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THE REPUBLIC OF UGANDA

Ministry of Finance, Planning  
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Plot 2-12 Apollo Kaggwa Rd  
Finance HQs Building

22<sup>nd</sup> August 2007

To: All Chairpersons of the SWGs

Re: **LAUNCHING OF THE AID HARMONISATION AND THE DONOR DIVISION  
OF LABOUR EXERCISE.**

As you are aware, Government is undertaking a Donor Division of Labour Exercise in order to identify mechanisms on how to reduce the transactions costs in external resources mobilisation and management. The overall objective of the DoL exercise is, to generate a more efficient development partner division of labour that sees a balanced spread of financial support and policy dialogue with the government and civil society across the PEAP pillars. A background paper on the process, the objectives and expected output is attached for your information.

To smoothen this exercise, a Joint GOU/LDPG Harmonization Committee hired a team of consultants from ODI to undertake first stage of the DOL exercise and has produced their final draft report, a copy of which is attached herewith. The first phase largely involved extensive collection of data on aid inflows to government of Uganda and the mapping of the aid resources to the PEAP and/or MTEF Sectors.

In-order to move the exercise further, the Joint GOU/LDPG Harmonization Committee meeting was held at the MFPED on 3<sup>rd</sup> July 2007 to discuss the findings and recommendations given in the draft interim report. During the meeting and inline with recommendations of the interim report, it was agreed that each SWG nominates a representative to form the core team that will be responsible for the implementation of the exercise at the sector level. You may note that the SWGs process will mark the critical phase in the Government's involvement in the DoL exercise and will determine whether real DoL can be achieved.

The purpose of this letter therefore, is to request you to nominate one senior officer that will act as the lead contact person for your sector. Your nominations should be marked for the attention of: Commissioner Aid Liaison, **not later than 7<sup>th</sup> September 2007**. Given the importance and the anticipated impact of this exercise on the national budget, the participation of your sector is of great importance.

Your usual cooperation in this matter will be highly appreciated.

Yours sincerely,

C. M. Kassami

**PERMANENT SECRETARY/SECRETARY TO THE TREASURY.**

c.c All Permanent Secretaries