

# **The Education Pooled Fund**

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**in the Republic of Liberia**

***One Program, One Mechanism, One Process***

*Making the case to use the Education Pooled Fund for more and better coordinated aid to education*

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This report provides documentation about the history of the establishment, operationalization and performance of the Education Pooled Fund (EPF) in Liberia. The report is covering the period between February 2007 and July 2009. Effective financing mechanisms in fragile contexts require flexibility, willingness to try new models and strengthened mutual accountability between governments and donors. The case of the EPF contextualizes the challenges and complexities of aid modality implementation in a post-conflict transition country.

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**Abbreviations and Acronyms**

CIDA	Canadian International Development Agency
CSOs	Civil Society Organizations
CSR	Country Status Report
EC	European Commission
ECSEL	European Commission Support to the Education Sector in Liberia
EFA FTI	Education for All – Fast Track Initiative
EPDF	Education Program Development Fund
EPF	Education Pooled Fund
ESP	Education Sector Plan
EU	European Union
INEE	Inter-Agency Network for Education in Emergency
IIEP	International Institute for Educational Planning
IRC	International Rescue Committee
LACE	Liberia Agency for Community Empowerment
LISGIS	Liberia Institute of Statistics and Geo-Information Services
L-PERP	Liberia Primary Education Recovery Programme
LRDC	Liberia Reconstruction and Development Committee
MoE	Ministry of Education
MoF	Ministry of Finance
MoHSW	Ministry of Health and Social Welfare
MTDF	Medium Term Development Framework
NGO	Non-Governmental Organization
NRC	Norwegian Refugee Council
OFM	Office of Financial Management
OSI	Open Society Institute
PARMO	UNICEF Public Sector Alliances and Resource Mobilization Office
PEFAR	Public Expenditure and Financial Accountability Review
PEMFAR	Public Expenditure Management and Financial Accountability Review
PFM	Public Financial Management
PFMU	Project Financial Management Unit
PIU	Project Implementation Unit
PPCCA	Public Procurement and Concessions Commission Act
PRS	Poverty Reduction Strategy
Sida	Swedish International Development Agency
SWAp	Sector-Wide Approach
UN	United Nations
UNDAF	United Nations Development Framework
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner on Refugees (The UN Refugee Agency)
UNICEF	United Nations Children’s Fund
USAID	United States Agency for International Development

## Executive Summary

*“Where a modality is fit-to-purpose and flexible, as is the Liberia Education Pooled Fund (EPF), successful implementation increases; the experience to date with the EPF has been largely positive”.*

--- Ellen van Kalmthout, Senior Education Specialist, UNICEF, April 2009<sup>1</sup>

***Progress in the education sector is as visible as the overall progress made at the national level, despite contextual constraints and remaining challenges.*** Liberia developed the Liberian Primary Education Recovery Program (L-PERP) in 2007. Within one year the Government together with UNICEF, OSI and other Education Development Partners (EDPs), designed a pooled fund mechanism which is “fit for purpose” to respond to the education needs of this post-conflict transition country. Within one year of operation, US\$12.25 million was allocated for three major interventions with significant results: the textbook : learner ratio decreased from 1:27 to 1:2, 40 new schools are under construction nation-wide, and three Rural Teacher Training Institutes have been reestablished to train the many teachers required. Liberia held its first joint Education Sector Review in June 2009 and has started the consultation and appraisal process of the comprehensive Education Sector Plan (ESP; 2010-2020) paving the way toward a Sector-Wide Approach (SWAp) in education.

***The EPF is a multi-donor trust fund established for the support of the education sector in Liberia.***

Initially the fund supports the implementation of the L-PERP but has been structured to permit gradual extension to support the implementation of the new ESP. The EPF is designed to be a model of a “fit for purpose” financing mechanism to improve education responses and

interventions in post-conflict transition countries. The EPF is in support of the Government of Liberia (GoL) and the EDPs’ desire to shift from largely uncoordinated activities and interventions towards an effective and efficient educational response. The EPF arrangements are based on a sector coordination mechanism which aims at strengthening partnerships, improving sector coordination, moving towards an education SWAp and helping to shift to Direct/ General Budget Support.

### Box 1: Goals of the EPF

- Start Rebuilding the Primary Education Sub-Sector
- Ensure all Children Receive high-quality Free Primary Education
- Reaching and sustaining education goals
- Providing Funds to Meet immediate Needs for L-PER Implementation
- Accelerate mobilization of New External Resources for Education

***In April 2007 Liberia was admitted to the EFA FTI Partnership based on its submission of the L-PERP.***

Subsequently, Liberia applied for EFA FTI Catalytic Fund support for the implementation of the L-PERP. The Catalytic Fund Committee meeting of May 23, 2007 in Bonn, Germany, rejected the application on the grounds that it did not meet the minimum standards for an award from the Catalytic Fund. With this rejection, the country would have experienced a serious funding constraint, putting the implementation of the L-PERP at risk, had another decision not have been made. To avoid embarrassment to the EFA FTI Partnership, which had encouraged a speedy application by Liberia, the EFA FTI (with the Netherlands in the chair) decided to request that a transitional fund be allocated to Liberia, albeit not from the EFA FTI account. As a result, the Netherlands agreed to allow UNICEF to use some of its grant (of \$201 million) intended for global education in emergencies and post – crisis transition countries towards this purpose. With a matching funds pledge from the Soros Foundation, an initial amount would be available for the implementation of the L-PERP at least for the first year. The overall concern was to ensure quality basic

<sup>1</sup> INEE April 2009: 26.

education service provision, as the unstable and complex post-war environment had put education under threat in terms of destruction of facilities, loss of teachers, dispersion of learners, collapse of systems and lack of resources.

***In May 2007 UNICEF agreed to take the lead in setting up a financing instrument that would be “fit for purpose” in terms of dealing with the complex requirements and turbulent environment in Liberia.*** It was agreed that the Ministry of Education (MoE) would be supported to develop a pooled fund mechanism while the EFA FTI’s Education Program Development Fund (EPDF) would provide technical assistance to develop a comprehensive ESP and build capacity, including for the operationalization of the EPF. In June 2007, the initial commitments to the pooled fund were US\$12 million from UNICEF, using the grant from the Government of the Netherlands and US\$5 million from the Open Society Institute, pledged by George Soros on May 2, 2007.

***The pooled fund mechanism was developed between June 2007 and May 2008.*** Key partners were UNICEF Liberia and UNICEF Headquarters, MoE, MoF, OSI and the World Bank. The arrangements were designed and agreed during a series of meetings in Monrovia and New York. Throughout 2008 a larger group of Government partners and EDPs was engaged in the consultations. The objective in setting up the EPF was to support the GoL to respond adequately to humanitarian needs in the education sector, take leadership responsibility, develop capacity and to strengthen government-donor coordination. The EPF has been aligned to the Principles of the Paris Declaration on Aid Effectiveness (2005) and the principles of the EFA FTI. Both sets of principles highlight the importance of strengthening government systems and accountability, harmonization and coordination. And those are reflected in the objectives and three pillars of the EPF:

1. ***Innovative Funding Mechanism for a Post-Conflict Transition Country:*** The EPF makes available additional financial resources to the MoE. It uses national financial management and procurement systems and procedures and makes fast disbursements and quick responses to funding gaps possible. The arrangements are based on a simple sector coordination mechanism, include a system of checks and balances reflected in the decision-making and work process of the EPF and give new donors the possibility to join at any time.
2. ***Government Ownership:*** The arrangements reflect the principle of Government ownership although recognizing the challenge of low capacity in a post-conflict country. The MoE is chairing all governing bodies of the EPF and it has the responsibility for planning and implementing EPF funded activities. The objective of the arrangement is to enable the MoE to develop capacity by utilizing the EPF and by liaising with the Ministry of Finance (MoF) regarding financial management and procurement of the MoE supplies. Using the EPF as a common sector arrangement will help the MoE to strengthen the partnership with the EDPs. The arrangement supports the concept of “Government in Action” and “learning on the job” through using the EPF mechanism and the space for maneuvering provided for the MoE through the arrangements.
3. ***New Partnership Arrangement:*** The EPF is an example of a new partnership between the Government, UNICEF and other EDPs and the Open Society Institute (OSI) as a private Foundation within the broader changes of international aid architecture. The partnership supports *one program*, the L-PERP, *one mechanism*, the EPF, and works through *one sector coordination process*. The “new element” is that the OSI as a private partner helped to kick-start setting up the EPF while providing technical assistance to the MoE’s senior management level in a new approach to education development. OSI has been a new partner in the enterprise to set up and execute a pooled fund in a fragile environment. OSI entered the negotiations with less rigid rules and requirements thus contributing to the innovative character of the EPF. OSI has shown great flexibility in responding quickly to emerging gaps and needs during the operationalization of the fund and is therefore being

called a “fire fighter”. The EPF has been a new way of working for UNICEF, too. UNICEF is the Lead Education Development Partner in the education sector in Liberia. It has long-term country experience and works with the MoE as implementing partner for its education program. As Lead Education Development Partner UNICEF accompanies the GoL to create the path to greater aid effectiveness, a sector-wide approach and sustainable sector development. In a period of transition, recovery and rebuilding a “fire fighter” as well as a long-term, experienced partner for strategic sector development are needed.

***The mechanism has been set up to work with simple arrangements.*** The execution of the EPF is based on Government implementation plans with clearly defined activities and regular withdrawal requests initiated by the MoE and submitted by the Project Financial Management Unit (PFMU) in the MoF. These arrangements include detailed financial management rules including reports of disbursement, regular internal and external auditing and ex-post reviews.

***The EPF was launched on 22 May 2008 by the President of Liberia.*** Contributions were US\$12 million from UNICEF and US\$4.25 million from OSI. George Soros pledged US\$5.0 million in May 2007, on the condition that donors would make available additional funding; US\$0.75 million is currently available to match new contributions. The EPF has therefore enabled the Government to access funding required for the implementation of the L-PERP. It also provides a mechanism to attract new donors and raise additional funds. To date US\$12.25 million has been allocated leaving less than US\$4 million left in the EPF which has not yet been disbursed into the local bank account.

***The EPF has been a test case for an alternative funding mechanism in a post-conflict transition country.*** Education financing in conflict affected countries is often not only a question of more aid but one of an appropriate modality aimed at effective financing in a fragile context. In an environment with weak state capacities and structures an aid modality is needed that can efficiently disburse funds and strengthen sound programming despite numerous constraints due to fragility and recovery.<sup>2</sup> The operationalization has uncovered deficits between the envisioned arrangements and its translation into reality. However, it has pushed sector developments forward in various ways: the pooling donors pushed back on a very strong threat of limited funding, allowing the implementation of the L-PERP while the full ESP has been developed.

***The EPF has been recognized as a common arrangement to support the GoL to improve harmonization, to move towards budget support and to be “fit for purpose” in a fragile environment.*** The 2008 OECD DAC Survey on Monitoring the Paris Declaration recognized the EPF as a valuable tool to harmonize procedures through a common arrangement to manage and deliver aid in support of the Government’s education priorities described in the L-PERP.<sup>3</sup> During the INEE Global Consultations the EPF was presented as a good practice example of a pooled fund in a fragile state in comparison to the less effective and bureaucratically overburdened Multi-Donor Trust Fund (MDTF) in Southern Sudan. UNICEF presented the EPF as a “fit-to-purpose” and flexible aid modality that has helped to increase implementation results.<sup>4</sup> UNICEF and OSI as the main architects of the EPF agreed that the experience with the EPF has been largely positive considering that the EPF has been used a mere 14 months (June 2008 – August 2009). The Government presents the EPF as a transitional financing instrument leading towards increased budget support. The MoE considers the EPF as a success with regard to the investments that were made possible, less transaction costs, increased cooperation and dialogue with the EDPs particularly with UNICEF and OSI.

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<sup>2</sup> INEE 2009: 26.

<sup>3</sup> OECD DAC 2008: 29-12.

<sup>4</sup> INEE 2009: 26.

<b>Box 2: Using EPF for more and better coordinated aid to education</b>
<b><i>Making the case for the use of the EPF for more and better coordinated aid to education</i></b>
<ul style="list-style-type: none"> <li>▪ The EPF is created to be a financing instrument to support the Government and encourage the development partners to shift from project-funding/ program support to budget support.</li> <li>▪ The EPF is recognized by the Government and the development partners as a valuable sector initiative which contributes to the innovative creation of the path from recovery to development.</li> <li>▪ At the sector level the EPF tackles the challenge of moving beyond small, transaction-intensive interventions to a more harmonized SWAp and of increasing efficiency by adding funding to the government budget.</li> <li>▪ EPF processes engage the MoE in planning, budgeting and monitoring and evaluation exercises which support the MoE to strengthen its capacity through “learning on the job”.</li> <li>▪ EPF is set up to use public financial management systems and procurement systems in order to support the GoL to establish reliable, quality country control and assurance systems in general and to support the MoE to develop capacity in financial management and procurement.</li> <li>▪ EPF provides a tool for improved monitoring and better targeting of resources to increase efficiency of expenditures and outcomes.</li> </ul>

***Considering the short time of actual EPF operationalization (about 16 months) it is not possible to draw any conclusions about the impact of the EPF as envisioned by its architects on:*** increased MoE ownership, improved planning, budgeting, coordinating and monitoring capacity and improved internal financial management and procurement functions. Those areas are overall in a weak condition with regard to state institutions. Planning and budgeting capacity is still weak and has influenced the efficiency of the EPF. The EPF can only complement Government efforts at the sector level. The three EPF funded activities will certainly contribute to relative quick improvements on the ground. Sector coordination is happening although there is much space for improvement and need to revisit the mandates of the single entities and to lift them to a functioning level particularly in the case of the Education Sector Development Committee. There is also need to develop a road map for improved sector coordination with regard moving towards a SWAp ([Annex 8](#)).

***Replenishment of the EPF is urgently needed*** in order to keep the EPF functioning and give the MoE the opportunity to practice on the job, using the EPF as an instrument to achieve results and to work with the EDPs. Against the background of Liberia’s dependency on aid, the vulnerability to the effects of the global financial crisis and the volatility of aid, it is even more important to provide predictable funding. The EPF could be used as a tool to improve donors’ aid predictability and to use the aid strategically and to complement domestic funding, particularly for areas that are under-funded or for which funding is not easily available.<sup>5</sup> This will be particularly important in the light of the implementation of the new ESP starting in 2010. A recent study by UNESCO IIEP and CfBT Education Trust found: “[...] *the establishment of the EPF is an important step in moving towards long-term financing strategies to support the education sector at the systemic as well as the programme level.*”<sup>6</sup>

<sup>5</sup> IIEP Newsletter May-August 2009: 11.

<sup>6</sup> Brannelly; Ndaruhutse; Rigaud 2009: 195.

## Process Overview

<p>February - March 2007</p> <ul style="list-style-type: none"> <li>• <b>Liberia Partners' Forum Washington, D.C.</b></li> <li>• <b>Development of L-PERP</b></li> </ul>	<p>Liberia's interim-PRS was endorsed at the Partners' Forum in February 2007 in Washington, DC. During an Education Side Meeting the World Bank together with the FTI Secretariat encouraged Liberia to prepare a sector strategy for FTI Catalytic Fund application. The MoE presented the "Priorities Program for Post-Conflict Recovery of the Education Sector for 2007/8 to 2010/11" at the same meeting.</p> <p>After the Partners' Forum an intense process of developing the LPERP commenced at the country level. It was led by UNICEF and the MoE and involved ministry officials, donors and NGO partners. The LPERP was developed within four weeks for submission to the FTI Partnership. It is a "medium-term roadmap" covering 2007-2010.</p>
<p>March - May 2007</p> <ul style="list-style-type: none"> <li>• <b>L-PERP Appraisal,</b></li> <li>• <b>FTI Endorsement</b></li> <li>• <b>Catalytic Fund Application</b></li> </ul>	<p>The L-PERP was endorsed and appraised by 11 EDPs on March 30, 2007. Liberia was admitted to the FTI Partnership in April. UNICEF with support from the MoE, EDPs and FTI Secretariat prepared the FTI Catalytic Fund application. The cost for the implementation of the 3-year LPERP was estimated US\$70.6 million. The Catalytic Fund Committee rejected the funding request on May 23, 2007.</p> <p>In response, UNICEF in consultation with the Netherlands (who had given it a grant) offered to contribute funds and develop a fit-for-purpose financing mechanism for the L-PERP from the "Education in Emergencies and Post-Crisis Transition" program funds. The FTI Partnership supported this approach. Funding for capacity development and the development for a comprehensive sector plan was made available from the EFA-FTI's EPDF to this effect.</p> <p>It was decided to establish a pooled fund arrangement to which UNICEF would provide US\$12.0 million and the Open Society Institute US\$5 million* for the implementation of the L-PERP.</p>
<p>June 2007 - May 2008</p> <ul style="list-style-type: none"> <li>• <b>Establishment of the EPF</b></li> </ul>	<p>UNICEF took the lead in supporting the MoE to establish the pooled fund arrangement. Partners in the establishment process were OSI, World Bank, MoF and other EDPs. UNICEF headquarters provided support throughout the process. A finance management consultant engaged by UNICEF assisted the MoE directly. The pooled fund modality was requested by the GoL. A similar arrangement was under development for the health sector at the same time.</p> <p>The arrangement was guided by the Paris Declaration and FTI Principles. Specifics about the design are the leadership role of the MoE, use of public financial management and procurement procedures and systems, use and strengthening of sector coordination mechanism, development of capacity of MoE to effectively assume its responsibilities through "learning on the job".</p> <p>The principles of the fund and an outline of processes were developed through a workshop with the GoL and major EDPs in November 2007.</p>
<p>July 2008 - July 2009</p> <ul style="list-style-type: none"> <li>• <b>L-PERP Implementation</b></li> <li>• <b>EPF Operationalization</b></li> </ul>	<p>About US\$12 million was disbursed into the local Ecobank Bank Account to fund the rehabilitation of Rural Teacher Training Institutes, textbook procurement and school construction.</p> <p>EPF arrangements are designed to strengthen and encourage planning processes and sector coordination. Planning processes have not been exercised satisfyingly partly due to the fact that the ESDC has not been functioning. Accountability structures have not been established beyond the MoE, MoF and EDP level; the local civil society has not been adequately engaged.</p> <p>Issues regarding threshold, recurrent vs. capital expenditures and sector coordination for L-PERP implementation planning and auditing have not been resolved yet.</p> <p>With US\$3.99 million left in the EPF the MoE with support from UNICEF recommend developing a robust replenishment strategy for the LEPP.</p> <p>The most urgent issues to be addressed by the MoE and the EDPs are among others (i) a strategic approach to capacity development, (ii) sector coordination, (iii) systematic planning and (iv) funding.</p>

## Profile of Education Pooled Fund

<b>Established</b>	May 2008
<b>Duration (planned)</b>	through to December 2010
<b>Contributors</b>	UNICEF (using a grant from the Government of the Netherlands) Open Society Institute (George Soros Foundations Network)
<b>Fund Custodian</b>	UNICEF
<b>Initial Contributions</b>	US\$ 12,000,000.00 (UNICEF) US\$ 4,250,000.00 (OSI)
<b>Disbursements</b>	US\$ 1,507,901.00 Disbursement 1 (09/2008) US\$ 5,510,829.00 Disbursement 2 (11/2008) US\$ 5,238,268.00 Disbursement 3 (04/2009)
<b>Remaining Balance</b>	US\$ 3,993,002.00
<b>Management and Implementation</b>	Government of Liberia through the Ministry of Education and the Ministry of Finance with key support from the Project Financial Management Unit (PFMU)
<b>Programmatic Framework</b>	Liberian Primary Education Recovery Programme 2007-2010
<b>Implementing Framework</b>	L-PERP Annual Plan of Action, Quarterly Implementation Plans
<b>Understandings and Agreements</b>	<ol style="list-style-type: none"> <li>a. MoU between UNICEF and Ministry of Education and Ministry of Finance</li> <li>b. Letter of Agreement between UNICEF and OSI</li> <li>c. MoU between Ministry of Education and Ministry of Finance</li> <li>d. (Education Pooled Fund) Financial Management Procedures Manual</li> </ol>
<b>Principles of the EPF</b>	<i>Paris Principles on Aid Effectiveness &amp; EFA FTI Principles</i> Government Ownership Use of National Systems and Procedures (Alignment) Sector-wide Approach Sector Coordination
<b>Objectives of the EPF</b>	<ol style="list-style-type: none"> <li>a. Accelerate transition from emergency response to a sustainable development agenda in the education sector</li> <li>b. Promote rapid tangible improvements on the ground</li> <li>c. Strengthen alignment with Government priorities articulated in the PRS and LPERP</li> <li>d. Provide for simple and efficient “fit for purpose” sector financing mechanism to implement the LPERP, whilst building national capacity, rebuilding local institutions and developing a comprehensive sector plan</li> <li>e. Strengthen the MoE’s capacity in planning and delivering primary education</li> <li>f. Attract new donors and expand funding from LPERP to new ESP</li> <li>g. Preparation for Direct/ General Budget Support</li> </ol>

*\*US\$ 0.75 million currently available to match additional contributions. The total commitment of US\$ 5.0 million from George Soros has been conditional to other donor funding.*

## 1 Introduction

*“The major root causes of the conflict are attributable to poverty, greed, corruption, limited access to education, economic, social, civil and political inequalities; [...] etc.”<sup>7</sup>*

### 1.1 Marked Progress threatened by Global Crisis

**Democratically elected new Government:** In 2003, Liberia was emerging from fourteen years of brutal war and pillage that had left the country in ruins, with a devastated economy<sup>8</sup>, institutions, and human capacity. Today, it has a democratically elected president and has reached its most stable situation. Ellen Johnson Sirleaf was elected as the first African female head of state in October 2005 and her Government was inaugurated in January 2006.<sup>9</sup> This country with a population of about 3.5 million (2007) has made remarkable progress despite the considerable difficulties, risks and humanitarian needs that remain. Liberia’s poverty statistics are gloomy: almost two-thirds of the population lives below the poverty line, with a higher proportion in rural areas. Human development indicators on health, education, water, food security and infrastructure are all poor. Women are particularly vulnerable to poverty, especially in rural areas, both because of the precarious nature of women’s employment and because of more limited access to basic services like health, education, and infrastructure.<sup>10</sup> Apart from the successful elections in 2005, Liberia has started to reestablish a public financial management system, rebuild public sector institutions, reestablish service delivery in health, education and infrastructure, and to lay the foundations of a decentralization process.<sup>11</sup> The country is relatively rich in natural resources such as timber, gold, diamonds, and iron ore, and also has extensive rubber plantations. Although the new Government has been striving to ensure sustainable and equitable use of these resources to rebuild Liberia’s economy it is confronted with corruption ranking at 138 (out of 180) on the 2008 Transparency International Corruption Perception Index<sup>12</sup> and poor public financial management.

**Post-conflict transition country remaining critically weak:** Liberia remains fragile, both in political and security terms; it is best characterized as a country in a recovery phase. Both the World Bank and OECD-DAC list Liberia among the fragile and conflict affected countries.<sup>13</sup> According to the Brookings Index Liberia ranks behind Somalia, Afghanistan, Democratic Republic of Congo, Iraq, Burundi, Sudan, Central African Republic and Zimbabwe at number nine among the weakest states in the world.<sup>14</sup> Liberia ranks

<sup>7</sup> TRC 2009: 9.

<sup>8</sup> “Public finances collapsed, with annual revenue falling to US\$ 85 million, allowing per capita public expenditure of about US\$ 25, one of the lowest levels in the world. The Government defaulted on its debts in the mid-1980s, and by 2006 external debt had soared to US\$4.5 billion, equivalent to 800 percent of GDP and 3,000 percent of exports. Domestic debt and arrears added an additional US\$900 million, of which about US\$300 million was ultimately deemed valid by external auditors.” Liberia PRS 2008: 16f.

<sup>9</sup> International Crisis Group 2009: 1.

<sup>10</sup> PRS 2008: 33.

<sup>11</sup> World Bank/ ADB 2007: ix.

<sup>12</sup> [http://www.transparency.org/news\\_room/in\\_focus/2008/cpi2008/cpi\\_2008\\_table](http://www.transparency.org/news_room/in_focus/2008/cpi2008/cpi_2008_table)

<sup>13</sup> International Development Association Fragile States List (2007):

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:21389974~pagePK:51236175~piPK:437394~theSitePK:73154,00.html>

<sup>14</sup> Rice; Patrick 2008: 10.

[http://www.brookings.edu/~media/Files/rc/reports/2008/02\\_weak\\_states\\_index/02\\_weak\\_states\\_index.pdf](http://www.brookings.edu/~media/Files/rc/reports/2008/02_weak_states_index/02_weak_states_index.pdf)

with a GNI of about US\$140<sup>15</sup> per capita among the ten poorest countries in the world.<sup>16</sup> It is highly dependent upon aid, requiring particular attention regarding the high volatility of aid<sup>17</sup> and is highly vulnerable to the effects of the financial crisis.<sup>18</sup> The momentary level of stability in Liberia is endangered by any decline or insecurity in the international support given to the country.<sup>19</sup> Liberia's fragile economic recovery is threatened by the global economic crisis, which could further exacerbate domestic tensions. A reduction in ODA could increase poverty and affect Liberia's development prospects. Fragile states are potentially at risk due to the nature of the political settlement and socio-economic status to collapse back into conflict - about 40 percent of conflict affected countries fail to overcome fragility successfully and fall back into conflict.<sup>20</sup>

**Vulnerability to global crisis and fragility:** Liberia, among other countries in West Africa, is extremely vulnerable to the global crisis. Liberia's annual growth reached 12 percent at its post-war peak but has dropped drastically to 5 percent in 2008. Gains made in post-conflict Liberia could be eroded by the economic crisis. The unemployment rate amongst youths jumped to 80 percent which could threaten not only national but regional stability. External factors that put the country under risk include (a) unpredictable and instable dynamics in the Mano River region, including Sierra Leone, Côte d'Ivoire, Guinea Conakry and Guinea Bissau and (b) transnational organized crime including trade in arms, drugs, diamonds and human trafficking.<sup>21</sup> Liberia as well as other countries in the region is vulnerable to the

### Box 3: Definitions – Post-conflict, Transition & Fragility

#### Post-Conflict\*

A country or area is considered to be post-conflict when active conflict ceases and there is a political transformation to a recognized post-conflict government. The transition to post-conflict status is not linear, as political settlements often take years. Transition to post-conflict provides opportunities for rapid reform and renewed international engagement. It is often seen as a signal for humanitarian agencies to withdraw.

#### Transition\*

Transition from conflict to post-conflict is defined from an aid perspective, not a political perspective. It is defined as when official development assistance shifts from humanitarian to development aid. This influences the amounts and modalities of funding and the types of services delivered. Humanitarian aid is mainly focused on NGO service delivery, whereas development aid emphasises system rebuilding and capacity development.

#### Fragility

Fragility is defined as institutional instability undermining the predictability, transparency and accountability of public decision-making processes and the provision of security and social services to the population. (*Danish Institute for International Studies 2008:9: 6*).

OECD-DAC works with the definition of state fragility referring to the deficits in the governance of a state, reflecting the lack of capacity and/ or willingness of a "government to perform key state functions for the benefit of all people. The effects of fragility stretch beyond poor services including conflict, state collapse, loss of territorial control, extreme political instability, client-list policies and repression or denial of resources to subgroups of the population." (*OECD-DAC 2008: 7*)

Sources: \**Health and Fragile States Network 2008: 14.*

<sup>15</sup> World Bank. Key Development Data & Statistics, Liberia, in:

<http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20535285~menuPK:1192694~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>

<sup>16</sup> Rice; Patrick 2008: 16.

<sup>17</sup> Other countries include Burundi, DRC, Eritrea, Guinea Bissau and Sierra Leone. Bakrania; Lucas 2009: 12.

<sup>18</sup> Bakrania; Lucas 2009: 15.

<sup>19</sup> Bakrania; Lucas 2009: 17.

<sup>20</sup> Health and Fragile States Network 2008: 14.

<sup>21</sup> Institute for Security Studies 2009: 1.

[http://www.issafrica.org/dynamic/administration/file\\_manager/file\\_links/PAPER190.PDF?link\\_id=3&slink\\_id=7922&link\\_type=12&slink\\_type=23&tmpl\\_id=3](http://www.issafrica.org/dynamic/administration/file_manager/file_links/PAPER190.PDF?link_id=3&slink_id=7922&link_type=12&slink_type=23&tmpl_id=3)

global crisis regarding (a) lower demand and lower prices for the country's primary export goods, (b) lower remittance inflows for poor households, (c) difficulty in importing food and fuel, and (d) difficulty in financing the implementation of the Poverty Reduction Strategy as a result of a decrease in ODA. Liberia's best response to the threats of the global crisis is to maintain its reform agenda and continue strengthening the collaboration with its development partners.<sup>22</sup> The country's risk to reverse into conflict could be minimized by addressing social, economic, political, and security problems that contribute to the country's fragility.

## 1.2 Investing in Education as Crisis Response and Development Driver

***More funding will keep the EPF functioning and give the Government the opportunity to respond to the threats of the global crisis:*** In order to keep the EPF functioning and a valuable instrument for the Government and the EDPs, a replenishment of the EPF is urgently needed. Against the background of Liberia's dependency on aid, the vulnerability to the effects of the global financial crisis and the volatility of aid in the country it is even more important to provide predictable funding to the Government to ensure a continuation of planning, policy making and implementation in the education sector. This is particularly critical in 2009 and 2010 with the new ten-year ESP being finalized and endorsed. There is a concern among EDPs as to what will happen once the EPF runs out as the education sector in Liberia is yet highly depending on aid but underfunded, partly also because the ESP as the national education development agenda has been missing. The EPF could be used as a tool to improve donors' aid predictability and to use the aid strategically and to complement domestic funding, particularly for areas that are under-funded or for which funding is not easily available.<sup>23</sup> The EPF is a transitional financing instrument paving the way from recovery to development, from project-type funding to Direct/ General Budget Support. It is seen as a driving tool for sector and capacity development as well as for increasing Government ownership. The EPF is still in a piloting phase and has proven to work with limitations. But those limitations can be addressed provided that the EPF will not 'dry up' within the coming months.

***More and better coordinated support to education:*** The Government is encouraging donors to increase levels of support to the EPF, Health Sector Pool Fund and the multi-donor Liberia Reconstruction Trust Fund which would support the Government's efforts to track external aid and to move increasingly towards budget support.<sup>24</sup> The OECD DAC 2008 Survey on the Paris Declaration reports that only 21 percent of ODA were using program-based approaches in 2007. The EPF represents only a tiny proportion of aid using harmonized procedures. The EPF is a multi-donor trust fund established for the support of the education sector in Liberia. Initially the fund supports the implementation of the L-PERP but has been structured to permit gradual extension to support the implementation of a comprehensive ESP. The EPF is designed to be a model of a "fit for purpose" financing mechanism to improve education responses and interventions in post-conflict transition countries. It has been designed to support the GoL and the EDPs to shift from largely uncoordinated activities and interventions towards an effective and efficient educational response and subsequently to support the development of partnerships and improved sector coordination. A recent INEE policy highlights: "In all contexts of fragility, [...] pooling funding wherever possible generally reduces transaction costs for governments and increases coordination and harmonization."<sup>25</sup> The EPF could serve as a valuable instrument for urgent, determined and coordinated action by the GoL and EDPs to ensure that the hard-won progress in the education

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<sup>22</sup> World Bank/ ADB 2007: 7.

<sup>23</sup> IIEP Newsletter May-August 2009: 11.

<sup>24</sup> OECD DAC 2009: 29-5.

<sup>25</sup> IIEP 2009: 4.

sector after the conflict is not jeopardized by a lack of funding and the global economic crisis.<sup>26</sup> The negative impact of under-spending in education on future generations would be irreversible.

**Supporting Government effort:** President Ellen Johnson Sirleaf emphasized her Government's commitment for education and particularly for the effective use of the EPF during the INEE Global Consultation in Istanbul in March/ April 2009. She recognized that Liberia is highly at risk to achieve the EFA goals by 2015 as a result of the disastrous effects of the fourteen years of civil conflict on the education sector. However, the nation-wide consultations for the PRS clearly showed that the people of Liberia wanted education placed at the top of the Government's agenda. In response to the voices of the Liberian people the President put her full commitment to the EPF. She stated that "growth and enrolment will continue as increasing numbers of school-aged and older children enroll in school, but limited capacity, scarcity of available resources and the difficulty of accessing some remote communities will be barriers to be overcome by 2015."<sup>27</sup> The Presidents' commitment to the recovery of the education sector and achievement of the EFA goals reflects her motto "Liberia Shall Rise Again" for the overall national development process. A similar approach of nation-wide consultations with education stakeholders across all levels and sub-sectors will be carried out by the MoE with support of the EDPs to gain endorsement for the new ESP.

***Support to education will contribute to achieve change and progress:***

- **Liberia is one of the world's poorest countries.** Current per capita GNI is estimated at US\$140 (2007). Almost two thirds of the 3.5 million people live below the national poverty line, and close to half of the population lives in extreme poverty. Poverty is more prevalent in rural areas than it is in towns and cities and shows itself in both low household income and poor access to social services.<sup>28</sup> Providing good quality primary education to all children in Liberia is critically urgent investment in the country's development. Economic growth and state stability will highly depend on the skills and knowledge of the future generations.
- **Life expectancy at birth is estimated at 45 years.** This is even below the average for most fragile states. Preventable diseases such as malaria, diarrhea, respiratory infections, and measles are rife. Malnutrition is considered a key factor in high death rates, and 19 percent of children under five are underweight and 39 percent are stunted.<sup>29</sup> Girls' education is critically important with regard to their future roles as mothers. Educated women will be able to better take care of their children's health and nutrition. Girls' education is expected to have a positive effect on reducing maternal and infant mortality rates which are among the highest in Liberia. Education also contributes to the reduction of the spread of HIV/AIDS and other infectious diseases.
- **Women are particularly affected by poverty.** Girls and women have fewer opportunities for education and regular employment, and are affected by gender-based discrimination, violence and abuse.<sup>30</sup> Additionally, poverty among women has non-income dimensions such as high fertility rates, high maternal mortality and high illiteracy (2007 data show that 75.7 percent of women compared

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<sup>26</sup> IIEP Newsletter May-August 2009: 10.

<sup>27</sup> INEE 2009: 9.

<sup>28</sup> World Bank/ ADB 2007: 11-12.

<sup>29</sup> World Bank/ ADB 2007: 11-12.

<sup>30</sup> "Health workers in Liberia report at least 100 people seeking care for rape and other forms of sexual violence each month, according to rights groups that compile government figures." Irin. January 2009. Liberia. Rape stokes HIV concerns, in: <http://www.irinnews.org/Report.aspx?ReportId=82545>

to 67.9 percent of men are illiterate)<sup>31</sup>. Improved access to quality education and increased opportunities to complete a full cycle of primary education with a greater chance to continue education at the secondary level will support and empower girls and young women to work in the formal sector and may put them on a sustained path of poverty reduction. The 2007 Gender Needs Assessment conducted by the Ministry of Gender and Development shows that women in Liberia are important economic agents in Liberia: They produce 60 percent of agricultural products and carry out 80 percent of trading activities in rural areas and play a vital role in linking rural and urban markets.<sup>32</sup> In contrast, despite their important economic role, women have limited access to education, training and services essential to carry out their productive functions: only 2 percent of women work in the formal sector in Liberia. The situation in the education sector proves the statistics: only 12 percent of the trained teacher forces are women.

### 1.3 Purpose of the Paper

***The paper looks at the history of the creation of the EPF in the context of Liberia's transition from emergency and recovery to development.*** The EPF was set up as a response to a serious lack of funding for the implementation of the Liberian Education Primary Recovery Program (L-PERP). Without any doubt the EPF establishment was against a background of major challenges: a sector destroyed across all dimensions after fourteen years of war, a fairly new Government struggling to rebuild state institutions, fight widespread corruption and to provide donors a reconstruction and development agenda they can align to and weak institutional and scarce human capacity.

***The objective of the paper is to make the case for the use of the EPF as a valuable tool for more and better coordinated aid to education.*** The challenges and shortcomings of the EPF as a pilot mechanism at the sector level are reflecting the difficulties that are visible at the national level overall. The paper looks at the EPF from a technical angle regarding its architecture, governance and execution as well as the stakeholders involved and their interaction. It looks at the EPF from an aid effectiveness (Paris Declaration Principles: ownership, alignment, harmonization, results-based management and mutual accountability; Box 9) as well as from a process perspective: transition from emergency and early recovery to long term development, capacity development and rehabilitation of the education system, as well as the process towards a SWAp and the the shift from project-type funding to using Direct/ General Budget Support. The main question is, what impact the EPF has had on these sector processes and developments.

***The report explains the history of the set up of the EPF, its development and illustrates its arrangements.*** Therefore, the documentation of the EPF including the MoU and the respective Annexes of the MoU are the key source. Interviews, written statements of representatives of the involved organizations ([Annex 8](#)), minutes of the various meetings and progress and financial reports as well as the 2009 Education Sector Review were the key sources. Additionally, reports from INEE and documents from EFA FTI informed the paper. The paper does not provide an assessment of the sector or a study on governance in the education sector in a fragile state. Separate studies have been convened by the

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<sup>31</sup> World Bank/ EdStats:

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTEDUCATION/EXTDATASTATISTICS/EXTEDSTATS/0,,menuPK:3232818~pagePK:64168427~piPK:64168435~theSitePK:3232764,00.html>

<sup>32</sup> World Bank/ Ministry of Gender and Development (MOGAD) of the Republic of Liberia. August 2007. Liberia. Towards Women's Economic Empowerment: A Gender Needs Assessment, in:

<http://siteresources.worldbank.org/INTGENDER/Resources/336003-1210113167646/LiberiaGenderNeedsAssessment.pdf>

European Commission and INEE to look closer on the context of fragility. UNESCO IIEP and the CfBT Education Trust published recently a comprehensive study on donor support to education in fragile and conflict-affected states.<sup>33</sup> The report presents findings from a case study conducted in Liberia. This report therefore refers to the challenges of a post-crisis transition country but does not examine in-depth donors' engagement in education in a context of fragility.

***The paper is divided into six main chapters:*** Chapter 1 provides a background on the overall country situation including internal and external threats to fragile stability gains. It presents the EPF as a common financial instrument which donors can use to assist the GoL to respond to the impacts of the global crisis in the education sector. The history of the establishment of the EPF (February – May 2007) is described in Chapter 2. It includes the four kick-off events before setting up the EPF – (a) the Liberia Partners' Forum in February 2007 in Washington, DC, (b) the development and appraisal of the L-PERP and Liberia's admission to the EFA FTI Partnership, (c) George Soros' announcement to provide US\$5 million for education to Liberia in May 2007 in Brussels, and (d) the EFA FTI Catalytic Fund Committee meeting in May 2007. Chapter 3 looks at the establishment process (June 2007 – May 2008), underlying objectives and principles, main partners in the enterprise, the EPF's governance structure, flow of funds and the EPF funded activities since June 2008. Chapter 4 looks at the EPF operationalization (June 2008 – July 2009), summarizing *What works, What doesn't and Why*. In this chapter recommendations are provided on *How to unblock the bottlenecks*. Chapter 5 provides an overview over the national development planning and coordination and takes a look at domestic and external funding to education. In chapter 6 *Way Forward* issues, which will be critical for the sector development in the near future, are summarized – the new comprehensive ESP, moving towards a SWAp and capacity development.

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<sup>33</sup> Brannelly; Ndaruhutse; Rigaud 2009.

## 2 Liberian Primary Education Recovery Program

*“Following the conflict, the nation’s educational system was devastated. Many qualified teachers were either killed or fled from assigned areas, with some going into IDP camps and others going outside of the country. School buildings, teaching materials and library resources were lost to plunder and destruction. Over 75 percent of the educational infrastructure was either destroyed or damaged and some turned into military warehouses and war rooms. All these experiences led to a collapse of educational services and thus to a breakdown in one of the main building blocks of human development, with terrible costs.”*

--- UNDP 2006

### 2.1 Post-conflict Situation of Primary Education

**Fourteen years of civil war and constant political instability, have left the education sector in Liberia in a devastated situation.** In terms of infrastructure, an estimated 80 percent of schools had been destroyed in the war. During a short period of rest from conflict in the late 1990s, some reconstruction took place and children returned to school. Those efforts were jeopardized when conflict re-emerged between 2001 and 2003 and the education sector suffered further destruction and damage, leaving 20 percent of public primary schools completely destroyed and the remaining 80 percent in urgent need of reconstruction or rehabilitation to ensure access to schooling.<sup>34</sup>

**The 2007/2008 National School Census reports that only 33 percent of the primary school age children are enrolled in primary schools.** Primary enrolment is unevenly distributed across the education districts and counties. The net primary enrollment ratio is among the lowest in the world. The gross primary enrollment rate, 89 percent, reflects the large number of older children and youth, who missed out on schooling during the conflict and who have been demanding their right to education. The serious situation of these children and youth is reflected in the extremely low net enrollment rate in junior secondary school (age 12-14) with 5 percent, girls and boys alike. About 60 percent of the teachers are not trained, teacher attendance is low, at least partly due to low wages, and of the total number of teachers only 12 percent are women.<sup>35</sup> This reflects the high learner : trained teacher ratio of 60:1.

**According to UNESCO UIS (2008) 69 percent of children of primary-school age are out-of-school.**<sup>36</sup> The average grade repetition rate in primary education is of 6.9 percent. According to the PEMFAR (2009) there is a high level of

**Table 1: Overview of Primary Education Indicators, 2007**

INDICATOR	
Gross enrollment rate primary level (age 6-11), total %	89
Gross enrollment rate primary level, girls (%)	85
Gross enrollment rate primary level, boys (%)	93
Net enrollment rate primary level, total (%)	33
Net enrollment rate primary level, girls (%)	32
Net enrollment rate primary level, boys (%)	34
Gender Parity Index	0.88
Learner (trained) teacher ratio	60:1
Learner textbook ratio	27:1

Source: National School Census 2007/2008

Note: no data at grade level or school level has been analyzed and no attempt made to compute intake rates, repetition rates, drop-out rates, completion rates, transition rates, survival rates, etc.

<sup>34</sup> L-PERP 2008: 7.

<sup>35</sup> National School Census 2007/2008.

<sup>36</sup> UNESCO UIS: UIS Statistics in Brief. Education in Liberia, in:

[http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=289&IF\\_Language=eng&BR\\_Country=4300&BR\\_Reg\\_ion=40540](http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=289&IF_Language=eng&BR_Country=4300&BR_Reg_ion=40540)

repetition in grade 1, decreasing with the grades. Similarly, it is the case with dropout rates that are highest in grade 1 with 7.6 percent.<sup>37</sup> Estimates show that only one of three learners starting grade 1 reaches grade 5.<sup>38</sup>

***There are considerable gender, regional and income disparities in access to education.*** Girls, children in rural Liberia, and children from poor households are at risk of missing out on schooling. Throughout the country there are regional differences in access to and quality of schooling. Overall the access to primary schooling is fairly equitable, but disparities increase in secondary and tertiary education. At the primary school level, the gender parity index is 0.88. Gender disparities, however, increase in junior secondary high to 0.74 (2007/8 National School Census). With regard to children with disabilities, the 2007/8 National School Census reports that of the 3,172 children in primary school age (6-11 years) only 0.59 percent are enrolled in primary school. Consequently, increased effort needs to be made to ensure that girls, children with disabilities and children living in rural areas have access to primary and junior secondary education and to increase equitably across the country.<sup>39</sup>

***Liberia's education system is beginning to improve, but remains weak:*** The Government with tremendous support from the EDPs has started to rebuilt, open, furnish and equip public primary schools throughout the country. Through the Accelerated Learning Program (ALP) the MoE with support from the EDPs, particularly USAID, has addressed the education needs of the many older children who have never been enrolled in formal primary schooling or have dropped out. The GoL is enforcing the abolition of school fees for public primary schools through the Free and Compulsory Primary Education initiative stipulated by the Law in Liberia.<sup>40</sup> Currently, the MoE with support from UNICEF is designing the School Fee Abolition Policy. Although tuition and fees have been reduced, many schools still collect unofficial fees. Indirect costs of uniforms and other supplies make education unaffordable for many poor families. Additionally, the quality of education facilities and teaching equipment remain low.<sup>41</sup>

***The PRS reports that the primary education sub-sector faces the following key challenges:***<sup>42</sup>

- inadequate and undefined sources of finance that will enable the sector to keep pace with the ever increasing demand for quality and relevant education;
- weak capacity for management and governance from central to the local level;
- an outdated curriculum and inadequate textbooks, chairs, desks, and school supplies;
- insufficient school access that limits the ability of every child, including girls and persons with disabilities, to exercise his/her right to quality education; and
- insufficient numbers of well trained, qualified, and motivated teachers.

***A whole generation of Liberians has spent more years in a situation of war than in a school.***<sup>43</sup> Thus, even more impressive is that in the school year 2009/10 the first generation of children, born in 2003 when the Peace Agreement was signed, are enrolled in primary school. The first generation of Liberia's school children that has never experienced war.<sup>44</sup> Pressure on the GoL and the EDPs remains high to ensure them their right to quality education in a functioning education system. This is core to building the foundations for peace, growth and development and a more prosperous future. Simultaneously, the

<sup>37</sup> PEMFAR 2009.

<sup>38</sup> UNDAF 2007: 15.

<sup>39</sup> PEMFAR 2009.

<sup>40</sup> PRS 2008: 19

<sup>41</sup> PRS 2008: 31, 32.

<sup>42</sup> PRS 2008: 111.

<sup>43</sup> PRS 2008: 16

<sup>44</sup> [http://www.unicef.org/infobycountry/liberia\\_51117.html](http://www.unicef.org/infobycountry/liberia_51117.html)

GoL needs to ensure education services that meet the education needs of the many children and youth who have missed out on school and who have the aspiration to live better lives in peace.

## 2.2 L-PERP Development

*In February 2007 the World Bank, USAID, IMF, AfDB and the European Commission co-hosted the Liberia Partners' Forum in Washington, DC.* It was organized after the first year of the new Government of President Ellen Johnson Sirleaf. The first elected post-war Government had achieved progress in the areas of economic progress, security sector reform, tackling corruption and building support for the rule of law. The Forum focused on the country's persisting humanitarian needs and the urgency to address those through increased external assistance particularly for the implementation of Liberia's interim Poverty Reduction Strategy (i-PRS) which was endorsed during the Liberia Partners' Forum. The objective of the Forum was to help the Government avoid sudden drops of donor funding as soon as bi- and multilateral donors withdraw humanitarian and emergency aid from Liberia. The fear was that since donors had not yet established regular modalities of funding, aid levels would decrease sharply. While infrastructure was high on the development agenda of the Government and the donors, social sectors including education got sidelined.

### ***Priorities Program for Post-Conflict Recovery of the Liberia Education Sector:***

The MoE prepared the *Priorities Program for Post-Conflict Recovery of the Liberia Education Sector (FY 2007/08 to 2010/12)* for presentation at the Partners' Forum. It was developed by the MoE with assistance from UNICEF, USAID and other EDPs as a national 'road map' for growth and development of the education sector specifying the vision outlined in the i-PRS. The Priorities Program marked the first step towards the development and reform of the Liberian national education system and resented the Government's vision for sector development over a five year period. The document was designed to be a basis for the preparation of a comprehensive national education strategy. Data used for the Priorities Program and later the L-PERP was taken from the 2006 school census. The 2006 school census was the first post-conflict school census since 1999. The main identified gaps and weaknesses of the Priorities Program were analysis, explanation of distribution of the budget by level, budget trends and expenditure frameworks, incorporation of HIV/ AIDS and over ambitious objectives compared to realities on the ground and available resources.<sup>45</sup>

#### **Box 4: Key Components of Priorities Program (MoE 2007)**

**Overall goal:** Provision of a clear and realistic "road map" for growth and development of the education sector over a period of five years.

**Central focus:** Quickly improve the quality of education in public primary schools in order to prevent a large scale withdrawal of students from the existing over-burdened education system.

**Targets:**

- Keeping 597,316 children currently enrolled in public primary schools;
- Expanding enrollment in public primary schools by 277,214 children by end of 2012;
- Expanding enrollment in public secondary schools by 70,801 children by end of 2012;
- Sustaining a national accelerated learning program (ALP) for 53,500 children and youth who have never been to school;
- Improving the quality of teaching and supervision;
- Developing a system to measure learning achievement;
- Revising, and undertaking training on new primary and secondary curricula;
- Building new schools per year in poor areas without access to primary and secondary schools; and,
- Reforming and strengthening the National Commission for Higher Education.

<sup>45</sup> Informal comments provided by the FTI Secretariat in February 2007.

**Education Side Meeting during the Liberia Partners’ Forum:** During the Liberia Partners’ Forum an education side meeting on *Post-Conflict Recovery of the Liberian Education Sector* was organized, where the Minister presented the 5-year Priorities Program to UNICEF, World Bank, UNHCR, UNESCO, WFP, USAID, the Embassy of Japan and Sweden, International Rescue Committee, Carnegie Foundation, Save the Children and other donors. He underlined the urgency for the development and implementation of a *Free and Compulsory Education Law*. Although it was the core objective of the Forum and the side meeting to achieve agreement on how to secure funding, no specific commitment was made by any of the donors for education.

**The FTI Catalytic Fund as a funding option:** The World Bank promoted the Education for All – Fast Track Initiative (EFA FTI) as an option for education funding during the Partners’ Forum. The World Bank and the FTI Secretariat recommended that Liberia should apply for the Catalytic Fund on the grounds that it faced major funding gaps for education and those commitments available in February 2007 were barely scratching the surface. The main rationale behind putting forward Liberia for Catalytic Fund support was that there was an urgent need to provide financing for the implementation of the Priorities Program. The World Bank lobbied particularly hard for Catalytic Fund support because the World Bank President had promised President Ellen Johnson Sirleaf assistance for the rebuilding and recovery of Liberia but limited IDA financing was available at that time. The World Bank and the FTI Secretariat exemplified the case of Sierra Leone.

#### Box 5: Education for All Fast Track Initiative (EFA FTI)

##### Strengthening Country Level Processes for Accelerated Progress toward Universal Primary Education

- FTI was launched in 2002 as a global partnership between donor countries and low-income countries to ensure accelerated progress toward universal primary education. Developing countries make a commitment to prepare and implement sound and sustainable education plans and to increase domestic financing for primary education. Donor countries, multilateral organizations, and civil society organizations then commit themselves to align their support to these education sector plans through increased cooperation and financial support.
- FTI focuses on achieving primary education for all children by 2015. The initiative includes all major donors for education—more than 30 bilateral, regional, and international agencies and development banks. It provides support to all low-income countries that express a serious commitment to reach universal primary education by offering technical assistance (knowledge sharing and guidelines on education-related issues) and financial support.
- FTI helps donors and low-income partner countries work together to ensure that education aid is better coordinated and thus more effective. FTI endorsement signals to current and new donors that a country’s education sector plan is sound, sustainable, and worthy of support. FTI donor partners mobilize additional funding, including the Catalytic Fund, for those countries lacking sufficient donor assistance.
- One of the most important gains of the FTI process is that it is a joint process leading to a common understanding of the challenges and an open and constructive dialogue on how to jointly address sector challenges. *The purpose of the FTI process is to help countries reach their education objectives in the most appropriate way. It is important to note that the ESP is not prepared especially for the FTI.* (FTI 2009)

##### FTI Financial Support

Education Program Development Fund  
Catalytic Fund

##### FTI Technical Support

EFA FTI Country Level Process Guide  
Appraisal Guidelines  
Equity and Inclusion in Education: Tools for education sector planning and evaluation  
Indicative Framework: Benchmarking Tool for national ESPs  
Guidelines for Capacity Development

In contrast to Liberia, Sierra Leone had a full PRPS in place, had prepared a long-term, comprehensive ESP based on a Country Status Report and a consultation process with the in-country donor partners and national stakeholders. Sierra Leone was already undergoing the in-country appraisal process for its ESP, preparing for FTI endorsement and Catalytic Fund application during February – March 2007. Thus, Sierra Leone had already made significant progress in preparations for the presentation of the funding request to the Catalytic Fund Committee in May 2007. Liberia on the other hand was confronted with the challenge of developing an “education sector strategy” within an extremely short period of time for FTI endorsement and Catalytic Fund application almost concurrently, and for the presentation to the Catalytic Fund Committee in May 2007. Thus unlike neighboring Sierra Leone, Liberia did not have a full PRS and was far from having a comprehensive sector plan. A full national PRSP and a sound and comprehensive ESP are key requirements for the EFA FTI Partnership and accessing the Catalytic Fund.

**Box 6: EFA FTI Catalytic Fund**

The EFA FTI Catalytic Fund is a multi-donor trust fund established in 2003 and managed by the World Bank on behalf of the 18 contributing donors (such as, Australia, the European Commission, France, Germany, Ireland, Japan, the Netherlands, Spain, the United Kingdom). Its purpose is to provide financial assistance to FTI partner countries that have full PRSs in place and whose ESPs have been endorsed by the local donor group following a review process agreed on by the FTI Partnership. Support from the EFA FTI Catalytic Fund enables countries to begin scaling up the implementation of their sector programs and establishing a track record of performance that will help to attract longer term, predictable support from both internal resources and existing and new donors.

***Development of the Liberian Primary Education Recovery Program:*** Immediately after the Partners’ Forum an intense process of setting up a medium-term strategy for primary education recovery commenced at the country level led by the MoE with support from UNICEF. The Priorities Program was used as the basis for the Liberian Primary Education Recovery Program (L-PERP)<sup>46</sup> which was developed within four weeks (February/ March 2007) for submission to the EFA FTI. Starting with the President, the entire Government, including the Ministers of Education, Finance, Planning and Economic Affairs as well as the heads of the Budget Bureau and Civil Service Agency stand behind the L-PERP. The process that developed this program included all relevant senior government officials, line ministries and senior officers of the MoE. However, the process was too short for a very thorough analysis of options and trade-offs. Equally, it did not give time for the participation of all the stakeholders in education.

***The L-PERP is a “medium-term road map” which covers the period 2007-2010.*** The L-PERP was designed as a transition document offering a first step for moving away from short-term emergency-type interventions to a more comprehensive approach necessary for sustained recovery of the sector. The L-PERP only covers the primary education sub-sector and has been providing the policy framework until the full ESP is in place.<sup>47</sup> It is stated in the L-PERP that the MoE was facing a critical challenge to effectively address the enormous problems of the conflict-affected education sector. This involved the need to focus particularly on strategic planning. Especially in a period of post-conflict recovery and transition planning becomes highly important to shift from short-term, emergency “day to day” decision-making to strategic long-term planning including budget planning.<sup>48</sup> The L-PERP makes the commitment to use the sector-wide approach dialogue mechanism and sector program development based on already existing elements for a SWAp in the sector. This would first involve developing the primary sub-sector while widening the approach step by step to cover the whole sector. However, clear

<sup>46</sup> Download the full L-PERP from [http://www.poledakar.org/IMG/Liberia\\_EFA\\_FTI.pdf](http://www.poledakar.org/IMG/Liberia_EFA_FTI.pdf)

<sup>47</sup> A comprehensive, long-term sector plan is expected to be appraised and endorsed in the second half of 2009 (see 5).

<sup>48</sup> L-PERP 2007: 6

structures for dialogue and channeling external funding that reduce transaction costs for all partners had not been developed in early 2007. That was a result of the on-going governance, and institutional and capacity building processes.

**The L-PERP is a three-year Action Program and is divided into eight components (Box 7).** The financing scheme for the implementation of the L-PERP suggested a total cost of US\$70.6 million (US\$12.4 million (FY 07/08); US\$26.7 million (FY 08/09) and US\$31.5 million (FY 09/10)). Although some increase was anticipated for 2007 it was not expected to be adequate for what was needed for the implementation of the L-PERP alone. In 2006/7 only 8 percent the national budget was allocated to the education sector. With the L-PERP as a programmatic framework to which donors could align to the extent possible their funding, even if it was project-financing only – the Government still needed to provide for a medium term budget projection to give firm predictions of the future public financing of education. Significant external aid was therefore needed for getting the Action Program started by September 2007. However, since it was already the end of March when the L-PERP was appraised it seemed difficult to envision that donor funding could cover the US\$ 12.4 million for the first year of implementation.<sup>49</sup>

#### Box 7: L-PERP Components

1. Infrastructure Expansion and Improvement
2. Instructional Materials and Curriculum Development
3. Teacher Development
4. Accelerated Learning Program for Overage Students
5. Advisory, Supervision and Assessment Services
6. Strengthening Education Sector Governance
7. Organizational Capacity Building
8. Institutional and Implementation Arrangements for the Program

**In-country appraisal of the L-PERP:** The L-PERP was prepared under severe constraints of time and data. It provides an open, honest assessment of challenges and opportunities, including data shortcomings and policy gaps. It was recognized by the EDPs and the FTI Secretariat that the L-PERP symbolized a move away from short-term emergency-related program interventions to a medium to long-term programmatic approach. During the appraisal process in March 2007 the Government and the EDPs frankly and realistically (i) identified numerous gaps (including data, policy and systems); (ii) indicated actions to fill these gaps until a more robust long-term ESP would be in place; and (iii) designed operational tools to measure progress and results over the period; including better coordination.<sup>50</sup>

A major constraint was the data used for the L-PERP, which was based on the 2006 school census study. This data was qualitatively inconsistent and limited in scope, resulting targets and budgets which could only be indicative at this stage. Also, in early 2007 no data was available to use in developing an educational sector response to HIV/ AIDS. UNGEI analyzed the L-PERP against its responsiveness to gender related issues and found it wanting on many counts.<sup>51</sup> On March 31, 2007, the L-PERP was appraised and recommended for funding from the EFA FTI Catalytic Fund by UNICEF, USAID, UNESCO, EC, SC-UK, IRC, Liberian Education Trust, NRC, JRS and Oxfam. On the basis of the joint appraisal the EDPs unanimously endorsed the L-PERP and confirmed that Liberia had both the need and the capacity to use additional funding. The L-PERP was submitted to the EFA FTI Partnership and received endorsement in April 2007.

**Few additional funding options:** In April 2007, President Ellen Johnson Sirleaf met with the British Prime Minister Gordon Brown during the Progressive Governance Summit in London, to discuss, among other

<sup>49</sup> L-PERP 2007: 5

<sup>50</sup> Appraisal Report 2007.

<sup>51</sup> UNGEI Gender Review of Liberia Country Plan. As Assessed and Endorsed by In-Country Donors. UN Girl's Education Initiative, April 2007.

issues, funding to education.<sup>52</sup> Just before that meeting the British Government had announced its support to the *Education Beyond Borders Initiative* led by UNICEF and Save the Children:<sup>53</sup> *“We will provide additional UK support for education in Sierra Leone, Burundi, Somalia, Afghanistan, Nepal, the Democratic Republic of Congo and Liberia. And we must mobilize the political will to deliver education for all children, including those in conflict, at the High Level Education Event, hosted by the European Commission, in May.”* While specific commitments were announced for the other countries, *“support for the education recovery programme in Liberia [would be given] via the multi-donor Fast Track Catalytic Fund.”*<sup>54</sup>

**George Soros engages in funding and supporting education in Liberia:** In early 2007 the Open Society Institute<sup>55</sup> explored possibilities of how best to support Liberia in its efforts to recover and rebuild its education system. At the conference “Keeping our Promises on Education” in Brussels on May 2, George Soros committed US\$ 5.0 million to the Government of Liberia for the recovery of primary education in Liberia.<sup>56</sup> In his speech he explained: *“I believe that it is crucial to develop public-private partnerships that seek to help achieve Liberia's plan for children. The needs of Liberia are particularly acute as a post-conflict state, and its own budgetary ability to meet those needs correspondingly limited. By working to support a portion of President Sirleaf's plan, we will not be another donor to attend to, but a partner helping them achieve the plan that they have agreed on and which only they can ultimately succeed in implementing. The estimated amount needed for the first year is \$20 million. And against the gap of what is apparently still needed--\$10 million--I hereby pledge \$5 million. I will give that amount provided the official donors commit to covering the rest of a five-year funding program based on the assessment of existing needs.”*<sup>57</sup>

**George Soros pledged US\$5 million on the condition that other donors would make substantial commitments to which he could match his contribution.** He pointed out that his grant was a risky investment and a rather small contribution compared to the needs of the program but there was no “announcement effect”<sup>58</sup> triggering additional funding from the donors. The US\$5 million was meant to be an initial, kick-off funding source for the GoL to commence with the implementation of the L-PERP. For the first time a private foundation moved away from individual project funding to supporting a Government’s program through financial and technical support. This was a new approach by a private foundation within the broader changes of international aid architecture. In April 2007, OSI provided technical assistance to UNICEF in the form of a planning expert. As the need was seen to be greatest at MoE, UNICEF decided instead to place the expert in the MoE.

<sup>52</sup> <http://newliberian.com/?p=346>

<sup>53</sup> [www.hm-treasury.gov.uk/press\\_45\\_07.htm](http://www.hm-treasury.gov.uk/press_45_07.htm)

<sup>54</sup> [www.hm-treasury.gov.uk/press\\_45\\_07.htm](http://www.hm-treasury.gov.uk/press_45_07.htm)

<sup>55</sup> The Open Society Institute is part of the George Soros Foundations Network. Soros foundations are autonomous institutions established in particular countries or regions to initiate and support open society activities. One of them is the OSI in West Africa (OSIWA) with representation in Monrovia. OSIWA has been taking part in EDP Group meetings. Support to the education sector in Liberia however comes through OSI and is managed through OSI’s Education Support Program in London. OSI was directly represented in the country for a longer term 2008/9. [www.soros.org/about](http://www.soros.org/about)

<sup>56</sup> The Soros Foundation had supported the Liberia Education Trust with US\$1 million before.

<sup>57</sup> Speech by global financier and philanthropist George Soros, delivered to the “Keeping our Promises on Education” conference organized by the European Union, 2-3 May 2007, Brussels, Belgium. Soros is referring to the “Priorities Program for Post-Conflict Recovery of the Liberia Education Sector” which was planned out as a 5-year program (2007/8-2011/12) but eventually integrated into the L-PERP as a 3-year EFA FTI Action program.

<sup>58</sup> Marten; Witt 2008: 13

## 2.2 EFA FTI Endorsement and Catalytic Fund Application

***The case of Liberia presented a challenge for EFA-FTI:*** Although progress and concrete achievements had been realized in a short period of time since January 2006, Liberia faced major policy, planning, capacity, data and financing gaps which were the underlying weaknesses of the L-PERP. The FTI Secretariat recommended to the Catalytic Fund Committee to recognize and support the initial commitment and efforts in order to consolidate and build up-on early gains.<sup>59</sup> The FTI Secretariat recommended that the Catalytic Fund Committee should exceptionally support Liberia with an initial funding of US\$9 million for the implementation of the L-PERP for the first year. The assumption was that while Liberia was enabled to start with the recovery of primary education it would simultaneously develop a comprehensive long-term ESP and return for a further grant after demonstrating progress in implementation.<sup>60</sup> This was partly a response to the fact that the presented L-PERP was limited in terms of data and projections to one year. The proposed one-year allocation would neither cover the estimated costs of US\$12.4 million for the first year of implementation.

***During the time leading up to the Catalytic Fund Committee Meeting in May 2007*** expectations were high that the initially requested amount of US\$70.6 million would be approved. The FTI Secretariat had not flagged any concerns about a possible rejection. UNICEF felt that there was a lack of transparency and poor flow of information about what the actual basis for decision-making was for the Catalytic Fund Committee. The FTI Secretariat prepared the Liberia country dossier based on the submitted country information from UNICEF Liberia, Lead Education Development Partner in the education sector.<sup>61</sup> None of the discussions were conveyed to the country office level.

***The Catalytic Fund Committee turned down Liberia's request:*** At the FTI Catalytic Fund Committee Meeting in Bonn on May 23, 2007 a decision was made to the effect that although Liberia had made remarkable progress in developing the sub-sector program, key documents that require valid data such as a comprehensive sector plan and a Poverty Reduction Strategy had not yet been developed. As such and in view of the fact that there were major capacity gaps in many areas of the MoE, the Catalytic Fund Committee did not approve funding to Liberia. The Catalytic Fund Committee agreed that Catalytic Fund support was not the appropriate funding mechanism for Liberia at that point in time and conditions. The Catalytic Fund Committee rejected this approach in order to protect the minimum standards of Catalytic Fund grants, including the soundness and quality of a supported plan. Also, the Catalytic Fund is a funding option of "last resort" to cover financial gaps remaining after the in-country donors have made their commitments in support of the appraised ESP.

***Instead, it was suggested that funding should be provided from other sources within the EFA FTI Partnership.*** The implementation of the L-PERP was at risk to experience a major delay because funding was uncertain. It was recognized, that apart from the identified gaps, a clear approach to education development taking cognizance of the new aid effectiveness architecture of harmonization and alignment to government procedures and processes needed to be presented. The Committee, however, recognized the potential of the L-PERP and Liberia's need for large-scale, flexible and quick funding.<sup>62</sup> There was no suggestion that Liberia is not a good standing member of the EFA FTI or that it does not qualify for the Catalytic Fund. In retrospect, UNICEF felt that the Catalytic Fund Committee might not have been sufficiently informed about the circumstances and the exceptional situation of Liberia as a

<sup>59</sup> FTI Secretariat. May 2007. Liberia: Summary Documentation for FTI Expanded Catalytic Fund, Reference No. EFTI CATALYTIC FUND-SC/Bonn/2007-05. Bonn, Germany.

<sup>60</sup> FTI Secretariat. May 2007. Liberia: Summary Documentation for FTI Expanded Catalytic Fund, Reference No. EFTI CATALYTIC FUND-SC/Bonn/2007-05. Bonn, Germany.

<sup>61</sup> Country Information Form

<sup>62</sup> FTI Secretariat Minutes [http://www.education-fast-track.org/library/FTI\\_CATALYTIC\\_FUND\\_minutes23may07.pdf](http://www.education-fast-track.org/library/FTI_CATALYTIC_FUND_minutes23may07.pdf)

post-conflict country. This counts in particular for those donors who had not been present in the country at that time. The rejection was perceived as a “political disaster” considering the high hopes and attention that had surrounded the FTI process in Liberia.<sup>63</sup>

**The Government of the Netherlands and UNICEF agree to support Liberia:** The Netherlands and UNICEF as members of the EFA FTI Partnership indicated that they would support the implementation of the L-PERP over the next two years through the fund for education in emergencies and, post-crisis transition countries through which the Government of the Netherlands had made available US\$201 million grant to UNICEF in 2006. The grant was in support of countries with large-scale and immediate financing needs for post-conflict recovery. The grant funded a proposal developed by UNICEF HQ in New York and covered many areas including “Fit for Purpose” financing systems to be developed in these countries. With the decision to fund the program US\$12 million would be allocated to Liberia. UNICEF and the Netherlands agreed to use the grant amount outside of the regular UNICEF country program in order to serve as the core first year contribution. It was agreed that the US\$12 million would be made available through an alternative funding modality other than the Cash Advance to Government (CAG) through which UNICEF usually provides funding to Governments. This approach requires justification reports of fund utilization in periods of three months before other funds are disbursed. The regular UNICEF approach would not have been able to absorb the amount even in five years.

#### Box 8: EFA FTI Catalytic Fund support to Sierra Leone

At the same May 2007 FTI Catalytic Fund Committee meeting Sierra Leone was granted an allocation of about US\$ 13.9 million. As a post-conflict country, Sierra Leone had prepared a comprehensive Education Sector Plan based on a Country Status Report and a full PRSP. UNICEF as the lead education donor in Sierra Leone has faced the same transition challenges from humanitarian to longer-term regular donor funding. Despite the fact that the FTI Catalytic Fund Committee approved the requested grant it took two years between the allocation decision and the first disbursement. Unlike Liberia Sierra Leone had presented a full education sector plan, endorsed by the in-country Education Development Partners. The Sierra Leonean education sector plan had been informed by a completed Country Status Report and was referenced to a full Poverty Reduction Strategy. Sierra Leone established a Special Pooled Account to which UNICEF, DFID and the EFA FTI Catalytic Fund contribute to support the implementation of the ESP.

**Decision to establish a pooled fund:** With the grant from UNICEF and the conditional funds from the OSI, a decision was made to develop a multi-donor Pooled Fund at the country level to ensure full alignment with the EFA FTI principles and to meet some of the funding needs identified in the L-PERP.<sup>64</sup> It was also agreed that UNICEF would take the lead in supporting the GoL to develop an appropriate mechanism to handle the financing of the L-PERP and to try to mobilize resources at the earliest opportunity.<sup>65</sup> The concept of a pooled fund mechanism appealed to the GoL and the EDPs as the most preferred and most aligned modality that would adhere to the principles of EFA FTI. UNICEF had examples of effective pooled funds in many countries and agreed to lead the process in Liberia. The agreement by UNICEF to take the lead in developing such a mechanism with the MoE and other EDPs was accepted by the George Soros Foundation and thus supporting and contributing to the pool fund.

**Support from the EPDF:** In addition, the EFA FTI Partnership agreed that additional financing would be provided from the EFA FTI Education Program Development Fund (EPDF). EPDF funds would be used to provide technical assistance as identified in the L-PERP appraisal report and to support capacity building activities, data collection, and support additional analytical work necessary to prepare a comprehensive

<sup>63</sup> Former UNICEF Country Representative to Liberia who presented the Liberia application during the Catalytic Fund Committee Meeting on May 23, 2007 in Bonn, Germany.

<sup>64</sup> Letter from the World Bank Vice President Human Development Network to the Minister of Education of Liberia on June 1, 2007 as follow-up to the FTI Catalytic Fund Committee Meeting on May 23, 2007 in Bonn, Germany.

<sup>65</sup> FTI Catalytic Fund Strategy Committee. Meeting of May 23, 2007. Minutes, in: [http://www.education-fast-track.org/library/FTI\\_CATALYTIC\\_FUND\\_minutes23may07.pdf](http://www.education-fast-track.org/library/FTI_CATALYTIC_FUND_minutes23may07.pdf)

ESP.<sup>66</sup> As it happened the funds identified through the alternative FTI sources turned out to be more than the amount suggested to the Catalytic Fund Committee by the FTI Secretariat. It also became slightly more (\$16.25 million) than that identified for the first year of implementation of the L-PERP (\$12.4 million).

**Way forward after May 2007:** The Catalytic Fund Committee underlined that the submission of a comprehensive long-term ESP drawing on a full Poverty Reduction Strategy would be required for a new Catalytic Fund application. The Catalytic Fund Committee suggested that Liberia should not apply again before 2009 (after 2 years) in order to meet the requirements. The pooled funding arrangement would support L-PERP implementation for three years. During this time the country would transition to a stage where it will be possible and reasonable to apply for funding from the Catalytic Fund. Within this period the GoL and the EDPs were to (a) implement the L-PERP, (b) establish transitional funding mechanism in line with the Principles of the Paris Declaration on Aid Effectiveness and EFA FTI (see Textbox 8), (c) develop a comprehensive ESP, and (e) produce the Country Status Report while at the same time the full Poverty Reduction Strategy would be finalized.

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<sup>66</sup> Letter from the World Bank Vice President Human Development Network to the Minister of Education of Liberia on June 1, 2007 as follow-up to the FTI Catalytic Fund Committee Meeting on May 23, 2007 in Bonn, Germany.

### 3 Education Pooled Fund

*"We have made every effort to keep this documentation as simple and straight-forward as possible in line with the Paris Declaration."*

--- UNICEF, January 2008

#### 3.1 Establishment, Principles & Objectives

**Enabling circumstances for the pooled fund establishment process:** The Government of President Ellen Johnson Sirleaf had made remarkable progress within the first year in power (2006/7) and had identified Liberia's development process in the i-PRS. The establishment of a pooled fund mechanism was a country level initiative to support the GoL to shift to Direct/ General Budget Support in the long term. Five factors encouraged the education process: (1) EFA FTI process and L-PERP endorsement, (2) availability of UNICEF funding using the grant from the Government of the Netherlands, (3) available support from EFA FTI through the EPDF for technical assistance, (3) commitment by George Soros, (4) UNICEF headquarters availability to give legal and technical support to the establishment of the fund and (5) leadership of UNICEF to assist the MoE together with OSI, the World Bank and other EDPs to establish the pooled fund.

**Kicking off the process at the country level:** Immediately thereafter, in June 2007 UNICEF started to prepare for the establishment of the pooled fund and to coordinate the follow-up work on the Catalytic Fund Committee decisions. The MoE requested detailed advice from UNICEF on how the mechanism would work to understand the concept and reach internal clarification. The UNICEF Representative briefed the Minister of Education about the outcomes of the Catalytic Fund Committee meeting in Bonn because he had not participated in the same. For the first time the Bonn meeting invited leading country agencies to participate rather than ministers of education. In July 2007 the UNICEF Headquarters section of Public Sector Alliances and Resource Mobilization Office (PARMO) was invited by the MoE for discussions on the form and process of the pooled fund. The Deputy Director accepted the invitation. UNICEF Liberia engaged a technical assistant to work with the MoE in developing the fund and later to operationalize the fund by developing the SWAp dialogue mechanism. The pooled fund became a prominent agenda item for the MoE and the EDPs in the following months with the effect that the development of the ESP and the immediate implementation of the L-PERP were delayed until 2008. The key MoE persons throughout the establishment process were the Minister and the Deputy Minister for Planning, Research and Development. Other EDPs besides UNICEF and OSI were involved in the process such as the World Bank, USAID, the EC and UNESCO.

#### Box 1: Key EPF Arrangement Issues discussed

- Adoption of national financial management and procurement rules and procedures
- Capacity development for financial management and procurement in the MoE
- Disbursement and legal arrangements
- Cooperation with MoF/ PFMU
- Government ownership, management and execution
- Decision-making and governing entities and processes
- Government-donor-partnership
- Veto Rights and prior action no objection
- Activities eligible for funding from pooled fund
- MoE planning, priorities and implementation
- Set of required MoUs and agreements
- Alignment of donor funding to MoE plans and priorities

**Capacity challenges at the government level:** It was a challenge to establish and test a new funding instrument for aid delivery in the context of a post-conflict transition country with little initial governance capacity as a result from the 14 years of war. Also, Liberia had just started to rebuild state and government structures. It was obvious that the pooled fund arrangement would require the GoL/ MoE to build capacity in numerous areas. There was need to provide technical assistance to the MoE on

public financing, sector funding, to lead a SWAp-building process and to lead the process towards General/ Direct Budget Support.

**Legal and technical support from UNICEF Headquarters:** UNICEF Headquarters through the PARMO was engaged in the process from the beginning the Deputy Director participated in consultations for the design of the pooled fund with the MoE, UNICEF Liberia, OSI, the World Bank and other EDPs in Monrovia in July 2007. He made two consultative and advisory missions to Liberia at the invitation of the government of Liberia. The establishment process was characterized by a series of consultative and working meetings in July in Monrovia, in August in New York and in September and November in Monrovia. It involved: analysis, technical advice and assistance, internal meetings with the MoF and knowledge sharing with the Ministry of Health. The two key issues discussed throughout the establishment process were (1) financial management arrangements and (2) the governance structure.

#### Box 2: Pooled Funding

- Pooled funding is meant to generate efficiency gains over individual projects through harmonization of procedures as well as working better with government systems eventually enabling the adoption of a budget support modality. However, the transition towards use of domestic systems may be difficult and the arrangements sometimes come with huge transaction costs.
- The donor rules governing projects, including how to handle fiduciary risks, are often also covering pooled funding modalities. That is for example the case for the World Bank. The fiduciary risks related to all expenditures/activities in a sector are obviously bigger than risks related to a fraction of those expenditures funded in a project. At the same time additional mitigating measures are more difficult for the receiving government to accept.
- Recommendations arising out of pooled funding are to use country systems as much as possible, limit the mitigating measures to be mostly ex-ante (enhanced monitoring, different types of audits and additional reporting), and make the earmarking cover as broadly as possible (ideally sector-wide) the sector. When participating donors have very specific rules to follow, for example on limiting the use of country procurement systems for international competitive bidding for the World Bank, this presents a considerable challenge to the other donors and the government to follow “best practice” and make those rules supportive of capacity development.

*Source: Overseas Development Institute 2008.*

**Assessment of financial management capacity of the MoE:** In June 2007 the World Bank sent a specialist in public financial management to Liberia to assess related issues in health. The assessment was not planned for the education sector or the MoE but the consultant allocated two days to assess existing financial management capacity in the MoE. The objective was to determine whether the MoE had acceptable financial management arrangements, which would among other issues, ensure that (1) funding would be used only for the intended purposes in an efficient and economical way; (2) financial reporting would be accurate, reliable and timely; and that (3) the entity’s assets would be safeguarded.<sup>67</sup> A number of actions that were identified suggested to improve the fiduciary environment and to make the financial management arrangements within the MoE to be more acceptable to the World Bank. Meeting World Bank standards and requirements for financial management is a crucial indicator for other donors to consider using the respective national systems or arrangements to channel their

<sup>67</sup> World Bank. June 2007. Liberia – Ministry Of Education (MoE) Primary Education Recovery Program (L-PERP). Financial Management Assessment (Draft Report). The assessment was done with regard of a possible World Bank funding project to support the education sector: “The Bank is preparing to participate in a multi-donor project, the Liberia Primary Education Recovery Project (L-PERP) for implementation in Liberia over the next three or so years. It has become necessary to assess the financial management capacity of the prospective implementation agent, the Ministry of Education, to manage the funds that would be made available under the project to be financed by the Bank, UNICEF and USAID among others.”

funds.<sup>68</sup> The report suggested selecting a government agency whose financial management systems had been approved by the World Bank (such as the PFMU of the MoF) which could provide financial management services for a specified period within which the MoE would address capacity gaps. Already by July 2007 it was discussed and proposed that the PFMU could provide financial management services for the pooled fund while the MoE would retain the management responsibility for the implementation of the pooled fund and the L-PERP to ensure ownership of the whole process. There was no particular assessment of the financial management and procurement capacities of the MoE regarding managing and executing the EPF prior to the launch of the EPF in May 2008.

***In August 2007 a consultative meeting took place in New York*** at UNICEF with representatives from the MoE of Liberia, OSI, and the World Bank. The meeting aimed at (i) reaching an understanding among the partners of what the most efficient and secure arrangement would be, (ii) how it would best support MoE's priorities, (iii) on which documentation it would be based and (iv) how future partners would be brought in. The Deputy Minister for Planning, Research and Development presented MoE's vision on use and mechanisms for the pooled fund. This included the expectation that the MoE would assume leadership on the decision-making process for disbursements and governing entities. The MoE also expected the pooled fund to be flexible in its use to support additional activities such as secondary and early childhood education beyond the L-PERP.

During the meeting it was agreed that the establishment of the pooled fund would require immediate engagement of and dialogue with the MoF particularly regarding using national procurement and financial management systems and procedures.<sup>69</sup> In order to keep a window of opportunity to allow new donors to contribute to the pooled fund, financial management, procurement and legal arrangements and procedures needed to be compatible with emerging requirements from "new donors". It was underlined that an approach needed to be defined on how to build the MoE's capacity in the areas of financial management and procurement and how to support the existing MoE units rather than to create new ones.

***Inter-ministerial cooperation between the Ministry of Education and the Ministry of Finance:*** The MoF was an important partner in setting up the financial management and respective capacity development arrangements of the pooled fund. The MoF was involved in the process from early on. UNICEF, OSI and the MoE wanted to make sure that the EPF was understood to present additional funding to domestic and external funding and that it would not give any grounds for reducing the national budget allocations to the education sector.

***Discussing and deciding on an appropriate and flexible governance structure for the EPF:*** It was a major challenge to design the governance structure of the EPF including describing the roles and mandates of the single entities. Technical issues about the set up of the arrangements were led by the questions on how best to apply the principles of aid effectiveness in a post-conflict environment. The challenge was to lay out the role of the decision-making bodies for the pooled fund process including the participation of those donors supporting the L-PERP but not necessarily pooling their funds.<sup>70</sup> It was proposed to consult with and actively involve those donors in the discussions that had shown interest in

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<sup>68</sup> Agenda for Meeting at UNICEF HQ on 28 August 2007.

<sup>69</sup> Use of country systems and aid predictability, 2007: Public Financial Management Systems 32%, Procurement Systems 0%, Disbursements on schedule and recorded by government (aid predictability) 45%. Compared to Haiti and Sierra Leone: PFM Systems 46% (Haiti) and 20% (Sierra Leone), Procurement Systems 31% (Haiti) and 38% (Sierra Leone), Aid Predictability 74% (Haiti) and 7% (Sierra Leone). OECD 2008: 41.

<sup>70</sup> During the drafting and designing process of the MoU and the Letter of Agreement (UNICEF/OSI) documentation examples and studies from the Ghanaian Health Sector were being looked at; provided by the World Bank.

the pooled fund. This was necessary to take into consideration specific requirements and regulations that would allow other donors to support the EPF at any point in time in the future.

<b>Box 9: Principles of the EFA FTI compact and the Paris Declaration on Aid Effectiveness</b>	
<b>Education for All – Fast Track Initiative Compact (2002)</b>	
<i>Partner Countries</i>	<ul style="list-style-type: none"> <li>• Develop sound education sector programs through broad based consultation</li> <li>• Show commitment to education through strong domestic support</li> <li>• Demonstrate results on key performance indicators</li> <li>• Exercise leadership in developing and implementing the program and coordinating donor support</li> </ul>
<i>Donors</i>	<ul style="list-style-type: none"> <li>• Help mobilize resources and make them more predictable</li> <li>• Align with country development priorities</li> <li>• Coordinate support around one education plan</li> <li>• Harmonize procedures as much as possible</li> </ul>
<b>Paris Declaration on Aid Effectiveness (2005)</b>	
	<ul style="list-style-type: none"> <li>• <i>Country Ownership:</i> Developing countries set their own development strategies, improve their institutions and tackle corruption.</li> <li>• <i>Alignment:</i> Donor countries bring their support in line with these objectives and use national systems.</li> <li>• <i>Harmonization:</i> Donor countries co-ordinate their action, simplify procedures and share information to avoid duplication.</li> <li>• <i>Managing for Results:</i> Developing countries and donors focus on producing – and measuring – results.</li> <li>• <i>Mutual Accountability:</i> Donors and developing country partners are accountable for development results.</li> </ul>

**World Bank’s support to the establishment of the EPF:** After the Catalytic Fund Committee meeting in May 2007, the World Bank Human Development Vice President had expressed support to Liberia for the implementation of the L-PERP and for the development of a mechanism to make the funding from UNICEF and OSI quickly available. The World Bank has long-term experience in a number of countries that have received support from the FTI Catalytic Fund. In the majority of those EFA FTI endorsed countries the World Bank is the entity supervising the delivery and implementation of the Catalytic Fund at the country level. The World Bank’s role in the establishment process was to give advice on the design of the EPF’s governing structure according to the practices and principles of EFA FTI. This included advice on the definition of the roles and responsibilities of the MoE in order to provide for the greatest Government ownership over the EPF resources possible. This included discussion about the establishment of a “steering committee” as governing entity for the pooled fund as suggested in the first drafts of the documentation (by UNICEF). The MoE expressed the concern that a steering committee, bearing executive functions would be contrary to the principle of Government ownership.

**First drafts of the pooled fund agreement documents and subsequent discussions:** In September 2007 UNICEF presented the first drafts for the MoU between the MoE/ MoF and UNICEF including the Annexes describing the details of the arrangements and the Letter of Agreement to be signed by UNICEF and OSI. The documents were drafted by the UNICEF PARMO and guided by the Multi-Donor Trust Funds Guidance Note to UN Country Teams by the United Nations Development Group (UNDG).<sup>71</sup>

<sup>71</sup> UNDG 2007.

However, the pooled fund mechanism was chosen over a Multi-Donor Trust Fund (MDTF). The draft documents stipulated the terms, conditions, and procedures for the governance, decision-making, management and any transfer of funds.<sup>72</sup>

Discussion points at this stage included the establishment (or turning down) of a “steering committee” and the role and responsibility of the Local Education Group and the EDPs (Local Donor Group). Engagement of the EDPs in the decision-making and monitoring process of the L-PERP implementation and EPF operationalization was important to reach the desired alignment and harmonization among the EDPs with the Government plans and activities. Important activities towards the L-PERP had been funded by the EC, USAID, UNICEF and international NGOs. Those sub-sector activities needed to be harmonized with the pooled fund approach. Therefore, it was suggested that the documentation of the pooled fund needed to reflect the broad partnership behind the L-PERP and the pooled fund. As a result the pooled fund documentation described thoroughly an underlying sector coordination mechanism ([Annex 6](#)). In September 2007 the GoL, UNICEF Liberia and UNICEF PARMO, OSI and other partners involved reached an agreement after consultations which Bank should manage the EPF account at the country level. Several Banks had applied to provide the services. Ecobank Liberia was selected because it was found to have the capacity to deliver the services needed. The MoF approved the selection of EcoBank where the EPF account was established.

***Governance options and the decision against a steering committee in favor of Government ownership:***

The partners discussed the level of participation of donors in the decision-making process and management of the pooled fund and the most appropriate level of Government leadership. It was decided that a steering committee in which the participating donors (or other donors) would have ‘veto or executive rights’ was against the principle of Government ownership and had not been part of the EFA FTI Catalytic Fund supported arrangement before.<sup>73</sup> Normally, the overall management of a MDTF is led and coordinated by a steering committee, which is responsible for approving the projects to be funded from a MDTF.<sup>74</sup> For example, the Steering Committee for a human rights basket fund program in Malawi leads the implementation process, discusses monitoring, grant awards and sub-project evaluations and plays a significant role in the management of the basket fund program.<sup>75</sup> The governance structure of the Liberian Health Sector Pool Fund includes a Pool Fund Steering Committee in which key MoHSW representatives and representatives from contributing donors and other key sector agencies such as WHO and UNICEF participate. Civil society and NGO representatives only participate in a non-voting advisory capacity. The Pooled Fund Steering Committee supervises the allocation and oversight of funds.<sup>76</sup> It was suggested that the design of the EPF should avoid establishing a “steering committee” or assigning veto rights to the EDPs. The goal was to ensure timely implementation and functionality of the new mechanism. In most EFA FTI Catalytic Fund arrangements, withdrawal applications are initiated by Government representatives who have signatorial authority and fiduciary responsibility. The same was included in the set up of the EPF: withdrawal applications are prepared by the MoE and the PFMU; signatories for disbursements from the local bank account are the MoE and the MoF.

***Importance of Government-donor partnership and donor coordination:*** Specifically in the context of EFA FTI the importance of the Local Education Group and the Local Donor Group for the education sector process was emphasized. The EFA FTI underlines that a strengthened Government-donor

<sup>72</sup> United Nations Development Group 2007.

<sup>73</sup> See internal communication between partners, 2007.

<sup>74</sup> UNDG 2007.

<sup>75</sup> HRCC Norway/ Sweden Basket Fund Programme.

<sup>76</sup> MoHSW 2007: 4.

partnership and donor coordination are critical for a joint education sector process. The MoU for the EPF describes a sector coordination mechanism on which the EPF decision-making process is based. Although the different entities are established and some of them have been functioning very well, much work and thought needs to be invested in ensuring the establishment of a fully integrated sector process and dialogue. However, the Local Donor Group which in Liberia is called the Education Development Partners' Group (EDP Group) has met on a regular basis, with UNICEF as the Lead Education Development Partner. Clarification is needed regarding which entity would serve as the Local Education Group as described in the EFA FTI Country Process Guide.<sup>77</sup> The question is whether the already existing and functioning Education Sector Development Committee Executive Board could serve as the Local Education Group although it excludes INGOs, local NGOs and civil society representatives or whether the Education Sector Development Committee (ESDC) will serve as the Local Education Group once it is formally installed and brought to a functional level through more frequent meetings.

**Discussion about the specific management and governance arrangements:** Two Education Development Partners' meetings were held on November 19-21 and 23, 2007, in Monrovia. The Education Development Partners' meetings used to be chaired and convened by the MoE before the establishment of the ESDC Executive Board and the EDPs' Group meetings in 2008. The meeting on November 19-21 was a working meeting to make decisions on the flow of funds, the agreements between UNICEF and OSI, UNICEF and the MoE/ MoF and between the MoE and the MoF, as well as the detailed arrangements for the pooled fund.<sup>78</sup> Between November 2007 and January 2008 the documents and the specifics of the pooled fund mechanism were to be finalized based on the decision made in November. The drafts presented in September were revised accordingly, including the review of the manuals on procurement and financial management and the MoU between MoE and MoF/ PFMU. In January 2008, the MoE expressed the view that they did not want to lose momentum on the EPF since the Government, particularly the President, and the EDPs were awaiting its operationalization.

**The MoE appreciated the simplicity and efficiency of the pooled fund documentation provided by the UNICEF PARMO.** The drafts of the agreement were discussed and revised between January and April 2008. On May 22, 2008 the MoU was signed by UNICEF, the MoE and the MoF. The EPF was officially launched by the President of Liberia in whose presence the MoU was signed. UNICEF as the Fund Custodian for the pooled fund entered into agreements with the MoE and the MoF and the one participating donor, OSI. The launch of the EPF was possible after one only year compared to the 3 years

Box 10: EFA Goals and Education MDGs	
<b>Education for All Goals (Dakar Framework for Action 2000)</b>	
<ul style="list-style-type: none"> <li>Expand early childhood care and education</li> <li>Provide free and compulsory primary education for all</li> <li>Promote learning and life skills for young people and adults</li> </ul>	<ul style="list-style-type: none"> <li>Increase adult literacy by 50 per cent</li> <li>Achieve gender parity by 2005, gender equality by 2015</li> <li>Improve the quality of education</li> </ul>
<b>Education Millennium Development Goals (2000)</b>	
<ul style="list-style-type: none"> <li>MDG 2: Achieve Universal Primary Education</li> <li>MDG 3: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015</li> </ul>	

<sup>77</sup> EFA FTI 2009.

<sup>78</sup> The decisions made on the flow of funds are reflected in chapter 2.4 of this report.

it took a developing country like Tanzania to agree and launch the basket funding arrangement for education.<sup>79</sup> However, there were only two contributing donors and thus limited pressure from donors to add individual conditions or monitoring indicators as it is the case if there are many donors.

**The EPF has been designed to achieve results:** The objective of setting up the EPF was to support Liberia to respond adequately and quickly to the humanitarian needs in the education sector after 14 years of conflict. The EPF has been set up to ensure quality basic education service provision in a still unstable, complex environment. Putting service provision on a sustainable basis by rebuilding the education system to a robust level is a key goal. The global goal is to support the country to get on track to achieve the EFA goals and the education MDGs 2 and 3 in the near future. The arrangements ensure that the MoE can assume leadership responsibility while learning on the job through using the EPF. Focus has been on (i) continuous capacity development, (ii) the facilitation of the transition from emergency and recovery to a longer-term development agenda, and (iii) strengthening Government-donor coordination in line with the Paris Declaration Principles. The structure of the EPF and the process for accessing its resources are designed to promote rapid tangible improvements on the ground and to strengthen MoE's capacity in planning, financial management, procurement, budgeting, donor coordination and service delivery. The L-PERP and the EPF are intended to facilitate the systematic evolution of the sector process towards a SWAp and the development of a Medium Term Expenditure Framework (MTEF) harmonized with the Government's budget development, beginning with the primary education sub-sector.

**Box 11: Principles on which the EPF is based**

**Government Ownership**

The MoE is responsible for the implementation of the L-PERP and chairs all the bodies governing the utilization of the EPF. As soon as funds are released to the EPF, they belong to the Government.

**Use of National Legislation and Procedures**

Financial management support for the fund is provided by the Project Financial Management Unit (PFMU) within the Ministry of Finance. Processes are based on Liberian law governing the use of public funds (i.e. the Public Procurement and Concessions Commission Act) and are amendable to the Government of Liberia budget development calendar rather than Fund contributor reporting schedules.

**A Sector-wide Approach**

While the EPF initially supports only the L-PERP, its design allows the expansion of its mandate to include other sub-sectors as well and as soon as possible, ultimately leading to the funding of a comprehensive education sector plan. The Fund has also been designed to enable other international partners to join the fund at a later date.

**Sector Coordination and Decision-Making**

The fund processes formalise collaboration among international partners through the establishment of an Education Sector Development Committee that functions as a full partner to the MoE.

EPF governing bodies and sector coordination bodies: Education Sector Development Committee, Advisory Boards, ESDC Executive Board, Education Development Partners' Group, Education Implementing Partners' Group

**Preparation for Direct/ General Budget Support**

The EPF relies on the MoE for planning, implementation and financial management. Strengthening these functions through partner support will be critical for establishing the capacity for subsequent budget support within the EFA FTI framework or in other international financing arrangements.

**UNICEF's approach to secure education funding for post-conflict transition countries:** It was particularly UNICEF's concern to develop an alternative financing mechanism that would allow more flexible and dependable development funding for the education sector in Liberia specifically and post-conflict transition countries in general in contrast to the persistent funding gap to those countries, resulting from a reliance on restrictive and limited emergency funding. Liberia therefore serves as a test-case for

<sup>79</sup> Riddell 2007.

the use of an alternative funding mechanism to support countries in unstable contexts, and provides a basis for linking such turbulent environments into the mainstream of external funding assistance.

***The objectives of the EPF are to:***

1. Accelerate the transition from emergency response to a longer term development framework in the education sector, promote rapid tangible improvements on the ground, and strengthen the MoE's capacity in planning and delivering primary education;
2. Develop the capacity of the MoE and support the GoL to assume the leadership role in the education sector in order to perform well on the management of the EPF which includes leading the sector coordination, engage in reliable and strategic planning and delivering primary education services to all children throughout the country. It is assumed that capacity will be built gradually through "*learning on the job*" when using the mechanism and requesting technical support where needed;
3. Create a "*fit for purpose*" sector financing mechanism that can be used to implement an education reform program, whilst developing national capacity as well as rebuilding local institutions and support systems and that helps to increase the reliability of available funding;
4. Adhere to the Principles of the Paris Declaration in general and those of the EFA FTI in particular;
5. Focus on addressing gaps in the primary education sub-sector of the school system;
6. Focus on an up-stream work process (SWAp);
7. Provide an arrangement for all contributing donors according to the principle of "one program (L-PERP), one mechanism (EPF), one process (sector coordination mechanism)" in order to strengthen alignment with Government priorities articulated in the PRS and L-PERP;
8. Attract new and encourage current donors to engage in and increase aid to basic education.

### **3.2 Governing Entities**

The establishment of the EPF introduced new governance entities, such as the Education Sector Development Committee (ESDC), ESDC Executive Board and the Advisory Board. The ESDC and the ESDC Executive Board were established as new entities for a broader sector coordination mechanism while the Advisory Board was specifically set up for the EPF governance. The Executive Management Team of the MoE, the ESDC Executive Board and the Advisory Board have been the core governing bodies regarding the programmatic and fiduciary endorsement, respectively, and approval for EPF funded activities. The sector coordination mechanism was introduced to facilitate a SWAp-building process and increased engagement with other government agencies. The EPF arrangements and broader sector coordination mechanisms are described in the MoU Annex I: Education Pooled Fund Description.

#### **MoE Executive Management Team**

The Executive Management Team (EMT) is the executive body of the MoE. It consists of the Minister of Education, the three Deputy Ministers for Administration, Instruction and Planning, Research and Development and the Comptroller who is responsible for financial management in the MoE. The EMT elaborates a draft Annual Plan of Action (or implementation plans for a shorter period of three to nine months) and an annual procurement plan for all activities in the approved Annual Plan of Action drawing

on regular GoL/MoE budgetary allocations and on the EPF. The EMT is the implementing body for the Annual Plan of Action including the L-PERP components through the coordination of implementation of activities of the various units within the MoE. The EMT also is responsible to coordinate the sector initiatives of the EDPs and EIPs through managing the sector coordination mechanism and leading the ESDC and the ESDC Executive Board. Final approval from the EMT is required for all disbursements from the EPF and only activities included in the L-PERP are eligible for disbursements against the EPF.

### **Education Sector Development Committee**

The Education Sector Development Committee (ESDC) was envisioned as a deliberative and consensus building body composed of the EMT, EDPs, EIPs, relevant ministries and national stakeholders including representatives from the civil society. The ESDC is planned to be a forum for consultations and for building national ownership of education sector reforms led by the MoE. The ESDC is supposed to review and advise on the development of the Annual Plan of Action and the progress of its implementation. As a consultation forum it should provide advice and support for strengthening and refining educational policy and the delivery of education in Liberia consistent with the objectives and targets identified in the current PRS under Pillar IV, Infrastructure and Basic Services.<sup>80</sup>

A major constraint has been that the ESDC had not been inaugurated before June 2009. This put limitations on sector planning, flow of information and exchange among the MoE, EDPs, EIPs, national stakeholders and civil society organizations (CSOs). The MoE has realized that there is urgent need to establish the ESDC as a partnership forum for exchange and coordination. The Education Sector Review meeting in June 2009 served as an occasion to inaugurate the ESDC. However, there has not yet been a formal inauguration meeting discussing mandate, composition, or a meeting schedule of the ESDC.

The ESDC has the characteristics of being considered the Local Education Group as described in the FTI Country Level Process Guide: *“The Local Education Group (LEG) refers to a structure or series of meetings where representatives of the government (including or solely the Ministry of Education) discuss education strategies, plans, programs, funding and policies with representatives of international organizations (including bilateral and multilateral donors and NGOs) and civil society (e.g. local NGO coalitions, trade unions, advocacy and user groups as well as private sector service providers). [...] The Local Education Group, led by the Government, joins resources and efforts to support the education sector strategy.”*<sup>81</sup> Thus, the most important task is to lift the ESDC up to a functioning level to assume its role as Local Education Group in the near future.

### **ESDC Executive Board**

The Executive Board is the executive arm of the ESDC. Members are the EMT, MoF, Ministry of Planning and Economic Affairs, Bureau of Budget and the EDPs. Meetings of the Executive Board have taken place monthly prepared and called by the MoE and chaired by the Minister of Education.<sup>82</sup> Additionally, there have been a number of “exceptional” meetings on EPF funding requests called by the MoE. The MoE, or

<sup>80</sup> The ESDC will meet twice yearly. The meetings of the ESDC will be called and chaired by the MOE which will be responsible for preparing and circulating a tentative agenda at least seven days before the scheduled date. The first meeting must be held no later than June 1 and the second no later than January 31. (MoU/ Annex I)

<sup>81</sup> Fast Track Initiative 2009: 5.

<sup>82</sup> The minutes of each meeting will be prepared by the Department of Planning, Research and Development and the draft sent to participants one week after each meeting for their comments. Comments must be sent no later than five working days after receipt of the draft.

any member of the Executive Board, is given the opportunity to request an exceptional meeting. However, it was mentioned by interviewees that “emergency” meetings have been called too often interrupting the usual meeting schedule. Although the MoE has the responsibility to circulate a tentative agenda and invitation for each meeting at least seven days prior to the scheduled meeting this has not been the case; meetings have been called without an agenda, which would then be distributed at the meeting. The participating government agencies and EDPs usually have the opportunity to propose agenda items if meetings are called according to the schedule. The ESDC Executive Board is supposed to develop an endorsed Annual Plan of Action subsequent to discussion in the ESDC. Since the ESDC has not been formally established or functioning, discussions and decisions about activities suggested for funding from the EPF have only taken in the Executive Board meetings.

**Box 12: Specific functions and responsibilities of the ESDC Executive Board**

- a. Review and endorse the Annual Plan of Action to ensure that it is aligned to the L-PERP and all other MoE plans, specifically the ESP – which will replace the L-PERP by the end of 2009 – and the PRS,
- b. Ensure efficient utilization of all resources, including all bilateral financial aid, available to the education sector,
- c. Review progress in implementation, and address any obstacles facing the Annual Plan of Action,
- d. Coordinate and consolidate technical assistance and support to the MoE,
- e. Ensure the adherence to standards and indicators for quality and sustainable results,
- f. Assist the MoE in additional resource mobilization for the education sector,
- g. Encourage and support regular and timely information flow among the partnership,
- h. Promote and strengthen harmonization of international support with MoE programs and plans’.

### Advisory Board of the EPF

The Advisory Board was set up in May 2008. Apart from the other above listed entities, the Advisory Board is not specifically one of the sector coordination bodies but functions only within the EPF arrangements. The Advisory Board members are representatives of the MoF, MoE and of entities contributing financial resources to the EPF – currently UNICEF and OSI. OSI has been represented by one person in the ESDC Executive Board and the Advisory Board. UNICEF has been represented through the Country Representative in the Advisory Board while UNICEF Education Program staff has taken part in the ESDC Executive Board meetings. The MoE has the responsibility to provide an agenda for each meeting and the minutes documenting the decisions taken by the Advisory Board. Any member may request an exceptional meeting which particularly the MoE has taken opportunity of. As with the ESDC Executive Board, none of these have been the case, that is, ‘emergency’ meetings have called without any agenda nor minutes of previous meetings.

The remit of the Advisory Board goes beyond a fiduciary responsibility; it has full accountability for the use of the EPF resources. There is a clear distinction between the Advisory Board and the ESDC Executive Board as the Advisory Board only has a remit over the funds used from the EPF – as a subset of the larger planning process. In providing the *prior action No Objection* the Advisory Board will determine that the proposed expenditure: (1) is an L-PERP activity included in the approved Annual Plan of Action, (2) is generally within budget estimates in the Annual Plan of Action and (3) has supporting documentation verifying that the procurement process has been consistent with the Liberia Public Procurement and Concessions Commission Act and the EPF Procedures Manual. The Advisory Board

assesses summary reports of expenditures and current allocation from the EPF provided by the PFMU. The Advisory Board reviews the EPF procurement plan and members may request clarifications, and/or additional information. The plan comes into effect upon endorsement by the Advisory Board.

Meetings are supposed to take place quarterly but it was said that this was not enforced sufficiently by the EMT. It was said that there have been too many exceptional / emergency meetings but no meetings scheduled to effectively discuss outstanding governance issues such as the threshold under which the MoE can use EPF resources without fiduciary endorsement of the Advisory Board or if and to what extent recurrent costs could be funded through the EPF.

### ***Outstanding Governance Issues***

***Threshold:*** All proposed disbursements above an established threshold require a *prior action no objection* from the Advisory Board. It is stated in the MoU that an initial threshold level will be negotiated within the Advisory Board and can be subsequently modified upon mutual agreement of the Advisory Board members. No agreement has been made to date about the threshold. The MoE would prefer to have a threshold that is as low as US\$10,000 to ensure accountability but at the same time flexibility of the EMT to move ahead with the implementation of EPF funded activities. It would prefer to be able to respond to immediate and unforeseen expenditure within the framework of an agreed intervention to do minimal investments. The fiduciary endorsement of financing requests from the EPF has been required for all activities to date. With increased confidence on the part of the contributing donors in the strengthened financial management and procurement capacities of the MoE in the medium to longer term and an agreed threshold in the short term, the Advisory Board might “limit” its fiduciary endorsement to large-scale activities where there are legitimate fiduciary concerns. However, the three activities funded through the EPF so far have all been large-scale investments and without any additional contributions to the EPF there may not be any need for this action as a very small amount of funds remain in the EPF in 2009.

Also in order to strengthen the checks and balances without limiting the Government ownership within the arrangements it was planned to identify and agree a threshold for some procurement activities in the Advisory Board that would not require *prior action no objection* (fiduciary endorsement) from the contributing donors, the PFMU and the MoF.

***Recurrent costs:*** The question of the recurrent costs became relevant in the course of the execution of the EPF and its availability as a funding source in the education sector which has limited resources on the part of the GoL but also on the part of a small number of donors to education. The debate over covering recurrent costs by the EPF became especially urgent with the provision of food for the Rural Teacher Training Institutes (RTTIs). Respective capital investments for the rehabilitation of the RTTIs were provided by USAID. UNICEF provided the furniture required for the training programme and the EPF funded the procurement of the residential, management and logistics aspects of the RTTIs. The MoE had assumed that the recurrent costs (covering food, fuel and allowances amounting to over US\$2 million per annum per RTTI) would be covered by USAID until it was near the opening of the RTTIS when this was revealed not the case. It was then that the MoE called emergency meetings to try to get funds to cover the running costs from the EPF.

The MoE argued that funding recurrent costs from the EPF would provide opportunities such as the recruitment and training of more female teachers through a special stipend program. The MoF and the pooling donors turned down the request by the MoE on the grounds that the MoE should engage in longer-term planning with greater commitment for sustainability of the MoE approved pilot program (LTTP) as the national teacher education program. In conducting the pilot teacher

training program, USAID had indicated how costly it was and had requested the MoE to review its capacity to use the pilot as the national program. The Ministry of Education had expressed satisfaction with the model and made an assurance that the same would be adopted nation-wide.

It is important to remember that the EPF was established to support the implementation of the L-PERP to accelerate the recovery of the primary education sub-sector by complementing the MoE's budget and other external funding for L-PERP implementation and sector program support. Evidence shows that the MoE was using the EPF as the sole funding source for all programs without knowing how those programs would be sustained when the fund dried out. The MoF and the pooling donors expect the Government to translate its commitment to primary education recovery into respective sub-sector allocations to match the recurrent costs.

### **Project Financial Management Unit**

The PFMU is a unit within the MoF set up by the World Bank to provide financial management services for World Bank funded projects that are Government executed. It provides financial oversight and technical support in financial management and reporting to selected externally funded development initiatives. The PFMU has in place processes and checks that ensure that expenditures are: (1) duly authorized by the implementing agent (EMT), (2) specifically detailed in the approved Annual Plan of Action, (3) within Annual Action Plan budget estimates, and (4) result from procurement processes that are consistent with the norms of the Liberia Public Procurement and Concessions Commission Act (PPCA) and the EPF Financial Procedures Manual. For the EPF specifically, the PFMU makes all disbursements from the EPF local EcoBank in Monrovia account and produces regular financial reports as described in the EPF Financial Procedures Manual.<sup>83</sup> The PFMU manages the EPF local bank account and is responsible for making periodic withdrawal applications from the trust fund custodian UNICEF which holds the funds off-shore in New York.

The PFMU manages the contracting of an external audit of the fund on an annual basis. The first external audit is taking place in August 2009. The Terms of Reference for the audit and the selection of the auditor have been negotiated with the Advisory Board and the ESDC Executive Board. Costs of the audit are supposed to be covered from the EPF resources. The audit report will become final on acceptance by the Advisory Board.

### **Fund Custodian**

The MoE and the MoF asked UNICEF to serve as the Fund Custodian. The status, duties and costs involved for UNICEF to act as the Fund Custodian are described in Article I in the Memorandum of Understanding. UNICEF acts as the Fund Custodian administering the EPF on behalf of the GoL. It is holding the funds off-shore in New York. The MoU between UNICEF, MoE and MoF states that UNICEF the custodian until the end of 2010 when the LPERP is supposed to end or be absorbed into the ESP. It is agreed that UNICEF shall: (i) receive the contributions from donors that wish to pool funds in the EPF and enter into a letter of agreement with them, (ii) administer those funds, and (iii) disburse funds into the local EPF account in Monrovia in accordance with disbursement instructions from the MoF. UNICEF

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<sup>83</sup> Two financial reports were produced and presented so far: (1) for the period June-Dec. 2008 and (2) for the period Sept. 2008 – May 2009.

is entitled to allocate an administrative fee of one percent of the amount contributed by each donor whereby the minimum floor is set at US\$20,000 and the maximum ceiling at US\$100,000.<sup>84</sup>

UNICEF's role as Fund Custodian is complemented by the work it does to provide technical assistance and support to MoE to develop capacity and to use the EPF arrangements. UNICEF as Fund Custodian obtains similar fiduciary responsibility for the EPF (signature of MoU with the GoL (MoE and MoF), signature of letter of agreement with pooling donors, transfer of funds to the local EPF account managed by the PFMU upon disbursement instructions from the MoF and endorsement by the Advisory Board and an annual financial statement on the EPF Account) as it is with Administrative Agents that have for MDTFs except that its primary partner is the GoL and not the UN agencies.<sup>85</sup>

UNICEF is not managing or supervising the funds or the financial aspects other than through the Advisory Board. As per agreement UNICEF Liberia requests fund withdrawals from UNICEF HQ upon request by the MoF, who in turn are requested to do so by the MoE. Upon receipt of a letter of request, UNICEF Liberia acts to ensure funds are deposited into the local EPF account within 7 days of receipt of the request. A direct wire transfer is effected by the off-shore trust fund account in New York. The disbursement request is based on the approval of the implementation plan and the detailed budget by the Advisory Board. UNICEF's role as Fund Custodian is complemented by the work it does to provide technical assistance and support to the MoE to develop capacity and to use the EPF effectively.

### 3.3 Work and Decision-Making Process

The mechanism has been set up to work with simple arrangements in which execution of the EPF is based on Government implementation plans with clearly defined activities and regular withdrawal requests initiated by the MoE. These arrangements include detailed financial management rules including reports of disbursement, regular internal and external auditing and ex-post reviews (Figure 1).

1. **The MoE Executive Management Team elaborates a costed Annual Plan of Action including the activities described under the L-PERP components and those to be funded through the EPF.** In fact, the EMT presented two implementation plans for nine months each. There was no Annual Plan of Action as described in the MoU. The EMT developed proposals for activities to be funded through the EPF separately and presented those to the ESDC Executive Board directly.
2. **As described in the MoU the draft Annual Plan of Action goes through a round of joint review in the ESDC.** Since the ESDC has not been functioning and had not been inaugurated before June 2009 that step in the sector decision-making process has not taken place yet.

**The draft of the Annual Plan of Action along with advice and revision from the ESDC goes back to the EMT for revision.** Because the ESDC has not been functioning that step in the sector decision-making process has not taken place yet.

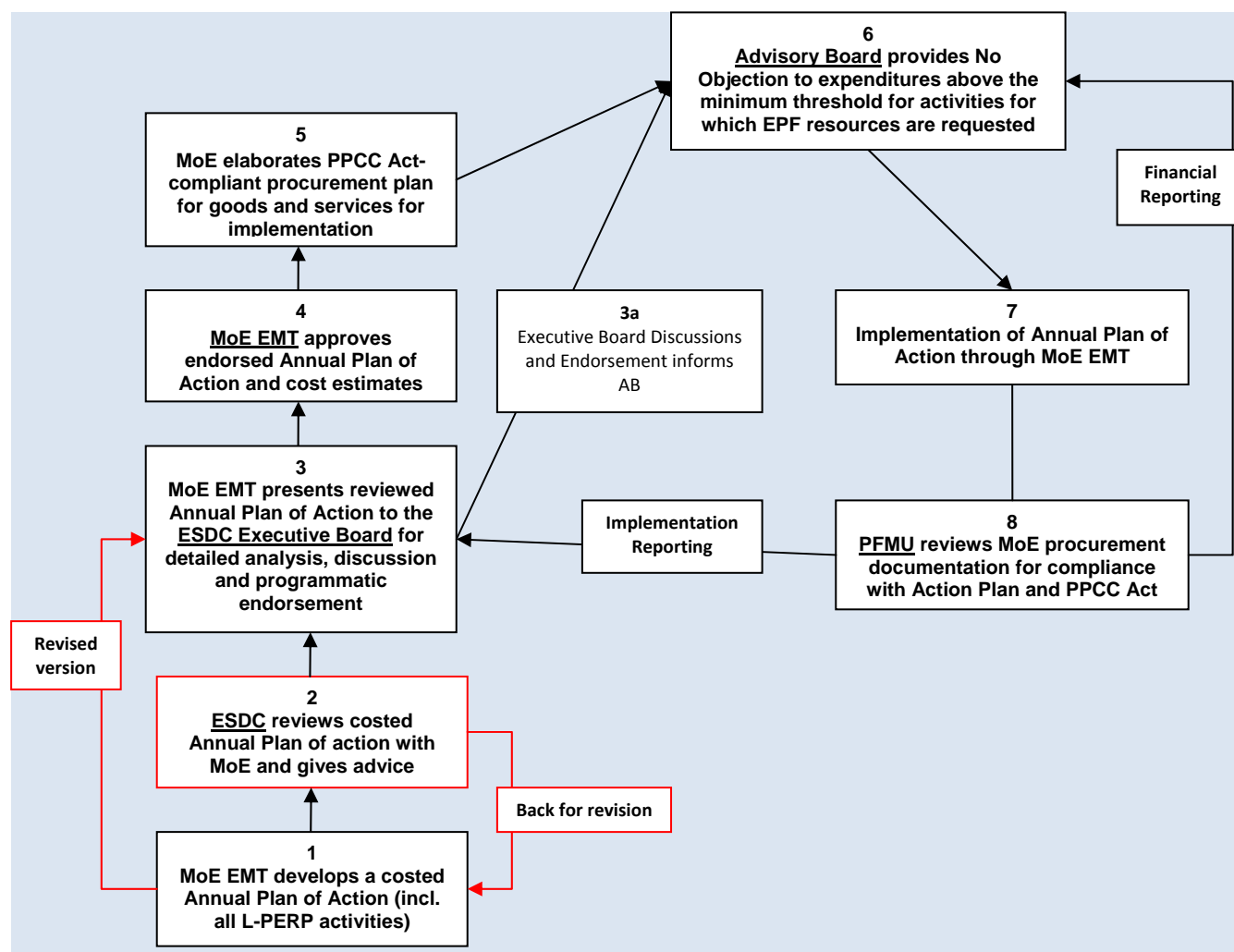
3. **The revised draft Annual Plan of Action is presented to the ESDC Executive Board by the EMT. The ESDC Executive Board examines the draft Annual Plan of Action through detailed analysis and discussion, suggests revision and endorses the plan at a programmatic level.** The two implementation plans and the specific activities for which EPF funding was requested were directly presented to the ESDC Executive Board. The ESDC Executive Board thoroughly discussed and examined the presented proposals for EPF funding before programmatic endorsement. In fact if a

<sup>84</sup> MoU, Article I.

<sup>85</sup> UNDG 2007.

request was not convincing to the ESDC Executive Board it went back to the EMT. Programmatic endorsement was only granted if the justification and costing of the single activities of the request were sound. The decisions made in the ESDC Executive Board inform the Advisory Board (3a). This system of *checks and balances* has ensured successful coherence of the approved EPF requests.

4. **After revising the Annual Plan of Action according to the demanded changes from the ESDC Executive Board, the EMT approves the final Annual Plan of Action.** In fact the proposals for activities to be funded through the EPF went back from the ESDC Executive Board to the EMT for a final round of revision before presentation to the Advisory Board.
5. **The EMT elaborates the procurement plans in compliance with the PPCC Act.** Attached to the annual procurement plan is a procurement plan with L-PERP activities eligible for EPF funding..
6. **The EMT presents the funding request to the Advisory Board for *prior action no objection*.** The Advisory Board provides fiduciary endorsement if the request and budget plan are consistent with information provided through the ESDC Executive Board endorsement. Based on the programmatic and fiduciary endorsement the EMT requests the MoF/ PFMU to make a withdrawal application to UNICEF Liberia for the required funds from the off-shore trust account.
7. **The EMT is responsible for the implementation of the Annual Plan of Action.** The EMT has the responsibility to manage the implementation of the EPF funded activities. The EMT has the responsibility to report back to the ESDC Executive Board on the implementation progress.
8. **The PFMU reviews the procurement documentation and reporting of the MoE.** The PFMU together with the MoE Comptroller are responsible for regular financial reporting to the Advisory Board.

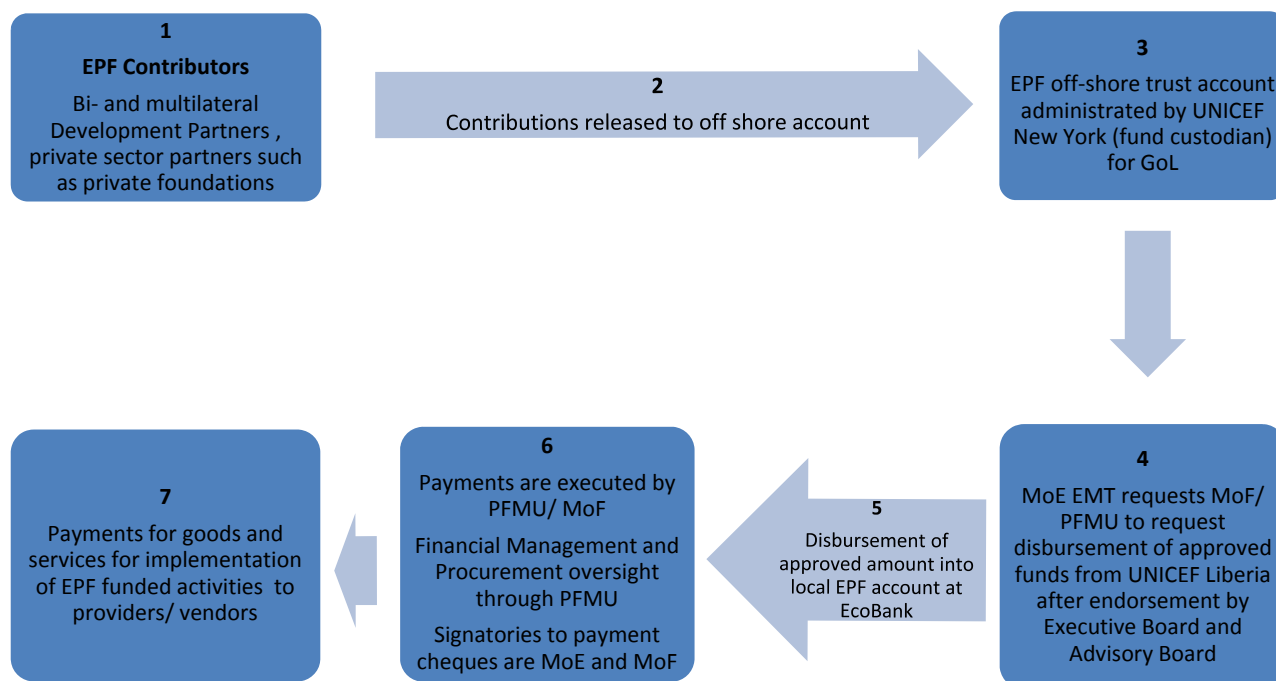
**Figure 1: Work and Decision-Making Processes**

### 3.4 Flow of Funds and Financial Management

**The flow of funds from the international to the local level:** Funds are pooled in the off-shore trust fund account administrated by UNICEF New York, the Fund Custodian. The EPF is designed to allow any bi- or multilateral donor, development banks or private foundation to contribute to the EPF. Pooling donors would automatically be members of the Advisory Board and of the ESDC Executive Board in case their engagement in the sector is new. UNICEF the Fund Custodian would develop and sign a Letter of Agreement (LoA) with each new donor. The funds are held off-shore for disbursement into the local EcoBank account established and managed by the PFMU. Funds are released from New York into the EcoBank account after the MoE Executive Management Team requests the PFMU to submit the withdrawal application to UNICEF Liberia. The withdrawal application is based on the funding request developed by the Executive Management Team and endorsed at programmatic and fiduciary levels by the ESDC Executive Board and the Advisory Board, respectively. The Comptroller on behalf of the signatories of the MoU forwards the approval of expenditures against the EPF to the PFMU in the MoF. Once the funds have been wire transferred from the off-shore account they are deposited into the EcoBank account from where they are disbursed for payments for goods and services. The Comptroller

and the Assistant Accountants in the MoE record and document the bids and invoices and present the complete documentation to the PFMU. Payments are executed by the PFMU which also has the financial management and procurement oversight over the use of the funds. Signatories for the payment cheques are the MoE and the MoF.

**Figure 2: Flow of Funds**



**Disbursements into local account are quick and high but the spending rate is less fast.** When the EPF was launched in May 2008 the initial total amount available to the Government of Liberia for the implementation of the L-PERP was US\$16.25 million. Between September 2008 and May 2009 a total amount of US\$12.26 million was released into the local bank account in three disbursements. According to the second financial report of the PFMU presented in June 2009 to the ESDC Executive Board, US\$ 5.88 million have been spent, leaving a balance of US\$6.37 million in the local bank account and only US\$3.99 million in the off-shore account.

<b>Table 2: Financial Overview for EPF (May 2008 – June 2009)</b>			
	<b>Amount in US\$</b>	<b>LPERP component</b>	<b>Activity funded</b>
Total Contribution to the EPF	16,250,000.00 <sup>86</sup>		
<b>Disbursements from UNICEF off-shore account in New York to local bank account in Monrovia</b>			
1 <sup>st</sup> Disbursement (09/2008)	1,507,901.00	Teacher Development	Refurbishing three Rural Teacher Training Institutes (RTTIs) including transport, cookers, residential furniture and other requirements for renovated RTTIs
2 <sup>nd</sup> Disbursement (11/2008)	5,510,829.00	Instructional Material & Curriculum Development	Textbook Procurement, 1.2 million textbooks for English, Maths, General Science and Social Studies with teachers' manuals (for public schools only)
3 <sup>rd</sup> Disbursement (04/2009)	5,238,268.00	Infrastructure Expansion & Improvement	School Construction, 40 Primary Schools in all 15 counties
Remaining Balance	3,993,002.00		
<b>Receipts and Payments local bank account Monrovia (EcoBank)</b>			
Total Receipts	12,256,998.00		
Payments 1 <sup>st</sup> Disbursement	535,735.00		
Payments 2 <sup>nd</sup> Disbursement	4,626,095.34		
Payments 3 <sup>rd</sup> Disbursement	535,753.00		
Operating Costs	288,778.46		
Total Payments	5,885,421.80		
Remaining Balance	6,371,576.20		
<i>Source: Ministry of Finance of the Republic of Liberia/ Project Financial Management Unit 2009.</i>			

**Financial management is a critical challenge for the MoE:** The Division of Finance is responsible for all finance and accounting functions within the MoE. It is headed by a Comptroller and has been assisted by two EPDF financed local Assistant Accountants. The Comptroller is responsible for the day to day financial management and ensures that resources provided for MoE activities are managed for the benefit of the Ministry, including keeping adequate books and records, recording transactions correctly and ensuring that periodic management reports are produced to facilitate management decisions.<sup>87</sup> The PFMU is responsible for the financial management of the local EPF account and makes disbursements to suppliers and the designated officer of the MoE. The Division of Finance as well as the Department of Procurement and Warehousing are reporting to the Department of Administration which is responsible for the PFM reform and improved operations in the sector.<sup>88</sup>

<sup>86</sup> UNICEF using a grant from the Government of the Netherlands: US\$12 million; Open Society Institute US\$4.25 million (with US\$0.75 million currently available to match additional donor contribution to the EPF)

<sup>87</sup> World Bank. June 2007. Liberia – Ministry Of Education (MoE) Liberian Primary Education Recovery Program (L-PERP). Financial Management Assessment.

<sup>88</sup> EC 2009.

***Inter-ministerial cooperation between the Ministry of Education and the Ministry of Finance:*** The MoF has been an important partner in setting up and providing the financial management services for the EPF including capacity development for the MoE Comptroller and two assistant accountants paid through the EPDF. The liaison between the MoE and the MoF through the PFMU is regarded as a good practice of inter-ministerial capacity development and partnership. The MoF was involved in the process from early on. UNICEF, OSI and the MoE wanted to make sure that the pooled fund was understood as a ‘gap fund’ additional to domestic and external funding and that it would not give any grounds for MoF to reduce national budget allocations to the education sector.

***The establishment of the EPF has made valuable contributions to develop the financial management capacity of the MoE:***

- (i) The liaison with the PFMU to develop MoE’s financial management capacity.
- (ii) The PFMU is responsible for the financial management of the EPF and is hence described in the MoU as one of the governing entities of the EPF.
- (iii) A financial management procedures manual was developed for the EPF (adapted from the existing MoF Financial Procedures Manual).
- (iv) A MoU between the MoE and the MoF was developed and signed.
- (v) Training and supervision through the PFMU for the MoE Comptroller and two MoE Assistant Accountants (EPDF funded) has been provided. The two Assistant Accountants were financed through the EPDF.

***Financial Management at the national level:*** The World Bank is engaged at the national level to assist the GoL to establish transparent and accountable procedures for financial management and procurement in the context of the Governance and Economic Management Assistance Program (GEMAP).<sup>89</sup> The World Bank also provides technical assistance to the Government’s Resource Management Unit and the Public Procurement and Concessions Commission (PPCC).<sup>90</sup> There is a political risk to reform the PFM system, which will require significant legislative reforms. President Ellen Johnson Sirleaf’s Government does not have a majority in Parliament and might be confronted with difficulties in enacting its legislative agenda, particularly in light of the published TRC report and the up-coming elections.<sup>91</sup> The Government, however, is focusing on the policy side, to move beyond the transitional GEMAP to a fully-owned and functioning system of PFM.<sup>92</sup>

The World Bank recognizes that Liberia’s public financial management systems have improved remarkably since 2006, as a result of the Government’s ambitious reform agenda agreed with the international partners. Many of Liberia’s existing financial management structures are, however, transitional – such as the pooled funds in the education and health sectors. They are designed to strengthen central controls, reduce corruption, and enable centralized planning during the reconstruction phase. In the long run there will be a need to establish more sustainable PFM solutions

<sup>89</sup> In September 2005 the GEMAP was established as a response to widespread corruption. GEMAP is seen as an innovative framework for improving economic governance support by international technical assistance focusing on financial management and accountability; improving budgeting and expenditure management; improving procurement practices and the granting of concessions; establishing processes to control corruption; and supporting key institutions and capacity building. GEMAP is coordinated by the Economic Governance Steering Committee, that is chaired by the President and brings together donors, international and regional (ECOWAS, African Union) partners, key ministries and civil society. World Bank April 2009: 14, 29.

<sup>90</sup> World Bank April 2009: 3.

<sup>91</sup> World Bank April 2009: 3.

<sup>92</sup> World Bank April 2009: 5.

as Liberia will gain more ownership of its development strategy, will experience increased revenues and more funding will be channeled through the budget.<sup>93</sup>

**The 2008 OECD DAC Monitoring Survey on the Paris Principles shows low scores on use (Ind. 5) of PFM and procurement systems in Liberia.** The survey reports that 32 percent of aid used the PFM systems. Very few donors make full use of the country's public financial management systems as a result of assumed high risks because of low fiduciary controls and low Government implementation capacity. The survey also shows that no donor makes use of the country's procurement systems as a result of weak Government capacity to manage the procurement process.<sup>94</sup> This is also true for the MoE and partly explains the relatively low spending rate of the local account of the EPF.

**The findings from the recently completed Public Expenditure Management and Financial Accountability Review (PEMFAR) show that the Government has taken considerable actions to improve PFM since 2006.** The PEMFAR was the first comprehensive assessment of public expenditure allocations and financial management systems in the past 20 years. The PEMFAR was conducted jointly by the World Bank, the African Development Bank, the IMF, UNDP, DFID and the Swedish National Auditing Office, between September and December 2007 in conjunction with the MoF, the Bureau of the Budget, the Auditor General, the Public Procurement and Concessions Commission and other ministries and state owned enterprises. The PEMFAR assessed the public expenditure management performance, for example, with regard to the allocations within the education sector.<sup>95</sup>

### 3.5 EPF Funded Activities

The EPF was established to fund un-funded components of the LPERP. It has been supporting activities as part of a continuous intervention process that is supporting Liberia to get back on a feasible development path in the education sector. Between July 2008 and May 2009 three major interventions have been funded (Table 3) absorbing in total more than 75 percent of the available funds. The three interventions addressed three of the eight components in the L-PERP.

	<b>1st Disbursement</b>	<b>2nd Disbursement</b>	<b>3rd Disbursement</b>
<b>Date</b>	September 2008	November 2008	April 2009
<b>Amount in US\$</b>	1,507,901.00	5,510,829.00	5,238,268.00
<b>L-PERP Component</b>	<b># 3 Teacher Development</b>	<b># 2 Instructional Materials &amp; Curriculum Development</b>	<b># 1 Infrastructure Expansion &amp; Improvement</b>
<b>Main Activity</b>	Refurbishing three Rural Teacher Training Institutes (RTTIs) including transport, cookers, residential furniture and other requirements for the renovated RTTIs	Textbook Procurement, 1.2 million textbooks for English, Maths, General Science and Social Studies with teachers' manuals (for public schools only)	School Construction, 40 Primary Schools in all 15 counties
<b>Projected Outcome</b>	3 RRTIs renovated, equipped, furnished and operating	The textbook : learner ratio drops from 1:27 to 1:2 due to the procurement of textbooks for the primary level	40 new schools built in all 15 counties accommodating increased enrolments

<sup>93</sup> World Bank April 2009: 15.

<sup>94</sup> OECD DAC 2008: 29-8.

<sup>95</sup> World Bank April 2009: 29, 30.

<b>Status (June 2009)</b>	Completed in two RTTIs, one is not completed/ on-going	About to be closed Textbook distribution to schools is taking place from September 2009 for the academic year	On-going New school buildings planned to be ready for use for the start of the academic year 2009/10
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## 1 Refurbishing three Rural Teacher Training Institutes

**Under L-PERP component 3 “Teacher Development” the Government has been seeking to increase the number of certified and qualified primary school teachers.** The objectives outlined in the L-PERP include: (i) to increase the total number of trained primary school teachers at a certificate “C” level by 2010 by 50% and (ii) to train 90% of teachers to use the textbooks and instructional materials by 2010. The major success related to the EPF funded activity is the rehabilitation of two RTTIs from where the first cohort of teachers graduated after 20 years in June 2009.<sup>96</sup> Although this activity was the first one to be funded by the EPF, the implementation is still on-going and has shown more progress in the USAID supported RTTI than in the one RTTI supported by UNCHR. Students from this RTTI have been accommodated at one of the completed institutes and classes were taking place there. Bad road conditions have delayed the construction of teachers’ houses and the distribution of furniture. However, the majority of untrained teachers are in the south-east where the unfinished RTTI is located.<sup>97</sup> The MoE has contracted out<sup>98</sup> the construction of the RTTI teacher housing to be finalized before the end of 2009.<sup>99</sup> Computers and accessories for the RTTIs have been procured and distributed by the MoE. The EPF resources also provided for the procurement of three buses, three pick-ups and three jeeps for the RTTIs. Additional donor support to implement this activity was provided by USAID and UNICEF. USAID facilitated renovations and UNICEF procured classroom and library furniture and equipment.

**The debate on covering recurrent costs with EPF funds became urgent with the constraint to provide food for the operating RTTIs.** Respective capital investments for the rehabilitation of the RTTIs were provided by USAID. The MoE prefers to cover recurrent costs through the EPF. The Minister said that funding recurrent costs can also help in the recruitment and training of female teachers if a special stipend program was included.<sup>100</sup>

### *Challenges and lessons learned:*

- need for a comprehensive plan for all aspects of RTTI related teacher development;
- need for a medium- to long-term teacher education development strategy;
- instructional materials were initially left out;
- operational costs were not budgeted for and USAID needed to provide funding;
- MoE is relying on USAID funded Liberian Teacher Training Project (LTP) for which costs are not sustainable;
- lack of plan to train sufficient numbers of teachers annually because even if the three RTTIs function at full capacity not sufficient teachers will be trained;
- increased recruitment of teachers, especially women teachers is necessary but impossible with current girls’ progression and completion rates;
- donor concern that the MoE did not fully support these initiatives and that donors would be reluctant to fund such programs in the absence of the full backing of the MoE;

<sup>96</sup> MoE 2009 (Education Sector Review report)

<sup>97</sup> MoE 2009 (Education Sector Review report)

<sup>98</sup> Micvenda Construction & Industrial, Inc. and Dougbor Group Incorporated

<sup>99</sup> Financial Monitoring Report

<sup>100</sup> Interview with Minister Joseph Korto. July 14, 2009. Monrovia, Liberia.

- challenge to absorb all trained teachers on payroll; and
- challenge to equally deploy teachers throughout the country to serve in underserved regions.

## 2 Textbook Procurement

***L-PERP component 2 “Instructional Materials and Curriculum Development” focuses on supplying textbooks to primary school students and updating the curriculum.*** Objectives under this component are (i) to decrease the learner : textbook ratio from 27:1 to 2:1 in the four core subjects by 2010, (ii) to revise the primary school curriculum and implement it in at least 2 grades of primary school by 2010, and (iii) to develop a system of school grants for instructional materials by 2010. The 2009 Education Sector Review identified the following four successes for the period 2008-2009: (i) the procurement of 1.2 million textbooks and teachers’ manuals with EPF funding, (ii) the production of instructional materials handbook and textbook policy, (iii) the preparation of a new curriculum for primary education to be piloted in 2009, and (iv) the development and distribution of readers for grades 2 and 3.

***In September 2008 the MoE had for the first time after the war the opportunity to purchase and distribute textbooks in public primary schools.*** An attempt in 1997 was relatively unsuccessful as many books were sold to private schools through the informal market. Students in many primary schools have had no access to textbooks; only NGOs had provided textbooks to various schools. In 2006 the EC had committed US\$4 million to purchase primary school textbooks on behalf of the MoE. UNICEF had offered to assist with the procurement but this could not go through as UNICEF processes require international competitive bidding which was not possible since the MoE does not have copyright of the books. A textbook consultant was engaged by the EC to develop a strategy for the ECSEL textbook component. The consultancy started work later than originally planned and in summer 2008 an impasse was reached due to lack of progress in preparation and implementation of the ECSEL project since 2006.

***The MoE textbook procurement was considered an emergency measure given the severe shortage of textbooks and the Government’s intention to develop a new curriculum.*** Hence, the MoE decided to procure the textbooks directly instead with EPF resources after successful negotiations with the Public Procurement Concessions Commission, the MoE, UNICEF, and the EC. OSI provided a consultant to assist with the procurement process and commence the distribution. It was imperative that the Government carried out a textbook intervention to ensure teachers and learners have access to resources and learning materials country wide. However, this action was not taken to fill any funding gap; the cost constituted the total budget for the textbooks and teachers’ manuals.

***In an effort to expedite the purchase, the Government decided to select textbooks that are already in use in the region.***<sup>101</sup> The Government decided to reprint books already in use in other countries, rather than publishing new ones specifically for Liberia. Minor changes identified could only be made by the original publishers. This had direct implications for the procurement process as only the original publishers could make the alterations due to copyright issues. The initial EC/UNICEF agreement fell through.<sup>102</sup> It is also meant that the cost of the textbooks increased as the lack of copyright on the books and the absence of competitive bidding forced the MoE to accept the asking prices from the original publishers. Moreover, the fact that the new textbooks are based on the old curriculum makes this procurement strictly a short-term measure for a very high cost. Although it was recognized that the EPF enabled the MoE to react to the slow progress of the EC, there was also concern that the MoE lacked a

<sup>101</sup> The Language Arts text is currently used in Sierra Leone and the Science text is currently used in Zambia.

<sup>102</sup> ECSEL 2009: 54.

thorough plan for the preparation and effective implementation of the activity and most efficient use of the EPF resources.

***The MoE faced the challenge of establishing clear plans for storage, distribution, and training for the textbooks' use.*** The MoE needed significant assistance to successfully carry out this task and this was provided by OSI. Fortunately, this was the same consultant who had been hired by the EC to prepare the procurement of the textbooks before. The consultant has supported the MoE to procure the textbooks, from contract development to shipping, taking delivery, storage in warehouses to organizing the distribution to the schools for the beginning of the academic year 2009/10.

*The activity included:*<sup>103</sup>

- an assessment of storage facilities to temporarily store the textbooks in Monrovia before distribution to the respective schools by the MoE Department of Instructional Material and Curriculum Development supported by the technical assistant provided by OSI;
- a workshop for County Education Officers on the use of the textbooks. A similar workshop has been planned for school principals, vice principals and heads of Parents-Teachers' Associations;
- a pre-piloting workshop for the curriculum;
- the production of stock register and stock issue register;
- the production of Teachers' Lesson Plan Books to be used by public primary school teachers;

*The following has been distributed to the primary schools:*<sup>104</sup>

- textbooks for Mathematics, English, General Science & Social Studies,
- copies of new textbook policy,
- stock issue register, stock register and teacher lesson plan book, and
- Instructional Material Management Handbooks.

*Challenges and lessons learned:*

- the process chain of procurement and distribution needs to be planned in detail to avoid unexpected delays i.e. warehouse conditions, packing, distribution, local storage;
- the security and storage of textbooks at central and decentralised level;
- availability of a plan and schedule to ensure that textbooks reach end-users on time;
- enforcing teacher training for use and care of textbooks including the use of the manuals
- delay in piloting new curriculum;

### 3 School Construction

***LPERP component 1 "Infrastructure Development and Expansion" seeks to address the severe shortage of adequate learning facilities available for public primary schools.*** Objectives under this component are (i) to decrease the learner: classroom ratio to 45:1, (ii) to ensure that 65% of learners in public primary schools have a seat and desk, (iii) to ensure that 60% of public primary schools have access to clean water and have low cost latrines, and (iv) to provide capacity development in the School Facilities Unit and Procurement Unit of the MoE. Implementation successes identified in the 2009 Education Sector Review are (i) technical assistance provided through EFA-FTI's EPDF and USAID, (ii) development of standard designs for schools and furniture, (iii) the selection of sites for construction of 40 schools in selected districts throughout all 15 counties and the contracting for the construction, (iv) funded with EPF resources.

<sup>103</sup> EPF Financial Monitoring Report July 1, 2008 – May 31, 2009.

<sup>104</sup> EPF Financial Monitoring Report July 1, 2008 – May 31, 2009.

**The MoE has awarded contracts to Liberia Agency for Community Empowerment (LACE) and UNOPS for the construction of 40 public primary schools.** The MoE initially had planned to implement and manage the construction process of the 40 schools through the MoE itself. Given the low capacity and the lack of institutional, managerial or construction experience and technical competence, the MoE in consultation with partners agreed to award UNOPS and LACE with contracts for the management of the construction of the 40 schools. LACE is managing 20 and UNOPS the other 20, including the sub-contracting to local construction companies. It was said that possibly the overall costs of the activity could have been reduced if the MoE had planned it more realistically with regard to (i) its own capacity, (ii) to other options for management and supervision and (iii) possible other partners like the Ministry of Public Works. Such cooperation would have been in line with the PRSP and could have helped to address the challenge of inaccessibility of communities and school sites for future school construction interventions. The 2009 Education Sector Report states that inter-ministerial coordination was important to effectively and efficiently achieve L-PERP and PRSP goals.

**It was underlined that community participation is critical for successful school construction, a sense of community ownership and school for maintenance purposes.** Local participation in monitoring is expected to develop accountability between the communities and the government authorities and ownership to maintain the school. Critical therefore is the transparent communication between CEOs, DEOs and school principals, parents and the community.

*Challenges and lessons learned:*

- lack of local capacity in terms of contractors and construction companies;
- unavailability of the Ministry of Public Works for social service infrastructure development at this time as they are pre-occupied with major infrastructure projects
- limited banking sector support for contractors;
- lack of capacity for monitoring and supervision within the MoE;
- Non-adherence to developed criteria for selection of sites where schools are built;
- inaccessibility of remote areas especially during rainy season and road construction; and
- uncertain community participation and ownership for maintenance and security.

The importance of transparent communication, local ownership and accountability at the decentralized level has been underlined strongly by the EDPs and EIPs. President Ellen Johnson Sirleaf underlined in October 2008: “[...] without local participation the design of the intervention may be flawed. [...] if local people don’t participate in the process of decision-making, they don’t own the project. They will watch from the sidelines, wondering why certain decisions were made, and assuming that if the whole thing breaks down someone else will come and fix it. Instead, what we need is for people to own the decisions, and be deeply involved in determining the success or failure of the outcome.”<sup>105</sup>

<sup>105</sup> From a speech by President Ellen Johnson Sirleaf during the White House Development Summit in October 2008 in Washington, DC. [http://mopea.gov.lr/doc/ejs\\_whitehoused\\_development\\_summit.pdf](http://mopea.gov.lr/doc/ejs_whitehoused_development_summit.pdf)

## 4 EPF Performance Résumé

*“We all need to make the commitment and a special effort to make it work. [...] If the EPF fails it means that we will have all failed.”*

--- UNICEF, July 2009.

### 4.1 What Works

***The EPF has proven to be a flexible funding mechanism if (and only if) funding requests are comprehensively justified.*** The EPF has turned out to be a flexible funding mechanism for the MoE provided that the funding requests are thoroughly justified by the MoE Executive Management Team in order to pass programmatic and fiduciary endorsement by the ESDC Executive Board and the Advisory Board. The system of checks & balances between the MoE Executive Management Team, ESDC Executive Board, Advisory Board, and the PFMU has proven efficient, and deficits in the presented requests were identified before endorsement and approval. *For example:* The financial information for the request to build 40 primary schools presented to the Advisory Board was inconsistent with that presented to the ESDC Executive Board earlier, causing a delay in the process. A transparent flow of information helped to revise and consolidate the knowledge-sharing.

***All EDPs participate in the ESDC Executive Board meetings, making the programmatic endorsement of EPF funded activities joint, open and transparent.*** The L-PERP implementation plans and the EPF funding requests were presented to the ESDC Executive Board for in-depth analysis and discussion. All EDPs, even if they are not pooling their funds, were involved in the programmatic endorsement of EPF funded activities derived from the L-PERP implementation plans. This has made the EPF process open and transparent within the frame of broader sector coordination. The joint programmatic endorsement helped to secure funding or technical assistance from EDPs where funding or capacity gaps emerged. *For example:* USAID’s support for the rehabilitation and refurbishment of the RTTIs or OSI’s technical assistance for the procurement of the 1.2 million teaching materials benefited from the revelations of funding gaps on the MoE side.

***The EPF does not work through parallel structures but has helped to strengthen public systems.*** The EPF is developed in line with the Paris Declaration and EFA FTI Principles, which suggest alignment and the use of country systems (if they are not of sufficient quality to assist the Government to strengthen them). The EPF arrangements have helped to promote the development and strengthening of MoE’s internal financial management and procurement functions. The impact is still limited but there is a positive trend considering the short period of EPF operationalization. At the sector level, the EPF is supporting the MoE to build reliable procedures and to improve the management of financial information required to develop a MTEF. At the national level, on the other hand, the results of the 2008 OECD DAC Monitoring Report for Liberia are less promising. The report shows that there is little alignment, country systems are relatively weak, and thus donors do use public financial management systems to a limited extent whereas procurement systems are not used at all.<sup>106</sup>

***The intergovernmental collaboration with the MoF and the PFMU on financial management of the EPF and development of financial management capacity of the MoE has proven feasible.*** Regardless of the insufficient size and equipment of the financial management “unit” in the MoE, the cooperation between the MoE and the PFMU seems successful. Both sides – the Comptroller and the two Assistant

<sup>106</sup> OECD DAC 2009: 29-3.

Accountants, and the PFMU – reported that the cooperation with day-to-day reporting and documentation, regular workshops and training has been successful.

**The EPF has successfully funded three major activities within the first nine months of operation in the total amount of US\$12.25 million.** The three EPF funded activities were identified in the L-PERP, which was endorsed by the EDPs and has been the sole education sub-sector program guiding EDP support. Disbursements to the local bank account in Monrovia from the off-shore account held by UNICEF in New York were released within seven days after the withdrawal application had been submitted to UNICEF Liberia by the PFMU/ MoF upon request of the MoE Executive Management Team.

**The EPF has accelerated working towards a SWAp (Annex 7).** The EPF was established to support the L-PERP, but with the new full ESP it can serve its intended purpose as funding mechanism for the whole sector, depending on new funding commitments from bi- and multilateral donors and the decision about the modality used for EFA FTI Catalytic Fund support (expected in 2010 for the implementation of the new ESP). The arrangements and documentation of the EPF have contributed to a more developed structure of the sector coordination mechanism than previously. Although the mechanism has not yet reached a fully functioning and effective level of operation, the EPF processes have used it based on the fact that it is described in the MoU to the EPF. The mechanism has helped the MoE to improve the dialogue with the EDPs and EIPs and to take steps to improve the structures of sector coordination over time. Other countries have long and not consistent histories of Government-donor partnership and coordination which suggest that in the current transition period from recovery to development sector coordination and Government-donor partnership are “work in progress”. The Government successfully conducted the first Education Sector Review with the support of the EDPs and EIPs in June 2009 and will participate in a joint effort to appraise its first comprehensive ten-year ESP.

**The partnership with OSI as a new actor in the field of education development has proven to be a successful model in Liberia.** UNICEF recognized OSI as a flexible partner in the enterprise of setting up the pooled fund arrangement. Flexibility was critical to the design of the EPF as a “slim” mechanism that would provide the MoE with a leadership role, space for maneuvering, and fiduciary responsibility. As a private foundation, for the first time funding a government’s sub-sector program, OSI had fewer requirements for reporting and controls than other donors might have had. The Minister recognized OSI’s pro-active role to strengthen capacity at the senior management level. It was questioned whether OSI’s approach of reacting quickly to the Minister’s needs would help them in the long-run to adequately plan ahead and “live without a fire fighter”. However, being in a transition phase this approach was recognized as practical to complement the longer-term developments in the sector supported by UNICEF as Lead Education Development Partner.

## 4.2 What doesn’t work and Why

**There are deficits in MoE’s capacity to strategically plan and identify priority actions.** The civil war and political instability have substantially eroded the capacity for planning and implementation in many ministries in Liberia. Line ministries have insufficient resources and capacity to plan, manage and execute programs and projects.<sup>107</sup> It was said that the L-PERP lacked a clear and detailed connection and sequencing between explanations of the issue, identified priorities and targets, the proposed strategy and step-by-step interventions in support of the strategy. There has been a deficit in identifying existing capacity on the one hand and addressing capacity gaps on the other – with regard to implementation. Also, it has been problematic to provide a detailed funding framework with reliable information about

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<sup>107</sup> OECD DAC 2009: 29-4.

available, committed and required funding from different sources. It was said that those shortcomings of the L-PERP were one of the main reasons why the required up-to-date planning and implementation progress have been limited. Although, for L-PERP implementation an EPDF funded L-PERP Planning Coordinator was provided including technical assistance provided by UNICEF. In the MoU for the EPF it was initially agreed to present an Annual Plan of Action and quarterly implementation plans. However, no Annual Plan of Action matching the fiscal year 2008/09 and 2009/10 was presented. The MoE prepared two implementation plans each covering nine months, January to September 2008 and October 2008 to June 2009. The activities in the plans were overlapping and were transferred from the first to the second plan. No plan for the period after July 2009 has yet been presented. The L-PERP included a three year plan for the fiscal years 2007/08, 2008/09, 2009/10.<sup>108</sup>

***The implementation of the L-PERP started with a time lag of one year mostly because of the lack of funds.*** Moreover, despite the fact the EPF was established with only a fraction of the requested (from the EFA FTI Catalytic Fund) amount, no prioritizing was done at the start of implementation or subsequently to ensure that available resources are used for maximum impact. This is particularly true for the school construction activity, which was not planned for 2008/09 but for the third year of implementation at a cost twice the amount disbursed for the activity. The procurement of the 1.2 million textbooks and teachers' manuals was originally planned to be funded by the EC, but due to lack of progress since 2006 the MoE decided to buy the textbooks instead with EPF resources. It is possible that the cost of the textbooks could have been lower had the MoE planned this activity more detailed with regard to copyrights or the bidding process. Although it was recognized that the EPF enabled the MoE to react to the slow progress of the EC on the one hand, it was also mentioned that the MoE lacks a systematic approach on how to use available EPF resources, using the EPF as a point of strength rather than reacting to situations. This point is clearly demonstrated by the fact that there is to date no well-justified funding request for another L-PERP activity for the available US\$4 million. Instead, requests were being made for minor activities that normally would be funded by the MoE itself.

***Capacity gaps to run the EPF more effectively have not been identified systematically by the MoE.*** Given the post-war situation of the country and the overall weakness of state institutions it was expected by the partners that capacity development would need to be built simultaneously with program implementation. According to UNICEF the EPF is designed to develop MoE's capacity to plan and implement education activities "on a learning by doing basis" by using the arrangements of the EPF. It was expected that the MoE would identify capacity gaps and request targeted support from the EPF, the pooling donors or the EDPs to address those gaps. It was expressed that the MoE has shown limited leadership in planning, implementation, sector coordination and monitoring. The MoE has expressed its interest in strengthening coordination for technical assistance. Although technical assistance is happening, it is not done in a coordinated manner. UNDP and the Ministry of Planning have undertaken a light touch capacity assessment of the MoE and OSI is promoting the use the EFA FTI Capacity Development Guidelines to make a capacity gap analysis and develop a strategy to close those gaps.

***The schedules of the ESDC Executive Board and the Advisory Board have been irregular, with too many "emergency" meetings.*** The MoE Executive Management Team called for too many exceptional meetings to present "emergency" funding requests for the EPF. In fact, none of the three approved requests were adequately supported by documentation up-front and had to be revised several times before programmatic approval by the ESDC Executive Board was granted. On many occasions, the MoE presented funding requests which were turned down by the EDPs, particularly the pooling donors and the MoF on the Advisory Board. The high number of exceptional meetings is a result of weak advanced planning on the part of the MoE. In fact the schedule of meetings was not available until 2009 despite

<sup>108</sup> Ministry of Education of the Republic of Liberia 2007: 64, 65.

repeated requests by the EDPs particularly the Advisory Board. A senior MoE representative explained that the MoE is still in the process of shifting from “emergency day to day planning with whatever money is there” to medium- to long-term development planning. This is a problem with regard to the objective to use the EPF to improve MoE’s planning skills so that the move to Direct/ General Budget Support would work in their favor.

***Out-standing governance issues have not yet been adequately discussed or solved in the Advisory Board.*** The main outstanding issues are the threshold under which the MoE Executive Management Team could work freely and the question about the EPF covering recurrent costs. The Advisory Board with a fiduciary oversight function needs to discuss and apply rules on frequent financial reporting on EPF activities by the MoE/ PFMU. It was agreed to present quarterly financial reports. However, so far only two financial reports have been presented (January and June 2009). The latest was only presented to the ESDC Executive Board and not to the Advisory Board. Generally, there has been a reluctance to hold meetings if not intended to request for funds from the EPF, thus delaying discussion and decisions on the above-mentioned governance issues.

***The MoE has not successfully used the EPF as a tool to attract new donors to join the fund or to support education otherwise.*** The EPF was designed by the partners to enable the Government to attract new education donors. However, after one year less than US\$4 million is left in EPF; yet no new donors have indicated willingness to contribute to the pool. National education expenditures are only at about US\$38 million (10 percent of total government expenditures) surpassed by external funding with about US\$44 million for the financial year 2009/10 – of which none is committed to the EPF. In comparison, the Liberia Reconstruction Trust Fund and the Health Sector Pool Fund have been more successful in increasing the number of pooling donors. Most successful certainly is the World Bank led Infrastructure Trust Fund with a current total value of about US\$25.44 and US\$100 million commitments by various other donors including the EC.<sup>109</sup> The Health Sector Pool Fund currently has a funding level of about US\$10.31 million with new commitments in 2009 by DFID and UNICEF.<sup>110</sup> (See [Annex 5](#) for a comparison of the three pooled funds in Liberia.) Funding requests from the MoE Executive Management Team were ad-hoc rather than in support of advanced identified priority actions for each new fiscal year matching available government expenditures and donor funding. Thus potential donors would not know what they are investing in and what they can expect to receive for their money.

***A major constraint has been that the ESDC as a sector partnership forum had not been inaugurated before June 2009 and has not yet been brought to a functional level.*** This has put limitations on sector planning, flow of information and exchange among the MoE, EDPs, EIPs, national stakeholders and civil society organizations (CSOs). The MoE has realized that there is urgent need to establish the ESDC as a partnership forum for exchange of information and for sector coordination purposes. The Education Sector Review meeting in June 2009 served as the occasion to inaugurate the ESDC. However, there has not yet been a formal inaugural meeting discussing mandate, composition, or a meeting schedule for the ESDC. There has been confusion about the ESDC and the ESDC Executive Board particularly regarding participation and meetings. MoE’s explanation for the non-functioning of the ESDC as a broad stakeholder’s forum was that it would be difficult to engage in funding request discussions with NGO partners receiving funds from the contributors to the pool. This was the case particularly since the original suggestion was that NGOs could obtain funds from EPF to implement activities on behalf of the MoE. Since the ESDC had not been established until recently, the ESDC Executive Board has reviewed and endorsed the activities suggested for EPF funding without advice from the ESDC. In fact, funding requests for the EPF are supposed to be discussed in the ESDC Executive Board and the Advisory Board

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<sup>109</sup> MoF 2009.

<sup>110</sup> MoF 2009.

which exclude EIPs. But, overall sectoral programmatic review and advice with regard to the Annual Plan of Action should have been a role assigned to the ESDC as agreed in the MoU for the EPF. The MoE needs to lead the process and provide clarification.

**Box 13: Why is sector coordination important?**

- To align donor funding and activities to GoL education priorities and strategies set out in the ESP even if they are not contributing to the EPF.
- To increase the quality of planning and efficient use of resources.
- To harmonize approaches.
- To help joining efforts to consider fully the status and needs of the education sector and its context, and how best to build on what is already there that will meet current and future needs.
- To enhance affirmative action and other interventions to support the provision of education to poor and vulnerable children, including girls, orphans and the disabled.
- To mainstreaming HIV/AIDS, human rights, gender, child protection, and environmental issues within the education sector.

***The non-functioning of the ESDC has led constraints in communication and coordination with the Education Implementing Partners (EIPs).*** EIP representatives interviewed for this report stated that the communication about meetings and the importance of meetings has not been clear and timely. They noticed a lack of transparency on the list of participants and agencies represented in the EIPs' Group meetings. Although the MoE, Department of Planning, Research and Development, has established and provided a template for NGOs to report back on their activities on a quarterly basis the mechanism has not been enforced. One part of the problem is that the EIPs have not been using the reporting template regularly; the other part of the problem is that the NGOs felt that the information has not been circulated to be used in order to map out EIP activities and effectively coordinate on the basis of the reported information. The proposed Sector Coordination Unit could take the responsibility to collect the reports from the EIPs, summarize the information in a database and make it available in the EIPs' Group meetings for discussion.

***There has been limited pro-active action to operationalize the sub-sector strategy envisioned in the L-PERP on the part of the MoE.*** This refers particularly to working along the annual action and funding plans as defined in the L-PERP. The number of L-PERP activities implemented is low – with those funded by the EPF having the highest visibility – and execution of activities against the two nine months implementation plans has been with delay due to various deficits already mentioned. The 2008 OECD DAC Monitoring Survey underlines concerns from the EDPs that a critical sector like the education sector has not been fully funded and there is no Medium-Term Expenditure Framework (MTEF) to direct expenditures.<sup>111</sup> L-PERP funding is a combination of State Budget and external funding, utilising the EPF and funding from the EDPs. A MTEF would greatly help the MoE to identify 'real' financing gaps for which EPF resources are available. In other words: it would help to improve planning alignment between EDP and EIP funded activities and activities that would require funding from the MoE.<sup>112</sup>

<sup>111</sup> OECD DAC 2009: 29-2, 29-3.

<sup>112</sup> ECSEL Inception Report. July 2009.

### 4.3 How to Unblock the Bottlenecks

**Strengthen public financial management and procurement systems of the MoE:** Public Financial Management (PFM) in Liberia is based on the Financial Procedures Manual of the Project Financial Management Unit of the MoF and the rules of the Public Procurement and Concessions Commission (PPCC). EPF procedures are aligned to those national rules and regulations. Although some progress has improved the PFM system, it is considered transitional.<sup>113</sup> The overall environment for financial management and procurement for effective EPF operationalization is not an enabling one. Donors have been reluctant to support MoE's PFM and procurement capacity despite the cooperation with the PFMU within the EPF arrangements and technical assistance from the EPDF. Therefore, the EDPs should consider to increase support to the MoE overall to not let the implementation of the PFM reform fail because of a lack of funding.

**The financial management "unit" in the MoE has only one Comptroller and two Assistant Accounts for the whole Ministry; this is too small to effectively manage the finances of the sector.** Moreover, the Comptroller left the country for a one-year training abroad. The Assistant Accountants who have been used to the day to day cooperation with the PFMU were paid from the EPDF, were however, not paid for at least three months to June 2009 due to insufficient communication and planning. The replacement of the Comptroller has been unclear reflecting human resource constraints the sector is facing. This situation will become even more challenging if no sustainable solution is found once the whole-sector ESP is implemented. Therefore, MoE's financial management and procurement capacity needs to be revisited also with regard to roles, functions and accountability among the divisions of the MoE. The ESDC Executive Board and the Advisory Board could undertake with the World Bank an assessment of the financial management and procurement capacity of the MoE. This can be done during the development of the Program Appraisal Document for the EFA FTI Catalytic Fund application. With respect to increased international focus on the implementation of the Aid Effectiveness Agenda set by the Paris Declaration not only the quality of national PFM and procurement systems needs to be improved but also procedures such as auditing, budgeting and reporting in order to allow harmonization to happen.

**The MoE Executive Management Team needs to live up to the agreement of the MoU to provide an Annual Plan of Action.** The past experience shows that EPF funded activities have been emergency measures. The Annual Plan of Action would help the MoE to identify funding gaps and ask donors for assistance rather than calling for emergency meetings to the Ministry. It would also help to improve sector coordination and reduce duplication. It is therefore recommended to address the capacity needs for planning and budgeting in a broader sector capacity assessment. With the new ESP in place the planning challenges will increase in scope, costing, stakeholders, and internal communication in the MoE. Also there is urgent need to develop sustainable organizational, managerial and human capacity to follow through education sector activities from the ministerial to the district and school level and to establish oversight of the sector programs. Therefore, capacity gaps need to be identified against requirements for the implementation of the ESP, also building on lessons learnt from the experience since June 2008.

**An Annual Plan of Action can be a valuable tool for the Government to win donors' support for the EPF.** Such a plan would outline up-front for one year for which activities EPF funds will be requested, making emergency funding requests an exception instead the norm. In fact, the planning process that takes place before the Annual Plan of Action reaches the ESDC or the ESDC Executive for revision and programmatic endorsement is the critical point where capacity development interventions are urgently

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<sup>113</sup> PEMFAR 2009.

needed across all levels and dimensions in the sector. Effective planning and budgeting to meet education needs of all children throughout the country requires a demand driven approach fed with data and information from the district and county level which is in turn important with respect to equity and inclusion in education. This will be important for the GoL to meet the people's expectations for improved access and quality of basic social services as stipulated in the PRS.

**Improved planning through better data collection and use:** In 2006 the Education Management Information System (EMIS) of the MoE was reactivated. In June 2006 the MoE supported by UNICEF conducted a school census of all schools; results were presented in the 2007/2008 National School Census. The school census was praised as a success in implementing and expanding EMIS. It was suggested during the Education Sector Review to ensure that the school census is conducted on an annual basis with data gathered regularly from County Education Officers and District Education Officers. The Education Sector Review report states that the 2008/2009 school census is completed and the respective report is being developed. An improved EMIS in the MoE will have valuable impact on other education sector activities. Therefore, technical assistance by the EDPs, i.e. by the ECSEL team in the MoE, to develop EMIS further and to build capacity for the use of EMIS is important.

The MoE needs to provide individual and organizational incentives for encouraging development and use of improved educational data at the national level, but also at a decentralized level to collect data, to identify needs, and to plan accordingly. This could be addressed and planned out during a capacity gaps analysis. Additionally, implementation and budget reporting of education sector activities needs to be improved with regard to agreed performance and progress indicators in order to identify bottlenecks at the decentralized level. The Joint Annual Review report on UNDAF states "Increased support to data collection, including analysis and dissemination, in particular at county level, to ensure that the vulnerable groups are identified, targeted and benefit from interventions."<sup>114</sup> The ESDC is recommended to agree on a set of core education indicators to monitor progress towards universal primary education and primary completion during the annual Education Sector Reviews. This set of indicators would need to reflect the SWAp/ the new ESP and will reflect an effort towards improved mutual accountability.

**The EDP Group could articulate more strongly what it expects from the MoE in terms of planning, financial planning and coordination.** It was expressed that the EDP Group (Local Donor Group) should agree on a "common agenda" and present it with "one voice" to the MoE – e.g. in the ESDC Executive Board – or to the Government if increased pressure on the MoE is necessary. This process could be led by UNICEF, as they have already taken action to improve donor-to-donor coordination by providing funding and work space to the EDP Coordinator. This coordination initiative on part of the EDPs is becoming increasingly important with ESP implementation starting in 2010 to work within a SWAp. This could help to initiate division of labor among the EDPs. Division of labor within the Local Donor Group is also suggested in the EFA FTI Country-Level Process Guide.<sup>115</sup>

**It is recommended to engage in a joint capacity gaps analysis.** The PRS process shows that the GoL has the political will to take ownership of the development process. However, weak capacity is a cross-cutting challenge to real ownership at all levels. It was said in the Appraisal Report (2007) that MoE would have to address with some more urgency the strengthening of the mid level management which includes the County and District Education Officers.<sup>116</sup> EPDF resources could be used to invest in a capacity gaps analysis, to do more analytical work, develop policy strategies and in targeted technical assistance. There are at present ongoing capacity building efforts, for example through a ten year national capacity development strategy and action plan. The focus in 2009 will be to build capacity at

<sup>114</sup> United Nations Liberia 2008: 2.

<sup>115</sup> EFA FTI 2009.

<sup>116</sup> Appraisal Report March 2007.

the county level to ensure that the organizational infrastructure is in place to identify target groups. In this regard, it was concluded that building implementation capacity and ensuring local ownership is key for the success of all education sector activities.<sup>117</sup>

Three FTI endorsed countries used the EFA FTI's Capacity Development Guidelines for a capacity gaps assessment: Guinea, Honduras and Malawi. The process at the country level was led by the German Technical Cooperation GTZ. Malawi did two assessments against their National Education Sector Plan for primary and secondary education.<sup>118</sup>

***Increased engagement of and capacity development for Liberia's civil society:*** The participation of civil society organizations (CSOs) and national stakeholders in the sector processes in general and the FTI processes specifically should be strengthened at all levels. CSOs and national stakeholders are representatives of organizations, initiatives and institutions that contribute to achieve the education goals and to implement education strategies at the national and local level. Those include: Representatives from teachers unions, teacher training institutes, universities and colleges, local NGOs, CSOs, community-based organizations, civil society initiatives and parents-teachers-associations (PTAs). The MoE is recommended to develop an effective mechanism through which representation of CSOs and national stakeholders is ensured in the ESDC. They also could participate in the technical working groups, which were suggested for reactivation during the Education Sector Review.<sup>119</sup> CSOs and national stakeholders will play an important role in advocacy and representation of particular interests at the national level as well as at the local level with regard to ownership and accountability structures for education activities. They will help ensure operational links with organizations or groups working in both service provision and advocacy toward the achievement of EFA.<sup>120</sup> The OECD Principles for good international engagement in fragile states & situations underline that the “[c]ivil society has a key role both in demanding good governance and in service delivery.”<sup>121</sup>

***The MoE has recognized the importance of CSOs and national stakeholders by engaging them in the nation-wide consultations on the new ESP.*** Their engagement has also been addressed in the PRS process, particularly in the development of the County Development Agendas. The recognition of those stakeholders for the development process and the success of activities at the local level needs to be translated into strengthening their capacity. The Joint UNDAF Review referred to the importance of civil society for the success of any intervention. The importance of building national stakeholder partnerships for a coherent approach to developing the education system has been recognized by the EFA FTI Partnership.

***Civil society and national stakeholders will play an important part in informing needs-based planning and budgeting and moving away from overly centralized planning.*** Also they play a critical role to ensure equitable access and inclusive education. A UNESCO study on education SWAps points out: “SWAps also require different processes, and this includes a different approach to planning within a commonly-shared approach involving civil society in policy dialogue concerning the strategic direction of

<sup>117</sup> United Nations Liberia 2008: 24.

<sup>118</sup> The capacity gaps assessment reports were made available by the Government of Malawi and are available as downloads from <http://www.educationfasttrack.org/themes/capacity-development/>

<sup>119</sup> There were seven technical working groups established in 2007/08 to facilitate the implementation of the LPERP. Those technical working groups were worked along the LPERP components. The technical working groups were not maintained. It was proposed to reactivate the technical working groups to improve knowledge sharing and coordinating activities.

<sup>120</sup> EFA FTI 2009: 5.

<sup>121</sup> OECD 2007: 2.

*the education system; transparent financial management procedures that enable stakeholders to follow educational expenditures; mutual accountability within the education system.*<sup>122</sup>

**Capacity development is important to enable civil society and national stakeholders to assume their role in the sector processes.** OSI, for example, supported in 2007/ 2008, two civil society organizations in Liberia: the Liberia EFA Technical Committee (LETCOM), which is part of the African Network Campaign for EFA (ANCEFA), and the WE CARE Library, a community-based literacy initiative. The support aimed at increasing skills, ensuring their operation and supporting opportunities for consultation with similar organizations. ANCEFA is supported by IBIS (Danish International Education Campaign)<sup>123</sup> to implement its Girls' Education Campaign in Liberia through LETCOM.<sup>124</sup> LETCOM and the National Teachers Association of Liberia (NTAL) are both members of the Global Campaign for Education.<sup>125</sup> The NTAL, i.e. is campaigning to increase the number of female teachers and teacher trainers, which is critically important with only 12 percent of teachers currently female. NTAL wants to encourage the MoE to move beyond the rhetoric of gender equality and enact policies which enable women's access (such as providing child care during residential training and adjusting minimum requirements). Those are only examples of the role civil society can play to ensure that issues like girls' education, responses to educational needs of children with disabilities, a response to HIV/ AIDS, human rights education, child protection or training of female teachers remain on the political agenda.

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<sup>122</sup> UNESCO 2007: 5.

<sup>123</sup> IBIS is engaged in the education sector in Liberia in the Accelerated Learning Program and took part in the 2009 Education Sector Review. [www.ibiswestafrica.com/nv/liberia/](http://www.ibiswestafrica.com/nv/liberia/)

<sup>124</sup> Commonwealth Education Fund 2008: 19.

<sup>125</sup> <http://campaignforeducation.org/en/liberia/>

## 5 More and Better Coordinated Support to Education

*“Our PRS which we call “Lift Liberia” was shaped by the Liberian people themselves, in a participatory and inclusive process that started at the grassroots. We undertook an extensive process of consultation across the country to hear directly from the Liberian people about their aspirations, expectations, and priorities. [...] We encouraged each county to develop its own County Development Agenda. We included members of the legislature, traditional leaders, farmers, business people, women, youth, persons with disabilities, NGOs, our partners from the international community, and anyone else that wanted to come and contribute.”<sup>126</sup>*

--- President Ellen Johnson Sirleaf, October 2008

### 5.1 Poverty Reduction Strategy and Government-Donor Coordination

***Interim Poverty Reduction Strategy Paper (i-PRSP, 2006-2008):*** The new Government formulated an Interim Poverty Reduction Strategy (i-PRS) covering the periods July 2006 to June 2008 with the key pillars including enhancement of national security, revitalization of the economy, strengthening the environment for private sector growth, rebuilding of infrastructure and basic social services, and promoting good governance and the rule of law.<sup>127</sup>

***Poverty Reduction Strategy (2008-2011):*** The GoL, in collaboration with its development partners, issued the full PRS “Lift Liberia” in June 2008. It articulates the Government’s overall vision and major strategies for shifting from post-conflict stabilization toward rapid, inclusive and sustainable growth and development during the period between April 2008 and June 2011.<sup>128</sup> The PRS builds on the GoL’s first 150-day action plan and the i-PRS (Table 4), and has been formulated through a nation-wide consultation process with Liberian citizens, the private sector, civil society groups, the Legislature, and the development partners. The current PRS is organized around four Pillars addressing the poverty challenge in all its dimensions. The four Pillars represent an organizing framework to establish key priorities, allocate scarce resources across competing demands, and achieve Liberia’s most important development goals. Those four Pillars are (I) consolidating peace and security, (II) revitalizing the economy, (III) strengthening governance and the rule of law, and (IV) rehabilitating infrastructure and delivering basic social services.<sup>129</sup>

***The current PRS identifies seven strategic objectives for the education sector under Pillar IV*** including primary and secondary education as well as vocational training and higher education: (1) strengthening the curriculum, (2) expanding access to quality, safe, and hygienic schools, (3) recruiting and training qualified teachers, (4) improving learning achievement and school completion rates, (5) strengthening the quality and accessibility of vocational training, (6) improving the quality and standard of tertiary education and to implement a phased expansion of the higher education system, and (7) strengthening the overall governance, management and financial wellbeing of education. [Annex 3](#) presents the priority action matrix of the current PRS for education under Pillar IV. [Annex 4](#) shows Liberia’s progress towards achieving the MDGs by 2015. Progress towards MDG 2 (achieve universal primary education) is slow with a net primary school enrollment ratio (NER) of 33 percent in 2007/2008 school year although the

<sup>126</sup> From a speech by President Ellen Johnson Sirleaf during the White House Development Summit in October 2008 in Washington, DC. [http://mopea.gov.lr/doc/ejs\\_whitehoused\\_development\\_summit.pdf](http://mopea.gov.lr/doc/ejs_whitehoused_development_summit.pdf)

<sup>127</sup> AFRODAD: 11.

<sup>128</sup> PRS 2008: 1.

<sup>129</sup> United Nations Liberia 2008: 4.

state of the supportive environment is reported to be improving. Liberia in turn seems to be on track to achieve gender parity (MDG 3) by 2015.

Assistance Framework	Characteristics of Environment	Modalities of Support
<b>Results-Focused Transitional Framework (RFTF)</b> <sup>130</sup>	<ul style="list-style-type: none"> <li>▪ Significant Humanitarian Crisis;</li> <li>▪ Weak Governance and Political Will</li> </ul>	<ul style="list-style-type: none"> <li>▪ Humanitarian Assistance executed by NGOs, much assistance routed through the UN System</li> </ul>
<b>150-Day Action Plan</b> <sup>131</sup>	<ul style="list-style-type: none"> <li>▪ GoL offers guidance to donor interventions;</li> <li>▪ Increasing national leadership and prioritization</li> </ul>	<ul style="list-style-type: none"> <li>▪ Donors, NGOs increasingly collaborate with GoL in determining needs and execution</li> </ul>
<b>Interim Poverty Reduction Strategy (i-PRS)</b> <sup>132</sup>	<ul style="list-style-type: none"> <li>▪ Coherent, comprehensive strategy for development;</li> <li>▪ Strengthened governance and improving GoL administration</li> </ul>	<ul style="list-style-type: none"> <li>▪ GoL leadership continues to strengthen; partner support increases;</li> <li>▪ GoL-executed projects become a larger share of financing but project funding continues to be the dominant modality;</li> <li>▪ Pooled funds emerge;</li> <li>▪ General budget support begins</li> </ul>
<b>Full Poverty Reduction Strategy "Lift Liberia" (2008-2011)</b>	<ul style="list-style-type: none"> <li>▪ Steadily improving systems and transition from immediate post-conflict reconstruction to mainstream development</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increasing partner coordination, as partners harmonize with PRS;</li> <li>▪ Increased GoL direct execution</li> </ul>

**Government-donor coordination at the national level supports the country's overall recovery.** After the Accra Peace Accord in 2003 most development partners have started to reengage with Liberia. Over the past six years coordination between the Government and the development partners and among the development partners has been established to a stable level. During 2003-2006, under the National Transitional Government, the World Bank financed and led the coordination function of the Results-Focused Transition Framework (RFTF). This framework led to the development of the Liberia Reconstruction and Development Committee (LRDC).

**The LRDC is the institutional and partnership framework to co-ordinate the Liberia's reconstruction and development agenda.** It is chaired by the President and brings together all key donor and government counterparts on a monthly basis. It is organized along the four PRS Pillars, each pillar headed by the relevant ministry. The LRDC serves as a forum where the GoL articulates its national priorities and works directly with its development partners to ensure that resources are directed to national priority interventions. The development partners in turn present their activities portfolio to the LRDC. The LRDC led the PRS development process and is the oversight body, jointly with the Ministry of Planning and Economic Affairs.<sup>133</sup> The LRDC provides policy guidance and oversees preparation of national development strategies around the prioritized key development areas of the GoL.<sup>134</sup>

**Donor-to-donor coordination through the EDP Group in the education sector:** The EDP Group includes bilateral and multilateral donor agencies such as UN-agencies and development banks supporting education. Those are presently UNICEF, USAID, European Commission, OSI, OSIWA, WFP, UNESCO, World Bank, UNHCR. The EDP Group functions as the Local Donor Group as defined in the EFA FTI

<sup>130</sup> Find a copy of the RFTF here: <http://siteresources.worldbank.org/INTLICUS/64137337-1094491940414/20250508/090104%20Liberia%20Results%20Focused%20Transition%20Framework%20-%20RFTF.pdf>

<sup>131</sup> Government of Liberia 2006a.

<sup>132</sup> Government of Liberia 2006.

<sup>133</sup> World Bank April 2009: 15.

<sup>134</sup> OECD DAC 2009: 29-2, 29-6.

process guide. The EDP Group is a forum for organization and coordination of EDP support to the education sector, whether through project, (program or budget support) or the EPF. The Group discusses sector issues regarding governance, coordination, planning and implementation. The EDPs meet bi-weekly. Meetings are organized by the EDP Coordinator based at and funded by UNICEF. The group meets without representation of the MoE. The EDP Group supports the development, implementation, and monitoring of the L-PERP and will support the same for the ESP. It takes an active role in the Education Sector Reviews. The EDP Group will be responsible for the appraisal of the ESP.<sup>135</sup> UNICEF has led the meetings trying to harmonize the approach and dialogue with the MoE. It was expressed that the EDPs have not agreed on a common approach or “one voice” towards the MoE. There have been more bilateral talks/meetings between the single donors and the MoE and no real joint agenda as the key EDPs prefer bilateral to a joint harmonized approach. This has resulted in the fact that the ESDC Executive Board meetings, which are joint meetings between the MoE and the EDPs, take more time for up-dates than discussing issues of joint interest and making decisions. It was also expressed that there is limited exchange with the EIPs, consisting mostly of NGOs.

#### Box 14: Objectives of the EDP Group

- agree on a common position when discussing with the MoE
- strengthen consensus building among the partners
- avoid bilateral talks with the MoE where possible to improve joint activities
- give policy advice to the MoE
- encourage and support the piloting of innovations
- strengthen coordination of technical assistance, harmonise efforts, reduce transaction costs (Paris Indicator 4)
- avoid creation of project implementation units (PIUs), or similar parallel structures (Paris Indicator 6)
- increase number of joint missions where possible (Paris Indicator 10a)
- increase joint country analytical work (Paris Indicator 10b) You could add joint monitoring of sector programmes etc.
- support MoE to develop a M&E system and to strengthen planning management processes that are results-oriented (Paris Indicator 11)
- support MoE to convene joint Education Sector Reviews for increased mutual accountability (Paris Indicator 12)

## 5.2 Funding to Primary Education

### 5.2.1 Domestic

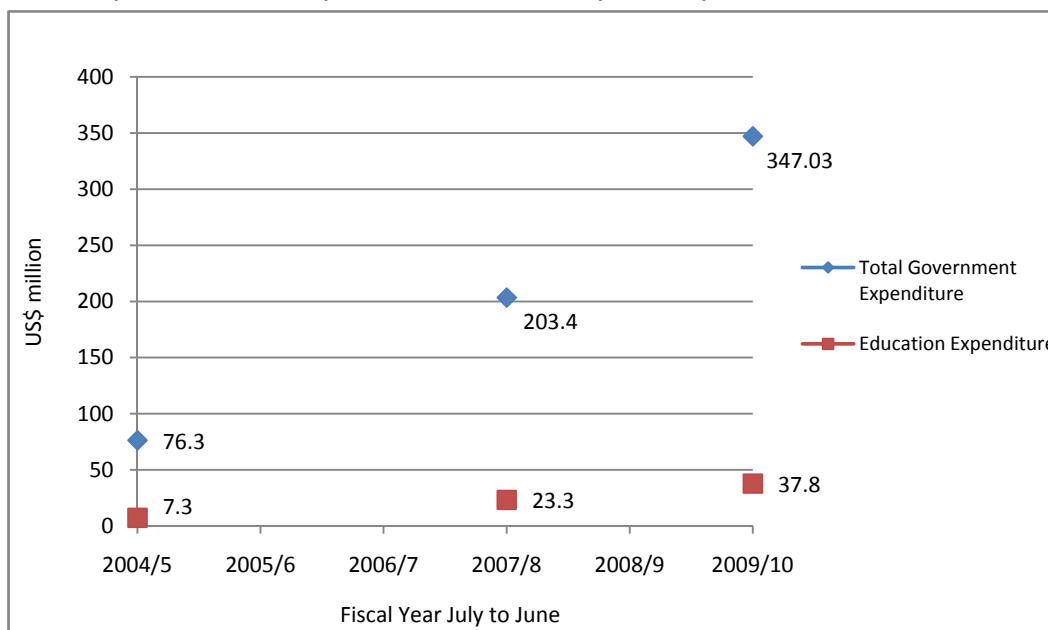
**Government expenditure on education accounted for between 1.6 to 3.2 percent of GDP between 2004/05 and 2007/08.** In comparison with other conflict affected Sub-Saharan African countries this is low.<sup>136</sup> Nonetheless, education expenditure has increased, from US\$7.3 million in 2004/05 to US\$23.3 million in 2007/08, representing an average increase in real spending for education of 26 percent per year. The budget allocated to the education sector in the fiscal year 2009/10 is US\$37.8 million,

<sup>135</sup> Fast Track Initiative 2009: 5.

<sup>136</sup> Burundi (5.1% in 2005), Rwanda (3.8% in 2005), Mozambique (3.7% in 2004), and Sierra Leone (3.8% in 2005). The range for other countries in Sub-Saharan Africa is from 0.6% of GDP (Equatorial Guinea in 2002-03) to 13.8% (Lesotho in 2005). PEMFAR 2009: 70.

representing 10.89 percent of the Annual Budget of US\$347,035,687.<sup>137</sup> President Ellen Johnson Sirleaf announced in her message to the National Legislature on the Annual Budget: “*The US\$37.8 million budgeted for the education sector will among other priorities be used to construct more school facilities, recruit, train and deploy additional teachers to cope with the increased enrollment in the primary education program.*”<sup>138</sup>

**Graph 1: Government Expenditure and Education Expenditure per Fiscal Year, in US\$ million**



Source: PEMFAR 2009: 70; Government of Liberia 2009: 2.

**Total government expenditure increased from US\$76.3 million in 2004/05 to US\$203.4 million in 2007/08** (Graph 1) while at the same time the share of total expenditure to education has remained relatively steady at only 10-12 percent. This is below the benchmark set in the EFA FTI Indicative Framework which suggests national education expenditure at 20 percent of total government expenditure of which 50 percent is suggested to be allocated to primary education.<sup>139</sup> Subsequently, annual education budgets have been too low to boost the recovery and development of the education system with regard to school infrastructure, learning and teaching material or teacher training.

**The small share of the total government expenditure allocated to education results in an uneven distribution of the budget between the sub-sectors.** In 2006/07, of the total education budget, 14.5 percent was allocated to primary education, 11.4 percent to secondary education, 31.6 percent to tertiary education, 7.1 percent to technical/vocational training, and 35.4 percent to administrative and support services.<sup>140</sup> But then in the same fiscal year, private households spent US\$27 million on education, double the amount of GoL’s budget for the sector. The largest share of total private

<sup>137</sup> The budget is funded by tax revenue of US\$ 201,033,911.00 and non-tax revenue of US\$146,001,776.00 including grants of US\$23.3 million. Government of Liberia 2009: 2.

<sup>138</sup> Government of Liberia 2009: 26.

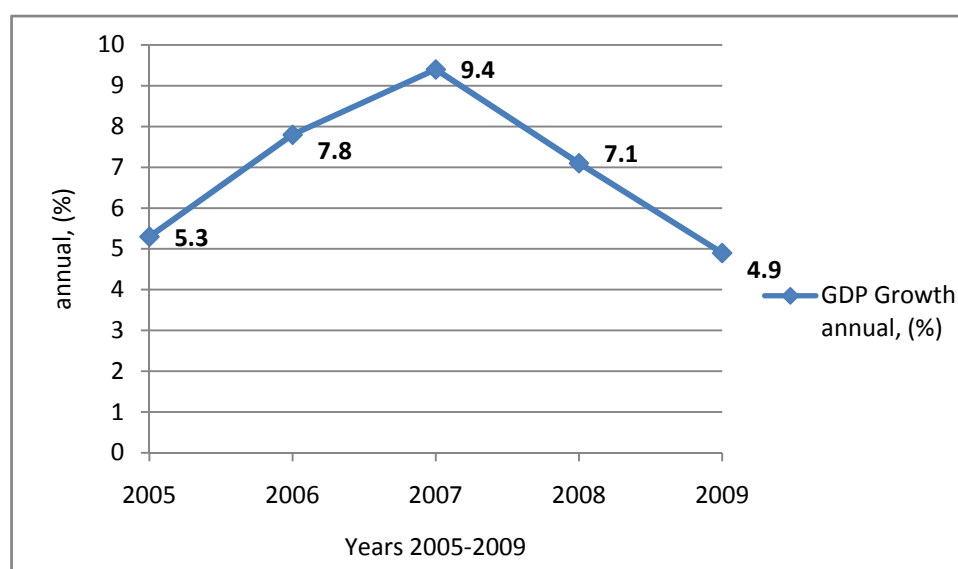
<sup>139</sup> EFA FTI Indicative Framework:

[http://www.educationfasttrack.org/media/library/Indicative\\_Framework\\_template\\_FINAL\\_Oct-6-2009.pdf](http://www.educationfasttrack.org/media/library/Indicative_Framework_template_FINAL_Oct-6-2009.pdf)

<sup>140</sup> PEMFAR 2009: xix.

expenditure is for school fees at the primary school level. Ultimately, putting a huge burden on poor households and hold barrier to increased enrollment and reducing drop-outs. But it demonstrates on the other hand that families are willing to invest in education and that it is a highly valuable good for them.<sup>141</sup> This underlines that the GoL urgently needs to bring into effect its School Fee Abolition Policy to ensure universal, equitable access to and effective participation in free, quality primary education.

Graph 2: GDP Growth, annual % (2005-2009)\*



Source: World Bank, World Development Indicators 2009; World Bank April 2009.  
(\*World Bank Projection for GDP Growth 2009)

**The future growth in public education budget depends on the level of national economic growth.** The latest growth projections for Liberia suggest a decline from 7.1 percent in 2008 to 4.9 percent in 2009.<sup>142</sup> Suggesting stagnation or cuts in the education budgets resulting in MoE's inability to provide sufficient levels of funding for the reactivation of the education system and most importantly for the first years of implementation of the new ESP. Thus, MoE's dependency on external aid, particularly resources from the EPF, will be consolidated. A drastic decline could affect private household incomes, making it even harder for parents to pay for education.<sup>143</sup> Overall, jeopardizing the foundations laid for the rehabilitation and development of the education sector and putting children at risk to miss out on schooling with irreversible effects on their future lives and the country's capacity to develop and grow.

### 5.2.2 External

**Most financing has been project-based and executed by NGOs, private contractors and Project Implementation Units (PIUs)** established in the line ministries due to Liberia's low implementation output and financial management capacity and weak institutions. Poor availability of data on aid flows and only indicative estimates of total donor-financed expenditure make it difficult to track donor

<sup>141</sup> PEMFAR 2009: xix.

<sup>142</sup> World Bank April 2009: 9.

<sup>143</sup> IIEP Newsletter May-August 2009: 10.

funding. In April 2009 the MoF established an Aid Alignment Unit to track and monitor ODA to Liberia (Tables 5 and 6). The LRDC supports implementing an Assistance Management Platform (AMP) in order to track donor activities and to manage aid flows.<sup>144</sup> Although development partners have rallied around the GoL's development agenda, providing significant support, most donor aid remains off budget and does not go through country systems. The World Bank stated that the challenge will be to move from assistance to recovery and transition to development assistance, to scale up small, transaction-intensive interventions, and increase efficiency by moving aid on to the government budget in ways that improve domestic capacity.<sup>145</sup> The EPF was created as a transition funding instrument supporting the Government and development partners to shift over time to Direct/ General Budget Support. A recent UNESCO IIEP/ CfBT Education Trust study shows that pooling funding helps to reduce transaction costs and to improve donor coordination and harmonization of procedures.<sup>146</sup> If effectively implemented, the program of the EPF has the potential to facilitate this transition, but at this stage it is not possible to either define the impact of the EPF on this process or a trend with less than two years of operationalization.

***The largest source of education expenditure comes from external funding.*** As already mentioned it has been difficult to track aid flows. It is estimated that US\$40 million of external aid was spent on education with a focus on primary education in 2007, accounting for more than half of the total education spending.<sup>147</sup> Monitoring of the EDP activities within the education sector is limited. There is currently no central MoE database or aggregated reporting of EDP annual activities, however data is available for the fiscal year 2009/10 from the Aid Alignment Unit in the MoF.<sup>148</sup> According to the EC the Ministry of Planning and Economic Development is currently working on developing a Development Partner and NGO database for monitoring purposes as part of the on-going PRS activities.<sup>149</sup> However, the MoE will need to strengthen its monitoring systems significantly to improve the efficiency of education expenditure and outcomes.

***The total projected support from six donors for the fiscal year 2009/10 for the education sector (PRS Pillar IV) is about US\$44.52 million (Table 5).*** The greatest share is provided by USAID with US\$67.40 million. The MoE is largely depending on external funding. USAID is the largest education donor using project-funding only. USAID runs various projects and programs, i.e. ALP Plus, Basic Education, teacher training, EGRA-Plus or higher education. USAID in general does not channel funds through common or pooled funds but works in support of an education SWAp. USAID maintains its bilateral dialogue with the MoE outside of the sector coordination structures. But then, has also been recognized as an actively engaged partner in sector coordination efforts, participating in the ESDC Executive Board meetings and in the EDP Group meetings. USAID is leading the preparation of Liberia's application for the Millennium Challenge Account (MCC)<sup>150</sup> which includes a strategy on girls' education. According to USAID support from the Millennium Challenge Account to Liberia could be compared with Direct/ General Budget Support although USAID will play a supervising role.<sup>151</sup>

<sup>144</sup> OECD DAC 2009: 29-2, 29-6.

<sup>145</sup> World Bank/ AfDB 2007: 3.

<sup>146</sup> CfBT/ UNECO IIEP 2009: 107/108.

<sup>147</sup> PEMFAR 2009.

<sup>148</sup> Ministry of Finance. 2009. FY 09/10 Detailed Projected Disbursements by Type and Partner, in:

<http://www.mofliberia.org/Detailed%20Project%20Disbursements%20by%20Type%20and%20Partner%20for%20FY%200910%20Budget%20FINAL%20for%20web.pdf>

<sup>149</sup> European Commission Support to the Education Sector in Liberia (ECSEL) Technical Assistance Team 2009: 17.

<sup>150</sup> <http://www.mcc.gov/mcc/countries/liberia/index.shtml>

<sup>151</sup> Up-date given by USAID during the ESDC Executive-Board Meeting, July 8, 2009, Monrovia.

Donor	Total Value (US\$)	FY 2009/10 planned disbursements (US\$)	Financial Management	Implementation
EC	12,000,000.00	927,030.00	EC	MoE
France	389,699.00	127,475.00	French Organizations	French Organizations
Norway	6,548,711.00	1,713,783.00	Save the Children; Norwegian Refugee Council	Save the Children; Norwegian Refugee Council
UNICEF	26,903,086.00	3,650,000.00	UNICEF	MoE
USAID	67,400,000.00	33,100,000.00	USAID	Creative Associate International Inc.; Research Training Institute; Academy for Educational Development
WFP	15,000,000.00	5,000,000.00	WFP	MoE, UNICEF, WFP
<b>Total</b>	<b>128,241,496.00</b>	<b>44,518,288.00</b>		

Source: Ministry of Finance of Liberia: FY 09/10 Detailed Projected Disbursements by Pillar: Pillar IV, in: <http://www.mofliberia.org/Detailed%20Projected%20Disbursement%20by%20Pillar%20for%20FY%200910%20budget%20FINAL%20for%20web.pdf>

*The European Commission* is waiting for the EPF audit report in order to be able to take into consideration a contribution to the EPF. The EC will carry out a mid-term review of its cooperation strategy with Liberia. It was expressed that there might be a possibility that the EC will move towards Direct/ General Budget Support without going through the EPF as a transitional mechanism in the medium-term.

**Table 6 shows, that the majority of the support goes through donor executed projects, not using PFM systems or procurement systems or Government authorities for implementation.** The three donors, AfDB, France and the World Bank, that use general budget support are not at all or not visible education donors. (Table 6) The current situation in Liberia and experience in other countries suggest that movement towards Direct/ General Budget Support is a time consuming process. The EFA FTI Survey Report on aid effectiveness in the education sector shows, that even if countries considerably improved the quality of their PFM and procurement systems donors are reluctant to use country systems.<sup>152</sup> If an increasing number of donors would shift to general budget support then there is need to (a) promote an increase of the government budget allocated to education of about 20 percent, (b) put education higher on the Government's agenda, (c) present to the MoF sound and convincing implementation plans for the ESP, and (d) promote the ESP in the Legislature.

<sup>152</sup> EFA FTI 2009.

Table 6: FY 2009/10 projected disbursements by type and partner			
Donor	Modality	Total Amount (US\$)	FY 09/10 Planned Disbursements (US\$)
AfDB	<i>Budget Support</i>	17,941,967	5,980,656
AfDB	GoL executed projects	29,446,492	13,254,833
AfDB	Donor executed projects	39,488,205	12,302,610
DANIDA	Donor executed project	20,000,000	5,718,608
DFID	<i>Pooled Fund Contribution (Health Sector Pool Fund)</i>	10,029,075	1,446,341
DFID	<i>Pooled Fund Contribution (Reconstruction Trust Fund)</i>	14,721,074	3,615,852
DFID	Donor executed projects	26,008,449	8,144,191
EC	Donor executed projects	151,453,185 <sup>1</sup>	16,889,423
French Cooperation*	Donor executed projects	1,565,303	
German Cooperation	<i>Pooled Fund Contribution (Reconstruction Trust Fund)</i>	21,245,855	21,245,855
ILO	Donor executed project	5,000,000	500,000
Irish Aid	<i>Pool Fund Contribution (Health Sector Pool Fund)</i>	6,213,860	2,648,656
Irish Aid	GoL executed projects	3,266,940	127,609
Irish Aid	Donor executed projects	10,165,488	4,624,544
Norway*	Donor executed projects	30,677,998	9,628,526
SIDA	GoL executed projects	500,306	183,542
UNDP	Donor executed projects	81,493,044	10,851,478
UNICEF*	Donor executed projects	68,282,440	13,828,150
USAID*	Donor executed projects	499,500,000	229,990,000
World Bank	<i>Budget Support</i>	5,000,000	5,000,000
World Bank	Donor executed projects	6,230,000	1,410,000
WFP*	Donor executed projects	13,060,000	25,960,000
<b>Total</b>			

\* include commitments to Pillar IV, Education  
Source: Ministry of Finance of Liberia: FY 09/10 Detailed Projected Disbursements by Type and Partner, in: <http://www.mofliberia.org/Detailed%20Project%20Disbursements%20by%20Type%20and%20Partner%20for%20FY%200910%20Budget%20FINAL%20for%20web.pdf>

**The FTI's EPDF has been providing technical assistance to develop capacity and the ESP.** The EPDF is a multi-donor trust fund within the EFA FTI Partnership and managed by the World Bank. It was established in November 2004 to enable more low-income countries to develop comprehensive and sound ESPs, to access the FTI Partnership and accelerate progress towards universal primary education. The EPDF aims at developing capacity required to prepare a sound education plan in countries with weak capacity. It also provides support to countries in the implementation of their education sector plans by supporting knowledge generation through better monitoring and evaluation, knowledge sharing across countries and strengthening partnerships at the country level.

**Between 2007 and 2009 the EPDF has been supporting education in Liberia by providing technical assistance for capacity development in the MoE.** A Country Status Report and the ESP have been developed with the former providing the necessary diagnostic and the latter laying out the policy directions that are fully costed. The ESP is being finalized and endorsement is planned for September 2009. (See Box 15 for detailed list of EPDF funded activities.) It was said that the EPDF funds have not been used systematically to develop capacity in the MoE nor has the choice of funded consultants been discussed with the EDPs or the ESDC Executive Board. Instead, the World Bank used to agree bilaterally

with the MoE what and who should be funded and the EDPs, the ESDC Executive Board have merely been informed about the planned or funded activities. The use of the EPDF resources will be important for Liberia in future. The new version of EFA FTI's EPDF puts the Local Education Group in the driver's seat to propose activities to be funded from the EPDF and to manage them. In that way the ESDC (Local Education Group in Liberia) will have the opportunity to strategically use EPDF resources, given (a) that a capacity gaps analysis is conducted to strategically build capacity for the implementation of the ESP and (b) technical assistance provided by the various EDPs and EIPs is better coordinated based up on transparent information.

**Box 15: EPDF country specific activities in Liberia (2007-2009)**

**A – Capacity Building in the MoE (2007-2009)**

**Activities and Tasks financed**

1. Teacher assessment report completed based on school census data 2006/7
2. Early Grade Reading: Training, Assessment, Pilot Test, Workshop, Impact Evaluation, Report
3. Education Public Expenditure Review completed
4. Technical Assistance for infrastructure expansion strategy
5. Two assistant project accountants recruited to assist with financial management of L-PERP implementation, more specifically with financial management of EPF in liaison with the PFMU
6. L-PERP Planning Coordinator (focal person in Department for Planning, Research and Development)
7. Resource person for the Deputy Minister for Instruction on all L-PERP related issues
8. World Bank Institute courses

**B – Country Status Report and Education Sector Plan**

**Activities and Tasks financed**

1. Development of Joint Country Status Report
2. Development of ten-years Education Sector Plan (First complete draft July 2009)s

**C – Early Childhood Development (2009)**

Proposal (July 2009)

**D – Application for EFA-FTI Catalytic Fund (2009/10)**

Proposal and Concept Note (July 2009)

***A regular funding window for fragile and conflict affected states at the international level:*** Education in post-conflict transition countries has been neglected regarding major and systematic international financial assistance and programmatic support. EFA FTI does not provide for a funding window for fragile or conflict affected countries. However, EFA FTI endorsed the education sector plans of more than ten fragile and post-conflict countries in the past year or so.<sup>153</sup> Despite this, the endorsement has not automatically led to the receipt of a grant from the Catalytic Fund. The requests from the Central African Republic and Haiti, for example, were turned down by the Catalytic Fund Committee before the funding requests were accepted after some additional months of work. Liberia's prospect of receiving funding from the FTI Catalytic Fund will only be realistic with the presentation of a quality ESP. The lack of a regular international funding mechanism for fragile, conflict or post-conflict transition countries is partly due to severe constraints on policy making and service delivery in these "high" risk environments that are characterized by a lack of transparency, weak governance, low accountability and high

<sup>153</sup> **"Fragile States":** FTI understands that "fragile states" have low institutional capacity to run and manage the education sector. FTI works with the 2007 IDA list of the [34 IDA-eligible countries](#) classified fragile and conflict-affected states. The World Bank's definition of fragile states covers low-income countries scoring 3.2 and below on the [Country Policy and Institutional Assessment](#), which is the primary tool used to assess the quality of country policies.

uncertainty. EFA FTI is engaged in establishing a regular funding window which would address this gap in the international aid architecture.

***The L-PERP was developed and appraised at the country level and endorsed by the EFA FTI Partnership.*** An application for support from the Catalytic Fund was presented to the Catalytic Fund Committee but turned down for reasons explained earlier. In order to not let the GoL fail to implement the L-PERP because of lack of funds, the EPF was established by the GoL, UNICEF and OSI. Simultaneously, the MoE with support from EFA FTI's EPDF prepared the long-term sector strategy. This comprehensive sector plan will be presented to the Catalytic Fund Committee three years later (2010). This time, Liberia has a full PRS and will present a fully costed whole-sector plan. UNICEF is coordinating the EDP Group and supports the MoE to carry out the nation-wide consultation as well as the appraisal process. The EDP Group has been waiting for the ESP which will guide as the national comprehensive education sector development framework the way towards a SWAp.

***A SWAp constitutes an approach in a sector, and is not in itself a financial instrument but can involve different funding modalities.***<sup>154</sup> One of them is pooled funding which is in support of program-based approaches characterized, i.e. by joint procedures harmonized with national auditing, budgeting and reporting procedures. The EFA FTI is promoting the Paris Declaration Principles and supports countries to identify the most aligned modality to receive the Catalytic Fund grant. EFA FTI's Country-Level Process Guide states that during the ESP appraisal process a joint fiduciary review would be carried out (usually led by the World Bank) aiming at (a) assessing the sector's PFM capacity and (b) determining what is the most appropriate and possibly most aligned modality for supporting the implementation of the ESP. Once the government and the Local Donor Group choose the desired modality, they determine the Supervising Entity. The Supervising Entity is responsible for supervising the activities financed under a Catalytic Fund grant agreement between the Supervising Entity and the recipient Government. Normally the World Bank acts as the Supervising Entity for the execution of the Catalytic Fund grant at the country level. However, if the World Bank is not able to support or work through the arrangements of the determined modality, the government and the Local Donor Group can select an *alternative Supervising Entity*.<sup>155</sup> Although the World Bank has been an active partner in the EDP Group and ESDC Executive Board, and has been managing the EPDF funding requests and activities, it does not provide funding for the education sector in Liberia. The World Bank has been engaged in the consultations on the establishment of the EPF but has not contributed to it. If the EPF was chosen as the preferred modality by the GoL and the EDPs consultations about the World Bank's role as Supervising Entity would need to be discussed. Looking at the current funding situation, Catalytic Fund support will be critically important for the sector. It could also be an opportunity to replenish the EPF and subsequently enable the GoL to improve its performance using the existing pooled fund arrangements.

***Attracting new donors to support education in Liberia through the EPF:*** The replenishment of the EPF is urgently needed in order to keep the EPF functioning and the MoE the opportunity to practice on the job to use the EPF as an instrument to achieve results and to work with the EDPs. Against the background of Liberia's dependency on aid, the vulnerability to the effects of the global financial crisis and the volatility of aid, it is even more important to provide predictable funding. The EPF could be used as a tool to improve donors' aid predictability and to use the aid strategically and to complement domestic funding, particularly for areas that are under-funded or for which funding is not easily available.<sup>156</sup> A recent study by UNESCO IIEP and CfBT Education Trust points out: "[...] the establishment

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<sup>154</sup> UNESCO 2007.

<sup>155</sup> EFA FTI 2008.

<sup>156</sup> IIEP Newsletter May-August 2009: 11.

*of the EPF is an important step in moving towards long-term financing strategies to support the education sector at the systemic as well as the programme level.*<sup>157</sup>

**Education activities and programs by the EDPs are undergoing a process of transition, evaluating and phasing out from humanitarian aid towards long term planning for their sector support.** The new ESP will play a critical role as a guiding sector development framework for the EDPs to do their longer term planning. A convincing quality and fully costed ESP, a broad appraisal process and a possible endorsement of the ESP by the EFA FTI will help the MoE to support a resource mobilization strategy. The ESP endorsement by the EFA FTI is considered a 'quality proof'. New donors might be encouraged to develop or expand the education component in their country programs or plans. This strategy should aim at reaching out to donors that are active in the country but not engaged in the sector or in the EDP Group. The MoE with support of UNICEF should at the same time aim at promoting the EPF as the preferred and most aligned funding modality established in the education sector. The following donors are active in the country and are important education donors in other countries and also EFA FTI donor partners at the global level: AfDB, Denmark, DFID, Germany, France, Irish Aid, Japan, Norway, Spain, Sweden and Switzerland.

**Disengagement of donors and agencies leaves GoL with more funding and implementing responsibility.** *"Already we have started receiving signals of donors' disengagement from some key PRS sectors such as health, education and security. For instance by June 2009, at least seventeen (17) clinics and/or health centers will be turned over to the Government by aid agencies."*<sup>158</sup> The Government will need to cover the operating costs for facilities and programs established by development partners and ready to be handed over to the Government. However, examples in the education sector show that the MoE will need to develop strategies of how to handle those transitions. WFP, for example, complained that the MoE has not yet engaged in a process to develop a strategy to take over the country wide WFP funded and implemented school feeding programs. The Government would not only be required to secure resources for those programs but to build capacity to take over the implementation.

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<sup>157</sup> Brannelly; Ndaruhutse; Rigaud 2009: 195.

<sup>158</sup> Government of Liberia 2009: 23, 24.

## 6 Way Forward

***The Liberian Education Sector Plan will set out the strategy for the development of the education sector for the next ten years.*** It will be the overarching document for all key education activities. The ESP is located within the broader framework of international agreements and national policy set out in the current PRS (2008-2011), and will be implemented within the processes and systems of the national Annual Budget, national legislations and the M&E system of the MoE. The new ESP details the short, medium and long-term goals, policies, policy objectives, strategies and activities of the GoL.

***In the next months the finalization process of the new ESP will involve*** (a) nation-wide consultations, (b) an appraisal process by the EDPs using the *EFA FTI Guidelines for Appraisal of the Primary Education Component of an Education Sector Plan*<sup>159</sup>, (c) submission of the finalized ESP and Appraisal Report for endorsement by the EFA FTI Partnership, (d) preparation of the application for Catalytic Fund support, and (e) resource mobilization to secure funding for the implementation of the ESP and to attract new donors to pool their funding in the EPF. As a first step, the MoE with support of the EDP Group is organizing a nation-wide consultation in style of the approach taken for the PRS consultations and endorsement in 2008. This is to ensure that the policies, objectives, priorities, strategies and activities proposed in the plan address the felt needs of the Liberian people and to build national ownership, accountability and knowledge about the ESP.

***Having a solid, fully costed ESP with clear work plans, helps to leverage not only external support but also domestic support.*** It strengthens the position of the MoE in the negotiations with the Ministry of Finance over resource envelopes.<sup>160</sup> One of the most important gains of the FTI process at country level is that it improves a joint process leading to a common understanding of the challenges and an open and constructive dialogue on how to jointly address sector challenges.<sup>161</sup>

***The development towards an education SWAp has gained some momentum during 2008 and 2009.*** With support from the EPDF, work is being undertaken on the Country Status Report providing a diagnostic analysis for sector-wide planning, comprehensive sector analysis and the development of the ESP. The ESP covers the whole sector and will through the nation-wide consultation and appraisal process gain national ownership and donor support.

***The EPF arrangements have accelerated the development of a sector coordination mechanism and have helped to improve donor-to-donor partnership and government-donor dialogue.*** Progress in this area is best reflected in the Education Sector Review in June 2009 in which all stakeholders (GoL, EDPs, EIPs, CSOs, District and Country Education Officers, etc.) took part. In a joint exercise they examined progress made against the L-PERP. The World Bank together with the GoL and other donors undertook a Public Expenditure and Financial Accountability Review (2008/9). Such a review allows discussions between the government and donors on the links between the national budget, outturn, and the underlying development agenda and strategies. Despite the success major effort on part of the MoE needs to be made to establish and provide a comprehensive strategic planning approach involving stakeholders at all levels and the EDPs. Equally important and as pointed out before is the development

<sup>159</sup> The EFA FTI Appraisal Guidelines (AG) provide the framework for posing the pertinent questions and the Indicative Framework gives benchmarks which can be used to discuss and set appropriate targets in key areas. The AG thus set out the essential elements of an effective Appraisal Report. Although the bulk of the appraisal will pertain to the substance of education reform and expansion, a fiduciary assessment will also form part and parcel of the appraisal of the ESP, because this appraisal will later on guide the development partners' support for this plan. EFA FTI 2009: 11; EFA FTI 2006. [http://www.educationfasttrack.org/media/library/Appraisal\\_guidelines\\_March\\_2006.pdf](http://www.educationfasttrack.org/media/library/Appraisal_guidelines_March_2006.pdf)

<sup>160</sup> EFA FTI 2009: 10.

<sup>161</sup> EFA FTI 2009: 9.

of a Medium-Term Expenditure Framework to provide for more efficient planning of domestic and external resources. With the ESP being implemented next year, and the global goal for results-based management and mutual accountability between the government and the donors an established system for monitoring and evaluating progress of sector programs is required, also to make effective policy choices and provide needs-based planning.

**Possible components of the SWAp process ([Annex 7](#)):** (a) country owned education sector development framework defined in the ESP, (b) appraisal process of the new ESP at country level, (c) sector coordination, (d) Public Expenditure and Financial Accountability Review (PEFAR), (e) MTEF, (f) Joint Annual Review, (g) Partnership Principles, and (h) aid effectiveness agenda for the education sector.

**The L-PERP and EPF processes have mainly involved EDPs in the sector dialogue active in the primary education sub-sector.** Simultaneously to strengthening existing sector coordination structures the MoE and the EDPs are challenged to engage with a broader range of donors across sub-sectors. This would possibly require changes to the existing structure.

**The dynamics created in 2008/9 only suggest the movement in the direction of a SWAp.** Such an approach requires operational planning, budgeting, coordination and monitoring systems and processes, which are at a very low level in Liberia. The shift from the L-PERP as sub-sector program to a comprehensive whole-sector strategy will mark the entry into a new era of sector governance and coordination in which the leadership role of the Government and country ownership will be indispensable for success. This is once more underlining the importance of a strategic approach to capacity development. The EPF has marked the way for an approach that is innovative in the context of a post-conflict transition environment, encouraging the Government, development partners and national stakeholders to work along *one plan*, with *one mechanism* and within *one process*.

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## 8 Annexes

### Annex 1: Chronology of Events around the EPF

DATE	EVENT
<b>2002</b>	End of Civil War
<b>18 August 2003</b>	Accra Comprehensive Peace Agreement (CPA), Charles Taylor pushed out of Liberia
<b>2003-2006</b>	National Transitional Government of Liberia
<b>February 2004</b>	Formal Adaption of Results Focused Transition Framework (RFTF) during first donor conference were US\$522 million were pledged for reconstruction
<b>November 2004</b>	First EFA FTI Communication with Liberia
<b>11 October 2005</b>	Presidential and Legislative Elections
<b>8 November 2005</b>	Election run-off between Ellen Johnson Sirleaf and George Weah
<b>16 January 2006</b>	Inauguration of Ellen Johnson-Sirleaf as President
<b>2006</b>	Adaption of 150 day action plan to bridge gap between RFTF and i-PRS
<b>18 April 2006</b>	Launch of the Girls' Education National Policy Document
<b>April 2006</b>	World Bank Mission: The main objective of the mission was to initiate an education sector dialogue between the GoL and the World Bank and other international partners in education (Aide Memoire)
<b>May/ June 2006</b>	IIEP Training Workshops on "Increasing access to quality education for all. The role of county and district education offices". Among the 75 participants, most were CEOs and DEOs but also principals and teachers, most of whom were women, who were identified to be potential leaders. (Donor: USAID)
<b>June 2006</b>	Ministry of Education School Census Study
<b>July 2006</b>	Liberia Partners' Forum in Monrovia
<b>September 2006</b>	Letter from Minister of Education to EFA FTI Secretariat expressing interest for funding; Response by EFA FTI Secretariat underlining the importance of a full ESP and the availability of EPDF funding through the World Bank for ESP development
<b>January 2007</b>	Ministry of Education: Priorities Program for Post-Conflict Recovery of the Liberia Education Sector, FY 2007/08 to 2010/12. Prepared for Liberia Partners' Forum, February 13 – 15 in Washington, DC.
<b>13-15 Feb. 2007</b>	Liberia Partners' Forum in Washington, DC. Co-hosted by the World Bank, USAID, IMF, AfDB, EC Endorsement of the Interim Poverty Reduction Strategy; Education Side Meeting "Post-Conflict Recovery of the Liberian Education Sector" with Minister of Education of Liberia, UNICEF, World Bank, UNHCR, UNESCO, WFP, USAID, Embassy of Japan and Sweden, IRC, Carnegie Foundation, Save the Children US
<b>22 February 2007</b>	EFA FTI Secretariat presents informal comments on the Priorities Paper upon request from the MoE
<b>1 March 2007</b>	Launch of L-PERP Appraisal Process with USAID, UNESCO, EC, SC-UK, IRC, LET, NRC, JRS, Oxfam and UNICEF participating
<b>6 March 2007</b>	Meeting "Strategy on Improving Learning Achievement in Education by 2012" organized by MoE in collaboration with UNICEF
<b>16-22 March 2007</b>	Consultative Meetings for EFA FTI Appraisal of the L-PERP
<b>30 March 2007</b>	Endorsement Letter for L-PERP sent by UNICEF to EFA FTI Secretariat
<b>April 2007</b>	Progressive Governance Summit, London, England
<b>26 April 2007</b>	EFA-FTI Endorsement of the L-PERP and admission of Liberia to the FTI Partnership
<b>27 April 2007</b>	Official Welcome Letter by the EFA FTI Secretariat on behalf of the EFA FTI Partnership
<b>2 May 2007</b>	"Keeping our Promises on Education", Conference in Brussels; George Soros commits US\$5 million for the implementation of the L-PERP
<b>23 May 2007</b>	Catalytic Fund Committee Meeting, Bonn, Germany Funding request from Liberia was rejected but UNICEF and the Netherlands proposed a US\$12 million funding using part of the grant already given to UNICEF in 2006
<b>1 June 2007</b>	Follow-up Letter by World Bank Vice President of the Human Development Network to Minister of

	Education in Liberia about the support to the education sector from EFA FTI after the EFA FTI Catalytic Fund Committee Meeting in Germany
<b>15-18 July 2007</b>	UNICEF Deputy Director, PARMO visits Liberia by invitation of the Minister of Education to discuss the pooled fund mechanism
<b>28 August 2007</b>	Meeting at UNICEF Headquarters "Arrangements for the Pooled Fund to Support Education Renewal in Liberia" with participation of UNICEF (PARMO), Ministry of Education Liberia, the World Bank, Open Society Institute West Africa, Open Society Institute Education Support Program (London)
<b>September 2007</b>	First Drafts of Letter of Agreement and Memorandum of Understanding for discussion
<b>19-21 Nov. 2007</b>	Education Development Partners Meeting: Workshop with Government and EDPs to develop the structure of the EPF: Flow of Funds, List of Agreements, Next Steps
<b>23 November 2007</b>	Education Donors Meeting
<b>December 2007</b>	Technical Assistance provided by UNICEF to assist the MoE on the development of the EPF
<b>3-6 Dec. 2007</b>	Capacity Development Workshop "Country Leadership and Implementation for Results in the EFA-FTI Partnership", Tunisia (World Bank/ EPDF); Participation of MoE and the EC representing the EDPs
<b>18 December 2007</b>	Education Development Partners Meeting in the Ministry of Education to discuss the membership and definition of the roles of the EPF governing entities
<b>13 Feb. 2008</b>	Education Development Partners Meeting; UNICEF provided technical assistance to the MoE for the operationalization of the EPF and for the development of a SWAp development (February through to December 2008)
<b>March 2008</b>	Establishment of Health Sector Pool Fund (initial contribution US\$8 million DFID)
<b>March 2008</b>	Liberia reached HIPC Decision Point and entered the HIPC process towards full debt relief
<b>22 May 2008</b>	Launch of the Education Pooled Fund by President of Liberia
<b>26-27 June 2008</b>	Second Liberia Poverty Reduction Forum in Berlin, Germany Launch of the Poverty Reduction Strategy Paper 2008-2012
<b>2-5 Sept. 2008</b>	Accra High-Level Forum on Aid Effectiveness
<b>5-6 Sept. 2008</b>	Extraordinary Meeting of the Liberia Development and Reconstruction Committee with participation of development ministers from the Netherlands, Sweden, Norway, Japan and USA
<b>11 Sept. 2008</b>	First Disbursement UNICEF from Off-shore account into EPF Account US\$1,507,901.00
<b>October 2008</b>	MoE launched "A System in Transition: the 2007/08 National School Census Report"
<b>18 Nov. 2008</b>	Second Disbursement from UNICEF off-shore account into EPF Account US\$5,510,825.07
<b>January 2009</b>	MoE, EPF Expenditure Report July-December 2008
<b>23 February 2009</b>	ESDC Executive Board Meeting on School Construction Budget
<b>13 March 2009</b>	ESDC Executive Board Meeting (not on LEPF)
<b>19 March 2009</b>	"Emergency Advisory" Board Meeting (Construction of 40 schools)
<b>March/ April 2009</b>	INEE Global Consultations Remarks from President Ellen Johnson Sirleaf UNICEF Presentation on EPF as Funding Mechanism for Post-Conflict Countries
<b>3 April 2009</b>	Third Disbursement from UNICEF off-shore into EPF Account US\$5,238,268.00
<b>23-24 June 2009</b>	Education Sector Review Meeting on L-PERP Implementation Inaugural Meeting of the Education Sector Development Committee
<b>10 June 2009</b>	ESDC Executive Board Meeting: UNICEF/ EDP Coordinator presented options for funding from EFA-FTI PFMU provided first financial monitoring report (July 1, 2008 – May 31, 2009) as part of progress reporting
<b>July 2009</b>	Final Report of the 2009 Education Sector Review
<b>August 2009</b>	External Audit of the Liberia Education Pooled Fund (Pending)

## Annex 2: Next Steps proposed in the L-PERP Appraisal Report (March 2007)

Agreed next Step		Comment
1. The MoE and the DPs to set up a detailed implementation plan for the next six months with measurable “deliverables”, costs and deadlines.	x	L-PERP implementation plans were available for 2008/9.
2. A system of monthly meetings to be set up by the MoE for the MoE and EDPs to review progress on the <i>Next Steps</i> , review L-PERP implementation and overview of external financial inflows	√	The EDPs with the MoE had held joint meetings before the ESDC-Executive Board was established. Regular monthly meetings have been taking place under the leadership of the MoE since June 2008. The EDPs’ Group meets without the MoE on a bi-weekly basis.
3. An annual review be instigated that evaluates program implementation, progress towards targets and assessment of trade offs	√	The first Education Sector Review took place in June 2009.
4. The MoE sets up some interim capacity to integrate and coordinate externally funded activities to align them with the L-PERP	x	Sector/ Donor coordination has not been institutionalized within the MoE. The MoE is seeking technical assistance for the establishment of a respective unit. An EPDF funded coordinator had been assigned to the MoE for a year.
5. The MoE together with the Ministry of Finance and the Budget Bureau establish an appropriate budgeting system (if necessary, parallel to the present) that enable a clearer analysis of financial allocations to the sub-sectors of the education sector	x	EPF establishment and operationalised through a SWAp including a first draft of a MTEF provided by UNICEF supported technical assistance on SWAp. A MTEF or a Medium Term Support Budgeting system reflecting domestic and external allocations for L-PERP implementation is not available.
6. The MoE establishes a simplified, accountable and transparent version of the sector plan	√	A first final draft of the ten-year ESP is available for national consultations and appraisal by EDPs since July/ August 2009.
7. The MoE carries out the next round of the School Census with a revised and extended questionnaire and data inputted into a functional EMIS system	√	Third UNICEF supported National School Census for 2008/ 2009 launched in April 2009. Data are being analyzed; UNICEF funded technical assistance to MoE leads the process; a functional EMIS has been in place since 2008.
8. Together with the Civil Service Reform Agency, the MoE regularizes the payroll, establish a human resource database and establish a salary scale based on qualifications, experience and responsibilities	√	USAID supporting activity with a view to include newly qualified teachers on payroll and pay their salaries for a specified time frame
9. An independent verification of the teacher payroll be included in the regularization of the payroll	√	USAID supports activity as above
10. The MoE develops a matrix of trade-offs based on a number of financing scenarios	√	Included in ESP and the draft School Fee Abolition Policy is available (July 2009)
11. The MoE undertakes research on demand-side interventions and disparity reduction	x	Part of the School Mapping and Micro-planning is on going October 2009 – 2010 (UNICEF supported the exercise with technical assistance from the ECSEL)
12. The MoE will develop criteria to identify the location of new schools, school extensions and school rehabilitation with an emphasis on disparity reduction	?	School Mapping exercise to commence in August 2009 carried out by LISCIS (as above). UNICEF provided technical assistance for research and documentation on ‘Vulnerability and Participation in Education in Liberia’ including scenarios for school construction and rehabilitation in 2008.
13. The MoE will begin the development (that includes field research to fill knowledge gaps) of a comprehensive education policy and plan that includes a process of wide consultation. The	√	A first final draft of the ten-year ESP is available for national consultations and appraisal by EDPs since July/ August 2009. The ESP is expected to be appraised,

<p>document should take particular note of special needs education, public and private service provision, HIV/AIDS, and over-age pupils. The policy and plan should be complete by end of the year [2007].</p>		<p>finalized and endorsed before the end of 2009.</p> <p>The ESP was delayed on part due to the World Bank requirement to develop the Country Status Report separately rather than concurrently.</p> <p>HIV/ Aids is a cross-cutting issue and a national HIV/ Aids strategy and plan have been developed with UNICEF supported Consultant.</p> <p>The Accelerated Learning Program (ALP) has been dealing with the older children; UNICEF supported the development of ALP policy guidelines for the use to this effect.</p>
<p><b>14.</b> The MoE and DPs to engage with the MoF on possible financial management and disbursement mechanisms</p>	<p>✓</p>	<p>PFMU/ MoF provide financial management services for the EPF.</p>
<p>x – not delivered/ ✓ - done</p>		

### Annex 3: PRS Pillar IV Priority Action Matrix - Education<sup>162</sup>

Issue	Priority Interventions	Delivery Date	Lead Ministry / Agency
<b>Goal: To provide access to quality and relevant educational opportunities at all levels and to all, in support of the social and economic development of the nation</b>			
<b>Strategic objective 1: To strengthen the curriculum</b>			
School curricula are weak and outdated.	Develop new primary and secondary school curricula and have 100 percent of schools adopt	September 2011	MoE
<b>Strategic objective 2: To expand access to quality, safe, and hygienic schools</b>			
Access is severely limited due to insufficient facilities and supplies, while the available facilities are disproportionately located out of reach for some regions.	Build 240 primary classrooms (40 schools) and 54 secondary classrooms (4 schools); repair 200 primary classrooms (33 schools), and 72 secondary classrooms (6 schools); construct 14,150 chairs and 82 water wells with hand pumps	2011	MoE
	Facilitate purchasing and publishing of approved textbooks	September 2010	MoE
<b>Strategic objective 3: To recruit and train qualified teachers</b>			
Only one third of primary teachers in public schools have been trained, and only 9% have received some ALP training.	Extend field-based in-service training to all fifteen counties	2011	MoE
	Scrutinize and harmonize the MoE payroll and establish a teacher database	June 2008	MoE
	Rehabilitate three Regional Teacher Training Institutes to train between 650-1000 new teachers annually	September 2008	MoE
	Review and revise the salaries of teachers and introduce salary scales based on qualification, experience, performance, position/responsibility, teaching subject, and place of teaching	July 2008	MoE
	Construct 35 teachers' houses per year (105 over 3 years)	Starting 2008	MoE
<b>Strategic objective 4: To improve learning achievement and school completion rates</b>			
Enrolment rates remain low, especially for girls. Only a small number successfully make the transition from primary to secondary education.	Provide feeding for at least 600,000 students and take-home rations for 30,000 adolescent girls, and encourage girls' enrolment through special scholarship program.	Ongoing	MoE
<b>Strategic objective 5: To strengthen the quality and accessibility of vocational training</b>			
Large numbers of unskilled and unemployed youths nation-wide.	Refurbish and equip the six existing multi-lateral high schools to reactivate skill training and increase the production of skill training graduates	September 2009	MoE
	Establish a skills training center to serve three counties that never previously had any government provisions.	September 2009	MoE
	Increase the production of skills training center graduates by 50 annually	Starting from 2010	MoE

<sup>162</sup> PRS 2008: 122ff

<b>Strategic objective 6: To improve the quality and standard of tertiary education and to implement a phased expansion of the higher education system</b>			
Outdated accreditation scheme, outdated curricula, and a lack of qualified staff. Sector unable to meet the national demand.	All institutions of higher learning review and revise their curricula under the leadership of the MOE and NCHE	2009	MoE, NCHE
	Address the situation of poor staffing at the University of Liberia through new appointments	Ongoing	MoE
	Commence arrangements for the establishment of at least one new institution of higher learning outside of Monrovia	September 2009	MoE
	Revise and upgrade the needed qualifications and experience of the quality assurance officers (CEOs, DEOs and supervising authorities at MoE), and resource and capacitate them to better play their role	December 2009	MoE
<b>Strategic objective 7: To strengthen the overall governance, management and financial wellbeing of education</b>			
Inadequate and undefined sources of finance, weak capacity for management and governance, weak regulatory framework.	Review and amend the Education Act	December 2010	MoE, Legislature
	Produce a National Education Policy of Liberia and revise all existing contributing policies	December 2009	MoE
	Produce M&E framework and evaluation sheet and commence training of staff on their use	June 2008	MoE
	Commence annual pre-notified inspection of schools, publishing reports for public consumption every 2 years	December 2009	MoE

## Annex 4: Liberia's Progress towards the MDGs<sup>163</sup>

Goals	2000 Status	Will goal be reached?	State of supportive environment	Monitoring Capacity
<b>Goal #1: Eradicate extreme poverty and hunger</b>				
Halve, by 2015, the proportion of people whose income is below the poverty line	64% (2007)	Unlikely	Improving	Weak
Halve by 2015, the proportion of people that suffer from hunger		Likely	Improving	Weak
<b>Goal #2: Achieve Universal Primary Education</b>				
Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	2007/2008 Net primary enrolment ratio (NER): 33%	Unlikely	Improving	Weak
<b>Goal #3: Promote gender equity and empower women</b>				
Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	2007/08 National Primary NER: Total: 33%; Girls' NER: 32%; Boys' NER: 34% National Secondary NER: 5%; Girls' Sec. NER: 5%; Boys' Sec. NER: 6%	Likely	Improving	Weak
<b>Goal #4: Reduce child mortality</b>				
Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	194/1,000 (1999/2000)	Probably	Improving	Weak
<b>Goal #5: Improve maternal health</b>				
Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	578/100,000 live births (1999/2000)	Unlikely	Worsening	Weak
<b>Goal #6: Combat HIV and AIDS, malaria and other diseases</b>				
Have halted by 2015 and begun to reverse the spread of HIV and AIDS	HIV prevalence 1.9% (2007), malaria prevalence 66% among children under five	Likely	Improving	Weak
Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases		Unlikely	Improving	Weak
<b>Goal #7: Ensure environmental sustainability</b>				
Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources	Insufficient data	Insufficient data	Fair	Weak

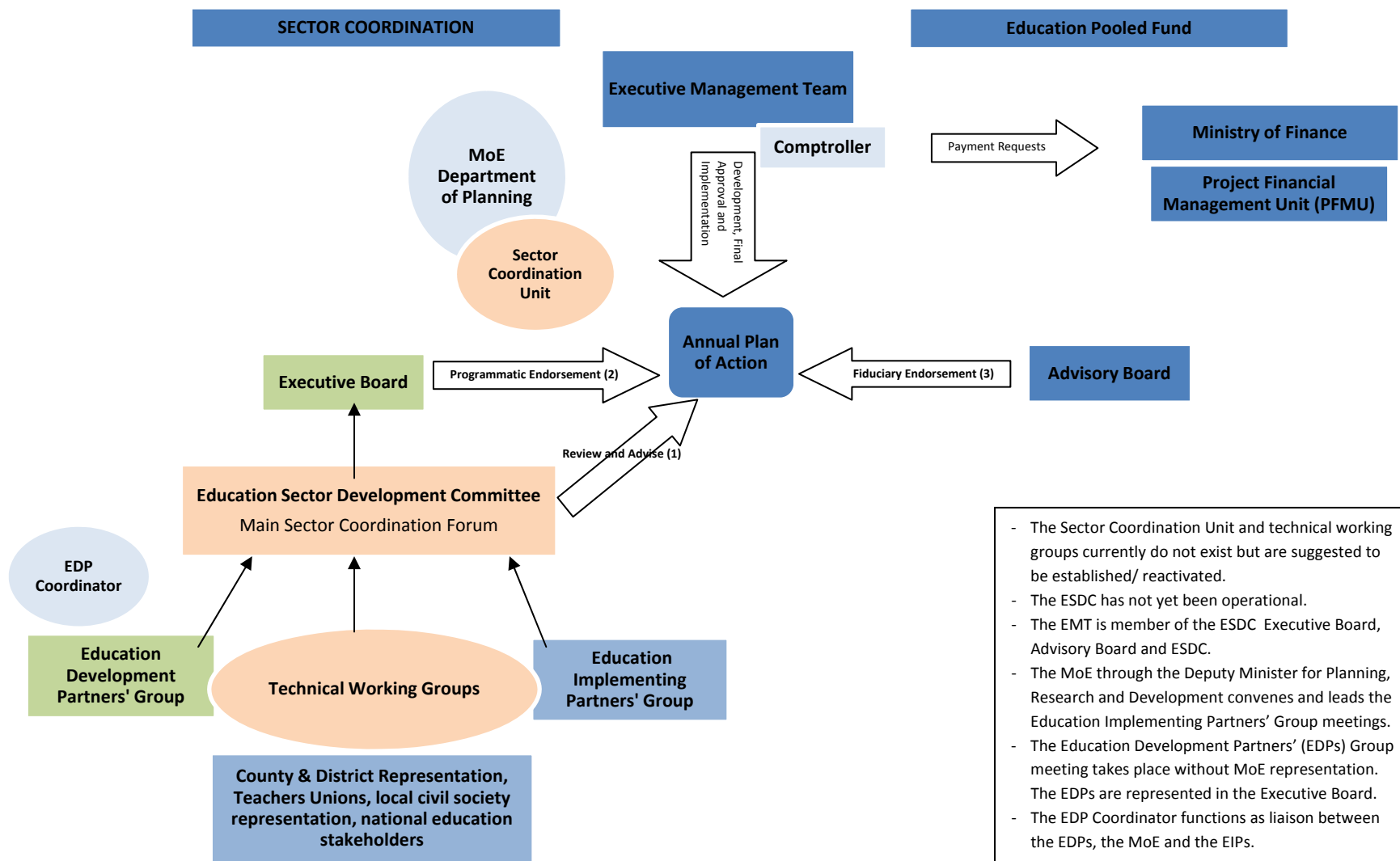
<sup>163</sup> The table is adopted from the PRSP 2008 (p. 34) "Status at a Glance" Liberia and the MDGs". In order to be consistent with the education data used in this report – which is based on MoE's 2007/ 2008 National School Census – the data for Goals 2 and 3 were adjusted. The data used in the PRSP document is based on data provided in the report "Republic of Liberia. Liberia's Progress towards the Millennium Development Goals 2008". <http://www.lr.undp.org/Documents/RecentPublic/Liberia-MDG-Report-2008-small.pdf>

Halve, by 2015, the number of people with-out sustainable access to safe drinking water and basic sanitation	Safe drinking water coverage 25%, basic sanitation coverage 15% (2008)	Likely	Fair	Weak
Have achieved by 2020 a significant improvement in the lives of at least 100 million slum dwellers	Insufficient data	Insufficient data	Fair	Weak
<b>Goal #8: Develop a global partnership for development</b>				
Deal comprehensively with the debt problems of developing countries through nation-al and international measures in order to make debt sustainable in the long term	HIPC Decision Point reached March 2008	Probably	Improving	Weak

## Annex 5: Pooled Funds in Liberia: Infrastructure, Health and Education

Characteristic	Infrastructure (LRTF)	Health & Welfare	Education (EPF)
<b>Purpose/Strategic Plan Associated with Fund</b>	Infrastructure sector strategies (consistent with the PRS)	National Health & Social Welfare Plan	Liberian Primary Education Recovery Program (L-PERP)
<b>Lead Donor</b>	World Bank	DFID	UNICEF
<b>Funding to Date</b>	US\$25.4 million	US\$10.3 million	US\$16.25 million
<b>Expenditure Decision-Making</b>	Oversight Committee	Pool Fund Steering Committee	EPF Advisory Board
<b>Pooling Donors</b>	Germany, SIDA, World Bank, Irish Aid	DFID, Irish Aid, UNICEF	UNICEF, Open Society Institute
<b>Financial Management</b>	PFMU, MoF	Office of Financial Management, MoHSW	PFMU, MoF and MoE
<b>Procurement Methods</b>	World Bank procedures	Public Procurement and Concessions Commission Act	The principles and practices outlined in the EPF Financial Procedures Manual, in a manner consistent with the Public Procurement and Concessions Commission Act
<b>Capacity Development</b>	At the project level	Financial management	Education sector capacity development components embedded in the L-PERP; On-going capacity development by using EPF arrangements
<b>Unique Features</b>	<ul style="list-style-type: none"> <li>Administered by the World Bank using World Bank policies and procedures</li> <li>World Bank task teams assist Government in project preparation and supervision monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Financially managed within the line Ministry</li> <li>Complemented by a capacity building project</li> <li>Ministry and Pool Fund Manager have co-signatory responsibility</li> </ul>	<ul style="list-style-type: none"> <li>In line with the EFA FTI framework</li> <li>Public-private partnership</li> <li>Promotes SWAp and inter-governmental cooperation</li> <li>Promotes development and strengthening of MoE internal financial management and procurement functions rather than establishing parallel structures</li> </ul>

### Annex 6: Education Sector Coordination Mechanism



## Annex 7: Components of a SWAp-building Process in Education Sector

Component	Description	Liberia
<b>Comprehensive ESP</b>	<ul style="list-style-type: none"> <li>A comprehensive ESP covering all sub-sectors and cross-cutting issues is a fundamental requirement for a sector-wide approach. It constitutes the nationally owned sector development framework.</li> </ul>	<ul style="list-style-type: none"> <li>Liberia committed to develop a full ESP in early 2007 when it presented the Priorities document. The L-PERP was recognized as the first step towards an ESP. Although the EDPs stressed the importance of the finalization of a long-term sector plan it has yet not been finalized. The appraisal and national consultation process are planned for August-October 2009 with a final appraisal and endorsement before the end of 2009.</li> </ul>
<b>Joint Appraisal</b>	<ul style="list-style-type: none"> <li>The ESP will be appraised by the Local Donor Group using the FTI Appraisal Guidelines<sup>164</sup> and guided by the Indicative Framework included as Annex 1 in the FTI Framework.</li> <li>Consultations with national stakeholders (including parliament, CSOs and the private sector) are important.</li> <li>It is important that the standard of work is high, as the endorsement of an ESP is supposed to be a reliable signal to all stakeholders, whether a parliamentary budget oversight committee, the MoF, heads of local donor offices or the international community, that this is a sound plan.</li> <li>In due course, the ESP and its appraisal may need to convince the Catalytic Fund Committee, where many members have no representation in a particular country, that this plan should be funded.<sup>165</sup></li> </ul>	<ul style="list-style-type: none"> <li>The Appraisal Process will be organized by the MoE with support from UNICEF as the Coordinating Agency during August-October 2009. It will include a series of working meetings to review the ESP draft against i.e. the FTI Appraisal Guidelines, other FTI tools,<sup>166</sup> and existing national strategies i.e. gender, HIV/ Aids, etc.</li> <li>It is important that the process of appraisal is fully owned by the EDPs' Group since the group has the first responsibility to harmonize, align and scale up support for the plan they are appraising.</li> <li>To ensure true ownership of the process on the part of the country<sup>167</sup> the appraisal process will be informed/ complemented by national consultations.</li> </ul>
<b>Sector Coordination</b>	<ul style="list-style-type: none"> <li>Shared strategy development and program planning can contribute to deeper dialogue and enhanced partnerships between donors and the Government. Such an approach can be facilitated through a lead donor or sector Coordinating Agency.</li> </ul>	<ul style="list-style-type: none"> <li>The ESDC and the ESDC Executive Board could play a role in future to facilitate shared planning through a consolidated sector partnership dialogue.</li> <li>The proposed Sector Coordination Unit in the MoE Department for</li> </ul>

<sup>164</sup> The **FTI Appraisal Guidelines** provide the framework for posing the pertinent questions and the Indicative Framework gives benchmarks which can be used to discuss and set appropriate targets in key areas. The AG thus set out the essential elements of an effective **Appraisal Report**. Although the bulk of the appraisal will pertain to the substance of education reform and expansion, a fiduciary assessment will also form part and parcel of the appraisal of the ESP, because this appraisal will later on guide the development partners' support for this plan. EFA FTI 2009: 11.

<sup>165</sup> Fast Track Initiative 2009: 11.

<sup>166</sup> **FTI Tools and Guidelines:** (1) EFA-FTI Country Level Process Guide, (2) Appraisal Guidelines, (3) Equity and Inclusion in Education. Tools for education sector planning and evaluation, (4) Indicative Framework. Benchmarking Tool for national ESPs and (5) Guidelines for Capacity Development. Please find those tools and guidelines as downloads at [www.education-fast-track.org](http://www.education-fast-track.org).

<sup>167</sup> EFA FTI February 2009: 9.

		<p>Planning, Research and Development will facilitate sector coordination. The proposed technical working groups will contribute to exchange of practical experience and knowledge.</p> <ul style="list-style-type: none"> <li>• UNICEF has so far functioned as the Coordinating Agency with an EDP Coordinator in 2009</li> </ul>
<b>Public Expenditure and Financial Accountability Review</b>	<ul style="list-style-type: none"> <li>• An annual Public Expenditure and Financial Accountability Review (PEFAR) allows detailed discussions between domestic stakeholders and donors on the links between the Government's budget, outturn, and the underlying development agenda and sector strategies.<sup>168</sup></li> </ul>	<ul style="list-style-type: none"> <li>• The 2008 Public Expenditure Management and Financial Accountability Review - PEMFAR (World Bank/GoL, February 2009) provides a detailed analysis of education expenditure during the period 2004-2008.</li> </ul>
<b>Medium-term Expenditure Framework (MTEF) for the education sector</b>	<ul style="list-style-type: none"> <li>• MTEF is a transparent planning and budget formulation process within which the Cabinet and central agencies establish credible contracts for allocating public resources to their strategic priorities while ensuring overall fiscal discipline. The process entails two main objectives: the first aims at setting fiscal targets, the second aims at allocating resources to strategic priorities within these targets.</li> </ul>	<ul style="list-style-type: none"> <li>• The LEPF is constructed to facilitate evolution towards the development of a MTEF harmonized with the Government's budget development</li> <li>• The MTEF will show all domestic and external funding resources for the education sector.</li> </ul>
<b>Joint Annual Review</b>	<ul style="list-style-type: none"> <li>• Sector reviews are expected to include feedback on sector performance and broad dialogue on sector policy and expenditure plans, providing essential inputs to annual budget preparation. Although the expectation is that such reviews should comprise an important means of accountability to the wider public, some hold the view that they remain primarily a vehicle for donor dialogue.</li> </ul>	<ul style="list-style-type: none"> <li>• Liberia undertook its first Education Sector Review in June 2009. The joint exercise reflected progress made in the implementation of the LPER in 2007-2009 period. The exercise included the GoL, decentralized authorities, national stakeholders and the EDPs. Education Sector Reviews are planned to be organized on a regular basis once or twice a year. (to be decided by ESDC)</li> </ul>
<b>Partnership Principles</b>	<ul style="list-style-type: none"> <li>• An education SWAp might include sector partnership principles or a partnership agreement/ declaration/ framework.</li> <li>• This is to align and harmonize procedures and the use of systems. Such agreements can cover different areas such as coordination framework, financial management, technical assistance, M&amp;E framework, reporting, budget planning, joint missions and analytical work, reporting requirements, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• In order to consolidate the SWAp for education in Liberia the ESDC or the ESDC Executive Board could agree on partnership principles or a partnership agreement for the implementation of the ESP in the medium- or long-term.</li> </ul>
<b>Aid Effectiveness Agenda in the education sector<sup>169</sup></b>	<ul style="list-style-type: none"> <li>• An aid effectiveness agenda can help changing behavior and obtaining a higher degree of mutual accountability to ensure that all actors in the education sector fulfill their agreed-on roles.</li> <li>• The development of an aid effectiveness agenda for the education sector can help to get a clearer picture of how aid to</li> </ul>	<ul style="list-style-type: none"> <li>• Liberia has not taken part in the OECD-DAC Monitoring Survey on Aid Effectiveness.</li> <li>• Given the constraints in planning, the lack of a full ESP and considerable constraints in sector coordination an Aid Effectiveness</li> </ul>

<sup>168</sup> Tanzania (Ridell 2007: 3)

<sup>169</sup> EFA FTI March 2009.

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	<p>education is managed by donors and partner governments.</p> <ul style="list-style-type: none"><li>• It also gives an opportunity for the Local Education Group to reflect further on the following issues:<ol style="list-style-type: none"><li>a. key challenges and reforms needed to improve effectiveness of aid in the education sector,</li><li>b. methods to reduce transaction costs of delivering and managing aid,</li><li>c. methods of record keeping and reporting on aid on both the government and donor sides.</li></ol></li></ul>	<p>Agenda for the education sector cannot be expected in the near future.</p> <ul style="list-style-type: none"><li>• However, since sector coordination is under revision and will be strengthened it is recommended to work along the Paris Declaration Principles and reflect on the Paris Declaration Indicators.</li></ul>
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## Annex 8: List of Interviewees

Name	Position/ Title	Organisation
1. Minister Dr. Joe Korto	Minister of Education	Ministry of Education, Liberia
2. Rozanne Chorlton	Country Representative	UNICEF Monrovia, Liberia
3. Stella Kaabwe	Chief, Education	UNICEF Monrovia, Liberia
4. Susan Namondo Ngongi	Deputy Representative	UNICEF Monrovia, Liberia
5. Nathalie Lahire	Task Team Leader	World Bank
6. Aleesha Taylor	Senior Education Advisor	Open Society Institute (OSI)
7. Juan-Jose Casanova-Arasa		European Commission
Nick Waterman		EC Support to Education in Liberia (ECSEL)
8. Joe McCormack		EC Support to Education in Liberia (ECSEL)
9. Gib Brown		USAID
10. Modupe Broderick		USAID
11. Samuel Zulon	Comptroller	MoE, Liberia
12. Chris Sokpor		PFMU, MoF, Liberia
13. James Roberts	Deputy Minister for Planning, Research & Development	MoE, Liberia
14. Augustine A. Allieu	Country Director	Plan Liberia
15. Mercy Gichuhi	Program Director	Save the Children UK
16. Anthony Nimely	L-PERP Coordinator	MoE, Liberia
17. Anthony Dewees	Technical Assistant to MoE for EPF development (2007); EPF operationalisation through SWAp, (2008) and Consultant for School Fee Abolition Policy (2009)	MOE & UNICEF, Liberia
18. Bathuan Aydagul	UNICEF provided TA to MOE for planning (LPERP action plans) 2007 – 2008 (Funded by OSI) & OSI Education Advisor 2009	MoE & UNICEF
19. Othello Gongar	Senior Education Advisor	In MoE (former Minister of Education)
<b>Written Comments and Telephone Interviews</b>		
20. Desmond Bermingham	Former Head of the FTI Secretariat	
21. Peter Darvas	Education Specialist former TTL (Liberia)	World Bank
22. Gary Stahl	Deputy Director, PARMO	UNICEF HQ