

Overview of the Aid Management Unit

The Ministry of Finance (MoF) is lead fiscal entity of Government responsible to perform the below responsibilities with regards to aid management and coordination (Public Financial Management Act (PFM) Law, Section 7, 9, 12, 28, 29, 30, 35 & 49 and PFM Regulations):

- Developing and implementing a macro economic and fiscal policy framework for Liberia, supervise and monitor the finances of the country; co-ordinate international aid and intergovernmental financial and fiscal relations,
- Especially working to ensure that there are adequate arrangements to gather, Inventory, analyze and report on aid information,
- Have overall responsibility for aid management:
 - (i) Maintain a full database of aid flows and produce reports on statistical records of aid flows data, including progressively bringing off-budget aid flows onto the budget;
 - (ii) Co-ordinate plans for loan financing,
 - (iii) Co-ordinate plans for all general budget support and targeted budget support financing, as part of the national budget process;
 - (iv) Manage the pooled funding mechanisms;
 - (v) Act as an institutional link between the President's Office, and implementing bodies of the Government and the donors,
 - (vi) Liaise with the other ministries, departments and agencies for the planning of future donor and NGO impact on the budget;
- Ensures that spending entities fully disclose all information related to donor funding not channel through the national budget and follow through to acquire from spending entities, within seven (7) working days, copies of relevant cooperation agreements and memorandum of understanding.

Toward these ends the Aid Management Unit (AMU) was established in the office of the Minister to carry out the day-to-day functions as above stated and, at the same time, manage donor relation to ensure full compliance with the principles of the Paris Declaration, and the Accra Agenda for Action (AAA).

Moreover, the Unit takes on functions as playing ambassadorial role in coordinating Government and Development Partners' (DPs') relations, and handles securing of appointments on behalf of donor missions with the Ministry of Finance (MoF), as well as, other Government of Liberia (GoL) ministries and agencies (M&As). As the Unit evolves it should increasingly become a key GoL interlocutor with the donor community.

1.1 Data Collection and Reporting

Provision of data continues to be problematic with some donors not routinely providing disbursement information on time. This report is based on data collected from ten (10) of our twelve (12) Development partners (DPs) for the period covering October-December 2009. A revised template for data collection expected to capture data that will serve the whole of government and partners was shared with the DPs, including Foundations. The aim was to extract information and maintain a full database of aid flows and produce reports on statistical records, including progressively bringing off-budget aid flows onto the budget, including all donor financing provided directly to the budget in support of central government, general budget support, basket funding of sectors and funding of government's projects.

DPs that are still working on their disbursement reports include: France, Ireland and most of the UN System. The AMU will provide an updated version of this report if their inputs are received.

1.2 Aid Disbursement by Partner and Aid Modalities

In the Second Quarter (October – December 2009) of Fiscal Year 2009/2010, total disbursement on partner funded projects and programs amounts to US\$96,955,242. There was an increment in the number of partners reporting since the release of Quarter One report; and hopefully, this trend will continue, and overtime, all partners will be reporting through the government's system. Per attachment, Table 1 shows disbursements for the Second Quarter (October – December 2009), by Partner and Aid Modalities, broken down into Budget Support, Pooled and Trust Fund Contributions, GoL Executed Projects and Non- GoL Executed Projects. Table 2 summarizes partners' outturns data per the Poverty Reduction Strategy (PRS) Pillars and sectors; while table 3 shows projected amounts at the beginning of the fiscal year. This report include pictorial in the form of pie and bar charts (Figures 1, 2 & 3), depicting percentage of disbursements by partner, aid modality and sector.

1.2.0 United States Government (USAID)

The United States Government disbursement for the reporting period amounts to US\$15,720,000 in addition to US\$22,520,000 disbursed in quarter one. The USG's share of total disbursement to date is US\$38,240,000 or 17% against a projection of US\$229,990,000 for FY2009/2010. By aid modality, all the USG supported projects are Non-GoL Executed Projects; however, the projects were fully aligned with the GoL's PRS priorities.

The below provides a synoptic and analytical summary of project disbursements to PRS alignment:

Pillar II	Revitalizing the Economy	US\$1,800,000
	Sectors: Food & Agriculture	US\$1,500,000
	Forestry	300,000
Pillar III	Strengthening Governance & Rule of Law	US\$2,500,000
	Sector: Governance & Rule of Law	US\$2,500,000
Pillar IV	Rehab. Infrastructures & Del. of Basic Social Services	US\$11,420,000
	Sectors: Education	US\$4,590,000
	Health	3,460,000
	Water & Sanitation	3,370,000

1.2.1 World Bank

The World Bank disbursed US\$18,289,375 in the Second Quarter in addition to US\$24,089,050 in the First Quarter with total amount equal to US\$42,378,425. The total figure represents 68% against a projected amount of US\$62,103,539 for FY2009/2010. By Aid Modality, 81% of all World Bank funded projects during the reporting period were executed by the GoL.¹

The below provides a synoptic and analytical summary of project disbursements to PRS alignment:

Pillar II		Revitalizing the Economy	US\$4,671,500
	Sectors:	Food & Agriculture	US\$3,972,500
		Forestry	195,000
		Financial Sector Issues	190,000
		Labor & Employment	314,000
Pillar III		Strengthening Governance & Rule of Law	US\$1,650,000
	Sector:	Governance & Rule of Law	US\$1,650,000
Pillar IV		Rehab. Infrastructures & Del. of Basic Social Services	US\$11,967,875
	Sectors:	Roads & Bridges	US\$7,392,875
		Health	1,600,000
		Education	500,000
		Energy	375,000
		Multi – Sectoral	1,600,000
		Water & Sanitation	500,000

1.2.2 German Cooperation

In quarter two, the German Cooperation disbursed US\$15,087,000 in addition to quarter one disbursement of US\$987,000. The combined amount gives a 76% disbursement against projected figure of US\$21,245,855 for FY2009/2010, significant portion of the Second Quarter disbursement, mounting to US\$ 14,100,000 was directed toward the Liberian Reconstruction Trust Fund (LRTF);² a Trust fund contribution administered by the World Bank

The below figures provide a synoptic and analytical summary of project disbursements to PRS alignment:

Pillar IV		Rehab. Infrastructures & Del. of Basic Social Services	US\$15,087,000
	Sectors:	Roads & Bridges (LRTF)	US\$14,100,000
		Multi-Sectoral	987,000

¹ Government Executed Projects are those projects for which the Government of Liberia handles financial management.

² The Liberia Reconstruction Trust Fund (LRTF) is a multi-donor trust fund, administered by the World Bank, which provides support for meeting national priorities as defined in Liberia’s Poverty Reduction Strategy, Projects focus on a combination of roads and bridges, ports, the airports, urban works (including water and sanitation), power and small infrastructure works including the provision of storage and agro-processing facilities to support agricultural marketing. It is therefore placed as a sector, rather than “Road & Bridges”.

1.2.3 United Kingdom Cooperation

A total of US\$10,287,900 was disbursed for quarter two, where as a total of US\$4,049,150 was disbursed for quarter one. These represent 108% of projected amount of US\$13,206,384 for FY2009/2010. By Aid Modality, the UK Cooperation funded projects were focused in two directions: disbursements to Non-GoL executed projects which amount to US\$ 6,262,900, while US\$4,025,000 was geared towards the LRTF.

The below provides a synoptic and analytical summary of project disbursements to PRS alignment.

Pillar III	Strengthening Governance & Rule of Law	US\$ 402,500
	Sector: Governance & Rule of Law	US\$ 402,500
Pillar IV	Rehab. Infrastructures & Del. of Basic Social Services	US\$9,885,400
	Sectors: Roads & Bridges	US\$4,025,000
	Health	2,254,000
	Water & Sanitation	3,606,400

1.2.4 Norway Cooperation

Norway Cooperation disbursed US\$ 10,934,673 for the period, in addition to US\$3,266,332 for quarter one; when combined, these represent 148% of US\$9,628,526 projection for FY2009/2010. For quarter two Norway focused most of its funds on GoL and Non-GoL executed projects.

The below provides a synoptic and analytical summary of project disbursements to PRS alignment.

Pillar I	Consolidating Peace & Security	US\$ 335,008
	Sector: Peace & Security	US\$ 335,008
Pillar III	Strengthening Governance & Rule of Law	US\$ 264,657
	Sector: Governance & Rule of Law	US\$ 264,657
Pillar IV	Rehab. Infrastructures & Del of Basic Social Services	US\$8,509,212
	Sectors: Roads & Bridges	US\$2,512,563
	Health	1,172,529
	Energy	4,824,120
Multi PRS Pillars (I&III)		US\$1,825,796
	Sectors: Peace & Security & Governance & Rule of Law	US\$1,825,796

1.2.5 United Nations System

During the reporting period only two UN organizations (UNICEF & WFP) submitted data, though a working session was held with six of them including their inputs into the revised data template, submission of aid data is on a low scale. It is expected that the UN system will exert all efforts to provide information to the GoL based on projection made for FY2009/2010, and accordance with the status and laws of the Republic of Liberia.

a. World Food Programme

The WFP disbursed US\$7,551,709³ in the reporting period and disbursed US\$5,367,574 in quarter one which represent 50% of US\$25,960,000 projected for FY2009/2010.

The below provides a synoptic and analytical summary of project disbursements to PRS alignment.

Pillar II	Revitalizing the Economy Food & Agriculture	US\$ 139,927 US\$139,927
Pillar IV	Rehab. Infrastructures & Del. of Basic Social Services Sectors:	US\$7,411,782
	Education	US\$ 753,869
	Transportation	1,203,797
	Multi Sector	5,454,116

b. United Nations Children Fund

The United Nations Children’s Fund disbursed US\$5,682,156 in quarter two and US\$2,528,771 in quarter one. These figures represent 59% of US\$13,828,150 projected for FY2009/2010.

The below provides a synoptic and analytical summary of project disbursements to PRS alignment.

Pillar III	Strengthening Governance & Rule of Law Governance & Rule of Law	US\$1,108,914 US\$1,108,914
Pillar IV	Rehab. Infrastructures & Del. of Basic Social Services Sectors:	US\$4,573,242
	Education	US\$895,152
	Health	2,885,030
	Water & Sanitation	793,060

1.2.6 African Development Bank

³ An amount of \$500,000 was reported by WFP and World Bank (WB) for the same project. Since WB is the funder, the amount was deducted from WFP data to avoid double accounting.

In the Second Quarter of FY 2009/2010, the African Development Bank disbursed US\$837,439 along with disbursement of US\$1,335,014 representing 7% of US\$31,558,099 projected for FY2009/2010.

The below provides a synoptic and analytical summary of project disbursements to PRS alignment.

Pillar III	Strengthening Governance & Rule of Law Sector: Governance & Rule of Law	US\$ 656,089 US\$ 656,089
Pillar IV	Rehab. Infrastructures & Del. of Basic Social Services Sectors: Roads & Bridges	US\$ 181,350 US\$ 181,350

1.2.7 Sweden Cooperation

Sweden Cooperation disbursement in the Second Quarter of FY 2009/ 2010 is US\$ 2,487,000. A total of US\$14,000,000 was disbursed in Quarter One. Both Quarter One and Two amount to US\$16,487,000 against US\$183,542 projected for FY2009/2010.

The below provides a synoptic and analytical summary of project disbursements to PRS alignment for quarter two.

Pillar III	Strengthening Governance & Rule of Law Sector: Governance & Rule of Law	US\$ 210,000 US\$ 210,000
Pillar IV	Rehab. Infrastructures & Del. of Basic Social Services Sectors: Roads & Bridges Health	US\$2,277,000 US\$1,794,000 483,000

1.2.8 European Cooperation

The European Cooperation disbursement of US\$9,481,820 in quarter two and US\$ 10,259,389 in the first Quarter amount to US\$19,741,209.69 represent 117% against a projection of US\$16,889,423 for FY2009/2010.

The below provides a synoptic and analytical summary of project disbursements to PRS alignment for quarter two

Pillar II	Revitalizing the Economy Sectors: Food & Agriculture	US\$4,470,512 US\$4,470,512
Pillar IV	Rehab. Infrastructures & Del. of Basic Social Services Sectors: Energy Education Multi-sectoral	US\$5,011,308 US\$3,916,611 591,965 502,731

1.2.9 Foundations

The Unit in collaboration with the Liberia Philanthropy Secretariat gathered initial data from four Foundations. A total of US\$596,170 was disbursed during the reporting period for multi-sectoral projects.

1.2.9 Aid Disbursements by Partner

As depicted below, ten DPs provided disbursement information for the period.

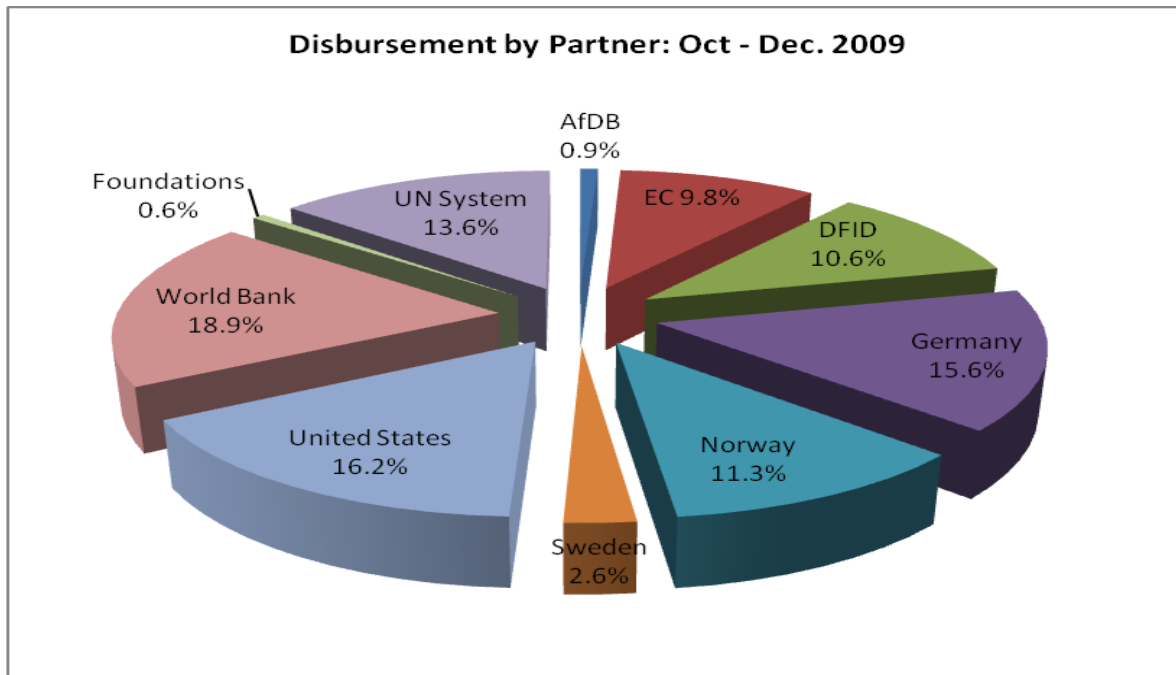


Figure 1: Analysis of Disbursement by partner
Source: Aid Management Platform

1.3.0 Aid Disbursement by Aid Modality

The below pyramid provides summary analysis of DPs, broken down by Aid Modality.

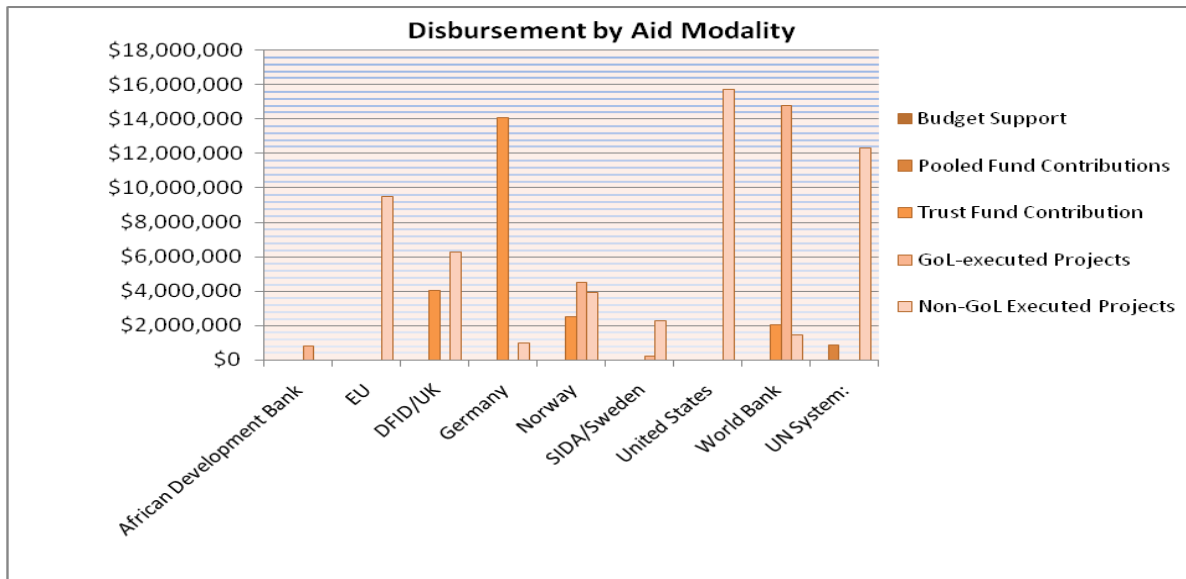


Figure 2: Summary Analysis of Disbursement by aid modality
Source: Aid Management Platform

1.3.1 Aid Disbursement by Sector

This Section analyzes aid received in the Second Quarter of FY 2009/ 2010 on the basis of sectors, as enshrined in the GoL PRS. The LRTF, a multi sector infrastructure trust fund, primarily roads & bridges, water and sanitation, etc, received the highest disbursement in the Second Quarter. Figure 3, Disbursement by Sector provides an in-depth analysis.

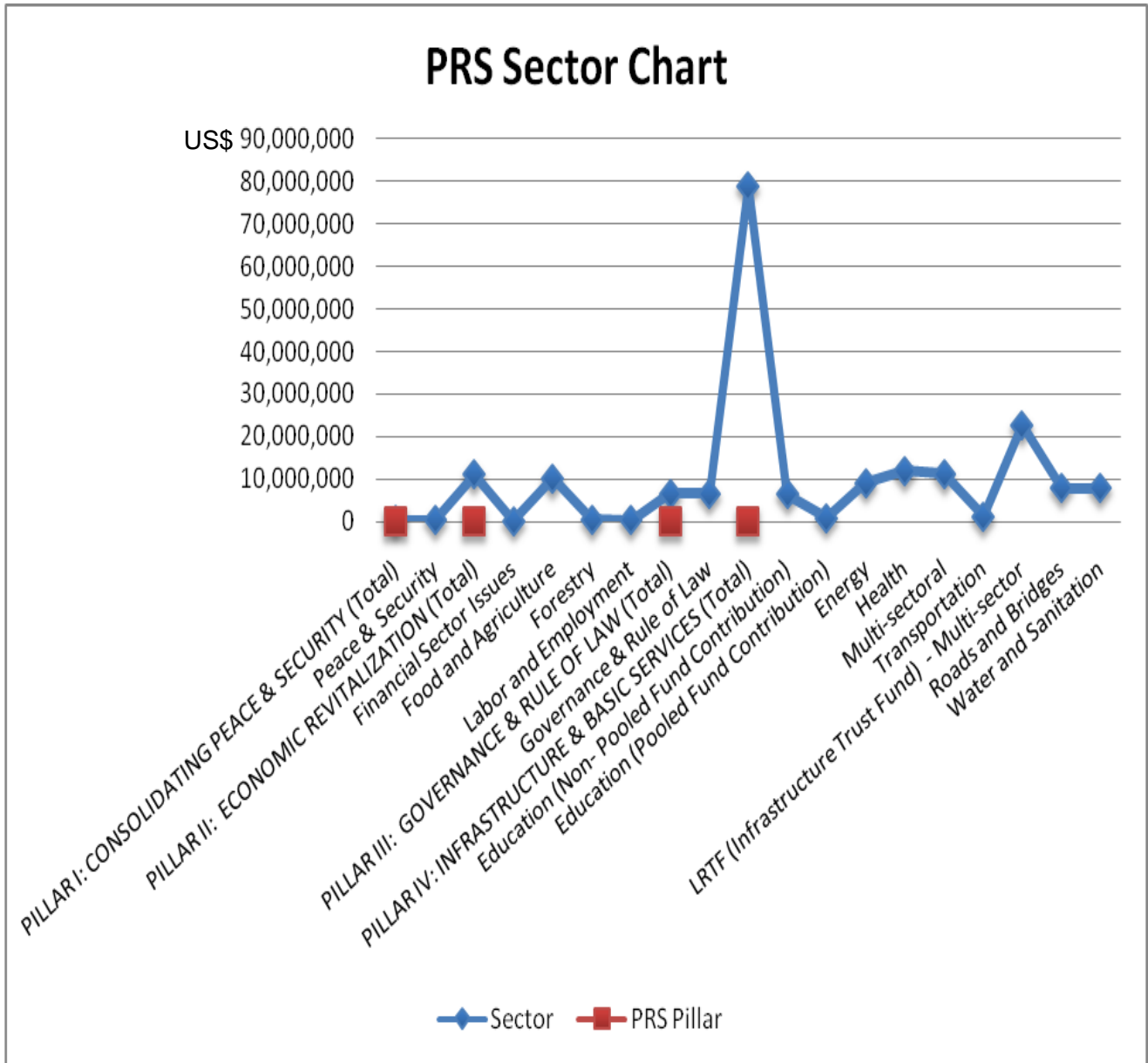


Figure 3: Analysis of Disbursement by Sector
Source: Aid Management Platform

1.3.2 Challenges/Constraints

Provision of essential equipment, stationery and tools during the period has helped a great deal in facilitating data collection, which include visits to most DPs and M&As, inventory, analysis and reporting, but there remain to be challenges in the following areas:

1. Aid Management Platform
 - a. Access to Aid Management Platform (AMP) – the AMP is currently off due to outstanding payments to the service provider (Libtelco).
 - b. The AMP remains to be at the pilot phase, with limited access to major feature of the database. Meantime, aid data are now being stored into an excel spreadsheet awaiting resolution of these problems.
2. Possible Double Accounting – two partners reporting on the same project, but with different names. Example, WFP reported a \$500,000, which was also reported by World Bank. The amount was deducted from WFP as World Bank is the funding agency; internal mechanism instituted to track double counting.
3. UN System – though a working session was held with the UN System to work out modalities on collection of their data, there is still a low level of data from their end. Only WFP and UNICEF provided aid data. It is anticipated that the third quarter will see more aid information from the UN System.

1.3.3 Recommendations

1. AMP
 - a. Outstanding payments to Libtelco are made to have access to the AMP and the system/equipment be removed to the MoF facility;
 - b. Finalize arrangements with Development Gateway to complete phase II and III;
2.
 - a. Partners encouraged when requested to speedily do confirmation of figures before final reports are produced;
 - b. DPs to clearly identify names of sub-projects that may be a part of a large project.