Eritrea

2012

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Eritrea

- GDP grew by 8.2% in 2011, up from 2.2% in 2010, but falling mineral prices are expected to result in more moderate growth of 6.3% in 2012. Military expenditure accounts for over an estimated quarter of total public spending. Debt levels are unsustainable and require structural policy changes directed at reducing public spending.
- Implementation of socioeconomic policies and programmes is weak.
- Youth skills are not being developed to match labour market demands. Lack of data on youth and labour is a key obstacle to making informed policy decisions.

Overview

Economic growth in Eritrea was strong in 2011, estimated at 8.2% compared to 2.2% in 2010. Underpinning this performance was the coming on stream of mining projects with substantial foreign investment (notably the Bisha gold mine) and high levels of production of silver, copper and zinc. Growth is projected to fall to 6.3% in 2012 however, before halving in 2013 due to expected falls in world mineral prices. The authorities believe that the country has good medium to long-term prospects for offshore oil production, fishing and tourism.

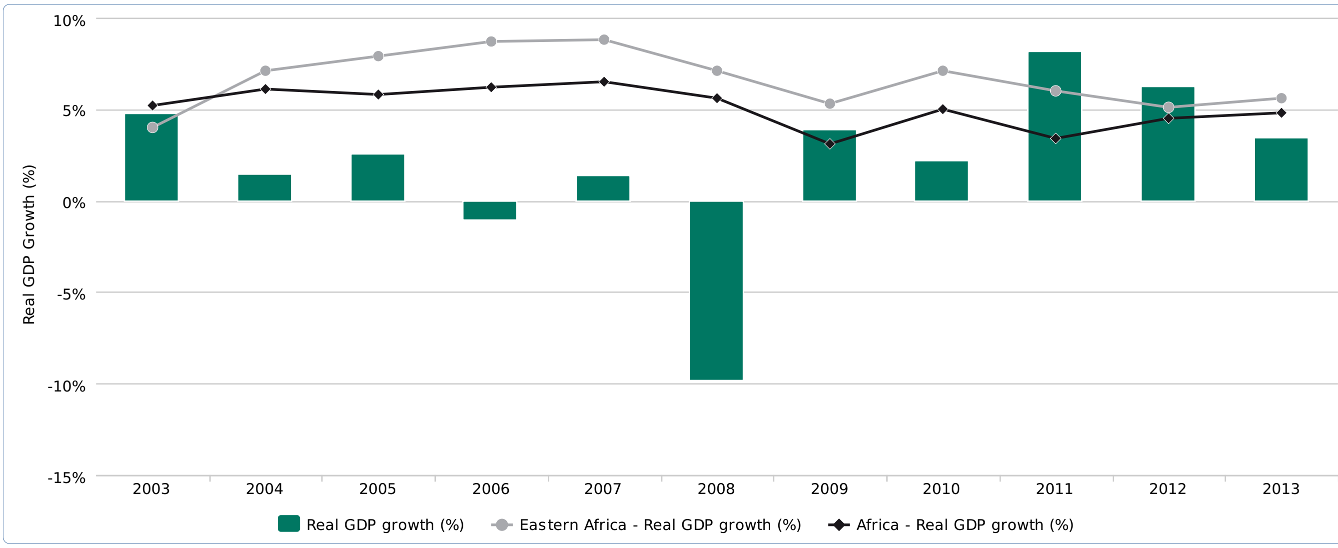
The budget deficit has been improving in recent years, contracting from 16% of GDP in 2010 to 15% in 2011, and it is projected to improve further in the next two years, as a result of higher mineral revenues. Inflation reached an estimated 13.5% in 2011 but is expected to decline to 12.5% and 12% in 2012 and 2013, respectively, owing to projected improvements in agricultural production as drought recedes.

The current account was consolidated by 6% in 2010 to near balance in 2011, reflecting higher export earnings. The country is expected to maintain a small current account surplus in the medium term – of about 1-2% of GDP in 2012 and 2013 – contingent on mineral prices. With the amelioration of the global financial crisis, gold prices might decline reversing the trend on the current account and leading it into deficit. In addition, any eventual hardening of UN sanctions on mining and foreign remittances will further strain Eritrea’s current account.

The food crisis in the Horn of Africa has affected the country, especially local grain supplies, but its impact has been nowhere near as severe as in neighbouring countries according to a recent AfDB assessment. Broadly, perennial food insecurity poses a serious threat to economic stability and overall development. The judicious use of the projected increases in mineral revenue will be important for mitigating these challenges and for strengthening both economic resilience and diversification.

Eritrea has a disproportionately young population, and half of its youth are unemployed. Youth skills are not being developed to match the demands of the labour market. In addition, the absence of data on youth and labour hampers the government from making informed policy decisions.

Figure 1: Real GDP growth (Eastern)



Figures for 2010 are estimates; for 2011 and later are projections.

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Table 1: Macroeconomic Indicators

	2010	2011	2012	2013
Real GDP growth	2.2	8.2	6.3	3.5
Real GDP per capita growth	-0.8	5.1	3.3	0.5
CPI inflation	12.7	13.5	12.5	12
Budget balance % GDP	-16.1	-16.2	-13.5	-12.5
Current account % GDP	-5.8	0.2	1.3	0.3

Figures for 2010 are estimates; for 2011 and later are projections.

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Recent Developments & Prospects

Table 2: GDP by Sector (percentage of GDP)

	2006	2011
Agriculture, forestry, fishing & hunting	24.6	17.7
Mining and quarrying	1.2	1.6
of which oil	-	-
Manufacturing	6	5.6
Electricity, gas and water	0	0
Construction	10.9	14.1
Wholesale and retail trade, hotels and restaurants	18.5	19.8
of which hotels and restaurants	-	-
Transport, storage and communication	11.9	12.7
Finance, real estate and business services	0	0
Financial intermediation, real estate services, business and other service activities	-	-
General government services	-	-
Public administration & defence; social security, education, health & social work	-	-
Public administration, education, health	26.8	28.6
Public administration, education, health & other social & personal services	-	-
Other community, social & personal service activities	-	-
Other services	0	0
Gross domestic product at basic prices / factor cost	100	100

Figures for 2010 are estimates; for 2011 and later are projections.

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The Eritrean economy has not been immune from the effects of the decades-long security challenges of the Horn of Africa, the recent drought that has affected the region and the negative impact on investment and remittance flows caused by the global financial crisis. Economic growth was strong in 2011 estimated at 8.2%, compared to 2.2% in 2010. The coming on stream of mining projects with substantial foreign investment, notably the Bisha mine, with a projected lifetime (13-year) output of over 1 million ounces of gold combined with high production levels of silver, copper and zinc, have been a key stimulant to growth. This performance is not expected to be sustained however, and growth is projected to fall to 6.3% in 2012 and to 3.5% in 2013 due to expected declines in mineral prices.

Eritrea’s national development priorities are clearly spelled out in its human resources, infrastructure and food security programmes and policy statements. The country focuses on self-reliance to a degree not seen elsewhere in Africa. It also boasts a functioning education and health system. A national airline was launched recently with routes to the Middle East and parts of Africa. The government feels strongly that development can and should not be based on aid but on investment from development partners. Its relations with multilateral institutions are temperate at best, and the World Bank recently closed its offices in Asmara for lack of business. Eritrea has not benefited from the Heavily Indebted Poor Countries (HIPC) or Multilateral Debt Relief Initiative (MDRI) programmes, although it could have qualified. Thus far the government has rejected any attempt by donors to impose HIPC-type conditionality (for example injunctions against contracting non-concessionary debts) onto donor-funded programmes. Similarly, it has refused to be classified as a fragile state, thus foregoing concessional resources from development partners.

It is anticipated that growth will be boosted by the lucrative mining sector, specifically gold.

In 2011, exports expanded by over 20%, while imports rose by 11.4%. The outlook for the medium term suggests more moderate growth rates for both, partly owing to uncertainty regarding mineral export prices.

The public administration, education, and health sectors were the largest segments of GDP in 2011, at 28.6%. Wholesale and retail trade, hotels, and restaurants followed, along with agriculture with shares of 19.8% and 17.7%, respectively in 2011.

In the past decade, the government has actively reached out to foreign investors, especially in the mining sector. In early 2011, the Bisha mine began production, eight years after the project was initiated. It is run by the Canadian company, Nevsum Resources, with the government owning a 40% stake. The Australian company, Chalice Gold Mines, has also staked out sizeable mining concessions. Besides gold, the potential for low-cost production of copper, silver and zinc is also substantial. Chinese investors are investigating opportunities, especially in oil and gas prospecting and China recently won a large contract to supply trucks and heavy equipment to the country. The government is planning to expand infrastructure projects in Massawa and Assab, the key port cities along its vast coastline, to create integrated business hubs. The expansion of road networks to the mining sites, and construction of industries to process mineral deposits such as copper, gold, zinc, silver and limestone has also been envisaged. These efforts are expected to create employment opportunities and diversify the economy. The authorities project that in the medium term the country's ports will become key gateways for Africa's trade to the Middle East and beyond.

Politically, Eritrea remains relatively isolated in the region. The UN Security Council has imposed a second set of sanctions on the country citing evidence of Eritrea's role in destabilising the Horn of Africa. These latest sanctions require mining firms operating in the country to exercise "vigilance" and ensure that funds from the sector are not used to undermine the region's stability. They also call on member states to ensure that Eritrea does not use unlawful means to collect a 2% remittance tax on its citizens abroad. The country vehemently denies the UN's charges and the Eritrean President has undertaken trips to a number of African capitals in a bid to build diplomatic bridges. Eritrea's recent return to the Intergovernmental Authority on Development, based in Djibouti, is a further extension of these efforts.

Looking ahead, a number of factors will influence Eritrea's medium-term economic prospects: (i) regional insecurity, especially the relationship with its large neighbour, Ethiopia, which encourages the country to maintain a large security infrastructure; (ii) the perennial threat of famine and food insecurity in the Horn of Africa; (iii) the recent discovery of substantial mineral deposits in parts of the country and the expected influx of foreign investment to exploit them; and, (iv) the country's relationship with the international community, including China.

Macroeconomic Policy

Fiscal Policy

Lacking fiscal guidelines that set budget targets, deficits have been a critical challenge for Eritrea. The key fiscal challenge is to contain military expenditure, estimated at over 25% of the national budget. The government is also committed to maintaining high levels of social spending, especially in education and health. Coupled with low revenues, these commitments have led to relatively high inflation. To improve the fiscal balance in the medium term, it is essential that tensions with Ethiopia and other neighbouring countries are contained allowing for a reduction in military spending.

Compared to a decade ago, revenue as a proportion of GDP has more than halved, from almost 50% of GDP in 2003 to just 18.7% in 2011. Revenue is projected to increase to 18.8% and 19% of GDP in 2012 and 2013, respectively. This decade-long decline is largely attributable to the sharp drop off in foreign aid and related financing to Eritrea. The new mining ventures represent an important source of revenue for the country, and will likely help close the funding gap. However, if not managed prudently the influx of revenue risks hampering growth in agriculture and manufacturing by reducing their competitiveness.

Over the past decade, the decline in revenue was offset to some extent by reductions in spending. As a percentage of GDP, total expenditure and net lending reached 33.7% in 2011, compared to 66.9% in 2003. These spending cuts were evenly distributed across categories, including the wage bill and capital expenditure, enabling the government to lower the budget deficit.

Table 3: Public Finances (percentage of GDP)

	2003	2008	2009	2010	2011	2012	2013
Total revenue and grants	49.8	21	15.9	18.6	18.7	18.8	19
Tax revenue	17.2	11.6	8.4	8.4	9.4	9.9	10.5
Oil revenue	-	-	-	-	-	-	-
Grants	18.8	2.8	2.6	5.2	3.4	2.4	2
Total expenditure and net lending (a)	66.9	42.2	30.6	34.7	34.9	32.3	31.5
Current expenditure	49.1	32.6	23.4	27	25.5	23.3	22.9
Excluding interest	46	28.8	20.2	23.7	22.6	20.4	19.9
Wages and salaries	17	10.7	8.5	8.4	8.1	8.2	8.2
Interest	3.2	3.7	3.2	3.3	3	3	2.9
Primary balance	-14	-17.4	-11.5	-12.8	-13.2	-10.5	-9.6
Overall balance	-17.2	-21.1	-14.7	-16.1	-16.2	-13.5	-12.5

Figures for 2010 are estimates; for 2011 and later are projections.

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Monetary Policy

The Bank of Eritrea plays a largely accommodating role to the needs of the government, although the infrequency with which the Central Bank publishes its balance sheets makes it difficult to analyse the monetary stance with any degree of confidence. Interest rates are controlled, with targeted rates to meet the country's development objectives. There is a sizeable parallel – and illegal – exchange rate for the nakfa, which has been pegged at 15 nakfa to the dollar for the past decade. Given recent rates of inflation, the domestic currency is now substantially overvalued. There are strict capital and current account controls. Travellers from abroad need to declare all currency they hold on entry into the country. It is possible that recent high inflows of investments and gold revenues will strengthen the currency. However, existing mining projects are not expected to generate enough foreign exchange in the medium term to eliminate the severe shortage of capital goods, nor to rebalance the currency. The introduction of foreign exchange bureaus in recent years has brought about a measure of liberalisation, although the trading band remains very narrow and indistinguishable from the official rate. The Eritrean Diaspora purchases interest free bonds (or solidarity bonds) issued by the government, which boosts the foreign exchange reserves.

Economic Cooperation, Regional Integration & Trade

Eritrea, despite its strategic position, is among the least integrated countries in the Horn of Africa. Measures are being taken however, to reverse this isolation and to capitalise on its proximity to the Middle East. Most notably in 2011, after a four-year absence triggered by accusations that Eritrea was destabilising other member countries, Eritrea rejoined the Intergovernmental Authority on Development. The country is also a member of the Common Market for Eastern and Southern Africa (COMESA), but it conducts very little trade with the region. The country enjoys preferential tariffs through the European Union's Everything But Arms initiative for least developed countries. It continues to negotiate a comprehensive Economic Partnership Agreement with the EU as part of the Eastern and Southern Africa group. The country is neither a member of the World Trade Organization nor has it applied for membership.

Eritrea's international trade has been characterised by large deficits although some improvements have been noted in recent years. Boosted primarily by remittances from the Diaspora, which reached USD 250 million per year in the early 2000s, imports largely exceed exports. For the foreseeable future, Eritrea's non-mining exports are expected to remain negligible due to inadequate infrastructure and low agricultural output. Major impediments to trade include trade licensing requirements for all private imports, inadequate infrastructure, inefficient and cumbersome customs administration, weak protection and enforcement of intellectual property rights, corruption, and limited export incentives. However, tariff protections for agricultural products are much less restrictive than for non-agricultural products. In 2009, Eritrea launched a free trade zone in Massawa to attract foreign investment. Within the zone, all potential trade barriers, including taxes and quotas have been removed and bureaucracy has been minimised.

The country's current account performance is closely tied to the health of the trade account. As a percentage of GDP, imports have remained relatively stable in recent years. Export values rose by 9.5% in 2011 compared to 1.1% in 2010 mainly attributable to a rise in the value of gold, which along with silver dominates exports. The current account deficit is expected to turn to surplus by 2012 largely due to higher export receipts from gold and silver.

Table 4: Current Account (percentage of GDP)

	2003	2008	2009	2010	2011	2012	2013
Trade balance	-53.9	-22.1	-19.9	-19.6	-11.4	-6.9	-6
Exports of goods (f.o.b.)	1.1	1	1.1	1.1	9.5	13.9	14.4
Imports of goods (f.o.b.)	55	23.1	21	20.7	20.9	20.8	20.4
Services	-7.1	0.3	1	1	1.5	1.1	1
Factor income	-1.1	-0.7	-1.1	-0.9	-0.4	-0.5	-0.7
Current transfers	72.3	17.4	12.4	13.7	10.4	7.5	6
Current account balance	10.1	-5.1	-7.6	-5.8	0.2	1.3	0.3

Figures for 2010 are estimates; for 2011 and later are projections.

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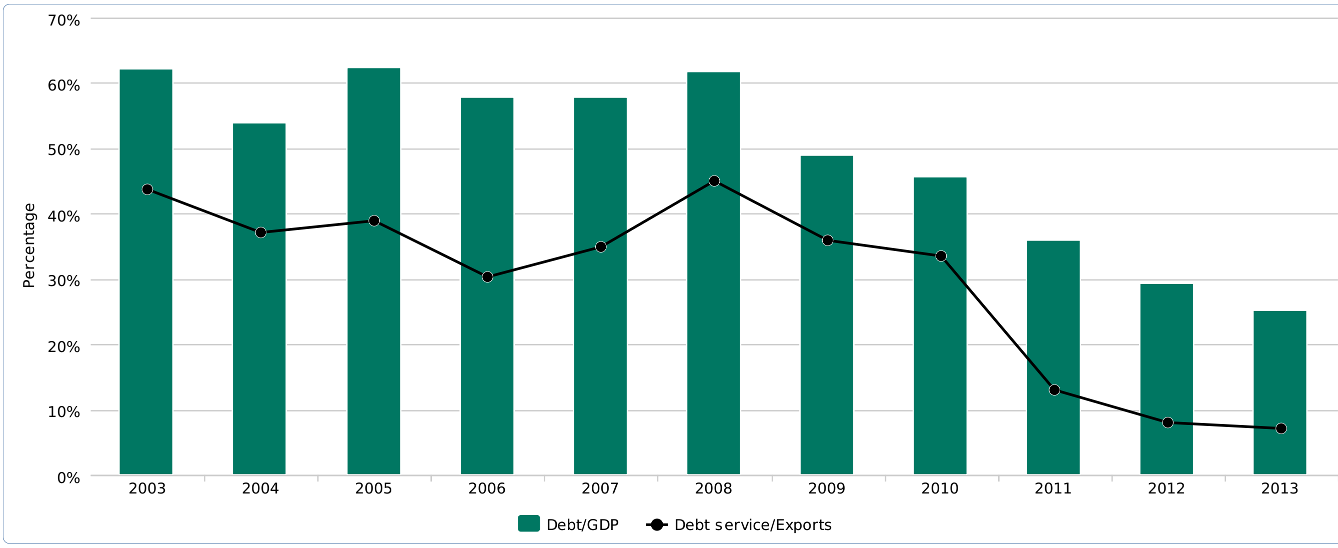
Debt Policy

According to official figures, Eritrea's public debt is forecast to decline to 112% of GDP in 2011 from 114% in 2010. These figures are contradicted by IMF estimates, which put the public debt burden was as high as 144% of GDP in 2010, with an expected to fall to 134% of GDP by 2012. Increased revenue from mining activities, notably the Bisha mine combined with high gold prices and related increases in the tax base might mitigate debt pressures in the medium term, although UN sanctions and the absence of new additional mines scheduled to come on-line could equally see debt levels rise in 2012. In either case, current debt levels are not sustainable and require structural policy changes directed at reducing both military and non-military public expenditure. However, the government will not subject the country to what it considers the indignities of the HIPC process and has committed to managing its debts without assistance.

Figure 2: Stock of total external debt (percentage of GDP) and debt service (percentage of exports of goods and services)



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Economic & Political Governance

Private Sector

Eritrea's private sector has great potential but is constrained by the country's difficult financial situation and regional insecurities. Aside from haphazard regulatory procedures, other impediments to private sector development include foreign currency restrictions, the lack of institutions to settle business disputes quickly, absence of skilled labour, difficulty in obtaining licenses and a high risk of private assets being expropriated. Moreover, local businesses report extensive difficulties in obtaining import and export licenses, customs clearances, telephone and mobile phone lines, land leases, and work permits. However, the government has recently selectively courted foreign investors in the sectors of mineral extraction, energy, fisheries, and tourism.

Financial Sector

Historically, the Eritrean financial sector has been small and narrow in scope, focusing on elementary deposit and loan services. The sector is comprised of just six financial institutions: Bank of Eritrea (which also has the role of Central Bank), the Commercial Bank of Eritrea, the Housing and Commerce Bank of Eritrea, the Eritrean Development and Investment Bank, and the National Insurance Corporation of Eritrea. All banks are majority-owned by the state and private sector participation is limited.

The Commercial Bank of Eritrea provides deposit and lending services to the public. The commercial banking sector has a limited range of products, and foreign exchange transactions are a major source of income. Access to credit by small and medium-sized enterprises is low, owing to the difficulty of meeting collateral requirements. The Housing and Commerce Bank of Eritrea has a number of plans to support real estate development and cater for the Diaspora's demand for housing. The National Insurance Corporation of Ethiopia is diversifying its products in anticipation of business expansion in a number of areas including maritime shipping and oil and gas exploration.

Public Sector Management, Institutions & Reform

While Eritrea enjoys relatively low levels of corruption, it scores poorly on all the conventional measures of governance, notably the absence of parliamentary representation. Parliament has not been convened for over a decade, and all laws are issued by proclamation from the Executive Branch. The government sees itself as a revolutionary movement and does not publish accounts of its decision-making process nor offer a period of public comment or scrutiny for new law proposals or regulations. Often, the central and regional governments do not co-ordinate policies and procedures, thus adding to a seeming lack of transparency in conducting business. The state's growing role in commercial activities, in attempts to control the economy, and the lack of a transparent regulatory environment could undermine investor confidence.

Natural Resource Management & Environment

The Government of the State of Eritrea promotes environmental protection and engages in measures to upgrade the environment such as planting trees and terracing, activities sometimes performed by national service conscripts. As there is virtually no industrial activity and very limited exploitation of coastal and marine resources, the degree of environmental pollution is currently low. The increasing numbers of commercial farms in the western lowlands that partly depend on irrigation from ground water are likely to have a negative impact on the environment. In addition, there has been increased use of wood and charcoal for cooking purposes, stemming from the lack of access to alternative fuel such as kerosene.

Eritrea has about 100 Megawatts (MW) of electricity generation capacity, mainly from diesel or heavy oil fired plants. The aged electricity grid hampers the distribution of power however. It is estimated that only about a quarter of the population, mainly in the capital Asmara, have access to electricity. On the other hand, in a country with limited forest cover, over-reliance on biomass for fuel is causing deforestation. In turn, the use of biomass for cooking, using generally inefficient appliances such as the mogogo, has increased carbon emissions. A recent Global Environment Facility sponsored feasibility study for wind energy on the southern coast shows that a 2.4 MW wind park in Assab and many off-grid stand-alone wind systems, wind-diesel or wind-solar hybrid systems are feasible and potentially economic in Eritrea. Furthermore wind pumps for irrigation, and for providing water for villages, rural schools and livestock have very good potential in the majority of the country. Solar photovoltaic panels have been introduced in some villages, especially for clinics and schools.

Political Context

President Isaias Afwerki along with the People's Front for Democracy and Justice – Eritrea's sole political party – dominate political affairs and the military. The country has not held elections since independence from Ethiopia in 1993. The country's foreign policies have been shrouded in controversy, and have prompted the United Nations to impose sanctions. The country's leaders see Eritrea as peaceful and blame its uneven international reputation on the work of its enemies in the region and farther afield. In response, the Eritrean government is engaged in an international PR campaign via some of its national diaspora groups, a policy stance dubbed "hizbawi mekete" or "national rebuff".

Social Context & Human Development

Building Human Resources

The Government of Eritrea has identified human resource development, including the need to strengthen institutions of higher education, as a key priority for growth and poverty reduction. This is articulated in the government's national development plan for 2010-13. There is an acute shortage of teachers, especially teachers for upper-schools and higher education institutions, and health workers. Eritrea's Human Development Index has risen from 0.345 in 2010 to 0.349 in 2011, well below its 2003 ranking, of 0.444.

In the education sector, the government has rolled out an ambitious programme of expansion of higher education institutions as well as vocational training. Until 2003, Asmara University was the country's sole institution of higher education. Since then seven new institutions focusing on technology, agriculture, health sciences and medicine, marine sciences, business and economics and arts and social sciences have been created. Still, the country relies on foreign teachers for 60% of qualified higher education staff and 30% of secondary school teachers (mostly in the subjects of science and mathematics). Healthcare provision is also a challenge with only one doctor and six nurses per 10 000 inhabitants. A recent survey of 63 public and parastatal organisations indicated serious shortages of highly skilled professionals in various professions such as engineering, education, health, and administration. The Ministry of Trade and Industry's survey of manufacturing enterprises also revealed serious shortages of skilled workers.

The prevalence of HIV infection among the adult population was estimated by the UNDP at about 2.7% some 10 years ago (half the average regional prevalence rate). No recent figures are available, but the government claims to give HIV prevention and treatment the highest priority. It has mainstreamed the national HIV policy into private and public enterprise development plans. Moreover, policy and programmes that address HIV/AIDS in the workplace will be upgraded or developed where necessary. The government has provided strong support to the UN's Community Capacity Enhancement programme, which aims to facilitate social mobilisation and strengthen the capacity of workers to actively participate in the reflection, participatory planning, implementation and monitoring of decentralised plans to combat HIV/AIDS. Regarding the Millennium Development Goals (MDG), Eritrea is on track to meet those on child health, maternal mortality and HIV/AIDS, malaria and other major diseases and access to safe water. Meeting the poverty reduction MDG has been made difficult by the economic downturn of the past decade. The country has seen a steady increase in life expectancy at birth from 52.5 years in 1995 to 61.6 years in 2011.

Poverty Reduction, Social Protection & Labour

The proportion of the Eritrean population living below the poverty line was estimated at about 53% for the 2000-06 period. Eritrea's poverty reduction agenda emphasises human development. The war between Eritrea and Ethiopia was very disruptive to family structures and household income generation strategies, resulting in many female-headed houses, especially in rural areas. Unemployment is potentially high, although the broad-based national service has helped ensure that conscripts meet their basic needs. The sole social safety net mechanism available in the country, apart from free education and medical care, is the "martyrs fund" which supports the families of fallen ex-fighters and soldiers. Although a law introducing a state-run pension system was approved in 2005, it has not been implemented. Social safety nets remain based on extended family networks and are steeped in customary law. Private remittances from the Diaspora continue to form an indispensable source of income and subsistence for a large number of Eritreans. The government has prioritised investment in education in the hopes that it will prove a catalyst to sustainable growth and poverty reduction. To respond to the country's skilled manpower shortages, the African Development Bank has launched two operations worth 31.5 million Units of Account (UA) to finance education sector projects.

Gender Equality

The Eritrean government is committed to gender equality and has ratified all the relevant international conventions. The constitution also enshrines gender equality. The National Gender Action Plan (2003-08) specifies objectives and targets to be applied by ministries and departments, local administrations, donors, communities, teaching institutions and the private sector. It identifies resources and provides indicators for measuring progress. The action plan recommends the formation of technical working groups, which should be co-ordinated by a Gender Planning and Monitoring Committee. The National Union of Eritrean Women, which emerged from women's wing of the Eritrean People's Liberation Front is now the largest NGO dealing with gender inequality and is mandated by the government to act as the national gender mobilisation body.

The Eritrean government has undertaken an ambitious legal reform process, which has supported its commitment to gender equality. Notable among the legal provisions are the Labour Proclamation which provides for the legal protection of women in employment and specifies equal opportunity and maternal protection benefits for women, and, the Land Reform Proclamation which gives every citizen the right to use land without discrimination on the basis of sex, religion and ethnicity.

With these provisions, women have gained equal rights and the opportunity to access land for farming, building houses, and businesses both in rural and urban areas. Women make up 30% of the workforce, are well represented in the informal sector and run 40% of all small and medium enterprises. Maternal mortality ratios are high due partly to potentially harmful traditional practices, and low levels of education. Distances to health facilities and the cost of transport are also factors preventing pregnant women from seeking healthcare. Moreover, the lack of collateral makes it difficult for Eritrean women to access credit from commercial banks, where they only access on average 9% of available loans.

Despite these advances, according to the Social Institutions and Gender Index, Eritrean society remains traditional and patriarchal. Men retain privileged access to education, employment, and the control of economic resources, while women still struggle to attain equality in many areas. Disparities in opportunities and access to services are more common and more extreme in rural areas than in cities.

Thematic analysis: Promoting Youth Employment

Eritrea has a disproportionately young population and its mobilisation on the labour market is of great concern to the government. In 2009, only about half the population between the ages of 15-24, was employed. The government's emphasis on higher education also implies that many of the country's youth are increasingly well educated, but have no access to jobs.

Upon finishing high school, college or vocational training, young people are conscripted into national service. Created in 1994, up to 40 000 youth are called into national service annually for an indeterminate period that could last as long as ten years. In rural areas young people have little access to modern opportunities, and many engage in subsistence activities. The government needs to increase its commitment to socioeconomic policies and programmes aimed at absorbing youth into the labour market as a critical factor for lifting national standards of living. In order to be able to do so, it must first enhance its data collection on youth and labour more broadly in order to be able to make informed policy decisions.

In its efforts to promote youth employment, the government has launched an unprecedented plan to develop institutions of higher learning throughout the country. This initiative should be followed up by policies that ensure that the skills being generated match labour market demands. As regional markets become more integrated, it would also be useful for the government to encourage some of its youth to learn from neighbouring markets.

Vocational training has also received considerable attention in Eritrea giving the country great opportunity to position its traditional carpets, shoes and leather products in regional, Middle Eastern and European markets. On-the-job training, which has been found to be effective in enhancing youth skills, and fostering self-confidence and self-esteem, can also have positive knock-on effects for the rest of society. Helping to enhance the leadership and decision-making skills of youth, perhaps as part of their education or training, thus could be an important first step.

The government has engaged PricewaterhouseCoopers to help build capacity in various ministries, but focusing mainly on the Ministry of Finance, and the Auditor General's Office. Private audit firms are been trained in the areas of accounting, auditing, information technology, and public procurement in order to enhance their skills and to enable them to operate more effectively and efficiently. As human resources development is one of the country's top priorities, the African Development Bank has been involved in funding a project on technical and vocational education and training focusing on engineering, business administration and other areas of specialisation. This should help the absorption of the youth into both the public and private sectors.