



**INTEROFFICE MEMORANDUM**

**To:** Mr. Abdoulaye Mar Dieye  
Director  
Regional Bureau for Africa

**From:** Nan Collins  
Country Specialist, ESA  
Regional Bureau for Africa

**Subject:** Eritrea: Request for Direct Implementation Modality (DIM) Project Approval:  
"Support to Capacity Building for Ministry of Finance (MOF)"

Date: 10 December 2013  
Extension: 5930

Please find attached for your consideration a request from the Eritrea Country Office (CO) for Direct Implementation Modality (DIM) approval to cover the period of three years (2013-2016).

**Background**

The Government of Eritrea (GoE) and the UN System signed a new cooperation agreement in January 2013 – the "Strategic Partnership Cooperation Framework (SPCF): 2013-2016".

The SPCF 2013-2016, comprises five strategic priority areas of UN response to the national development objectives namely: Basic Social Services, National Capacity Development, Gender Equity and Empowerment of Women, Food Security and Sustainable Livelihoods, and Environmental Sustainability. The strategic area of National Capacity Development under the SPCF seeks to ensure that selected government institutions have the capacity to effectively and efficiently deliver services to all.

The Ministry of Finance (MOF) is one of the important executive organs of the Government mandated to mobilize, control and administer the country's financial resources and act as a custodian of Government property. Its vision is to become a driving force for socio economic development and the mission is to ensure maximum mobilization, optimal allocation and efficient management of public resources through formulation and implementation of prudent fiscal policy. The project "Support to Capacity Building for Ministry of Finance (MOF)" aims at supporting the Ministry of Finance in strengthening its human and institutional capacity by enhancing its management information system. The support will contribute to ensure customer

This new project under the SPCF will be managed according to UNDP rules and regulations. Furthermore, the project is going to be managed by the UNDP office under the authority of the

### **Institutional Arrangements**

In view of this and based on our assessment of the political and development context in Britrea, we recommend an approval of DIM for implementation of this project from December 2013 to December 2016. In so doing, we urge the Country Office to focus on strengthening institutional capacity of MOF for national implementation in the next programme cycle.

The Ministry of Finance has undergone various stages of reforms in tandem with emerging requirements to upgrade and strengthen the capacity and the operations of its departments. Despite these and other reforms, many institutional gaps still remain that need further support in order to enhance the capacity and performance of the Ministry. This project will help to strengthen the capacity of MOF, achieve better coordination between the UN development system and the government, and support the effective implementation of the SPCF. For example, support towards strengthening coordination of the SPCF through provision of technical support, results monitoring, evaluation, and communication, and resource mobilization and management, will go a long way towards ensuring better performance of key SPCF outcomes.

### **Justification of DIM**

The project was approved with its substantive activities. Priority in the first year of implementation would be given to the procurement of key equipment necessary for the functioning of MOF.

- 1) Effective resource mobilization, coordination and management
- 2) Regulatory instruments/frameworks and/or tools reviewed or established for improved delivery
- 3) The government and UN Development System capacity for coordination, resource mobilization, monitoring and reporting on SPCF strengthened

The total budget of the project is US\$270,000, with three outputs:

satisfaction and public awareness of taxes and other obligations by improving employees' productivity and working environment.



Resident Representative, which provides on-going supervision and input into the project's annual work plan and monitoring and evaluation plan. A DIM capacity checklist is included in the authorization request.

The UNDP Eritrea Country office has the experience and capacity for DIM and it will continue to ensure that all necessary measures are applied for quality control, to safeguard UNDP financial responsibilities and the sound use of the UNDP and partners' resources. All financial resources of the programme will continue to be managed according to the rules, procedures and requirements as defined in the UNDP's Programme and Operations Policies and Procedures (POP), and according to UNDP guidelines on direct execution/ implementation.

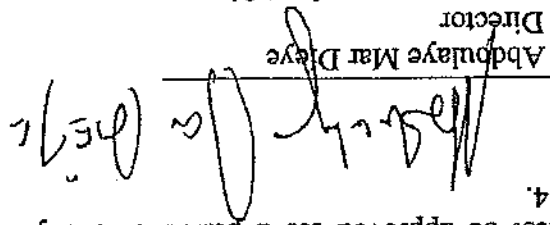
The project document, the minutes of the PAC and other relevant documents are enclosed.

Based on the above justification, it is recommended that the above-mentioned project request for DIM request be approved for a period of one year starting 10 December 2013 to 10 December 2014.

Approved by:

Abdoulaye Mar Deye  
Director

Regional Bureau for Africa



Date: \_\_\_\_\_

