



REPUBLIC OF LIBERIA
MINISTRY OF FINANCE
MONROVIA, LIBERIA

REPUBLIC OF LIBERIA
MINISTRY OF FINANCE
MONROVIA, LIBERIA

AMU

AID MANAGEMENT UNIT

ANNUAL DONOR FISCAL OUTTURN REPORT
FY2011/12

OCTOBER 19, 2012

For more Information, contact:
Aid Management Unit
4th Floor,
Ministry of Finance
1000 Monrovia, 10 Liberia
Tel.: (+231) 880578492/2620 2539
Email: liberiaaidmanagement@yahoo.com

TABLE OF CONTENT

Pages

TABLE OF CONTENT	2
I. ACKNOWLEDGEMENTS	3
II. INTRODUCTION	4
A. OBJECTIVES OF THE REPORT.....	4
B. SUMMARY OF REPORT CONTENT	4
III. BACKGROUND OF THE AID MANAGEMENT UNIT (AMU)	6
IV. GENERAL OVERVIEW OF AID MANAGEMENT IN LIBERIA	7
A. COMPOSITION AND CURRENT STATUS OF AID POLICY	7
B. STATUS ON THE IMPLEMENTATION OF THE AID MANAGEMENT PLATFORM	7
C. AMU COORDINATION MECHANISM WITH DEVELOPMENT PARTNERS	9
D. AMU COORDINATION WITH GOL MINISTRIES & AGENCIES	10
V. AID PREDICTABILITY	11
VI. DATA COLLECTION, ANALYSIS, & REPORTING	12
A. GENERAL OVERVIEW OF OFFICIAL DEVELOPMENT ASSISTANCE; FY2011/2012	12
B. SUMMARY ANALYSIS BY TYPE AND MODALITY	13
C. ANALYSIS OF BUDGET SUPPORT	14
D. ANALYSIS OF TRUST FUND	15
E. POOLED FUND CONTRIBUTIONS	16
F. PROJECT SUPPORT	16
G. SECTOR ANALYSIS	17
H. SNAP-SHOT: DISBURSEMENT BY PARTNER AND SECTOR	18
I. VARIANCE ANALYSIS BY PRS SECTOR	19
VII. RECOMMENDATIONS	20
VIII. CONCLUSION	21

I. ACKNOWLEDGEMENTS

The Aid Management Unit is one of the specialized Units of the Ministry of Finance funded by the African Development Bank (AfDB) through Pillar III of the Fragile States Facility. Special acknowledgement goes to the AfDB for its unwavering support and commitment to the reconstruction and peace-building process of Liberia.

We also wish to make special recognition of the efforts made by the Analysts, Desk Officers, our ODI counterpart, and Directors in the process of data collection, analysis, and composition of the narrative and structural editing of this report. Our donor community also played a vital role in providing the data which form the basis of this report. It is the collaborative efforts of everyone that made this a possibility.

II. INTRODUCTION

A. Objectives of the Report

This annual report is composed of information on Actual disbursements made by donors over the past twelve months of FY2011/2012 of which comparative analysis are made with the FY2011/2012 projections. The aim of the report is to provide the Government of Liberia, Development Partners, Civil Society, Researchers, and the entire Liberian populace with both qualitative and quantitative performance measures on loan and grant commitments, disbursements and sectoral allocations.

B. Summary of Report Content

The Government of Liberia's Poverty Reduction Strategy I (2008 -2011) received overwhelming endorsement by Development Partners, Civil Society Organizations, and Foundational Partners at the PRS Forum in Berlin, Germany in 2008. This is evident by the huge Official Development Assistance provided during the entire PRS I implementation process. For example, during FY2009/2010, an amount of US\$355,720,311 was reported as actual disbursement for the fiscal period. The sequent year FY2010/2011, the Aid Management Unit (AMU) published an annual ODA of US\$ 426,227,557, showing an increase of 3.5%. This third round of annual reporting shows an amount of US\$340,203,878 in commitments was mobilized from Development Partners. It is worth noting however, that, cumulatively, Development Partners have supported the PRS implementation with US\$1,122,151,746. This amount constitutes 69.7% of the US\$1,610,000,000 the Government of Liberia required to implement the PRS. It is worth to further note that, the DPs cumulative disbursement is 101% (this means that actual disbursement exceeds projection) of the US\$1,110,000,000 the Government of Liberia anticipated from Development Partners. However large

discrepancies between committed and disbursed aid, hindered the sustainable implementation of many projects for this period under review.

It must emphasized that as the Government moves to make Liberia a middle income country by 2030, the availability of external resources will contribute significantly to the country's economic growth and development.

III. BACKGROUND OF THE AID MANAGEMENT UNIT (AMU)

After fourteen (14) years of civil crisis, which derailed public institutions and created huge human resource capacity gap, Liberia returned to democratic rule in 2006 with the election and subsequent inauguration of President Ellen Johnson Sirleaf. In an effort to tackle corruption and improve public financial management, the Government of Liberia (GoL) enacted a new Public Finance Management (PFM) Law in 2009. The PFM Law created the Aid Management Unit (AMU) in the Office of the Minister of Finance to lead the implementation of the agenda on Aid alignment and harmonization as required under the Paris Declaration and Accra Agenda for Action on Aid effectiveness. Specifically, the AMU helps in strengthening coordination between Government and Development Partners and within Government Ministries and Agencies, (M&As) on Aid Management issues. Core function of the AMU is to identify best practices in Aid Management and Coordination, 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 national budget; Co-ordinate plans for loan; all general budget support and targeted budget support financing, as part of the national budget process. Manage the pooled funding mechanisms; Act as an institutional link between the President's Office, and implementing bodies of the Government and the donors, with regards to aid management issues; and Liaise with ministries and agencies, and departments for the planning of future donor and NGO activities that will impact the budget process. For the past three (3) years, the AMU has made significant progress in the implementation of these mandates.

IV. GENERAL OVERVIEW OF AID MANAGEMENT IN LIBERIA

A. Composition and Current Status of Aid Policy

With the goal of clearly articulating the Government's desire to mobilize high quality aid, the Ministry of Finance, through broad base consultation with Development Partners (DPs), Civil Society Organizations (CSO), Ministries and Agencies, and other internationally recognized Think Tanks, such as the African Center for Economic Transformation drafted an Aid Strategy and subsequent Aid Policy; named and styled: "Liberia Aid Policy" in 2009 and 2010 respectively. The draft Aid Policy is currently been introduced to the Cabinet for adoption. When adopted, the policy will provide the framework for coordination of all development assistance to Liberia. Beyond it's principles on aid effectiveness based on the Paris Declaration and Accra Agenda for Action, the policy will provided realistic direction to improve the quality of aid and its impact on development. The policy will put in place a series of specific implementation measures and establish a monitoring system to assess progress and ensure that donors and GoL are accountable for their commitments.

B. Status on the Implementation of the Aid Management Platform

Pursuant to its core mandate of maintaining a full database of aid flows and producing reports on statistical records of aid flows data, the Ministry of Finance contracted the Development Gateway Foundation for the use of the Aid Management Platform (AMP). The AMP was piloted from January 2009 to December 2010. During the implementation of the pilot stage, it became known that the AMP is the best option for tracking, monitoring and reporting on Official Development Assistance (ODA). As such, the Aid Management Unit negotiated with the Development Gateway for a full scale implementation of the AMP in

Liberia. In February 2011, an agreement worth US\$362,770 (US\$110,000 for Implementation phase and US\$252,770 for the Sustainability phase) was signed between the Government of Liberia and Development Gateway. The contract required that during Government of Liberia FY2011/2012, an amount of US\$110,000.00, representing payment for the implementation phase will be made available to the Development Gateway. Predicated upon this background, the Government of Liberia requested a grant from the African Development Bank, through the Fragile State Facility Pillar III to support Technical Assistance and Capacity Building. An amount of US\$110,000 was made available and paid to the Development Gateway to underwrite the cost of implementation. Development Gateway began actual operation in Liberia undertaking the below activities:

- i.** Upgrading of the AMP from version 1.13 to 2.0;
- ii.** Training of Administrative and Local Users;
- iii.** Development of a Local User Training Manual;
- iv.** Configuration of system, considering the Medium Term Expenditure Framework projections;
- v.** Transferring the AMP server from the Liberia Telecommunication Corporation data center to the Ministry of Finance mini data center;
- vi.** Held consultation with Development Partners, including ADB, UNDP, USAID, and other stakeholders; and
- vii.** Drafted the Liberia Data Management Plan

The Development Gateway is expected in Country November 2012. While in country, the following are expected to be accomplished:

- i.** Data validation and cleanup;
- ii.** Advanced Administrative and Local Users training;
- iii.** Installation of the ESRI GIS Module;
- iv.** GIS Training – geocoding; and,

- v. Official launch of the AMP

C. AMU Coordination Mechanism with Development Partners

Following the recent Country Portfolio Performance Review of the World Bank and African Development Bank on April 11 and June 28, 2012 respectively, discussions swiftly pointed to common challenges faced by projects, including: the Slow response time from Donor coping with high turn-over in Task Manager from Headquarters; weak capacities for Project Management, Procurement, Contract Management, and Financial Management; Weak sector coordination; and Project design weakness, substantial initial implementation delays and weak project performance during implementation. As a result of these core challenges, the AMU, through its Desk Officers developed an approach of organizing monthly/quarterly Project Manager Coordination Meetings to begin establishing firm contact with Donor Focal Points to share knowledge on the Standard Operating Procedures (SOP) of the various donor institutions. Summaries of the technical meetings, especially with the ADB are highlighted below.

i. African Development Bank (ADB)

Coordination meetings between the AMU and the ADB began late June 2012; primarily on a knowledge sharing basis. Specific Bank issues were highlighted for discussion during the entire FY2012/2013. These issues include:

- The AMU conducting a quarterly meeting with all ADB Project Managers;
- The ADB Program Office and AMU Desk Officer holding regular weekly knowledge sharing meeting on the Standard Operating Procedure of the Bank (Operations Manual and project cycle, Bank Group financing windows, Current Bank strategy and different sector strategies, ADB Information disclosure Policy, Disbursement procedures, and, Procurement rules);

Currently, there are technical level discussions ongoing for the holding of the first ADB project managers meeting.

D. AMU Coordination with GoL Ministries & Agencies

The Aid Management Unit, in collaboration with the National Authorizing Office, and NGO Coordination both of the Ministry of Planning and Economic Affairs, organized and hosted a one day workshop on Friday, May 18, 2012; which was held in the Integrated Financial Management Information System (IFMIS) training room, 4th floor, Ministry of Finance. The workshop was tailored on the theme: Strengthening GoL Relations for High Quality Aid: A Step towards “Liberia rising 2030”. The objectives of the workshop, amongst others included:

- i.** A final review of the National Aid Policy before submission for Cabinet approval;
- ii.** A review of the various modes of Aid Administration in government pursuant to the Public Financial Management Law 2009 on aid management and coordination;
- iii.** Development of a holistic data collection mechanism to promote and facilitate monitoring and evaluation; and
- iv.** Development of strategies for the upcoming donor coordination meeting.

The workshop was attended by 88 participants from 24 government Ministries and Agencies.

The following topics, Overview of Local and International Aid Instruments; Summary Analysis of the draft Aid Policy of Liberia; Summary Analysis on the draft NGO Policy; Introduction to the New Deal; Overview of Sector Mechanism; and Aid Coordination Mechanism, were presented using primarily presentations and question and answer methodology.

V. AID PREDICTABILITY

With Aid constituting such a large part of total public disbursements, predictability is key to avoiding fiscal instability, which can hinder GDP growth. On average, actual disbursement was 111% of planned disbursement in FY 2011/2012. But this masks significant variation between donors, with percentage of Actual Disbursement varying from 0% to 219%. Such unpredictability makes it difficult for the government to allocate its own budget to match donor funding and ensure project sustainability.

Variance Analysis of FY2011/2012 Planned & Actual Disbursements				
Donor	Planned Disbursements	Actual Disbursements	Variance	% of Actual Disbursement
African Development Bank	63,779,320	28,974,943	34,804,377	45%
China	6,900,000		6,900,000	N/A
Denmark	5,183,125	11,340,741	(6,157,616)	219%
DFID/UK	26,967,500	12,880,000	14,087,500	48%
European Union	42,626,287	50,377,982	(7,751,695)	118%
France		179,700	(179,700)	N/A
Foundational Partners	1,734,641		1,734,641	N/A
Germany	2,489,000	5,195,952	(2,706,952)	209%
Ireland	11,276,696	7,662,568	3,614,128	68%
Sweden		30,606,060	(30,606,060)	N/A
USAID		51,955,814	(51,955,814)	N/A
World Bank	78,000,000	70,539,750	7,460,250	90%
UNFPA	1,999,739	1,931,964	67,775	97%
WFP	65,039,321	68,558,404	(3,519,083)	105%
Total	305,995,629	340,203,878	(34,208,249)	111%

Reasons for this unpredictability include mismatched timelines, legislative delays, and a failure to meet deadlines for reporting requirements on the part of donors and GOL. However, frantic effort is being exerted on the part of the AMU staff to ensure proper aid coordination efforts such as the Aid Management Platform aim to improve aid predictability. This will effectively address some of these concerns.

VI. Data Collection, Analysis, & Reporting

A. General overview of official development assistance; FY2011/2012

What constitutes aid data for FY2011/2012 can be classified into two broad categories: Planned Disbursement (Projection) and Actual Disbursement. However, while the planned disbursement was thoroughly analyzed in the FY2011/2012 Aid Projection annexed to the FY2011/2012 National Budget, planned disbursements shown in this report is met for comparative analytical purposes. Aid projections were mobilized from six (6) Bilateral, four (4) Multilateral and Foundational Partners, including: African Development Bank, China, Denmark, European Union, Foundations (via GoL's foundation secretariat), Germany, Ireland, United Kingdom, and the United Nations System (specifically WFP & UNFPA). The actual disbursements for FY2011/2012 of US\$340,203,878 reported herein are based on the FY2012/2012 projection of US\$305,995,629, which indicates an increase of US\$34,208,249 when compared previous years. The actual disbursement during this period consisted of US\$319,783,878 in grants, which makes up 93.9% of the total disbursement, with the remaining 6.1% or US\$20,420,000 covered by loans. Multilateral donor disbursements accounted for US\$220,383,046 or 64.8%% of total disbursements, while bilateral donors covered the remaining balance with US\$119,820,833 or 35.2%, (See Figure 1 below).

Looking in more details, the total actual disbursements of US\$340,203,878 in FY 2011/2012 were obtained in the following manner:

- i. Out of multilateral donor disbursement amounting to US\$220,383,046, World Bank Disbursed US\$70,539,750, representing 21% of the total disbursements - or almost 33% of the multilateral group's contributions (see graph below). It is worth noting here also that, loan disbursements made by the World Bank is 100% of the total loan disbursement during the period

under review. On the other hand, UN System (WFP & UNFPA) disbursed a grant of US\$70,490,368 or 31% of total multilateral disbursements (see graph below). The European Union fiscal disbursements amounted to US\$50,377,982, representing 15% of the total FY2011/2012 disbursements or about 22.8% of Multilateral Group's contribution in the period under consideration. As depicted in the graph below, the African Development Bank total disbursement amounted to US\$28,974,943 and represents 13.1% of multilateral contribution; noting that all disbursements were grant. (For details see Table 3 in the Annex).

- ii. Bilateral donors disbursed US\$119,820,833 or 35.2% of the total Disbursement in FY 2011/2012, of which USAID contributed US\$51,955,814 that accounts for 15% of total disbursements of both bilateral & multilateral donors and 43.3% of bilateral donors. Sweden and UK/DFID provided US\$30,606,060 and US\$12,880,000 or 25.5% and 10.7% of bilateral donor disbursements – and 9% and 4% of total disbursements respectively. These amounts are entirely made up of grants. Ireland contributed a grant of US\$7,662,568 or 6.3% of bilateral donor disbursements. Denmark & Germany on their part provided US\$11,340,741 and US\$5,195,952 in grants. The Government of France disbursed the least in this fiscal year in the amount of US\$179,700.

B. Summary Analysis by Type and Modality

In the context and practices of aid management in Liberia, the Aid Management Unit, Development Partners, and GoL Ministries and Agencies recognized four (4) types of Modalities, including: Budget Support, Pooled Fund, Trust Fund, and Project Support. Project Support is subdivided into two

components: GoL Executed Projects and Non – GoL Executed Projects. The table below provides a brief synopsis of each modality, followed by detailed disbursement analyses.

Actual Disbursements By Aid Modality and Partner, Quarter II FY2011/2012							
	Budget Support	Pooled Fund Cont.	Trust Fund Cont.	GoL-executed Projects	Non-GoL Executed Projects	Total by Partner	% of total aid
AfDB	21,425,600			7,549,343		28,974,943	9%
Denmark				11,340,741		11,340,741	3%
DFID/ UK		4,830,000	8,050,000			12,880,000	4%
EU	5,992,500		13,644,043		30,741,439	50,377,982	15%
France					179,700	179,700	0%
Germany					5,195,952	5,195,952	2%
Ireland		4,935,000			2,727,568	7,662,568	2%
Sweden				13,787,879	16,818,181	30,606,060	9%
USAID			1,331,000		50,624,814	51,955,814	15%
World Bank			36,530,000	31,873,090	2,136,660	70,539,750	21%
WFP					68,558,404	68,558,404	20%
UNFPA				1,931,964		1,931,964	1%
<i>Total by Type</i>	27,418,100	9,765,000	59,555,043	66,483,017	176,982,718	340,203,878	
% by Type	8.1%	3%	17.5%	20%	52%	100.0%	

C. Analysis of Budget Support

The draft Aid Policy clearly communicates that the Government's preferred aid modality is budget support, recognizing that aid delivered in this manner can help build stronger government institutions and service delivery systems. At present, the Government has three (3) traditional budget support partners, including: African Development Bank, European Union, and World Bank. For FY2011/2012, an amount of US\$41,630,000 or 13.6% of the total projection was earmarked as budget support; of which US\$22,680,000 from the AfDB to finance the Economic Governance and Competiveness Support Program, US\$7,050,000 from the EU to support the Budget Support for Macro - Economic Stabilization (BSMS), and US\$5,000,000 loan from the World Bank to support the

Reengagement and Reform Support Program IV. Though an amount of US\$6,900,000 inclusive of the total budget support was recorded for China, the figure was not confirmed by a valid source document.

As to actual disbursements, out of the four (4) partners that projected budget support, only the ADB and EU disbursed US\$21,425,600 and US\$5,992,500 respectively, summed up to US\$27,418,100. The World Bank disbursement was not effective owing to the delays by the Legislature to ratify the Financing Agreement to support the RRSP IV.

D. Analysis of Trust Fund

For FY2011/2012, several projects were funded using trust fund mechanism. These projects were basically in the infrastructural and governance and rule of law sectors. Paramount amongst the trust fund is the Liberia Reconstruction Trust Fund (LRTF), an infrastructural trust fund established by donors and GoL, administered by the World Bank. Projects funded through the LRTF are URIRP, EMUS and LIBRAMP etc. Others include the EU trust fund to support the Liberian Electoral Cycle and co-financing of the AIP and CEP II. With all these trust fund mechanism fully functional since its establishment, during formulation of the FY2011/2012 National Budget, an amount of US\$29,257,500, was projected by UK and World Bank; earmarked to support three (3) projects financed through the various trust funds.

As to actual disbursements, four (4) donors contributed to the various trust fund mechanisms; amounting to US\$59,555,043, which represents 17.5% of the fiscal disbursements. Out of the overall, US\$44,580,000 was channeled through the LRFT; contributed by the UK was (US\$8,050,000), and World Bank (US\$36,530,000). The EU supported its trust fund mechanisms with US\$1,905,793 to the Liberia Electoral Cycle, US\$6,345,000 to the Agricultural Infrastructural Project and US\$5,393,250 to the Community Empowerment Project II co-financing. On the

final end, the United States Agency for International Development disbursed US\$1,331,000 to the PFM Multi - donor trust fund.

E. Pooled Fund Contributions

In 2008, the Government established two pooled funds, in health, and education co-managed jointly by the GoL and development partner steering committees. These funds largely follow GoL procedures for procurement and financial managements. The health sector pooled fund supports implementation of the National Health & Social Welfare Plan, while the education sector pooled fund supports the Liberia Primary Education Recovery Program. During the planning stages of the FY2011/2012 national budget, the Government of Ireland, EU and DfID projected a total of US\$8,395,890 to fund projects implemented through the mechanism. While the Ireland and DfID projections were geared towards the health sector, the EU projection was met for an Audit Assessment decentralized management for both the Health & Education Sectors Pooled Funds.

During the implementation, an amount of US\$9,765,000 was disbursed by both the Government of Ireland (US\$4,935,000) and DfID (US\$4,830,000).

F. Project Support

As stated earlier, Project Support is subdivided into GoL Executed Projects and Non GoL Executed Projects. Government executed projects are those projects for which the Government of Liberia handles financial management, using the Ministry of Finance's Project Financial Management Unit, Ministry of Agriculture Project Management Unit, and Ministry of Health and Social Welfare Office of Financial Management. The use of this mechanism to implement projects is primarily driven by the World Bank, African Development Bank, and partly followed by USAID, and Sweden. On the other hand, Non Government

executed projects are those projects for which the funding agency or a third party subcontractor handles financial management. During the planning stage of the FY2011/2012 National Budget, an amount of US\$226,712,239 was earmarked for Project Support; constituting US\$90,936,445 for GoL Executed Projects and US\$135,775,794 for Non GoL Executed Projects.

During actual implementation, donors disbursed US\$309,948,051, representing 72% of the total fiscal disbursements. Of this amount, US\$66,483,017 was channeled through project executed by Government of Liberia; while the balance of US\$176,982,718 went through Non GoL Executed Projects. The modality table below provides summary details.

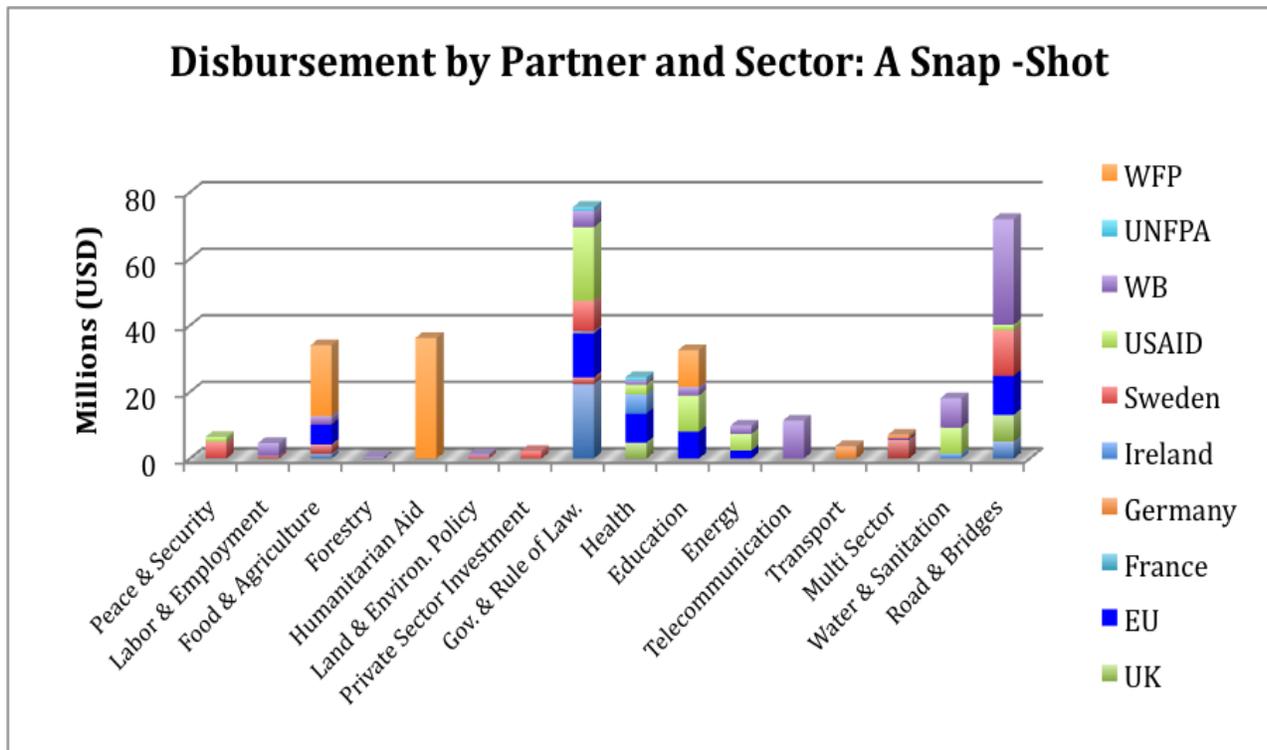
G. Sector Analysis

The Poverty Reduction Strategy, otherwise referred to as "Lift Liberia" contains eighteen (18) sectors. Of the eighteen sectors, donor funded fifteen (15), excluding the humanitarian aid rendered the Ivorian Refugees by WFP.

As stated earlier, a total disbursement of US\$340,203,878 was recorded during the entire fiscal year of 2011/2012, representing about 60% of the FY2011/2012 National Budget. Governance and Rule of Law Sector received the bulk of total disbursements amounting to US\$75,609,532 or 22.2%, with Roads & Bridges and Food & Agriculture sectors coming second and third with US\$71,927,122 or 21.1% & US\$34,057,135 or 10% respectively. Humanitarian aid and Water and Sanitation got US\$36,246,388 & US\$18,091,211 amounting 10.7% & 5.3% of the total disbursement share respectively. Transportation and Telecommunication sectors received US\$3,687,150 or 1.1% and US\$11,400,000 or 3.4% of the total disbursement. The health sector, on the other hand, received US\$24,405,480 or 7.2%, while the Education Sector also got US\$32,562,360 or 9.6% of the total disbursement in the period under consideration. On the other hand, other sectors, including: peace and security, labor & Employment, forestry, Land &

Environmental Policy, Private Sector Investment, Energy and Multi – Sector, cumulatively, received US\$32,217,501 or 9.5% of the total fiscal disbursements. Within each pillar, the Governance and Rule of Law sector was the highest donor-funded sector amassing 21.9% of total disbursements, followed by the Roads & Bridges sector with 21%, and Humanitarian Aid 10.6%.

H. Snap-shot: Disbursement by Partner and Sector



I. Variance Analysis by PRS Sector

Variance Analysis by PRS Sector: FY2011/2012	Planned Disbursements	Actual Disbursements	Variance
PILLAR I: PEACE AND SECURITY (Pillar Total)	1,600,654	6,496,837	(4,896,183)
Peace and Security	1,600,654	6,496,837	(4,896,183)
PILLAR II: ECONOMIC REVITALIZATION (Pillar Total)	47,382,091	79,009,830	(31,627,739)
Food and Agriculture	40,957,992	34,057,135	6,900,857
Forestry	1,012,501	535,110	477,391
Private Sector Investment	4,511,000	2,272,726	2,238,274
Labor & Employment	745,498	4,664,815	(3,919,317)
Financial Sector Issues	155,100		155,100
Land & Environmental Policy		1,233,656	(1,233,656)
Humanitarian Aid		36,246,388	(36,246,388)
PILLAR III: GOVERNANCE & RULE OF LAW (Pillar Total)	61,588,116	75,609,532	(14,021,416)
Governance & Rule of Law	61,588,116	75,609,532	(14,021,416)
PILLAR IV: INFRASTRUCTURE & BASIC SERVICES (Pillar Total)	195,424,768	179,087,680	16,337,088
Education	28,540,726	32,562,360	(4,021,634)
Energy	1,912,403	9,878,025	(7,965,622)
Health	23,357,110	24,405,480	(1,048,370)
Transportation	2,489,000	3,687,150	(1,198,150)
Roads and Bridges	63,142,500	71,927,122	(8,784,622)
Telecommunication		11,400,000	(11,400,000)
Water and Sanitation	5,602,653	18,091,211	(12,488,558)
Multi- Sector (Several Areas)	70,380,376	7,136,332	63,244,044
TOTAL	305,995,629	340,203,878	(34,208,250)

VII. Recommendations

Finalize and adopt government aid management policy and agree on a mutual accountability framework, including timely reporting to the AMU via the AMP and expanded Monitoring & Evaluation.

To improve the effectiveness of aid in Liberia, there must be coordinated donor financing, with general budget support as the favored and preferred aid modality followed by multi donor pooled funds and sectoral budget support; Predictability is key.

As the GoL moves towards increase aid on budget, there is a need to review major DPs policies, guidelines and strategies since these affect the integration of aid into government budgets; this will be done via the Sector Working Groups.

VIII. Conclusion

A review of donor aid over the last 12 months clearly demonstrates that it remains a critical form of support for Liberia. Because these resources come with responsibilities in accordance with international aid discourses, both the Government and development partners must ensure that the funds are used in the most effective way possible, maximizing the benefits for the people of Liberia in a sustained manner. During the fiscal period under review, the total annual donor fiscal outturn amounted to US\$340,203,878. A total of 12 development partners, including: AfDB, Denmark, DFID, EU, France, Ireland, Germany, Sweden, UNFPA, USAID, WFP and World Bank provided detailed disbursement information. Per donor, the highest disbursement, 21% of the total donor fiscal outturn was made by the World Bank, followed by WFP 20%, EU 15%, and USAID 15%. The Infrastructure and Basic Social Services Pillar of the PRS received more than half of the total annual donor fiscal outturn (52.6%), followed by the Economic Revitalization Pillar (23%), the Governance and Rule of Law pillar (21%), and finally the Peace and Security pillar (3.4%).

DPs utilized four modalities of aid in the period under review. A staggering 72% of disbursements were made through Project Support. The use of Budget Support, the government's preferred modality, remains a challenge for the donors, with only 8.1% of disbursements channeled through this modality. It is necessary to note that the alignment of projects by donors to government development priorities should improve. Furthermore, the extreme unpredictability of aid, with disbursements varying from 45% to 219%, makes it difficult to incorporate projects into Liberia's development strategy. Increased donor use of country systems will not only improve government's capacity but will also establish ownership, eventually requiring the government to sustain these projects over time.

While there are huge gains made by the AMU in reporting donor aid data, capacity constraints continue to hinder timely reporting by the unit. These constraints include:

- i. Delays in collecting Data on Aid projections and actual disbursements for each GoL fiscal year. This can be attributed to the inadequate and often inconsistent communication channels between AMU and DP's, as-well as certain reluctance by DPs to submit information that is not sanctioned by their funders or governments. Timely submission of this information is pertinent for the government in making informed budgetary decision.
- ii. Logistics – Day-to-day operations within the AMU are hampered by lack of basic equipment, such as vehicles, laptops, extended hard drives and Internet Modems; Access to such tools will facilitate communication, data collection and the monitoring & Evaluation of DP's projects.
- iii. The AMU plans to greatly expand its data collection capacity through the Aid Management Platform (AMP), but requires resources to run and host the server online over the next five year.