

JPLG REVIEW WORKSHOP

October, 2013, Puntland

Minutes of the Side Meeting of JPLG, MOI, MoF, Mayors Oct 29, 2013, PDRC
LDF Implementation and alignment within Financial Year (catch-up strategy)

Background:

1. LDF implementation commenced in the 3rd quarter of 2011 and consequently the implementation cycle has not been matching the respective official district Financial Year (FY) period; Jan - Dec. PM assessments that are intended to inform subsequent year final allocations have also been done out of sync with the districts planning cycle. The last PM assessments conducted in Feb 2013 irregularly informed final LDF allocation for 2012. As a result the districts are caught up in a cycle of initiating implementation of prior year projects late into current FY. The side meeting agreed on a number of measures to resolve related issues to ensure that 2014 shall be the last year in which prior year projects are commenced and registered as prior year projects.
2. Considering that the cycle has been late and the fact that PM assessments that informed additional allocation for 2012 were conducted in 2013, the Ministry of Finance did not budget for a past-year contribution that was determined long after the 2013 national budget considerations. Consequently the central government and districts are unable to pay contributions to match additional allocations for 2012.

To address the above 2 situations and other related aspects, It was agreed as follows:

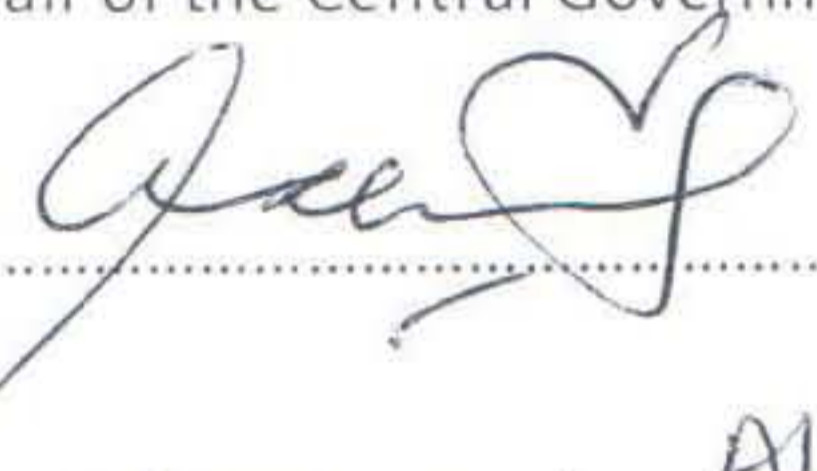
1. MOF will not contribute additional funds relating to post PM assessment allocations for 2012 projects which is USD 45,000, as this was not captured in the national budget due to late information. This one-off special consideration only applicable to FY 2013. Please ref district performance announcement in the attached official letter.
2. Since there has not been any significant change in official population estimates and given that there is negligible performance changes between the FEB 2013 PM assessments and now when the 2014 FY planning process is commencing, the same Feb 2013 PM results shall be used for determining final LDF allocation for 2014.
3. To coincide with the 2014 districts planning cycle, the **total** FY 2014 indicative LDF shall be communicated by UNCDF/JPLG during November 2013, to allow for a comprehensive planning for the 2014 investment projects. The districts have further agreed that planning for 2014 shall commence immediately after receiving the 2014 indicative LDF figures and ensure that all is budgeted for and included in the approved AWPB
4. The districts shall complete only the projects that have so far been planned for and budgeted for 2013 using the Equal Base Allocation amount of USD 120,000. Whereas some of these projects will cascade into 2014 no new projects will be started in 2014 as 2013 projects. All 2013 projects whose procurement process will not have been finalized by end of 2013 shall be cancelled and re-planned into 2014 AWPB of the affected district within the indicative LDF figures that will shortly be announced for 2014. There will be no carry forward
5. In a bid to ensure that projects are implemented within the respective FY cycle, there will be no more projected procurement cycle started in a subsequent year for prior year. It follows therefore that since there will be no carry-over of 2014 budgets to 2015 for un-committed project procurements, no new projects will be commenced in 2015 and recorded as 2014 projects subject to budget allocation and starting date.
6. Unless there has been a budget short-fall from donors, JPLG should disburse 100% all the funds as indicated in the AWPB as district allocations while maintaining the contribution ratios to the district LDF fund; 100% from JPLG, and 10%, and 5% from the Central Government and district respectively.
7. JPLG/UNCDF will conduct the next Performance Measurement Assessment in FY 2014 to inform final allocations for 2015.
8. JPLG and the Government recognized the need to ensure projects are implemented within the year and avoid dragging projects into the subsequent year.

Ad-SS


Meeting participants


Name	Title
Farah Ali Jama	Minister of Finance
Abdullahi Ahmed Jama	Minister of Interior
Mohamed Ali Nur	MOI DG Planning
Patrick Duong	JPLG Programme Manager
Anka Kitunzi	JPLG UNCDF CT
Ahmed Noah	JPLG/UNCDF PO
Abdiaziz Nur Elmi	Garowe Mayor
Mohamed Said	Gardo Mayor
Hasssan Abdalla	Bossaso Mayor

Signed on behalf of the Central Government by: Interior Minister

Signature: 

Signed on behalf of the Mayors by: Abdi Aziz (GAROWE)

Signature: 

Signed on behalf of JPLG by: 

Signature:

Anka Kitunzi
UNCDF/CTA, Somlaia

Signature: 