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**REMARKS BY**

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**TO**

**ECOSOC – PANEL DISCUSSION**

**ON**

**“THE UNITED NATIONS SYSTEM IN A CHANGING AID  
ENVIRONMENT: IMPLICATIONS AND COMPARATIVE  
ADVANTAGES”**

*New York, 10 July 2008*

*Please Check Against Delivery*

Chairman  
Mr. Moderator,

I would like to begin by bringing the following to your attention, much of which is familiar ground to you.

### 1. Decline in ODA

When in 1970s pledges were made by developed countries to devote 0.7% of their GNP as aid to developing countries, the news was greeted with fanfare and high hopes. What has happened though? Since then, the picture has been that of dwindling development aid. What has happened since then is depressing. A few countries have delivered on their promises. In fact about only 4 have met the target of 0.7%. The question is what has gone wrong? Is it because those who pledged have reneged in their promises or is there something wrong with international aid architecture?

### 2. Promises made at international fora

Developing countries and developed countries in 2002 at Monterrey committed themselves to a set of developmental goals. In return for improved governance on the part of developing countries, developed countries pledged resources to assist with development in developing countries. I would say the developing countries have done a lot to fulfill part of their bargain. In Africa for instance, under the Peer Review, significant improvements have been made in governance. Sadly developed countries have not significantly performed part of their bargain. In **Gleneagles**, Scotland, in 2005 the G8 countries pledged to double aid to Africa to US\$25 billion per year. According to some reliable information, only so far about US\$3 billion has been realized. The list of pledges goes on and on.

### 3. Multiple players

The issue of aid effectiveness is also compromised by an assorted array of providers. You have bilateral donors, then multilateral players like the World Bank, IMF and various development banks, and then individual partnership agreements like the so-called Economic Partnership Agreements (EPAS) between EU and ACP countries.

#### **4. Lack of Coordination, coherence and synergies between various players engaged in aid delivery**

This is a question of sometimes not knowing what the left and right hands are doing. You have many players in the field. Within the UN system, there is lack of coherence and coordination between players like UNDP, Funds, Programmes, etc. The problem is compounded by the existence of other players as well, such as the Secretariats of various conventions, UNCTAD, various regional commissions and bodies like DESA at the Secretariat.

#### **5. Unequal treatment of countries when it comes to aid delivery**

Sometimes much attention is given to some countries when it comes to aid delivery while less attention is paid to others. There must be a system of equal treatment.

#### **So what can be done?**

First within the UN system. A system should be devised to improve coordination and coherence to avoid duplication of effort. The current pilot projects going on in some countries regarding delivering as one at country level by the UN is a step in the right direction. Great use also should be made of the existing mechanisms, like annual Ministerial reviews and biennial Development Cooperation Forum to examine the whole issue of aid delivery, effectiveness and policy guidelines. The Paris High-Level Forum on aid effectiveness should also be fine-tuned. For instance, recipient countries should own aid delivery so that maximum benefit is derived from whatever aid is given. There is no point, for instance, in a donor country employing its own consultants to be paid out of the money given as aid, thus resulting in a smaller portion benefiting the country concerned in the final analysis.

Secondly, there should be a monitoring mechanism and inbuilt benchmarks, to make donor countries fulfill their commitments. I understand Japan has put in place an annual Ministerial forum to follow up on pledges they have made under TICAD process.

Donor countries and recipient countries should work in partnership. The focus of the donor countries should be geared towards helping recipient countries own and manage their development agenda. For instance, they can

help in fashioning appropriate poverty alleviation strategy papers. The UN system with its global mandate in multilateral setting can do a lot to make aid delivery effective, timely and relevant.

Lastly I believe the focus of UN economic development agenda should be aid for trade. Recipient countries should be assisted to put in place necessary infrastructure, develop manpower resources, and the necessary capacity including putting in place regulatory regime conducive to private investment. In other words aid should not be synonymous with hands out.

I thank you.