



**REPUBLIC OF LIBERIA
MINISTRY OF FINANCE
MONROVIA, LIBERIA**



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Mr. William D. Towah

**REPORT
ON
THE AID MANAGEMENT WORKSHOP
HELD AT THE SKD SPORTS COMPLEX**

July 31, 2010

THEME: A MOVE TOWARDS EFFECTIVE AID MANAGEMENT AND TRANSPARENCY

***IN
POST - HIPC LIBERIA***

August 16, 2010

Introduction

A one day workshop on the theme: **A move towards effective Aid Management & Transparency in post HIPC -Liberia** was held at the SKD Sport Complex, Monrovia, Liberia on July 31, 2010 under the auspices of the Ministry of Finance (MOF) in collaboration with the Ministry of Planning and Economic Affairs (MPEA) with support from the United Nations Development Program (UNDP).

The workshop was grace by the Minister of Finance, Hon. Augustine Kpehe Ngafuan; Minister of Planning and Economic Affairs, Hon. Amara Konneh and the UNDP Resident Representative, Hon. Mustapha Sourmaré, as well as heads and representatives of key stakeholders in the Liberia aid management initiative.

Objectives

The workshop was organized to interact with Development Partners (DPs), Local Non-Governmental Organizations (LNGOs), Civil Society Organizations (CSOs), and Foundations, the Private sector as well as other Ministries and Agencies to:

- Review current effective aid management interventions through knowledge sharing.
- Enhance effective aid management and transparency in compliance with the Public Financial Management (PFM) Law, Paris Declaration on Aid Effectiveness and the Accra Agenda for Action (AAA).
- Provide participants the unique opportunity to acquaint with the techniques, mechanisms and modalities towards effective aid management.

Participants

In attendance were a total of 104 participants including representatives from the GoL, DPs, Private Sector, CSOs and the media.

SESSION ONE – OPENING OF WORKSHOP:

In his opening remark, the Minister of Finance, Hon. Augustine Kpehe Ngafuan expressed government's appreciation to its DPs, CSOs, Private Sector and everyone that supports the government's development agenda. He noted that, DPs will be contributing over US400 million in support of national development drive as contained in the Aid Annex for the 2010/2011 Fiscal year which exceed the national Budget figure of about US350million.

He reminded DPs on the need to continue support to Liberia in spite of the HIPC completion point reached as it should not be taken as an alibi to terminate partnership with the Liberian government. He emphasized, "HIPC completion is not partnership termination with DPs."

He underscored the need for effective aid delivery through aligning aid to national priorities and that the preferred aid modality (Direct Budget Support) was the best way forward. He further stated that government has the relevant systems in place to be more effective in delivering aid in compliance with the PFM Law and to meet internationally acceptable standards.

Mr. Ngafuan noted that CSOs and other implementers should be aware that they are required to comply with the Public Finance Management Act, including disclosing to government sources of funding and submit to GoL audit requirement. He proposed that, DPs need to have copy of the PFM law in order to be guided by its provision.

For his part, Hon. Mustapha Soumare, UNDP Resident Representative focused his address on two key issues, monitoring and aid reporting. He stated these key factors in aid delivery will enhance transparency and address core principles of the Paris Declaration on aid harmonization, alignment, mutual accountability and managing for results.

He asserted that, DPs have a responsibility to assist the government to compile accurate and timely data on aid flow. He urged the donor community to adopt a more coherent approach to its monitoring and reporting requirements to address the current fragmented approach which places a heavy burden on already stretched government capacity.

Dr. Soumare commended government for its strong commitment to improving financial reporting and to meeting international standards. He acknowledged the joint efforts of the Ministries of Finance and Planning & Economic Affairs through the Aid Management Unit and the Liberia Reconstruction & Development Committee (LRDC) Secretariat, which over the PRS period have made significant progress in reporting and disseminating aid information through the PRS Pillars.

He called for the need for data instruments to be reviewed, refined and international best practices be applied to enable government not to only capture credible data on donor resources flow, but also facilitate easy presentation and analysis of information for fiscal reports of government.

Concluding his remarks, he urged government to fully endorse the new Aid Policy to help government and partners to design and implement best practices and internationally endorsed mechanisms for monitoring alignment, harmonization and mutual accountability in post-HIPC Liberia.

He urged participants to use the occasion to collectively understand how to discharge and monitor mutual accountabilities in the most effective manner to improve management practices and maximizing the delivery of aid in Liberia.

Moreover, Hon. Amara Konneh, Minister for Planning & Economic Affairs and National Coordinator of the LRDC noted that the Liberian Government has made gains in aid effectiveness but emphasized that these gains are still not sufficient to meet expectations of all stakeholders. He stated that, though the aid policy is yet to be fully endorsed, there had been progress made by government in this direction.

He reminded participants of the reforms that government has put in place: the Public Financial Management Law, the Public Procurement and Concession Commission and the General Auditing Commission as some of the systems government is using to address the issues of accountability. He underscored the need for government to account for aid beyond budget preparation to execution.

Hon. Konneh asserted that for government to make aid more effective there is a critical need to take ownership which comes with responsibility. The need to put in place capacity, the right individuals is crucial in this drive.

Min. Konneh concluded that, to ensure transparency and aid accountability, strong systems need to be put in place, systems that meet international standard, systems that favor accountability.

SESSION TWO - PRESENTATIONS:

Liberia Aid Management Cycle:

Mr. William D. Towah, Unit Director of the Aid Management Unit presented on the topic: Aid Management Cycle. He stressed on the Minister's earlier assurance of the Aid Policy to be endorsed as soon as possible, and explained his presentation on how the structure or the government's aid management architecture would look like.

On Aid coordination and management, Mr. Towah distinguished between aid coordination and aid management. He noted that, for aid to be managed effectively there should be full transfer of ownership of aid from donors to government, and that donor resources inflow must align to national priorities.

Furthermore, he stressed that Government has a strong preference for Direct Budget Support as it increases government ownership and promote alignment to national priorities. He emphasized that government is committed to strengthening the budget process through the Medium Term Expenditure Framework (MTEF) in order to establish a firm anchor for alignment. He said, Sector Budget Support which is government's next preferred aid modality also supports alignment to GoL system and priorities. He hailed the Pooled Funds arrangement and encouraged DPs to support this endeavor.

On Project Aid, he said often times some grants are poorly aligned to government priorities, therefore government can exercise the right to decline any offer of external assistance that undermines the government objectives.

The Director averred that, supports in the form of Technical Assistance (TA) to be demand driven and in support of a sustainable capacity development centered on knowledge transfer to local staff.

On the PFM law, Mr. Towah said it is expected that DPs and NGOs will comply with the government financial oversight and accountability procedures, articulated by the PFM law and regulations. He said all organizations receiving grants must submit said information on their activities including financial information to the MoF and the MPEA

Mr. Towah deliberated on Aid Management Committee (AMC), highlighting roles of the Ministries of Finance and Planning & Economic Affairs, including Ministry of Justice, Foreign Affairs, State Without Portfolio and Liberia Institute of Statistics & Geo-Information Services (LISGIS).

Concluding his presentation, Mr. Towah expressed strongly capacity constraints at the AMU and urged stakeholders to come to the aid of government to strengthen the capacity of the Unit to enhance its work in managing Liberia's external resources.

Aid Data Reporting Template

Madam Princetta Clinton-Varmah presentation focused on the Aid Data Collection Template. She asserted that, despite the increasing expectation of the GoL and donor community, there has been no centralized information center for government to access aid related information, hence, the MoF is vigorously trying to build such capacity. Mme. Varmah did a drill of filling in the Aid Reporting Template.

She further underscored the need to make these reports ahead of time on the budget support to enable government make better planning. She pointed out that some donors report contributions late during budget preparation hence capturing this contribution in the aid annex becomes impossible.

The template is targeted to donors and that M&As would receive aid data template during the national budget preparation process. However, the template would be e-mailed to all participants. The AMU will be the recipient of the completed template

Mme. Varmah highlighted that, some donors contribute more to the country but submit no report/information to the MoF, thereby no being reflected on quarterly and other reports. There also exist misconception amongst donors on the understanding of disbursement and expenditure. She said “for AMU, disbursement is different from expenditure”. Explaining further, she said disbursement is what is actually given as support while expenditure limits to the expenses at implementation stage.

She noted that, various types of reports are prepared by the AMU: quarterly and annual reports as well as special reports for stakeholders.

Data Collection and Analysis to enhance reporting

Mr. Francis Wreh, Deputy Director General of LISGIS was next to take the floor. He presented visual on the topic: Data Collection and Analysis to enhance reporting. He outlined LISGIS’ mandate as, collection of information from public and private institutions, NGOs and individuals to adequately inform policy decisions, support to aid data collection and analysis, dissemination of aid related data, successes and challenges.

He noted, LISGIS since inception, has collected data on socio-economic and demographic data in the following forms: censuses, surveys, case studies, social statistics and economic statistics.

Mr. Wreh stressed that, donor partners make use of LISGIS statistical information on population in order to align with priorities. He enumerated the successes of LISGIS as having conducted a population and housing census as well as several survey in a relatively short time, thus assisting policy makers and aid agencies make decision based upon existing statistics. LISGIS has also produced specialized data dissemination packages such as the CensusInfo and the LiberiaInfo so as to facilitate speedy reference to aid related data in Liberia. He noted that LISGIS has decentralized data collection by establishing several county offices in order to ease data collection, analysis and dissemination.

Enhancing GoL and DPs Coordination

Mr. Camille Karamanga, the IMF Resident Public Financial Management (PFM) Advisor presented on the topic: “Enhancing Government-DP Coordination. Mr. Karamanga centered his presentation on Government-Donor harmonization to meeting the guiding principles of PFM Act and international standard of Aid transparency and accountability. He said there is need for consistency in aid related information for all sectors for donor aid to be captured to the budget account.

He highlighted the need for government and DPs to have a MOU on review mechanisms to be put in place to enhance transparency and accountability. He stressed that concrete actions need to be taken immediately. He averred that government ownership of projects is paramount in building mutual accountability framework. He underscored the need to channel most external aid to the budget calendar.

Mr. Camille Karamanga shared with the participant the experience of Rwanda. He conceptualized various PFM systems adopted by Rwanda. He said Rwanda established robust financial management review mechanisms and coordination structures to succeed in achieving its Millennium Development Goals (MDGs). He admonished the government of Liberia to learn from the Rwanda example and establish dialogue platforms to meet quarterly or annually to harmonize review mechanisms and emerging issues. The PFM Advisor further enumerated that, Rwanda has Development Partners meeting, DP coordination group, Budget Support harmonization group, Joint Budget Support reviews, Joint Sector reviews, Sector working groups and also PFM Steering Committee which all meets periodically.

After HIPC, he said the country needs grants so it is important to have Budget Support harmonization group to meet quarterly to solicit grants for the country. On the way forward, he underscored the urgent finalization of the Aid Policy by the government to facilitate aid delivery.

A participant inquired if there was a time frame for Rwanda achievement that Liberia could learn from. In response, Mr. Karamanga noted that, the MoF and MPEA were merged in 1999 to form a single ministry therefore address issues of fragmentation in order to take a single stance on issues. This helped Rwanda to adopt the aid annex in 2002. The PFM advisor tasked the AMU to continue to push up for a robust start in Liberia.

Presentations are attached for ease of reference.

Questions & Answers

- A participant inquired from the Internal Affairs Ministry’s involvement in the Aid Management Architecture. In his response, Mr. Towah clarified that, the Internal Affairs Ministry is part of the process at the LRDC level as its involvement is in the local governance cycle.
- A representative of the MPEA wanted to know the lessons learnt from the Aid Management Structure. In response, Mr. Towah acknowledged the establishment of the LRDC Secretariats across country (decentralized) and is reporting back on donor funded projects. There exists also a middle level aid management engagement to harness closer engagement.

- A participant from the Liberian Business Association enquired if their proposals for capacity building are to be vetted AMU before onward submission to donors. Mr. Towah responded that, there exists no specification in the draft Aid Policy to that effect; however, direct engagement with donor by the Private Sector should continue. He encouraged participants to flag this issue during the Policy validation summit.
- In response to a question posed by Mr. Fidele Rabemananjara of USAID, on the Aid Policy, Mr. Towah said, there would be an Aid Policy Summit, hopefully, September 2010 to deliberate and have a final dialogue with stakeholders and subsequent endorsement by the Cabinet.

SESSION THREE - BREAK-OUT SESSION:

Miss Chara Itoka, Principal Director, Aid and NGO Coordination Unit of the Ministry of Planning and Economic Affairs served as moderator for the break-out session:

Group A: Data Collection, Analysis & Reporting with the question:	
How can we enhance efficient and effective aid management, reporting and monitoring?	
GoL/NGOs	Donors
<ul style="list-style-type: none"> - The need to standard and establish frequency of reporting - Relevant utilization of aid related information - Provide access to comprehensive information on aid - The need to build capacity on aid monitoring and reporting - Inter-agency coordination - Identification/costing of projects through specifications 	<ul style="list-style-type: none"> - Donors to channel support through centralized systems - The need for clarity on actual disbursement of fund - The need for easy access to aid data (either making the aid data available) - Donors to provide quarterly, annual reports to government

Group B: Enhancing GoL-Donor Coordination:	
Q: How can better Government-DP coordination contribute to an end to: fragmentation, duplication of efforts, proliferation of parallel institutions and higher transaction costs?	
<p><i>To end fragmentation:</i></p> <ul style="list-style-type: none"> - Harmonization on the part of government agencies and DPs. The group also stated, the need for collaborative dialogue and 	<p><i>To end duplication of efforts:</i></p> <ul style="list-style-type: none"> - Open communications between government and DPs in the engagement of sector plans. - Accessibility of adequate quality aid data to both

<p>recommended:</p> <ul style="list-style-type: none"> ○ Sector wide dialogue for monthly reviews and ○ Donor/GoL dialogue for quarterly reviews. ○ They also suggested for government to build upon existing systems and to use them as models with particular reference to monthly coordination meeting for NGOs under the Ministry of Agriculture 	<p>GoL and DPs.</p> <ul style="list-style-type: none"> - Effective leadership and communication on the part of government in leading the coordination efforts - Identification of implementing unit for projects to be made at the design level to prevent proliferation of parallel institutions. - Donors to respect and work with GoL's existing structures.
<p><i>Reduce transaction costs:</i> Request the willingness and openness of donor partners to collaborate with government.</p>	

<p>Group C: “Additional Strategic Priorities for AMC Secretariat:</p>
<p>Are there additional priority areas you would like GoL to consider for execution by the AMC Secretariat?</p>
<ul style="list-style-type: none"> - Coordinate the activities of the Budget Support working group - Enhance publicity of Donors support to the country. - AMC should be central in the development of government/partners country programs. - The AMU should be involved with M&E to enhance reporting - Should develop aid-on-budget mechanism to encourage donor towards “direct budget support” (DBS)

Action steps:

- Validate and endorse Aid Policy as soon as possible
- Distribute PFM Act to All DPs
- Send out Aid Data Reporting Template to Partners for FY2010/11
- Develop aid-on-budget strategy to encourage more DBS
- A column for “**location**” be placed on the data collection template to Identify project areas
- Harness visibility of donors support

Closing Remarks:

Mr. T. Wilson Gaye, Assistant Education Minister for Administration, gave the closing remarks on behalf of the participants. He thanked everyone for their participation and support to the success of the workshop. He said Liberia which was almost considered a fail state due to the civil crisis is now enjoying a stable and conducive economic environment due to the good leadership of President Ellen

Johnson- Sirleaf which is complemented by the good inputs of the people of Liberia. He stressed the need to galvanize support to enable the AMU achieve its set goals and to organize more interactive workshops to harness ideas.

The Unit Director of the AMU, Mr. William Towah also expressed gratitude to the participants and declared the workshop formally closed.

Attendance

	Name	Position	Organization
1	CHARLE B. COFFEY	JOURNALIST	LBS
2	KENNEDY S. GRAHN	JOURNALIST	ELTV
3	-ALVES PEREIRA	MISSION ECONOMIST	E.U
4	YURI SOBOLEV	Resident Representative	IMF
5	PETER Z.N. KAMEI	DEP. MINISTER	MIA
6	DAX P. SUA	POLICY ASSISTANT	AGENDA
7	MARTUS W. BANGALU	PROG, OFFICER	MOPEA-NAO
8	CRISTAIN BUTUMAN	LITA	MOPEA-NAO
9	STEPHEN BARUNGI	FMS	MOF/IFMIS
10	SAMPSON W. TOE	REVENUE COMMISSION	MCC
11	MIN. AUGUSTINE K. NGAFUAN	MINISTER	MOF
12	MIN. AMARA KONNEH	MINISTER	MPEA
13	Dr. Mr. Moustapha Soumare	UNDP Resident Rep.	UNDP
14	MICHELLE STUTOFIELD	ADMINISTRATOR	MOFL
15	SAMUEL E. TAYLOR	SENIOR RER. OFFICER	LME
16	RUFUS KAIN	DEPUTY MINISTER	MOCD
17	AHMED SHERIFF		
18	SAM RICE		MOJ
19	JOHN B. SARKLORH	COMPTROLLER	JUDICIARY
20	CEOPHAS TORONI		UNDP
21	AMOS BEDELL	DRIVER	WFP
22	DAVID BELGROVE	DFID REP.	DFID
23	HARRY WONYENE	DIR. M&E	MOA
24	PAMELA WHITE	DIRECTOR	USAID
25	Moses Zinnah	PCA Coordinator	MOA
26	Philip G. Innis	Media officer	MOF
27	Stacey Warren	Program officer	USAID
28	Fidele Rabemananjara	Assist. Program Officer	USAID
29	Oblayon B. Nyemah	Head of Directorate	CSA
30	Lester Tenny	STRATEGIC MANAGER	MPW
31	JAMES LOGAN	IM/MO	MOA
32	T. WILSON GAYE	ASST. MINISTER	MOE
33	CAMILLE KARAMAGA	PMF ADVISOR	MOF
34	EDWIN G. TAILEY	OFFICE STAFF	MOF
35	DAN HYMWITZ	PROGRAM MANAGER	MOS
36	S. TORNOLAH. VARPILAH	DEPUTY MIN. MOHSW	MOHSW
	Name	Position	Organization
37	PETER N. BEN	DEPUTY MIN. MINISTER	MOPT
38	DANIEL D. JOHNSON	NAHL PROGRAM OFFICER	FIND
39	TOPOE A. NIMELY	PROGRAM OFFICER	EV

40	HERBERT SOPOR	FM MGT SPECIALIST	MOF
41	NORRIS T. WEAH	DEPUTY MIN.	MICAT
42	SAYE MESSAH	REPORTER	MONITOR
43	TOMMY BROWN	PERSONNEL ASSISTANT	UNFPA
44	TIAWAN S. GONGLOE	MINISTER	MOL
45	O. NATTY B. DAVIS	MINISTER	MOS
46	FRED TOWALID	RESEARCH ASSOCIATE	UNDP
47	JAME TORH	CONSALTANT	FOCUS
48	DORSLA FARCARTHY	SR. ECONOMIST	AMU/MOF
49	JUSTICE NORVOR	RAPPORTEUR	AMU/MOF
50	J. PAYE THOMAS	DRIVER	AMU/MOF
51	BORION D. K. BARWA	FACILITATOR	AMU/MOF
52	ROLAND BISHOP DOE	SNR. AID ANALYST	AMU/MOF
53	MIATTA K. KALLON	FACILITATOR	DMA/MOF
54	T. ALEX TOWAH JR.	FACILITATOR	AMU/MOF
55	JACKSON WONDE	DEPUTY MINISTER	MOE
56	F. MICHAEL TAPLAH	VOL. PROGRAM OFFICER	MOGD/UN SCR 1325
57	MOMOLU. V.O. SIRLEAF	DIRECTOR	ACU/MOHSW
58	LLOYD PANCHO THOMAS	AID ANALYST	AMU/MOF
59	JAMES C. PATTERSON	ENGINEER CONSULTANT	LWSC
60	AMERU A. NYEI	ACTING DIRECTOR	MOT
61	LIU YUNBIAO	COUNSELLOR	CHINESE EMBASSY
62	GUAN CHUYUN	SECOND SECRETARY	COUNSELLOR/CHINISESE MBAS.
63	E. H. BENIIT	SECURITY	UNMIL
64	JACKSON N. WONDY	DEPT. MINISTER	MOL
65	JAMES G. PATTERSON	CONSULTANT	LWSC
66	AMERU A. NYE	ACTING DIRECTOR	MOT
67	PATRICK PAYE-TEE	ASST. DIRECTOR	MOPT
68	LIU YUNBIAO	COUNSELLOR	CHINESE EMBASSY
69	GUAN CHUYUN	SECOND SECRETARY	CHINESE EMBASSY
70	BILL MONTGOMERY	CONSULTANT	LIBA
71	STENO COWDEP		US EMBASSY
72	HORATIO B. WILLIE	HEADMEDIA SERVICES	MOF
73	AMOS BARTU	LEGAL COUNSEL	PPCC
74	CHARA ITOKA	PRINCIPAL DIRECTOR	MOPEA
75	MAIA STEAD	ECONOMIST	MOF
76	ADOLTO CIRES ALONSO	ATTACHIE	EU
77	SAMUEL S. PETER	PROGRAM ASSISTANT	FAO
78	JOHNNY JACKSON	M&E DIRECTOR	MPW
79	JAMES N. HOLDER	PA- REPORTS	UNWFP
80	JONATHAN GEEGBAE	DIRECTOR	MOF
81	JENNAH SCOTT	PROGRAM OFFICER	MOS
82	DARBAH VARPILAH	FM/SA	MOF
83	FRANCIS WREH	DEPUTY DIRECTOR GENERAL	LISGIS
84	MAHEED KHAN	UNMIL ADVISOR	UNMIL
85	HAKAN BASAR	UNMIL	UNMIL
86	MARR FLETCHER	FCO DO	FCO
87	NATHANIEL MCCLAIN	EDITOR	RCI
	Name	Position	Organization
88	FRED G. GONKARTEE	COMPTROLLER	MOL
89	J. G. CEPHAS	REPORTER	NEW DAWN
90	CLEMENT PETER	OIC	WHO

91	J. NAGBE SLOH	PRESS	PRESS
92	W. KPARGBULA SENGBE	ASST. MINISTER	MOH&SW
93	TANNEH BRUNSON	BUDGET ECONOMIST	MOF
94	GUNELI SENDU	UNMIL HIV/AIDS	UNMIL
95	ANGUDUBO S	HIV/AIDS OFFICER	UNMIL
96	EMMU D. GODILOI	HIV/AIDS	UNMIL
97	ISABEL CROWLEY	UNICEF REP.	UNICEF
98	RICHARD S. D. KARDOR, SR.	PROJECT ACCOUNTANT	MOH&SW
99	HENRY SHAFFA	COMPTROLLER	MPT
100	EDWARD MORTEE	EDITOR	CHRONICLE
101	ADOLPHUS MAWOLO	REPORTER	WADR
102	SYSEVESTER GRISGBY	DEPUTY MINISTER	MOF
103	PRINCETTA CLINTON VARMAH	DEPUTY UNIT DIRECTOR	AMU/MOF
104	WILLIAM D. TOWAH	UNIT DIRECTOR	AMU/MOF