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دولة إرتريا
وزارة المالية

The State of Eritrea
Ministry of Finance

Date: 26 January 2011
Ref. No.: MO/CA7/0078/2011

To: Dr. Mamadou P. Diallo
UN Resident/Humanitarian Coordinator
Asmara

UNDP ASMARA - ERITREA	
FILE No. MO/CA7/0078/2011	
27 JAN 2011	
ACTION	INFO
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	MP(p)

Dear Dr. Diallo,

Subject: Extension of Current UNDAF (2007-2011) and Preparation for Another new UNDAF

Following the points raised during the workshop on current UNDAF MTR on 24 September 2010 and the subsequent meeting we had with you, plus the data we collected from the UN agencies, beneficiary government entities, and other sources, I am writing to inform the following, regarding the referenced subject.

It is to be acknowledged that the UN agencies channeled financial assistance to Eritrea through UNDAF (2002-2006) and UNDAF (2007-2011), targeting five thematic areas, to support national development efforts.

However, national development will never be materialized if it is done by depending on grant financing from UN agencies or other (bilateral) sources. It is widely believed that aid only postpones the basic solutions to crucial development problems by tentatively ameliorating their manifestations without tackling their root causes. The structural, political, economic etc. damage that it inflicts upon recipient countries is also enormous.

Therefore, the Government of Eritrea has decided to curb financial aid inflows to Eritrea. And because of this, Eritrea will not subscribe to another new UNDAF beyond 2011. Henceforth, instead of by way of UNDAF, we wish to deal, on bilateral terms, with only a select few UN Agencies. The current UNDAF also will not be extended beyond its original schedule of 2011.

Consequently, the financial resources, the activities and targets of the current UNDAF should be reallocated and adjusted to cover, starting by June 2011, mainly the health, sanitation, and safe water supply sectors. Even this will happen only after the Ministry of Finance, in collaboration with the Ministry of

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National Development, screens the impact of such activities and approves their financing from foreign sources. No UN Agency will be allowed to freely and directly approach the beneficiary agents nor are the latter permitted to deal directly with the UN Agencies without passing through the MoF channel.

Dear Dr. Diallo,

If you may have any questions or you need further clarification and/or discussion on the whole issue, I am available to meet you any time at your convenience.

With best regards,



Berhane Abreha
Minister

Cc:

- Office of the President
 - Ministry of Foreign Affairs
 - Ministry of National Development
 - All concerned Government Ministries & Relevant Entities
- Asmara