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**Eastern Africa Subregional Development Centre (EA/SRDC)**

**Fifth meeting of the Intergovernmental  
Committee of Experts**

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**Addis Ababa (Ethiopia)**

**REPORT OF THE DIRECTOR ON THE IMPLEMENTATION OF  
THE WORK PROGRAMME AND PRIORITIES FOR 1997**

## 1. BACKGROUND

The Conference of African Ministers responsible for economic and social development and planning decided, by its resolution 3(XVIII), to establish the Eastern African Subregional Development Centre. This Centre covers the following countries: Burundi, the Comoros, the Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Uganda, the United Republic of Tanzania, Rwanda, Seychelles and Somalia.

The Conference of Ministers also decided that the Meeting of the Intergovernmental Committee of Experts of the Eastern Africa Subregional Development Centre should be held every year. Pursuant to this decision, our Centre has organised this Fifth Meeting of the Intergovernmental Committee of Experts in order to submit to the consideration of the Experts the work programme and priorities implemented during the year 1997.

The main objective of the Eastern African Subregional Development Centre's programme, therefore, is to identify major priority development areas, together with the respective major actors in those areas and provide effective and relevant technical support with a view to promoting regional cooperation and integration.

The 1997 programme contains the following four areas of focus:

- (a) Providing technical support to and cooperation with the regional economic communities (RECs);
- (b) Facilitating networking and information exchange between governments, civil society and the private sector at Eastern Africa Sub-regional Development Centre;
- (c) Providing coordination services for operational programmes of the United Nations and specialized agencies, in collaboration with UNDP and the United Nations Resident Coordinator system at the national level; and
- (d) Strengthening ECA's outreach in the Eastern African Sub-regional Development Centre Subregion.

## 2. AREAS OF FOCUS

### 2.1 Providing technical support to and cooperation with the RECs

This area of focus is designed to forge partnerships through organizing the meeting of Intergovernmental Committee of Experts, advisory services and joint EA/SRDC-Regional Economic Communities/Intergovernmental Organizations/Non Governmental Organizations/United Nations Inter-Agency consultative meetings on activities promoting economic cooperation and integration in the subregion.

In order to reinforce cooperation and partnership with the RECs and IGOs located in the Eastern Africa Subregion, our Centre carried out consultations with the Intergovernmental Authority for Development (IGAD); East Africa Cooperation (EAC), Economic Community of Great Lakes Countries (CEPGL) and Indian Ocean Commission (IOC). During the consultations, the RECs and IGOs of the Eastern Africa Subregion requested the following: (i) IGAD requested the Eastern Africa SRDC to prepare papers on the industrial, trading and

transport strategies; (ii) EAC requested technical assistance to undertake studies on assessment of the status of Lake Victoria Ports; (iii) We agreed with the Indian Ocean Commission to develop our partnership in the industry sector; (iv) CEPGL requested assistance in the following fields: the promotion of investment for the development of integration projects; cooperation to ensure food security; energy self-sufficiency and interconnection of the electrical grids, industrial production infrastructures, various forms of cooperation in the areas of transport, telecommunication and meteorology data banks and integration of tourism programme. The relevant recommendations and strategies formulated in the documents requested will serve as inputs for the policy-makers of the subregion to their efforts to harmonize the subregional and regional integration. As you would notice, the Eastern Africa SRDC is yet to fully operationalize its new mandate which aims to ensure that the cooperation and partnership with RECs and IGOs are fully and practically strengthened and implemented.

## **2.2. Facilitating networking and information exchange between governments, civil society and the private sector in Eastern Africa SRDC**

The objective of this area of focus is to facilitate exchange of information and dynamic partnership by offering an opportunity to the principal development actors to benefit from the electronic information network to exchange experience, harmonize strategies and programmes and discuss development integration project which will attract more investment.

In this regard, our Centre carried out an assessment of Economic and Social conditions in the Eastern African SRDC subregion; published two issues of the Eastern African Development Bulletin and organized a High-level seminar on equity and the economic and social empowerment of women in the Eastern Africa SRDC subregion. In implementing these outputs and activities, we learnt the following:

### **(a) Economic and Social conditions in the Eastern African SRDC subregion**

This socio-economic survey report covers 13 countries. The assessment indicates that the continuing implementation of macro-economic reforms and structural adjustment programmes, supply side improvements and improvements in security conditions in some of the countries resulted in the overall recovery of Gross Domestic Product (GDP) in the subregion in 1997. The group's real GDP growth rate was estimated at 3.9% at 1990 prices during the current period, compared with real GDP growth rate of 3.0% and 2.8% in 1996 and 1995 respectively. GDP performance by sectors shows that agricultural activity was stuffed, among other things, by poor weather conditions in 1997 compared with 1996.

The social conditions have been improving for those countries of the subregion which are relatively more stable. Nonetheless, the continued population movements in some of the countries because of social unrest, coupled with low performance of agriculture as a result of both poor weather conditions and insecurity problems, have exposed many of the countries to the vulnerability of food shortages. The proportion of the total population living below the poverty line still remains high and in some cases has increased dramatically. The aggravated poverty situation in some of the countries is due partly to the chronic unemployment situation which has been worsened by the effects of the ongoing structural adjustment programmes in the subregion.

The adult literacy for 8 countries of the subregion was on an average 72% for male and 53% for female, which compares positively with the Sub-Saharan African average of 67% for male and 48% female. Although relative improvement was registered in the overall rate, female literacy rate still remains low, particularly in the rural areas.

The demographic trend of the subregion shows that population growth rate is relatively high. The average for the subregion is 3.0% per annum. The growth rate ranges from the smallest growth rate of 1.7% for Seychelles to 3.8% for Tanzania. The average annual population growth rate for Sub-Saharan Africa is 2.9%. The striking feature of the demographic trend in the subregion is that an average of 52.9% of the total population is under five years of age. This has serious implications for employment, dependency ratio and the population policy of the countries in the subregion.

As for the overall trend in economic performance of the countries of Eastern Africa Subregion is concerned in 1997, the group of countries recorded an estimated average GDP growth rate of 3.9% at 1990 prices, which positively compares with the growth rate of 3.0% in 1996 and 2.8% in 1995. However, the group's GDP performance in 1996 was lower than (4.25%) that of Africa and the (5.5%) of developing countries. The relative growth improvement was attributed mainly to improvements in security conditions in some of the countries, the total end of war in others, good weather conditions in a few of the countries, and economic reform efforts that have continued in most of the countries of the subregion. The overall estimated performance of the agricultural sector was sluggish in 1997 compared to 1996 while the overall performance of the manufacturing, construction and service sectors was better than in 1996.

Among the myriad of problems faced by Eastern Africa subregion are mounting poverty, over dependence of export earnings on a small number of agricultural and mineral commodities, a small and narrow manufacturing base, high population growth rates, low savings and investment rates, low human capital developments, high debt-servicing ratios, poor infrastructure and structural rigidities, as well as political instability in some countries. However, solving all the above problems overnight is entirely impossible given the resources, capacity, technological, structural and other constraints.

The following problems are identified as pressing and recommendations made for consideration in problem solving: (i) Countries in the subregion should give priority attention to the development of mechanism and upgrade the capacity for data collection, analysis, reporting and dissemination. Allotment of resources to capacity building on data collection, analysis and management should be considered as a worthwhile and invaluable investment; (ii) The problem of poverty in some countries of the subregion is aggravated by the implementation of structural adjustment programmes. Unless pragmatic policy measures are implemented along with the adjustment process to eradicate widespread poverty in the subregion, the development endeavours are likely to face a challenge from those who do not have the wherewithal; (iii) To facilitate the realization of rapid and sustained development, governments need to undertake further economic reforms to enhance the level and efficiency of public administration and to increase private investment, income and job creation; (iv) Manufacturing is the core of supply-crating channels of production linkages with other

sectors of the economy. In the absence of the market, however, the industrial growth in general and manufacturing activities in particular cannot be sustained. Given the current stage of economic development and the existing production structures within the subregion, faster manufacturing growth could be built initially on labour intensive, low technology industries closely linked to agriculture, so that initial comparative advantages could be gained in a relatively short time. Greater involvement in investment by foreign investors and the domestic private sector would help to fuel the process; (v) Rural poverty strongly affects the twin problems of education and health. The usually high under five mortality and low enrolment of girls have a common origin in the extreme poverty of the poorest part of the rural population in most of the countries in the subregion. Thus, it seems plausible to focus on enhancement of income through education along with increased expenditure on social services; (vi) The interdependence between poverty and deforestation results in environmental degradation. Any policy measures to eradicate poverty equally would mean saving the environment. Thus, finding alternative sources of energy must be viewed along with elimination of poverty. Therefore, a holistic approach to environmental issues is recommended; (vii) Civil strife, ethnic violence and social unrest are the major problems in some countries of the subregion. The influx of refugees from one country seriously affects the stability of the other. There must be sustained efforts to restore peace and stability. Thus, the question of building investors' confidence and the inflow of direct foreign investment, curtailment of capital flights, development of tourist industry, movement towards subregional trade cooperation, use of the most cheap available productive labour resources for further progress and others have to do with maintenance of peace and stability in the subregion.

**b) Macroeconomic coordination and harmonization among the countries of the Eastern African Subregion**

A survey of the priorities of the countries covered by the Eastern Africa Subregional Development Centre (EA-SRDC) and their RECs indicates that macroeconomic harmonization and coordination is one of the priority areas for regional cooperation and integration. This is also in line with ECA's new Strategic Directions to Serve Africa Better and to focus activities on promoting policies, methods and strategies geared towards increasing regional cooperation leading to the creation of African Economic Community (AEC).

The principles of variable geometry and subsidiarity are also relevant for the perspective interpretation of operating areas, sectoral participation, the speed at which each REC attains the objectives of regional cooperation as well as the relationship among all the RECs in the Eastern Africa Subregion. All the RECs are stakeholders in the cooperation and integration process. Slowly but surely they have come to acknowledge the social and economic benefits of harmonization of their protocols and programmes.

Needless to stress the fact the macroeconomics is central to public policy development and formulation. It seeks to identify and articulate economic aggregates and magnitudes; structures and quantitative relationships among socio-economic variables within and between the economies of various countries. The implementation of goal-based macroeconomic policies could bring about changes in employment, output and the level of prices.

Macroeconomic harmonisation should be perceived and operationalized at three levels, namely, at the national, intra-RECs and inter-RECs levels. The international dimensions are basically beyond the control of individual countries and RECs. In effect, one of the objectives of establishing RECs is to forge economic blocs to strengthen regional competitiveness in a global milieu. In this regard, effective macroeconomic harmonisation at the national level is fundamental to the quality of harmonisation and coordination at the RECs level as well as to the capacity to excel in the globalization of competition.

Based on the preceding conclusions and review of all aspects of the issues raised in the paper, the following conclusions could be made for discussion and action: (i) harmonization of macroeconomic variables - the standardization of terminology and relates issues such as fiscal, financial and base years would lend some uniformity to the collection and interpretation of macroeconomic data; (ii) capacity building in statistics and national accounts - this would strengthen the skills required at the national and regional level and facilitate the process of macroeconomic harmonization; (iii) information and database development - whereas several African countries have initiated action to harness information technology for development, connectivity, networking and the sharing of information is not only lagging behind but also not yet geared to regional cooperation and integration. The RECs could build capacity through the ECA-based Africa Information Society Initiative (AISI); (iv) mechanisms for intra-RECs macro-economic harmonization - mechanisms for the involvement of entrepreneurs and the civil society in the development, formulation and management of macro economic policies should be strengthened; (v) memorandum of understanding between RECs - such memorandum to overcome the arguments on multiplicity of RECs and programmes in the same geographical space should be fine-tuned to enhance macroeconomic harmonization.

**c) Eastern African Development Bulletin**

This bulletin is of the instruments for sharing information among all development stakeholders in the Eastern Africa Subregion. The bulletin shows that it brings to the attention of readers some of the priorities considered by the member States of the subregion such as the creation of a fruitful environment for investments, the policy for local savings mobilization, the multimodal transport rehabilitation and development. It is designed both for wider dissemination of the studies and substantive work carried out by ECA or by other United Nations Agencies and to focus the debate on development issues beyond the traditional framework of subregional meetings and conferences. The bulletin allows us to clearly appreciate considerable willingness and efforts of the member States on the one hand and the donors as well as the financing institutions on the other to actively participate in the Eastern Africa Subregional Development.

**d) High-level seminar on gender equity and the Economic and Social empowerment of women in the Eastern Africa Subregion focusing on the Democratic Republic of the Congo**

The seminar was organized as part of efforts of our centre to develop partnership with member States and UN agencies operating at national level in the field of economic empowerment of women. The United Nations Development Programme (UNDP) in Kinshasa (DRC) was fully involved in the preparation and funding of the seminar. It supported the whole initiative of our Centre by contributing US\$ 48,000 to meet the cost of local participants and other logistics.

The main objective of the seminar was to provide new approaches to promote economic empowerment among Congolese women and an opportunity to draw up an implementable and adaptable work plan to be applied in the countries.

The following topics were discussed: (i) The advancement and economic empowerment of women in the context of democratization with particular reference to the Democratic Republic of the Congo; (ii) The challenge of integration of Congolese women in national development; (iii) Strategies for strengthening the economic empowerment of women and (iv) Strategies for establishment a lasting partnership between donors and Congolese business women. The recommendations adopted by the participants relate to development strategies that have been identified and their implications, as well as to actions that have been decided upon, and then role of state, funding agencies and NGOs in the cause of women's economic empowerment. The report of this seminar is submitted to the present session for review.

**2.3. Providing coordination services for operational programmes of the United Nations and specialized agencies, in collaboration with UNDP the United Nations Resident Coordinator system at the national level.**

**a) Non-recurrent publications: Briefing notes on development in the Eastern African SRDC Subregion**

The briefing notes prepared on the quarterly basis provide the countries with the early warning information gathering on economic, social and political developments in the Eastern African SRDC Subregion.

In this connection, the briefing notes were prepared and devoted to the following: (i) characteristics of the countries of the Eastern Africa subregional Development Centre, (ii) industrial and trading strategies for the IGAD Subregion, (iii) transport for the sub-regional integration and (iv) strengthening of partnership with East Africa Cooperation and United Nations Office of Project Services (UNOPS).

The organization of meetings, exchange and sharing of information and experience on the subregional economic cooperation and integration as well as the issues related to the economic empowerment of women with UN agencies and other partners in the subregion ensure a common understanding and will contribute to the harmonization and coordination of assistance rendered to member States, RECs, IGOs and NGOs in Eastern Africa Subregion.

**(b) Training of Trainers: Leadership skills for the youth in the Eastern African Subregion**

Although the training documents were available, this training was not organized due to lack of funds. The following documents constitute the background and training documents: (i) Employment and youth in Africa - emerging trends and strategies; (ii) Post-harvest structures in the rural areas of Eastern Africa Subregion; (iii) storage and preservation of crops in the farm in the Eastern African Subregion; and (iv) Promotion of small scale food processing units in the rural areas of the Eastern African Subregion.

As per the documents to be considered, the objective of this training was to provide the youth in rural areas of the Eastern African Subregion with techniques and information relating to post-harvest strategies and especially the most suitable and appropriate technologies for food storage, preservation and processing. The four documents will be presented for your consideration.

**(c) Leadership Skills for Women in the Eastern African Subregion: Report on the Consultative Symposium on Strengthening Capacity for Gender Initiatives and Subregional Cooperation**

The objective of this symposium was to exchange information on the scope of gender activities in the Eastern African Subregion in order to contribute towards the conceptualization of gender issues. The following background papers were discussed: (i) ECA's gender framework paper; (ii) Modalities for strengthening capacities of gender initiatives and Sub-regional Cooperation in Eastern Africa; (iii) Enhancing mechanisms for joint planning, implementation, coordination and monitoring gender activities in the sub-region; (iv) devising modalities for information development and dissemination; and (v) Enhancing sub-regional cooperation and integration.

After brainstorming and doing an inventory of subregional implementation, participants identified the government's actors dealing with gender issues which had established focal points in their respective countries.

Regarding the scope of gender issues, the participants recommended the immediate formation of a Gender Advisory Committee composed of experts from the subregion to give leadership and vision, articulate and mainstream the gender issues and to advise on priorities and targets of gender issues in the subregion.



#### **2.4. Strengthening ECA's outreach in the Eastern African SRDC Subregion**

The Eastern African Subregional Development Centre had ensured proper implementation of the activities of the Commission in the Subregion. Some of our staff were called upon to carry out the activities of some ECA substantive divisions in the Eastern African Subregion. Our centre is the authorized and operational channel for dissemination of the commission's findings and major publications in the Eastern African Subregion. It maintains direct links with the Commission's programme of cooperation and integration.

In this connection, the ECA substantive Divisions concerned will report on their specific activities implemented in the Eastern Africa Subregion at country and subregional levels.

### **III. WORK PROGRAMME AND PRIORITIES FOR 1998-1999 BIENNIUM**

The work programme and priorities for the EASRDC embraces the priorities of member States of institutions of economic cooperation and integration established with the economic zone of the Eastern Africa Bureau.

The 1998-1999 biennium of the ECA Eastern Africa SRDC is part and parcel of the objective and spirit of the Abuja Treaty to optimize and at the same time rationalize institutional means and frameworks. Since this programme was adopted by the Conference of Ministers in May 1997, our centre is submitting the operational approach for the implementation of this programme by the Areas of Focus.