



Review of Norwegian Church Aid in Eritrea (NCA-E)

Norwegian Agency for Development Cooperation

P.O. Box 8034 Dep, NO-0030 OSLO
Ruseløkkveien 26, Oslo, Norway
Phone: +47 22 24 20 30
Fax: +47 22 24 20 31

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REVIEW OF NORWEGIAN CHURCH AID IN ERITREA (NCA-E)

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Berit Aasen, Norwegian Institute for Urban and Regional
Research (NIBR)

Stifanos Hailemariam, independent consultant

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Summary

Background

Norwegian Church Aid-Eritrea (NCA-E) is the Eritrea Country Office of the Norwegian NGO, Norwegian Church Aid (NCA). NCA started work in Eritrea in the 1970s, supporting the relief work of the Eritrean liberation movements through the Cross Border Operation. When the war with Ethiopia ended in 1991, a joint Emergency Relief Desk of twelve former partners in the Cross Border Operation was established in Asmara, with NCA as the lead organisation. NCA set up a country office in Asmara in 1993.

The main funds to the country office programme have come from the Framework Agreement that NCA has with Norad, and from the Ministry of Foreign Affairs (MFA) for humanitarian aid and peace building. In 2005 NCA-E and the Norwegian Embassy in Eritrea signed a Strategic Partnership Agreement (SPA) for a five year Gender Programme 2005-2009, with an addendum for working on rehabilitation and reconstruction, including internally displaced people (IDPs), and for peace building and religious dialogue. The total budget was NOK 20 million.

In 2005 the Government of Eritrea (GoE) issued proclamation 145/2005 *Proclamation to Determine the Administration of Non-governmental Organisations* (GoE 2007a), which restricted the foreign NGOs to working with the Government entities. NCA were asked to renew their work permit annually and to resubmit their projects for approval by the newly established NGO office in the Ministry of Labour and Human Welfare (MoLWE). This has created difficult working conditions for the NGOs, and many of them have since left the country. Although the Team recommends a continued NCA-E presence, a stronger programme and a strengthened office, we recognise that there is considerable risk related to the implementation of an NCA-E country programme in the current policy environment.

Scope of work of the review

This report is limited to analysing the NCA-E's office, its organisation and activities, and support from NCA headquarters in Oslo during the period 2005-2008. The background for the assignment was the Strategic Partnership that the Embassy and NCA-E signed in 2005, and the problems NCA-E has encountered in implementing the programme.

The report is based on interviews with staff from MFA, Norad and NCA in September and October 2008, and interviews and meetings with staff from the Embassy, NCA-E and NCA partners in Eritrea from 27 October to 3 November 2008, as well as analysis of documents from NCA, NCA-E, MFA and the Embassy.

The NCA-Eritrea programme

NCA-E is active in important sectors for Eritrea and its people. It has a good standing in the country, and is able to continue to work under difficult circumstances.

Much of the work has been in humanitarian aid and reconstruction, in sectors such as housing, water supply and agricultural development. NCA-E is also working in the areas of HIV and AIDS, FGM and gender awareness.

GoE has identified food security as country concern number one, and asked NCA to engage more in water supply and infrastructure. These are areas that NCA has a long history of working on, and are not new areas to NCA-E.

Currently NCA has a good combination of awareness-raising projects and infrastructure projects. Objections could, however, be raised that the NCA-E office covers too many sectors given its small size. The NCA-E office itself would like to examine the possibility of developing integrated programmes around water supply projects and food security. This could be a good strategy, since the partners on the ground are the Zoba and sub-Zoba level administration, who are responsible for comprehensive development. On the other hand, integrated programmes also require staff with more specific technical and socio-culturally sensitive skills in the NCA office.

The Team does not propose that NCA-E take on the role of direct implementers and hire their own field staff. Rather the Team recommends more frequent project visits and monitoring, and that projects may fund project staff attached to the implementing partners, when necessary, such as in integrated programmes.

The Strategic Partnership Agreement

The SPA, although addressing relevant topics and partners, did not take off. This was mainly due to new government regulations which put the programme on hold. However, there were also weaknesses in the design of the SPA projects, and in the dialogue between NCA-E and partners. Up to May 2008, little of the budgeted NOK 20 million was spent. The two parties have agreed to close the current SPA agreement, and work towards a new agreement to commence after the Annual Meeting planned for April 2009. An interim agreement will be signed to cover the time from the closure of the old agreement to the signing of the new one. This interim agreement is expected to be signed in December 2008 or early January 2009.

Capacity and competence at the NCA-E office

The NCA-E office is currently short of staff with the capacity and competence to improve the NCA-E programming, its implementation and reporting, including results reporting. Its capacity seems to be overstretched, and there is insufficient monitoring. The NCA-E partners are weak on results reporting and also financial reporting. To address this situation, which the NCA-E office is well aware of, the office needs to develop better tools and approaches for doing capacity building with their partners, and have sufficient and relevant monitoring systems in place. While the Team recognises the usefulness of having an NCA global tool box and standardised formats for project preparation and reporting, this does not preclude a

need for a country-specific project and programming manual, which links the NCA tool box to the programming and project cycle in NCA-E and their partners.

Support from NCA Oslo/HQ to NCA-E

There have been several visits by NCA HQ to the Eritrea office in the period 2005-2008, but few of the visits have addressed the more detailed management issues in the implementation of the NCA-E country programme.

The country representatives seem to be fairly content with the support they are given by HQ. The Team, however, disagrees and believes the NCA-E should be much more strongly supported by NCA HQ. The NCA-E staff and not only the Country Representative should receive more attention and more frequent visits from HQ. We recognise the need for advice to be based on sound knowledge of the situation in Eritrea.

Communication between the Embassy and NCA-E

Annual Meetings of the SPA are important venues for dialogue, but are at the same time formal decision-making fora, with an agreed agenda and agreed minutes. The communication between the Embassy and the NCA-E in relation to the SPA has not been good. The Team has not been able to establish all the reasons for this, but it seems that frequent changes of personnel, lack of open communication, and uncertainties by both parties about how to respond to the new regulations by the GoE have contributed to this. The Team takes note of a new situation with new staff on both sides, where improved communication seems to be in place. Rather than looking to the past, all parties should look towards the future with improved routines and communications.

NCA-E as a contact point for other Norwegian organisations

NCA-E functions de facto as a contact point for Norwegian organisations visiting Eritrea: these are municipalities which have entered into friendship agreements with Eritrean municipalities, or organisations that have had previous collaboration with Eritrean institutions. One should not underestimate the value of such visits for the local partners in a situation where there are few links to the world outside Eritrea for most institutions.

However, being such a focal point for NCA is not mandated in any regulations, and is not budgeted for. It functions well as long as the visits are fairly infrequent, but any increase in visits, or a more formal and mandated role for this needs to be supported by budget and staffing. The Team cannot see that there are any financial arrangements in the Norad/MFA system for such funding.

The Norwegian Embassy's work with NGOs/CSOs

The NCA is the only Norwegian NGO with a presence in the country, but there are other NGOs who have small projects, managed by headquarters and implemented by local partners. The volume of this aid is very small. There are also a number of friendship agreements between municipalities from the two countries.

The Embassy has so far only had an SPA with NCA-E. This is also because the SPA usually depends on the NGO being present in the country. However, this is not a

strict requirement and there is currently an application by a Norwegian NGO for funds for a project in Eritrea, with a Ministry as partner.

In 2008 the only other NGO the Embassy funded was the LWF. The Embassy has previously funded other NGOs, but these have all left the country. This confirms the view of the situation with NCA-E as an important NGO partner for the Embassy, through the SPA.

Recommendations

- The NCA-E programme should continue and be strengthened. We recommend that NCA-E develop a more strategic approach to working with partners in the current difficult setting in Eritrea.
- The Team supports the decision taken by the Embassy and NCA-E to develop a new SPA. The two parties need to put proper administrative routines in place for the management of the agreement. SPA is a relevant and useful financial channel for funds to NCA-E. The SPA also potentially forms a good platform for dialogue between the Embassy, NCA-E and NCA-E partners.
- The NCA-E office needs to be strengthened. It needs more staff, team building and competence building. It also needs to develop better job descriptions and internal capacity-building plans for the existing staff. The Team recommends that NCA-E make use of local available competence in Eritrea to devise an institutional and staff capacity development plan. A new position of Head of Programme could be considered.
- The Team would advise NCA-E to develop a country-specific project manual, linking the various NCA-tools to the project cycle, and to requirements for project planning and reporting in Eritrea. A project manual should be shared with the NCA-E partners. The NCA-E is advised to improve the format of the evaluations, and their evaluation management system, i.e. how NCA-E acts on evaluations. A more detailed annual work plan should be developed.
- NCA are advised to rethink their level of support to the country office, and institutionalise better support systems and communication routines, in addition to the necessary regular programme reporting system. The NCA-E should receive more support and more frequent visits, as this is necessary in order for the HQ advice to be based on sound knowledge of the political, social and administrative situation in Eritrea.
- The Annual Meeting with the Embassy should be held according to the rules, the agenda agreed upon and all documentation made available 3 weeks before the meeting. The Team recommends that the AM be preceded by a full day review meeting, where the Embassy, the NCA-E and possible partners meet to review projects and progress. The Team also recommends half yearly meetings, and that the partners continue the practice of joint field missions.

Abbreviations

CSD	Civil Society Department (Norad)
CSO	Civil Society Organisation
CRS	Catholic Relief Society
DIA	Dutch Inter Church Aid
ECE	Evangelical Church of Eritrea
FBO	Faith Based Organisation
GoE	Government of Eritrea
GSP	Global Strategic Plan (NCA)
HQ	Headquarters
ICRC	International Committee for the Red Cross
LWF	Lutheran World Federation
MFA	Ministry of Foreign Affairs (Norway)
NCA	Norwegian Church Aid
NCA-E	Norwegian Church Aid – Eritrea office
NGO	Non Governmental Organisation
NUEW	National Union of Eritrean Women
NUEYS	National Union of Eritrean Youth and Students
RR	Resident Representative
SPA	Strategic Partnership Agreement

1 Introduction

1.1 Background

Norwegian Church Aid-Eritrea (NCA-E) is the Eritrea Country Office of the Norwegian NGO, Norwegian Church Aid (NCA). In 2005, NCA-E and the Norwegian Embassy in Eritrea signed an agreement for a Strategic Partnership Agreement (SPA) for a three year Gender Programme 2005-2009, for NOK 7 million. Later the same year the two parties signed an addendum with a budget of NOK 13 million to work on rehabilitation and reconstruction, including internally displaced people (IDPs), and for peace building and religious dialogue.

In 2005 the Government of Eritrea (GoE) issued proclamation 145/2005 *Proclamation to Determine the Administration of Non-governmental Organisations*, which restricted foreign NGOs to working with the Government entities. NCA were asked to renew their work permit annually and to resubmit their projects for approval by the newly established NGO office in the Ministry of Labour and Human Welfare (MoLWE).

By 2007 there were concerns in the Embassy that the projects under the Strategic Partnership Agreement were progressing very slowly, and that little money had been spent. The Embassy was also concerned about NCA-E's ability to address and respond to the new situation for foreign NGOs in Eritrea from 2005, when new directives were issued.

The Embassy therefore decided in late 2007 to commission a review of the NCA-E office and programme, to better understand how the office was operating, and what problems were causing the late implementation of the programme. It was decided that the review would examine NCA's overall programme in Eritrea. The Embassy then asked Norad, through its Department for Civil Society (DCS), to commission the review among a list of shortlisted Norwegian institutions.

Berit Aasen, sociologist and senior researcher at the Norwegian Institute of Urban and Regional Research (NIBR) has acted as team leader and been responsible for the writing of the report.

Elisabeth Forseth, advisor in the Civil Society Department, Norad, has been part of the team, and participated in some of the interviews in Oslo and in the field work in Eritrea.

Stifanos Hailemariam, economist and senior lecturer at the Faculty of Finance and Accounting has acted as local consultant, assisted in the field work in Eritrea, and

written Annex 4. Both team members have served as discussion partners throughout the work on the report.

1.2 Scope of the work

The scope of work is limited to analysing the NCA-E's office, its organisation and activities and support from NCA headquarters in Oslo during the period 2005-2008. It is motivated by the Strategic Partnership Agreement (SPA) that the Embassy and NCA-E signed in 2005, and the problems NCA-E has met in implementing the programme.

The Terms of Reference (ToR) define the scope of work to include:

- NCA-E's organisation, competence and capacity to manage its projects, given that there has been a shift in the agreement with the Embassy towards infrastructure, water and sanitation
- NCA-E's cooperation with its local partners
- Relevance, effectiveness, impact and likely sustainability of NCA-E's programme as illustrated by some selected projects
- NCA-E has, however, also faced challenges in the past year, as illustrated by the delays in implementation and lack of spending over the agreement with the Embassy. The review will analyse the causes of these challenges
- NCA-E's role as a dialogue partner and cooperating partner to the Eritrean government
- NCA-E's relations, coordination and cooperation with other national and international actors
- NCA-E's assessment of constraints and opportunities of working in Eritrea. The review will also consider the constraints and opportunities facing international NGOs in Eritrea in general
- Professional and administrative support of NCA-Oslo towards NCA-E
- NCA's position as the only Norwegian NGO with a presence in Eritrea; possible role as a contact point into Eritrean society for other Norwegian actors
- The Norwegian Embassy's cooperation with civil society actors in general, and NCA in particular.

1.3 Time schedule and data collection

The review was carried out in October to November, with field work in Eritrea from 25 October to 3 November 2008. The data collection started with a review of documents received from NCA and from Norad and MFA. These were added to by interviews with Norad, MFA and NCA staff. A joint meeting was organised between Norad, MFA and NCA a few days before the field work. In Eritrea interviews were conducted with all the partners at national level, and meetings with three projects were organised. In addition, records of annual meetings and project documentation were reviewed from the archives of the Embassy and NCA.

In Eritrea the Team held meetings with the Embassy and with the NCA-E office, both together and as individual meetings. The Team also met with all NCA-E current partners: the Department of Water Resources, the Ministry of Health, the Ministry of Agriculture, and the National Union of Eritrean Women (NUEW).

The team had two project related meetings, with (i) *Awareness raising HIV/AIDS, FGM and gender for religious leaders*, meeting the four main religious organisations in Eritrea; (ii) *Home based HIV/AIDS care project, Zoba Maekel*, meeting both the Department of Health and a group of 40 home-based care givers, representing the six organisations involved, which include the four FBOs, NUEW and the Ministry of Labour and Social Welfare (social workers).

Two members of the Team also took part in a one day field trip to the *Shebah Demas Integrated Development Project*, in Northern Red Sea Zoba, where we visited: 1) the Ghindae village – a nursery station, producing different species of seedlings to be distributed for rehabilitation of the environment, and a training project for women in home economics and gender awareness; 2) the Sheba village – a spate irrigation system to improve the availability of arable land, water reservoirs, water distribution points, boreholes fitted with electrical generators and solar panel pumps, and participation in information sharing with villagers on FGM, 3) the Gahtely village - installations related to water and a rehabilitated health clinic.

2 Context—financial channels for NCA-E

2.1 Civil Society Department (CSD), Norad

The Civil Society Department (CSD), Norad, manages the funds for the framework agreements and other funds for Norwegian NGOs for long term development aid. NCA has a five year Framework Agreement with Norad, with Eritrea as one of the smallest country programmes. The Framework Agreement built on the NCA GSP and its seven programme areas. NCA-E country office reports to HQ on a regular basis, in the format of the five programme areas, and the HQ makes the comprehensive report to Norad, in the format of the five programmes.

Requirements for planning and reporting on the Framework Agreement have been made gradually simpler, and currently there are only plans and reports on deviations from original plans. The annual report also gives examples of lessons learned, and summaries of evaluations done the previous year. But when old programme periods are ended and new programme periods negotiated, there is a more comprehensive dialogue between the NCA and Norad. Norad no longer commission evaluations of NGOs' project activities on a regular basis, but the NGOs are obliged to set up their own evaluation and review system.

Norad/CSD also commissions organisational performance reviews of Norwegian NGOs. An organisational performance review of NCA was conducted in 2006 (Norad 2007).

For NCA the Framework Agreement routines for planning and reporting are the main planning cycle.

2.2 MFA, humanitarian aid, and peace and reconciliation

NCA also receives a substantial volume of funding from the Ministry of Foreign Affairs (MFA). NCA is one of the major Norwegian NGOs in humanitarian aid, and a substantial part of their overall budget is funded by the Section for Humanitarian Affairs in the Department for UN, Peace and Humanitarian Affairs. So also for the NCA-E country programme, which historically has been largely funded by humanitarian aid funds from the MFA.

NCA also receives funding from the Section for Peace and Reconciliation in the Department for UN, Peace and Humanitarian Affairs, MFA. For the Eritrea country

programme this has mainly been funds to projects related to peace building and religious dialogue.

2.3 Strategic Partnership Agreements between the embassies and Norwegian NGOs

Strategic Partnership Agreements between the embassies and the Norwegian NGOs are funded through the regional funding from the Regional Department to the embassies, and managed by the individual embassy. The SPA contract is signed by the embassy, but has to be approved by the Regional Department of the MFA. In this way it is the MFA, with its Regional Department, that is financially and politically responsible for strategic partnership, but the SPAs are managed by the embassies, who are also the contract partners. MFA is currently working on new guidelines for the Strategic Partnership Agreements. NCA has presented the lessons learned from their SPAs to the MFA.

NCA reports that the SPAs work well when both the country offices of NCA and the embassies have sufficient capacity and competence, and when the embassy is not too detailed in their instruction and management of the partnership programme.

SPA arrangements may lead to tensions. The added value of NGOs lies in their autonomy, and ability to act according to their independent mandates. Simply receiving funding from Norad through their framework agreements presents the possibility of tension between adhering to Norwegian policy and priorities, and setting their own priorities according to their own and their partners' mandate.

This tension is even more pronounced for the NGO entering into Strategic Partnership with an embassy, where the embassy to a large extent identifies the programme themes, and even identifies partners, or asks the Norwegian NGO to take over partners previously funded directly by the embassy.

A good working relationship between an embassy and a Norwegian NGO is therefore dependent on timely and substantial dialogue in the building of the Strategic Partnership programme, and in the ability of people on both sides to engage in such a dialogue and common problem solving and programme elaboration. In its letter to MFA on its own lessons learned from the SPAs, NCA has underlined the importance of predictability of funding and agreements, and the competence and capacity of both the Embassies and the Norwegian NGOs to engage in communications about the SPAs. Frequent changes in embassy personnel and priorities have been seen as a problem, as have also changes in Norwegian NGO personnel.

In NCA the management systems for all programme activity and projects build upon the Norad Framework Agreement, and project cycle preparation and management of Norad/DCS. The annual budget cycle follows the calendar year. However, the MFA funded projects are planned, applied for and reported on by NCA-HQ in cooperation with the country representatives (CR); and the financial arrangements

differ from those of Norad, as the projects have one year's duration from the time they are approved. Financial arrangements of SPAs are defined in their contracts, but the Team can observe that some of the confusion and miscommunication between the Embassy and NCA-E on financial matters relates to NCA-E treating the SPA in accordance with the financial management system of MFA funded projects, and overlooking the specific requirements in the contract.

Furthermore, NCA has developed global management principles on reporting, exchanging value principles etc., to be used in all programmes and projects. The Team notes that this has been a source of irritation as these global NCA principles had not been reflected in the SPA contract of 2005¹.

The Guidelines for financing SPAs state that financing of country offices should as a rule be done over the NGO's framework agreement. However, there are openings for the Embassy to fund over and above this for extra costs in setting up the SPA. However, this has to be agreed on a case-by-case basis.

Postscript:

After the data collection was finalised, the Team was informed that there might be major changes in the financing of Strategic Partnerships, and that one alternative is that all funds are again channelled through DCS, Norad. This report and its recommendations are based on the arrangements in place in October/November 2008.

¹ Based on the correspondence between the two Parties.

3 NCA – Eritrea, main findings

3.1 NCA-E History

NCA started work in Eritrea in the 1970s, supporting the relief work of the Eritrean liberation movements through the Cross Border Operation. When the war with Ethiopia ended in 1991, a joint Emergency Relief Desk of twelve former partners in the Cross Border Operation was established in Asmara, with NCA as the lead organisation. NCA set up a country office in Asmara in 1993.

The main funds to the country office programme have usually come from two sources: from the Framework Agreement that NCA has with Norad, Civil Society Department (CSD), and from the Ministry of Foreign Affairs (MFA), the Section for Humanitarian Affairs and Section for Peace and Reconciliation.

In May 2005 NCA signed a Strategic Partnership with an addendum in November 2005 with the Norwegian Embassy in Eritrea, for NOK 20 million for five years from 2005-2010, to cover three areas: (i) promote equity in gender in general and women's empowerment in particular; (ii) support the development of sustainable livelihood for the people most affected by the war; and (iii) peace and reconciliation through dialogue with religious leaders and institutions.

3.2 Recent changes in regulations governing the presence and operations of NGOs and civil society in Eritrea.

The working conditions for NCA-E have been challenging since the time the country office was established in Asmara after the war. The new regime and government wanted to build a strong state, and was unwilling to give the civil society and international NGO's much room in national policy making and governance structure.

In 1994 many NGOs left Eritrea due to the difficult working conditions, but NCA was one of the few that remained.

After the 1997-1998 war between Eritrea and Ethiopia, Eritrea was in a situation with a large number of internally displaced people (IDPs), and the need for emergency assistance was great. The Government of Eritrea (GoE) invited NGOs to come back to the country to assist the IDPs and provide humanitarian aid and emergency relief. Many of the large NGOs came back, and worked through government institutions on emergency relief. Several of these also moved to more long-term development programmes, and became direct implementers with their

own field staff, but always in close collaboration with local governments at zoba and sub-zoba level.

The Proclamation 145/2005 (GoE 2005a) *Proclamation to Determine the Administration of Non-governmental Organisations*, outlining the administration of NGOs in Eritrea was issued by GoE in May 2005. The major issues impacting on local and international NGOs include registration and the issuance of work permits for international staff, authorisation of importation of goods, taxes on all imported goods, and restriction of NGO overhead costs to ten per cent of the budget. NGOs are also limited to relief and rehabilitation activities rather than development assistance, and local NGOs must have at their disposal in Eritrea US \$1 million or its equivalent in convertible currency, while international NGOs must have US \$2 million liquidity in-country.

The GoE established an NGO office in the Ministry of Labour and Human Welfare (MoLHW) which was responsible for certifying NGOs, collaborating with the Labour Office (also under the MoLHW) for work permits, and approving NGO projects.

NCA first considered the proclamation as a formalisation of the earlier proclamations from 1994, and continued to carry out their work as usual; but in 2006 NCA-E were asked to renew their work permit annually and to resubmit their projects for approval by the newly established NGO-office in Ministry of Labour and Human Welfare (MoLWE).

There is no written and shared instruction or circular in the NGO office on how the regulation is to be implemented, and applications and requests frequently wait for months for answers. This is a concern not only among the NGOs and the donors, but also among the ministries and zoba and sub-zoba level which are the NGOs partners, wanting rapid implementation of the projects.

Today there are only four foreign NGOs with country representation left in the country. The team visited three of them: Oxfam, Lutheran World Federation (LWF), and Catholic Relief Service (CRS). In addition the International Committee of the Red Cross (ICRC) has a country programme.

All three organisations we interviewed are implementing agencies. During the immediate post-war situation in 2000 they all worked with the government and through government institutions in relief assistance. Later they also moved to regular development work, mainly in the rural areas, although still involved in relief work. The project development process of these three NGOs is similar to NCA-E work procedures: project ideas are generated at the local level, and then cleared at the sub-zoba and zoba level, before being discussed at the ministerial level, to be aligned with national plans and priorities. When the project has been approved in principle at the ministerial level, the detailed project document is developed and revised, and presented to the ministry concerned and to the NGO office of the Ministry of Labour and Human Welfare (MoLHW).

The difference between NCA-E and the other NGOs is more pronounced when it comes to implementation and monitoring of programme activities. The other three NGOs hire field staff who work on the project sites, in close collaboration with zoba and sub-zoba staff. Field staff are also engaged in monitoring and reporting to the

head office in Asmara. All NGOs, including NCA, have a system of monitoring and reporting at HQ level, with programme staff and management going to field sites for project visits. Being implementing agencies themselves, the other three NGOs seem to have been able to go more frequently on monitoring missions to the field. These organisations seem to have been able to shift from large diesel fuelled cars to small petrol cars ², by working closely with sub-zoba and zoba level offices that also provide the NGOs with fuel for field visits while in the zobas. NCA is also currently making this move.

The other three NGOs made it explicit that they interpret the regulation from the Government as “working closely with the Government”, not necessarily channelling the funds through the Government. It is also stated explicitly in the Regulation that “Notwithstanding the provisions of sub-Article (1) hereof, where the Ministry of the concerned Government entity cannot carry out the task or where any other serious cause justifies it, an international NGO may directly engage in the activity by agreement”. It is also stated that: “The activities of every NGO shall be limited to relief and/or rehabilitation works.” It is also stated explicitly in the Regulation that “the programmes of international NGOs shall contain institutional capacity building and training components”.

Some of the NGOs, such as Oxfam, also receive funds from the EU, which has in its regulations that funds that go to EU-based NGOs cannot be channelled to government units in the recipient country. This is used in their arguments with the authorities for remaining direct implementers, as otherwise the projects with EU NGO funding would have to close down³.

Local NGOs cannot receive funds from UN agencies or bilateral donors. But there is no statement in the Regulation that says that foreign NGOs cannot fund local NGOs, or that local NGOs cannot receive donations from abroad. However, complicating the situation further, the GoE have decreed that FBOs only can work on religious activities, and not engage in charity work beyond this. The Regulation from 2005 forbids Eritrean FBOs to receive funds from abroad. This regulation has been a major problem in humanitarian and relief aid by FBOs.

The Government has been concerned about the regional coverage and equal distribution of NGOs’ efforts. Most of the relief aid was in Debub and to some extent in Gash Barka, due to the concentration of IDPs in those areas after the last war with Ethiopia. The government now wants the few NGOs remaining not to concentrate on Debub, but to move their activity to other zobas, such as Northern Red Sea Zoba.

² The NGOs have placed their diesel cars in the ~~Z~~obas, and use them for field visits, while using petrol cars ~~to for~~ travelling to and from Asmara to the ~~Z~~obas.

³ NCA-E has received information from Government entities that the organisations that are operational; will not be allowed to continue with implementation of projects from now on. That is, the organisations are being allowed to ~~complete~~ finish-off projects. After that, all implementation of projects will have to be done according to regulations, e.g. through a Steering Committee headed by the sub-~~z~~Zoba administrator. The NGOs are responsible for monitoring and will be represented in the Steering Committees ~~at en~~ sub-~~z~~Zoba level. The team only received this information after returning to Norway, and has not been able to verify ~~this information~~.

There is no doubt that the NCA-E practice of working through government institutions is more in line with the regulations issued by the GoE. Direct implementation was never an alternative for NCA, as the global strategy is to work with local partners, and when possible with FBOs. In Eritrea the GoE rules are that foreign NGOs can only have government institutions as contract partners. NCA has therefore had a difficult period in which it has changed its contract partners from the FBOs and mass organisations to ministries. But it should be noted that it is the contract partner that has changed, i.e. the ministries who are also now accountable on the Eritrean side. However, the FBOs and mass organisations⁴ are still “partners” as participants in the implementation of several of the programmes.

It should also be noted that the requirement from the GoE until recently was that Norwegian NGOs, including NCA, could not have meetings with single FBOs, but that all project involvement and meetings had to be with all four main FBOs, and that relations with FBOs were to be managed through the Office of Religious Affairs in the President’s Office. In late November 2008 NCA-E was informed that it is now allowed to meet with leaders of individual FBOs, but whenever joint meetings are being arranged, these should be facilitated through the Office of Religious Affairs.

NCA-E is still operational in a few of its projects, i.e. the NCA-E office implements the project at country office level. The type of projects being implemented by the NCA-E office are typically training and awareness programmes, including ToT with representatives from all FBOs and then local-level training workshops in 42 sub-zobas. It is important for NCA-E to be able to continue to carry out such projects in cooperation with all four FBOs.

There are also rules that the foreign NGOs operating in the country must have at their disposal a reserve of USD two million in their bank account in Eritrea to be allowed to get a work permit. The work permit for the NGO has to be renewed annually. The declaration does not state that foreign NGOs are only allowed to have one expatriate staff member in the country office, but requires that “vacant posts are filled with priority to Eritrean citizens”.

In addition, government polices with regard to restrictions on private sector activity, including importation of construction material and fuel restrictions, have made it difficult both for new construction activities to be completed, and for field trips for monitoring and evaluation⁵. The GoE regulations currently restrict project visits by expatriate staff to start, mid term and completion field visits. Local staff may visit whenever they wish, depending on access to fuel⁶. This points to the need to strengthen local staff capacity, and find ways to deal with fuel shortage for more frequent monitoring missions.

Although the Team recommends continued NCA-E presence, a stronger programme and a strengthened office, we recognize that there is considerable risk related to the implementation of an NCA-E country programme in the current policy environment.

⁴ Mass organisations may also be contract partners.

⁵ These factors have been well documented by NCA-E in their correspondence with the Embassy and also discussed at joint meetings.

⁶ Lately NCA-E has been able to buy fuel locally for programme follow-up.

3.3 NCA-E country programme funding

The current programme of NCA in Eritrea 2005-2009 is funded through six different channels:

- The Strategic Partnership with the Embassy MFA. In 2008 the Embassy and the SPA are funded from GAP funds.
- The Global Framework Agreement between NCA and Norad/CSD, which in 2008 funded the Shebah Demas Integrated Development Project, and the NCA-E office. Norad pays 90 %, while NCA pays 10% of the project cost.
- Specially earmarked funds from Norad, such as FGM. These are 100 % funded by Norad, CSD.
- The funds from the MFA, Humanitarian Assistance. There were no new funds in 2008 from the MFA.
- The funds from the MFA, Peace and Reconsolidation. A project to strengthen the Mufti's Office was approved in 2007, and some of the funds transferred to 2008. No new projects from this section had been approved by the time of the field work.
- NCA's own funds, such as the Telethon. There seem to have been no funds from the last Telethon in 2008.
- Other donors than Norway/ACT. There does not seem to have been any new ACT funding in 2008.

The ToR of this review has requested a review of the total programme of the NCA-E, including all channels for funding. The Team has assessed the figures of the accounts and the various channels for funds into NCA-E. The main documents for budget and accounts information are the annual audited accounts from NCA-E to HQ (NCA-E 2005, 2006, 2007), and the periodic financial report (three times a year) from NCA-E to NCA-HQ. The documents give the income in Norwegian kroner, but all expenditure figures are in the local currency Nakfa (LC). Below is an overview of new funding for NCA-E. For more detailed information, see Annex 5: Periodic Financial Report from NCA-E as of May 2008.

Annual country programme Eritrea, in million NOK⁷

Year	2005	2006	2007	2008*
Accounts	14,8	13,1	11,6	9,3
New allocations	15,3	9,0	6,4	

*Estimates

There has been a decline in new programme funds for Eritrea over the last four years. The main reason seems to be the lack of spending of the SPA, and the decline in humanitarian aid funding. Humanitarian aid has constituted a large part of these funds, but for 2008, NCA-E has not received any new funding from the MFA, Section for Humanitarian Aid. The SPA has faced serious implementation problems and only approx.. 3.4 million of 20 million (7+13 million). SPA programme funds had been spent before this review was made. In addition it seems that NCA does not

⁷ New allocations are not necessarily spent the same year they are received.

prioritise funds to Eritrea in its own Framework Agreement with Norad, due to the difficult working conditions in Eritrea. In addition to the NCA-E country office and partner capacity building, which is funded over the Framework Agreement, only one main development project in Eritrea is included, the Shebah Demas Development Project⁸.

NCA-E is also a partner to the Dry Land Group in Eritrea, which works with the Ministry of Agriculture. The ToR did not include an assessment of this work.

3.4 NCA-E cooperation with local partners in their programmes

NCA's policy is to work with local partners, mostly FBOs. In addition NCA in principle makes a distinction between main partners and resource partners. Resource partners are not necessary FBOs, and act as knowledge centres and change agents in collaboration with the larger FBOs, which are sometimes slow to change. NCA, however, does also work with government entities and ministries in many instances, not least in humanitarian crises, and also in one-party states with little room for civil society, such as in Vietnam and Eritrea.

In Eritrea NCA has a long history of working with the ministries in providing humanitarian assistance and relief aid. After 2002 NCA gradually started working more with FBOs as partners, but due to few CSOs being present in Eritrea, NCA never seems to have made the distinction between main partners and resource partners there. However, there are other competence institutions that NCA-E may enter into multi-year agreements with, for capacity building.

In 2005 NCA-E's main contract partners were FBOs and the mass organisations, NUEW and NUEYS, and the local CSOs, such as Haben. This did not mean that NCA-E did not work closely with ministries and local governments at zoba and sub-zoba level. On the contrary, they were often involved in the projects, but then not as contract partners. But they could also be partners, such as in the Shebah Demas Integrated Development Project, where the contract partner has been the Ministry of Agriculture (MoA) since the late 1990s.

After the GoE Proclamation 145/2005, in 2006 NCA-E revised its projects, cancelled some of them, and now mainly has ministries as partners. The GoE also asked NCA-E to redirect its work towards the Eritrea priority areas, these being food security and water supply. NCA-E and NCA-HQ in principle accepted this, and they have also discussed this issue with the MFA which has sanctioned this shift. The original Gender Programme was therefore put on hold, without being properly revised. As we understood it on the basis of our meeting with NCA-E, gender is now to be mainstreamed into the programme activity, rather than being stand-alone activities. However, there might be gender projects in their own right, such as the gender awareness-raising project in Gash Barka 2008, and possibly a new project with NUEW in 2009.

⁸ Also an FGM project (100 % funded) from the FGM funds in Norad is included.

For reasons which are not clear to the Team, the NCA-E's engagement with the mass organisations seems to have been weakened in the last few years. The only ongoing project with a mass organisation is the gender awareness-raising project in Gash Barka, with NUEW. NCA-E has plans to engage with the mass organisations, NUEW and NUEYS, to plan for new projects. One reason might be that line ministries, after all, seem to be easier to work with and to have better financial management systems and reporting ability⁹.

Two projects that were planned to be contracted with NUEW have not taken place. In the case of one, the FGM project which is still in the pipeline, NCA changed the contract partner from NUEW to Ministry of Health (MoH) after a commissioned study/appraisal. This was partly due to acceptance of the MoH's argument that FGM is largely a health problem.

The change of contract partner was also partly caused by the inability of the GoE to set up a proper coordination system for their FGM work, and the ensuing competition between MoH, NUEW and MoLWE for leadership in the FGM work in Eritrea. Donors have not made the situation any easier: while NCA supports MoH, the Norwegian embassy funds the UNFPA/One UN gender work, which includes anti-FGM project support to NUEW for advocacy and awareness raising, and UNICEF supports MoLHW who refer to their FGM work as protecting the right of the child.

The other project that was not contracted with NUEW was a Gender Programme in the Shilalo areas. NCA has previously had funds from MFA for IDP work in Shilalo, and NCA-E has started a follow-up project on water supply in the same Shilalo area. The Gender in Shilalo project document was never completed, and presented to the NGO-office, and NCA-E has asked the Embassy to be allowed to rebudget the funds. Having read the project document for the gender project in Shilalo and discussing the project both with NUEW and NCA-E, it is not clear to the Team why this project has been "cancelled". It is a comprehensive and highly relevant project, improving women's livelihood and girls' access to school, as well as providing the women with training and awareness raising. There was some discussion about the credit element, but NUEW does carry out other credit programmes, and solutions should have been found rather than "cancelling" the project¹⁰.

The Team supports the NCA-E plans to engage more with the mass organisations to seek meaningful projects. Although NUEW is not a direct contract partner to new projects, they are heavily involved in the NCA-E projects as partners both in the FBO leaders' awareness training and in the Home Based Care/HIV/AIDS projects, where NUEW members act as trainers and home based carers.

NCA-E have not institutionalised their meeting with their contract partner, and project communication remains on a technical and financial level. Institutionalising the relationship so as to have annual or biannual meetings with written minutes could help to build a stronger link with their partner and perhaps give more opportunity

⁹ In particular NUEW had problems in complying with NCA reporting procedures. But a proper response to this could be to work especially close with NUEW to build their planning and financial management capacity.

¹⁰ NCA-E has inserted the NUEW Gender Programme in Shilalo in the tentative budget for 2009.

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for policy dialogue. It could also potentially help solve misconceptions and weak communication with partners. NCA-E plan to re-institutionalise partner meetings for discussion and sharing of strategies and priorities – and for capacity building.

3.5 The Strategic Partnership Agreement (SPA) between the Embassy and NCA-E

In May 2005 a Strategic Partnership Agreement (SPA) of NOK 7 million on a Gender Programme was signed between the Embassy and the NCA-E. In November the same year an addendum to this contract was signed covering the additional areas of (i) IDPs and relief, and (ii) peace and reconciliation, including religious dialogue. This was just after the Embassies had been informed of the possibility of entering into 100% financed agreements with Norwegian NGOs funded out of the country programme budget line. It should be noted that rules and procedures on SPA had not been well developed at that time, which may also have contributed to difficulties in communication between the Embassy and NCA-E.

When the NCA-E decided to apply for funding for SPA, they had little time available, and the Country Representative decided to call an expatriate consultant who came and developed the programme package with little interaction with the staff. Such an approach presents problems in itself, and does not encourage ownership of the process. However, the problem was aggravated by the NCA-E not having a proper internal discussion about the programme after it was approved, to draw on the knowledge and experience of the staff, but instead hiring a new separate gender advisor for the SPA.

Although there were these internal problems in the NCA-E office, the single most important reason for the delay in implementation of the SPA was the new government regulation issued in May 2005 restricting the NGOs' activities. This resulted in NCA being asked by the GoE in early 2006 to put all its projects on hold and await new approvals, both of the NCA work permit and the project approvals from the new NGO office.

While some of the projects in the Gender Programme started up in 2005, and some funds were used, many of the projects also ran into problems and needed to be revised. With the GoE enforcing the regulation and restrictions on the NGOs in 2006, hardly any activities were carried out on the Gender Programme in 2006 and 2007. Much of the work by the NCA-E office has entailed rewriting project proposals, changing partners to government ministries, and trying to secure approval from the ministries, the NGO-office and the Embassy.

The communication between the Embassy and NCA-E has not been optimal, with shortcomings on both sides. The difficult political situation may also have impacted negatively on the work environment in both organisations, and again impacted negatively on the communication between them. The Embassy did not show the attitude of partnership, collaboration and dialogue that could be expected of a partner in a Strategic Partnership Agreement, but cultivated the role of controller. The Embassy also postponed Annual Meetings at short notice¹¹. The Team

¹¹ The Annual Meeting for 2006 was only organised in 2008.

recognises that the Embassies also have the role of controllers in such a situation; but wishes to underline the importance of cultivating an attitude of partnership, dialogue and mutual problem solving; while adhering to good management practices.

In May 2008, NCA-E did make a breakthrough by getting approvals from the Embassy for four projects whose implementation began in 2008. One was the water supply support to Zoba Gash Barka, which is an offshoot of the earlier internally displaced peoples (IDP) project in Gash Barka, formerly funded by MFA, Humanitarian section. The second was rehabilitation of Demas water supply systems, due to flooding. The third was construction of a pond in Shilalo. The fourth was the Home Based Care and HIV/AIDS project with the Ministry of Health.

This last project, however, illustrates the difficulties of working in Eritrea. The project is a follow-up of an earlier Home Based Care project where NCA-E collaborated with the Evangelical Church of Eritrea (ECE). The funds for the new project were transferred from NCA-E to the Ministry of Health (MoH) in August 2008, who were then responsible for further transfer of the funds to the implementer, the Zoba Maekel Administration, Department of Health. This transfer did not take place until late November, after our field work had taken place¹². This delay caused great frustration in the Home Based Care Project and among the care givers, and threatened the project's viability and trust between the care givers and the people living with aids.

3.6 Capacity and competence at the NCA-E office: routines and procedures

The NCA programme strategy is to work through local partners. In most countries these are civil society organisations (CSOs), and in most cases faith based organisations (FBOs). Given this way of organising their work, NCA usually have a small number of staff in the country offices¹³, especially when compared with other NGOs present in the country.

The NCA-E office staff consist of one Norwegian country representative and six senior staff¹⁴: one Finance Manager/Deputy Country Representative, one Gender Officer, one HIV and AIDS and Gender Awareness Officer, one Emergency and Food Security Programme Officer, one Field Officer, one Senior Accountant and one Office Manager. In addition there are six support staff, two guards, two drivers and two maids. As the NCA-E work through partners, they have no field staff at the programme sites. Currently one new staff member is being recruited to serve as a combined driver and field monitoring officer.

¹² Information received from NCA-E by email 28: November 2008.

¹³ There are exceptions to this, such as in Sudan/Darfour, which is the biggest NCA country programme.

¹⁴ In August 2008 many NGO staff members, [including two senior NCA-E staff members](#), were taken to a detention centre in Asmara, [including two senior NCA-E staff members](#), on the charge that their official discharge papers were not in order. They are still in the detention centre after three months.

NCA country representatives (CRs) are recruited by NCA-HQ, and there was a new country representative in NCA-E in 2004, 2006 and 2008. The current country representative has been NCA country representative in two NCA country offices. Also the CR for the period 2004-2006 had served in the same capacity in another African country before coming to Eritrea. However, for the CR for the period 2006-2008 the NCA-E office was his first station as NCA CR.

Compared to the other NGOs in Eritrea who are direct implementers, NCA-E has a very small staff. Oxfam has close to 50 staff, including 12 senior management and 12 field officers. Lutheran World Federation (LWF) has 60 staff and Catholic Relief Service has 30 technical staff. Since these three NGOs are implementers, they also have technical staff, engineers, agricultural extension workers, etc. The paradox of the situation is that because they are implementers, the other NGOs are able to have substantial technical expertise themselves, which gives them legitimacy and credibility in the field, and a visible value-added. The Team recognises that the NCA-E have another approach working through and with local partners, but this approach then requires the NCA-E to be more explicit on its value-added: in addition to the funds themselves, this is the capacity building in planning, reporting and results management, but should also include the necessary technical and socio-cultural skills in the various areas.

Even taking into consideration that they are not implementers themselves, but work with partners, the NCA-E office appears too small, as there are de facto only three programme officers. Each staff member also seems to work with his or her projects and thematic area, and there seems to be a lack of team work, joint field supervision and monitoring, and sufficient capacity for programming and quality assurance.

The Shebah Demas project is labelled an Integrated Development Project, but after a brief field visit the impression was that more needed to be done to integrate the “softer areas”, such as awareness raising on topics such as gender equality and FGM, and to document the results. Multi-sectoral support teams need to be set up both within the NCA-E and in the implementing organisational set-up at zoba and sub-zoba level, to make the integrated development programme approach work better. This illustrates how demanding an integrated project approach might be, and the importance of integrated planning and reporting, and good programme management.

Although NCA does not have field staff itself, projects do fund staff salaries, such as the Shebah Demas Integrated Development Project (SDDP) which funds a Project Management Unit, organised by the Ministry of Agriculture, but with field staff working in the Ginda sub-zoba in Northern Red Sea Zoba, where the Shebah Demas Project is located. The Team does not propose that NCA-E should take on the role of direct implementers and hire their own field staff. Rather the Team recommends more frequent project visits and monitoring, and that projects may fund project staff attached to the implementing partners, when necessary, such as in integrated programmes.

The NCA-E needs to develop its existing staff, to develop good job descriptions, and put in place proper competence and career development plans. The Team recommends that NCA-E make use of local available competence in Eritrea to elaborate an institutional and staff capacity development plan. A new position of Head of Programme could be considered, both to improve cross-sectoral

programming capacity for integrated programmes, and to ensure continuity when the CR changes every two years. The office already has a system of staff performance assessment and dialogue (medarbejdssamtale/CC), which has been used to identify needs for specific competence building. This system can be developed further. A barrier to implementing the decisions taken is the high work pressure on the staff, which makes it difficult to follow the necessary formalised courses for skills upgrading, and also there also seems to have been a problem with availability of funds. With a larger staff in place, it will also be easier to follow up on staff skills building. However, more restrictions on travelling abroad were placed by the Eritrean government last year, adding to the problems.

Routines and procedures

NCA has a global tool box¹⁵ and formats for partner assessment, project planning and reporting, etc. The Team recognises the value of such a global tool box and formats; it is necessary in order to make aggregated reports, and assist in day to day management and communication between HQ and country offices.

However, such a global system does not cover all the needs of a country office, and should be supplemented by a country-specific project and programme manual which would take into consideration the specificities of the country context, national regulations and the partners the country office works with. Such programme manuals may be revised regularly.

NCA-E office routines are not formalised as far as the Team has been informed. The routines depend on the CR. While the RR 2006-2008 held daily 30 minute office opening meetings, the CRs for the periods 2004-2006, and 2008- have organised monthly management meetings with written agendas and minutes. The Team notices with satisfaction that the quality of the minutes has improved, but the meetings and the minutes may be improved further by being more explicit about decisions taken and points to follow up, and tracking progress on these issues in subsequent meetings.

The NCA-E office has a Country Annual Activity Plan. However, this may need to be supplemented with a more detailed country office work plan. The Team recommends that such a country office activity plan be developed and revised after six months. Such an annual work plan may be supplemented by an annual project cycle time table.

Evaluations are as a rule budgeted into the project budgets. Summaries of evaluations and lessons learned from the evaluations are presented in the reports to the NCA-HQ, and included in the annual reports to Norad/CSD. Many of the evaluations are very brief papers, and they are not usually included in the Norad/CSD evaluation database. The Team has read through a number of these evaluations, and while they usually do identify difficulties and shortcomings, they are weaker on recommendations on what may be done to address the shortcomings. The NCA-E is

¹⁵ The global tool box is available for all NCA staff on their internet. As the internet connection is slow in Eritrea, the entire tool box and formats are installed on all computers in the NCA-E office.

advised to improve the format of the evaluations and their evaluation management system, i.e. how NCA-E acts on evaluations.

The Embassy had made their own appraisals, hiring consultants for at least two of the projects under the SPA. While NCA-E programme officer confirmed that these appraisals were useful for further revisions of the project, especially the technical design, the Team would advise the Embassy and NCA-E to discuss who should be responsible for conducting the appraisals. It will be very time-consuming for the Embassy to quality assure the projects at this level, and the responsibility seems to us to belong to the NCA-E office, but the NCA-E office should then be obliged to put in place proper appraisal systems in their project cycle manual.

3.7 NCA-E's role as dialogue partner to the Eritrean government

In interviews the Team conducted in Eritrea, many people repeated the statement that NCA occupied a special place among the NGOs in Eritrea, due to its long history and strong involvement with the Eritrean Liberation movements during the struggle. Many NCA people have had and still have a close relationship to Eritrea which gives them access to meetings with Eritrean leaders.

It is the impression of the Team that NCA does have a special standing in Eritrea. However, it also seems that this legacy is mainly “managed” by NCA-HQ, and that the NCA-E office depends on the NCA-HQ to continue to uphold it. To the Team the NCA-E does not seem to have a privileged position in relation to policy dialogue with ministries and other partners in today's Eritrea¹⁶. This poses a challenge to the NCA legacy, and NCA-E is advised to discuss this situation with the NCA-HQ, and to develop strategies and approaches for entering into a stronger dialogue position, at least in their technical field of support. In the current situation this might imply a stronger technical presence; and sector competence might be necessary to improve NCA's position in the policy dialogue. This also requires that the Thematic Section of the Development Policy Department (Utenlandsavdelingen) be more engaged in the NCA-E work¹⁷.

NCA has been involved in projects supporting religious dialogue including FBOs in both Eritrea and Ethiopia, and also across the two countries, to build a religious dialogue for peace and reconciliation. These projects have been funded by the MFA, and NCA has had a close cooperation with the Ministry on its work with religious dialogue.

A dilemma may arise about the independence of NCA as an NGO, when working so closely with the Ministry. However, situation is not unique, and it is more the rule than the exception that NGOs work closely with their ministries of foreign affairs in situations of conflict and peace building, not only in Norway.

¹⁶ Government officials, both at local and national levels, point to NCA as the NGO that follows the regulations of the NGO Proclamation.

¹⁷ After the field work the Team was informed that NCA-E has asked the HQ for thematic support in 2009 in relation to water and sanitation, climate change and environment.

Currently the religious dialogue project is about to be restarted after a period of little activity in a situation where diplomatic relations between Ethiopia and Norway were strained. Since not much is known about the current plans for meetings and discussions, we are in no position to make any judgement about the possibilities for achieving results. It must, however, be recognised that the situation still seems very difficult with few results to be seen so far. The regulations in Eritrea, which also impose restrictions on NCA's contact with civil society, will set limits upon the dialogue, and open religious dialogue and peace-building is not possible under the present circumstances.

At the same time it is evident that NCA, with its interreligious networks in the region and in Africa, can provide an additional venue for organisations from the two parties to meet. The religious organisations in both Eritrea and Ethiopia have stated that they still want NCA to continue this dialogue work, and also to continue the dialogue with the two governments. Recognising the difficult circumstances, NCA is one of the few organisations that can still have access to both countries' authorities as well as religious organisations.

However, as many NGOs have withdrawn from Eritrea (this year both Care and Dutch Inter Church Aid (DIA) have left the country) NCA has also discussed its country programme in Eritrea at management level, in the Leadership Group in NCA. At a meeting in January 2007 NCA confirmed its position about remaining in Eritrea. NCA defined the reasons for continued presence in Eritrea to be grounded in the organisation's duties towards the people of Eritrea, and because its partners want it to stay in the country.

NCA did raise the difficult situation with the MFA in a letter explaining how NCA was unable to operate according to its own rights-based approach; and that it was moving towards the areas identified as priorities by GoE, such as water and sanitation and food security. In a letter dated 27 March 2008 the MFA supports the current changes in the NCA portfolio towards infrastructure development, as requested by the GoE to NCA-E. The MFA recognises the challenges that NCA encounters in project implementation, but also reminds NCA that current rules and regulations are to be followed on reporting and results oriented management.

NCA did set up an informal Eritrea working group in 2007, but primarily to deal with security issues and assist the CR on this topic. NCA could have used this model to set up its own temporary internal "Eritrea-project" to address how HQ could support the country office and deal also with management and administration of their programme in a difficult situation in a more coherent manner. This could have been formalised into an organisational procedure on how to handle situations where there are major human rights violations, and where working conditions are very difficult.

The MFA has confirmed in interviews that NCA is seen as an important partner for the MFA in Eritrea, through its longstanding history and status in the country. At the same time both NCA and the MFA are concerned that NCA should retain its independence from the MFA.

A situation involving close collaboration between the MFA and NGOs could risk forming a very one-sided picture of the situation, excluding other voices and points

of views from the discussions. One should avoid creating too “cosy” a situation behind closed doors. While recognising the need for diplomacy and “secrecy”, it is necessary to counter this with public debate and open up for a broad spectrum of knowledge.

3.8 Relations between NCA-E and headquarters

The NCA is organised into four sections, one of them being the Department for International Programmes (Utenlandsavdelingen)¹⁸, which is divided into regional divisions, with a leader for each of the divisions. The Division for Eastern Africa has the largest volume of aid programmes in NCA, and a heavy workload. There are a number of programme coordinators. The Programme Coordinator covering Eritrea also has responsibility for country programmes in Kenya, Somalia, Uganda and Ethiopia .

Until 2005/2006 NCA had a Regional Office for East Africa, with offices in Nairobi. This was changed in 2005, in the same year that the agreement for the SPA was signed, when the country office was supposed to report directly to the HQ in Oslo. This move might have negatively affected the implementation of the SPA, as the reporting lines became more distant. However, the team does not have sufficient evidence to assess the effect of this organisational change.

In the Department for International Programmes there is also a Thematic Advisory Division. This Division was established in 2006, but the mandate¹⁹ was only approved in 2008.

In NCA much authority is delegated to country offices. The NCA-E office is organised in a hierarchical fashion, with the CR being the link between the NCA-E office and the NCA HQ. Most of the communication between the NCA-E and NCA HQ goes through the Country Representative. An exception is communication on financial matters which goes directly between the Deputy CR and HQ, and when work responsibilities are delegated to members of staff. In such cases the CR is normally copied in on e-mail correspondence.

Since each country office works with its local partners, the CRs are given much power and authority to find solutions and solve problems together with the office staff. Periodic activity plans, including budgets, and narrative and financial reports are sent from the country office to HQ on a regular basis, three times a year, as well as annual plans and reports. For projects from the MFA, independent project plans and reports are communicated between the country office and HQ, which has the responsibility for overall quality assurance of applications and reporting to the MFA.

There seem to have been few visits from HQ to NCA-E to deal directly with the difficult situation for programme management and administration²⁰. The Team was

¹⁸ The mandate for the Department for International Programmes is available on the NCA website; www.nca.org. But it says little about the communication between NCA-HQ and country offices.

¹⁹ The Team has not been able to access the mandate of the thematic advisors.

²⁰ According to NCA HQ the routines are that all staff ~~should~~ in their travel request, submitted to Head of Division prior to their travel, ~~should~~ state the purpose of their travel and submit a travel

surprised that there have been so few visits, given that the situation has been difficult and the NCA-E was placed in a difficult position following the government regulation in 2005, which brought NCA-E new projects to a standstill.

There seem to have been two reasons for this. Firstly, it seems to us that in a situation of strong competition for HQ resources to follow up country programmes, large programmes where much is happening gain access to these resources and win the attention of HQ. Secondly, it seems to result from the lack of a crisis handling system in NCA. This does not imply that NCA HQ did not show concern for the situation in Eritrea²¹, but that the actions taken were not directed towards supporting the implementation and management of the office and its programme.

A third reason is the system of communication between the country office and HQ. Planning and reporting are carried out in relation to the six programme areas in the Global Strategic Plan, and most of the country-level planning and reporting during a five year programme period (2004-2009) relate to deviations from original plans (avviksplanlegging og rapportering). There is not much space to take up country-specific situations in detail, although there is some scope for it. However, most of the communication between HQ and the country office seems to be directed towards making the aggregated programme plans and report to Norad. How well these programme areas fit the individual country and its context, and how country specific situations can be addressed in such a planning and reporting system, are major issues which go beyond this review. But the current system, strongly promoted by Norad/DCS, appears to have major problems addressing country-specific contexts and problems.

When asked about the extent of support from HQ, the past two CRs (2004-2008) expressed that by and large they were satisfied with the support given by HQ. They both agreed this had been limited, but stated that if more support were to be meaningful it had to come from people with sufficient knowledge of the Eritrean context and situation.

The most important coordinating efforts in the NCA system are the biannual meetings in Oslo for all country representatives and the NCA HQ leadership and staff. The main purpose of these meetings seems to be to consolidate NCA as an organisation and develop a joint understanding of where the organisation is going and of strategic issues. There is little time for the country representatives to discuss

report upon their return reflecting the purpose of their travel. There is a particular format for this, though simple. ~~There is a~~ The intention is that Programme Coordinators/Head of Division should visit the Representation once a year. The Team has not been able to access any such travel reports, and is unaware of their existence, or if they exist, what purpose they serve.

²¹ According to NCA HQ, from the beginning of 2006 they became much more aware of the deteriorating situation for NGOs in Eritrea and there was continuous dialogue with the field on how best to ~~best~~ handle the situation. At the level of NCA HQ, the Head of Division raised~~lifted~~ the Eritrean situation with~~to~~ the Director of International Development Cooperation and the General Secretary was also involved in the strategic discussions on the way forward with regard to the NCA presence and programme in Eritrea. NCA also kept the MFA informed about the developments and challenges ~~met~~. However, the Team could find little evidence of~~in~~ the impact of these concerns when it comes to in terms of the planning and implementation of the NCA-E country level programme.

country specific issues, and when such meetings are organised between the country representatives and programme officers in NCA HQ, no minutes are taken^{22,23}.

In addition to HQ meetings there are regional meetings, such as recently for the East Africa countries, with staff from HQ and regional staff including selected local staff and partners. These also seem to take the form of informal discussions and retreats, rather than decision-making meetings with minutes²⁴.

We are not saying that these meetings are unimportant. On the contrary, such meetings are the norm in many NGOs which are known to have a large element of oral communications, and an eagerness to do things rather than document and discuss experience. Meetings are useful in forging a common perception and identity for an organisation, but they need to be supplemented with good management tools. The picture we get of NCA is of a hierarchical organisation²⁵ where meetings are more for informing the staff about new developments in NCA, rather than being a sounding board for country based staff, and a place for them to voice their experiences and problems, and discuss solutions.

3.9 Challenges and actions taken

In the period after 2000 the NGO sector has been asked to move from projects to programmes, and to report on results rather than just on activities. This has been a major challenge for many NGOs, as it requires not only HQ changes, but also new ways of thinking and spending resources. Limited management and administrative resources at country office level, partner level and local community level is also a problem.

NCA-E has been no exception to this rule, and capacity to meet the current requirement for planning and reporting has been a challenge for NCA-E. This is a double challenge as the NCA-E office needs both to build its own capacity and competence in this, and also to acquire the skills to assist and train its partners in planning and reporting. It is possible to hire relevant consultants for such work both for internal training in NCA-E, and for assisting NCA-E partners in this area. However, whatever training takes place, the NCA-E office needs to have the

²² No minutes have been taken from the meetings the Eritrea country representative has had at ~~this~~^{these} ~~level~~^{meetings}, while in other country representatives' meetings minutes have been taken. The issue here is that there are no uniform rules and routines in place for this. NCA HQ states that although there are not necessarily formal minutes from all bilateral meetings, notes are taken and issues are being followed up at their respective levels. The Team recognises this, but at the same time can not find any references to this in the documentation made available to the Team. This ~~may~~^{might} not be surprising, as NGOs ~~in general~~, and not only NCA, ~~to a large extent make much use of~~ oral communication ~~to a large extent~~.

²³ According to the NCA HQ there was a Management Meeting for CR and Head of Division in February 2008, with a particular focus on sharing of experiences from the different country contexts, trends in the region and strategic discussions. The Team recognises the value of such efforts, but this is no substitute for involvement of NCA HQ in the management issues ~~of~~^{on} the country programme.

²⁴ The country offices received presentation material in electronic ~~form~~^{versions} after the meeting, but this is not a substitute for proper minutes ~~of discussions~~^{from discussing} and decisions.

²⁵ This echoes the findings of the work environment review presented in November 2008 (AFI 2008).

necessary competence, legitimacy and authority to discuss these matters with its local partners and find solutions.

Both MFA and NCA recognised the need to strengthen the NCA office in 2006. NCA was granted close to NOK one million from MFA in 2006 for a capacity building project at their NCA-E office. These funds were for an extra Norwegian staff member at the NCA-E office. However a work permit was not granted by GoE and a visa was not forthcoming either when the position was changed to someone who would work part time in Eritrea, so the project was cancelled. This has to be understood against the background of the very strict rules in Eritrea of only allowing one country representative per foreign NGO²⁶. Regular programme managers are not perceived as having those necessary unique skills.

Although the work permit was not granted, NCA could have pursued the case by allocating someone in HQ to provide a strong support function for the Eritrea country office. NCA-E could also have assessed the possibility of recruiting local staff with the necessary competence to the office.

The Team did access documentation on tendering for consultants for project document reviews. We were also told about the various consultancy firms and individual consultants working in Eritrea. However, it seems that NCA-E could further improve its knowledge and use of local competence available in Eritrea.

Currently a team of consultants, including staff from the Faculty of Finance and Accounting at the University of Asmara is undertaking a large training programme in financial planning and management for staff from ministries, zoba and sub-zoba level. This project is funded by the African Capacity Building Initiative. Another example is the NGO Concern which had major food security and livelihood programmes in Eritrea before being expelled in 2006. They hired consultants and staff from the University of Asmara to assist them in building an improved programme planning and management system for their programme activities, as well as for conducting evaluations and lessons learned over a period of several years.

NCA-E could make more active use of consultants and competence centres in Asmara, and also build up multi-year contracts with some of them to systematically strengthen the office. Currently consultants seem to be used on an ad hoc basis.

²⁶ The Team was told that there could be exceptions ~~to from~~ this for specific technical skills in short supply in Eritrea. However, the team has not been able to verify if this is the case, and if any organisation has ~~se~~ been able to use this opening.

4 Conclusions and recommendations

4.1 The NCA-E programme

NCA-E is active in important sectors for Eritrea and its people. It has a good standing in the country, and is able to continue to work under difficult circumstances.

Following the war and also after 1998, much of the work has been in humanitarian aid and reconstruction, in sectors such as housing, water supply and agricultural development for IDPs. NCA-E is also a partner to the Dry Land Group in Eritrea, which works with the Ministry of Agriculture. Since approximately 2002 NCA-E has also worked in the areas of HIV/AIDS and in gender awareness, FGM and reproductive health.

GoE has identified food security as country concern number one, and asked NCA to engage more in water supply and infrastructure. These are not new areas to NCA-E, but ones that it has a long history of working on, and where NCA-E also should be able to get more backstopping from HQ.

Currently NCA has a good combination of awareness raising projects and infrastructure projects. Objections could, however, be raised that the NCA-E office covers too many sectors given its small size. There are different ways of responding to this. The NCA-E office itself would like to examine the possibilities of developing integrated programmes around water supply projects, including food security. This could be a good strategy since the partner on the ground is the Zoba and sub-zoba level administration, which is responsible for overall development. On the other hand, integrated programmes also demand staff with more specific skills in the NCA office.

Recommendations:

The NCA-E programme should continue and be strengthened. The NCA-E office also needs to be strengthened, and this has to be as the forerunner of a larger NCA-E country programme. Although the Team recommends continued NCA-E presence, a stronger programme and a strengthened office, we recognise that there is considerable risk attached to the implementation of an NCA-E country programme in the current policy environment. The Team does not propose that NCA-E should take on the role of direct implementers and hire their own field staff. Rather the Team recommends more frequent project visits and monitoring, and that projects may fund project staff attached to the implementing partners when necessary, such as in integrated programmes.

4.2 The Strategic Partnership Agreement

The SPA, although addressing relevant topics and partners, did not take off. This was mainly due to new government regulations which put the programme on hold. However, there were also weaknesses in how the SPA projects were designed, and in the dialogue between NCA-E and partners. Until May 2008 little of the budgeted NOK 20 million was spent. The Team has been informed by the two parties that they have agreed to close the current agreement and work towards a new agreement beginning after the next annual meeting planned for April 2009. A SPA is important as it provides a formal agreement between the two parties, making them mutually accountable and ensuring both formal and informal arenas for exchanging information and discussing the implementation of the agreement. A SPA requires good management routines, but also an attitude of partnership from both parties.

Recommendations:

The Team supports the decision taken by the Embassy and NCA-E to develop a new SPA. The two parties need to put proper administrative routines in place to manage the agreement. The SPA also forms a potentially good platform for dialogue between the Embassy, NCA-E and NCA-E partners.

4.3 Capacity and competence at the NCA-E office

The NCA-E office is currently short of staff with the capacity and competence to improve the NCA-E programming, its implementation and reporting, including results reporting. Its capacity seems to be overstretched, and monitoring is insufficient. The NCA-E partners are weak on reporting on results and also financial reporting. To address this situation, which the NCA-E office is well aware of, the office needs to develop better tools and approaches for capacity building with their partners, and for providing sufficient and relevant monitoring systems. While the Team recognise the usefulness of having an NCA global tool box and standardised formats for project preparations and reporting, this does not preclude a need for a country specific project and programming manual, which links the NCA tool box to the programming and project cycle of NCA-E and its partners.

Recommendations:

The NCA-E office needs to be strengthened. It needs more staff, team building and competence building. The Team recommends that NCA-E familiarise themselves with local available competence in Eritrea, and make use of this to do an institutional and staff capacity development analysis and plan. A new position of Head of Programme could be considered. It also needs to develop better job descriptions and internal capacity building plans for the existing staff. This is a pre-condition for more funds to NCA-E. But more staff also depends on more funding to the NCA-E. This is an issue that needs to be discussed between NCA-E, NCA-HQ and the funders, i.e. the Embassy, MFA and Norad. The Team would advise NCA-E to develop a country specific project manual linking the various NCA-tools to the project cycle, and requirements for project planning and reporting in Eritrea. A project manual is also something the NCA-E should share with its partners. The NCA-E is advised to

improve the format of the evaluations and their evaluation management system, i.e. how NCA-E act on evaluations.

4.4 Support from NCA-Oslo/HQ to NCA-E

There have been a number of visits from NCA HQ to the NCA-E office²⁷. However, many of them have been related to the religious dialogue and to visits from NCA HQ leadership. There have been very few visits by programme officers from NCA HQ to discuss administrative and management issues at the NCA-E office. The Team understand the value of the other visits, especially for the CR, but believe these are no substitute for administrative and management back-up.

The country representatives seem to be fairly content with the support they are given by HQ. The team, however, disagree and believe the NCA-E should be much more strongly supported by NCA HQ. The NCA-E and not only the country representative should receive more attention and more frequent visits from HQ. We recognise the need for advice to be based on sound knowledge of the situation in Eritrea. Instead of marginalising Eritrea in terms of HQ attention due to low volume and little activity, such a move should lead to NCA HQ allocating sufficient resources and time for informed country visits from Oslo. Advice to NCA-E is only useful if based on good knowledge of both the political and the social situation in the country.

Recommendations:

NCA is advised to rethink its level of support to the country office, and institutionalise better support systems and communication routines, in addition to the necessary regular programme reporting system. The NCA-E should receive more support, and more frequent visits, as this is necessary in order for the HQ advice to be based on sound knowledge of the political, social and administrative situation in Eritrea.

4.5 Communication between the Embassy and NCA-E

Annual Meetings are important venues for dialogue, but are at the same time formal decision-making forums, with an agreed agenda and agreed minutes. The communication between the Embassy and the NCA-E related to the SPA has not been good. The Team has not been able to establish all the reasons for this, but it seems that frequent changes of personnel, lack of open communication, and uncertainty of both parties on how to respond to the new regulations by the GoE

²⁷ According to the NCA-HQ there have been 16 visits in the period 2005-2008. The Team has not documentation that can verify this. There has ~~not~~ been ~~any~~no visit by ~~the~~ NCA-Oslo Programme Coordinator since early 2007, although ~~the~~ ~~h~~Head of East Africa Section in NCA-E office came for a visit in 2007. There have been visits from a senior advisor who works ~~both~~ on the religious dialogue. In 2008 there has been no visit by programme staff from HQ, but the senior advisor from NCA-Oslo visited in spring 2008 and again in mid-November 2008, and had a more formal introduction ~~by~~ ~~ef~~ the Country Representative to the authorities. The NCA HQ plans to visit Eritrea in February 2009.

have contributed to this. The Team takes note of a new situation with new staff on both sides, where improved communication seems to be in place. Rather than looking to the past, all parties should look towards the future with improved routines and communications.

Recommendations:

The annual meeting should be held according to the rules, the agenda agreed upon and all documentation made available 3 weeks before the meeting. The Team recommends that the AM be preceded by a full day review meeting, where the Embassy, the NCA-E, and possible partners meet to review projects and progress. The Team also recommends half yearly meetings, and that the partners continue the practice of joint field missions.

4.6 NCA-E as contact point for other Norwegian organisations

NCA-E de facto functions as a contact point for Norwegian organisations visiting Eritrea: these are municipalities that have entered into friendship agreements with Eritrean municipalities, or organisations that have had previous collaboration with Eritrean institutions. One should not underestimate the value of such visits for the local partners in a situation where there are few links to the world outside Eritrea for most institutions.

However, being such a focal point for NCA is not mandated in any regulations, and is not budgeted for. It functions well as long as the visits are fairly infrequent. If there is to be any increase in visits, a more formal and mandated role needs to be followed up with budget and staffing. The Team cannot see that there are any financial arrangements in the Norad/MFA system for such funding.

4.7 The Norwegian Embassy's work with NGOs/CSOs

The NCA is the only Norwegian NGO with a presence in the country, but there are other NGOs who have small projects, managed by headquarters and implemented by local partners. The volume of this aid is very small. There are also a number of friendship relations between municipalities from the two countries.

The Embassy has so far only had an SPA with NCA-E. This is also because the SPA usually depends on the NGO being present in the country. However, this is not a strict requirement, and there is currently an application by a Norwegian NGO for funds for a project in Eritrea, with a Ministry as partner.

The Embassy has previously had direct funding to other NGOs present in Eritrea. In 2008 the only other NGO the Embassy funds is the LWF. The Embassy has previously funded other NGOs, but these have all left the country. This confirms the picture of the situation with NCA-E as an important NGO partner for the Embassy, through the SPA.

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Annex 1: Terms of Reference: Review of Norwegian Church Aid in Eritrea (NCA-E)

1. BACKGROUND

NCA has been present in Eritrea since 1977. Long-standing relationships and trust with partners and various stakeholders is seen by NCA as its greatest added value in the context.

In 2005, a contract of cooperation on Gender Based Programming in Eritrea was entered between NCA and the Norwegian Ministry of Foreign Affairs (the Norwegian Embassy in Asmara) for a grant of NOK 20 million²⁸ over the period 2006 - 2009. The support was to promote gender equity, women's rights and the eradication of gender-based violence through new pioneering strategies, and successful ongoing strategies. Specific thematic areas included prevention of FGM, domestic violence, hiv/aids, and trafficking; promotion of women's participation in various arenas of society; as well as the strengthening of NCA as a resource institution and knowledge-based network.

In the first quarter of 2007, NCA-E proposed a shift of the thematic focus of the cooperation with the Embassy towards infrastructure in irrigation and water management, in line with priorities of the Eritrean government.

NCA's country programme in Eritrea is also supported by Norad and other donors. In 2007, the Norad-grant was NOK 4 million to the Eritrea programme. The total budget was NOK 13 million in 2007. NCA-E currently has six thematic objectives under the country programme: Hiv/aids; Water Resource Management and Sanitation; Gender-Based Violence; Civil Society and Social Responsibility; Conflict Resolution and Peace-Building; and Protection in Natural Disasters and Complex Emergencies.

NCA and other NGOs perceive the present working environment for NGOs in Eritrea as very difficult, and that government control is excessive. NCA-E's project portfolio is mainly implemented through various government bodies. NCA-E puts much emphasis on strengthening civil society, however, and cooperates with faith-based organisations to some extent.

NCA-E plays an important role within peace and reconciliation efforts at a regional and national level. NCA's long-standing presence has made it capable of

²⁸ Contract signed 1 April 2005 (NOK 7 million) and Addendum to the Contract signed 24 November 2005 (NOK 13 million).

raising cases of religious persecution and prisoners of conscience at a high political level.

In the past year, implementation in certain programme components supported by the Embassy has been delayed, with low spending over the agreement with the Embassy. This has prompted the Embassy to initiate this review, to better understand what is causing these challenges, to better understand NCA's role and relations in the Eritrean context, and to provide recommendations for future development of NCA's engagement in Eritrea.

Composition of the team

The review will be carried out by a team consisting of one international consultant, one Norad-advisor and one local consultant (to be contracted by the team). The international consultant will be team leader and responsible for finalising the report.

The review shall be carried out by a team with documented evaluation experience, experience in carrying out organisational assessments, a good knowledge on the Eritrean context, knowledge on civil society actors in development and on the Eritrean civil society in particular, as well as on the priorities and framework conditions for Norwegian development assistance in Eritrea.

2. PURPOSE

The review shall analyse and assess NCA-E's professional and administrative capacity and competence to follow up and interact with its partners and programmes according to the goals stated in its country programme. The review shall also analyse the role and added value of NCA in the Eritrean context, paying particular attention to its relations to a wide range of national and international actors in Eritrea.

The intended users of the review are the Norwegian Embassy and NCA-E. The review should provide the Embassy with input for further decision-making regarding support to NCA-E. It should also provide NCA-E with recommendations on possible areas for improvement.

3. SCOPE OF WORK

The work shall comprise, but not necessarily be limited to, analysis and assessments of the following:

- NCA-E's structure, composition and professional and administrative competence and capacity to manage the project portfolio, in view of the thematic shift in the agreement with the Embassy towards infrastructure, water and sanitation. It should also look at if and how NCA envisions that a human rights focus can be followed up within the water and infrastructure projects portfolio, and how it intends to meet this challenge;
- NCA-E's role as a dialogue partner and cooperating partner to the Eritrean government. The review shall analyse the causes and conditions of NCA's role in this respect, and consider if and how this position can be utilised in a

wider perspective, while also looking at how this affects the independence and role of NCA as an NGO;

- NCA-E's cooperation with its local partners; NCA-E's added value; what is the nature of its cooperation – is it systematic or ad-hoc based? What are the systems and practices in terms of monitoring, evaluation and learning;
- NCA-E's relations to, coordination and cooperation with other national and international actors, including national and international NGOs (incl. faith-based organisations), UN-agencies and bilateral donors (incl. the Norwegian Embassy), e.g. within the Inter Agency Standing Committee, as well as in bilateral relations;
- NCA-E's understanding of the situation in the country and of its own working conditions; its constraints and opportunities. The review shall also consider the constraints and opportunities facing international NGOs in Eritrea in general. NCA-E has been allowed to continue its human rights work and service delivery under the current regime. The review shall consider the causes and implications of this;
- NCA-E has, however, also faced challenges in the past year, as illustrated by the delays in implementation and lack of spending over the agreement with the Embassy. The review shall analyse the causes of these challenges;
- Professional and administrative support of NCA-Oslo towards NCA-E in a challenging situation. What has worked well, and what should be improved?
- Relevance, effectiveness (ability to convert outputs into outcomes), impact and likely sustainability of NCA-E's programme (as illustrated by some selected projects) (cf. OECD-DAC evaluation criteria);
- NCA's position as the only Norwegian NGO left in Eritrea; possible role as a contact point into Eritrean society for other Norwegian actors;
- The Norwegian Embassy's cooperation with NCA. Does it differ substantially from the Embassy's cooperation with other NGOs?

In order to be able to look at the totality of NCA's work in Eritrea, the review should look at the entire NCA country programme and not just the Embassy-supported components.

4. IMPLEMENTATION OF THE REVIEW

The review shall be based on a desk study of the following reference material: NCA-E 's programme documents, the MoU and agreement between the Embassy and NCA-E, NCA-E reports and financial statements, samples of partner reports. The review shall also build on relevant evaluations initiated by NCA, Norad's review of FGM projects in Eritrea (Berggrav 2007), as well as MFA/Norad organisational review of NCA (2006/2007). Further, the team should familiarise itself with MFA's strategy for development co-operation with Eritrea, NCA-E's thematic priorities and the thematic priorities in NCA's Global Strategic Plan and NCA's regional thematic programmes.

Interviews with relevant staff at NCA-E (incl. departing country representative), NCA HQ in Oslo, the Embassy in Asmara (incl. relevant departed personnel), the Norwegian MFA, NCA partners in Eritrea (incl. NGOs/faith-based

organisations and government actors), relevant government personnel, peers/other international NGOs or UN-bodies working in Eritrea, and other relevant actors, will be carried out as part of the review.

A debrief should be held with NCA-E and the Embassy at the completion of the field work.

Timeframe

The review shall be carried out in September/October 2008 (start date 15 September). The review team will be given 5 days for preparatory work in Norway, approx. 8 days of field work and travel, and 7 days for reporting. The review is estimated at 22 working days.

A draft report shall be submitted no later than 15 October. The parties should be given one week to comment, after which the final report shall be submitted within one week.

5. Reporting

The report shall provide the Embassy with a basis for its further decision-making regarding the support to NCA-E. The report shall also provide recommendations for the development of NCA's work in Eritrea as following from the review findings, considering also NCA's role as the only Norwegian NGO present in Eritrea.

The final report shall be written in English. It shall contain an executive summary including a list of recommendations. It shall be maximum 20 pages long, incl. executive summary. Appendices can be added. The final report shall be sent to the Embassy and Norad in electronic format (word).

The report shall be based on the following tentative structure:

- i) Executive summary (incl. list of recommendations)
- ii) Introduction and purpose of the review
- iii) Review approach and methodology
- iv) Findings
- v) Conclusion and recommendations

Annex 2: NCA Review Mission Schedule, 25 October - 3 November 2008

Date	Meeting with	Contact:
25/10/08	Arrival	
27/10/08	Embassy	Ambassador Kari Bjørnsgård
27/10/08	NCA-E/Embassy	Ambassador Kari Bjørnsgård
27/10/08	NCA-E Staff	RR Anne Lise Fosslund Financial.controller Hagos Zerou
28/10/08	Water Resource Department (WRD)	Mr. Mebrahtu Iyassu (DG)
28/10/08	MOH/HQ	Dr. Ghirmai Tesfaselassie
28/10/08	UNFPA	Ms. Elisabeth Mengisteab
29/10/08	Ministry of Labour and Human Welfare (MoLHW), NGO Office	Gebreab Fessehay
29/10/08	NCA-E, project: gender awareness religious leaders	Eritrea Orthodox Church Eritrea Catholic Church Mufti's office Eritrea Evangelical Church
29/10/08	National Union of Eritrean Women (NUEW)	Ms. Luul Gebreab, President
29/10/08	OXFAM	Mr. Keleta Abraham/Meaza
30/10/08	MOH-Zoba Maekel Meeting with Care Givers HIV/AIDS	Dr. Worrede Mesfin
30/10/08	LWF	Ms. Alemtsehay Fesseha
31/10/08	UNICEF	Ms. Eva Johansson
31/10/08	CRS	Mr. Jim McLaughlin
31/10/08	Ministry of Agriculture (MOA)	Mr. Huruy Asghedom (DG)
1/11/08	Shebah-Demas community / NCA Office – Archives, Catholic Church, coffee ceremony with home based AIDS care givers and PLHIV	RR Anne Lise Fosslund Gender advisor Luz Joseph
3/11/08	NCA-E for debriefing	NCA-E Staff
3/11/08	Embassy, debriefing	Ambassador Kari Bjørnsgård

Annex 3: List of people interviewed in Norway

Armand Aardal, MFA, Section for Humanitarian Aid, former Ambassador to Eritrea, 2003-2005

Erik Berg, Senior Advisor, MFA, temporary Head of the Embassy, summer 2008

Elin Graa Jensen, MFA, Regional Department, Desk Officer for Eritrea

Lillian Prestegard, Norad, Department for Civil Society (DSC), Desk Officer for NCA

Björg Mide, Head of the East Africa Section, NCA, Oslo

Bendicte Petersen, Programme Officer in charge of Eritrea in NCA, Oslo

Tore Mathiesen, Financial Controller, NCA, Oslo

Jan Erichsen, Senior Consultant, NCA, Oslo

Thora Holter, Gender Advisor, NCA, Oslo

Arne Severås, Peace Advisor, responsible for religious dialogue projects, NCA, Oslo

Berthe Marie Ulvesæther, Bergen, former Country Representative in NCA-E 2004-2006 (by telephone)

Bernt Skutlaberg, Froland, former Country Representative in NCA-E 2006-2008

Annex 4: Administrative structure, regulations and NGO management in Eritrea

Project Management Capacity Building

Training is a planned intervention and involves a change of knowledge, skill and attitude or social behaviour. Through training, an organisation tries to change what an employee knows, how he/she works, his/her attitude toward what he/she works with and the interaction he/she makes with peers, supervisors and all the stakeholders.

The political benefits of systematic training are considerable. Among others the following can be mentioned. It helps to achieve:

- Improved quantity and quality of work
- High preparedness for new and emerging demands on the organization
- Reduced employee turnover
- High employee satisfaction.

If training is to be beneficial it is essential that a training needs assessment is conducted before designing a training programme. Thus the aim of conducting a training need assessment is to make the training demand driven instead of top-down supply driven. Determining training needs involves identifying the organisational goals, determining the activities required to complete the stated objectives, and pinpointing any deficiencies incumbents may have in the knowledge, skill and attitude required to perform the activities.

The government of Eritrea in 2006 established a management training institute known as Eritrean National Centre of Organizational Excellence at Embatkala. This institute provides short-term management courses to government officers to upgrade their skills. Moreover, the Ministry of National Development of Eritrea has a plan to train over 400 civil servants in various management courses to upgrade the employees' skills. The Ministry has already provided a two-week training on project management to over 150 civil servants from various government offices. Private training institutions such as SMAP- Consultancy, Education and Training Institute and others are contributing by giving short-term project management and report writing courses.

The Norwegian Church Aid-Eritrea office employs Eritreans at junior and senior management levels. The staff members are engaged in managing various types of

integrated projects, such as water supply, gender empowerment, agriculture and supporting people living with HIV/AIDS. Training in management, such as project planning, preparation, implementation, monitoring and evaluation could enhance the management capacity of NCA-Eritrea staff. Some of this has been done, but there is scope for more effort in this field. Moreover, technical knowledge of agricultural extension work, water supply, gender empowerment and public health may enhance the knowledge and skills of the staff members. In addition, the NCA-Eritrea could provide support in building the capacity of its stakeholders in the Ministries of Agriculture, Health, Local Government and the National Union of Eritrean Women (NUEW) by organising training programmes on project management and other management training courses. Some training has been given to the partners, including government officials, but more can be done. This will assist in effectively and efficiently implementing projects in Eritrea. However, a rigorous needs assessment is recommended to identify the training need of the NCA-Eritrea staff and its stakeholders.

NGO Operations in Eritrea

The state of Eritrea issued proclamations No.60 and 61 of 1994 and recently proclamation No.145/2005 to regulate the operations of NGOs in Eritrea. According to Proclamation No. 145/2005, these proclamations are issued to ensure efficiency, effectiveness, fairness and cost-effectiveness in the NGOs' work. Moreover, it tries to ensure that the NGOs commit and secure up-front the required financial or human resources, relieve the Government of tax subsidies and recruit personnel, as well as procure goods and services competitively and transparently.

The Ministry of Labour and Human Welfare, the line ministries, the Zoba administrations and the NGOs interact in planning and implementation of development projects in Eritrea. We will describe the role of each of the above institutions below:

The Ministry of Labour and Human Welfare

Based on proclamation 145/2005, the Ministry of Labour and Human Welfare is entrusted with the following, among other activities:

- Receive written applications from NGOs wishing to engage in relief and /or rehabilitation works and then issue work permits if approved.
- Coordinate between government entities and NGOs.
- Approve and coordinate programmes and projects to be funded and implemented by NGOs.
- Suspend or terminate the activities of NGOs found working outside the ambit of their work permits.

The Ministry of Labour and Human Welfare has established an NGO office to coordinate the activities of NGOs working in Eritrea. This office identifies the priority development areas for Eritrea such as food security, water, HIV/AIDS, gender empowerment, FGM and sanitation. Moreover, the NGO office tries to ensure equitable distribution of NGOs working in the six administrative zobas in Eritrea. The Ministry approves NGO project proposals after consulting with line ministries and the zoba administration and follows it up with reports and quarterly

meetings at the zoba level. In addition, the Ministry is responsible for facilitating the recruitment of local and international staff of NGOs.

Line Ministries and Zoba Administration

Based on Proclamation 145/2005, Government entities are entrusted to:

- conclude relief and rehabilitation work contracts with NGOs in respect of programmes approved by the Ministry of Labour and Human Welfare.
- follow up and supervise relief and rehabilitation programmes to be directly operated by NGOs.
- evaluate all programmes carried out in cooperation with and funded by NGOs and regularly submit reports to the Ministry of Labour and Human Welfare every six months.

The zoba administration in collaboration with an NGO develops the project proposal. Then the proposal is submitted to the line ministries for further scrutiny regarding its relevance and if it is in line with the strategic plan of the line ministry. Line ministries have a technical capacity in their areas of expertise. All water supply projects are approved by the Water Resource Department in the Ministry of Land and Environment and all agricultural projects are approved by the Ministry of Agriculture. Moreover, health related projects such as support of HIV/AIDS patients and sanitation programmes, and FGM projects, are approved by the Ministry of Health.

NGOs

NGOs are defined as organisations which are non-profit oriented and not part of government, and which engage in relief and /or rehabilitation work in Eritrea.

Based on the proclamation of 145/2005, NGOs have the following obligations:

- to register by submitting an application stating the reasons for engagement in Eritrea.
- to start work with the Government entities concerned by concluding contracts of work after obtaining work permits.
- to submit to the Ministry of Labour and Human Welfare quarterly project progress and annual progress reports.

The proclamation 145/2005 requires that international NGOs should have at their disposal in Eritrea USD two million or equivalent in other convertible currency. Moreover, it requires that NGOs' overhead costs should not exceed 10 per cent of the overall budget, and that they pay taxes and/or duties on all goods which they import into Eritrea.

NGOs such as NCA-Eritrea first develop project proposals in collaboration with the zoba administrations. The project document is then sent to the line ministry for further scrutiny and evaluation of its technical feasibility. The Zoba administration or the line ministry forwards the project document to the NGO office at the Ministry of Labour and Human Welfare. The Ministry of Labour and Human Welfare assesses if the project is in line with the priorities of the Government and ensures that the relevant Government entities are consulted. The final approval and follow-up of the project rests with the Ministry of Labour and Human Welfare.

Annex 5: NCA-E Financial periodic report as of May 2008

Project ID No.	Back donor MFA, NORAD, NCA, Other	Country Code	Project/partner	Grant current year NOK	Grant current year LC	Accumulated funds LC per 01.01.08	Exchange rate gain/loss this year LC	Total budget LC	Actual expenditure NCA office	Cash to partners	Available rest of the year	Estimated use rest of the year (or project period for MFA funds)	N O T E S
(A1)	(A2)	(A3)	(A4)	(A5)	(A6)	(A7)	(A8)	(A9)	(A10)	(A11)	(A12)	(A13)	
10006	NCA/NORAD	11111	Shebah Demas Dev Program	2 372 000	6 447 096	-	2 893	6 449 989	(464 789)	3 324 950	3 589 828	3 589 828	
10010	NCA/NORAD	11111	NCA Representation	1 298 000	3 527 964	(43 602)	13 246	3 497 608	1 007 456	-	2 490 152	2 490 152	
10011	NORAD other	11111	FGM, Zula and Shebah	100 000	271 800	-	4 116	275 916	58 182	-	217 734	217 734	
12247	MFA	11111	Emergency Water Supply	-	-	358 972	-	358 972	-	-	358 972	358 972	
12248	NORAD	11111	Partner Competence Building	100 000	271 800	-	4 116	275 916	(18 629)	-	294 545	294 545	
12692	MFA/Embassy	11111	Gender Policies Awareness T.	-	-	7 127	-	7 127	-	-	7 127	7 127	
13232	MFA/Embassy	11111	Gender Resource Network NCA	-	-	178 651	-	178 651	4 769	-	173 882	173 882	
13233	MFA/Embassy	11111	Women Empowerment in Lead.	-	-	4 286	-	4 286	-	-	4 286	4 286	
13300	MFA/Embassy	11111	Eritrea Gender Training Propo.	-	-	201 028	-	201 028	-	-	201 028	201 028	

13301	MFA/Embassy	11111	NCA Study on Int'l Trafficking	-	-	679 272	-	679 272	-	679 272	679 272
13302	MFA/Embassy	11111	Training ErOC Clergy in Gender	-	-	1 236 660	-	1 236 660	-	1 236 660	1 236 660
13303	MFA/Embassy	11111	Gender Education in Gash B.	-	-	368 425	-	368 425	10 337	344 800	13 288
13304	MFA/Embassy	11111	Integrated Gender Emp.Shilala	-	-	1 146 774	-	1 146 774	-	1 146 774	1 146 774
13305	MFA/Embassy	11111	Market Survey	-	-	8 422	-	8 422	-	8 422	8 422
13306	MFA/Embassy	11111	Combating FGM in Eritrea	-	-	860 781	-	860 781	572 226	-	288 555
13529	MFA	11111	Emergency Water Intervention	-	-	144 900	12 208	157 108	275 228	-	(118 120)
14330	MFA	11111	Capacity Building Mufti Office	109 762	318 310	1 234 628	91 141	1 644 079	705 428	-	938 651
14517	NCA	11111	Professional Support	630 000	1 712 340	-	-	1 712 340	486 728	-	1 225 612
Total				4 609 762	12 549 310	6 386 324	127 720	19 063 354	2 636 936	3 669 750	11 531 056
			+/- Receivable/ Payable NCA Oslo 01.01.08 (A14)	120 357	327 130						
			+/- Receivable/ Payable NORAD/MFA/NCA (A15)	-	-						
			Total Due from Oslo (A16)	4 730 119	12 876 440						
			Due from Oslo according to Intermediate Accounts(A17)	2 460 360	19 243 493						
			Difference (A18)	2 269 760	(6 367 053)						

Norad

Norwegian Agency for Development Cooperation

Postal address:

P.O. Box 8034 Dep, NO-0030 OSLO

Office address:

Ruseløkkveien 26, Oslo, Norway

Tel: +47 22 24 20 30

Fax: +47 22 24 20 31

postmottak@norad.no

www.norad.no