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FY2017/2018

Quarter I Development Assistance Report

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TABLE OF CONTENTS

Abbreviations	2
I. Executive Summary	3
II. Overview of Official Development Assistance to Liberia.....	5
III. Actual Disbursement by Aid Modality	8
IV. Aid Disbursement by AFT Pillar and National Budget Sectors	9
V. Conclusion	11

LIST OF TABLES

Table 1. FY2017/2018 Aid Projection versus Quarter I Actual Disbursement	7
Table 2. FY2017/2018 Projection and Quarter I Disbursement by Modality.....	8
Table 3. Actual Disbursement by AfT Pillars & National Budget Sectors	10

LIST OF CHARTS

Chart 1. Variance Analysis: FY2017/2018 Projection versus Disbursement	6
Chart 2. Quarter I Disbursement by AfT Pillar.....	10

ABBREVIATIONS

AfT	Agenda for Transformation
AfDB	African Development Bank
AMCU	Aid Management & Coordination Unit
AMP	Aid Management Platform
CSO	Civil Society Organization
DAR	Development Assistance Report
DfID	Department for International Development
DP	Development Partner
EU	European Union
EVD	Ebola Virus Disease
FARA	Fixed Amount Reimbursement Agreement
IFAD	International Fund for Agricultural Development
IDA	International Development Association
IMF	International Monetary Fund
LRTF	Liberia Reconstruction Trust Fund
ODA	Official Development Assistance
PSIP	Public Sector Investment Plan
UK	United Kingdom of Great Britain
UNFPA	United Nations Population Fund
UNDP	United Nations Development Program
UNHCR	United Nations High Commissioner for Refugees
UNPBF	United Nations Peace Building Fund
USAID	United States Aid for International Development
WHO	World Health Organization

I. EXECUTIVE SUMMARY

Pursuant to **Section 12 (Documents and Contents of proposed Budget)** of the Public Financial Management Law of 2009¹, this FY2017/2018 Quarter I Annual Development Assistance Report (DAR) is based on donor aid projections annexed to the approved FY2017/2018 National Budget. The primary source of data for this FY2017/2018 Quarter I Development Assistance Report is data recorded in the Ministry of Finance and Development Planning Aid Management Platform (AMP). Part G.2 (Minister’s Responsibility for Donor Funding), Section (a) provides “the Minister shall have overall responsibility for aid management and shall: (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”.

For the reporting period, Liberia received Official Development Assistance from eighteen (18) development partners including the African Development Bank (AfDB), Arab Bank for Economic Development in Africa (BADEA), European Union (EU), Germany, Global Fund, IFAD, International Development Association (IDA), Ireland, Japan, Millennium Challenge Corporation (MCC), Norway, Sweden, United Nations Children Fund (UNICEF), United Nations High Commission for Refugees (UNHCR), United Nations Office for Peace and Security (UNOPS), UN Women, United States Agency for International Development (USAID) and World Food Program.

This report covers the period July 1, 2017 – September 30, 2017; as such, actual disbursement data collection began in October 2017. An aid data collection package, comprising the data collection template, summary analysis of the Agenda for Transformation (AFT) Pillars, the National Budget Sectors, and instructions for filling-out the data collection template was sent via email to the Development Partners and Foundations.

The data was subsequently populated into the Aid Management Platform (AMP) – AMCU data warehouse - and analysis generated as shown below:

¹ Section 12 (**Documents and Contents of proposed Budget**) of the PFM Law 2009 provides, “The Proposed Budget presented by the President to the Legislature shall include the following documents; an annex identifying in summary form all donor financing, distinguishing financing in support of Central Government from other external financing.

- The total disbursement for the FY2017/2018 Quarter One amounts to **US\$130,618,309**, against an annual projection of **US\$716,008,018**. This amount represents **18.0%** rate of disbursement;
- The disbursement consists of **US\$107,271,150** or **82.1%** as grants, with the remaining **US\$23,347,159** or **17.9%** covered by loans;
- The top five development partners with huge disbursements include: United States Agency for International Development (USAID) **US\$40,957,890**, International Development Association (IDA) **US\$21,521,830**; Millennium Challenge Corporation (MCC) **US\$14,067,360**; African Development Bank (AfDB) **US\$13,943,864** and UNICEF disbursed **US\$6,647,107**;
- In terms of aid modalities, Trust Fund/Liberia Reconstruction Trust Fund (LRTF) netted **US\$5,758,312**, while **US\$124,859,997** was channeled through Program/Project Aid, being the highest; and,
- By National Budget Sectors, Energy and Environment Sector was the top sector receiving foreign aid, followed by Infrastructure and Basic Services Sector, Health Sector, Public Administration Sector, and Agriculture Sector. The Energy and Environment Sector received **US\$30,536,000 (23.4%)**, Infrastructure and Basic Services Sector **US\$29,111,133 (22.3%)**, Health Sector **US\$21,019,877 (16.1%)**, Social Development Services Sector **US\$13,264,580 (10.2%)** and Agriculture Sector **US\$12,580,234 (9.6%)**. The **Industry and Commerce Sector** received the lowest disbursement of **US\$1,283,722** or **(1.0%)** of the total disbursement;

This analysis aims at providing the Government of Liberia, Development Partners, Civil Society, Aid Researchers and readers with quantitative performance measures regarding loan and grant projections, actual disbursements and sectoral allocations.

II. OVERVIEW OF OFFICIAL DEVELOPMENT ASSISTANCE TO LIBERIA

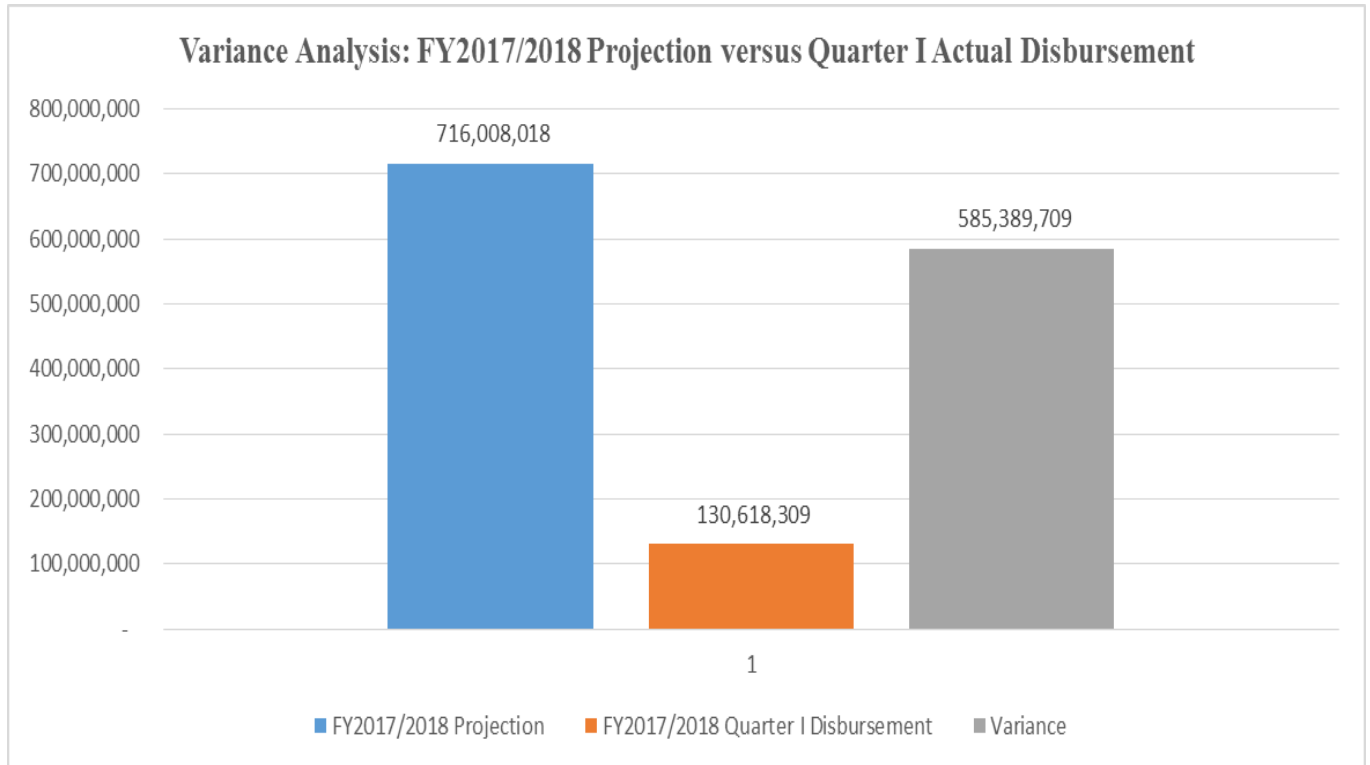
Development aid is a phenomenon of post-war Liberia. As such, it has contributed considerably and given substance to areas of infrastructure, capacity building, and the economy in general. Today, there are tangible and visible evidences that aid is effective in Liberia amid challenges emanating from global economic activities which have been on a down trend with significant decline in basic commodities (rubber, iron ore, timber, etc.). In Liberia and pursuant to International Aid Instruments, aid effectiveness is viewed in terms of the given project ability to achieve its set goals and objectives; and, the degree to which such achievements are sustainable. To this end, we can say the Liberian experience is well on course. For example, the rehabilitation and dedication of the first 44 megawatt turbine of the Mount Coffee Hydro Power Plant; the dedication of the Liberia Road Asset Management Project (LIBRAMP), which was designed to help reduce transport time and cost along the 246-kilometer (Suakoko Highway) linking Liberia's capital, Monrovia, with Gbarnga and the Guinea border²; the dedication of the Caldwell Bridge and Bokey Town to Buchannan Road Project, under the Urban and Rural Infrastructure Rehabilitation Project (URIRP), the commencement of the pavement of the Harper, Maryland County to Fish Town, River Gee County 131Km road and the construction of bridge over the Cavalla River; bordering Ivory Coast; under the Mano River Union Road and Transport Facilitation Program.

The FY2017/2018 Quarter One Development Assistance Report consists of Development Partners/Donors projections and disbursements information for the fiscal period. All donor projects are aligned to the eleven budget sectors and the five pillars of the Agenda for Transformation (AfT). Nineteen (19) Donors provided projections for this fiscal year; of these Donors, thirteen (13) reported disbursements; while five (5) donors without projections provided disbursement data. The total disbursement amounts to **US\$130,618,309**, representing **18.2%** of the overall projection for the fiscal year. An aggregate of **US\$23,347,159** or **17.9%** of disbursement came as loan, while **US\$107,271,150** or **82.1%** of the disbursement accounts for grant. Disbursement by Multilateral Partners amounts to **US\$55,749,194** representing **42.7%** of the total disbursement. The amount disbursed by Bilateral Partners sum up to **US\$74,869,115**; this amount constitutes only grant, with a disbursement rate of **57.3%**. Regarding individual donor disbursement for the reporting period, the below **Chart 1**:

² World Bank Country Report: February 13, 2017

(Variance Analysis: FY2017/2018 Projection versus Quarter I Disbursement) and Table 1: (FY2017/2018 Aid Projection versus Quarter I Disbursement), below provide a comprehensive analysis on disbursement against projection.

Chart 1. Variance Analysis: FY2017/2018 Projection versus Disbursement



Source: Aid Management Platform (AMP) - Ministry of Finance & Development Planning

Table 1. FY2017/2018 Aid Projection versus Quarter I Actual Disbursement

Development Partners	FY2017/2018 Aid Projection	FY2017/2018 Quarter I Actual Disbursement		
		Grant	Loan	Total
Abu-Dhabi Fund	5,000,000			-
African Development Bank	29,505,513	8,165,242	5,778,622	13,943,864
BADEA	10,000,000		3,846,875	3,846,875
China	40,000,000			-
China EXIM Bank	25,000,000			-
European Union	140,551,623	637,134		637,134
Germany	39,805,000	4,844,985		4,844,985
Global Fund		2,772,852		2,772,852
IFAD			967,155	967,155
World Bank (IDA)	99,623,045	8,767,323	12,754,507	21,521,830
Ireland		892,935		892,935
Japan	16,112,104	5,726,856		5,726,856
Kuwait	7,000,000			-
Millennium Challenge Corporation	67,218,760	14,067,360		14,067,360
Norway	14,143,474	1,832,500		1,832,500
OFID	5,000,000			-
Saudi Fund for Development	20,000,000			-
Sweden	92,424	6,546,589		6,546,589
UN Women		647,742		647,742
United Nations Children Fund	32,073,731	6,647,107		6,647,107
UNHCR		780,753		780,753
United Nations Population Fund	3,420,841			-
UNOPS		1,317,563		1,317,563
USAID	151,038,329	40,957,890		40,957,890
World Food Programme	10,423,174	2,666,319		2,666,319
Grand Total	716,008,018	107,271,150	23,347,159	130,618,309

Source: Aid Management Platform (AMP) - Ministry of Finance & Development Planning

III. ACTUAL DISBURSEMENT BY AID MODALITY

The current Data Management Plan (DMP) categorizes donor aid flows into four (4) modalities, namely: Budget Support, Pool Fund, Trust Fund and Program/Project Aid. The Government of Liberia regards Budget Support as the most preferred aid modality, as such, continues to strengthen public institutions to allow donors to utilize country systems. Table 2 below presents a detailed summary of the modalities.

Table 2. FY2017/2018 Projection and Quarter I Disbursement by Modality

Aid Modality	FY2017/2018 Aid Projection	FY2017/2018 Quarter I Actual Disbursement		
		Grant	Loan	Total
On - Budget	17,207,948			
Budget Support	17,207,948			
Off - Budget Support	698,800,070			
Pooled Fund	2,868,804			
Project/Program Aid	678,140,104	101,512,838	23,347,159	124,859,997
Trust Fund	17,791,162	5,758,312		5,758,312
Grand Total	716,008,018	107,271,150	23,347,159	130,618,309

Source: Aid Management Platform (AMP) - Ministry of Finance & Development Planning

○ Trust Fund

The Liberia Reconstruction Trust Fund (LRTF) and Integrated Public Financial Management Reform Program (IPFMRP) Trust Fund are mechanisms aimed at meeting national infrastructure and public finance reform, respectively, as defined in the AfT. The LRTF mechanism supports numerous of projects, including the Red-light to Guinea Border road corridor, Bokey Town to Buchanan while the IPFMRP supports institutions such as MFDP, PPCC, Judiciary, and other relevant PFM agencies. The FY2017/2018 disbursement amounted to **US\$5,758,312** or **4.4%**.

○ Project/ Program Aid

Aid channeled through off – budget projects and programs executed through government ministries, agencies, Civil Society Organizations and other non – governmental organizations. The FY2017/2018 actual disbursement amounted to **US\$124,859,997** or **95.6%**.

IV. AID DISBURSEMENT BY AFT PILLAR AND NATIONAL BUDGET SECTORS

The Liberian government's aid management practices and policy urged Development Partners to structure aid programs to match the Agenda for Transformation, which has divided development priorities in five (5) pillars: Security & Rule of Law, Economic Transformation, Human Development, Governance & Public Institutions, and Cross Cutting. These pillars are further subdivided into eleven (11) sectors for budgeting purposes. This segment of the Development Assistance Report provides general overview of how the FY2017/2018 disbursement is distributed among the Aft pillars and budget sectors.

o Economic Transformation Pillar

The Pillar received the highest aid disbursement in the amount of **US\$73,511,089** of the total disbursement. This amount is distributed among the sectors as follows: Energy and Environment Sector received **US\$30,536,000**, while Infrastructure and Basic Services Sector received **US\$29,111,133**. Other sectors such as Agriculture, and Industry and Commerce received **US\$12,580,234** and **US\$1,283,722** respectively.

o Human Development Pillar

The Human Development Pillar has the second highest in the aid disbursement with **US\$25,484,475** of the total disbursement. There are two sectors within the Human Development Pillar, namely: Health Sector with a disbursement amount of **US\$21,019,877** and Education Sector **US\$4,464,598**.

o Cross –Cutting Pillar

The Cross –Cutting Pillar has one sector called the Social Development Services Sector, and the aid disbursement for pillar and sector is **US\$13,264,580**.

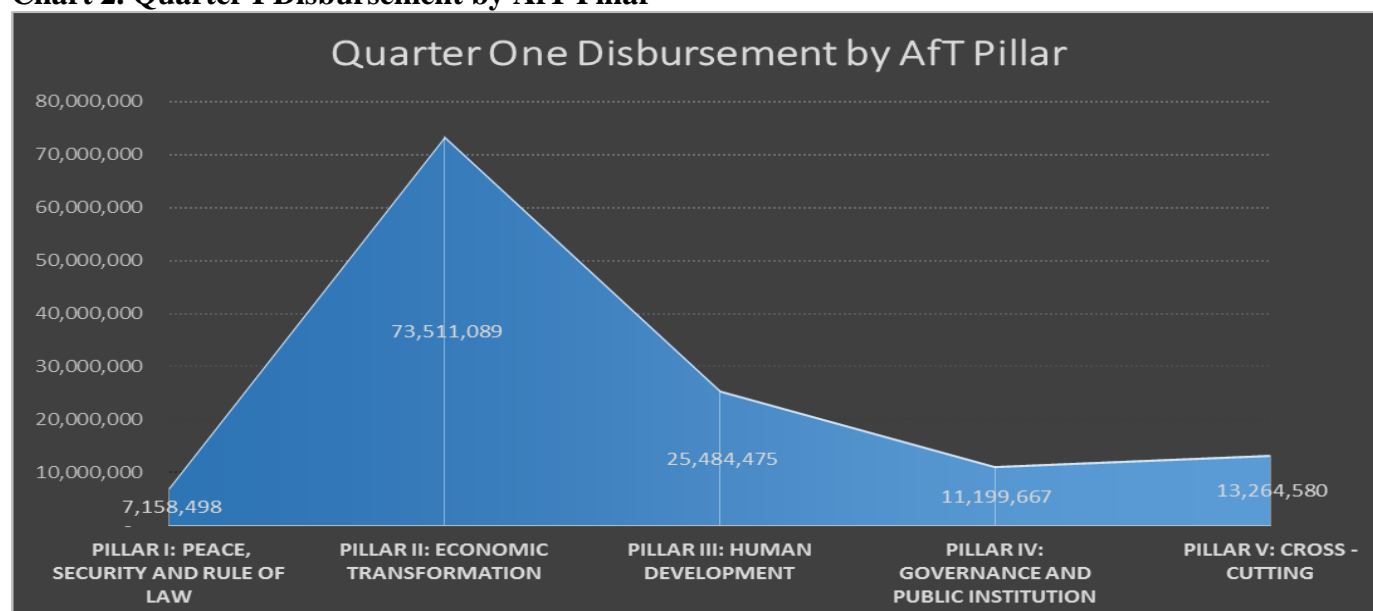
o Governance and Public Institution Pillar

The Governance and Public Institution Pillar has a disbursement of **US\$11,199,667**. This amount is distributed among the sectors as follows: **US\$5,135,455** for Public Administration Sector; **US\$3,733,533** for the Transparency and Accountability Sector; and, **US\$2,330,679** for Municipal Government Sector.

o Peace, Security, and Rule of the Law Pillar

The Peace, Security, and Rule of the Law Pillar received a total disbursement of **US\$7,158,499**, which goes to the only sector in pillar **Security and Rule of Law Sector**.

Chart 2. Quarter I Disbursement by Aft Pillar



Source: Aid Management Platform (AMP) - Ministry of Finance & Development Planning

Table 3. Actual Disbursement by Aft Pillars & National Budget Sectors

National Budget Sectors	FY2017/2018 Aid Projection	FY2017/2018 Quarter I Actual Disbursement		
		Grant	Loan	Total
Pillar I: Peace, Security and Rule of Law	15,306,726	7,158,499	-	7,158,499
Security and Rule of Law Sector	15,306,726	7,158,499		7,158,499
Pillar II: Economic Transformation	401,024,572	54,433,913	19,077,176	73,511,089
Agriculture Sector	68,837,316	11,026,937	1,553,297	12,580,234
Commerce and Industry Sector	4,284,906	1,283,722		1,283,722
Infrastructure and Basic Services Sector	174,454,873	19,814,074	9,297,059	29,111,133
Energy and Environment Sector	153,447,477	22,309,180	8,226,820	30,536,000
Pillar III: Human development	174,886,554	24,985,880	498,595	25,484,475
Education	30,972,038	4,464,598		4,464,598
Health	143,914,516	20,521,282	498,595	21,019,877
Pillar IV: Governance and Public Institution	78,254,319	9,354,376	1,845,291	11,199,667
Municipal Government Sector	2,149,576	2,330,679		2,330,679
Public Administration	56,969,726	3,290,164	1,845,291	5,135,455
Transparency and Accountability	19,135,017	3,733,533		3,733,533
Pillar V: Cross - Cutting	46,535,848	11,338,483	1,926,097	13,264,580
Social Development services	46,535,848	11,338,483	1,926,097	13,264,580
Grand Total	716,008,019	107,271,150	23,347,159	130,618,309

Source: Aid Management Platform (AMP) - Ministry of Finance & Development Planning

V. CONCLUSION

Official Development Assistance (ODA) is a significant resource, which has impacted the overall national economy thus enhancing national developmental programs and strengthening local structures and institutions across Liberia. Development Partners continue to provide funding which have transformed Liberia from a war torn country into a stable society where economic activities and infrastructural development have taken center stage. Aid information management is a key component in sustaining national resilience and improving on gains made; the Aid Management and Coordination Unit (AMCU) is saddled with the responsibilities of negotiating high quality aid, collecting, analyzing and managing aid data which are most often aligned to the National Development Agenda.

However, some DPs continue to delay and are reluctant in meeting their aid reporting commitment as required by Liberia's Public Financial Management Law (2009) as well as the Paris Declaration (2005) and the Accra Agenda for Action (2008) on aid effectiveness. As a result, a number of them China, Kuwait, UNDP, United Nations Peace Building, DFID, Denmark among others, are not included in this report.

While there are huge gains made by the AMCU in carrying out its mandate, capacity constraints continue to hinder timely reporting by the unit. These constraints include:

- Delays in collecting data on Aid projections and actual disbursements for each fiscal year. This can be attributed to the inadequate and often inconsistent communication channels between AMCU 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. The AMCU is working towards collecting more granular data on expenditures. Expenditure data will strengthen GOL and donors' ability to jointly plan and have visibility into implementation.
- Day-to-day operations within the AMCU 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.
- The AMCU 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 (5)

years. The AMCU also plans to increase its efforts to codify the data collected and build interoperability with other systems to improve financial management and provide a more holistic picture of the resources available to Government.