

PAPER FOR CONFERENCE ON TECHNICAL ASSISTANCE

(1) Introduction: Brief Definition of External Assistance

External Assistance is the flow of resources from developed countries to developing countries. However, a proper definition of Technical Co-operation would be the flow of resources from one country to another under mutually agreed arrangements. You will see that this anticipates the time when some assistance will flow from the developing countries to developed countries. It would also cover the assistance already proposed by the Organization of African Unity, which will flow from one developing country to another developing country under a convention which has to be agreed upon by the member countries of the Organization of African Unity (Inter-african convention establishing an African Technical Assistance Programme). Foreign Assistance comprises of two parts: Technical and Capital Assistance. The Technical Assistance components are:

- (i) human resources,
- (ii) training opportunities, and
- (iii) equipment, including books.

Some countries/Organizations include small financial grants under the Technical Assistance components.

Capital assistance is usually in a form of soft loans or large financial grants (rare).

(2) Donor countries/Organizations: Reasons or doctrine for Assistance

- (I) Humanitarian reasons which include consideration/

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that assistance is a preventive medicine to protect the developed populations from possibilities of ravages and cold war from the ever increasing population in the Third World. This points to moral and international solidarity responsibility which lies behind the United Nations and its Specialized Agencies' Assistance. It is also found in many reasons advanced by other donor countries that the chasm between the Economic conditions in industrial countries and large continents such as Asia, Africa, and Latin America have established a responsibility for each developed nation to give assistance and a moral right for poor nations to receive assistance.

(II) A diplomatic motive impregnated with political ideologies which revolve around a concern with world wide political developments in their long run aspects in the developing countries is one of the doctrines of the big powers. This motive is found behind the policies of countries which were never before colonial masters of some of the developing countries, for example, the United States of America aid in many countries is so extensive as to inevitably make the donor intimately concerned with a development strategy as a whole and it is increasingly administered on the criterion of efficiency in all developed performances. It is assumed that USA assistance would contribute to political stability and resistance against the Soviet or Chinese penetration (Communism). Russia and China could speak in the same tone against the spread of Capitalism.

(III) Special Economic and Cultural Diplomacy as a motive is to be found behind the assistance given by the former Colonial Powers because apart from the humanitarian and political reasons given above, these countries would like to maintain a tutelage foot hold in their former Colonial Territories. On the other hand it is argued that ties of language, culture, mutual familiarity and existence and tradition of a Colonial Service make it inevitable for the metropolitan countries to assist new countries. The principle of "rayonnement" - the diffusion of a civilization claiming universal validity and the legitimate desire of a nation to implant its culture peacefully advocated by France exemplifies this concept.

(IV) There is a group of donor countries such as Japan, and West Germany which offer grants and loans to selected specific projects rather than supporting general development plans aiming at promoting economic relationship of a special nature between the donor and the recipient countries. France is also in this category because her Credits to Greece, Turkey, Spain and Latin America show the same philosophy of fortifying Economic and political ties of a special type.

(V) There are small country donors who, while giving small Technical Assistance concentrate their financial support through multilateral Aid. These have no bilateral motives except as elaborated in (I) above.

(VI) Military aid is motivated by Security reasons of the donor such as the USA. Soviet Military and other forms of aid is mostly given to countries which display strong opposition to military alignment with the Western countries.

However, it can be overlooked as very unreliable to say that there is also a desire for the developed countries to find employment opportunities in the developing markets. It would also be equally weak to argue that the capital assistance given to developing countries is motivated by commercial reasons to seek profit in the developing world, and to create employment opportunities in the industrialized countries.

(3) (a) Broad Technical and Economic Agreements

These agreements are negotiated between a donor state or a Multilateral Agency, for example, Britain or the UNDP and sometimes with an organisation based in a particular country which may be state-assisted or which depends upon voluntary funds (Voluntary Agencies). The negotiators are usually the co-ordinators on both sides, and agreements are reached at the highest level on both sides. Some states require ratification of agreements which is usually done sometime after the agreements are signed.

These agreements broadly contain the following parts:-

- (i) nature of co-operation;
- (ii) terms and conditions on which the donor government is willing to give the required assistance;

(iii) terms and conditions under which the recipient government/organization is willing to utilize the assistance, for example, housing or payment of salaries;

(iv) privileges and immunities which are normally based on the United Nations convention on privileges and immunities for United Nations personnel, and those of Specialized Agencies;

(v) Provision as to when and how such agreements will be terminated.

Please note that the doctrines in paragraph (2) above are not explicitly stated in the agreements, but underly the terms and conditions in (3) (a) (ii) above.

In Uganda the making of broad agreements is handled by the Ministry of Planning and Economic Development, Ministry of Public Service and Local Administrations, the Attorney General Chambers, and the Ministry of Foreign Affairs. **The Ministry of Planning and Economic Development** co-ordinates Government effort in this field. Once the Draft Agreement has been cleared by the Cabinet, the responsible Minister can sign the agreement on behalf of the Government, or the responsible Minister can sign it before clearance through the Cabinet, but the Cabinet approval will later be sought before the agreement can be ratified.

In the old days when there was Parliament, the Agreements used to be ratified through the National Assembly in accordance with the Constitution.

(3) (b) Project Agreements

They deal with specific details of projects spelling out the donor contributions and the counterpart contributions of the Government, and relevant mutually agreed administrative arrangements to carry out the project, for example, UNDP Plans of Operations for Special Fund Projects.

The Ministry of Planning and Economic Development and the Executive Ministry negotiate with the Donor countries/Agencies concerned after the relevant projects have been approved generally in the Plan as will be shown below. The results of informal negotiations are channeled through the Standing Planning Committee of Cabinet and to the Cabinet, and thereafter, agreements can be signed by the responsible Ministers.

(4) Planning Process

Uganda has completed its Second Five-Year Development Plan and has embarked upon its Third Five-Year Development Plan, which is not yet published. These development Plans form the basis upon which the country obtains and absorbs financial assistance and technical assistance.

The Plan begins with Working Parties composed of Sector Economists, Specialists in Executive Ministries and specialists who are chosen by the Permanent Secretary, Ministry of Planning and Economic Development, because of their standing, and special knowledge from institutions such as Makerere University or the Family Planning Association. The Working Parties draft proposals within broad Government policies and terms for reference set up by a steering committee. These proposals are used by Senior Economists of the Ministry of Planning and Economic Development and the steering committee, to write out various Chapters of the Plan. These are cleared by the Standing Planning Committee of Cabinet before final submission to Cabinet. In old days, the Plan proposals used to go to the National Assembly. After these approvals, then the Plan becomes a Working Document. Projects for foreign Assistance are quickly identified by the economists in the Ministry of Planning and Economic Development who also prepare the project applications in consultation with the subject Ministries, and informal discussion for aid by the Executive Ministry, Ministry of Finance if financial assistance is required and the Ministry of Planning and Economic Development on the one hand and the donor agency on the other, can now begin and follow the trend indicated in (3) (b) above.

(5) The Technical Assistance Committee

In 1968 the Cabinet set up a Technical Assistance Committee composed of the Permanent Secretary, Ministry of Planning and Economic Development, the Permanent Secretary,

Ministry of Public Service and Cabinet Affairs (now Permanent Secretary for Establishments) and the Permanent Secretary, Ministry of Foreign Affairs. This is an Advisory Committee to the Minister of Planning and Economic Development and it considers applications for Technical Assistance personnel in order to select those which conform to the Plan priorities. After the applications are passed by the TAC, officers distribute them to various donor countries/Agencies, and the negotiation continues with liaison between the Ministry of Planning and Economic Development and the Executive Ministry on the one hand, and the donor Agency/Country on the other. When Technical Assistance personnel are identified, and after the executive Ministries have studied the curricula vitae and accepted the candidates, the TAC comes in to play again to select the most suitable candidates for the posts. Please note that transmission of applications for Technical Assistance and total co-ordination of Technical Assistance is the responsibility of the Ministry of Planning and Economic Development. It is, however, the responsibility of the Ministry of Finance to submit and co-ordinate receipts for financial assistance, but in this role, it works in close liaison with the Ministry of Planning and Economic Development through all the stages elaborated in (4) and (3) (b) above

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(6) Co-ordination of Training

Offers of training are channelled through the Ministry of Foreign Affairs which sends the information to the Ministry of Education or Ministry of Public Service and Local Administrations in accordance with whether the training is a short term in-service training or long term training lasting for more than a year, and whether such training would enable the participant to obtain a formal qualification. The latter cases are handled by the Ministry of Education through a Central Scholarship Committee, on which the Ministry of Planning and Economic Development is represented. In all cases of training, the Ministry of Planning and Economic Development comes in at the Planning stage to decide priority fields in which training is required, and at the Technical Assistance table, to decide the portion of aid funds which should go into training if a donor country has specifically given a target, for example, under the UNDP Programming procedures.

(7) Problems encountered in the use of Foreign Aid

(i) Almost all donors of Capital assistance insist on financing major projects of high priority in which more than 75% of the loans go to financing capital goods imported from the origin of the loan, than to supplement local savings in financing local costs of projects.

(ii) Sometimes terms and conditions of the loans are not all that very soft, in that there are few donors who offer

free interest and free of service-charge loans. Some countries such as Japan offer stiff terms requiring interest at the rate of 6% per annum, or above.

(iii) In addition, there is tying of Technical Assistance to loan assistance in some countries which in some cases could be good but in others undesirable by the recipient.

(ii) Negotiations may take a long time due to bureaucratic procedures of the donor countries/Agencies, and in some cases, also from some failures on the side of the Government. For example, negotiations for Special Fund Projects can take up to 9 months with the UNPD and for loan assistance with the IBRD may take up to 30 months before the project Agreement is signed. On the side of Government, it is usually due to change of policies or inadequate preparation of applications. On the side of the donor countries/Agencies, you will find that several Missions take voluminous comments on reports, and the process is often repeated thus delaying a final decision.

(v) It sometimes happens that there are many studies made by different organizations on the same problem without the express mandate of the Government. Often conflicting views play a part in preventing clear thinking within Government circles, or even within the donor agency/Donor country circles. This prevents easy formulation of clear project objectives and goals at the planning stage.

(vi)

Housing

Few of the advanced countries have demanded free housing for their Technical Assistance personnel. If a house is not available at the beginning of the project, then the Technical Assistance personnel are put in hotels and the recipient government foots the entire bill. This has a big financial burden on the Government, especially, when some of the experts have sizeable families of, say, three or four children, and the stay in hotel, say, for a period of two months. This also indicates an encroachment on the ability of the recipient country to build more houses or to maintain the existing ones in good conditions.

(vii)

Misuse of Assistance

This problem is usually quoted by the donor countries that certain projects are formulated by the developing countries for foreign aid on purely political grounds whereas they are not economically viable projects, and therefore, lead to misuse of scarce foreign resources. Coupled with this criticism of recipients of aid is the accusation that sumptuous extravagance and corruption lead to wastage of financial assistance.

(viii)

Lack of co-ordination on the side of donor Agency/
Donor country, and Recipient Government

It will be observed that although the recipient government names a certain channel for co-ordination of all foreign assistance into the country, some donor

agencies/countries will deal with the executive Ministries concerned, in that Government and finalize certain forms of assistance without the knowledge of the Co-ordinator. This leads to various implications among which, is lack of knowledge of the volume of assistance given, or more seriously, the misuse of that assistance to cater for projects which do not have high priorities in the National Plan.

(ix) Evaluation of the assistance and its effect has been in the past, very poor on the side of givers and the recipients. However, some donor countries/agencies such as the UNDP, USAID, Britain, and Canada to mention a few, have started an exercise of following up the assistance given to see whether the goals which were set up in the negotiations were fulfilled. The Evaluations so far done in Uganda have not achieved high level qualitative analysis although they have shown good results in quantitative absorption of aid. Recipients criticism of aid administration and contents are levelled at Volume, forms, techniques of negotiations and sometimes lack of proper skills and expertise required by volunteers and the so-called experts.

(xi) Financial assistance fluctuates in accordance with the various country/Agency Balance of payments and ability to pay so that recipient countries cannot properly and accurately forecast how much they are likely to procure from certain sources within the Plan Periods.

(8) Solutions

- (i) Better co-ordination on both sides.
- (ii) Softer terms in capital assistance and untied assistance in this field would enable industries in developed countries to compete and the developing countries to make contracts with the cheapest but suitable source of supply. Hence multilateral assistance becomes preferable to bilateral assistance as some insist on international tender.
- (iii) Sound planning in recipients and programming of possible assistance in co-operation with the donor countries/agencies.
- (iv) Quicker deliveries of assistance by the donors so that applications are not overtaken by events as it usually happens these days.
- (v) With regard to personnel, better recruitment and improved machinery in vetting experts and volunteers may produce better qualitative results.
- (vi) Free aid with neither political nor commercial doctrines behind would generally assist economic development without bringing in the cold war between the Western block and Socialist countries. This conflict has been seen in the Negotiations leading to Chinese Assistance to the building of the TANZAM RAILWAY

This paper has not gone into details of volume of assistance given to Uganda during the last few years, or particulars of a group of countries giving the assistance because of complicated preparatory work required and also it cannot claim to have exhausted broad outlines on doctrines and forms of assistance, the Machinery through which it is negotiated in Uganda, or the

problems which have been from time to time incountered.

BY:

Mr. J.W.B.K.Basaza, Under - Secretary
Ministry of Planning and Economic Development
P.O. Box 13, ENTEBBE
U G A N D A

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