



Uganda: Zahlungsbilanzhilfen

Aufgrund des Antrages des EVD vom 11. Dezember 1989

Aufgrund der Ergebnisse des Mitberichtsverfahrens wird

beschlossen:

1. Der Republik Uganda werden als nichtrückzahlbare Beiträge eine bilaterale Zahlungsbilanzhilfe von 8 Mio. Franken und eine Zahlungsbilanzhilfe in Form einer Kofinanzierung des wirtschaftlichen Wiederaufbaukredites der Weltbank von 7 Mio. Franken gewährt. Die Beiträge gehen zu Lasten des Rahmenkredits von 430 Mio. Franken für die Weiterführung der Finanzierung von wirtschafts- und handelspolitischen Massnahmen im Rahmen der Entwicklungszusammenarbeit (BB vom 8.10.1986). Die entsprechenden Abkommen mit der ugandischen Regierung und der Internationalen Entwicklungsorganisation (IDA) werden genehmigt.
2. Das Bundesamt für Aussenwirtschaft oder die von ihm bestimmte diplomatische Vertretung der Schweiz wird ermächtigt, die genannten Abkommen zu unterzeichnen. Die Abkommen treten mit ihrer Unterzeichnung in Kraft.
3. Die Bundeskanzlei wird beauftragt, zu gegebener Zeit die entsprechenden Vollmachten auszustellen.
4. Die aus dieser Verpflichtung resultierenden Zahlungen werden der Rubrik 703.493.16 "Finanzhilfe, Schenkungen" belastet.

Für getreuen Auszug,
 der Protokollführer:

Protokollauszug an:

ohne / mit Beilage

Nr.	z.K.	Dep.	Anz.	Akten
X		EDA	8	-
		EDI		
		EJPD		
		EMD		
X		EFD	7	-
		EVD	22	-
		EVED		
X		BK	1	-
X		EFK	2	-
X		Fin. Del.	2	-





Bern, den 11. Dezember 1989

An den Bundesrat

Zahlungsbilanzhilfen an Uganda

1. Einführung

Mit diesem Antrag unterbreiten wir Ihnen zwei Zahlungsbilanzhilfen von 7 Mio. Franken und 8 Mio. Franken in Form von nicht rückzahlbaren Beiträgen an das von der Weltbank und anderen Geldgebern unterstützte Wiederaufbauprogramm der Republik Uganda. Das vorgeschlagene Engagement setzt sich zusammen aus einem Kofinanzierungsanteil von 7 Mio. Franken zum zweiten Wiederaufbaukredit der Weltbank (ERC - Economic Recovery Credit - II) und einem bilateralen Teil von 8 Mio. Franken zur Finanzierung dringender Einfuhren für prioritäre Sektoren. Es entspricht den in der Botschaft des Bundesrates über die Weiterführung der Finanzierung der wirtschafts- und handelspolitischen Massnahmen im Rahmen der Entwicklungszusammenarbeit vom 19.2.1986 (BBl 1986 I 1289) beschriebenen Richtlinien.

Uganda gehört zu den ärmsten Ländern der Welt (das Prokopfeinkommen beträgt - gemäss Weltbankzahlen von 1987 - 260 US-Dollars pro Jahr) und zur Gruppe der 22 hochverschuldeten Länder im subsaharischen Afrika, die unter das von der Weltbank und den bilateralen Gebern getragene Spezielle Aktionsprogramm für Afrika (SPA) fallen. Die Schweiz hat für dieses Programm aus den bestehenden Rahmenkrediten der DEH und des BAWI 200 Mio. Franken als Soforthilfe für die Jahre 1988 - 1990 bereitgestellt. Die in diesem Antrag vorgesehenen Zahlungsbilanzhilfen fallen unter dieses Programm.

2. Die wirtschaftliche und politische Situation

Die in grossen Teilen des Landes wiederhergestellte Sicherheit und das in intensiven Verhandlungen zwischen der ugandischen Regierung einerseits, dem Internationalen Währungsfonds und der Weltbank andererseits ausgearbeitete, im Mai 1987 in Kraft getretene Wiederaufbauprogramm zeitigten im Fiskaljahr 1988/89 erste positive Auswirkungen (die Weltbank schätzt, dass das BIP 1988 um real 6,8% zugenommen hat). Dazu haben die Einführung angemessener Produzentenpreise für gewisse Exportgüter, der Abbau von Preiskontrollen in wichtigen Sektoren und der leichtere Zugang zu Devisen beigetragen. Der Instandstellung von Infrastrukturanlagen wie Wasserversorgungen und Strassen ist zügig an die Hand genommen worden. Auf der anderen Seite haben die sinkenden Weltmarktpreise für Robusta-Kaffee, das mit Abstand wichtigste Exportprodukt Ugandas (über 90% der Exporteinnahmen), sowie die damit getätigten Barter-Geschäfte, auf die keine Zölle bezahlt werden, zu erheblichen Mindereinnahmen geführt. Die Inflation, die bis Januar 1989 unter Kontrolle gehalten werden konnte, beschleunigte sich in den letzten fünf Monaten des Fiskaljahres 1988/89 - u.a. wegen erstmals wieder prompt erfolgter Zahlungen des Staates an die Bauern für ihre Kaffeelieferungen -, so dass Ende Juni 1989 mit einer Jahresrate von 86% das angestrebte Ziel von 60% nicht erreicht wurde. Obwohl Anfang 1989 zwischen offiziellem und Schwarzmarkt-Wechselkurs noch immer eine

Differenz von über 100% bestand, was ein bedeutendes Risiko für Fehlallokationen und Handelsdistortionen darstellte, tolerierte der Internationale Währungsfonds (IWF) noch im ersten Semester 1989 aufgrund von Preis- und politischen Stabilitätsüberlegungen die relativ geringen Abwertungen des Uganda Shillings; erst im Oktober wurde die ugandische Währung massiv abgewertet: von 200 auf 340 Shillings zum US-Dollar.

Die Anstrengungen der seit Anfang 1986 amtierenden Regierung der Nationalen Widerstandsbewegung (NRM, National Resistance Movement), das Land nach langjährigen Bürgerkriegswirren zu befrieden, gehen weiter. Die NRM unter Staats- und Regierungschef Yoweri Museveni bemüht sich recht erfolgreich, möglichst alle Bevölkerungskreise in den Wiederaufbau des Staates einzubeziehen. In einigen Gebieten im Norden und Osten des Landes sind allerdings immer noch sporadische Kampfhandlungen zu verzeichnen, die einer an sich nötigen - personellen und finanziellen - Redimensionierung der Streitkräfte entgegenstehen und zum nach wie vor anhaltenden übermässigen Wachstum der Staatsausgaben beitragen. Die zu Beginn dieses Jahres durchgeführten Wahlen auf Dorf- und Distriktsebene wurden von in Kampala residierenden Beobachtern als recht demokratisch bezeichnet; die Gewählten hatten ihrerseits einen Nationalen Revolutionsrat zu bestellen, wobei auch einige Minister ihren Sitz verloren.

3. Das Wiederaufbauprogramm

Das im Mai 1987 von der Regierung Ugandas eingeführte Wiederaufbauprogramm, dessen Hauptziele Stabilisierung und Strukturreform waren, wurde im selben Jahr mit einem IDA- (ERC I) und einem Afrikafazilitäts-Kredit der Weltbank sowie mit einem Kredit aus der Strukturanpassungsfazilität (SAF) des IWF unterstützt. 1989 bewilligte der IWF eine Erweiterte Strukturanpassungsfazilität (ESAF) und die Weltbank einen Zusatzkredit zum ERC I zur Ueberbrückung des Finanzierungsenpasses während der Vorbereitungsarbeiten für den ERC II. Verschiedene bilaterale Geldgeber traten als Kofinanzierer der Weltbankkredite auf, so Grossbritannien, Kanada, die nordischen Länder und die Schweiz.

Der beantragte zweite Wiederaufbaukredit (ERC II, 125 Mio. US-Dollars) hat die Vertiefung des Strukturanpassungsprogramms zum Ziel (vgl. vorgesehene Massnahmen im Anhang). Insbesondere soll der Finanzhaushalt ins Gleichgewicht gebracht, die Transparenz im Personalwesen des öffentlichen Sektors erhöht, die Inflationsrate gesenkt, die Zahlungsbilanzsituation normalisiert und die Instandstellung von Produktions- und Infrastrukturanlagen weiter vorangetrieben werden. Als mögliche bilaterale Geldgeber des ERC II haben sich bis anhin Grossbritannien, Schweden, Finnland, Kanada und die Bundesrepublik Deutschland zu erkennen gegeben, ohne allerdings den Umfang ihrer Unterstützung zu nennen.

4. Die schweizerische Unterstützung

Die Schweiz hat sich in Uganda mit einer ersten Zahlungsbilanzhilfe von insgesamt 11,3 Mio. Franken in Form einer Kofinanzierung der erwähnten Ueberbrückungsaktion der Weltbank engagiert. Sie konnte so einen Beitrag leisten, damit das mit dem ERC I in Angriff genommene Wiederaufbauprogramm bis zum Inkrafttreten des ERC II weitergeführt werden konnte. Die schweizerische Unterstützung setzte sich zusammen aus einer eigentlichen Zahlungsbilanzhilfe von 10 Mio. Franken und aus einer Kompensation von rund 1,3 Mio.

Franken für Exporterlösdefizite Ugandas aus seinen Kaffee- und Baumwollausfuhren der Jahre 1986 und 1987 in die Schweiz.

Angesichts der ausgewiesenen Bedürfnisse sowie der eigenen grossen Anstrengungen, welche dieses Land zur Verbesserung seiner Lage unternimmt, beantragen wir eine Weiterführung unserer Unterstützung. Wir sehen vor, einerseits die Kofinanzierung des von der Weltbank und anderen Geldgebern unterstützten Wiederaufbauprogramms fortzusetzen (mit 7 Mio. Franken), andererseits aber auch eine bilaterale Zahlungsbilanzhilfe zu gewähren (8 Mio. Franken).

Die Modalitäten der Kofinanzierung werden in einem Vertrag zwischen den Regierungen der Schweiz und Ugandas und in einem Briefwechsel zwischen der Schweiz und der IDA (gemäss Vereinbarung im Rahmen des schweizerischen Beitrages zu IDA-8) festgelegt. Ein Entwurf des Vertrages zwischen der Schweiz und Uganda ist im Anhang enthalten.

Bilaterale Engagements rechtfertigen sich im Falle von Uganda insbesondere wegen des grossen Bestandes an zu rehabilitierenden Anlagen, die eine rasche und bedeutende Wirksamkeit der Unterstützung erwarten lassen und Sektoren betreffen, in denen die Schweiz über Erfahrungen und wettbewerbsfähige Güter verfügt. Wir sehen vor, uns mit der vorgeschlagenen bilateralen Zahlungsbilanzhilfe an der Rehabilitation der wichtigsten Arabica-Kaffeeverarbeitungsanlage des Landes - ein sowohl von Uganda als auch von der Weltbank als prioritär eingestuftes Projekt - und der Instandstellung von Installationen einer Textilfabrik zu beteiligen. In Annex 3 des Zahlungsbilanzhilfe-Abkommens (Entwurf in der Beilage) wird festgehalten, dass die Bedingungen für die Weitergabe der schweizerischen Mittel in Uganda dem Charakter der zu finanzierenden Güter entsprechen sollen, d.h. insbesondere, dass in Fällen, wo es um umfassende Rehabilitationen geht, eine adäquate Rückzahlungsfrist gewährt wird.

Eine Kompensation der Exporterlösausfälle für das Jahr 1988 steht wegen des geringen Ausmasses nicht zur Diskussion. Um den administrativen Aufwand möglichst gering zu halten und um mit diesen gezielt einzusetzenden Mitteln eine möglichst grosse Wirkung zu erreichen, werden jeweils die in zwei oder mehr Jahren aufgelaufenen Ausfälle kompensiert.

Die Risiken eines Engagements in Uganda liegen in der noch nicht gänzlich stabilisierten politischen und Sicherheitssituation des Landes und in den nach wie vor fehlenden Kapazitäten der Regierung begründet, die bedeutenden Probleme, welche das Wiederaufbauprogramm stellt, effizient anzugehen, auch wenn ihr in wirtschaftlichen Belangen ein realistisches und pragmatisches Vorgehen attestiert werden kann.

5. Rechtliche Grundlagen

Gemäss Artikel 15, Absatz 1 der Verordnung vom 12. Dezember 1977 über die internationale Entwicklungszusammenarbeit und humanitäre Hilfe (SR 974.01) entscheidet der Bundesrat über Massnahmen, die den Betrag von 5 Mio. Franken übersteigen. Artikel 10 des Bundesgesetzes vom 19. März 1976 über die internationale Entwicklungszusammenarbeit und humanitäre Hilfe (SR 974.0) räumt dem Bundesrat die Kompetenz ein, internationale Abkommen im Bereich der Finanzhilfe abzuschliessen. Wir beantragen, die zur Abwicklung

der vorgesehenen Zahlungsbilanzhilfen notwendigen Abkommen mit deren Unterzeichnung in Kraft treten zu lassen.

6. Finanzierung

Die für diese Zahlungsbilanzhilfen vorgesehenen 15 Mio. Franken werden dem Rahmenkredit von 430 Mio. Franken für die Weiterführung der Finanzierung von wirtschafts- und handelspolitischen Massnahmen im Rahmen der Entwicklungszusammenarbeit (BB vom 8.10.1986) belastet. Die entsprechenden Ausgaben sind in den Budgets 1989 und 1990 vorgesehen.

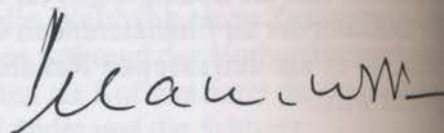
7. Konsultationen

EDA: Direktion für Entwicklungszusammenarbeit und humanitäre Hilfe: einverstanden;
EFD: Finanzverwaltung: einverstanden.

8. Antrag

Aufgrund der vorangehenden Ausführungen beantragen wir Ihnen, dem beiliegenden Beschlussentwurf zuzustimmen.

EIDG. VOLKSWIRTSCHAFTSDEPARTEMENT



Beilagen:

- 1: Beschlussdispositiv
- 2: Entwurf Abkommen ZBH II (Kofinanzierung)
- 3: Entwurf Abkommen ZBH III (bilateral)
- 4: Wirtschaftsdaten
- 5: Massnahmenprogramm
- 6: Auszug aus "Uganda. A Review of the Economic Recovery Program", Bericht der Weltbank vom 31. Oktober 1989: Das Importregime Ugandas
- 7: Basis-Dokumentation (beim BAWI verfügbar)

Zum Mitbericht an:

- EDA
- EFD

Protokollauszug an:

- Bundeskanzlei (2)
- EVD (GS 7, BAWI 15)
- EDA (10)
- EFD (3)

Ugand:

Aufgru

Aufgru

1.

2.

3.

4.

Uganda: Zahlungsbilanzhilfen

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3. Die Bundeskanzlei wird beauftragt, zu gegebener Zeit die entsprechenden Vollmachten auszustellen.
4. Die aus dieser Verpflichtung resultierenden Zahlungen werden der Rubrik 703.493.16 "Finanzhilfe, Schenkungen" belastet.

Für getreuen Auszug,
der Protokollführer:

The Government of the Swiss Confederation and the Government of the Republic of Uganda

being moved by the friendly relations between the two countries

desire of strengthening these relations and their fruitful cooperation

desire to promote further the economic and social development of the Republic of Uganda

AGREEMENT

have agreed as follows:

BETWEEN

THE GOVERNMENT OF THE SWISS CONFEDERATION

and

THE GOVERNMENT OF THE REPUBLIC OF UGANDA

CONCERNING A

BALANCE OF PAYMENTS SUPPORT

IN THE FRAME OF

THE ECONOMIC RECOVERY PROGRAM

- 1) "Contribution" means the contribution granted by the Swiss Confederation
- 2) "Contracting parties" means the Swiss Government and the Government of the Republic of Uganda
- 3) "Association" means the International Development Association
- 4) "Program" means the Program of actions, objectives and policies designed to achieve a rapid overall economic recovery in the frame of the Economic Recovery Credit II from the Association in favour of Uganda

The Government of the Swiss Confederation and the Government of the Republic of Uganda

Having regard to the friendly relations between the two countries,

Desirous of strengthening these relations and their fruitful cooperation,

Intending to promote further the economic and social development of the Republic of Uganda,

Have agreed as follows:

Article 1

Definitions

In this Agreement, unless the context otherwise requires, the following terms shall have the following meanings:

- a) "Swiss Government" means Government of the Swiss Confederation;
- b) "Government of Uganda" means Government of the Republic of Uganda;
- c) "Contribution" means the contribution granted by the Swiss Confederation under this Agreement;
- d) "Contracting Parties" means the Swiss Government and the Government of the Republic of Uganda;
- e) "Association" means the International Development Association;
- f) "Program" means the Program of actions, objectives and policies designed to achieve a rapid overall economic recovery, in the frame of the Economic Recovery Credit II from the Association in favour of Uganda.

Article 2

Objective of the Program

The objective of the Program is to achieve a rapid overall economic recovery and set the stage for sustained economic development.

Article 3

Amount and utilization of the Contribution

- 3.1 The Swiss Government agrees to make a non-reimbursable contribution of Sfr. 7 Mio. (Swiss Francs seven million) to the Government of Uganda to cofinance with the Association the Economic Recovery Program described in the Development Credit Agreement II between the Republic of Uganda and the Association (hereinafter referred to as the Development Credit Agreement).
- 3.2 The Contribution will finance the foreign currency cost of imports, including freight and other services associated with the supply of goods. The eligible imports are described in the provisions of Schedule 1 to the Development Credit Agreement. In addition to Schedule 1 to the Development Credit Agreement the following items are also not eligible for financing out of the Contribution: fertilizers, food and fuel.
- 3.3 No proceeds of the Contribution shall be used for the payment of any duties and taxes (import duties, levies and fees of any kind) imposed under the law of the Republic of Uganda.

Article 4

Administration of the Contribution

In agreement with the Government of Uganda, the Swiss Government shall to appoint the Association as Administrator of the Contribution. The respective obligations of the Swiss Government and the Association are defined in the "Procedural Arrangements between the Swiss Government and the Association for Cooperation in the Cofinancing of Specific Development Projects or Programs" dated April 9, 1987, and in a Letter of Understanding for the purpose of the Program to be entered into between the Association and the Swiss Government.

Article 5

Execution of the Program

The execution of the Program and the obligations of the Government of Uganda related thereto shall be governed mutatis mutandis by the provisions of the Development Credit Agreement.

Article 6

Account, withdrawal and disbursement procedures

- 6.1. On entry into force of this Agreement, the Swiss Government shall open an account in the name of the Government of Uganda for the purpose of the Program. The account shall be credited by the Swiss Government with the amount the Contribution in accordance with the needs of the Program.
- 6.2. The Association will be entitled to draw on the account on behalf of the Government of Uganda through the Swiss National Bank in Zurich to meet all eligible expenditures to be financed out of the Contribution in accordance with the provisions of Article 3 of this Agreement and the provisions of the Letter of Understanding referred to in Article 4 above.
- 6.3. No withdrawals of the proceeds of the Contribution shall be made in respect of payment made for expenditures prior to the date of signature of this Agreement.
- 6.4. The closing date for disbursement of the Contribution shall be December 31, 1990 or such later date as the Association shall establish, in consultation with the Swiss Government.

Article 7

Consultations and Inspections

- 7.1. The Contracting Parties shall fully cooperate to ensure that the general objectives of the Program will be achieved. The Contracting Parties shall take all necessary steps to facilitate the smooth implementation of the Program.

- 7.2. As and when the need arises, the Contracting Parties shall, at the request of either Party, exchange views and inform each other through their representatives with regard to the performance of their respective obligations under this Agreement, the administration of the Program and the operations financed under the Program. The Contracting Parties shall promptly inform each other of any condition which interferes with, or threatens to interfere with the accomplishment of the purposes of the Program.
- 7.3. The Government of Uganda shall furnish to the Swiss Government or to independent consultants mandated by the Swiss Government all such relevant information as the Swiss Government shall reasonably request concerning the Program and, where appropriate, the benefits to be derived from it and the goods financed out of the proceeds of the Contribution. Especially, while transmitting a withdrawal application to the Association, the Government of Uganda authorizes the Association to provide the Swiss Government with a copy of such withdrawal application, including all supporting documents.
- 7.4. On behalf of the Swiss Government, the Association and/or independent consultants mandated by the Swiss Government are authorized to inspect all items financed by the Swiss Government in the framework of this Program.
- 7.5. The Government of Uganda authorizes the Association to inform the Swiss Government of the results of the Program, including the timely transmittal of its supervision reports. The Association is authorized by the Government of Uganda to invite the Swiss Government to participate in any Program supervision or completion mission.

Article 8

Amendments

Amendments to this Agreement shall be effected by way of exchange of letters.

Article 9**Termination**

- 9.1. In the event of wilful and persistent default by any one of the Contracting Parties in the fulfilment of any commitment or obligation under this Agreement or the Development Credit Agreement or any other balance of payments support agreement between the Contracting Parties, the other Party may suspend the application of the Agreement and, should the reason for the suspension continue beyond ninety days, may cancel the Agreement.
- 9.2. The Government of Uganda may, by notice to the Swiss Government and the Association, cancel any amount of the Contribution the Government of Uganda shall not have withdrawn.
- 9.3. The Swiss Government may, after consultation with the Government of Uganda and the Association, cancel any amount of the contribution which are not required for the implementation of the Program.

Article 10**Entry into Force**

The Agreement will become effective at the date both Contracting Parties have signed.

Article 11**Authorities**

The following Authorities shall be responsible for the implementation of this Agreement.

For the Swiss Government:
 Federal Office for Foreign Economic Affairs
 Bundeshaus Ost
 3003 Bern
 Telex 911 340 EDA-CH

For the Government of Uganda:
Secretary to the Treasury
Ministry of Finance
P.O. Box 8147
Kampala
Telex 61170 FINANCE

Done in two original copies in English.

For the Government of
the Swiss Confederation

For the Government of
the Republic of Uganda

.....
Date:

.....
Date:

Place:

Place:

3.3. The Government of Uganda authorizes the Association to carry out its activities in Uganda and to participate in the management of the project. The Association is authorized to participate in the management of the project in Uganda to the extent necessary for the execution of its mandate. The Association shall be responsible for the implementation of this Agreement.

AGREEMENT**BETWEEN****THE GOVERNMENT OF THE SWISS CONFEDERATION**

and

THE GOVERNMENT OF THE REPUBLIC OF UGANDA**CONCERNING****A BALANCE OF PAYMENTS ASSISTANCE**

"Swiss Government" and "Swiss Federal Council" means Government and Council of the Swiss Confederation;

"Government of Uganda" means Government of the Republic of Uganda;

"BOU" means Bank of Uganda;

"Contribution" means the contribution granted by the Swiss Confederation under this Agreement;

"Contracting Parties" means the Swiss Government and the Government of Uganda;

"FOPEA" means Federal Office for Foreign Economic Affairs of the Federal Department of Public Economy.

The Swiss Federal Council and the Government of the Republic of Uganda

Having regard to the friendly relations between the two countries,

Desirous of strengthening these relations and

Intending to promote further the economic and social development of Uganda,

Have agreed to the following:

Article 1

Definitions

In this Agreement, unless the context otherwise requires, the following terms shall have the following meanings:

- a) "Swiss Government" and "Swiss Federal Council" means Government of the Swiss Confederation;
- b) "Government of Uganda" means Government of the Republic of Uganda;
- c) "BOU" means Bank of Uganda;
- d) "Contribution" means the contribution granted by the Swiss Confederation under this Agreement;
- e) "Contracting Parties" means the Swiss Government and the Government of Uganda;
- f) "FOFEA" means Federal Office for Foreign Economic Affairs of the Federal Department of Public Economy.

Article 2

Main Objective of the Contribution

- 2.1. The main objective of the Contribution is to support the Economic Recovery Programme undertaken by the Government of Uganda by financing essential imports in high priority sectors.
- 2.2. To this effect, the Swiss Government agrees to make an untied non-reimbursable contribution of Sw.Fr. 8 Mic. (Swiss Francs eight million) to the Government of Uganda.
- 2.3. The Contribution shall be available for the financing of raw materials, spare parts and replacements of civilian nature as listed in Annex 1 to this agreement.
- 2.4. The Contribution will finance the foreign exchange costs of the agreed imported goods, including freight, insurance and other services associated with the supply of goods (CIF value).
- 2.5. The closing date for submissions under this Agreement shall be 31st December, 1990 or such other date as may be agreed upon between the Contracting Parties.

Article 3

Execution of the Balance of Payments Assistance

- 3.1. The Government of Uganda shall take or cause to be taken all actions, including the provisions of funds in local

currency, facilities, services and the measures, necessary or appropriate, for carrying out the Balance of Payments Assistance.

- 3.2. The Government of Uganda shall ensure that the activities of its departments and agencies with respect to carrying out the Balance of Payments Assistance, are conducted and coordinated in accordance with sound administrative policies and procedures.
- 3.3. The Government of Uganda shall maintain or cause to be maintained records adequate to identify goods financed out of the proceeds of the Contribution, to disclose the use and beneficiaries thereof; and to record the progress of the Balance of Payments Assistance.
- 3.4. The Government of Uganda shall furnish to the Swiss Government or to independent consultants mandated by the Swiss Government, all such relevant information as the Swiss Government shall reasonably request concerning the Balance of Payments Assistance, and, where appropriate, the benefits to be derived from it, and the goods financed out of the proceeds of the Contribution.
- 3.5 The Government of Uganda shall, after completion of the Programme, but in any event not later than six months after the closing date or such later date as may be agreed upon for this purpose between the Swiss Government and the Government of Uganda, furnish to the Swiss Government a report of such scope and in such details as the Swiss Government shall reasonably request, on the execution of the Balance of Payments Assistance, its beneficiaries, its contribution to the socio-economic development of relevant sectors and the accomplishment of the purpose of this Agreement, including a certified financial statement on the use of the proceeds of the Contribution and of the local currency generated under the Balance of Payments Assistance.

- 3.6. The Swiss Government and the Government of Uganda shall exchange views at regular intervals on the progress of the use of the Balance of Payments Assistance and the performance of their respective obligations under the present Agreement, and the overall economic situation and the development prospects of the country.
- 3.7. Any change in the execution of the Balance of Payments Assistance shall be mutually agreed upon by the Contracting Parties.

Article 4

Accounts

- 4.1. Upon entry into force of this Agreement, the Swiss Government shall open an account at the Swiss National Bank for the Contribution in the name of the Government of Uganda.
- 4.2. The Swiss Government shall credit this account with the amount necessary for the Swiss National Bank to effect the payments due under this Agreement.
- 4.3. The Government of Uganda shall open a special account at BOU entitled "Swiss Balance of Payments Assistance" for the payments of Counterpart Funds in Uganda Shillings as described in Annex 2 to this Agreement not later than one week after signing of this Agreement.

Article 5

Particular covenants for supplies financed under the Contribution

- 5.1. All goods to be financed out of the proceeds of the Contribution shall be procured, delivered and paid in

accordance with the provisions set forth in Annex 2 to this Agreement.

- 5.2. No proceeds of the Contribution shall be used for the payment of any duties and taxes (import duties, levies and fees of any kind) imposed under the law of the Republic of Uganda.
- 5.3. No withdrawals shall be made from the account mentioned in Article 4.1. above in respect of purchase orders made, and payments due, prior to the date of signature of the Agreement.
- 5.4. Annex 1 to this Agreement determines the maximum allocation for each sector and/or each importer which is to benefit from the Contribution. These allocations may be modified by common understanding between the Contracting Parties, not exceeding the total amount of the Contribution, if special circumstances so require.
- 5.5. For the calculation of the Uganda Shillings equivalent of the foreign exchange allocation, the official exchange rate in force at the date the Swiss National Bank is making the payment to the exporter of the goods financed under the present agreement, is applicable. The conditions of on-lending of the Contribution to the importers will be fixed by the Government of Uganda in consultation with the Swiss Government according to Annex 3.
- 5.6. The Government of Uganda shall utilize the local currency generated by the importers' payments in priority activities under Uganda's Economic Recovery Programme.

Article 6Cancellation - Suspension - Termination

- 6.1. The Government of Uganda may, by written notice to the Swiss Government, cancel any amount of the Contribution which it shall not have withdrawn by the closing date, as defined in Article 10.2.
- 6.2. In the event of wilful and persistent default by the Government of Uganda in the fulfilment of any commitment or obligation under the present Agreement or any other balance of payments support agreement between the Contracting Parties, the Swiss Government may suspend, in whole or in part, the right of the Government of Uganda to make withdrawals from the Contribution account and/or cancel the balance of the Contribution.

Article 7Authorities in charge of the Application of the Agreement and the Implementation of the Programme

The following authorities shall be responsible for the application of the Agreement:

- a) For the Swiss Government:

The Federal Office for Foreign Economic Affairs
Bundeshaus Ost
3003 Bern
Switzerland

Telex 911 340 EDA-CH

b) For the Government of Uganda:
Ministry of Planning and
Economic Development
P.O. Box 7086
Kampala, Uganda
Telex: 61117 ECONMY UGA

Article 8

Amendments to the Agreement

Amendments to the present Agreement will be effected by way of exchange of letters between the Contracting Parties.

Article 9

Annexes

Annexes 1, 2 and 3 constitute an integral part of this Agreement.

Article 10

Entry into Force and Closing Date

- 10.1 The present Agreement shall come into force at the date both Contracting Parties have signed.
- 10.2 The closing date of the present Agreement shall be 30th June, 1991, or such later date as shall be agreed upon by the Contracting Parties.

Done in two original copies in English.

For the Government of
the Republic of Uganda

For the Government of
the Swiss Confederation

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Annex 1**LIST OF GOODS**

In accordance with Article 2.3 of this Agreement, the following table sets forth the list of sectors, types of goods and importers for which the proceeds of the Contribution are destined.

BOU shall inform the concerned importers of the effectiveness of this balance of payments assistance as well as of the procurement procedures (Annex 2).

<u>Sector</u>	<u>Type of goods</u>	<u>Importer</u>	<u>Amount</u>
- Coffee	spare parts and replacements for Arabica Coffee Processing Plant in Mbale	Bugisu Cooperative Union, Mbale	7,0 Mio SFr.
- Textile	spare parts and replacements for textile mill in Jinja	Nyanza Textiles Industries, Jinja	1,0 Mio SFr.

GENERAL PROCUREMENT PROCEDURES

1. In accordance with Annex 1, BOU shall issue no later than four weeks after the agreement has come into force a letter of allocation to the eligible importers, specifying also the procedures to be followed as well as the on-lending policy.
2. According to standard commercial practices, the importer shall obtain at least three proforma invoices, at least one of which shall be obtained from suppliers whose headquarters are located in Switzerland. Only one proforma invoice is necessary in the case of goods whereby technical consideration or economic efficiency justify that only one supplier is consulted.
3. The BOU shall submit (through the Embassy of Switzerland in Nairobi) to FOFEA the import application to be financed under the present agreement which will have to include:
 - a) detailed description of the goods to be imported
 - b) the purpose and use of the goods to be imported
 - c) the confirmed proforma invoices obtained under above mentioned procurement procedures
 - d) the importer (name, location, type of business, number of employees)
 - e) the indication of the supplier selected and justification for the choice.
 - f) the on-lending conditions agreed between the BOU and the importer
 - g) name of the financial institution or government agency which acts as guarantor and financial intermediary
 - h) all other information which might be useful or necessary for a specific application
4. All documentation with respect to the choice of the supplier and the evaluation of the proforma invoices by the importer or the appointed agent shall be presented for examination to the Swiss Government, upon its request.
5. After having received and examined the applications FOFEA will inform the BOU (through the Swiss Embassy in Nairobi) of its decision about the goods which can be financed under the present agreement. FOFEA will at the same time inform the Swiss National Bank in Zurich of its decision.
6. Thereafter and according to standard commercial practices the importer shall open through the BOU a letter of credit with the Swiss National Bank in Zurich, which will make the payments to the supplier upon receipt of the necessary shipping documentation.

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Annex 3**ON-LENDING MODALITIES, USE AND CONTROL OF LOCAL COUNTERPART FUNDS**

1. The Government of Uganda will fix the on-lending conditions in local currencies - including any fees or banking commissions - with the importers and the financial intermediaries (banks or government agencies) involved. As a general rule the on-lending conditions for imports under the present agreement must be at least as favorable as the on-lending conditions for imports financed with contributions from other bilateral or multilateral agencies on similar concessional terms. In deciding the on-lending conditions for imports under the present agreement special considerations will be given to the type of goods involved as well as to the prevailing general economic situation of the country and to the maintenance of the real value of the local funds.
2. The base of calculation for the credit in local currency shall be the prevailing exchange rate at the day at which the Swiss National Bank will make the payment to the supplier.
3. If the importer belongs to the private sector it is understood that he arranges an agreement with its commercial bank or a government agency which will guarantee the reimbursement of the funds owned to the Government of Uganda from the imports under the present agreement. The BOU will decide and inform FOFEA as well as the importers which commercial banks or government agencies are admitted to act as such financial intermediaries.
4. The BOU will open in the name of the Ministry of Finance a special account for the local counterparts titled "Swiss financial aid" which will be generated with the imports financed under the present agreement. The funds in this account can be used by the Government of Uganda according the article 5.6 of the present agreement. The Government of Uganda will inform the FOFEA periodically or upon request about the balance and the use of the funds according to article 3.5 and 3.6 of the present agreement.

KEY MACROECONOMIC INDICATORS
(To be updated)

	Actual					Projected				
	1983/84 1/	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	
REAL GROWTH RATES										
Gross Domestic Product	5.0%	-3.0%	-1.0%	1.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Gross Domestic Income					3.2%	3.9%	5.1%	4.9%	5.0%	
Gross Domestic Income per Capita					0.4%	1.0%	2.2%	2.1%	2.1%	
Private Consumption per Capita					7.1%	0.4%	2.4%	0.6%	0.7%	
CONSUMER PRICES (Percentage Changes)										
Annual Average	29.0%	100.0%	130.0%	256.0%	188.0%	196.6%	36.4%	21.4%	10.0%	
End of Period	16.1%	140.3%	148.3%	269.5%	239.0%	86.3%	30.0%	15.0%	8.0%	
REAL EFFECTIVE EXCHANGE RATE 2/			-6.0%	-79.0%	217.0%					
DEBT SERVICE										
Scheduled DS (In mill.US\$)	194.4	191.3	202.8	219.0	199.8	238.4	167.7	148.1	133.1	
DS/XGS 3/	41.3%	46.9%	52.1%	31.3%	49.8%	52.3%	40.9%	37.5%	29.8%	
DS/GDP 3/	6.5%	7.2%	7.2%	1.6%	3.0%	4.0%	2.9%	2.5%	1.8%	
Gross Investment/GDP	12.1%	14.5%	13.6%	14.2%	14.7%	16.7%	16.8%	16.9%	17.1%	
Domestic Savings/GDP	11.0%	12.5%	11.9%	11.9%	7.6%	8.0%	8.2%	9.5%	10.5%	
National Savings/GDP	10.3%	12.0%	14.0%	12.6%	8.7%	9.2%	9.6%	11.0%	12.0%	
Marginal National Savings Rate	7.7%	17.6%	19.6%	13.5%	6.4%	9.7%	4.6%	14.5%	20.4%	
Public Investment/GDP	5.8%	7.0%	6.6%	6.9%	7.1%	8.0%	8.2%	8.1%	8.1%	
Public Savings/GDP	3.4%	0.4%	-2.2%	-1.1%	0.0%	0.1%	2.0%	2.2%	2.1%	
Private Investment/GDP	6.2%	7.5%	7.0%	7.3%	7.6%	8.7%	8.7%	8.8%	9.0%	
Private Savings/GDP	6.9%	11.6%	16.2%	13.7%	8.7%	9.0%	7.7%	8.8%	10.0%	
Ratio of Public/Private Investment	93.5%	93.5%	93.5%	93.5%	93.5%	91.3%	94.2%	91.5%	90.2%	
Government Revenues/GDP	13.3%	12.0%	9.4%	5.2%	7.6%	6.3%	8.3%	8.5%	8.4%	
Government Expenditures/GDP	16.5%	17.7%	15.5%	10.0%	13.6%	11.6%	11.7%	10.7%	10.3%	
Deficit (-) or Surplus (+)/GDP	-3.2%	-5.7%	-6.2%	-4.8%	-6.0%	-5.3%	-3.4%	-2.3%	-1.9%	
Def.(-) or Surplus (+)/GDP (incl. grants)	-2.6%	-5.2%	-4.5%	-4.3%	-4.6%	-3.8%	-0.8%	-1.0%	-1.2%	
Exports Goods Nominal Growth Rate	7.0%	1.3%	-1.2%	1.0%	-22.1%	1.3%	5.9%	10.6%	14.5%	
Exports GNFS/GDP	13.5%	15.3%	13.9%	5.1%	5.9%	7.6%	7.0%	6.6%	6.4%	
Imports Goods Nominal Growth Rate		8.7%	-5.3%	34.9%	20.1%	4.6%	11.0%	8.1%	8.4%	
Imports GNFS/GDP	15.1%	18.1%	15.9%	7.6%	13.3%	17.3%	17.3%	15.1%	14.0%	
Current Account Balance (In mill.US\$) 4/	-68.0	-88.0	0.0	-140.5	-337.8	-377.4	-408.3	-415.6	-415.8	
Current Account Balance/GDP 4/	-2.3%	-3.3%	0.0%	-1.8%	-6.2%	-8.5%	-8.5%	-7.0%	-5.0%	
Current Acc.Balance (incl. off. transfers)	3.00	-23.6	31.1	-100.4	-210.1	-179.9	-168.4	-183.3	-198.5	

1/ Fiscal year 1983/84 is from July 1, 1983 to June 30, 1984.
 2/ Percentage changes. Minus sign indicates depreciation.
 3/ After rescheduling.
 4/ Before official transfers.

Boilage 5

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ATTACHMENT

Details of Policy Actions 1989/90 In Letter of Development Policy

Policy Actions to be Taken During 1989/90

Policy Actions to be Undertaken

Medium-Term Actions

Issues and Objectives

1. Demand Management Policies

Fiscal and Monetary Targets

Maintain strong fiscal and monetary discipline, keeping excess demand in the economy under control to generate reasonable domestic savings.

Revenue Generation

Improve revenue generation, taking into account the impact on taxes on efficiency of resource allocation.

Establish monetary and fiscal targets on an annual basis consistent with stabilization objectives.

Establish and adopt principles of tax reform, entailing a broad-based indirect tax system, with a rationalized tariff structure.

Establish and adhere to monetary and fiscal targets for 1989/90.

Set principles for indirect tax reform viz:
 (i) extension of current sales tax system to cover the domestic production of goods (and selected services) and imports; (ii) tax to be confined to three standard ad valorem rates, and a high rate on luxuries, with appropriate and administratively simple drawback or exemption arrangements for production inputs and exports; and (iii) tax system to be accompanied by a rationalized and simple customs tariff structure to provide a moderate, predictable and relatively uniform level of protection.

Already undertaken and ongoing.

Already undertaken.

Issues and Objectives

Medium-Term Actions

Policy Actions to be Undertaken

Adopt tax measures for FY89/90 which are consistent with principles including: (i) the imposition of a minimum sales tax of 10 percent on imported and locally produced consumer goods which are currently zero rated or taxed at 5 percent; (ii) the elimination of custom duty exemptions on most equipment and intermediate goods, bringing zero tariff rates to 10 percent, with the principal exceptions confined to items covered by the PTA treaty for Eastern and Southern African countries and under normal diplomatic and other statutory provisions; and (iii) the elimination of the export tax on hides and skins, so that the only export tax remaining is on coffee. Drawback and exemption provisions for the sales tax are in place for production inputs and exports, as well as for tariffs on production inputs incorporated in export production.

Implement through the 1990/91 budget a comprehensive reform of the tax and tariff structure consistent with the tax principles, specifying: (i) levels of sales tax, excise duties and customs tariffs to be applied to each commodity (and service, as applicable); and (ii) streamlined drawback or exemption arrangements for sales tax (and, as appropriate, for customs tariffs on imported inputs incorporated in export production).

Implement immediate measures to strengthen tax administration and collection. Improve availability of complementary inputs, set simple tax collection targets and performance standards, and improve incentives for revenue collection.

Policy Actions to be Taken
During 1989/90

Already undertaken.

June 1990 (1990/91 Budget).

Already undertaken and ongoing.

Policy Actions to be Taken
During 1989/90

June 1990.

Policy Actions to be Undertaken

Prepare and implement a short-term action plan for strengthening tax administration and collection. The action plan will entail appropriate training programs, adequate logistical facilities and support, streamlined administrative procedures to facilitate tax investigation and audit to reduce collection costs, improved data bases for each department (with capability for exchange of information), better systems for the assessment of tax yields and collection targets, strengthened monitoring systems and procedures, and tougher penalties to improve collection.

Already undertaken.

Review Rehabilitation and Development Plan (RDP). Focus attention on: (i) projects that have been added since the last review; (ii) proposed additions to the Plan; (iii) projects encountering severe start-up or implementation difficulties; and (iv) projects that are substantially underfunded. Select a small number (seven) of key projects with crucial linkages to the ERP for special monitoring of implementation.

June 1990.

Design and establish criteria for the selection of new projects for RDP to be based on economic rates of return (agriculture, infrastructure, industry) or cost effectiveness (social sectors), within context of clearly articulated sectoral strategies, taking adequate cognizance of resource constraints and implications for recurrent costs. Attention to be paid to implementation capacity and track record.

Medium-Term Actions

Issues and Objectives

Public Expenditure

Strengthen expenditure control and monitoring and improve efficiency of public investment.

Implement budget reform to improve expenditure control and adopt suitable project selection criteria based on rates of return or cost effectiveness.

Issues and Objectives

Medium-Term Actions

Policy Actions to be Taken
During 1989/90

Establish the requirements for consistency between RDP and the Development Budget and ensure that (i) all RDP projects for FY89/90 are included in the Development Budget; and (ii) locally funded development projects are incorporated in RDP.

Already undertaken.

June 1990

Reflect in 1990/91 budget agreement specific actions relating to the composition of total recurrent expenditures, the appropriate levels of non-wage operating and maintenance expenditures in key areas, and the size and composition of the public investment program.

Coffee Subsector

Create a competitive export marketing system for coffee which allows greater efficiency in penetrating markets and which is less dependent on public resources.

Allow private sector participation in marketing and rationalize barter-trade transactions.

As a first step towards creating a competitive export marketing system issue a ministerial directive announcing decision to allow selected cooperative unions to participate in the export of coffee, and put in place according to an agreed time schedule the necessary administrative arrangements (export revenue repatriation and taxation) governing union participation in exports.

Already undertaken.

Barter arrangements to be confined to a maximum of 200,000 bags over 1989/90, with each arrangement now requiring prior review by the Government's Barter Committee and the explicit endorsement of the Minister of Finance.

Already completed.

Policy Actions to be Taken
During 1989/90

June 1990

Policy Actions to be Undertaken

Develop and implement a comprehensive program for the liberalization of coffee export marketing, including (i) broadening private sector participation and providing trade and tax incentives to encourage efficient export trade; (ii) detailed administrative arrangements for export revenue repatriation and taxation; (iii) a coffee marketing intelligence service and mechanisms for coordinating exporters, storage and handling requirements at port of shipment and (iv) necessary legislative action to institute above measures. The program will also indicate the roles of the Coffee Marketing Board and of private (including cooperative) processors and traders, and will include appropriate reforms in barter arrangements for coffee, as well as other crops.

Already undertaken.

September 1990
(Initial budget for 1989/90
already prepared)

Medium-Term Actions

Issues and Objectives

Link crop finance to physical and financial targets to improve efficiency of processing and marketing and monitor coffee subsector on a comprehensive basis.

Contain crop finance to ensure consistency with fiscal and monetary objectives of stabilization program.

Adopt crop financing benchmarks for working capital and stock financing targets for rate of stock turnover and for credit per unit of stock or per unit of sale. Establish suitable administrative procedures to govern extension of credit according to such benchmarks for monitoring subsector performance.

Prepare annual Coffee Subsector Budgets. Such budgets, to be updated on a quarterly basis, will include monthly targets for crop finance, export tax, coffee stock levels by grade and location, payments to farmers and processors, international prices realized, pre-finance sales and barter agreements. Establish and staff a national Coffee Monitoring Unit within the Bank of Uganda.

Issues and Objectives

2. Incentive and Regulatory System

Exchange Rate

Move towards flexible exchange rate with the value of Uganda Shilling being more reflective of true scarcity value of foreign exchange.

Export Regulations

Remove impediments to exports and reduce overwhelming dependence on coffee.

Medium-Term Actions

Continue adjustment to exchange rate to maintain international competitiveness to provide incentives for production and exports and contribute to budgetary revenues, and promote better balance between supply and demand for foreign exchange.

Continue actions to liberalize export marketing and use of retained foreign exchange.

Policy Actions to be Undertaken

Introduce penalties for impurities and increased discounts for delivery of wet coffee to CMB; such discounts to provide for full costs of weight loss due to moisture content, drying, and CMB overheads, plus a penalty element to increase with the level of moisture content.

Adjust exchange rate on monthly basis to offset the inflation differential between Uganda and its trading partners and taking account of divergence of actions and target level of reserves of Bank of Uganda.

Review exchange rate on semi-annual basis in light of cost, price and production trends for exports and of the intended pace of progressive liberalization of the exchange rate and trade regime.

Expand the export retention scheme to allow all exporters of products other than coffee to retain 100 percent of export receipts to finance their own imports of input requirements or consumer goods.

Discontinue export licencing (except for products which are subject to special bilateral or multilateral agreements or products with special export agreements or considerations subject to special bilateral or multilateral agreements) and replace

Policy Actions to be Taken During 1989/90

Already undertaken.

Ongoing.

Ongoing.

Already undertaken.

June 1990

Policy Actions to be Taken During 1989/90

(See Coffee Subsector above).
June 1990

Policy Actions to be Undertaken

Adopt and implement a competitive marketing strategy for coffee exports designed to increase marketing efficiency, expand sales and increase unit value of sales, with the strategy indicating the roles of the Coffee Marketing Board and private and cooperative processors, taking into account the experience of market liberalization in other areas. Strategy to also articulate guidelines for barter trade.

Expand SIP as the principal means for the continued liberalization of imports. SIP to provide input support for agriculture and related transport and infrastructure, development and manufacturing enterprises, and for selected finished consumer goods. OOL scheme to continue to apply to a slightly expanded list of manufacturing firms. Quarterly disbursement targets to be set for both OOL and SIP consistent with known resource availability; assessments will be made on a quarterly basis on utilization performance with adjustments being made in these targets as required to maintain the desired overall rate of disbursement.

Improve administrative efficiency and streamline OOL/SIP procedures.

Implement a limited temporary Special Credit Facility (SCF) to provide, through the commercial banks, local cover to viable firms with special credit problems. Service fee for access to SCF, in addition to the normal interest rate, to ensure that there are strong incentives for the banks to share the fee with the BOU in proportion to the risk of default.

Already undertaken.

Already undertaken.

Medium-Term Actions

Issues and Objectives

Import Regulations

Liberalize import trade to achieve a more efficient allocation of foreign exchange and to provide more appropriate price signals to traders and producers.

<u>Issues and Objectives</u>	<u>Medium-Term Actions</u>	<u>Policy Actions to be Undertaken</u>	<u>Policy Actions to be Taken During 1989/90</u>
<p>Permit domestic prices to be freely determined.</p>	<p>Remove remaining price controls and other impediments to private initiative and market forces.</p>	<p>Review justification for price controls on remaining items, with a view to further liberalization.</p>	<p>June 1990</p>
<p><u>Investment Regulations</u></p> <p>Remove red tape affecting establishment and operation of enterprises; shift focus of investment policy from control to promotion.</p>	<p>Streamline investment procedures for local and foreign investors.</p>	<p>Complete review of all laws and regulations pertaining to the establishment and operations of enterprises, with the principal aims of: (i) eliminating those which are redundant; and (ii) reducing red tape.</p>	<p>June 1990</p>
<p><u>Agricultural Sector Action Plan</u></p> <p>Improve pricing, processing, marketing and infrastructure; support generation and dissemination of technology to increase farmer productivity.</p>	<p>Improve efficiency through liberalization of marketing and restructuring of parastatals; strengthen agricultural research and extension institutions.</p>	<p>Discontinue industrial licencing. Emphasize investment promotion rather than regulation.</p>	<p>June 1990</p>
<p><u>3. Public Sector Management</u></p> <p><u>Parastatal Reform</u></p> <p>Restructure and rehabilitate parastatal sector to improve management and operations.</p>	<p>Prepare and implement action plans for restructuring, divestiture or liquidation of parastatals.</p>	<p>Adopt and implement strategies to address already endorsed policy objectives and a time-bound action plan to implement such strategies, as set out in the Agriculture Sector Action Program. To include adoption of national integrated agricultural research plan.</p>	<p>Ongoing</p>
		<p>Put up for sale first group of five presently or potentially profitable parastatals.</p>	<p>June 1990</p>

Policy Actions to be Taken
During 1989/90

Policy Actions to be Undertaken

Already undertaken (except Teaching Service); June 1990 (Teaching Service).

Implement permanent information system linking Establishment Register with staff lists and payroll data to prevent re-emergence of 'ghost' workers and other abuses. Specifically this will involve:
(i) verification of Establishment Register;
(ii) implementation of payroll number scheme by MOF to ensure that no salary payments are made to nonexistent or unauthorized personnel; and (iii) computerization of staff lists by MPSCA to permit regular updating and verification against payroll numbers.

Already undertaken.

Establish Public Service Review and Re-Organization Commission to: (i) review current appointments to determine incumbent's suitability for their respective posts; (ii) review the structure of the service and constraints against efficiency with a view to preparing an Action Program for the streamlining of functions to achieve a smaller, more efficient service; (iii) establish procedures for the recruitment and monitoring of group employees; (iv) recommend improvements in current methods of recruitment, training, disciplining, and promoting civil servants; and (v) propose improved incentive structures. Staffing, composition of the working groups, and technical assistance to reflect the expertise required to undertake the work program. Completion of key aspects of the work of the Commission expected by June 1990.

Medium-Term Actions

Based on results of functional and staffing review and Public Service Review and Re-Organisation Commission, prepare and implement action plan for rationalizing ministries and civil service remuneration.

Issues and Objectives

Civil Service Reform

Improve the efficiency of the civil service and streamline to an affordable and sustainable size.

Issues and Objectives

Medium-Term Actions

Policy Actions to be Undertaken

Policy Actions to be Taken
During 1989/90

Implement the selective freeze on all vacant posts in the public service and a near-complete freeze on the creation of new posts as recommended in the Sessional Paper No. 1 of 1988 by requiring: (i) that any head of department wishing to fill a vacant post justify this before the Standing Grading Committee; and (ii) that the Committee should satisfy itself that the post is necessary and cannot be performed through internal reorganization or transfer.

Commence implementation, based on an Action Plan prepared by the Public Service Review and Re-Organization Commission, of a functional rationalization program covering the agricultural sector ministries and two others identified by the MPSCA review as having overlapping or duplicating functions, or where merging of functions would result in greater efficiency of resource use.

Publish and implement Schemes of Service governing the terms and conditions of employment with regard to recruitment, training, placement, promotion, etc., for all groups of employees.

Commence monetization of civil service employment benefits.

Already undertaken.

Already undertaken.

Ongoing

Ongoing

Beilage 6

Auszug aus "Uganda. A Review of the Economic Recovery Program", Bericht der Weltbank vom 31. Oktober 1989 für das Konsultativgruppen-Meeting vom 30.11./1.12.1989

Import Regulations.

- 3.9 In the area of import regulations, the Government has over the past three years maintained a liberalized system for the importation of consumer goods and industrial inputs by private agents/entities with foreign exchange from other-than-official sources, under what is referred to as the "no foreign exchange scheme (no forex)". Total imports under the 'no forex' scheme have averaged US\$100 million for each of the past two years, accounting for close to 30 percent of non-project imports. These imports are priced on the basis of the parallel market exchange rate; these prices set the outer limit of effective protection enjoyed by competing domestic producers. Thus, this represents a significant degree of trade liberalization. However, progress in merging this parallel market with the official exchange market will be linked to the pace of the narrowing of the gap between the official and the parallel market rates.
- 3.10 In the meantime, the Government has taken transitional measures towards liberalization of the official import regime. A limited OGL scheme was set up in November 1987 and the Government in December 1988 expanded access to foreign exchange through the SIP. These successive actions have been pragmatic responses to the evolution of particular economic circumstances. They have nevertheless constituted modest steps towards import liberalization.
- 3.11 The OGL was set up against a background of severe shortages, speculation and high inflation in which foreign exchange allocations were subject to arbitrary, discretionary powers exercised by the Bank of Uganda and other Government officials. In addition, foreign exchange allocations to firms and traders had been highly ad hoc, subject to considerable uncertainty and fluctuations. The central objectives behind the OGL were therefore to reduce to a minimum, if not eliminate, the discretionary element in the allocation of foreign exchange, and ensure continuity in the access to foreign exchange to at least a group of key manufacturing enterprises that could alleviate the supply shortages of certain staple commodities and that are also important for tax revenues. In view of these considerations, the Government therefore decided to admit to the OGL an initial group of 22 manufacturing firms that met these criteria. During 1988, OGL firms experienced a remarkable 60 percent increase in their production of basic consumer goods; in addition, tax revenues from these firms jumped three-fold to U Sh 7.1 billion, accounting for the bulk of indirect tax revenues collected by the Government.
- 3.12 As additional foreign exchange became available towards the end of 1988, and as some unutilized import support was available under the OGL, the Government decided that the OGL was too narrow in scope, and through the introduction of the SIP, expanded access to foreign exchange to a wide range of sectors. Among other imports, the SIP covers agricultural and manufacturing inputs as well as spare parts and some basic consumer goods.

Any importer in the eligible sectors was allowed to purchase foreign exchange for imports on a first-come first-served basis. By allocating foreign exchange in this way, the SIP ensured speedier utilization of import support and, by providing access to foreign exchange to any importer in a wide range of sectors, it had the effect of liberalizing the foreign exchange allocation system.

3.13 The experience with implementation of exchange and trade policies as discussed above has shaped the Government's strategy for the evolution of the exchange and trade regime. As discussed in paragraph 5.21, the main elements of this strategy consist of an active exchange rate policy; the maintenance of a limited OGL; the channeling of the bulk of import support through the SIP; and the merging of the OGL into the SIP as the uncertainty about foreign exchange is reduced, supply of foreign exchange enhanced and excess demand reduced through exchange rate action, supported by appropriate fiscal and monetary policies.

3.31 Import support played a key role in the revival of the productive sectors. For most producers with access to official foreign exchange, import support was the only source of funding for critically-needed replacement machinery and equipment, spare parts and raw materials. Until the creation of the SIP in December 1988 the main beneficiaries of import support funds were the small number of industrial firms covered by the OGL. Dramatic production increases were achieved by the OGL firms producing staple commodities such as beverages and soap, with salutary effects on prices and Government revenue. The utilization of the available foreign exchange by some of the other OGL firms was constrained by the lack of local cover which in turn reflected the inability of many industrial firms to generate working capital internally or to borrow from the commercial banks. With the introduction of the SIP the other sectors, including agriculture, gained better access to import support funds. Delays in the commitment and utilization of these resources tended to retard the supply response to the policy measures adopted by the Government. However, considerable attention has been devoted in recent months to identifying the source of the problems and instituting improvements. Technical assistance is being provided to the Bank of Uganda to address institutional bottlenecks impeding the speed of disbursements.

Beilage 7Basis-Dokumentation

(beim BAWI verfügbar)

- Berichte des EVD zu ZBH Uganda:
 - Antrag an den Bundesrat vom 14.12.1988 (ZBH I)
 - Missionsbericht BAWI vom 18.4.1989: Kofinanzierung (ZBH I)
 - Missionsbericht BAWI vom 27.6.1989: Kofinanzierung und bilaterale Unterstützung (Vorbereitung ZBH II und III)
 - Notiz BAWI vom 9.8.1989 an die DEH (Absichten des BAWI)

- Dokumente der Weltbank:
 - Review of the Economic Recovery Program, 31.10.1989
 - Development Credit Agreement (Entwurf)

- Dokumente der ugandischen Regierung:
 - Letter of Development Policy (Entwurf)
 - Programme for the Alleviation of Poverty and the Social Costs of Adjustment, October 1989

EVD, VOLKSWIRTSCHAFTSDEPARTMENT
Presse- und Informationsdienst

Zahlungsbilanzhilfen an Uganda

Der Bundesrat hat beschlossen, der Republik Uganda zwei Zahlungsbilanzhilfen von insgesamt 15 Mio. Franken zu gewähren. Diese Unterstützung erlaubt einerseits eine Fortführung der schweizerischen Beteiligung am Wiederaufbauprogramm dieses Landes und eröffnet andererseits die Möglichkeit einer bilateralen Aktion zur Finanzierung dringender Einfuhren für prioritäre Sektoren. Das Land, das nach den langjährigen Bürgerkriegswirren zwischen 1972 und 1985 vor grossen Wirtschaftsproblemen steht, ist auf Hilfe von aussen angewiesen.

Uganda, mit einem Prokopfeinkommen von 260 US-Dollars (1987) eines der ärmsten Länder der Welt, unternimmt seit dem Amtsantritt der Regierung Museveni im Jahre 1986 grosse Anstrengungen zur Wiederherstellung der politischen und wirtschaftlichen Stabilität. Dabei konnten bereits beachtliche Erfolge erzielt werden. Das von diesem Land 1987 eingeführte Wiederaufbau- und Wirtschaftsreformprogramm wird von seiten der Weltbank, des Internationalen Währungsfonds und mehrerer bilateraler Geber unterstützt. Die Schweiz gewährte erstmals im letzten Jahr eine Soforthilfe in Höhe von 11,3 Mio. Franken.

Der neue Beitrag der Schweiz wird wie folgt aufgeteilt: 7 Mio. Franken als eine weitere Kofinanzierung mit der Weltbank des ugandischen Wiederaufbauprogramms, und 8 Mio. Franken als bilaterale Zahlungsbilanzhilfe in den von Uganda als prioritär bezeichneten Sektoren der Kaffee- und der Textilverarbeitung.

EIDG. VOLKSWIRTSCHAFTSDEPARTEMENT
Presse- und Informationsdienst

Communiqué de presseDeux aides à la balance des paiements pour l'Ouganda

Le Conseil fédéral a décidé d'accorder à la République d'Ouganda deux aides à la balance des paiements d'un montant total de 15 mio. de francs. Ainsi, la Suisse continue d'une part de participer au programme de reconstruction de ce pays, et d'autre part, elle a la possibilité d'agir bilatéralement pour financer des importations essentielles dans des secteurs prioritaires. A la suite des troubles engendrés par la guerre civile qui a duré de 1972 à 1985, le pays doit faire face à de graves problèmes économiques et dépend de l'aide extérieure.

L'Ouganda est l'un des pays les plus pauvres du monde, avec un revenu par habitant de 260 US \$ (1987). Depuis l'accession au pouvoir du Gouvernement de Museveni en 1986, l'Ouganda a fait de gros efforts pour retrouver la stabilité économique et politique. Il a déjà obtenu des résultats remarquables dans ce domaine. Le programme de reconstruction et de réforme économique introduit en 1987 est appuyé par la Banque mondiale, le Fonds monétaire international et par plusieurs pays donateurs. La Suisse a accordé à l'Ouganda pour la première fois l'an dernier une aide d'urgence s'élevant à 11,3 mio. de francs.

La nouvelle contribution de la Suisse se répartit ainsi: 7 mio. de francs sont destinés à poursuivre le cofinancement, avec la Banque mondiale, du programme ougandais de reconstruction et 8 mio. de francs constituent une aide bilatérale à la balance des paiements dans les secteurs reconnus comme prioritaires par l'Ouganda, les industries de transformation du café et des textiles.

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