



## How the European Union funds the world's largest prison

### Visit Eritrea Briefing Paper No.1

#### Executive Summary

The EU recently allocated € 122 million of development funds for the military dictatorship of Eritrea under the 10th European Development Fund (EDF) 2008-2013.

Eritrea is described by Human Rights watch as the world's largest prison. Between 2001 and 2006, the opposition and media were imprisoned, trade unions were disbanded, and most NGOs expelled. Now only state or ruling PFDJ party affiliated or sanctioned organisations remain and much of the adult population are confined to forced labour in military service.

With the government controlling almost every aspect of political and economic life, serious questions are raised over who exactly are the beneficiaries of this EU aid. Aid money is dispersed principally through government ministries, with the EU having little control over how labour is sourced or money spent.

The new programme, drawn up by the dictator's private office, is made up of a seemingly random selection of projects, with no credible strategy for either poverty reduction or political reform.

As a result European Union aid has a significant role in bolstering the legitimacy and economic sustainability of the regime which runs the world's largest prison.

## **Introduction**

The EU recently allocated € 122 million of development funds for the military dictatorship of Eritrea under the 10th European Development Fund (EDF) 2008-2013. The support to the brutal regime of Isaias Afwerki has raised a number of serious questions[1] about the ethics, effectiveness and accountability of EU aid; particularly to nations in such desperate need of support.

There is mounting evidence[2] to indicate that in attempting establish itself as a diplomatic player in this volatile region, the EU is guilty of using a poorly designed aid programme to buy a seat at the President's table. The result is not only an enormous waste of EU public funds, but a programme that turns a blind eye to human rights abuses whilst actually supporting forced labour and bolstering the regime.

This small nation in the horn of Africa operates in perpetual state of emergency, under siege by its own leaders[3]. Often considered 'Africa's North Korea'[4], Eritrea is described by Human Rights watch as the world's largest prison. It tolerates "no freedom of speech, no freedom of movement, no freedom of worship, and much of the adult male and female population is conscripted into indefinite national service ... Detention, torture and forced labour await anyone who disagrees with the government, anyone who attempts to avoid military service or flee the country without permission."[5]

An analysis of the EU's Country Strategy Paper paints a picture of political naivety and technical incompetence. The new programme offers a seemingly random selection of projects chosen by the government, with no credible strategy for either poverty reduction or political reform. The result is an illegal and unethical programme; one which will pass millions through the coffers of the regime in support of the strategic priorities of a despotic dictator.

## **Background**

A central part of Afwerki's development strategy is the Warsai Yekalo Development Campaign. This programme of compulsory national service runs from the 12th grade, conducted in a military camp, to the age of 47 for men although less for women. At the Eritrean Defence Force 'School', universally known as Sawa Military Training Camp; approximately 9000 students at a time are subjected to a mix of ultra harsh military training, intensive political indoctrination and often physical or sexual violation. Those caught attempting to flee the camp or indeed the country, are shot on sight. Many who succeed are rounded up in 'giffa' press gang raids which prowl door to door in the larger towns, the fortunate ones are returned to Sawa.

Following 'graduation', a generation of Eritreans have been assigned their occupation by government. These conscripts will live out their lives perhaps forced to dig trenches on the Ethiopian border, or work on one of the many party-owned commercial farms and enterprises that constitute the country's fragile economy. The 'lucky' ones will be posted as teachers or civil servants on a poverty salary of 600 Nakfa [1US\$ a day]. Desertion is punishable by indefinite detention in one of Eritrea's many secret underground prisons[6]. Many do however succeed in escaping, and populate squalid refugee camps on the Sudanese border, or attempt the risky journey to seek asylum elsewhere.

With the government controlling almost every aspect of political and economic life, serious questions are raised over who exactly are the beneficiaries of EU aid. Between 2001 and 2006 Trade Unions were disbanded and most NGOs expelled; now only state or ruling PFDJ party

affiliated or sanctioned organisations remain and much of the adult population are confined to forced labour in military service. Aid money is dispersed principally through government ministries, with the EU having little control over how labour is sourced or money spent.

It is increasingly evident that European aid has a significant role in bolstering the legitimacy and financial sustainability of the regime. In November, a new report tabled at the European Parliamentary Hearing on Eritrea presents a significant challenge to the ethics and legality of the programme. The report argues convincingly that:

“The EU’s support to the Government of Eritrea, despite evidence of human rights violations, lack of rule of law and absence of democratic institutions, is a violation of its own laws. Moreover, given that support is provided in agreement with, and aimed to directly support, the Government of Eritrea, the EU could be regarded as condoning the violations of international law by the Government of Eritrea and complicit with its human rights violations. By ignoring UN Security Council Resolution 1907, which imposes stringent sanctions against Eritrea, the EU’s support could also be construed as violating the UN Charter and international law.”[7]

The report calls for the strengthening of humanitarian aid and initiatives likely to bring about democratic rule. It also argues for reduced aid to the Government of Eritrea until conditions improve.

### **How can the EU have got it so wrong in Eritrea?**

The Country Strategy fails to engage with these issues, instead defending a hotchpotch of initiatives with little strategic direction, and in many cases highly questionable objectives (see annex). Rather than using the opportunities presented by annual strategy reviews to redirect its course, the Commission has chosen to take a defensive position. In working to justify a weak and misguided approach, officials appear to be engaged in a deliberate attempt to mislead both the public and elected MEPs.

An EU spokesman was recently quoted as saying “Eritrea's government does not receive aid directly from the EU. The lack of transparency by the Eritrean government closes this option completely... the commission supports the country and not the government or any political party for that matter.”[8] Indeed the EU is explicit in arguing that the assistance flows principally through nongovernmental actors such as the World Bank, UN, NGOs and Private sector[9] , a statement that is simply false.

As a ‘devolved programme’, the EU’s development assistance is agreed, planned and implemented through the National Authorising Officer (NAO), the Director General of the Office of the President [10] [11]; aid dispersed via the World Bank or UN similarly ends up with the state.

Furthermore, with the ruling PFDJ party controlling the non-governmental and private sector, the vast majority of development assistance ultimately ends up in party hands. For example, one of the EU projects aims to strengthen “social dialogue and tripartite cooperation between the Government, Trade Unions and Employers in Eritrea, generating opportunities for economic and social development.” However, there are no independent trade unions in Eritrea and very few private employers. Eritrea is run by a single ruling party, the PFDJ. Central to the party are three ‘unions’; the National Confederation of Workers, the National Union of Youth & Students, and the National Federation of Eritrean Women. These party organisations are

implicitly part of the regime; replacing the pre-existing trade unions, which have been banned, but yet one of them, the National Confederation of Workers, has been awarded € 1.3 million as part of the EU programme.

Why then does the EU support a programme that is both technically deficient and ethically questionable? The answer is most likely related to the Commissions desire to establish themselves as a political force. The assumption appears to be that a large enough programme with devolved control to the Eritrean government will buy the necessary leverage with the Isaias regime to achieve political change.

Unfortunately the EU has demonstrated little progress on the political front with opaque 'political dialogue meetings' demonstrating no results to date, despite a previous 88 million euro programme. While talks drag on and on, President Isaias' regime manipulates the exchange rate and in doing so creams off well over half of the value of incoming aid. Much of the remainder is likely implemented using forced labour, although with widespread travel bans this is impossible for the EU or anyone else to verify. With no free press and limited transparency of EU process, until recently few were asking questions.

With the advent of the new European External Action Service the EU must demonstrate its capacity to operate as a responsible global player. Rather than using its aid budget in a failed attempt to buy political influence; now is the time for it to use its legitimate status and political leverage to establish a more informed and appropriate strategy based on the founding principles of the Union.

## **Annex A: The new country strategy, analysed**

A cursory reading of an outline of the new country strategy reveals it as deeply flawed. A brief analysis appears below:

### **EU Press Release[13]:**

#### **Eritrea and the European Union signed cooperation programmes worth over 50 Mio €**

The Government of the State of Eritrea and the European Union have signed five projects under 10<sup>th</sup> European Development Fund (EDF), collectively financed by the twenty seven Member States of the EU for a total amount of 52.4 Mio € (1018 Mio Nakfa). A sixth project "*Support to the National Confederation of Eritrean Workers (NCEW) for the strengthening of the social dialogue in Eritrea*" worth 1.3 Mio € was signed by the NCEW and the EU in March 2010 and its implementation has already started. This project aims at strengthening social dialogue and tripartite cooperation between the Government, Trade Unions and Employers in Eritrea, generating opportunities for economic and social development.

**Comment: There are no independent trade unions in Eritrea and very few private employers. Like Russia under Stalin, Eritrea is run by a single ruling party, the PFDJ. Central to the party are three ‘unions’; the National Confederation of Workers, the National Union of Youth & Students, and the National Federation of Eritrean Women. These party organisations replaced the pre-existing trade unions which have been banned and are implicitly part of the regime[14]. In this context it’s unclear how the ‘government, unions and employers’; essentially the same entity, require 1.3 million of EU taxpayers money to strengthen dialogue. More importantly, providing funding to the heart of the party machine is somewhat akin to providing capacity building to the Bolsheviks in Russia or indeed Zanu PF in Zimbabwe.**

With the overall aim of supporting the Eritrean people in their fight against poverty and their pursuit of economic and social progress, the EU has allocated a total amount of 122 Mio € for development programmes in the country for the period 2009-2013: the five projects signed focus on the key areas of food security, governance as well as preservation of national heritage.

57% of the total EU support for 2009 to 2013 will be directed to improving food security. With the aim of increasing domestic production and facilitating access to food at household level, the project "*Support to the agricultural sector/food security in Eritrea*" (37 Mio €) represents the first phase of a programme of 70 Mio €. The interventions will cover the entire production chain from natural resources management, to increased production and productivity and ending with post-harvest and marketing issues. Important activities include: soil and water conservation; the construction of permanent irrigation infrastructures; crop and livestock development; post-harvest improvements in food marketing, processing and storage; support for the enhancement of the regulatory framework and capacity building support for Government Institutions; capacity building of producer groups and promotion of private sector support for research, expansion and information systems.

**Comment: Eritrea has a chronic food security crisis, although the government refuses to release data on the scale of the problem, and visits to famine zones are obstructed. This is a vital area for humanitarian assistance and the EU needs to**

**provide more clarity on the mechanisms in place to ensure transparency and effectiveness.**

Governance and institutional capacity building constitute another target area of Eritrea-EU cooperation. A 5 Mio € project, '*Support to the Community Courts in Eritrea*', aims to improve the services provided by the first level jurisdiction in Eritrea. The project, implemented through the Ministry of Justice, will facilitate access to justice – particularly for the rural population, through capacity-building activities targeting the Community courts co-ordinating offices at central and at regional level, through training of judges and of other related staff, and by improving working conditions of the tribunals.

**Comment: Working with the Eritrean Ministry of 'Justice' is akin to working with the Ministry of Justice under Chauchesku, yet, the EU are 'building its capacity'. The Eritrean judiciary functions as an arm of the executive, with judges appointed or dismissed at the discretion of the president's office[15]. The system presides over a network of underground prisons and torture centres with thousands of politicians and journalists in detention. Political opponents or young people who refuse to spend a life in the trenches are regularly disappeared. Arbitrary indefinite detention and the use of secret 'special courts' is common[16]. Using EU public money to bolster and legitimise the Eritrean judicial system is clearly unjustifiable.**

Another 3.4 Mio € project, "*Capacity Building for the Public Administration of Eritrea*", will be implemented through the Eritrean Centre of Excellence (ERCOE). This project is planned to position ERCOE as key strategic consulting and training centre for the Eritrean public sector with the final aim to strengthen human resources of the public administration. Finally, the signature of the Financing Agreement for a 2 Mio € *Technical Cooperation Facility* will provide the Eritrean Authorities flexible access to Technical Assistance, short-term studies, and programme-related training activities.

**Comment: Support to the civil service is a vital part of strengthening fragile states; it is less obvious that it's acceptable to strengthen dictatorships. The EU operate on the fallacy that the bureaucracy of Eritrea is somehow separate from the despotic regime; worthy of capacity building to achieve 'excellence'. At present we can only assume that if successful, the prison camps, military schools, forced labour and compulsory exit visas will be administered more 'excellently'.**

*The National Heritage Programme in Eritrea* (5 Mio €) aims at contributing to the preservation of the rich architectural heritage of Asmara, notably by supporting the restoration of Cinema Capitol and Mieda Eritrea Market Square.

**Comment: It is hard to understand how this could be implemented without the use of forced labour. The EU appear at present to adopt a 'don't ask don't tell' policy on the issue national service labour.**

Under the 10th EDF, a total amount of 34 Mio € is not yet earmarked after the Government's request to re-allocate these funds from the road sector to other purposes. The Government of Eritrea and the European Union will work together on defining the area of intervention to make best use of the available funding to the benefit of the people of Eritrea.

**Comment: With the EU doing so little to demonstrate accountability, transparency and technical competency in its delivery, what confidence can the taxpayer have in EU assurances that these 34 million will be programmed ethically and effectively?**

The signature of these five projects reflects the European Union's commitment to contribute to the fight against poverty in Eritrea. Continuing a long standing, stable cooperation programme, the EU shows its availability as a reliable partner for the Eritrean people and their development efforts in a spirit of partnership and on the basis of the values and principles of the Cotonou Agreement. More information on the EU's relations with Eritrea can be found on the following website <http://www.deleri.ec.europa.eu/start.htm>

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**Key issues to consider are:**

**How can there be such limited scrutiny in the delivery of EU aid that a programme of this nature is actually signed off and announced, with so many outstanding questions unresolved?**

**Given the apparent illegality of the programme and potential waste and misuse of public funds, what options are now available to reconsider the programme of support?**

**Given that forced labour permeates both the public, private and non-governmental sectors; what are the implications for future development cooperation with Eritrea? How can this issue be handled in a transparent manner?**

**Given that development successes are routinely used to bolster and legitimise the government's position both at home and abroad[17], what guarantees can the EU offer that future aid will not be misused in this way?**

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