20th Meeting of the Intergovernmental Committee of Experts (ICE)
8-11 February 2016
Nairobi, Kenya

Institutions, Decentralization and Structural Transformation in Eastern Africa

DRAFT CONCEPT NOTE
I. Background

1. The Sub-Regional Office for Eastern Africa (SRO-EA) is planning to hold the Twentieth Session of the Intergovernmental Committee of Experts (ICE) on 8-11 February 2016. The ICE is the statutory organ of the ECA Office for Eastern Africa. It includes representatives of the fourteen member States served by the office as well as Regional Economic Communities (RECs) and Intergovernmental Organizations (IGOs) of the sub-region, development partners, research centers and other stakeholders. It meets annually to define and monitor the implementation of the work programme of the ECA Office in Eastern Africa and to discuss key issues and challenges pertaining to the economic and social development of the sub-region with the view to making appropriate recommendations to address them.

2. In addition, the ICE is a forum to cement partnerships and define modalities of cooperation between and among stakeholders aimed at sustaining regional integration and accelerating the pace of development in the sub-region. In 2016, the ICE will focus on the theme of 'Institutions, Decentralization and Structural Transformation in Eastern Africa.' This comes in the wake of the 2014 African Economic Report (ERA 2014) entitled 'Dynamic Industrial Policy in Africa' which urges African member States to refocus their economic development strategies on industrialization, particularly on the means for formulating and implementing effective industrial policies.

3. The report noted the design and implementation of past industrial policies in Africa had mixed results and followed a centralized blue-print approach with little multi-stakeholder inputs, including from the private sector, CSOs and sub-national entities. To ensure success, ERA 2014 advocates for a more holistic and participatory approach in designing and implementing industrial policies anchored on strong and inclusive institutions, and flexible and dynamic processes and mechanisms for broad-based public consultation and engagement. In essence, this entails formulating proactive and innovative policy measures i.e. smart policy interventions, which will be a prerequisite to cope with the emerging issues in the global economy.
4. The 20th ICE will examine the role of institutions in promoting equitable growth and structural transformation in Eastern Africa. This will include a review of processes and mechanisms to ensure the formulation of a shared vision, promote effective leadership, manage expectations, enshrine good governance, strengthen public participation in decision-making and build social capital and cohesive pacts for transformational change.

5. The relevance and effectiveness of decentralised political systems of governance as a means to building strong institutions\(^1\), balancing national and local interest, enhancing social equity and national unity for development, legitimising markets and generating a "fair deal" for all will be assessed. Incentive schemes, institutional and capacity requirements for effective decentralisation will be analysed. Case studies from Africa and beyond will expose the potential and limitations of decentralisation processes in the context of strategic planning, adequate legal framework, decision making, allocation and management of resources, delivery of services and programme implementation.

6. Long-term political decentralisation efforts require local institutions to be empowered and their service delivery improved to meet the demands of various categories of population. Localising power and decision-making also enables citizen ownership of development, which in turn is more adapted to local preferences. The roles of participatory approaches, such as local initiatives and decision-making, and capacity building of local institutions in improving service delivery and broad-based growth, will be investigated.

7. Over the past decade, the model of a developmental state\(^2\) has emphasized the role of the state in building robust accountable institutions, promoting rapid sustainable development and ensuring the emergence of new social compacts. Capacitated and competent governments as well as strong institutions are proven key prerequisites for successfully transformed economies. Further insights will be provided on the application of such models in Eastern Africa as well as highlights of good practices that could be emulated in other countries.

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1DaniRodrik 2009“One Economics Many Recipes: Globalisation, Institutions and Economic Growth” chapter 5 on 'Institutions for High-Quality Growth'.

2See the MelesZenawiSymposium on Development on « African Development State », 21 Aug 2015
II. Objectives of the 20th ICE Meeting

8. The main goal of the 20th ICE will be to examine issues related to the mandate and operations of SRO-EA, assess the socio-economic situation in the sub-region, create partnerships to develop regional cooperation and integration, and, most of all, to discuss the role of Institutions and Decentralisation in accelerating structural transformation in Eastern Africa.

III. Format of ICE Meeting

9. The 20th ICE will be held in plenary sessions organized as follows:
   - Presentation and discussion of the Background Document on “Institutions, Decentralisation and Structural Transformation in Eastern Africa”;
   - High Level Ministerial Panel and discussions on the 2016 ICE theme;
   - Presentation and discussion of the Annual Report on the work of ECA in Eastern Africa, including the Status of Implementation of the Sub-regional Coordination Mechanism (SRCM) Business Plan and sub-regional initiatives in Eastern Africa; and

10. Alongside the plenary sessions, special ad-hoc expert group meetings (AEGMs) focusing on some aspects of the theme will equally be held to review related non-recurrent publications. Reports of the proceedings of the AEGMs will be presented in a plenary session, at the closing stages of the ICE.

IV. Expected Outcomes

11. The 20th ICE is expected to achieve the following:

   a. An insight on the nexus between institutions and the decentralization process in promoting broad-based and inclusive growth in Eastern Africa;
b. An understanding of the impact of decentralisation processes on strengthening and increasing accountability of institutions and their service delivery towards beneficiaries;

c. Clear mandate to inform the design of the work programme of SRO-EA in the coming years;

d. Strengthened partnerships and agreements between the SRO-EA, RECs, IGOs, members states and other actors that can help implement the SRO-EA Work Programme and meet the needs and priorities of the RECs, IGOs and member States in the Eastern Africa Sub-regional Mechanism (SRCM) on UN agencies in support of RECs in Eastern and Southern Africa; and

e. Policy recommendations and guidelines to accelerate structural transformation in Eastern Africa from an institutional perspective.

V. Participants

10. The ICE will be attended by high-level representatives of Eastern Africa member States, RECs and IGOs. In attendance will also be representatives of the private sector, international institutions, civil society organisations, media, and other relevant stakeholders.

VI. Dates and Venue

11. The ICE meeting will be held on 8-11 February 2016 in Nairobi, Kenya.

VII. Working languages of the meeting

12. The ECA working languages are French and English, with simultaneous interpretation.
VIII. Contacts

13. For any further information, you may contact:

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