



Economic  
Commission  
for Africa

# Perspectives on Governance in East Africa: *Recommendations and Plan of Action*



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*Governance for a Progressing Africa*

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# Part I: Background and Introduction

## 1.1 Background

African governments and their development partners, including the United Nations system have increasingly acknowledged the importance of the role of popular participation in Africa's economic recovery and development over time. Indeed, the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UN-PAAERD) was one of the major landmarks in this endeavour.

In addition, three major international conferences organized by the United Nations, non-governmental organizations (NGOs) and African governments have also highlighted that popular participation is key to sustainable development. These are the Abuja International Conference on Africa: the Challenge of Economic Recovery and Accelerated Development (1987), the Khartoum International Conference on the Human Dimension of Africa's Recovery and Development (1988) and the International Conference on Popular Participation in Arusha (1990), which adopted the African Charter for Popular Participation in Development.

Good governance has been a topic of much discussion in the international arena since the late 1980s, especially following the results of structural adjustment programmes (SAPs) and more recently, the conditionalities and process of the Poverty Reduction Strategy Papers (PRSPs). The failure of SAPs to overcome the major structural and institutional impediments to rapid and sustained growth in African countries introduced such terms and concepts as democracy, civil society, popular participation, transparency, accountability, human rights, and others into the field of development economics.

Indeed, while SAPs mainly focused on "getting prices right" through liberalization, deregulation and privatization, more recently, the need for appropriate, effective institutions to formulate policy and manage implementation for the benefit of all groups of citizens is now a major element forming the rubric of "good governance", which is one of the cornerstones of the contemporary development agenda.

Although good governance has been acknowledged as both a development objective and a means of achieving development in Africa for some time now, it has been only recently that the intrinsic linkage between good governance and sustainable human development, including poverty reduction, has been pinpointed. Under the Africa-formulated and Africa-led New Partnership for Africa's Development (NEPAD) initiative for example, African leaders have further affirmed that:

- The process of achieving economic growth and development in their countries is heavily influenced by a considerable number of political factors, including good economic and corporate governance; and
- Good political governance is a prerequisite for good economic and corporate governance.

Fundamental to the interaction between economic development and political governance, on the one hand, and economic and corporate governance on the other, is the ability of the State

to provide the requisite institutional framework to support good governance outcomes. The NEPAD framework also recognizes that for African public institutions to function effectively, considerable reform and capacity building are required. These institutional reforms need to focus on strengthening:

- Administrative and civil services;
- Parliamentary oversight;
- Participatory decision-making;
- Effective measures to combat corruption and funds embezzlement; and
- Judicial reforms.

It is against this background that many African countries, including those in East Africa, have taken important steps in recent years to improve their governance in an effort to enhance the prospects for sustainable human development.

## 1.2 Major Developments in the Subregion

### Socioeconomic context

In year 2002, average economic growth of the East Africa subregion was 4.2% that is 4.2% as compared to 4.4% in 2001, remaining at much the same level, and reflecting the positive performance realized in all the countries, except for Madagascar (-11.9).

Table 1: Economic Growth in East African Countries, 1997-2002 (%)

|                                  | 1997       | 1998       | 1999       | 2000       | 2001       | 2002       |
|----------------------------------|------------|------------|------------|------------|------------|------------|
| Burundi                          | 0.7        | 4.4        | -1.2       | -0.3       | 3.2        | 4.1        |
| Comoros                          | -1.1       | -1.1       | 1.2        | 0.8        | 1.0        | 2.5        |
| DRC                              | -4.1       | -0.7       | 3.0        | -11.4      | -4.1       | 2.0        |
| Djibouti                         | 3.1        | 1.7        | 2.2        | 4.0        | 1.5        | 2.0        |
| Eritrea                          | 7.0        | 3.0        | 3.0        | 1.2        | 5.8        | 6.0        |
| Ethiopia                         | 5.6        | 0.5        | 6.5        | 5.5        | 7.0        | 7.1        |
| Kenya                            | 2.3        | 2.7        | 1.4        | -0.3       | 1.0        | 1.2        |
| Madagascar                       | 4.0        | 3.5        | 4.7        | 4.8        | 6.7        | -11.9      |
| Rwanda                           | 10.9       | 6.7        | 5.0        | 6.3        | 6.0        | 9.9        |
| Seychelles                       | 1.5        | 3.0        | 2.9        | -8.4       | -8.1       | 2.0        |
| Somalia                          | 5.0        | 2.6        | 1.5        | -0.8       | -          | -          |
| Tanzania                         | 3.3        | 5.0        | 5.7        | 4.4        | 4.6        | 4.4        |
| Uganda                           | 5.5        | 4.0        | 5.3        | 5.1        | 4.8        | 5.5        |
| <b>Average for the subregion</b> | <b>3.2</b> | <b>2.5</b> | <b>3.8</b> | <b>0.6</b> | <b>4.4</b> | <b>4.2</b> |

Sources: National Country Reports, various years; ADB, *African Development Report*, 2002

The countries that contributed most to this growth in the subregion are those that implemented macroeconomic reforms and that have interior stability and substantial support from development partners. This is notably the case for Ethiopia, Rwanda, Tanzania and Uganda. The crisis that affected Madagascar after the December 2001 presidential elections led to the deterioration of macroeconomic aggregates, but the results of 2001 (6.7%) are an indication of more optimistic outcomes for 2002, if the crisis has not occurred. In the case of Kenya, uncertainties about the outcome of the December 2002 presidential elections caused reduced imports demand and decreased development assistance flows. The peace process in the Democratic Republic of the Congo (DRC) and Burundi is laying the foundation for economic recovery in those countries.

In addition to the destruction of economic infrastructure as a result of conflicts, 46% of Africa's population lives below the poverty line, the highest proportion being in Rwanda, where the poor represent 70% of the population. Economic recovery efforts are also hampered by a number of other factors such as the debt service of outstanding loans, which represent about 93.8% of GDP for the whole East African subregion. Decreasing aid and investment flows and weaknesses in human and technological capacities also hamper economic recovery.

With the exception of the Seychelles, the economic slump and state of poverty should be viewed against the difficult political situations of the countries of the subregion, seen especially in the political instability of countries of the Great Lakes, the Horn of Africa and in the Indian Ocean island State of Madagascar. In the past decade, a number of East African countries have not only been victims of armed conflicts and political instability but have been afflicted by epidemic diseases such as HIV/AIDS and malaria. The impact of health factors has been significant and in most cases, devastating. Millions of people have died, many under torture, and many more have become refugees and displaced persons.

Furthermore, the subregional population shares many ethnic, cultural, social and political relationships. As a consequence, conflicts or disturbances affecting one country have direct impact on the whole area. This is particularly true in the case of the Great Lakes countries, in which conflicts occurring in any of the central States (Burundi, DRC, Uganda, Rwanda and Tanzania) do not remain limited within their borders. The porosity of the borders, and the blood kinship, common culture and values of the trans-border populations complicate and aggravate the situation.

By their nature, scope, duration and proliferation, conflicts undermine the national and regional stability needed for economic integration and regional development, and poison the relationships between States and peoples. These conflicts damage and prevent the environmental conditions required for the blooming of participatory democracy and good governance.

This situation of conflict is the consequence of lasting accumulation of complex and interrelated problems such as bad governance, lack of democracy, monopolization of political powers by an individual or ethnic group, exclusion of some ethnic and other interest groups from political life as a matter of policy, widespread corruption, nepotism, violation of basic rights, and an increasingly expanding poverty. These negative factors account for the cyclic repetition of political and ethnic violence and almost permanent instability in most countries of the subregion.

## 1.3 The African Governance Project

The Economic Commission for Africa (ECA) has been in the forefront of the good governance debate, repeatedly pointing out the centrality of governance factors underlying the contemporary African scenarios and stressing the linkage between good governance and sustained economic development. While it may be true that mismanagement and inefficiency may be tackled by reducing the size and role of government, ECA has maintained that reconstituted, proactive, democratized developmental States are essential and hold the best prospects for regional recovery and development. The Commission continues to advocate that reversal of economic decline will require engaged and proactive governments with improved capacity to formulate policies, manage essential services and endure public accountability and transparency.

In its renewed efforts to serve Africa better, and in its capacity as the lead agency of the governance component of NEPAD, ECA has recommitted itself to help strengthen government capabilities and effectiveness and consolidate institutions and practices of good governance on the continent.

It is against this background of recognizing the importance of good governance for economic and social development that ECA has embarked on an ambitious programme to study and measure the many complex aspects of governance in Africa. The African Governance Project seeks to monitor and keep track of the progress that various countries are making towards enhancing democratic values and governance. The project is, therefore, complementary to government's efforts and it seeks to establish consensus among a wide range of stakeholders on how good governance can be enhanced on the continent.

With the introduction of the African Governance Project in 2001, the project has been launched in 5 countries, out of the 13 Southern African countries covered by the ECA/SRO-EA. These five are Ethiopia Kenya, Rwanda, Tanzania and Uganda. The project report refers to provisional results of the surveys and takes into account good governance activities being implemented by the United Nations Development Programme (UNDP) in Burundi, Djibouti and DRC.

In each country, the surveys reached a sample ranging from 1000 to 2500 households, and 100 experts and intellectuals. The questionnaires enquired about the population's perceptions of good governance in terms of:

- Political representation;
- Institutional efficiency; and
- Economic and corporate governance.

## 1.4 Conclusions from the Country Reports

The conclusions from the country reports were drawn in the three areas listed above. The reports presented indicated that there is general consensus that good governance is a *sine qua non* condition for sustainable human development. Good governance guarantees resource prioritization and targeting and ensures popular participation in development programmes. In order to achieve this, countries need to develop strong, people-centred governance institutions and entrench a national culture of political and social inclusion.

## Political representation

The participation of the population in electoral processes remains poor especially for women, who are by far the least represented in different governance bodies. Moreover, the Parliaments established do not have material resources and sufficient capacities to carry out their threefold function of national representation, legislation and monitoring of government activity. This results essentially from the absence of genuine parliamentary tradition, as a consequence of more than 40 years of mono-party regimes that did not allow parliamentary institutions to develop resources and mechanisms needed for their functioning in a system of separated powers.

Many countries are undertaking political reforms outlining the mechanism for implementing the principles of democracy, as well as the bodies responsible for their enforcement. They generally focus on:

- The Constitution and Constitutionalism;
- The electoral code;
- The organization of political parties;
- The status of the Judiciary; and
- The press and communication

The political regimes are generally accepted as legitimate although popular participation is constrained by, inter alia, low levels of literacy, gender biases and the rural-urban divide. Most constitutions provide for participation in politics across race, color, creed, religion, tribe, origin and ethnicity. In some countries, political representation has a bicameral system of Legislature, comprising elected and appointed members.

Some reports indicated that there was no complete separation of powers between the legislature, Executive and Judiciary, but there were some improvements regarding checks and balances. The Legislature and Executive were also weak and not independent while local government was not effective in service delivery. In some countries, citizens felt that they had reasonable access to services but found the quality of those services poor and in some cases, too expensive. Utilities such as water supplies that used to be available were getting scarce and there were few land policies in place. There was also no comprehensive strategy for addressing gender-related issues

The multiparty system is accepted in all the constitutions. This has facilitated the emergence of a number of political parties, even if, most of the time, those parties have difficulties in getting registered. In spite of a relatively satisfactory political climate that is emerging in a number of countries, there is much to be desired. The choice of candidates for elections does not take into account individual skills or capacities. As some parties have ethnic or regional bases, the population votes for their ethnic group and subregion, rather than for the proposed candidate. This has resulted in the proliferation of political parties in some cases, often established by individuals unhappy with their party. A new development is coalition building among parties, to galvanize a force able to compete with the ruling party, as was the case in Kenya, Zambia, and which seems to be happening in Malawi.

The Ethiopian case raised some special political alternatives. In contrast to other countries with a centralized unitary State, Ethiopia introduced federalism as the cornerstone of the political system of the country. The transitional government that took power in 1991 decided to abolish the centralized unitary State and replace it by federalism in 1992. The decentralization process was politically motivated to satisfy various ethnic groups, after a long and drawn out civil

war. The basic political choice made was to consider regional development as the best way of decentralizing power in the Ethiopian context. By selecting “national, cultural and linguistic arrangements”, instead of geographic division, the Government found a transitional political response to the existence of various constituencies and political alliances in the country.

Multiparty practices providing the same opportunities to all political parties are not at the same level of application in all countries. While freedoms of expression and association are relatively recognized, opposition political parties, however, suffer from inadequate protection from the police, public order forces and other law enforcement agencies. This is particularly the case during elections when instances of intimidation, harassment and use of brute force by party cadres become rampant. Some constitutions do not provide for funding of political parties but the ruling party has access to various forms of public resources. This gravely disadvantages opposition political parties during election campaigns.

Political parties also complain about slowness in their registration, harassment by the police during election periods, not having easy access to the media, and being refused access to national resources for their activities and during electoral campaigns. Electoral processes cannot function without funds and the ruling party tends to use national resources to ensure its reelection in the campaign. In places where money plays a key role, economic inequalities are transformed into political inequalities and this undermines the principle “one person, one vote”.

The electoral process is still a matter of controversy in the subregion. Opposition candidates who cited vote rigging and irregularities have challenged some election processes and results. If it is true that some governments opt for democratic elections as a popular way to legitimize their power, the operation of the process is not in accordance with what is defined in the constitutions.

The resources of opposition parties come exclusively from their members. In addition, parties are forbidden from engaging in profit-making businesses. Moreover, there is no transparent mechanism for financing their activities. Lack of access to public funds and fundraising constraints put the political parties at the mercy of some well-off individuals for financing their activities and programmes. This situation does not allow the parties to play their traditional roles of political education, mobilization and representation of various interests.

In most countries, the electoral process provides for free and fair elections and the freedom for any person to stand and campaign for any political office. In practice, however, this is severely limited due to inadequate enforcement mechanisms of the electoral acts.

Special attention was given to the issue of women’s representation. In the different countries of the subregion, governments undertook a number of initiatives to increase women’s participation in political life, especially for their political representation. The presence of women in decision-making positions at the local and national levels is not equal to that of men and the progress made is still insufficient. A tendency towards improved participation seems to have begun in recent years, indicating the explicit commitment of governments to increase the participation of women in designing and implementing development policies and to transform attitudes and behaviour with regard to the role women have to play in public life. Many changes have been brought about by the democratization processes in the subregion.

## Institutional effectiveness

The focus was on the effectiveness of governance actors, both State and non-State, in the discharge of their roles and functions. The assessment of the governance system is understood in the reports as the manner in which the public authorities manage or conduct public affairs with regard to rule of law, accountability and transparency. Therefore, institutional efficiency is at the core of this study, as institutional capacity largely depends on realization of the declared socio-economic development objectives and how leaders assert their will and exercise their functions to promote democracy and good management of public affairs. The progress achieved since the mid-1990s is a positive evolution politically and institutionally even if some issues still need to be addressed.

## Legislative effectiveness

Assessment of the operational capacity of legislative powers indicates inadequate legislative functions and skills in many countries. There are double structural or organizational arrangements in some countries, (Ethiopia, Tanzania, Burundi) while in others, a bicameral system (two houses) prevails. The situation of bicameralism renders the exercise of legislative power slower, and coordination between the two components of the legislative power difficult to ensure. Other constraints beyond inadequate skills are linked to the absence of a true parliamentary tradition as a consequence of more than 30 years of one-party regimes that did not allow the legislative institutions to develop the means and mechanisms needed in a system of separated powers.

A constitution can strictly limit the role of the parliamentary institution by reducing the sphere of law and by allowing to the government to take initiative in the area of legislation in the same capacity as the parliament. This results in unequal sharing of the legislation function at the expense of the parliamentary institution. Many parliamentarians have not mastered the techniques of drafting bills and give the impression of just waiting for bills coming from the Executive power.

Local populations and experts tend to perceive the role and the real capacities of the legislative power in terms of its three main functions, that is, representation, legislation and regular monitoring and evaluation of government activity. According to the surveys carried out by UNECA in a number of countries, it appears that parliaments are unable to assert themselves as a true legislative power that can strongly defend the legitimate interests of the people.

## Executive effectiveness

It is recognized that government has three fundamental functions: it is responsible for the development and implementation of public policies on economic, social and cultural development; it enforces application of laws and regulations and, finally, it is responsible for establishing and maintaining the institutional and organizational apparatus needed for the delivery of various public services.

While most country reports acknowledged the important role of public watchdog organizations in governance, this importance is not usually matched with adequate political commitment and resources. Their operational efficiency and autonomy have been grossly compromised by the excessive powers vested in the Executive. There is also a multiplicity of structures pursuing the same objectives but which do not have functional or operational interrelationships, causing duplications.

In spite of government commitment and several reforms carried out during recent years, administration is still characterized by very limited efficiency in terms of services rendered to the economy and community and management of human resources. This situation has greatly disturbed the provision of public services in vital sectors such as health, education, basic infrastructure and justice. At the level of the population, will for self-help is emerging and this constitutes an asset for decentralization.

However, beyond problems related to lack of resources, the organization of public services remains inadequate, characterized among other things, by unclear description of missions and duties, unclear organizational framework, reference to obsolete legal frameworks and procedures, an aging staff excessive in numbers and poorly paid, who do not benefit from refresher courses and are largely unmotivated. Other inhibiting factors include the work conditions and staff compensation that have nurtured corruption and misappropriation of funds in key sectors of administration.

This situation of poor performance by centralized administrations has led the State in the majority of countries to adapt operational capacity by devolving a part of its prerogatives to local communities. With the introduction of decentralization policy, the goal is to establish local governance that enables and ensures sustainable local development, with increased participation by civil society and other development partners.

Generally, the results of ECA experts and citizens surveys are critical of the Executive power. This is because public services are not adequately responding to the specific needs of the poor and of women. Government is rarely taking the suggestions of citizens into account, does not make much effort to inform the public, and rarely abides by its duty to be accountable to public opinion with regard to the measures and reforms it decides to take or carry out. Such forms of responsibility are essential for good governance. They guarantee that the holders of the public mandate discharge their duties efficiently and equitably. Monitoring, control and regulation bodies' lack qualified employees and administrative personnel are not only underpaid but, in most of the countries covered by the study, are reported to be corrupt and at the service of some elites.

### Effectiveness of the Judiciary

In most East African countries, the institutional and organizational framework of the Judiciary is characterized by dualism of modern law and traditional customs. Around the Judiciary system formed by tribunals, prosecutors' offices and justice auxiliaries, gravitates a number of institutions, organs and services that do not belong to the Judiciary or that depend on the Judiciary only in part. These are, for instance, law and order forces, security or intelligence services, military disciplinary instances, bar associations, administrative services or governmental organizations assuming Judiciary and police powers.

This situation of interference with and politicization of the Judiciary undermines the principle of magistrate and Judiciary independence and causes the institutional framework to destabilize and malfunction. It is destabilized by overlaps of the mandates of the various jurisdictions and it is malfunctioning when Judiciary decision-making is compromised. The justice sector remains badly perceived by the public. People have limited rights and access to legal information, especially in rural areas. For economic operators, the administration of justice is characterized by legal insecurity because the legal and Judiciary environments do not facilitate adequate security of public investments and investors.

The main governance problem for the Judiciary is the confidence deficit. The discredit and loss of credibility affecting these institutions correlate to the scope of the corruption phenomenon, although some countries have made progress in fighting against this scourge.

### Civil society

Civil society organizations (CSOs) encourage associative living and have been strengthened in terms of legal environment and number of associative organizations. This anticipated development of the associative movement aims at channeling the contribution of ordinary citizens to socio-professional life and to community-level initiatives. Programmes to support decentralization and devolution give a significant role to CSOs/NGOs in development strategies.

The scarcity of public resources causes public authorities to approach civil society to seek consultation and involvement in the sectors of activity selected for quasi co-management. The participation of civil society in this partnership allows it to express the sectoral needs and interests of the people it represents and to participate in the decision-making process.

It should be noted that in East Africa, the number of CSOs operated by women has increased. This is linked to the changes initiated in the legal framework with regard to freedom of association and other measures established by the State to foster associative movement. Fostering has notably been through training, institutional reinforcement and funding. Currently, there are around ten women's NGOs that essentially carry out activities for the advancement of women in almost all the States of the subregion. Some of them are organized in national-level networks around common causes such as violence against women, participation of women in legislative and local elections, girl-child labour, women literacy, women and the legal framework, abandoned children, and HIV/AIDS, among others. Similarly, some networks operate at the subregional level.

In most countries, CSOs lack resources and do not have appropriate capacity to tackle problem analysis, advocacy and sensitization, networking, resource management and mobilization. CSO involvement and influence in conflict prevention and management, in the political arena and in formulation of national policies and programmes is being solicited but remains very limited.

### Press and media

Democratic governance implies public discussion and open decision-making. It is crucial in these conditions that interest groups are organized and that ideas, opinions and information are freely exchanged. The constitutions of East African countries have all provided for the right to information as a tool to accompany democracy and good governance. This right to the freedom of expression has been characterized by the emergence of privately owned media, publishing daily, weekly or monthly.

### Economic management and governance

The restoration of broad macroeconomic balances, including keeping budget deficits at a level that is commensurate with targets of annual GDP growth remains a priority for all the countries, in particular those emerging from conflicts (Djibouti, DRC, Rwanda and Burundi). Crisis years, coupled with embargo and reduction of public assistance to development had a significant impact on economies, specifically on public finance, sustainable human development and the poverty situation.

Financial needs for reconstruction are major, notably in budget management. Budget management suffers from numerous inadequacies linked to the weakness of public expenses planning and budgeting, centralization of expense management and execution practices that lead to lack of accountability on the part of technical departments, and insufficient public expenses monitoring and auditing, especially in the sector of public tenders. Transparency in customs and taxation services and revenues are also not well controlled.

Corruption and economic embezzlement phenomena are rampant, particularly in the areas mentioned above. These are undermining values of integrity in public management. This tendency results in several damaging consequences, including damage to State credibility and legitimacy, increase in the costs of public services, massive misappropriation of the resources needed for economic and social development, increase in legal uncertainties and consequently, decreased direct private investment.

Countries are taking steps to ensure that the legal environment is generally favourable for business development. Attractive investment incentives exist for investors and a positive evolution is occurring with the progressive disengagement of the State from the business sectors.

In Uganda, in addition to the privatization of several State-owned enterprises, the State created the Uganda Investment Authority whose main mandate is to facilitate and promote private investment in the country.

Between 1992 and 1999, this institution approved 1,754 projects, of which 68% are operational, 7.2% are being implemented, 4.1% are in the resource mobilization phase, and 17.2% were abandoned. Some 67% of these investments have been financed entirely or partially, through foreign funds. These projects are mostly implemented in infrastructure and service sectors. Investors seem to be satisfied with the legal and regulatory systems but find that think that the current levels of taxation and bureaucratic red tape still discourage business development.

Kenya initiated fundamental economic reforms in order to foster private investment in all sectors. A favourable environment that secures investments and investment-support services has been put in place. In addition, the financial sector has been encouraged to support investors in productive sectors, notably in duty-free export areas.

Ethiopia made significant efforts during recent years to promote foreign and local investments by establishing attractive arrangements for liberalization, deregulation, monopoly dismantlement, privatization of public enterprises, discarding discriminatory taxations and easing administrative procedures. The State has also established the Ethiopia Investment Authority. However, important sectors such the banks, insurance companies, energy and telecommunications still remain closed to foreign investors.

In other countries emerging from conflict, such as Burundi, Eritrea, Djibouti, DRC and Rwanda, the private sector remains constrained by factors related to the conflicts that disorganized production, disturbed trade circuits and destroyed infrastructure and services. Structural obstacles to development include:

- Inadequacy, incoherence or legal vacuum in the legal framework related to business law, notably the law on corporations and the law on bankruptcy; and
- Slowness of judicial proceedings, and insufficient training of magistrates to handle business litigations.

## 1.5. Some Important Observations

The conclusions of the country reports showed that the most salient features characterizing East African countries and increasing the people's state of poverty were armed conflicts and political instability. Causes point to the lack of a true parliamentary tradition and to the consequences of more than 40 years of one-party rule in many countries, which did not allow parliamentary institutions to acquire the necessary means and mechanisms to operate in a system where the powers are separated.

Despite such problems, it should be noted that commendable efforts in democratization are ongoing. These efforts are aimed at instituting and reinforcing the separation of the legislative and the Executive, the independence of the Judiciary, freedom of expression and political pluralism. Except for Burundi, Eritrea, DRC and Somalia, all the States have constitutions adopted through universal vote that establish separation of legislative and Executive powers, independence of the Judiciary, freedom of the press, and political pluralism. Democratic governance is slowly evolving, along with partnerships between State and non-State actors, and civil society participation and responsibility in political management. For countries emerging from conflicts, the peace-building, reconciliation and reunification processes should have partnership and participation as the cornerstones of the peace effort.

Redefining the role of the State and reorganizing public sector activities are among the main objectives of structural adjustment programmes implemented in the subregion in recent years. The reform process continues. Currently, all the countries have abandoned the practice of centralized planning that was common in the 1960s and 1970s, in preference of the market-oriented system. Implementation of this option has several implications for the State Property owner and main economic operator in the past, it must now assume the functions of keeper of sovereignty, regulator and facilitator.

The concept of good governance currently found in the economic policy documents in the countries in the subregion addresses the arbitrary measures taken in the past. Measures being taken acknowledge the need to rebuild trust in the public service and to build private investor confidence. Such issues as property rights, contract application mechanisms and regulatory and legal frameworks have to be addressed. The reforms advocated have to put an end to corruption, fraud and arbitrariness.

Evolution towards multiparty regimes and political pluralism has not eradicated the symbolic alliance between the ruling party and the State. The ruling parties continue to dominate the Executive, legislative and Judiciary powers and the civil service. They also benefit from the allegiance of traditional leaders and main economic actors. The opposition has only limited room for political maneuvering. The private press, like the rest of civil society, even when giving voice to the opposition, has not become a true counterbalance for the political establishment. A system giving the opposition its rightful part and that reflects the popular vote, should be established.

Application of the principle of powers separation is a must. As long as they are assimilated with parties or are perceived to be, regulatory mechanisms such as the State general audit and parliamentary commissions in charge of monitoring the Executive power will not be able to fight effectively against corruption and guarantee transparency. Making the administration non-political is another essential element in this respect, since only impartial civil service institutions will be credible and so obtain the confidence of the population.

The consolidation of legislative powers should be a high priority in the whole subregion. The duty of a Legislature is to initiate laws and counterbalance Executive leadership. But, when dominated by the ruling party, Parliament has difficulties to play its role even if it is progressively establishing itself as the main arena for democratic debate. In addition, lack of appropriate skills is a major constraint facing those elected.

Another governance concern perceived is the need to strengthen the Judiciary vis-à-vis the Executive power as well as with regard to its own capacity to act efficiently. While Judiciary independence is asserted in the constitutions, the reality remains somewhat different. The career of the judges continues to depend on the decisions of the High Council of Magistrates whose chairperson is the President of the Republic.

ECA surveys show that there is no East African country in which the Supreme Court has ever ruled that a bill or decree was anti-constitutional. The inadequacy of the role inability of the Judiciary resides on the level of tribunal operational mechanisms and suspicious relationships between the tribunals and those to be tried. Naturally, the issue of corruption further destroys the image of institutions related to this power.

Generally, the situation of governance in the subregion indicates that the current institutional capacities of the public authorities are below what is required by the culture of good governance. This issue of lack of capacity and inefficiency in the provision of services to populations significantly limits the effort of those responsible for development management. This incapacity is even more acute in local government where administrations do not have the resources to address community needs.

# Part II: East Africa Perspectives on Governance

## 2.1 Subregional Consultation

Consensus building is an important feature of the mechanism for measuring and monitoring progress towards good governance in Africa. In this regard, the consultation among countries of the East Africa subregion took place in two separate forums. One was the preparatory workshop to the Fourth Africa Development Forum (ADF IV) held in Lusaka, (Zambia) between 24 and 26 November 2003. The second was at the Cairo (Egypt) workshop from 9 to 10 December 2003, which brought together countries of the Horn - Djibouti, Ethiopia, Eritrea and Somalia to give focus to their special situation and needs.

The core aim of the preparatory workshops was to debate issues of governance in East Africa, put these issues into thematic and coherent subregional context, make recommendations on how to deal with them and bring them, as a package, to ADF IV for further debate, consideration and, action. Thus, the Lusaka and Cairo workshops gave an opportunity to a wide range of country and institutional delegates, participants and experts on governance from the East Africa subregion to consolidate issues and problems of governance in order to put up a clear case at the ADF IV, based on situational analyses and country studies conducted.

## 2.2. The Challenges of Governance and the Way Forward

The challenges and recommendations contained herein are the product of the two workshops. Thus, the issues identified give a contemporary perspective on governance in East Africa. The issues identified included correcting imbalances and inadequacies of political governance, which according to participants, should be pursued through the establishment of a State subject to the Rule of Law and focused on development.

In the case of countries emerging from conflicts, this should be made an integral part of the peace, reconciliation and reunification process. National awareness and training campaigns on human rights is also highly desirable. Elsewhere, where democratic institutions are already in place, future orientations should focus on capacity building of parliamentary institutions so that they are in a position to fulfill their legislative functions, control government activity and carry out the national representation duties that have been devolved to them by the constitution and the electorate.

In arriving at the way forward, participants examined the challenges around the three broad thematic areas, namely; political representation, institutional effectiveness and economic and corporate governance. They also concluded that to carry reforms already initiated to a successful conclusion, a set of recommendations should be made to consolidate priority governance issues.

To achieve these objectives, the following recommendations and justifications were put forward:

### Political representation

Popular participation remains weak and women are by far the least represented. There is need for a transparent electoral process with genuine political competition and space for alternative political positions. Consensus building is required in specific situations and civic education and literacy should be the major ingredients in promoting democracy. In these respects, establishing independent electoral bodies and political party funding systems, limiting the presidential term of office and ensuring social inclusiveness should be priority targets.

Social inclusiveness should focus on providing support to women so they can participate more actively in the electoral process and secure adequate representation in the political arena. It should also address the needs of women and the youth through proper allocation of resources and facilities and abolishing practices that inhibit the participation of such groups.

Participants at the workshops recognized the commendable efforts in improving women's participation and representation, and recommended that these efforts should be enhanced. The workshop proposed that women's participation and representation should not be restricted to parliament and government but to all socio-economic endeavours, including private sector initiatives. It was underlined that gender representation should go beyond affirmative action. It was important that selection criteria should be put in place to ensure effective participation and representation for women

With respect to political party funding, countries should encourage transparent financing systems to support political parties. There must be separation of national and party assets to level the ground for all parties to compete fairly. The present practice in which the governing party takes advantage of State assets must be avoided.

Constitutional issues of form, content and practice should be vigorously pursued, *inter alia* through greater separation of powers, reinforced checks and balances, decentralization; enforcing respect for the rule of law and respect for human rights.

Another important area is the incorporation of traditional governance systems into formal processes especially for taking development to the people and in meeting the challenges of poverty. Traditional governance may also bring in the cultural dimension of democracy and help decentralization and deconcentration of power. As a first step in the process, countries need to undertake an assessment as to whether the traditional leadership can be involved more to enhance the capacity of the State in socio-economic and political spheres.

### Institutional effectiveness

Institutional effectiveness should be achieved through a mix of actions aimed at enhancing the capacities of governance institutions, focusing on the legislature, Executive, Judiciary, watchdog organizations, civil service, and CSOs including the media.

It is recognized that the watchdog organizations are weak because of the Executive's interferences with their operations, inadequate financial resources and lack of appropriate human capacity.

The strengthening of watchdog organizations should be comprehensive and their role enabled with resources, autonomy and enforcement capability.

A professional and accountable civil service is an indispensable requirement for delivery of development services. A thorough review of the civil service is required to make it professional and accountable to the Legislature and the public. Among the set of measures that should be taken to consolidate public services within the subregion are adoption of efficient management systems, use of incentives and salary and cost of living related measures to motivate civil servants, recruitment of competent staff and professional training so they can acquire technical and management skills.

Capacity-strengthening programme aimed at CSOs should begin by addressing issues of effectiveness and independence as important variables in the capacity-building process. Another important capacity question is the level of partnership between the State and civil society. Therefore, there is need to establish a capacity-enhancement programme that strengthens participation and partnership.

Corruption and the need to address it as an institutional effectiveness issue are gaining momentum, especially in the face of scarce development resources and high poverty levels. The control of corruption is best achieved through partnerships involving government, the private sector and civil society, all engaged in an all-out fight against this cancer. Of utmost importance is the commitment of the leadership to combat corruption through the strict and impartial application of laws and sanctions. This should be buttressed with other measures aimed at holding public officials accountable for the management of public resources and the nature of their stewardship.

#### Economic and corporate governance

This should be pursued within the framework of poverty alleviation, improvement of public expenditure management and overall economic efficiency. In this context, the objectives pursued by governments should focus on the following:

- To consolidate arrangements for reducing budget deficits and strengthening capacity to mobilize domestic fiscal resources and foreign financial resources;
- To improve transparency and efficiency in public expense management and strengthen public finance management capacities; and
- To create institutions responsible for reviewing and certifying the public accounts of all public services, supported by legislation against economic and financial misappropriations and strengthened internal and external audit bodies.

The private sector can be one of the pillars for economic and corporate management. In pursuing this vision, due consideration should be given to informal sector activities and small and medium enterprises (SMEs), which currently represent the majority of private sector activities in the subregion. In addition, the governments should re-invigorate activities aimed at consolidating private sector development. This should include developing legislation and programmes to ensure investment security, and infrastructure and related services for sustaining private sector development and attracting more foreign direct investments.

Privatization should be considered as a tool of efficient economic management including its role in the development of the private sector. In this respect, the governments should establish

mechanisms for designing privatization policies, strategies and programmes that must ensure profit to the nation, especially with regard to employment generation and productivity enhancement.

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## Part III: Plan of Action Matrix

| ISSUES/<br>CONCERNS   | RECOMMENDATION   | STRATEGY   | ACTORS  | RESOURCES |
|---|--|--|---|-----------|
| <b>1. Political Representation</b>  |  |  |   |           |
| Electoral process   | Institute transparent electoral process; promote independent electoral bodies; limit presidential terms of office.   | Comprehensive approach addressing the multifaceted issues    | Legislature<br>Government<br>Judiciary<br>Electoral Commissions |           |
| Social inclusiveness  | Provide support to women and disadvantaged groups and youth for more active participation in the electoral process; encourage proper allocation of resources; build and/or strengthen structure to enhance the participation of women and disadvantaged groups                     | Multi- sectoral approach                                     | Legislature,<br>Government,<br>CSOs                             |           |
| Political party funding   | Develop transparent financing systems in support of political parties; differentiate between public and political party assets   | Participatory approach involving all stakeholders            | Government,<br>Legislature,<br>Ministry of Finance,<br>Treasury |           |
| Constitutional-form content and practice                                    | Reinforce separation of powers; strengthen checks and balances systems, promote decentralization; enforce respect for the rule of law; respect of human rights; reinforce institutional capacity building.   | Participatory approach to involve all stakeholders           | Legislature;<br>Judiciary                                       |           |
| Incorporating traditional governance systems into formal processes          | Institute traditional governance as part of the decentralization programme.  | Multi-sectoral approach                                      | Government,<br>traditional rulers                               |           |
| <b>2. Institutional Effectiveness</b>                                       |  |  |   |           |
| Institutional effectiveness within the Legislature, Executive and Judiciary | Undertake comprehensive capacity building Provide adequate resources to oversight committees; strengthen checks and balance systems; institute accountability and transparency mechanisms; institutionalize internal audit; appointment of managers on merit and competence basis. | Comprehensive approach targeting all governance institutions | Government,<br>legislature,<br>Judiciary, CSOs                  |           |

| ISSUES/<br>CONCERNS                             | RECOMMENDATION  | STRATEGY  | ACTORS   | RESOURCES |
|---|---|---|--|-----------|
| Effective watchdog organizations                | Strengthen the capacity of the institutions through training financial support; Strengthen enforcement mechanisms; Institutionalize internal audits and controls; Institute merit based appointment and promotion.  | Comprehensive addressing all dimensions of the problems | Government, civil society, media, Legislature  |           |
| Effectiveness and independence of civil society | Decentralize decision-making organs and systems; develop and promote codes of conduct and ethics; promote civic education; monitor implementation of the international instruments that African governments have ratified; promote basic constitutional rights; encourage the development of a vibrant media; encourage constitutional provision for petitioning government actions; strengthen umbrella organizations and create platforms for mobilizing popular participation and consensus building | Comprehensive and multi-sectoral approach               | Government, Civil Service Commission, Civil Service organizations, local government Institutions |           |
| A professional and accountable civil service    | Undertake comprehensive review of civil service institutions and practices. Develop a competitive salary and benefit programme; design and implement a capacity-building programme; develop accountability and performance measures and reporting systems; improve systems and transparency for prevention of fraud and corruptions; develop codes of conduct for civil service employees.  | Comprehensive and multi-sectoral approach               | Government, legislature, civil service, Civil Service Commissions                                |           |
| Media as an important instrument                | Transparent and unambiguous regulatory framework for them to operate professionally; clear regulatory broadcasting framework to guide the objectivity of public, private and community broadcasters; provide financial support to media organizations to facilitate their operations; media education for professionalism and independence.   | Comprehensive and multi-sectoral approach               |  |           |

| ISSUES/<br>CONCERNS                            | RECOMMENDATION   | STRATEGY  | ACTORS   | RESOURCES |
|--|--|---|--|-----------|
| Combating corruption                           | Improvement of efficient and effective service, civic education, freedom of the press and of Judiciary institutions. Improvement of remuneration and motivation; transparent procedures in public procurement; strengthen audit and control systems. strengthen anti-corruption body able to impose sanctions.   | Comprehensive and multi-sectoral approach to address other aspects of this problem.   |  |           |
| <b>3. Economic and Corporate Governance</b>    |  |   |  |           |
| Public financial management and accountability | Ensure greater ownership of strategies, policies and programmes; encourage programmes targeted at the poor; introduce stringent and transparent public financial management procedures; introduce adequate accounting and auditing standards introduce periodic public financial reporting; encourage access of public to findings of reports.   | Multi-sectoral approach to address other contributing factors such as political competition and accountability; clear financial rules and regulations; corruption, competencies within the civil service, etc | Government, central banks, private sector, civil service, CSO, media |           |
| Private sector development                     | Institute special policy measures for enhancing private sector development especially small and medium enterprises, Strengthen institutions for supporting private sector; institute transparent and competitive privatization process; planned privatization should benefit the country with due regard to the need to create employment; improvement and restructuring of public enterprises before privatization; proper valuations of enterprises to be privatized | Multi-sectoral approach   | Government, private sector, CSOs, media                              |           |