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EU directs aid to private sector involvement

KAMPALA. The European Union (EU) is rooting for more private sector involvement in the economies of developing countries which it says has enormous trickle down effects like creating employment opportunities for the youth compared to traditional development aid.

According to the Head of EU Delegation in Uganda, Ambassador Attilio Pacifici, the policy realignment started last year with the flagging off of the ambitious External Investment Plan (EIP) to mostly encourage private sector investments in Africa and some mid-developed states in the 28-member European economic bloc.

Speaking at the signing of a grant for the justice and accountability reform last Friday at the Ministry of Finance, Ambassador Pacifici said the EIP is a €44b package that can trigger several investments, including in Uganda.

"The private sector has for years been crucial in the development of countries in South East Asia but why less in Africa?" Mr Pacifici asked.

"May be there isn't the kind of atmosphere and ambience to both support and attract the private sector."

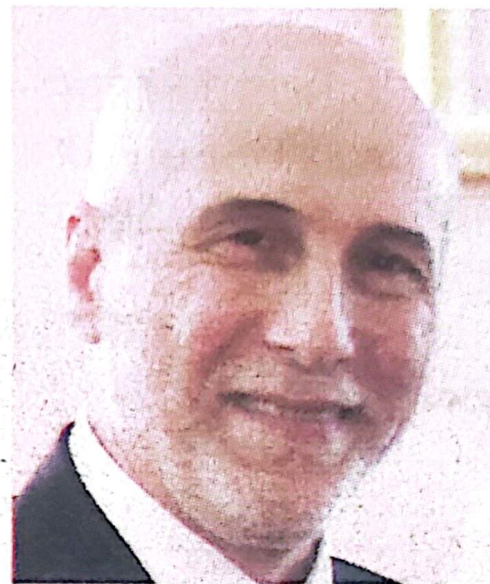
"Together, this is what we need to work on, what can the EU do? We can only offer ideas because no one has monopoly over them but they have to be put in practice," he added.

The EIP was first mooted by the EU President Jean-Claude Juncker in September last year, and its trial has since commenced in select countries to boost private and public investments that address obstacles to growth and some causes of migration of the youth to Europe.

EU development aid

Ambassador Pacifici also described Uganda as a "frontline country" in Africa where EU's development aid is absorbed satisfactorily. He said development cooperation remains a good component "but there is something missing in its operation."

On Friday, the EU envoy and Fi-



Delegate. Ambassador Attilio Pacifici

nance minister Matia Kasaija signed a €66m (approx. Shs280b) grant from the eleventh European Development Fund for justice and accountability reforms through the justice, law and order and accountability institutions such as the Office of the Auditor General and In-

spectorate of Government, among others. The objective is to link the different parts of the accountability chain such as transparency, audit, investigations, sanctions, and prosecution, with expected outcomes such as reducing case backlog from 24 per cent in 2016 to 12 per cent by 2020, increased automation of the court system and scaling down the proportion of remand prisoners in the overall prison population from 52 percent last year to 44 per cent by 2020.

Mr Kasaija said the "aim of this intervention is to improve capacities for public investment management and improve domestic revenue mobilisation for sustainable development through enhanced public sector capacities for tax administration and anti-money laundering investigations."

He also promised that civil society actors working in related areas "will be consulted before disbursement of the variable tranches" to allow time-bound targets