

## DONOR COORDINATION UNIT

### **Role and mandate**

The role, functions and structure of the **Donor Coordination Unit (DCU)** at the Ministry of Finance as an aid coordination and management unit are closely related to its place within the broader framework of development and public finance policies. Similarly, the functionalities and features of the aid information management system that is being established are determined by the functions of the DCU it supports.

The DCU is assigned responsibility for coordination of external assistance, notably to develop and strengthen aid coordination and aid management processes with a view to ensuring transparency and accountability of resource use and achieving a stronger impact of aid on national development outcomes. Donor coordination is understood to comprise the mobilization (pledging with follow through to commitment), programming, tracking, monitoring of implementation, reporting, and evaluation of aid.

The DCU is the focal entity within the government dedicated to:

Aid coordination and management of external assistance allocated by donors (official and non-official, bilateral, international, private and non-governmental) to Lebanon; this will be based on a unified system of data collection and reporting.

- Coordination with international, regional, multilateral and bilateral agencies and facilitation of partnerships between them and national entities, public, private and NGOs
- Mobilization of external assistance according to established government plans and priorities.
- Follow-up on donor pledges and commitments with recipients and implementing entities to ensure proper disbursement and utilization of funds according to agreements reached with donors.
- Tracking and reporting on donor performance and making this information available to support a donor peer review mechanism

Promotion of aid effectiveness: To improve the ways and manners in which aid is delivered and managed, by:

- Exercising effective leadership by the Government over development policies and strategies, and coordinating development actions
- Alignment of the aid provided by all donors with national goals, priorities, institutions and procedures
- Harmonization of donor practices with government systems and supporting the development of national strategies aimed at strengthening the fiduciary systems

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- Management of resources and improvement of aid in a way that focuses on the desired results and uses information to improve decision-making
- Enhancing mutual accountability and transparency in the use of development resources

### Partnership development (incl. pooled funding):

- Establishment of partnerships with and between donors and national stakeholders
- Establishment and management of the National Reconstruction Mechanism (NRM), whereby donors provide loans and grants to the Government, through the MoF, with the Government being responsible for implementing the reconstruction activities through its ministries and agencies based on a defined set of procurement and financial management guidelines and procedures.
- Promotion and management to best advantage of new funding modalities, including budget support, SWAs, and pooled funding.

In discharging this role, the MoF will not compete or overlap and duplicate with other entities of government directly concerned with aspects of aid coordination and management, but bring them together and complement what already is being done with a view to achieving coherence and cohesiveness in aid coordination.