



## 21<sup>st</sup> Intergovernmental Committee of Experts

### Transformative Growth in Eastern Africa: *Catalysts and Constraints*

Dinner Roundtable:

#### Mobilising the Diaspora for Growth and Transformation of Eastern Africa

#### I. Background

For many countries of Eastern Africa, remittances represent a sizeable and stable source of funds that sometimes exceed official aid and financial inflows from foreign direct investment. Eastern African countries remittances could play greater role in broadening and empowering their economies.

Estimates show that between 150,000 and 250,000 Comorian citizens live and work abroad (95 percent in France). These workers transfer a large part of their income to the Comoros. Between 2000 and 2010, average annual remittances of migrants amounted to 31.5 billion Comorian Francs (\$ 76.4 million), compared with 1.26 billion Comorian Francs (3,05 million) and 13.9 billion Comorian Francs (\$33,7 million) for FDI and ODA.

Research shows that most of such money is spent directly by families on vital needs as food, education, healthcare and housing. Nevertheless, it would be beneficial if more of it could be channelled – once these necessities are taken care of – into such activities as local infrastructure development and vocational training projects. The governments of those countries could also strive to employ this vast resource – which largely goes in private transfers directly to families – to improve the breadth and abilities of their economies. Countries might take steps such as improving domestic banking and financial services, so that a greater proportion of such money is available for investment, small business development, and job creation for increasingly urbanized populations who cannot depend for their survival on farming.

Despite some heterogeneity across the countries of the Least Developed Countries (LDCs), the value of remittances relative to GDP or export revenues has historically been much greater in LDCs than in other developing countries. (In Eastern Africa, there is a particularly notable

concentration of countries which classify as LDCs - twelve<sup>1</sup> of the fourteen are currently part of LDC). In the average LDC, they account for as much as 4.4 percent of GDP and 15 percent of export earnings, as compared with 1.6 percent and 4.5 percent respectively for other developing countries.

For some years, ECA has argued that enhancing industrialization and manufacturing productive capacities is the best, most stable long-term strategy for helping to lift countries and their populations out of poverty. Improving manufacturing capacities also results in higher profits and the creation of more and higher-paying jobs. ECA recommends that these remittances be channelled effectively into improving the countries' manufacturing capacities – that is, the abilities of their economies to produce greater varieties of goods and services for domestic use and export.

## II. Objectives of the Session

Some countries of the region such as Ethiopia, Rwanda and Seychelles have made substantial progress in mobilizing their diaspora and creating an environment conducive to engagement in their development.

**The High-level dinner roundtable** will be an Interactive discussion on peer learning, discussing how to leverage diaspora resources for growth and structural transformation of Eastern African countries. The roundtable will also facilitate exchange on the challenges and opportunities associated to the impact of the remittances to the countries of Eastern Africa.

## III. Participation

The session will gather experts from Eastern African countries, as well as representatives of the private sector, civil society organizations, and other relevant institutions. For further information and clarification, you may wish to contact the following ECA/SRO-EA focal point for the session: Mr. Didier Habimana, Email: [habimanad@un.org](mailto:habimanad@un.org);

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<sup>1</sup> Burundi, Comoros, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Madagascar, Rwanda, Somalia, South Sudan, Uganda and United Republic of Tanzania

## IV. Provisional programme

### Day II.

19.00-21:00: High level dinner round table

*Moderator: Ms. Novella Nikwigize, French News Presenter at Rwanda Broadcasting Agency*

19:00-19:50

### Proposed speakers

**19.00 - 19:50**

- H.E. Azali Assoumani, President of Union of the Comoros
- Mr. Abdou Katibou, Director General of Comoros Investment Promotion Agency
- Discussion of Country Experiences

20:00: Dinner