export prices, construction prices). Gross domestic product (GDP), a key indicator of economic performance and wealth of the country, is the most frequently quoted national accounts statistic.

In June 2004, NSO and Statistics Norway embarked on a project of statistical capacity building and institutional strengthening focusing on economic statistics, with the national accounts as a priority area. The project's target was to produce and disseminate economic statistics and national accounts information to users by end of 2008. The project did not go to its full length after the Statistics Norway left the country. After the project stalled, the work on development of Supply and Use Tables (SUT) also stopped due to lack of sufficient human capacity within the country to continue it. Likewise, development of national accounts stalled and has not been revived since. Most of the necessary data series are available at the NSO for up to 2010. For subsequent years, most of the administrative records could be available within the various MDAs: Ministries of Finance, Trade and Industry, Education, Health, Mining, Bank of Eritrea among others. On the other hand, available survey datasets (e.g. LSMS 2002) are outdated for compilation of robust national accounts.

The GoSE vision for the country's statistics is quality statistics that reflect the true value of what is intended to be measured. While currently, the national accounts are no longer compiled in Eritrea, the GoSE has expressed a renewed commitment to prioritize the preparation of national accounts and related economic statistics for use in development planning and management and evidence-based decision-making. As of January 2016, five years after the end of the NORAD project, NSO leadership expresses a clear preference for a simpler approach to national accounting, focusing initially on the production approach.

The preparation and dissemination of quality data to inform evidence-based decision-making, planning and management depends highly on a well-coordinated, harmonized, standardized, and operational national statistical system (NSS). For such a system to be in place and serve the objectives for which it was established, it needs to be well resourced with both human and institutional capacities as well as the enabling environment.

Currently, Eritrea does not have an operational NSS and therefore needs to establish one and strengthen it in order to be relevant and efficient in the coordination of official statistics among data producers, suppliers, and users in a coherent manner. To achieve this, there is a need to set up a functional NSS with the role and responsibilities of each institution in the system clearly defined. There is therefore a need to re-establish and strengthen the capacity of the NSS to be robust enough to produce timely and reliable data.

One of the eight outcomes of the SPCF supported by the UNDP is "By 2021, the population, including vulnerable groups, benefit from evidenced-based planning and policy; accountable public institutions and systems that ensure human rights and equitable public service delivery." In order to contribute to this outcome, the UNDP has supported development planning and data for development; implementation of international obligations and commitments (UPR process and reports); youth training and development; Higher education; disaster risk management; gender equity and women's advancement; and capacity development in the ministries of Health, Justice and Finance. Under data for development (a joint programme with UNFPA), the capacity of the National Statistics Office (NSO) within the Ministry of National Development has been strengthened to independently conduct surveys and assessments to produce data to inform evidence-based policy making. However, this support has focused mainly on social data. The Economic and Social Data Development Programme (ESDDP) is designed to support strengthening of the socio-economic database of Eritrea.

4. Development Objectives

The long-term development objective of this project is to support GoSE's efforts to establish a robust NSS. In the immediate term, the project intends to support GoSE's efforts in producing and disseminating data on key economic indicators related to national accounts, and other key macroeconomic and social statistics. This general objective can be broken down into two specific objectives as follows:

    i) To establish national accounts and related economic statistics within the shortest time possible and fully compile GDP estimates in about one year; and

    ii) To effectively institutionalize the process of generating GDP and related economic statistics, social and development indicators in the medium to long term.

Specific objective I: To establish national accounts and related economic statistics within the shortest time possible and fully compile GDP estimates in about a year:

Strategy:

    (i) Collect all available relevant administrative datasets within the first six months of the project.

    (ii) Supplement the available data with key surveys

    (iii)Enhance capacity of the Government in the compilation of key economic statistics, especially national accounts for production data and Prices.

Specific objective II: To effectively institutionalize the process of generating GDP and related economic statistics, social and development indicators in the medium to long term.

Strategy:

a) Institutionalize data collection, compilation and dissemination mechanism through a legal framework that clearly stipulate the functions and the mandate of the NSO and also give it the powers to access statistical information from all other national institutions for the purposes of compiling the national statistics. Key activities under this include:

    a) Review, finalize and begin to implement the National Statistical Master Plan;

    b) Enhance budgetary support to NSO and other key data producers;

    c) Enhance the NSO's statistical infrastructure like the sampling frames, physical equipment and software; and

    d) Promote use of international recommended methods, concepts and best practices in the production and dissemination of national statistics.

b) Human capacity building: Proposed activities are:

    a) Undertake a comprehensive capacity needs assessment of the NSO and Statistics departments or units of the main MDAs. This should lead to the development of a national capacity development plan, aimed at strengthening the capacity to successfully implement the SMP;

    b) Hire relevant staff for the NSO, informed by experiences from similar economies to match the expected workload;

    c) Hire one resident expert/consultant for a period of two years, as a starting point for Phase One. During this period, internal technology transfer and capacity cascading plan from the international consultants to national staff should be developed and implemented. For Phase Two hire two resident experts. The resident experts should be complemented with at least 2-3 short term experts (working for a maximum of three months in a year); and

Develop a strategy for publicity and advocacy for the NSO to increase public awareness of its existence, products, and relevance of the products.

III. RESULTS AND PARTNERSHIPS

Expected Results

The current primary need is for TA to support NSO and other units in the NSS to rebuild capacity step-by-step, with the following general guidelines for priority outputs:

i) Focus on statistical outputs that are considered priority outputs by the GoSE, particularly economic statistics, such as GDP. These outputs are enumerated in the Mission Report and section 2.3 of this programme document. It is worth noting that many outputs recommended in the Mission Report were already mentioned in the draft National Statistical Plan of 2006. Since 2011, donor efforts at NSO have largely by-passed economic statistics, focusing more on social and demographic statistics. Data from the 2010 Eritrean Population and Health Survey are still being analysed, and a Labor Force Survey supported by development partners is being conducted.

ii) Aim for a "fail-safe" approach to rebuilding statistical capacity at NSO. Given the present nature of NSO capacity, the programme needs to focus on only one main output in Phase One and on a few outputs in Phase Two so as to avoid scattering efforts in too many directions. Statistical operations yield the best results when they are provided consistent support by a government and other funders over many years. The program will aim to solidify results, albeit simple, within the shortest possible time and, especially, to attain sustainability within the shortest possible time. Avoid reliance on an overly complex and sophisticated methods. It is also important to avoid building staff levels that cannot be supported by routine government revenues. This "fail-safe" approach would provide the best chance for securing sustainable results from a statistical TA.

iii) Especially for national accounts, institutional memory is very important, because estimation methods are specific to each country and cannot usually be documented exhaustively. Therefore, it is essential to minimize staff turnover and maximize the probability that expert national staff will remain on that job for as long as possible. If attrition rate is high, it becomes necessary to start all over again and again in building capacity.

iv) As a low-income country, the GoSE needs to consider the level of staffing that is sustainable for both NSO and the entire NSS, increasing it with increased resource base. This in turn requires that a national statistical office in such a country chooses very carefully which statistical outputs it will produce.

v) For Phase Two and beyond, the program needs to adapt its intended outputs to a level of NSO capacity that is both feasible and sustainable. Any output that is not consistent with this limitation should be postponed until when there is sufficient capacity.

vi) Consider the statistical needs of various users but ensure that these needs are only prioritized and there is capacity to sustain it or the need is fully funded. While statistical needs are

numerous, it is important to focus efforts on the priority outputs, as defined by the GoSE, or considered on a case by case basis until capacity has reached a stable or higher level.

Phase One

From a technical point of view, the most fail-safe approach to NAS will be one that is modular, simplified, and designed to reach a quick result. So, rather than a complex, integrated effort to prepare NAS based on a combination of three standard approaches (production, expenditure and income) and a Supply and Uses Table (SUT), such as was applied during 2004-2011, it would be safer (more fail-safe) to begin with a much simpler approach, the production approach alone. The recommended approach is consistent with recent requests by the GoSE for international assistance for capacity building in national accounts, which have focused on the production approach alone. That is the approach that was common in most developing countries 20 years ago and is still common in many of them. This approach will greatly limit the amount of data to be collected and analysed during Phase One, and therefore shorten the time required to reach a usable result. It will not require an SUT. It will also increase the likelihood that the NSO team could master enough capacity so as to continue to produce national accounts on their own, even in the absence of technical assistance.

More specifically, the plan would be to focus on a single main objective in Phase One, then diversify during Phase Two and beyond. Phase One would last for a maximum of two years. During Phase One, the main objective would be to prepare an annual time series for NAS for a recent year back to 2002 based on the production approach alone. Data would be collected and estimates prepared for about 17 productive sectors (as shown in a 2005 NSO manual prepared with help from the Norwegian team) comprising nearly all value added. For this purpose, NSO would need to hire at least six new staff from among university graduates to concentrate on this work. It should be noted that even this number would involve a major effort by NSO, as it would involve expanding existing staff by about a third. The new staff would need to seek the required raw data from the various MDAs. Once the new staff are on board, it is estimated that a solid estimate for GDP could be prepared in only 12 months. A single long-term consultant would train and guide the new staff.

Alternatively, a preliminary (but much less reliable) estimate could be prepared in 6 months based on available data for only four or five sectors which together account for about 50% of GDP – but the usefulness of such a quick but less reliable approach merits deep consideration. This work would involve the following steps, among others:
- Compile administrative data from the Ministry of Agriculture & conduct a survey of agriculture.
- Collect data for manufacturing. The largest 250 or so establishments are covered by the Annual Survey by the Ministry of Trade and Industry. A special survey would be needed for small and cottage establishments.
- Conduct a survey of the informal sector (small and medium enterprises).
- In cooperation with the Ministry of Public Works, conduct a new survey of key construction firms, as was done for 2003.
- Conduct a survey of trade margins, updating the Wholesale and Retail Trade Survey conducted in 2007, covering 448 trade companies, with funding from NORAD and technical support from Statistics Norway.
- Conduct a Hotels and Restaurants Survey, as done during 2006-2007 with support from NORAD and technical support from Statistics Norway.

- Conduct surveys of mining and quarrying, transport and storage, and services.
- Conduct a survey of producer prices.

The surveys would serve for benchmarking the new estimate for GDP and would not need to be repeated annually.

In addition, Phase One would include preliminary steps for Phase Two deliverables as follows:
- Review the Statistical Master Plan that was drafted in 2005-2006 and was subsequently elaborated but never proclaimed, and sponsor a workshop for stakeholders to discuss how to update that plan.
- Assess the maximum number of statistical staff that the GoSE could realistically afford to support with its own budget, in both NSO and the rest of the NSS, after taking into account the need for incentive payments so as to retain the most skilled and knowledgeable staff. This maximum number of staff may be less than the previous maximum number of about 90 during 2005-2010.
- Capacity needs assessment for NSO and other statistical units in the NSS. The assessment should focus on existing capacity and realistic options for increasing that capacity during the five-year period of the project, consistent with the previously-mentioned maximum.
- Update available administrative data for the larger enterprises and establishments, data that would provide a basis for updating a Statistical Business Register. In the past, NSO had utilized data from Inland Revenue, the Business License Office, and the Zoba Maekel Administration, as well as data from the various economic surveys conducted by NSO.
- Carry out an assessment of what steps would be needed to institutionalize the Vital Registration and Migration System.
- Carry out an assessment of how the Civil Registration and Vital Statistics System (CRVS) could be strengthened to contribute more effectively to the needs of the statistical system.
- Plan what steps need to be taken towards institutionalizing gender disaggregation of national data.
- Develop more detailed planning for Phase Two of this programme.

Towards the end of Phase One, the program for Phase Two would be refined on the basis of lessons learned in Phase One. This would provide an opportunity to assess the development of statistical capacity during Phase One and to recommend ways to adapt the program for Phase Two to the level of statistical capacity at that time and the likely pace of further improvement during Phase Two.

Phase Two

For general development of statistics, the following is proposed:
- A Statistical Master Plan would be finalized and submitted for approval by the Government.
- Recruit two long-term experts for the remaining years of the program.
- Fill human capacity gap as per the capacity building plan.
- Design strategies for attracting and retaining quality statisticians. This could involve such measures as establishing a dynamic incentive structure.
- Acquire necessary statistical software & hardware.

For national accounts, Phase Two could involve preparing a more robust estimate of GDP by means of the three standard approaches (production, expenditure and income) for at least one benchmark year, provided that this is considered feasible and useful, feasibility would be judged largely in terms of the required capacity in terms of number and quality of staff, and whether the Government could afford to sustain and fund that much capacity in the aftermath of the project. Additional NSO staff would be required to carry out the broader approach and would begin by collecting a broader range of data: NSO is sceptical of the sustainability and usefulness of the triple approach. Usefulness would depend very much on the system of macro-economic management in use at the end of Phase One. As long as the system remains as at present, NSO is of the view that the demand for NAS data from the expenditure approach from within the GoSE would remain quite limited.

For economic data, other tasks might include:

- Foreign Trade Statistics would in any case need to be compiled and adjusted to conform to NAS concepts.
- Bank of Eritrea would need to provide up-to-date statistics on the Balance of Payments (BoP), Trade Balance, interest rates, credit to the private sector and money supply.
- Government Finance Statistics would be needed from the Ministry of Finance, in a format that is consistent with international standards.
- Revive and develop a statistical business register based on administrative data sources and suitable for use in drawing a sample for business surveys.
- Conduct a Household Living Standard and Measurement Survey (LSMS) and prepare relevant reports to update the picture of consumer spending from the previous LSMS (2002), which was conducted with funding and technical support from UNDP, UNFPA and WFP. Alternatively conduct a Household Income and Expenditure Survey (HIES) to update and expand the urban one that was conducted during 1996-97 with technical support from Fafo Norway. Either of these surveys would also be useful for updating poverty measures in Eritrea.
- Prepare a Supply and Uses Table (SUT) in which the supplies and demands for each type of commodity are reconciled. This is a demanding kind of work that requires a high level of technical skill. If nothing else, it would be useful for establishing a benchmark level of GDP for a particular year.
- Publish the key economic statistics on the NSO website regularly, and
- Towards the end of Phase Two, review progress and assess the level of statistical capacity in the NSO and elsewhere. On this basis, a program could be developed for further upgrading of statistical capacity after the conclusion of this program.

For social statistics, the emphasis would also broaden as follows:

- Institutionalize Civil and Vital Registration System.
- Develop the CRVS to provide a database for preparing an acceptable population projection.
- Strengthen the national population registration system, including revising/updating/standardizing/harmonizing the tools across administrative authorities (Zobas).
- Conduct another Eritrean Demographic and Health Survey (EDHS), as previously carried out in 1995, 2002, and 2010.
- Coordinate compilation of administrative social statistics e.g. education, health, gender, etc.

Institutional Capacity and Policy Context

As noted in 1, the NSS of any country comprises all producers of official statistics, operating within a coherent and integrated structure backed by a specific legislation or legal framework that establishes

and spells outs the functions and mandate of the key institutions, one of which is the NSO. The NSO in Eritrea was established in 1993 as a department within the Ministry of Finance (MOF). In 1995, it was moved to the office of the president and later, in 2003, it became a fully-fledged department in the MND. The Minister for MND provides the overall policy guidance and the NSO is headed by an Acting Director General. Currently, the NSO has a structure of five divisions, namely,

- Economic and Financial Statistics
- Demographic and Social Statistics
- Technical services
- Geo-Cartographic
- Administrative and Human Resources

There is no specific legislation or legal framework that establishes and spells out the functions and mandate of the key institutions producing and disseminating official statistics in Eritrea, including the NSO. In 2005, there was an attempt by the GoSE to strengthen the NSO and establish a NSS system through a draft Statistical Proclamation. The proposed NSS has four main elements, namely,

- The producers of statistics, including the NSO as the coordinating and supervisory agency of the NSS;
- Data users, including key users such as policy and decision makers;
- Data suppliers, including establishments and households; and
- Research and training institutions.

A draft NSMP covering all the NSO's activities was developed but not implemented. The NSO has good physical infrastructure; a modern and spacious building which is strategically located for its operations and computers and other IT tools for processing of survey data and reports. The NSO still has a single officer with the necessary institutional memory for national accounts, who will be instrumental in the revival of the national accounts and related economic statistics. The structure of NSO has staff capacity of 90, but the current staff is about 20, as previously mentioned. During the period 2004-2010, NSO's capacity to compile foreign trade statistics was well developed. However, the capacity has now been compromised due to exit of many experienced staff. The mandate to compile Consumer Price Index (CPI) shifted to NSO in 2008 from the Bank of Eritrea to avoid conflict of interest and for the fact that the NSO has a comparative advantage in data collection infrastructure. The EPHS was carried out in 2010, with initial results published in 2013; some analysis is still ongoing.

Apart from the NSO, other MDAs responsible for producing national data and statistics in Eritrea include: MOF, Ministry of Agriculture (MoA), Ministry of Trade and Industry (MT&I), Ministry of Energy and Mines (MoE&M), Ministry of Local Government (MoLG), Ministry of Health (MoH), Ministry of Education (MoE)/Higher Education, Ministry of Labour and Human Welfare and the Bank of Eritrea (BoE). The private sector, civil society organizations, and the media are not yet visible enough to provide statistics. A brief overview of these MDAs and their capacity to produce statistics is as follows:

Ministry of Finance (MoF): According to the GFS manual, general government covers Central Government, Local Governments, State Governments (non-market government corporations) and Social Security Funds. In Eritrea, GFS is not compiled. MoF has data on government's revenue and expenditures by ministries and departments. It is also a custodian of data on inland revenue (e.g. income and sales taxes) and collects the draft (provisional) and audited financial statements from all

government corporations albeit lacking complete compliance due to lack of a legal requirement. Regional governments have well established statistics units that keep relevant datasets and can be availed to the NSO especially if there is a legal requirement. There are local governments in Eritrea and no National Social Security Fund (NSSF).

Ministry of Agriculture (MoA): The ministry is responsible for policy formulation for agriculture (crops and livestock) and requires data to do this, which are collected and compiled by its statistics department. The ministry has estimates of crop acreage/area planted and production (harvest) and population of livestock. It also does surveys which can be used as a data source though many are out of date. The main challenge on data for the ministry is collecting them from subsistence farming.

Ministry of Trade and Industry (MT&I): It is a regulator with its jurisdiction covering manufacturing and trade sectors. It registers every category of industry and the law requires that each firm declares their revenue before renewal of license. The ministry collects data on industrial statistics (only manufacturing) and has been compiling the statistics since 1998 with the technical assistance of UNIDO. The data are collected through an annual census of manufacturing (formal firms with 10 or more employees) and disaggregated according to ISIC rev 3. The ministry compiles the production account of the system of national accounts and therefore computes the GVA for manufacturing in accordance with the SNA guidelines. The ministry provides data to the NSO, MND, MOF and other government agencies and also disseminates data through an annual publication (latest being 2012). The ministry has no data on domestic trade (wholesale and retail), as well as on employment and earnings, among others. The ministry has a shortage of resources, skills and manpower to conduct surveys and relevant censuses.

Ministry of Energy and Mines: The department of energy is a regulator while Electricity Corporation (wholly owned by the government) is mandated with generation, transmission and distribution of electricity. There are many private generators of hydro and solar energy. Other than the corporation, the Local Authorities (Zobas) also produce thermal electricity and distribute to other units including government offices within their jurisdiction. Data on generation and the associated costs of production can be collected from the various producers. Data on geo-thermal exploration and evaluation is available at the Department of Geology and Mining in the same ministry.

The department of mines has data that can be shared (if appropriate legislation is in place) with the NSO. The following data is available for the minerals that are already being produced:

- quantities and values of mineral production;
- quantities and values of exported minerals;
- expenditures on mineral exploration and evaluation; and
- profits (implying that data on inputs is most probably available).

Ministry of Local Government: Ministry/local authorities plays coordination functions and infra-structure development. Local Authorities are also mandated to collect revenue to supplement central government's allocation. A department of GIS and statistics in the ministry was recently established due to importance of statistics and GIS. Much needs to be done to strengthen the department to produce quality statistics.

Ministry of Education (MoE)/Higher Education: The ministry has a history of collecting data and has a database system in place and computerized. Data are collected through a school census every year using a comprehensive questionnaire and the response rate is usually a 100 per cent. Coverage includes all public and private schools and kindergarten. Data on school expenditure is collected but not processed. There is need for MoE to collaborate with the NSO and start carrying out household survey to validate data collected from schools.

Ministry of Health (MoH): The ministry has a Health Management Information System (HMIS), which has readily available data on in- and out-patients. It does not collect data on expenditures. There are some disparities between the data and what is collected through surveys (DHS1995, DHS2002, EPHS2010, programme based surveys e.g. reproductive health, malaria, antenatal, HIV/AIDS etc). The surveys are conducted regularly and information disseminated on five-year basis through a bulletin. Annual reports from all the Ministry's departments are also available. About 95 per cent of healthcare in Eritrea is provided by the government. Patients pay a nominal fee in public health facilities to deter misuse of the service.

Bank of Eritrea (Central Bank): Monetary and financial statistics compiled by the Bank of Eritrea (BoE) are limited to the traditional financial institutions as insurance and pension activities are not included. There is only one insurance company that provides both life and non-life cover, and one foreign exchange bureau. A contributory pension scheme for public employees is functional but no benefits are paid. All these institutions are government owned. Though the banks are supposed to report to BoE, they do not do so on a timely basis because there is no law (or weak law) to support that. The bank, however, conducts a monthly monetary survey which is helpful in the compilation of economic statistics and can be provided to the NSO.

The BoE is in charge of compiling Balance of Payments (BoP) using BPM5, but does not compile the international investment position (IIP) because of data limitations. For external trade in goods, the Bank relies on data from the Customs Department of the MoF. The data are classified according to the Harmonised System code (HS) and Standard Industrial Trade Code (SITC). The MoF provides the data to the BoE for the BoP compilation, which is available from 1990 to date. In 2010, the BoE attempted to implement ITRS but did not materialize as it encountered unforeseen difficulties in accessing the requisite data. Data on remittances is difficult to capture because not all transactions pass through the banking system. The BoE receives a ticket for all the international money transfers through official channels; however, the tickets only give the counts but do not show the value transacted. BoE provides data on trade in services and monetary and financial statistics to the NSO (as per NSO's template) whenever need arises.

Ministry of Labour and Human Welfare: UNDP has supported the first labour force survey conducted by Ministry of Labour and Human Welfare in 2015/2016. The objective was to collect data on the economic activities of the population that includes detailed information on employment, unemployment, under employment, and economically inactive persons according to background characteristics and gender. It will create national database on labour force to develop, manage and evaluate labour market policies. The survey analysis and report is under finalization.

Resources Required to Achieve the Expected Results

The total resources requirement for the implementation of the sustainable livelihoods programme during the next five years amounts about 7 million USD and the Government/donors interested in the area expected to contribute in kind and/or in cash, as appropriate.

Partnerships

The programme will be implemented with partnership and cooperation of the Government, the UN agencies and others. Moreover, line ministries, government institutions, departments that produce analyse data directly and directly will be close partners to implement the programme. The programme will also partner with UNDP regional office and donors to programme.

Stakeholder Engagement

National statistics are produced by many actors in the national system. Ministry of National Development, Ministry of Finance, and all statistics producing ministries, departments/agencies and UN agencies will be engaged throughout the programme development, implementation, monitoring, review/evaluation and reporting as necessary.

South-South and Triangular Cooperation (SSC/TrC)

Innovations, experiences, expertise, success stories, lessons learned and thoughts of other developing countries shall be used, as necessary, to achieve and sustain the expected results of the programme.

Knowledge Sharing

Results from the program will be disseminated within and beyond the program intervention zone through existing information sharing networks and forums. The program will identify and participate, as relevant and appropriate, in policy-based and/or any other networks, which may be of benefit to program implementation though lessons learned. The program will identify, analyse, and share lessons learned that might be beneficial in the design and implementation of similar future programs. Finally, there will be a two-way flow of information between this program and other programs of a similar focus.

Sustainability and Scaling Up

Sustainability of any project or programme is a critical aspect of its design and implementation. In the context of this programme, its sustainability will be the ability to maintain or expand a flow of its products to its clients – present and potential.

The NSO in Eritrea has grown over the years. From a department within the Ministry of Finance (MOF) in 1993, it is now a fully-fledged department in the MND, and when this programme is fully implemented, it will be an autonomous statistical body responsible for the production and dissemination of quality official statistics in Eritrea. This development will anchor its sustainability.

GoSE's vision for the country's statistics is quality statistics that reflect the true value of what is intended to be measured. This is underpinned by the clear importance of quality statistics in evidence-based policy formation, planning and evaluation of projects and programmes. With this commitment, the NSO will first and foremost receive political support which is likely to be followed by funding necessary for it to implement its activities and ensure sustainability. Moreover, the NSO already has good physical infrastructure; a modern and spacious building which is strategically located for its operations and computers and other IT tools for processing of survey data and reports. When these are adequately maintained and coupled with other capacity being in place, there will be continuity in production and dissemination of official statistics in the country. In the long run, the number of staff at NSO and in the NSS must be consistent with the ability of the GoSE to attract and pay staff and the limited size of the country's population and economy. While this target size needs to be raised above its current level, it is not yet clear what level would be sustainable in future. Sustainability should

include an incentive system attractive enough to persuade skilled and knowledgeable staff to remain in the NSO for a long time.

National statistics are produced by many actors in the national system. A number of these actors produce the statistics as part of their key functions. For example, the Bank of Eritrea must undertake a monetary survey to facilitate implementation of its mandate. Similarly, the MoF should produce GFS as part of its key functions. Other Government units such as MT&I should produce statistics related to trade and manufacturing. When these units are fully involved in the collection and compilation of the relevant statistics, it will create strong and viable statistical units that will support the NSO. This programme will promote coordination and deep involvement of critical units involved in compilation of relevant national statistics and build their capacity as well in order to ensure sustainability of the NSS, and more so of the NSO. Moreover, there will be skills transfer during the programme implementation.

With NSO established under a legal framework and with the SMP being finalized, a strong basis for resource mobilisation will have been prepared, and there will likely be a flow of funds from the development partners to support the activities of NSO and other statistical units in the country.

IV. RESULTS FRAMEWORK- PROGRAMME OUTPUTS, INDICATIVE ACTIVITIES, INDICATORS AND OTHERS

Intended outcome as stated in the country/regional/global programme results & resource framework: Established robust National Statistical System (NSS)

Outcome indicators: Well-functioning National Statistical System

Partnership Strategy: Joint Programme support

Project title: Economic and Social Data Development Program (ESDDP)

Outputs	Indicators	Indicative Activities
FOR PHASE ONE		
1. Prepared statistical capacity building plan	Implemented statistical capacity building plan	1.1 Recruit one resident expert (for national accounts for two years and two national experts for short-term to understudy the resident expert)
		1.2 Assess the maximum number of staff that the GoSE could realistically afford to support with its own budget, after taking into account the need for incentive payments so as to retain the most skilled and knowledgeable staff.
		1.3 Conduct capacity needs assessment of the NSS and prepare a statistical capacity building plan
		1.4 Approve the statistical capacity building plan
		1.5 Implement the plan for National Accounts at NSO
		1.6 Review the Statistical Master Plan that was drafted in 2005-06, and sponsor a workshop for stakeholders to discuss how to update that plan.
2. Published key economic indicators e.g. inflation rates, Gross Domestic Product using Output Approach	Published key economic indicators	2.1 Prepare relevant data for NAS (production approach) and other relevant economic indicators from surveys and administrative statistics including agriculture, transport and communication, construction, tourism, manufacturing, mining and quarrying, electricity, water purification and distribution, wholesale and retail trade, household consumption, banking and insurance.
		2.2 Revive/develop Statistical Business Register

3.	Deepened and published social statistics e.g. life expectancy at birth, mortality level, literacy level, enrolment at school rates, etc	Deepened and published social statistics
		3.1 Carry out an assessment of what steps would be needed to Institutionalize the Civil and Vital Registration.
		3.2 Carry out an assessment of how the CRVS could be strengthened to contribute more effectively to the needs of the statistical system
		3.3 Assess ways to strengthen the national population registration system, including revising/updating/- standardizing/harmonizing the tools across administrative authorities (Zobas)
		3.4 Plan what steps need to be taken towards institutionalizing gender disaggregation of national data
		3.5 Carry out more detailed planning for Phase Two of this program.

FOR PHASE TWO

4.	Finalized Statistical Master Plan (SMP)	SMP
		5.1 Review Draft SMP
		5.2 Finalize stakeholders' consultation and validation on SMP
		5.3 Submit SMP to Cabinet for approval
		5.4 Prepare SMP Operational Guidelines
		5.5 Establish Technical Committee on NSS
5.	Published key economic indicators e.g. inflation rates, Gross Domestic Product and other avail- able macro-economic indicators.	Published key economic indicators
		6.1 Establish a website for NSO
		6.2 Prepare relevant data for a Supply and User Table (SUT) for a recent year from surveys and administrative statistics for the production sectors, foreign trade, government expenditure, non- profit institutions serving households, and taxes and subsidies.
		6.3 Update time series for NAS based on SUT for a benchmark year (if available).
		6.4 Develop Statistical Business Register
		6.5 Compile Foreign Trade Statistics
		6.6 Obtain from Bank of Eritrea up-to-date statistics on BOP, Trade Balance, interest rates, credit to the private sector, and money supply
		6.7 Obtain from MoF up-to-date statistics on GFS
		6.8 Publish the key economic statistics on the NSO website regularly

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6.	Deepened and published social statistics e.g. life expectancy at birth, mortality level, literacy rates, enrolment at school rates, etc	Published social statistics	7.1 Institutionalize Vital Registration and Migration System 7.2 Strengthen CRVS and within two years to provide a detailed analysis of the data-base, including using it for an acceptable population projection before a national census is conducted. 7.3 Conduct Living Standard and Measurement Survey (LSMS) and prepare relevant reports 7.4 Strengthen the national population registration system, including revising/updating/-standardizing/harmonizing the tools across administrative authorities (Zobas) 7.5 Institutionalize gender disaggregation of national data 7.6 Coordinate administrative social statistics, e.g. education, health, gender, etc compilation.
7.	Prepared and implemented statistical capacity building plan	Implement statistical capacity building plan	8.1 Recruit two resident experts (for national accounts and for national statistical development) for three years and two national experts for short-term to understudy the resident experts 8.2 Fill human capacity gap as per the capacity plan from Phase One 8.3 Develop and implement strategies for attracting and retaining quality statisticians, including establishing a dynamic incentive structure. 8.4 Implement the entire capacity building plan, including acquiring the necessary statistical infrastructure e.g. software and hardware
8.	Published and disseminated statistical journals	Disseminated journals	9.1 Prepare Annual Statistical Yearbook 9.2 Regularly maintain and update NSO website 9.3 Regularly disseminate survey reports 9.4 Organize regular statistical platform or forum
9.	Established robust National Statistical System (NSS)	Well-functioning National Statistical System (NSS)	10.1 Institutionalize the system of national accounts through regular conduct of relevant national surveys and administrative statistics as well as censuses 10.2 Prepare Eritrean report on the Sustainable Development Goals (SDGs) 10.3 Continuous and sustainable capacity building both human and institutional. 10.4 Continuous implementation of the Master plan 10.5 Coordination and promotion of an efficient NSS 10.6 Institutionalize an efficient monitoring and evaluation system for monitoring national development

V. PROJECT MANAGEMENT (1/2 PAGES - 2 PAGES RECOMMENDED)

Cost Efficiency and Effectiveness

Some of the major strategies that will be used to contribute to cost efficiency and effectiveness of the programme are the following:

- The use of the government systems/structures and experts during planning, implementation and monitoring of the programme including procurement of goods and services.
- Co-operation and co-ordination between programmes to avoid duplication of activities and costs;
- Using a portfolio management approach to improve cost effectiveness by leveraging activities and partnerships with other initiatives/projects.
- Through joint operations (e.g. joint monitoring between units, agencies or arranging with other units, agencies and partners).
- Resolve potential conflicts between the different programmes as well as within the programme itself that must be tackled at early stages of implementation.

3.1 Implementation Arrangements

The programme will be implemented using the National Implementation Modality (NIM) consistent with the standards for UN/GoSE cooperation in Eritrea. The Ministry of National Development is the coordinating partner and Implementing Partner supported by the National Statistics Office and the Ministry of Finance, other key ministries, departments and agencies and regions shall be the Responsible Parties.

A Project Board comprising of agreed members will be established and shall be responsible for providing oversight and guidance on all aspects of programme coordination, planning and implementation. It will review progress reports, Annual Work Plans and budgets, and resolve any major implementation issues and other technicalities and ensure smooth implementation of the programme. A Technical Committee (TC) of stakeholders will be set up to provide technical support to the programme team.

The Ministry of National Development will have the primary responsibility for the follow-up of the strategic goals and priorities for action. The Ministry of National Development and UNDP will sign the programme document and be accountable for an efficient and effective use of programme resources and the achievement of the programme objectives and deliverables according to the approved work plan (s).

UNDP will perform the project assurance role. In relation to this (project assurance) function, the UNDP will follow up on management actions, keeping track of progress benchmarks, perform regular monitoring activities together with implementing partner, ensuring funds are made available to the project towards the intended outputs and resources entrusted to the project are utilized appropriately. UNDP will participate in monitoring, review and evaluation missions of the project together with relevant local governments and stakeholders.

The UNDP Country Office in Eritrea will support the project's implementation by maintaining the project budget and project expenditures, contracting experts and subcontractors, if requested, carrying out procurement, and providing other assistance. Financial transactions, reporting and

auditing will be carried out in compliance with national regulations and UNDP rules and procedures.

The Implementing Partner will assign a Project Manager responsible for running the project on a day-to-day basis as per the provisions laid down by the Project Board. The Project Manager's prime responsibility is to ensure that the project produces the deliverables specified in the project document to the required standard of quality and within the specified constraints of time and cost.

3.2 Project Coverage

This is a national statistical project that will cover key institutions responsible for producing socio-economic statistics both at national and regional levels. At national level, the institutions to be covered include, NSO, MOF, MoA, MT&I, MoE&M, MOLG, MOE, MOH, MOLHW, MOLWE and Transport. At regional level, the project will include six regions, namely, Debub, Gash Barka, Southern Red Sea, Northern Red Sea, Anseba and Maekel regions.

3.3 Project Monitoring, Reporting and Evaluation

Implementation of the Project needs to be monitored and reviewed/evaluated annually for purposes of measuring the progress and for understanding its impact and status towards achievement of project objectives. Relevant stakeholders (including communities) shall also be engaged in the monitoring and evaluation of this project and its related interventions.

The project will be monitored through the following M& E activities:

Start of each phase: A program Inception Workshop will be held within the first 6 months of the start of Phase One, being crucial towards building ownership of program results and in planning the first annual work plan. A second Inception Workshop will be held within the first 6 months of the start of Phase Two.

The Inception Workshops will address a number of key issues including: (a) Assist all partners to fully understand and take ownership of the program; (b) Detail the roles, support services and complementary responsibilities of UNDP CO vis-a-vis the project team; (c) Discuss the roles, functions, and responsibilities within the program's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms; (d) Agree on the Terms of Reference of program staff; (e) Based on the program results framework and the relevant tracking tool, if appropriate, finalize the first annual work plan, review and agree on indicators, targets and means of verification, and review assumptions and risks; (f) Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements, with the monitoring and evaluation work plan and budget agreed upon; (g) Discuss financial reporting procedures and obligations, and arrangements for annual audit; and (h) Plan and schedule Program Board meetings.

Program Implementation Work plan: Following the inception workshop, the program office will be tasked with generating a strategic work plan. The work plan will outline the general timeframe for key program outputs and achievement of outcomes as detailed within the program document. The work plan will map and help guide program activity from inception to completion and will include process indicators to monitor program activity. These time-bound indicators will serve as benchmarks to measure progress towards achievement of intended program objectives and deliverables. Following agreed on procedures, the work plan and related progress report will be submitted annually to the Project Board and UNDP for review.

Quarterly Reporting: Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform. Based on the initial risk analysis submitted, the risk log shall be regularly

updated in ATLAS of which Program Progress Reports (PPR) will be generated in the Executive Snapshot.

Annually (Annual Program Review/Program Implementation Reports (APR/PIR)): This key report is prepared to monitor progress made since program start and, in particular, for the previous reporting period. The APR/PIR combines both UNDP and other stake holders reporting requirements and includes, but is not limited to, reporting on the following: (a) Progress made toward program objective and program outcomes - each with indicators, baseline data and end-of-program targets (cumulative); (b) Program outputs delivered per program outcome (annual); (c) Lesson learned/good practice; (d) AWP and other expenditure reports; (e) Risk and adaptive management; (f) ATLAS QPR; (g) Portfolio level indicators are used by most focal areas on an annual basis as well.

Periodic Monitoring through site visits: UNCT, IP and other partners will conduct visits to program sites based on the agreed schedule in the program's Inception Report/Annual Work Plan to assess first hand program progress. A Field Visit Report/BTOR will be prepared by the Program Manager and will be circulated no more than one month after the visit to the program team.

End of Program: The program team will prepare the Program Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability of the program's results.

The Program will be included in an outcome, Selected government institutions have the capacity to effectively and efficiently deliver services to all. The evaluation will be conducted by an independent evaluator identified by the MND and UNDP.

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		8,000
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		0
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		2000
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		2000
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		0
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)			1000
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the	At least annually	Any quality concerns or slower than expected progress should be discussed		1000

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performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.

by the project board and management actions agreed to address the issues identified.

Evaluation Plan[2]

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
e.g., Terminal Evaluation			By 2021, the population, including vulnerable groups, benefit from evidenced based planning and policy; accountable public institutions and systems that ensure human rights and equitable public service delivery	Nov. 2021	MND, NSO, key line ministries, departments and agencies	30,000/UNDP

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[2] Optional, if needed

VII. MULTI-YEAR WORK PLAN [34]

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

Intended outcome as stated in the country/regional/global programme results & resource framework: *By 2021, the population, including vulnerable groups, benefits from evidenced-based planning and policy; accountable public institutions and systems that ensure human rights and equitable public service delivery*

Partnership Strategy: Joint program support

Program title: Economic and Social Data Development Program (ESDDP)

Outputs	Indicators	Baseline	Indicative Activities	Responsible Parties	Timeframe					Estimated budget (USD)
					Y1	Y2	Y3	Y4	Y5	
FOR PHASE ONE										
Prepared statistical capacity building plan	Implemented statistical capacity building plan	No TA for economic accounts and no capacity needs assessment.	1.1 Recruit one resident experts (for national accounts for two years and two national experts for short-term to understudy the resident experts	NSO, MDAs & UN agencies in Eritrea	25,000	25000				50,000
			1.2 Assess the maximum number of statistical staff that the GoSE could realistically afford to support with its own budget,							
			1.1 Capacity needs assessment of the NSS and prepare a statistical capacity building plan							
			1.2 Approve the statistical capacity building plan							
			1.3 Rebuild capacity for National Accounts at NSO							
			1.4 Hold workshops and engage in other advocacy to sensitize stakeholders to the need for a National Statistics Law.							
			1.8 Review the Statistical Master Plan that was drafted in 2005-06, and sponsor a workshop for stakeholders to discuss how to update that plan.							

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[3] Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

[4] Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

Output	Baseline/Key	Activities	Responsible					Total
Published key economic indicators e.g. inflation rate, Gross Domestic Product using Output Approach	Published economic indicators	No NAS, no active SBR	2.1 Prepare relevant data for NAS output approach from surveys & administrative statistics 2.2 Revive/develop Statistical Business Register (SBR)	NSO, MDAs & UN agencies in Eritrea	500000	500000		1,000,000
Deepened and published social statistics e.g. life expectancy at birth, literacy level, mortality rates, enrolment at school rates, etc	Deepened and published social statistics	Limited availability of social stats	3.1 Carry out an assessment of what steps would be needed to Institutionalize the Vital Registration and Migration System 3.2 Carry out an assessment of how the Civil Registration System could be developed to contribute more effectively to the needs of the statistical system 3.3 Assess ways to strengthen the national population registration system, including revising/ updating/standardizing/harmonizing the tools across administrative authorities (Zobas) 3.4 Plan the steps to be taken towards institutionalizing gender disaggregation of national data 3.5 Carry out more detailed planning for Phase Two of this program.	NSO, MDAs & UN agencies in Eritrea	28000			28,000
FOR PHASE TWO								
Finalized Statistical Master Plan (SMP)	SMP	A Draft SMP exists & needs updating.	5.1 Review Draft SMP 5.2 Finalize stakeholders' consultation and validation on SMP 5.3 Submit SMP to Cabinet for approval 5.4 Prepare SMP Operational Guidelines 5.5 Establish Technical Committee on NSS	NSO and UN agencies in Eritrea		58140		58,140

Published key economic indicators e.g. inflation rates, Gross Domestic Product and other available macro-economic indicators.	Published economic indicators	These key indicators not yet published.	6.1 Establish a website for NSO			3,068,619
			6.2 Prepare relevant data for a Supply and User Table (SUT) for a recent year from surveys and administrative statistics for the production sectors, foreign trade, government expenditure, non-profit institutions serving households, and taxes and subsidies.	NSO, MDAs and UN agencies in Eritrea		
			6.3 Update time series for NAS based on SUT (if prepared).			
			6.4 Develop Statistical Business Register			
			6.5 Compile Foreign Trade Statistics			
			6.6 Obtain from Bank of Eritrea up-to-date statistics on BOP, Trade Balance, interest rates, credit to the private sector, and money supply			
			6.7 Obtain from MoF up-to-date statistics on GFS			
			6.10 Publish the key economic statistics on the NSO website regularly.			
Deepened and published social statistics e.g. life expectancy at birth, literacy level, mortality rates, school enrolment rates, etc	Published social statistics	Many of these key indicators not yet published	7.1 Institutionalize Vital Registration and Migration System	NSO, MDAs and UN agencies in Eritrea	30140	30,140
			7.2 Develop Civil Registration System and within two years to provide a detailed analysis of the data-base, including using it for an acceptable population projection before a national census is conducted.			
			7.3 Conduct Living Standard and Measurement Survey (LSMS) and prepare relevant reports			
			7.4 Strengthen the national population registration system, including revising/updating/standardizing/harmonizing the tools across administrative authorities (Zobas)			
			7.5 Institutionalize gender disaggregation of national data			
			7.6 Coordinate the compilation of administrative social statistics, e.g. education, health, gender, etc			

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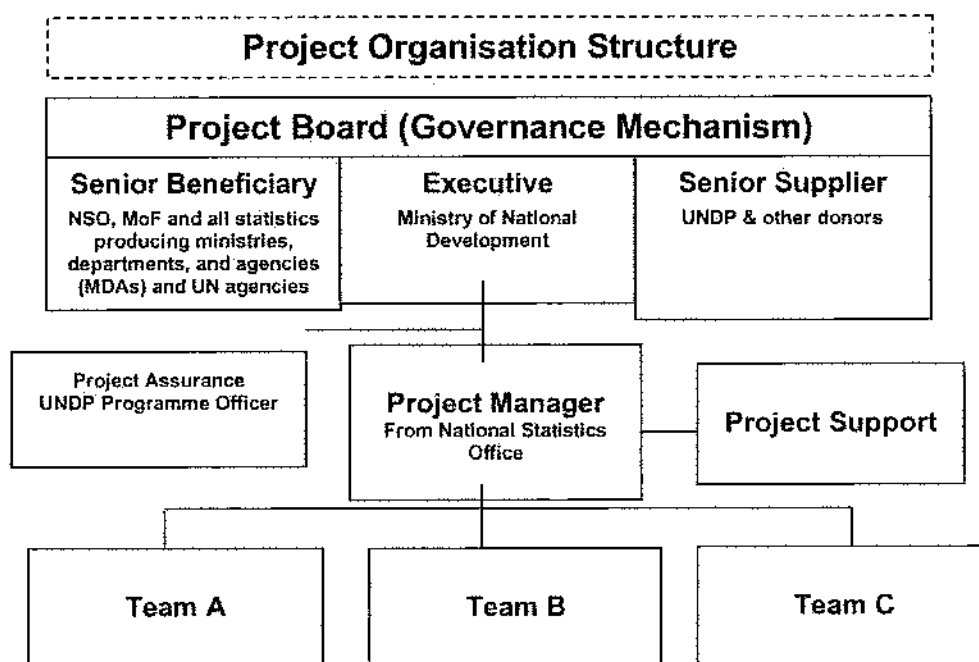| Outcome	Output	Activities	Responsible				Budget
Prepared and implemented statistical capacity building plan	Implement statistical capacity building plan	8.1 Recruit two resident experts (for national accounts and for national statistical development) for three years and two national experts for short-term to understudy the resident experts 8.2 Fill human capacity gap as per the capacity plan from Phase One 8.3 Develop and implement strategies for attracting and retaining quality statisticians, including establishing a dynamic incentive structure 8.4 Implement the entire capacity building plan, including acquiring the necessary statistical infrastructure e.g. software and hardware	NSO, MDAs and UN agencies in Eritrea				250,000
Published statistical journals and dissemination	Disseminated journals	9.1 Prepare Annual Abstract of Statistics 9.2 Regularly maintain and update NSO website 9.3 Regularly disseminate survey reports 9.4 Organize regular statistical platform or forum	NSO, MDAs and UN agencies in Eritrea	100000	100000	100000	300,000
Established robust National Statistical System (NSS)	Well-functioning National Statistical System (NSS)	10.1 Institutionalize the system of national accounts through regular conduct of relevant national surveys and administrative statistics as well as censuses 10.2 Prepare Eritrean report on the Sustainable Development Goals (SDGs) 10.3 Continuous and sustainable capacity building both human and institutional. 10.4 Continuous implementation of the Master plan 10.5 Coordination and promotion of an efficient NSS 10.6 Institutionalize an efficient monitoring & evaluation system for monitoring national development	NSO, MDAs and UN agencies in Eritrea				2,000,000

Total Budget: 6,828,899 (But this needs to be reviewed in light of the partition into two phases and the additional years of involvement by long-term experts.)

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VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The programme components will be coordinated by the Ministry of National Development (MND), which is the responsible coordinating body of all multi-lateral cooperation in the country, and will be implemented by concerned line ministries. The UNDP rules and procedures for National Implementation Modality (NIM) will apply to the execution and implementation of this project. The MND in collaboration with sector ministreis will be responsible for achieving the results expected from the Programme and in particular, for ensuring that the outputs are produced through effective and efficient process management and use of UNDP funds.

A Board will be established, responsible for providing oversight and guidance for all aspects of programme coordination, planning and implementation. The Board will include the Ministry of National Development, Ministry of Finance, Ministry of Agriculture, Ministry of Energy and Mines, Ministry of Marine Resources, UNDP and other donors as its core members. The Project Board will review programme progress reports, Annual Work Plans and budgets. A Technical Committee (TC) of stakeholders will be set up to provide technical support to the programme team and monitor that the programme is implemented in the right course of direction.

A UNDP Programme Officer will be appointed to hold the project assurance role. The project assurance role supports the Board by carrying out objective and independent programme oversight, monitoring and facilitation functions. The Implementing Partner will assign a Programme Manager responsible for running the programme on a day-to-day basis on behalf of the Implementing Partner within the constraints laid down by the Board. The Manager is responsible for day-to-day management and decision-making for the programme. The Project Manager's prime responsibility is to ensure that the project produces the results (outputs) specified in the project document to the required standard of quality and within the specified constraints of time and cost.

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│              Project Organisation Structure                  │
└─────────────────────────────────────────────────────────────┘

┌─────────────────────────────────────────────────────────────┐
│              Project Board (Governance Mechanism)            │
│  ┌──────────────────┬──────────────────┬──────────────────┐ │
│  │ Senior Beneficiary│    Executive     │ Senior Supplier  │ │
│  │ NSO, MoF and all  │ Ministry of      │ UNDP & other     │ │
│  │ statistics        │ National         │ donors           │ │
│  │ producing         │ Development      │                  │ │
│  │ ministries,       │                  │                  │ │
│  │ departments, and  │                  │                  │ │
│  │ agencies          │                  │                  │ │
│  │ (MDAs) and UN     │                  │                  │ │
│  │ agencies          │                  │                  │ │
└─────────────────────────────────────────────────────────────┘

┌──────────────────┐   ┌──────────────────┐   ┌──────────────────┐
│ Project Assurance│   │ Project Manager  │   │ Project Support  │
│ UNDP Programme   │   │ From National    │   │                  │
│ Officer          │   │ Statistics       │   │                  │
│                  │   │ Office           │   │                  │
└──────────────────┘   └──────────────────┘   └──────────────────┘

┌──────────────────┐   ┌──────────────────┐   ┌──────────────────┐
│     Team A       │   │     Team B       │   │     Team C       │
└──────────────────┘   └──────────────────┘   └──────────────────┘
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IX.   LEGAL CONTEXT AND RISK MANAGEMENT

LEGAL CONTEXT

This program document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of the State of Eritrea and UNDP, signed on 11 June 1994.

UNDP shall comply with the policies, procedures and practices of the United Nations safety and security management system. It also agrees to undertake all reasonable efforts to ensure that none of the program funds received pursuant to the Program Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Program Document.

RISK MANAGEMENT

3.4.1. Assumptions
The assumptions under this program are:
- Strong and continuing Government commitment and cooperation
- Presence of committed program staff
- Strong UN cooperation and support
- Strong support from other partner countries
- Strong enabling environment
- Assumes that some infrastructure is already in place
- Assumes that the program does not pursue too many outputs at one time, instead limiting itself to activities that are consistent with sustainable statistical staff levels at NSO and other MDAs in the NSS.

3.4.2. Risks
- Inadequate national investment in statistical infrastructures and equipment including limited funding of the NSS
- Limited utilization of statistics, which has led to poor dissemination culture in the country even in areas where the country is doing well.
- Information gap between the technical experts and political leadership.

X.   ANNEXES

1. Project Quality Assurance Report
2. Social and Environmental Screening Template
3. Risk Analysis.