



EAC

Geographic Futures

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In this entry, we first describe the Current Path (CP) forecast for the East African Community (EAC) as it is expected to unfold to 2043, the end of the third ten-year implementation plan of the African Union's Agenda 2063 long-term vision for Africa. The Current Path in the [International Futures \(IFs\) forecasting model](#) initialises from country-level data that is drawn from a range of data providers. We prioritise data from national sources.

The Current Path forecast is divided into summaries on demographics, economics, poverty, health/WaSH and climate change/energy. A second section then presents a single positive scenario for potential improvements in stability, demographics, health/WaSH, agriculture, education, manufacturing/transfers, leapfrogging, free trade, financial flows, infrastructure, governance and the impact of various scenarios on carbon emissions. With the individual impact of these sectors and dimensions having been considered, a final section presents the impact of the Combined Agenda 2063 scenario.

We generally review the impact of each scenario and the Combined Agenda 2063 scenario on gross domestic product (GDP) per person and extreme poverty except for Health/WaSH that uses life expectancy and infant mortality.

The information is presented graphically and supported by brief interpretive text.

All US\$ numbers are in 2017 values.

Summary

- Current Path forecast
 - The total population of the EAC was 275.8 million in 2019 and is set to increase to 500.6 million by 2043. The DR Congo has a third (31%) of the population of the East African Community. Because of its youthful population, with nearly one in two adults in the 15 to 29 age group, the East African Community will start benefiting from a demographic dividend halfway into the 21st Century. [Jump to Demographics: Current Path](#)
 - The GDP of the East African Community in 2019 was US\$190.8 billion and is set to increase to US\$809.5 billion in 2043 on the back of increased digitalisation. [Jump to Economics: Current Path](#)
 - The East African Community will see a decline in extreme poverty from 141.9 million people in 2019 to 141.1 million in 2043 in the Current Path forecast, and at the same time, the proportion of extremely poor people will fall from 58.5% to 28.2% in 2043. [Jump to Poverty: Current Path](#)
 - East African Community countries emitted 16 million tons of carbon in 2019 — an amount that will increase six times to 96 million tons by 2043. Tanzania, with the largest GDP in 2019, was the largest emitter. [Jump to Carbon emissions/Energy: Current Path](#)
- Sectoral scenarios
 - The Stability scenario models an improvement to current average levels of stability in the East African Community and reduces the number of extremely poor people by 11.2 million in 2043 compared to the Current Path forecast. [Jump to Stability scenario](#)
 - The Demographic scenario reduces fertility rates to the extent that the East African Community enters a demographic dividend in 2041 instead of in 2050. [Jump to Demographic scenario](#)
 - The impact of the Health/WaSH scenario is an increase of life expectancy in the East African Community by six months by 2043. [Jump to Health/WaSH scenario](#)
 - With significant agricultural potential, average crop yields in the East African Community increase by 81% in the Agriculture scenario (compared to the Current Path forecast) and reduce the percentage of people living in extreme poverty by almost 9 percentage points to 19.3% by 2043. [Jump to Agriculture scenario](#)
 - The impact of the Education scenario is the largest in Tanzania and Uganda. GDP per capita increases by US\$225 and US\$193, respectively, by 2043, compared to the Current Path forecast for that year. [Jump to Education scenario](#)
 - Uganda gains the largest percentage point increase in the size of its manufacturing sector in the Manufacturing/Transfers scenario, followed by Tanzania and Kenya. South Sudan gains the least, while the size of the manufacturing sector will decline in Burundi and the DR Congo. [Jump to Manufacturing/Transfers scenario](#)
 - In 2019, fixed broadband subscriptions per 100 people in the East African Community stood at 2.6, and in the Current Path forecast it is set to increase to 26.1 subscriptions by 2043. In the Leapfrogging scenario, that rate increases by 84% (48 subscriptions per 100 people), with large country to country variations, ranging from 114% in South Sudan to 34% in Rwanda. [Jump to Leapfrogging scenario](#)
 - The flow of remittances in the Financial Flows scenario is set to increase by US\$3.4 billion in 2043 compared to the Current Path forecast in that year. The improvement is largest in Kenya and Uganda, and least in Burundi. [Jump to Financial Flows scenario](#)
 - Rwanda gains most from the Infrastructure scenario, improving the portion of the rural population with access to an all-season road by 5.9 percentage points by 2043, followed by Uganda at 1.7 percentage points. [Jump to Infrastructure scenario](#)
 - The Governance scenario improves government effectiveness by almost 7.2% in 2043 above the Current Path forecast. South Sudan improves the most (88%) and Kenya the least (0.7%). [Jump to Governance scenario](#)
 - In 2019, Tanzania was the largest carbon emitter in the East African Community, followed by Kenya. Looking to 2043, the Free Trade scenario is the most carbon-intensive scenario for the East African Community and will release 108 million tons of carbon that year. [Jump to Impact of scenarios on carbon emissions](#)

- Combined Agenda 2063 scenario

- In 2019, the average GDP per capita in the East African Community was US\$881. In the Current Path forecast, it increases to US\$2 015 in 2043. It could be US\$4 323 in 2043 in the Combined Agenda 2063 scenario, which is 114.5% larger than the Current Path forecast for that year. With high rates of extreme poverty, Burundi and the DR Congo will experience the largest declines in extreme poverty at 38.7 and 38 percentage points, respectively, by 2043. In the Combined Agenda 2063 scenario, the East African Community will release 133 million tons of carbon in 2043, compared to 96 million tons in the Current Path forecast. [Jump to Combined Agenda 2063 scenario](#)

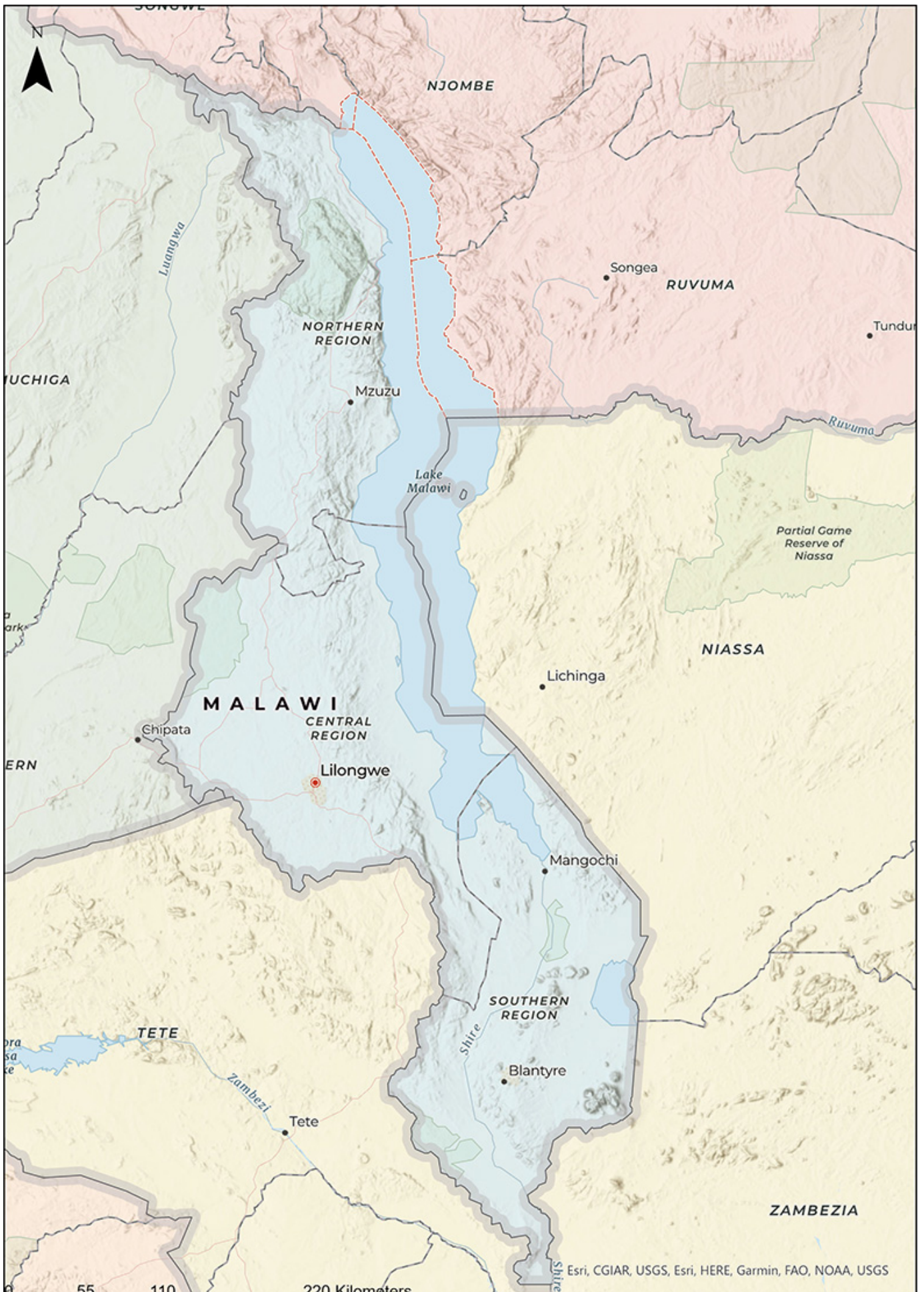
EAC: Current Path

- EAC: Current Path forecast
- Demographics: Current Path
- Economics: Current Path
- Poverty: Current Path
- Carbon Emissions/Energy: Current Path



EAC: Current Path forecast

Chart 1: Political map of the East African Community





Source: African Futures

Note that this analysis does not yet include Somalia which was admitted to the EAC in November 2023.

This page provides an overview of the key characteristics of the East African Community (EAC) along its likely (or Current Path) development trajectory. The Current Path forecast from the International Futures forecasting (IFs) platform is a dynamic scenario that imitates the continuation of current policies and environmental conditions. The Current Path is therefore in congruence with historical patterns and produces a series of dynamic forecasts endogenised in relationships across crucial global systems. We use 2019 as a standard reference year and the forecasts generally extend to 2043 to coincide with the end of the third ten-year implementation plan of the African Union's Agenda 2063 long-term development vision.

The East African Community (EAC) is a regional economic community comprising seven member states: Burundi, Kenya, Rwanda, South Sudan, Tanzania, Uganda, and the Democratic Republic of the Congo (DR Congo). The EAC Treaty was signed on 30 November 1999 and came into effect on 7 July 2000 after it was ratified by three original members: Kenya, Tanzania and Uganda. Rwanda and Burundi acceded to the treaty in June 2007 and became full members in July 2007. South Sudan acceded to the treaty in April 2016 and became a full member in August the same year. The DR Congo acceded to the treaty in April 2022.

Headquartered in Arusha, Tanzania, the EAC covers a land area of 4.8 million km², has a population of 276 million, and has a combined GDP of US\$243 billion in 2019.

The EAC's mission is to 'widen and deepen economic, political, social and cultural integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, trade and investments.' It has made significant progress towards regional integration through the establishment of a common market in 2010, the implementation of the East African Monetary Union Protocol, and the progress towards the establishment of the East African Federation, i.e. the serious determination of the East African leadership and citizens towards an economic and political bloc.[1]

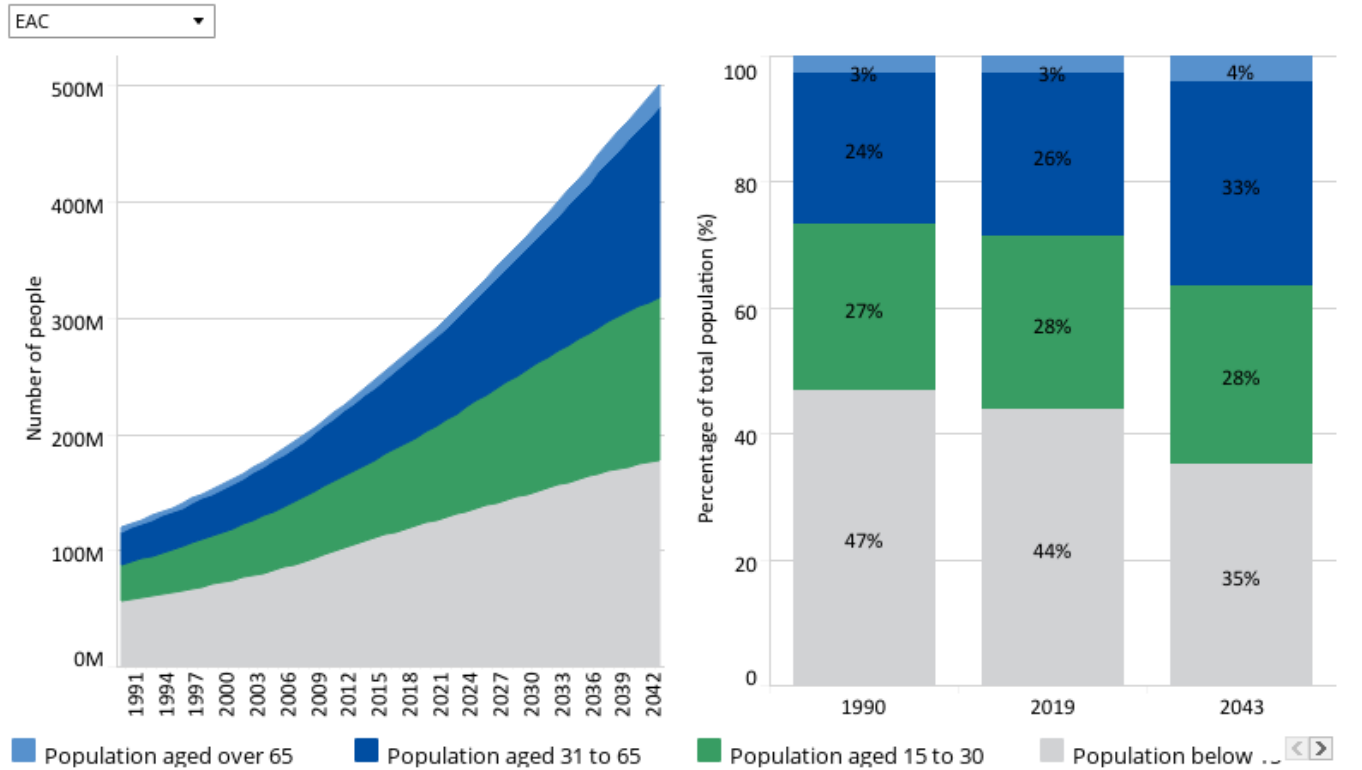


Demographics: Current Path

Chart 2 | Chart 3 | Chart 5 | Chart 6 | Chart 7 | Chart 8 | Chart 9 | Chart 10 | Chart 11 | Chart 12 | Chart 13

Chart 2: Population structure in CP, 1990–2043

By cohort and % of population



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate and World Development Indicators population data

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The population of the EAC stood at 119.1 million in 1990, and by 2019 it had more than doubled to 276 million people. In the Current Path forecast, the population will reach half a billion people (500.6 million) by 2043. This is reflective of the 2.8% population growth rate in 2019, which only declines to 2% by 2043. The DR Congo is the most populous member state with 87 million people in 2019, followed by Tanzania (58 million people) and Kenya (53 million). The least populous countries are Burundi (11.1 million) and South Sudan (10.3 million).

The EAC has an exceptionally young population with 49.2% of its adult population in the age group 15 to 29 years of age in 2019, typically considered as constituting its youth bulge. Even by 2043, 43.5% of its adult population will still be in this bulge, implying considerable momentum towards social turbulence if there is not rapid expansion of services and opportunities.

The population structure will gradually become older as the median age of the group increases from 16.4 years in 1990 and 17.8 years in 2019 to 22.4 years in 2043. At the individual country level, the median age within the group ranges from 20 years in Rwanda to 16.6 years in Uganda.

As a result, the under-15 years cohort will decline from 44% in 2019 to 35% in 2043, while the 65 years and older cohort increases marginally from just 2.6% in 2019 to 4% in 2043. With only 53.6% of its population in the general working-age bracket (15 to 64 years of age) in 2019, the EAC will only benefit from a demographic dividend in 2050 when the ratio of

working-age persons to dependants exceeds 1.7 to 1. The decline in the youthful population can be attributed to the fall in the total fertility rate as a result of increased use of modern contraception with the total fertility rate declining from 6.6 births per woman in 1990 to 4.8 births per woman in 2019; it is projected to decline to 3.2 births per woman in 2043.

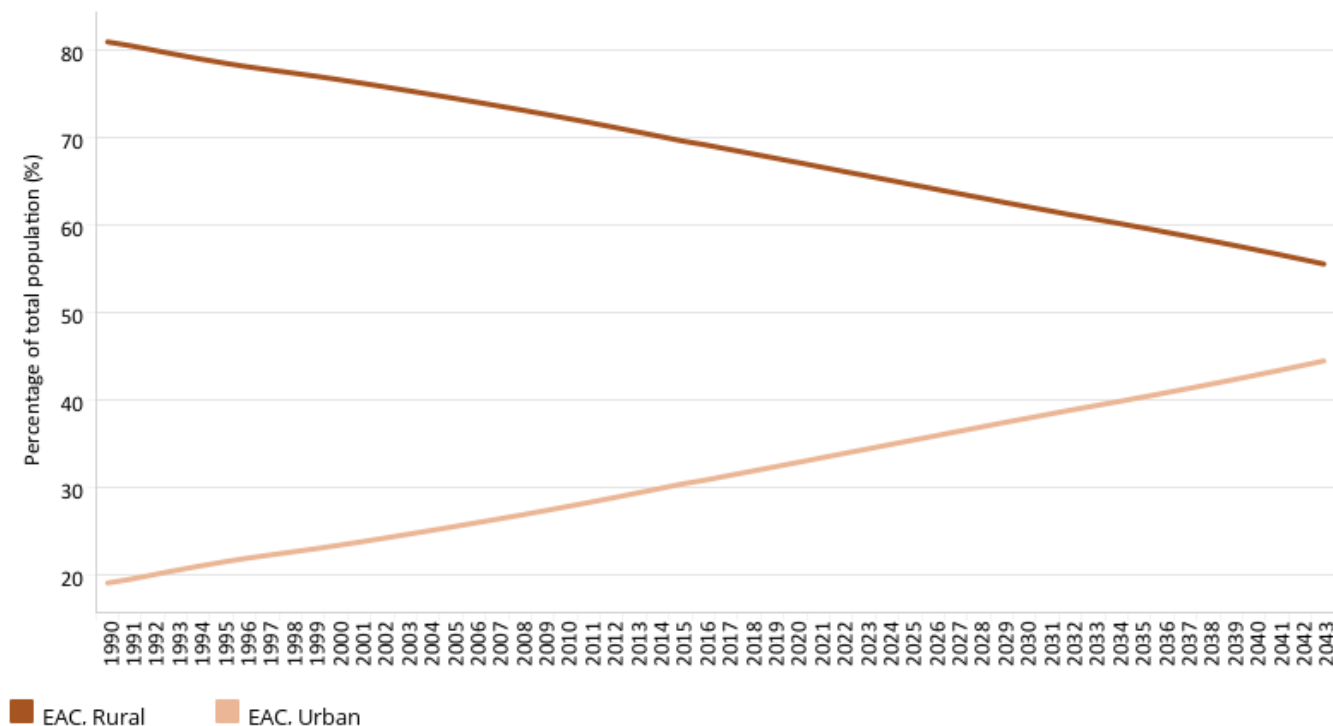
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Chart 3: Urban and rural population in CP, 1990–2043

% of population



EAC



Source: IFs 7.63 initialising from UN World Urbanization Prospects estimate

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The EAC is still mainly rural (average of 69.7% in 2019) but rates differ enormously between member states. Its urban population of 32.3% in 2019 is below Africa’s average of 42.8% and only higher than the Intergovernmental Authority on Development (IGAD) among the regional economic communities (RECs). In 2019, five out of seven group members (Burundi, Rwanda, South Sudan, Uganda and Kenya) had more than 70% of their populations living in rural areas, and none of the countries had less than 50% rural population, with Tanzania at 66.1% and the DR Congo at 55% rural population. On average, the group will remain predominantly rural even by 2043, with only 44.5% of the population (222.6 million people) projected to live in urban areas based on the Current Path.

Chart 4: Population density map for 2019

Source: Source goes here

The EAC has one the highest population densities among the RECs (0.6 people per hectare in 2019), only lower than the average population density for the Economic Community of West African States (ECOWAS) at 0.8, with large differences between countries. Rwanda and Burundi were the most densely populated countries within the EAC in 2019 with 5.1 and 4.3 persons per hectare, respectively, followed by Uganda with 2.2 persons per hectare. In 2019, South Sudan had the

lowest density. Of the seven member countries, four have a density of less than one person per hectare. By 2043, Rwanda will still be the most densely populated country at 8.3 persons per hectare, followed by Burundi at 7.7.

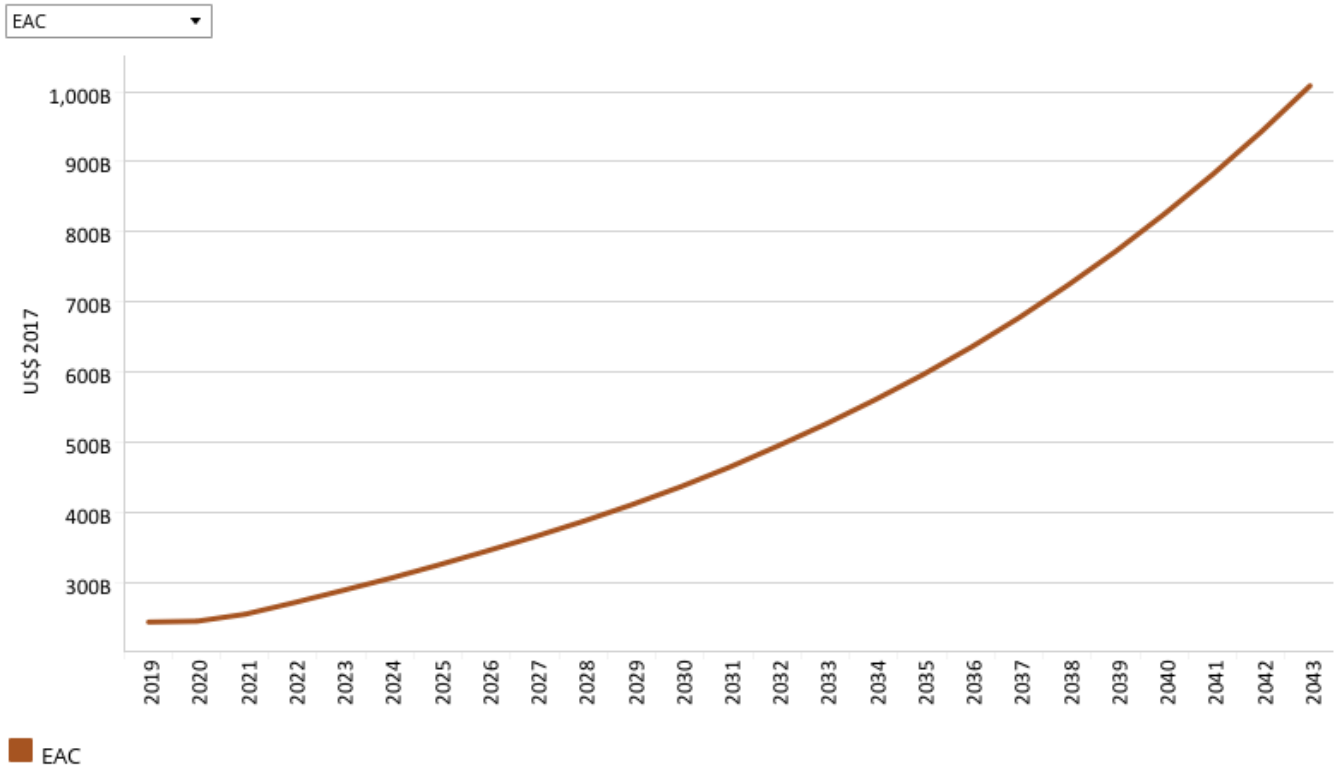


Economics: Current Path

Chart 2 Chart 3 Chart 5 Chart 6 Chart 7 Chart 8 Chart 9 Chart 10 Chart 11 Chart 12 Chart 13

Chart 5: GDP in CP, 1990–2043

Market exchange rates



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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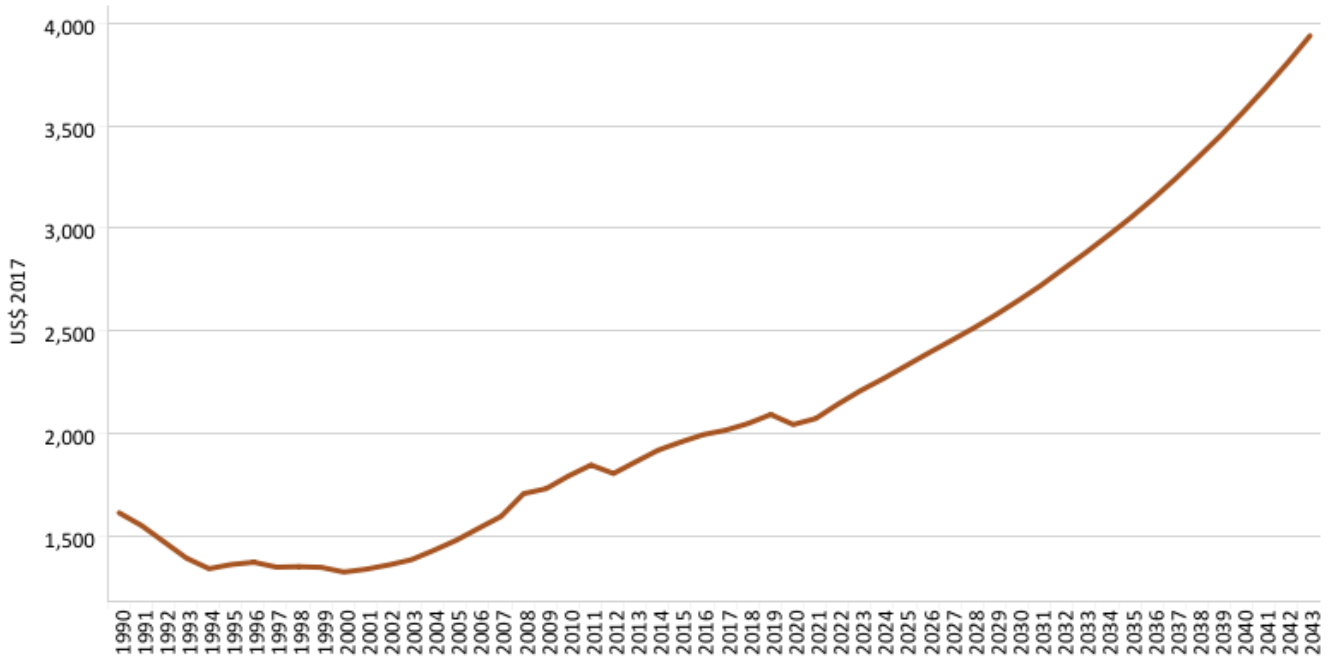
The combined GDP of the EAC has more than tripled from US\$79 billion in 1990 to US\$243 billion in 2019, and in the Current Path forecast it is set to more than quadruple to US\$1 008.3 billion by 2043. In 2019, the EAC’s share of Africa’s economy was 8%, which is set to increase to 11.6% in 2043, largely as a result of the growth of the population. The EAC is dominated by Kenya and Tanzania, collectively constituting 51% the GDP of the group, followed by the DR Congo and Uganda at 18.5% and 16.7%, respectively. In 2019, Kenya, the largest economy within the group, was valued at US\$70.1 billion, followed by Tanzania which was valued at US\$60.8 billion. The economies of South Sudan (US\$7.4 billion) and Burundi (US\$2.8 billion) were the smallest in the region with each constituting less than 4% of total GDP of the EAC in 2019.

There is a wide range of differences in economic growth rates across the EAC. In 2019, four out of the seven members had an average GDP growth rate of more than 5%, while Burundi and South Sudan had less than 2% growth rate, with the DR Congo at 4.3%. The GDP growth rate ranges from 9.4% in Rwanda to 0.9% in South Sudan which is struggling with instability despite its huge oil reserves. Looking to 2043, Tanzania will have the largest economy in the group (US\$258 billion), followed by Uganda (US\$249.9 billion). The share of Kenya and Tanzania is set to marginally decline to 49% as Uganda gains momentum in economic growth and expansion reaching a quarter (25%) of EAC economy.

Chart 6: GDP per capita in CP, 1990–2043
Purchasing power parity



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Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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Although many of the charts in the sectoral scenarios also include GDP per capita, this overview is an essential point of departure for interpreting the general economic outlook of the East African Community.

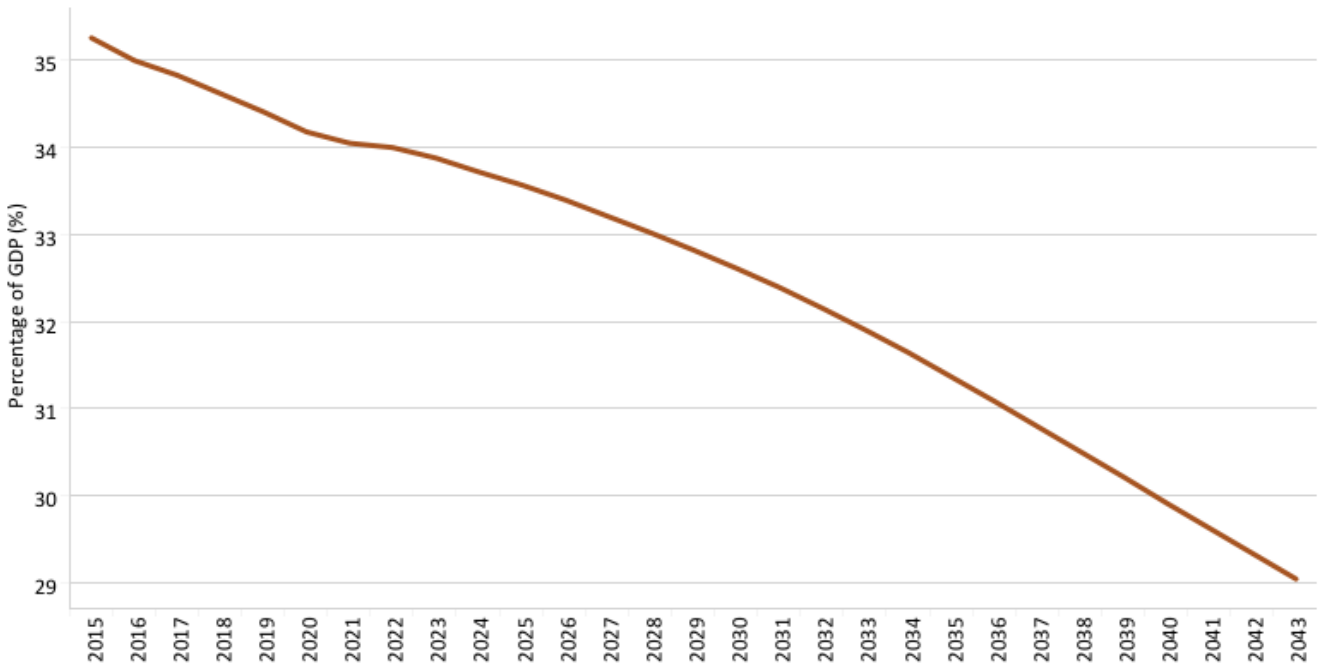
The average GDP per capita for the EAC was US\$2 091 in 2019 — 2.5 times lower than the GDP per capita for an average African country of US\$5 289 in that year. Kenya and Tanzania at US\$3 331 and US\$3 056, respectively, had the highest average income levels in 2019, while the DR Congo and Burundi the lowest at less than US\$1 000 in 2019. Though the DR Congo has the third largest economy in the group (at 18.5%), its large population size (87 million people in 2019) means that it ranks sixth among the seven EAC group of countries on GDP per capita, whereas Kenya with a much smaller population and higher GDP ranks first.

In the Current Path forecast, the EAC is set to increase its GDP per capita to US\$3 938 by 2043, when it will constitute about 55% of the average GDP per capita in Africa, up from 40% in 2019. By 2043, Kenya will record the highest per capita GDP of US\$5 696, followed by Tanzania at US\$5 523, while the economic woes of Burundi (with a growth rate of 1.8% in 2019) will see it recording the lowest at US\$1 297 in 2043.

Chart 7: Informal sector value in CP, 2015–2043
% of GDP



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Source: IFs 7.63 initialising from UN Economic Commission for Europe [2008]; Elgin and Oztunali [2012]; Schneider and Enste [2012]

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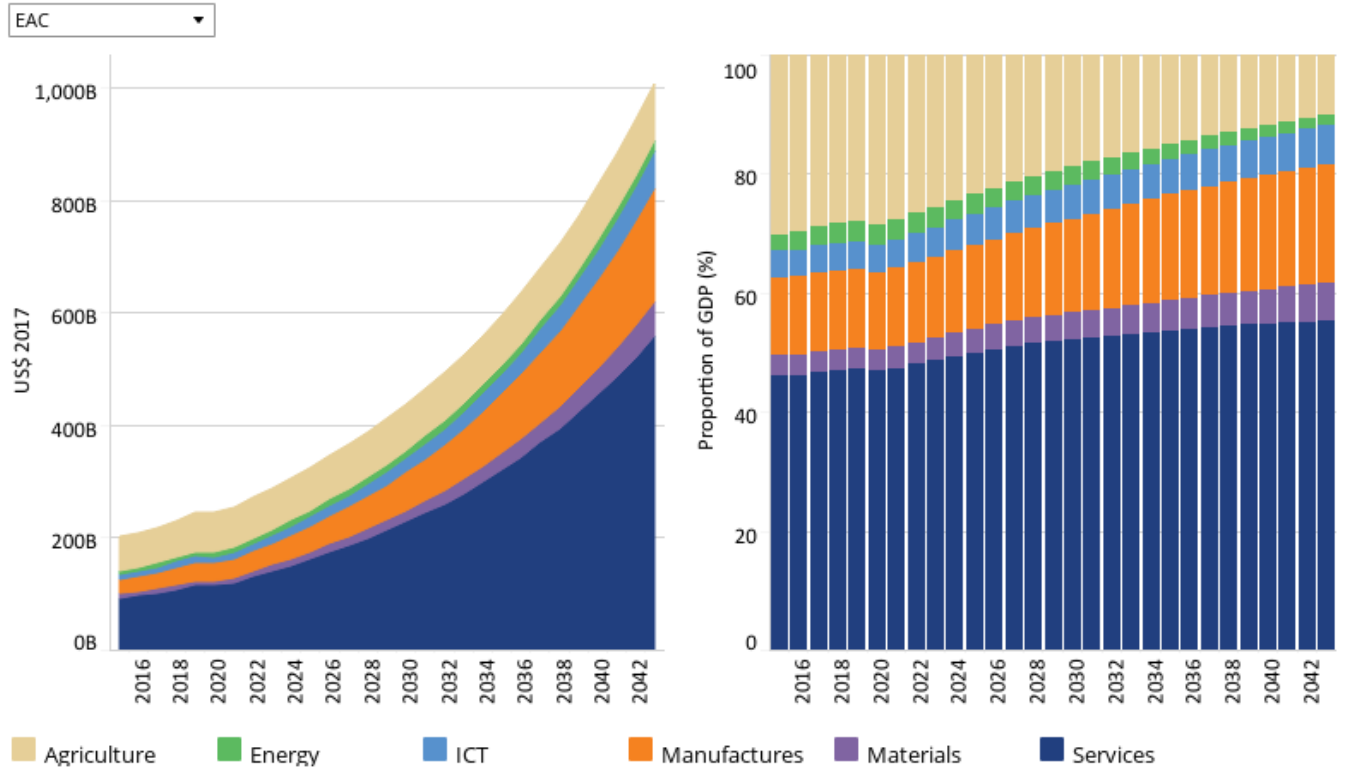
Estimates on the contribution of the informal sector to GDP in 2019 range from 45% in Tanzania to 22% in Kenya. By 2043, these numbers will have declined to 36% and 19.4%, respectively.

At 34.4% (or US\$83.6 billion) in 2019, the informal sector in the EAC was about nine percentage points of GDP larger than the average for Africa, reflecting the extent to which a very large portion of the population depends on this sector. By 2043, the GDP share of the informal sector is set to decline to 29%, equivalent to US\$293 billion.

The informal sector's share of GDP is largest in Tanzania (45%) and smallest in Kenya (22%), while the informal labour share of total labour force is largest in Uganda at 84.2% and lowest in Kenya at 38.3% in 2019. Tanzania, which ranks number two in the size of its economy in 2019, has the largest informal sector size within the EAC with a value of US\$25.1 billion in 2019.



Chart 8: Value added by sector in CP, 2015–2043
Billions US\$ 2017 and % of GDP



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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The IFs platform uses data from the Global Trade and Analysis Project (GTAP) to classify economic activity into six sectors: agriculture, energy, materials (including mining), manufacturing, services and information and communication technologies (ICT). Most other sources use a threefold distinction between only agriculture, industry and services with the result that data may differ.

Generally, the service sector dominates in the EAC, accounting on average 47% in 2019, ranging from 57.7% in Rwanda to 31% in the DR Congo. The service sector contributed more than 45% of GDP in five of the seven EAC members in 2019, and in South Sudan and DR Congo it comprised more than 30% of GDP. These are, however, generally low-end services, either as part of subsistence agriculture or low-end retail services located in informal urban areas. The contribution of the service sector is set to steadily increase from 47% in 2019 to 55% in 2043, while the contribution of the agriculture sector declines from 28% to 10% during the same period, despite its substantial potential. In 2019, the contribution of the agriculture sector of up to 31.3% of GDP in the DR Congo was the highest in the region and the least in South Sudan at 10.1%. By 2043, the contribution of the agriculture sector will range from 13.9% in Burundi to 5.8% in Uganda.

In the same vein, the share of the manufacturing sector of GDP in the EAC will modestly increase from 13.3% in 2019 to 19.9% in 2043. In 2019, the share of the manufacturing sector ranged from 21.3% in the DR Congo to just 2.2% in South Sudan, where economic activity is dominated by oil production as energy comprised 54% of GDP in 2019. The contribution of the energy sector, at 3.4% in 2019, is boosted by oil production in South Sudan (54% of GDP in 2019) and is set to decline to an average for the group of 1.9% of GDP by 2043. The ICT sector's contribution is just next to the materials

sector: both sectors are set to increase marginally in 2043. Tanzania, Kenya and Rwanda, the champions for digitalisation in Africa, had the largest ICT sector in the EAC in 2019 at 5.6, 5.3 and 5.2%, respectively; by 2043, Rwanda will have the largest ICT sector (measured as share of GDP) at 8.1%, followed by Tanzania at 7.9%.

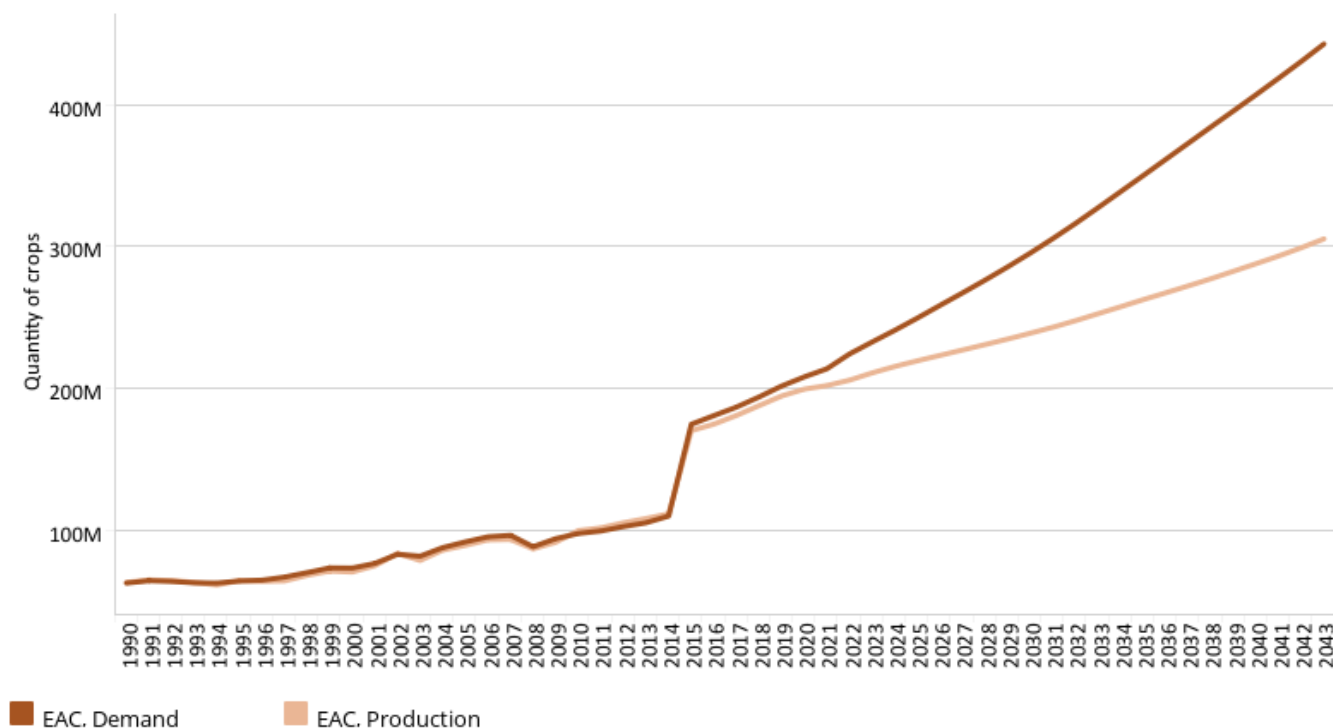
Chart 2 Chart 3 Chart 5 Chart 6 Chart 7 Chart 8 Chart 9 Chart 10 Chart 11 Chart 12 Chart 13

Chart 9: Agriculture production/demand in CP, 1990–2043

Crops million tons



EAC



Source: IFs 7.63 initialising from Food and Agriculture Organization Food Balance Sheets

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The data on agricultural production and demand in the IFs forecasting platform initialises from data provided on food balances by the Food and Agriculture Organization (FAO). IFs contains data on numerous types of agriculture but aggregates its forecast into crops, meat and fish, presented in million metric tons. Chart 9 shows agricultural production and demand as a total of all three categories.

Historically, the EAC has been a food sufficient region, where agricultural production has generally met total demand. For instance, in 1990 total production (64.1 metric million tons) exceeded total demand (63.6 metric million metric tons). However, over the years, this trend has been reversed with demand outgrowing production. In 2019, total agricultural demand exceeded production by about 7 million metric tons — a gap that is expected to increase to 137 million metric tons by 2043. The EAC region is, therefore, becoming increasingly food insecure because of poor domestic production.

In 2019, the DR Congo and Tanzania produced the most food in the EAC at 51.5 million metric tons and 51.2 million metric tons, respectively, followed by Kenya and Uganda at 34.9 million metric tons and 32.7 million metric tons, respectively. South Sudan and Burundi were the smallest agricultural producers in the EAC. By 2043, the DR Congo will have increased its agricultural production by 1.6 fold to 85 million metric tons, and Burundi, the smallest producer, will have marginally increased production from 5.3 million metric tons to 6.9 million metric tons in 2019.

Crop production comprised 90% of total agricultural production in the EAC in 2019, and by 2033 this will decline to below 90% such that in 2043 crop production will amount to 83% of total agricultural production.

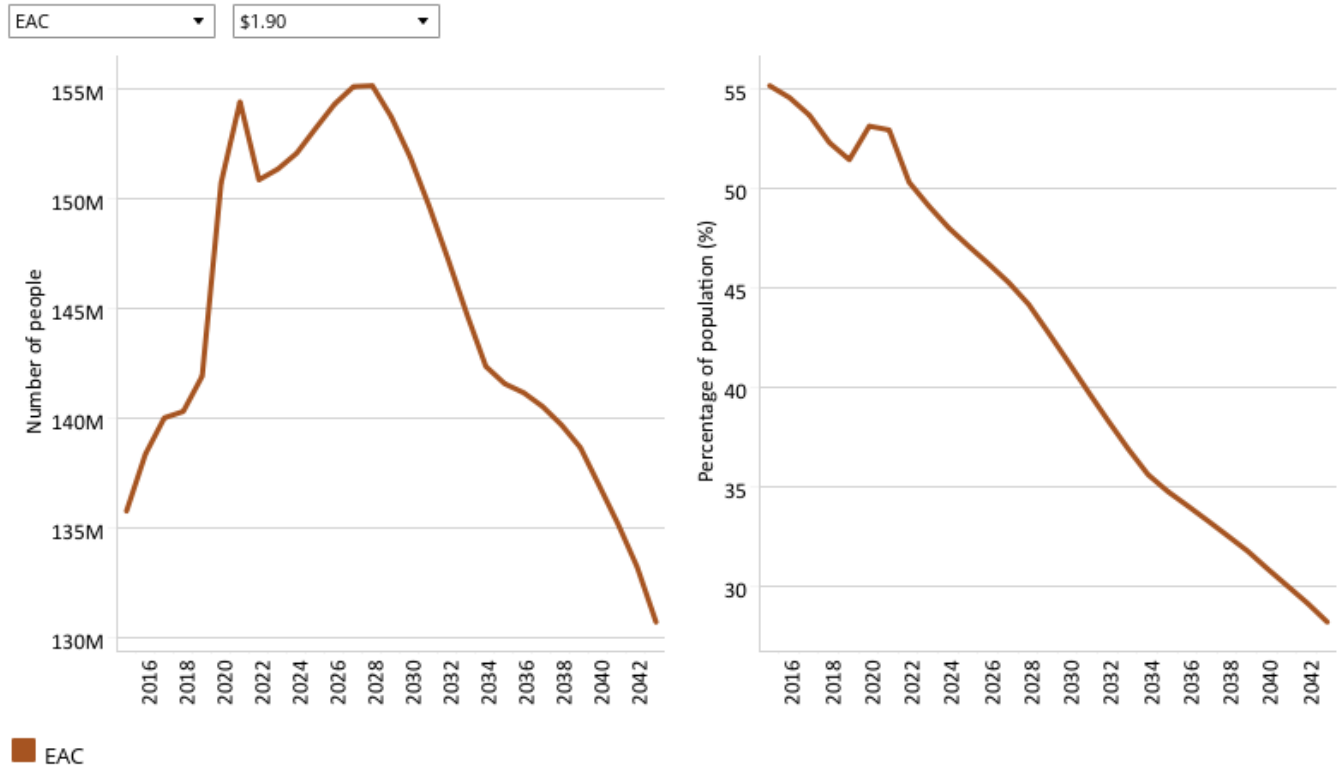


Poverty: Current Path

Chart 2 Chart 3 Chart 5 Chart 6 Chart 7 Chart 8 Chart 9 Chart 10 Chart 11 Chart 12 Chart 13

Chart 10: Poverty in CP, 2015–2043

Millions of people and % of total population



Source: IFS 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovelNet World Bank data

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There are numerous methodologies for and approaches to defining poverty. We measure income poverty and use GDP per capita as a proxy. In 2015, the World Bank adopted the measure of US\$1.90 per person per day (in 2011 international prices), also used to measure progress towards the achievement of Sustainable Development Goal (SDG) 1 of eradicating extreme poverty. To account for extreme poverty in richer countries occurring at slightly higher levels of income than in poor countries, the World Bank introduced three additional poverty lines in 2017:

- US\$3.20 for lower middle-income countries
- US\$5.50 for upper middle-income countries
- US\$22.70 for high-income countries.

In spite of its high rates of economic growth, the EAC is the second poorest region among the RECs in Africa after the Economic Community of Central African States (ECCAS). The number of extremely poor people (using US\$1.90) in the EAC will only modestly decline from 102.5 million in 2019 to 77.8 million in 2043. By 2043, the extreme poverty rate will reduce to 28.2%, compared to 51.5% in 2019. While Tanzania will do well in reducing the number of extremely poor people from 24 million in 2019 to just 21 million in 2043, the DR Congo will increase its number of extremely poor people from 62.8 million in 2019 to 81.9 million in 2043, although with a modest decline in the percentage of extremely poor people.

Whereas in 2019, four out of the seven EAC countries had an extreme poverty rate of above 50%, by 2043, except for South Sudan and Burundi, all EAC countries will experience a poverty rate of below 50%. The decline in poverty in the EAC will be supported by strong economic growth in 2043.



Carbon Emissions/Energy: Current Path

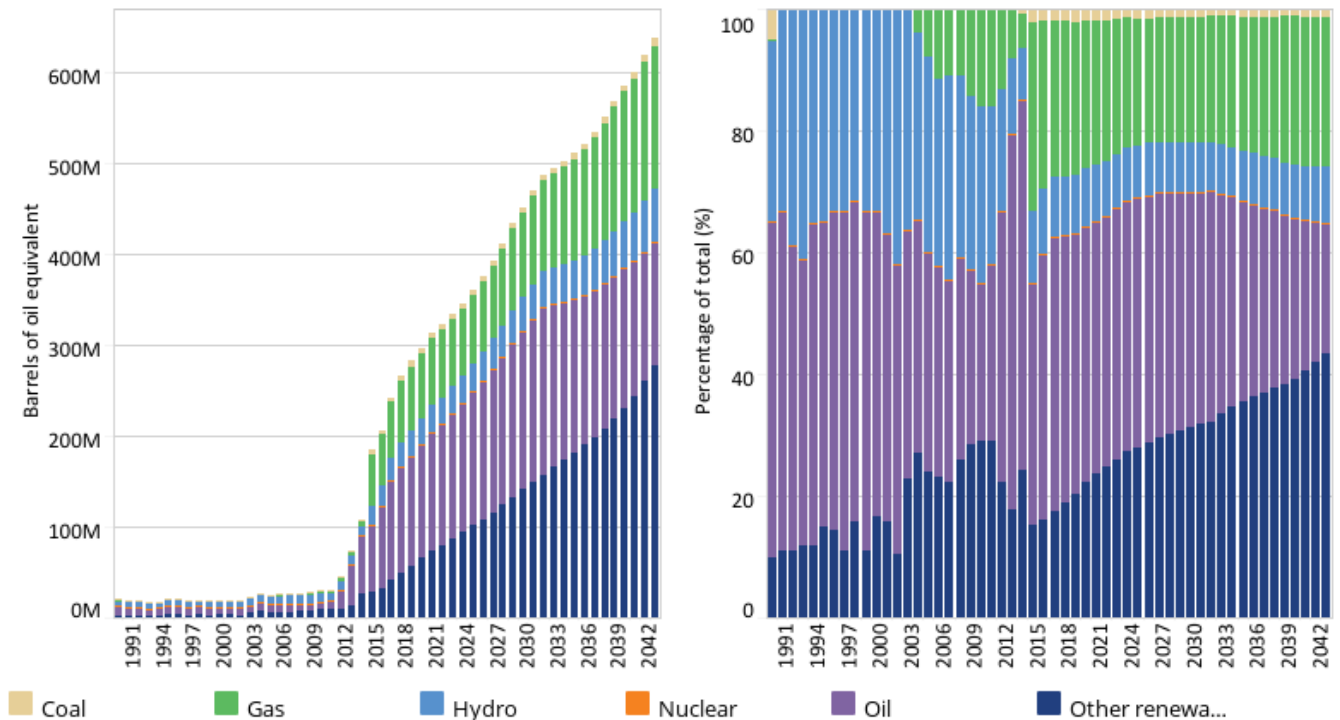
Chart 2 Chart 3 Chart 5 Chart 6 Chart 7 Chart 8 Chart 9 Chart 10 Chart 11 Chart 12 Chart 13

Chart 11: Energy production by type in CP, 1990–2043

Barrels of oil equivalent and % of energy production



EAC



Source: IFs 7.63 initialising from World Energy Outlook data

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The IFs platform forecasts six types of energy, namely oil, gas, coal, hydro, nuclear and other renewables. To allow comparisons between different types of energy, the data is converted into billion barrels of oil equivalent (BBOE). The energy contained in a barrel of oil is approximately 5.8 million British thermal units (MBTUs) or 1 700 kilowatt-hours (kWh) of energy.

In 2019, oil (at 121 million BOE) and gas (at 71 million BOE) comprised 67.8% of total energy production in the EAC. These were supplemented by the production of hydro and other renewable energies which accounted for 10% and 20%, respectively, of total energy production. The region also produced a negligible amount of coal, representing 2% of total energy production.

South Sudan and the DR Congo are the oil producers within the EAC, while major gas producers are Tanzania, Uganda and Rwanda. Tanzania was the only coal producer in 2019 at 6 million BOE. In 2019, South Sudan produced 106 million BOE, followed by the DR Congo at 15 million BOE.

Hydro energy production is strongest in the DR Congo at 13 million BOE, followed by Tanzania (7 million BOE), Uganda (4 million BOE) and Kenya (3 million BOE), with hydro accounting for one-tenth of energy production in the EAC.

In the Current Path forecast, in 2043 other renewables will dominate energy production in the EAC, accounting for 43%,

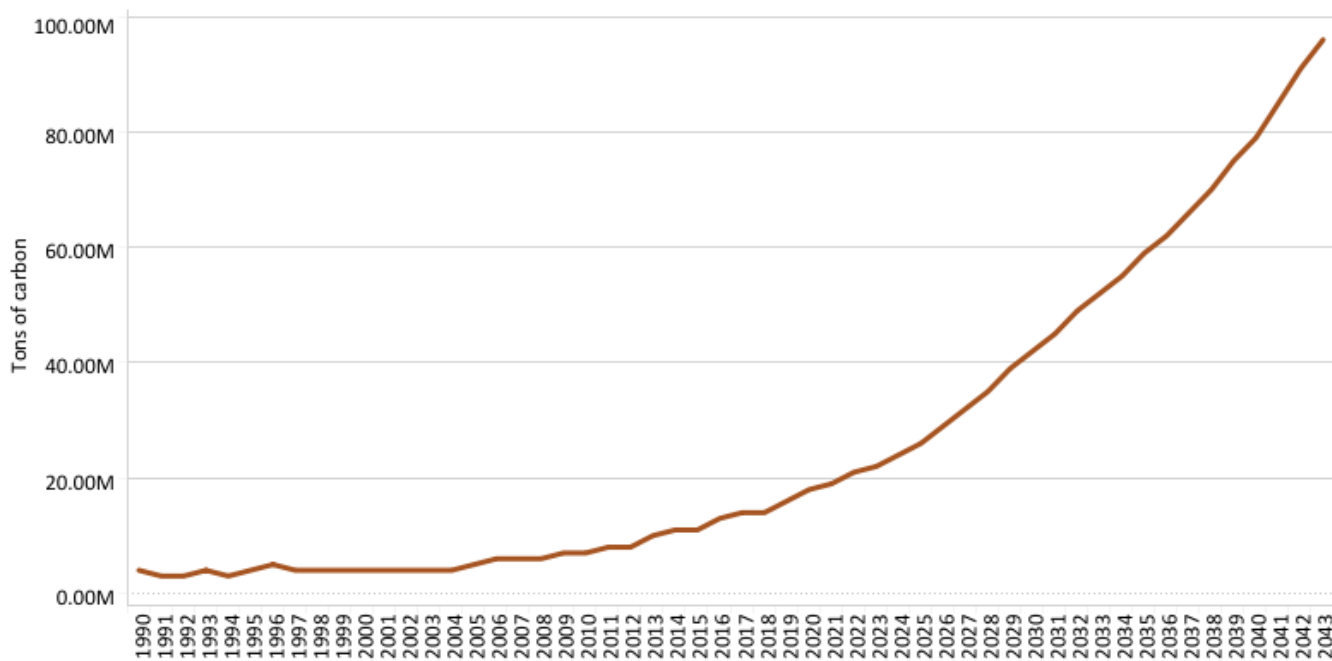
followed by gas at 25%. Kenya will be the powerhouse of other renewable energy production, producing 209 million BOE in 2043.

Chart 12: Carbon emissions in CP, 1990–2043

Million tons of carbon (note, not CO₂ equivalent)



EAC



EAC

Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

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Carbon is released in many ways, but the three most important contributors to greenhouse gases are carbon dioxide (CO₂), carbon monoxide (CO) and methane (CH₄). Since each has a different molecular weight, IFs uses carbon. Many other sites and calculations use CO₂ equivalent.

As a group, EAC countries emitted 16 million tons of carbon in 2019, representing about 3.8% of total emissions in Africa. This amount will increase by more than fivefold to 96 million tons by 2043. In the process, the EAC will increase its portion of African carbon emissions from 3.8% of the African total to 10.3%. Tanzania, Kenya and Uganda, which are the largest economies in the region, are the largest emitters, contributing 75% of total emissions in 2019. In the Current Path forecast, the top three emitters will still contribute 70% of all carbon emissions in 2043, with Tanzania poised to contribute the most at 35 million tons.

Sectoral Scenarios for EAC

- Stability scenario
- Demographic scenario
- Health/WaSH scenario
- Agriculture scenario
- Education scenario
- Manufacturing scenario
- Leapfrogging scenario
- Free Trade scenario
- Financial Flows scenario
- Infrastructure scenario
- Governance scenario
- Impact of scenarios on carbon emissions



Stability scenario

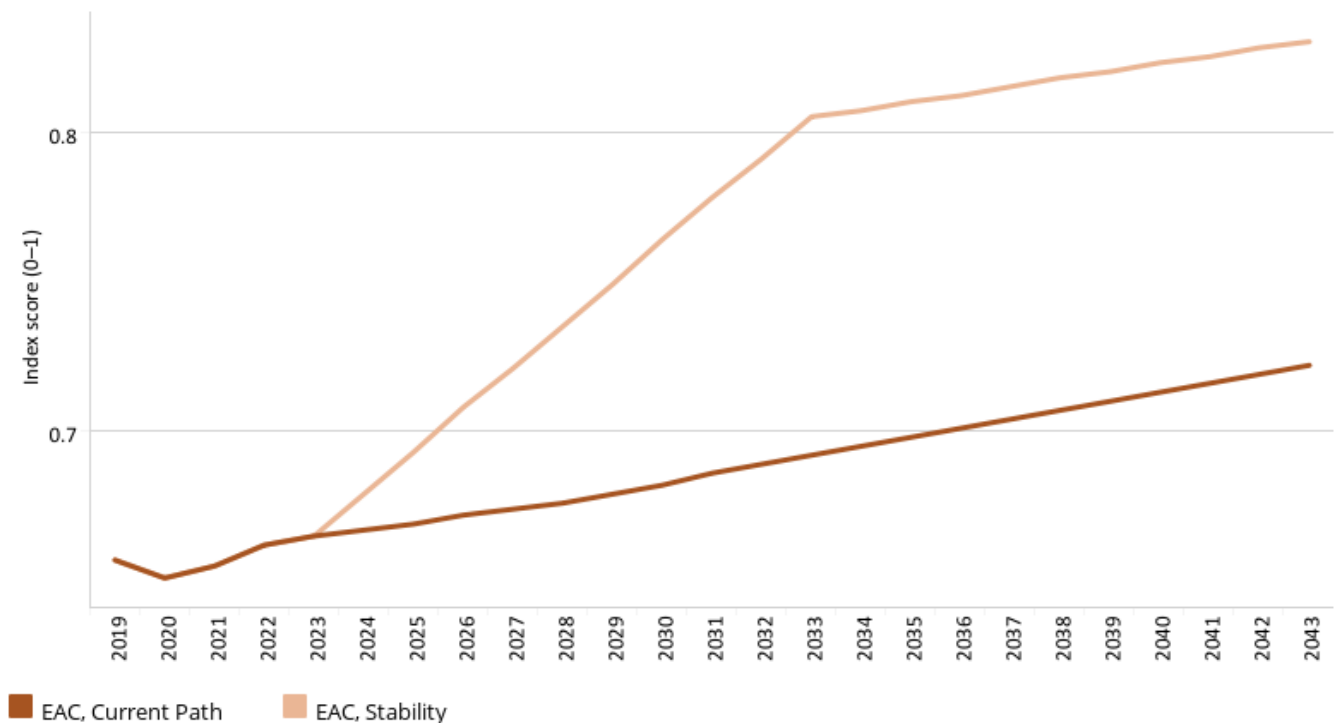
Chart 2 Chart 3 Chart 5 Chart 6 Chart 7 Chart 8 Chart 9 Chart 10 Chart 11 Chart 12 Chart 13 >

Chart 13: Governance security in CP and Stability scenario, 2019–2043

IFs index 0–1



EAC



Source: IFs 7.63 governance security index using internal war and government risk

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The Stability scenario represents reasonable but ambitious reductions in the risk of regime instability and lower levels of

internal conflict. Stability is generally a prerequisite for other aspects of development and this would encourage inflows of foreign direct investment (FDI) and improve business confidence. Better governance through the accountability that follows substantive democracy is modelled separately.

The intervention is explained [here](#) in the thematic part of the website.

Poor countries are, almost inevitably, less stable. Using the governance security index within IFs, at 0.66 the East African Community (EAC) was below the average for Africa which was 0.74 in 2019 and the second lowest among the regional economic communities (RECs) in Africa after the Economic Community of Central African States (ECCAS). The EAC Current Path forecast will see a modest improvement in governance security to 0.72 in 2043. The Stability scenario will improve the governance security index score in the region to 0.83 in 2043 — 15.3% above the Current Path forecast and 12.2% above the Current Path average for Africa. In 2019, Kenya and Rwanda scored the highest in the governance security index in the group of 0.74 and 0.72, respectively, while the DR Congo had the lowest at 0.55. Rwanda has enjoyed a long period of stability after the genocide ended in 1994, while the DR Congo's turbulent history has deteriorated its level of governance security. In the Stability scenario, group members will improve the 2043 Current Path forecast by an amount ranging from 0.154 in the DR Congo — a large increase due to its low base — to 0.075 in Kenya. Coming from their turbulent histories, the DR Congo, Burundi and South Sudan will each see at least 0.11 improvement in their 2043 Current Path forecast of governance security in the Stability scenario.

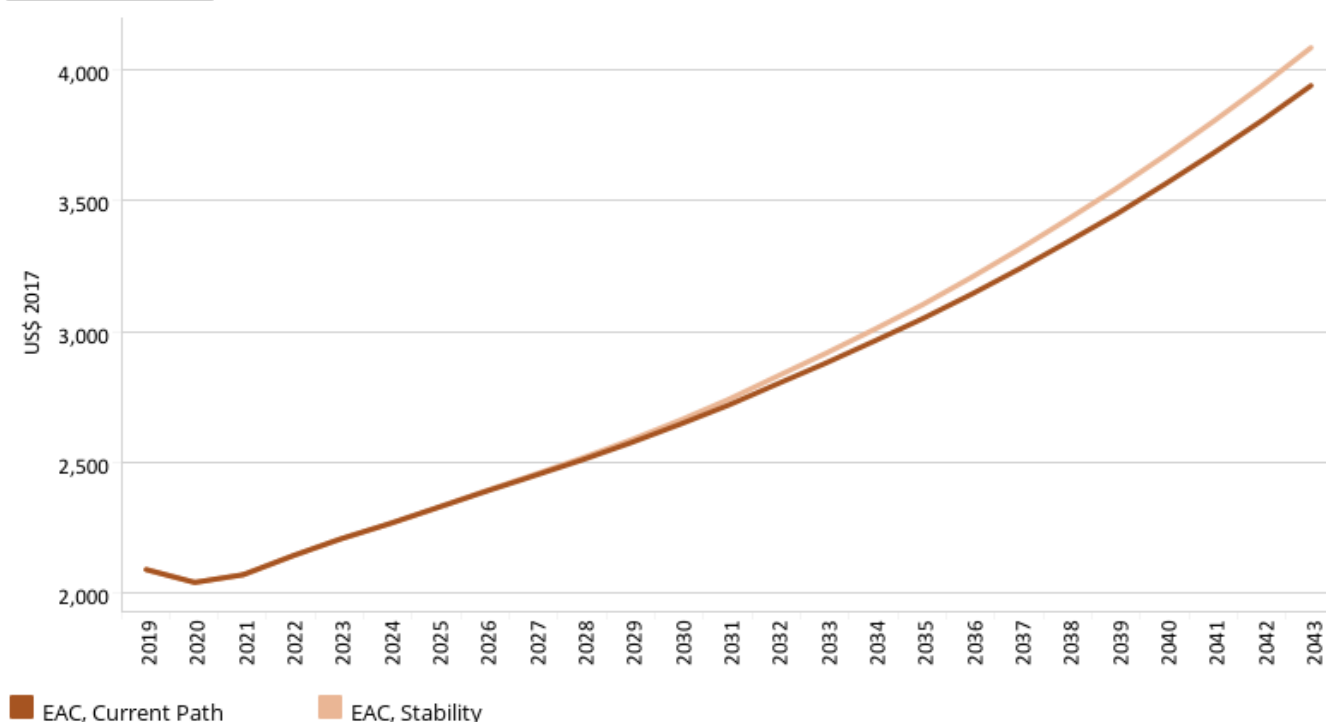
▼ < Chart 9 Chart 10 Chart 11 Chart 12 Chart 13 Chart 14 Chart 15 Chart 16 Chart 17 Chart 18 Chart 1 >

Chart 14: GDP per capita in CP and Stability scenario, 2019–2043

Purchasing power parity



EAC ▼



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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Stability is a general catalyst for other aspects of development. The Stability scenario increases GDP per capita by US\$274, or 6.9%, in 2043, compared to the Current Path forecast. The increase ranges from US\$421 in Uganda (the most

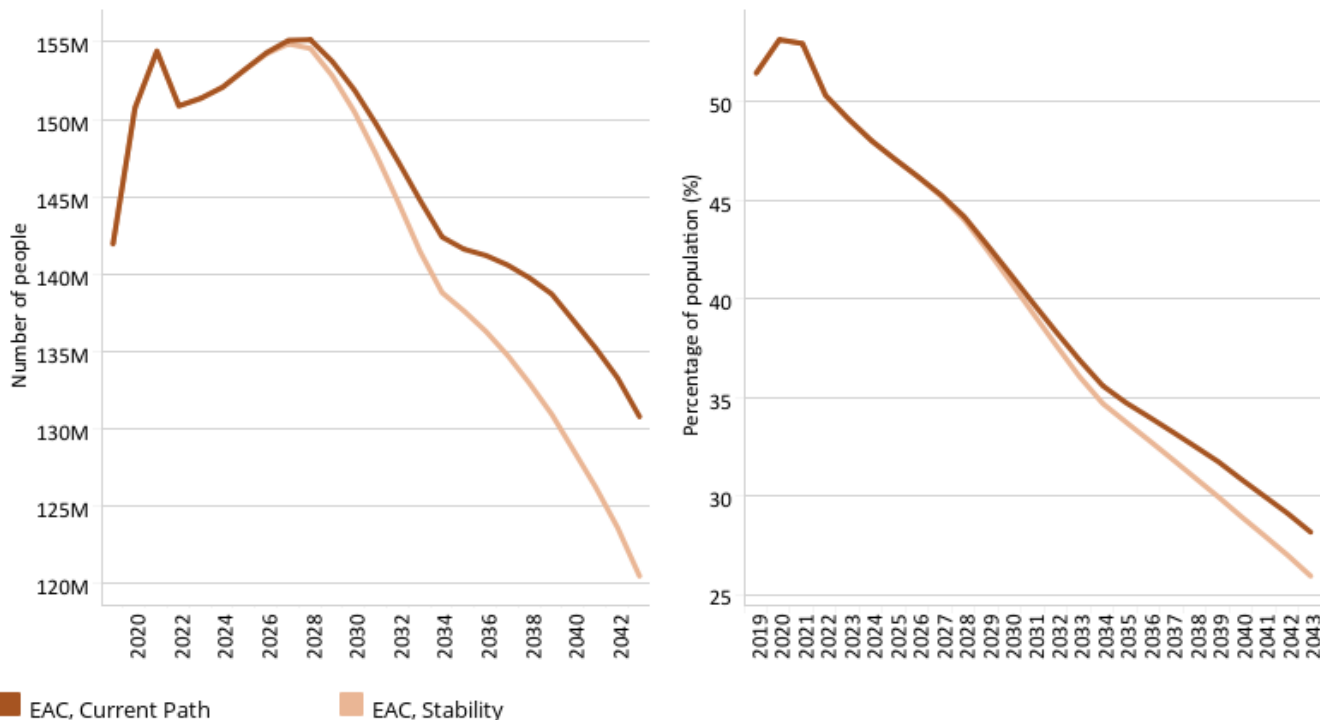
improvement), US\$355 in South Sudan and US\$348 in Rwanda, to US\$108 in Burundi (least improvement). The GDP per capita of US\$4 211 in the Stability scenario will however be 70% lower than the Current Path average of US\$7 157 for Africa.

Chart 15: Poverty in CP and Stability scenario, 2019–2043

Millions of people and % of total population



EAC \$1.90



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PoveralNet World Bank data

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The Stability scenario will reduce the number of extremely poor people in the EAC by 1.4 million in 2043, compared to the Current Path forecast (using US\$1.90). The largest gains are made in the DR Congo which will see a reduction of 7.4 million extremely poor people (5.5 percentage points) in 2043, while Rwanda will see the smallest reduction of 284 000 people, at which point it will effectively have eliminated extreme poverty

Instead of an extreme poverty rate (using US\$1.90) of 28.2% in 2043 on the Current Path, the 2043 extreme poverty rate for the EAC will be 26% in the Stability scenario, 5.1 percentage points above the Current Path average for Africa

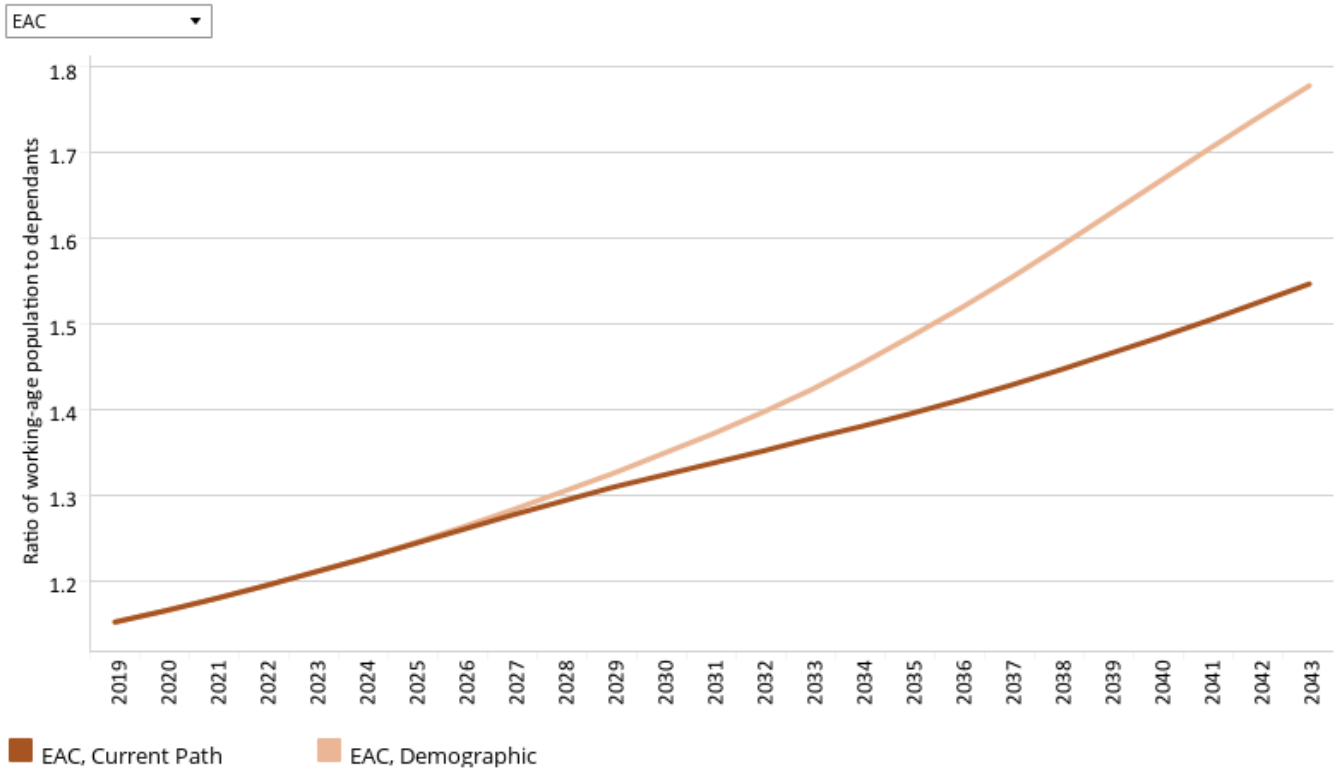


Demographic scenario

Chart 11 Chart 12 Chart 13 Chart 14 Chart 15 Chart 16 Chart 17 Chart 18 Chart 19 Chart 20 Chart 21

Chart 16: Demographic dividend in CP and Demog scenario, 2019–2043

Ratio of working-age population to dependants



Source: IFs 7.63 initialising from UN Population Division Population Prospects

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This section presents the impact of a Demographic scenario that aims to hasten and increase the demographic dividend through reasonable but ambitious reductions in the communicable-disease burden for children under five, the maternal mortality ratio and increased access to modern contraception.

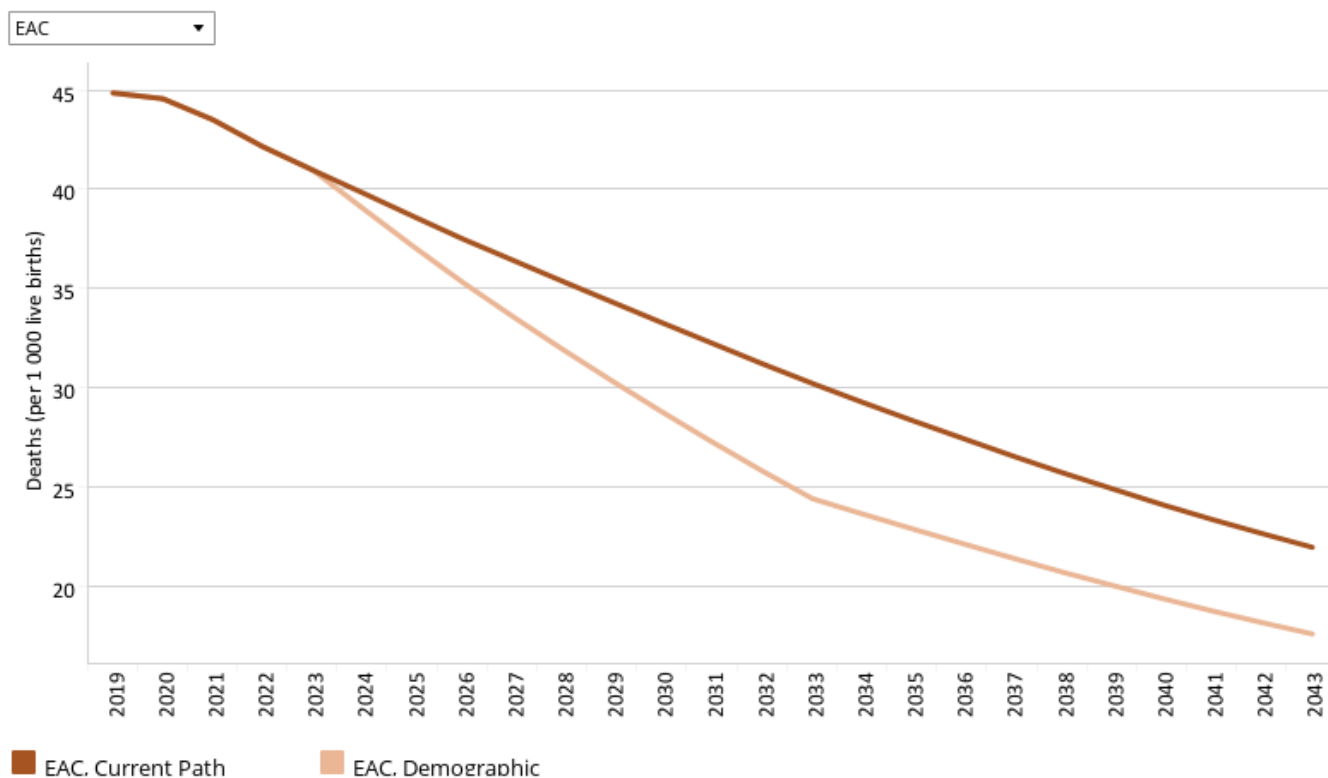
The intervention is explained [here](#) in the thematic part of the website.

Demographers typically differentiate between a first, second and even a third demographic dividend. We focus here on the contribution of the size of the labour force (between 15 and 64 years of age) relative to dependants (children and the elderly) as part of the first dividend. A window of opportunity opens when the ratio of the working-age population to dependants is equal to or surpasses 1.7.

In 2019, the ratio of working-age persons to dependants for the EAC was 1.15 to 1, below the average of 1.27 to 1 for Africa. It means that for every dependant in the region, there are about 1.2 workers. In the Current Path forecast, the EAC enters the demographic dividend (attained when the country meets a minimum ratio of 1.7 workers per dependant) in 2050, given its large population momentum and its high fertility rates. In the Demographic scenario, the EAC reaches a ratio of 1.7 working-age persons to every dependant in 2041. By 2043, the average ratio of working-age population to dependants in the region will be 1.78 to 1, which is above the Current Path forecast of 1.55 to 1 and the Current Path average of 1.58 to 1 for Africa.

Kenya (in 2031) and Rwanda (in 2037) are the only countries set to enjoy a demographic dividend in the Current Path forecast before 2043. Compared to the Current Path forecast, Rwanda, with an improvement of 0.49 in the ratio of working-age persons to dependants, and Kenya, with an improvement of 0.41, will see the largest improvement in unlocking a potential dividend within the group, while South Sudan will see the least improvement in demographic dividend in 2043.

Chart 17: Infant mortality in CP and Demog scenario, 2019–2043
Deaths per 1 000 live births



Source: IFs 7.63 initialising from Institute for Health Metrics and Evaluation Mortality Visualization Tool data

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The infant mortality rate is the number of infant deaths per 1 000 live births and is an important marker of the overall quality of the health system in a country.

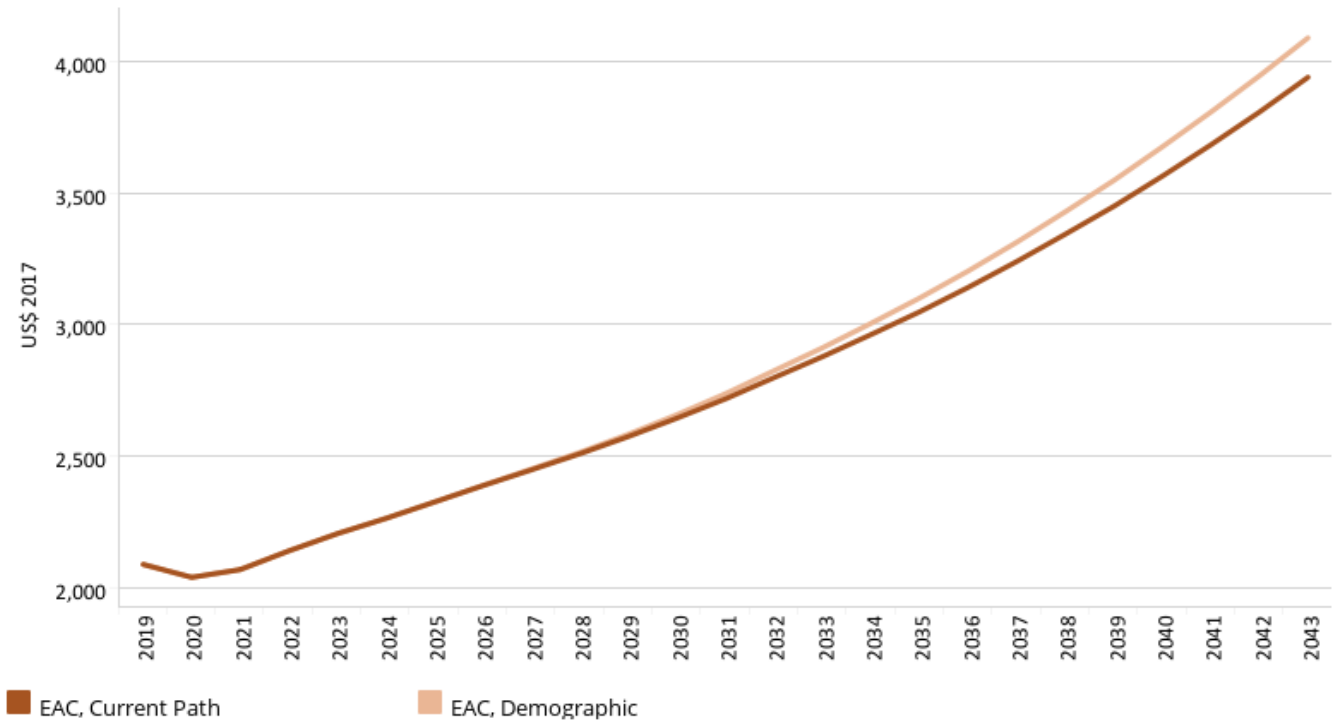
The EAC has the fourth lowest infant mortality rate among the RECs in Africa, higher than the Arab Maghreb Union (AMU), Common Market for Eastern and Southern Africa (COMESA) and the Intergovernmental Authority on Development (IGAD). The average infant mortality rate for the group in 2019 was 44.9 deaths per 1 000 live births, 1.9 deaths lower than the average for Africa. On the Current Path, this is projected to decline to 21.9 in 2043. The average for Africa in the same year is 25.6. In 2019, infant mortality ranged from 78 deaths per 1 000 live births in South Sudan to 30 in Rwanda.

In the Demographic scenario, the infant mortality rate in the EAC declines to 17.6 in 2043, 4.3 deaths lower than the Current Path forecast. South Sudan will experience the largest decrease, with 10.1 fewer deaths per 1 000 live births in 2043 compared to the Current Path forecast.

Chart 18: GDP per capita in CP and Demog scenario, 2019–2043
Purchasing power parity



EAC

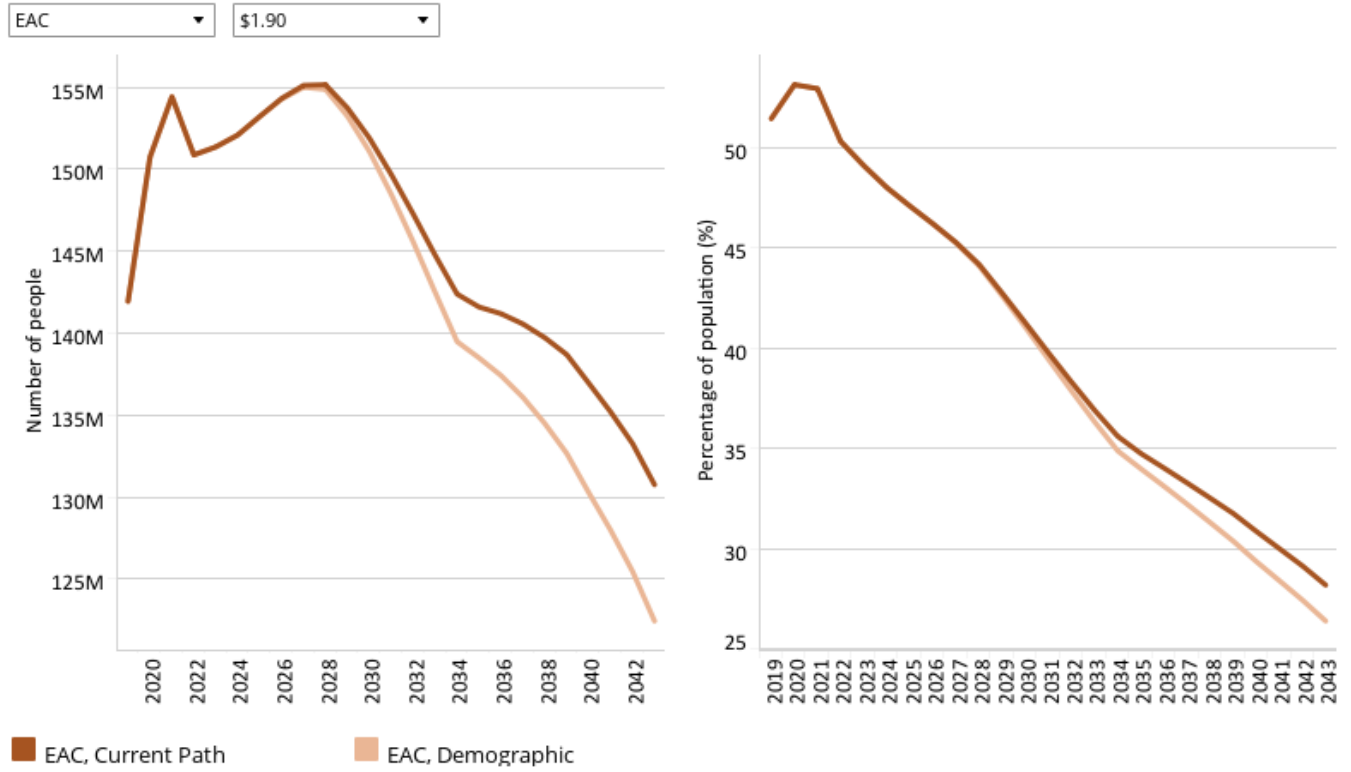


Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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By 2043, the Demographic scenario will increase average GDP per capita by US\$150, equivalent to 3.8%, compared to the Current Path forecast. Rwanda and Kenya will benefit the most from the Demographic scenario by 2043, at US\$280 and US\$265, respectively, compared to the Current Path forecast, with Uganda following with an improvement of US\$241. Burundi and South Sudan will see the least improvement in GDP per capita of US\$44 and US\$36 by 2043, respectively, compared to the Current Path forecast. The GDP per capita of US\$4 088 in the Demographic scenario will however be 75.1% lower than the Current Path average of US\$7 157 for Africa.

Chart 19: Poverty in CP and Demog scenario, 2019–2043
Millions of people and % of total population



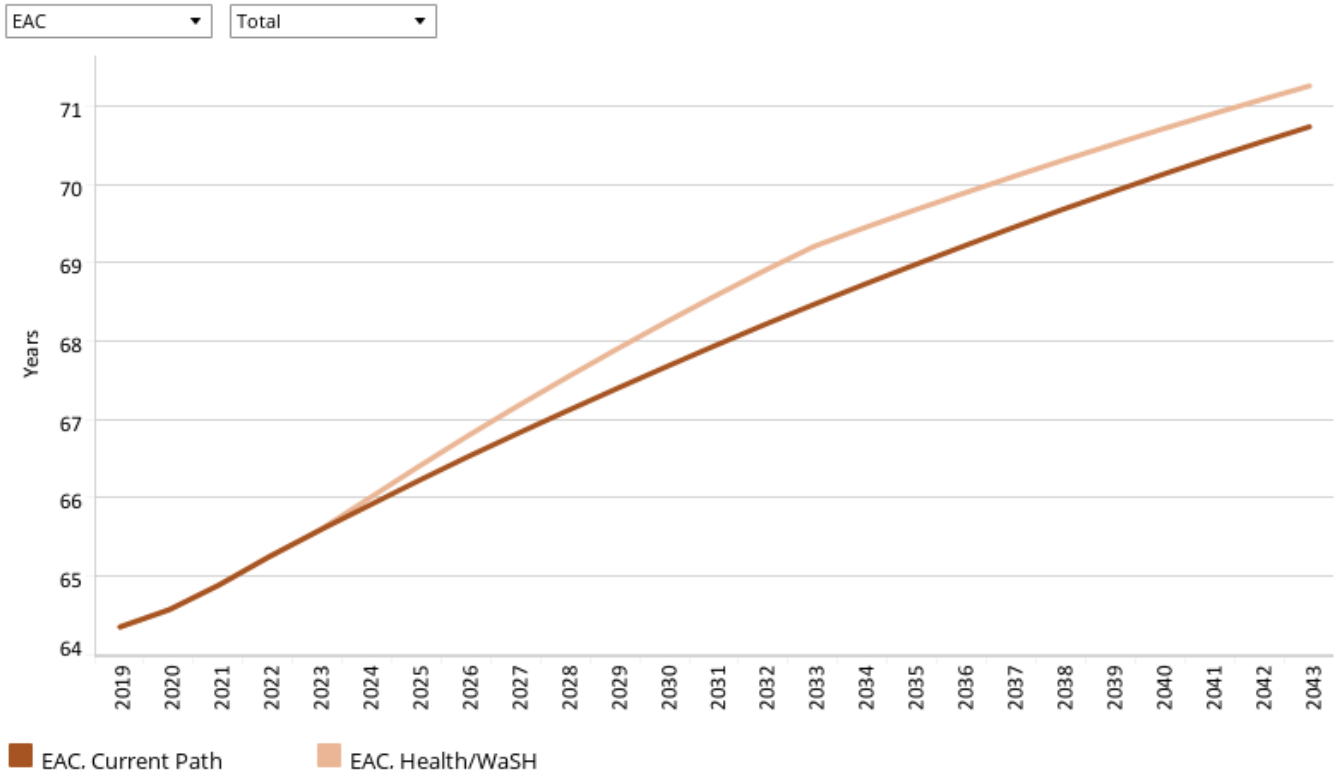
Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and DevPalNet World Bank data

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Compared to the Current Path forecast, the Demographic scenario would reduce extreme poverty in the EAC by 16.2 million people (1.8 percentage points) using US\$1.90. In 2043, the DR Congo will see the largest percentage point decrease in extreme poverty rate of 2.9 percentage points, followed by Rwanda of 2.5 percentage points when compared to the Current Path forecast. Compared to the Current Path forecast, the Demographic scenario will lift 8.2 million and 3 million more people out of extreme poverty in 2043 in the DR Congo and Tanzania, respectively. The extreme poverty rate of 26.4% in the Demographic scenario will be 5.5 percentage points higher than the Current Path average for Africa in 2043.



Chart 20: Life expectancy in CP and Health/WaSH scenario, 2019–2043



Source: IFs 7.63 initialising from Institute for Health Metrics Evaluation GBD Foresight Tool data

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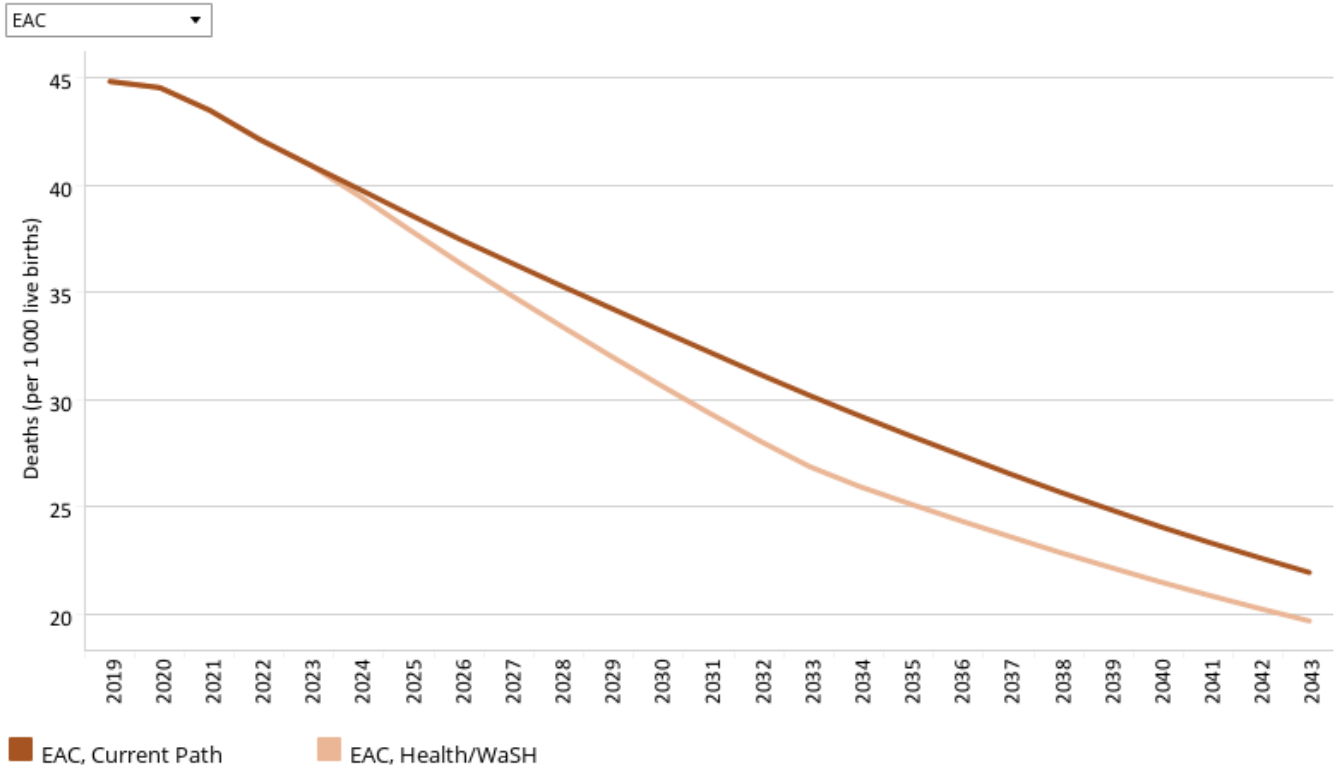
This section presents reasonable but ambitious improvements in the Health/WaSH scenario, which include reductions in the mortality rate associated with both communicable diseases (e.g. AIDS, diarrhoea, malaria and respiratory infections) and non-communicable diseases (NCDs) (e.g. diabetes), as well as improvements in access to safe water and better sanitation. The acronym WaSH stands for water, sanitation and hygiene.

The intervention is explained [here](#) in the thematic part of the website.

The EAC has the third lowest life expectancy among the RECs in Africa after ECCAS and the Southern African Development Community (SADC). Life expectancy among the EAC member states ranged from 69.1 years in Rwanda in 2019 to 58.8 years in South Sudan. In 2019, average life expectancy was 64.4 years, 1.5 years below the average for Africa. On average, females have higher life expectancy (66.2 years) than males (62.5 years) by an additional 3.7 years. On the Current Path, it will increase to 70.7 years in 2043.

The Health/WaSH scenario results in a marginal life expectancy increase above the Current Path forecast of less than one year. South Sudan, with life expectancy of 58.8 years in 2019, experiences the largest increase of 1.3 years and Rwanda the least (0.112 years). Average life expectancy in the EAC remains below the Current Path average for Africa by less than one year in 2043 in the Health/WaSH scenario.

Chart 21: Infant mortality in CP and Health/WaSH scenario, 2019–2043
Deaths per 1 000 live births



Source: IFs 7.63 initialising from Institute for Health Metrics and Evaluation Mortality Visualization Tool data

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Rates of infant mortality in the EAC in 2019 were at 44.9 deaths per 1 000 live births and reduce to 21.9 in the Current Path forecast by 2043. In the Health/WaSH scenario, the average by 2043 is 19.7 deaths, 2.3 fewer compared to the Current Path forecast and 5.9 fewer deaths compared to the Current Path average for Africa in the same year. South Sudan experiences the largest decline in infant mortality in the Health/WaSH scenario with 7.2 fewer deaths per 1 000 live births, followed by Uganda with 2.7.



Agriculture scenario

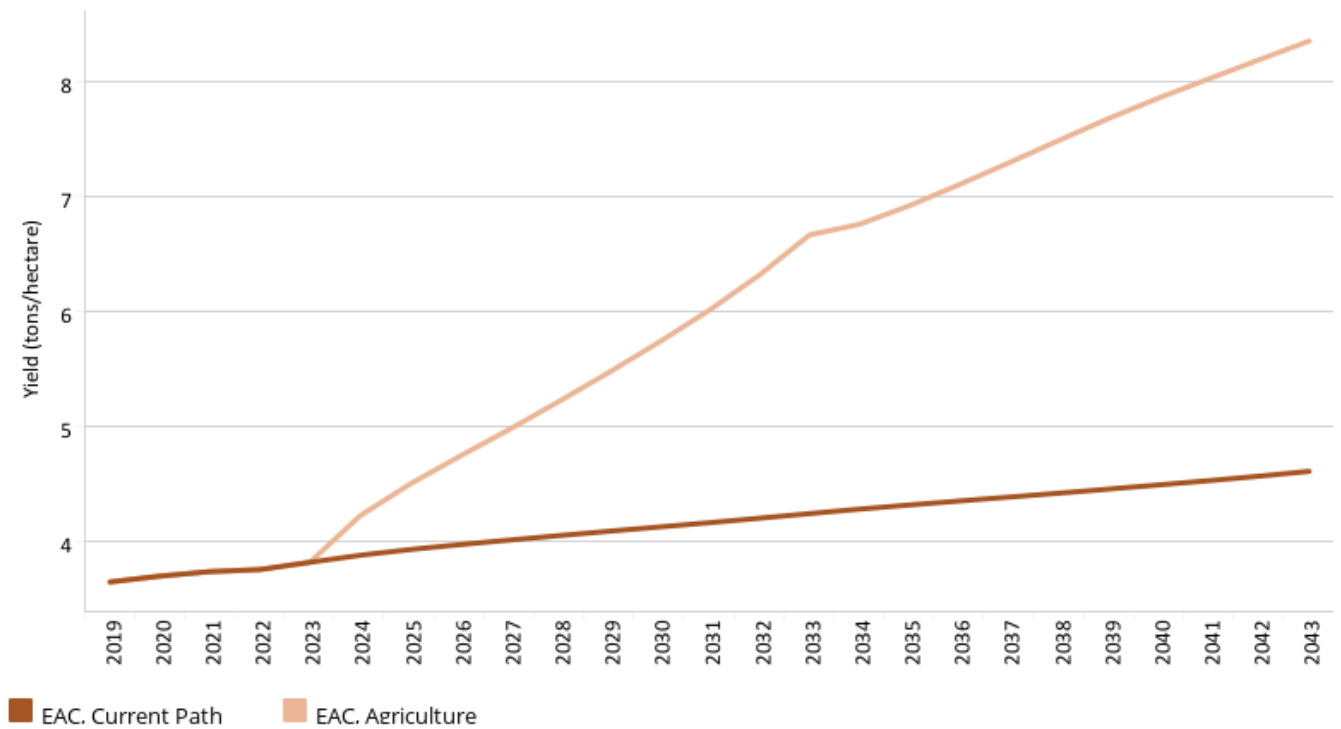
Chart 17 Chart 18 Chart 19 Chart 20 Chart 21 Chart 22 Chart 23 Chart 24 Chart 25 Chart 26 Chart 27

Chart 22: Yield/hectare in CP and Agric scenario, 2019–2043

Pre-loss levels



EAC



Source: IFs 7.63 initialising from FAOSTAT on-line statistical service data

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The Agriculture scenario represents reasonable but ambitious increases in yields per hectare (reflecting better management and seed and fertiliser technology), increased land under irrigation and reduced loss and waste. Where appropriate, it includes an increase in calorie consumption, reflecting the prioritisation of food self-sufficiency above food exports as a desirable policy objective.

The intervention is explained [here](#) in the thematic part of the website.

The data on yield per hectare (in metric tons) is for crops but does not distinguish between different categories of crops.

In 2019, the average crop yield in the EAC was 3.6 metric tons, below the average for Africa of 3.9 tons. In the Current Path forecast, the EAC will modestly improve yields to 4.6 metric tons by 2043 and to 8.4 tons in the Agriculture scenario — a difference of almost 44%. The projected yield per hectare in the Agriculture scenario will also be above the Current Path average of 4.8 metric tons for Africa in 2043.

Rwanda has the highest pre-loss crop yields per hectare among EAC members as a result of its rich soils, higher rainfall, the intensity of farming and better utilisation of technology. Yield per hectare for Rwanda increases from 8.2 tons in 2019 to 10.6 tons in 2043 in the Current Path forecast and to 14 tons in the Agriculture scenario. Tanzania and South Sudan had the lowest pre-loss crop yields per hectare at 3.2 and 3.1 tons, respectively, in 2019.

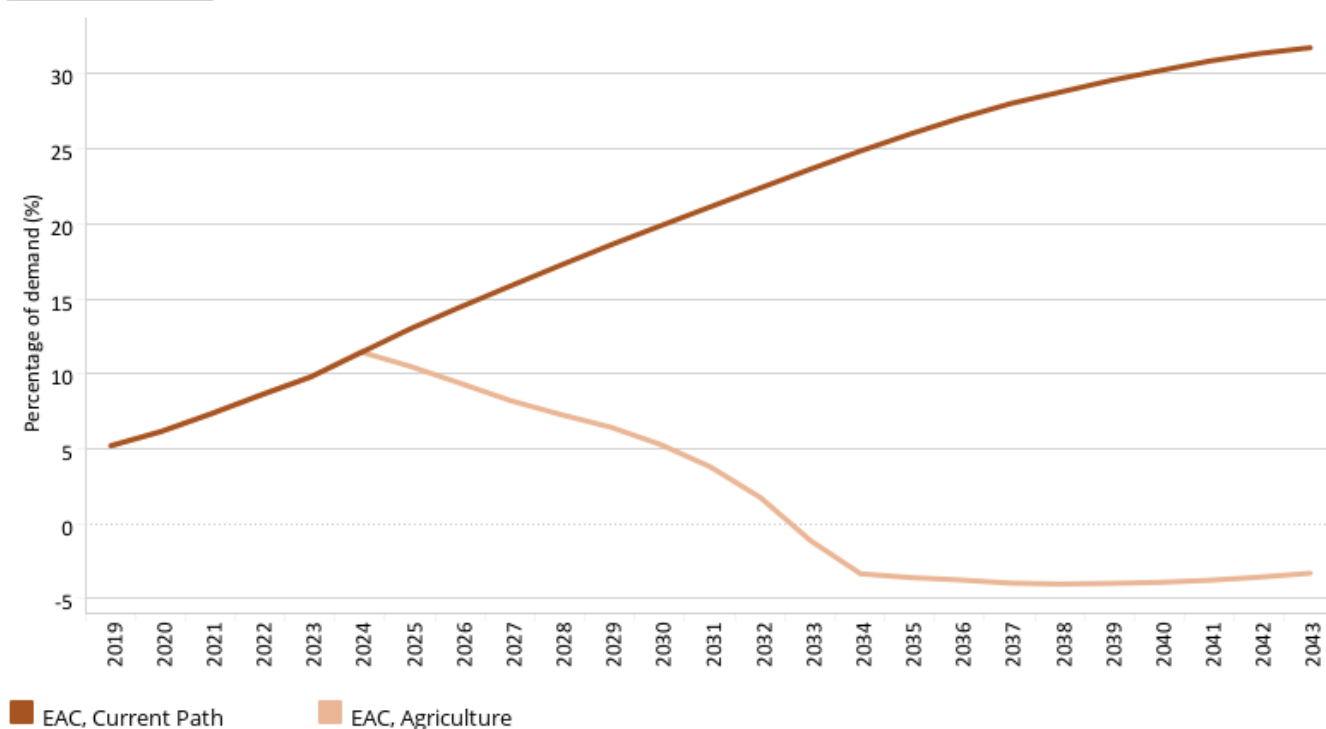
Compared to the Current Path forecast, South Sudan will experience the largest improvement (4.6 tons by 2043) in the Agriculture scenario, followed by Burundi (4.5 tons). Rwanda and Kenya will experience the least improvements of 3.4 tons and 2.9 tons, respectively, in the Agriculture scenario.

Chart 18 | Chart 19 | Chart 20 | Chart 21 | Chart 22 | **Chart 23** | Chart 24 | Chart 25 | Chart 26 | Chart 27 | Chart 28

Chart 23: Agriculture imports in CP and Agric scenario, 2019–2043
Net imports for meat, crops and fish, % of demand



EAC



Source: IFs 7.63 initialising from Food and Agriculture Organization Food Balance Sheets data

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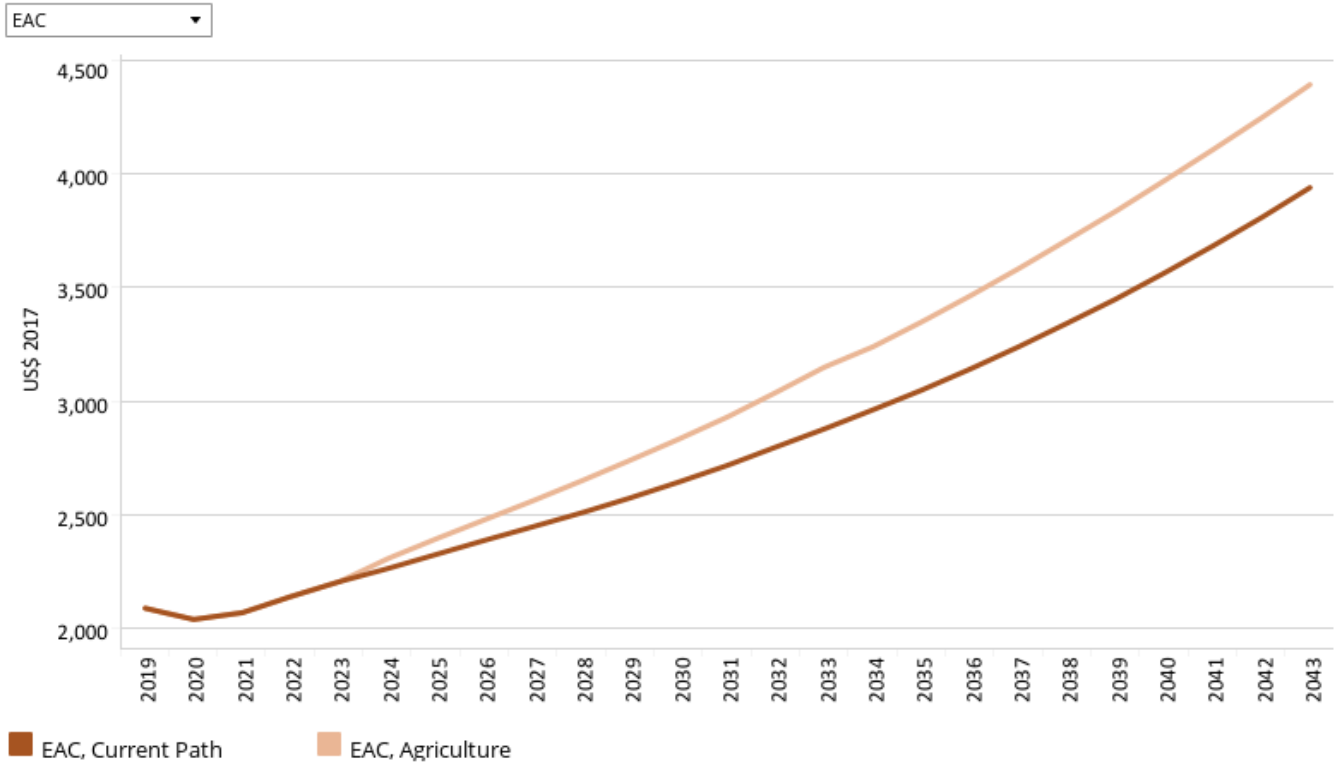
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In the Current Path forecast, the contribution of agriculture to the GDP of the EAC declines from 28% in 2019 to 10% in 2043. In the Agriculture scenario, agriculture would still contribute 14.3% to GDP by 2043, and the EAC will produce 208.3 million metric tons more crops by 2043, compared to the Current Path forecast.

In the Agriculture scenario, import dependence in the EAC is set to decrease from 5.2% to 3.3% (or a net export of 3.3%) instead of 31.8% in the Current Path forecast, resulting in US\$102.6 million less in imports than in the Current Path in 2043. Total agricultural exports will sky rocket in 2043 in the Agriculture scenario to 70.3 million metric tons from 5.7 million metric tons in 2019. Compared to the Current Path forecast, Tanzania (at 53.4 million metric tons) followed by South Sudan (at 9.9 million metric tons) will see the greatest increments in agricultural exports.

Chart 24: GDP per capita in the CP and Agric scenario, 2019–2043

Purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

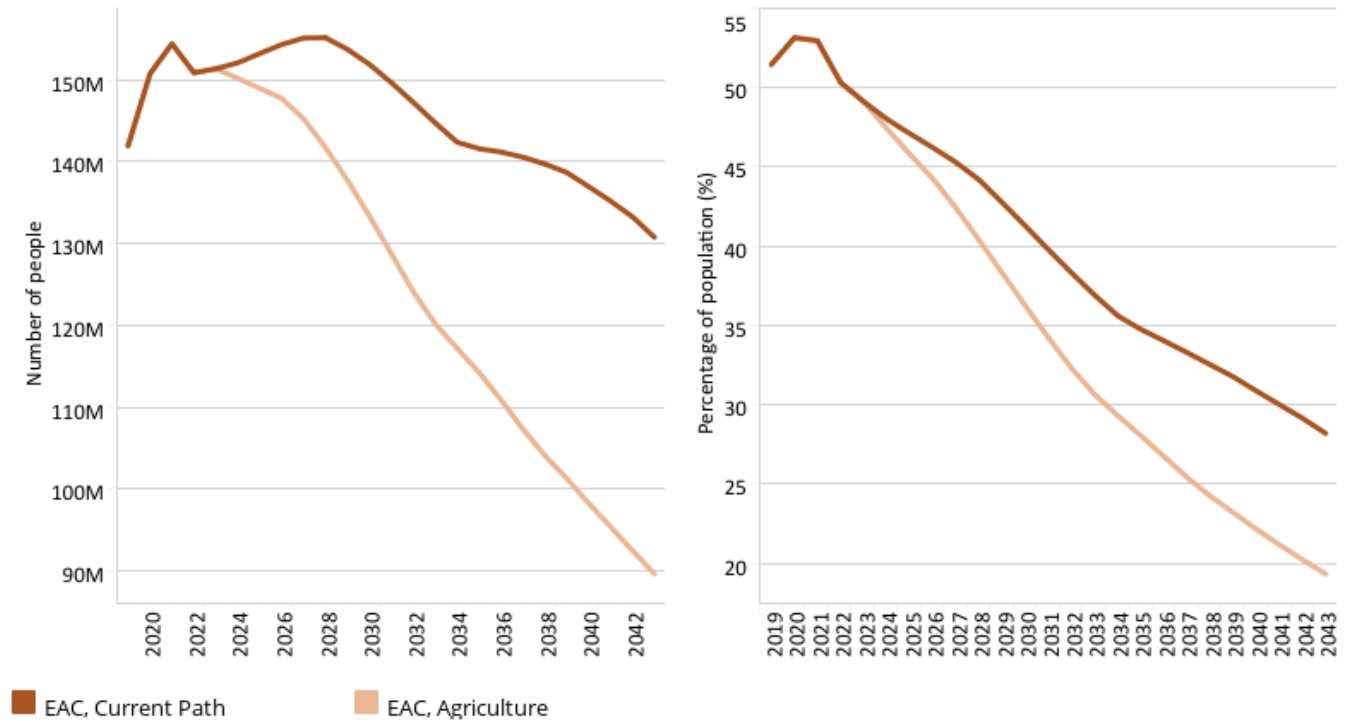
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The average additional improvement in GDP per capita in the Agriculture scenario is US\$452.4 (equivalent to 11%) in 2043, compared to the Current Path forecast for that year. Tanzania will benefit the most: its GDP per capita in 2043 will be US\$886.2 larger than in the Current Path forecast for that year, followed by Kenya (US\$514.5) and Uganda (US\$438.2), while Burundi and South Sudan will benefit the least. The GDP per capita of US\$4 391 in the Agriculture scenario, however, will be 63% below the Current Path average of US\$7 157 for Africa.

Chart 25: Poverty in CP and Agric scenario, 2019–2043
Millions of people and % of total population



EAC \$1.90



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and DevPalNet World Bank data

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Agriculture traditionally has a significant effect on extreme poverty reduction. While the EAC would still have 141 million people living below US\$1.90 in the Current Path in 2043, in the Agriculture scenario the number reduces to 96.3 million, mainly from the DR Congo and Tanzania. It means that the Agriculture scenario can move additional 41.2 million people out of extreme poverty. The number of extremely poor people in the DR Congo and Tanzania will decline by 25.9 million and 11.1 million people, respectively, in 2043 in the Agriculture scenario compared to the Current Path forecast for that year.

Whereas in 2019 the percentage of people living below US\$1.90 per day in the EAC was 51.5%, there will be a decline to 28.2% by 2043 in the Current Path forecast and 19.3% in the Agriculture scenario. The extreme poverty rate in the scenario will be 1.6 percentage points below the average for Africa on the Current Path. The impact of the Agriculture scenario is such that it reduces the extreme poverty rate by 18.8 and 10.6 percentage points in the DR Congo and Burundi, respectively, compared to the Current Path forecast. The smallest impact of agriculture on poverty will be in Rwanda and South Sudan.



Education scenario

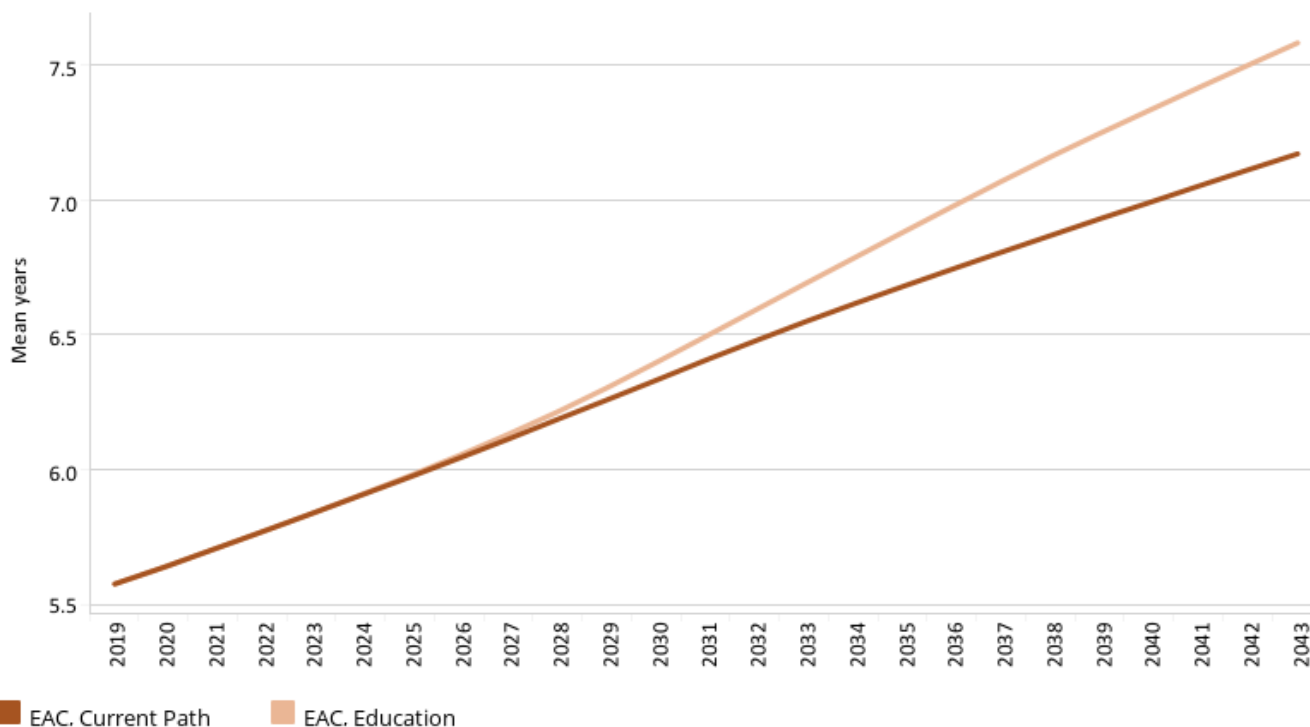
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Chart 26: Mean years of education in CP and Educ scenario, 2019–2043

Mean years of adult (+15) education



EAC Total



Source: IFs 7.63 initialising from Barro-Lee data

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The Education scenario represents reasonable but ambitious improved intake, transition and graduation rates from primary to tertiary levels and better quality of education. It also models substantive progress towards gender parity at all levels, additional vocational training at secondary school level and increases in the share of science and engineering graduates.

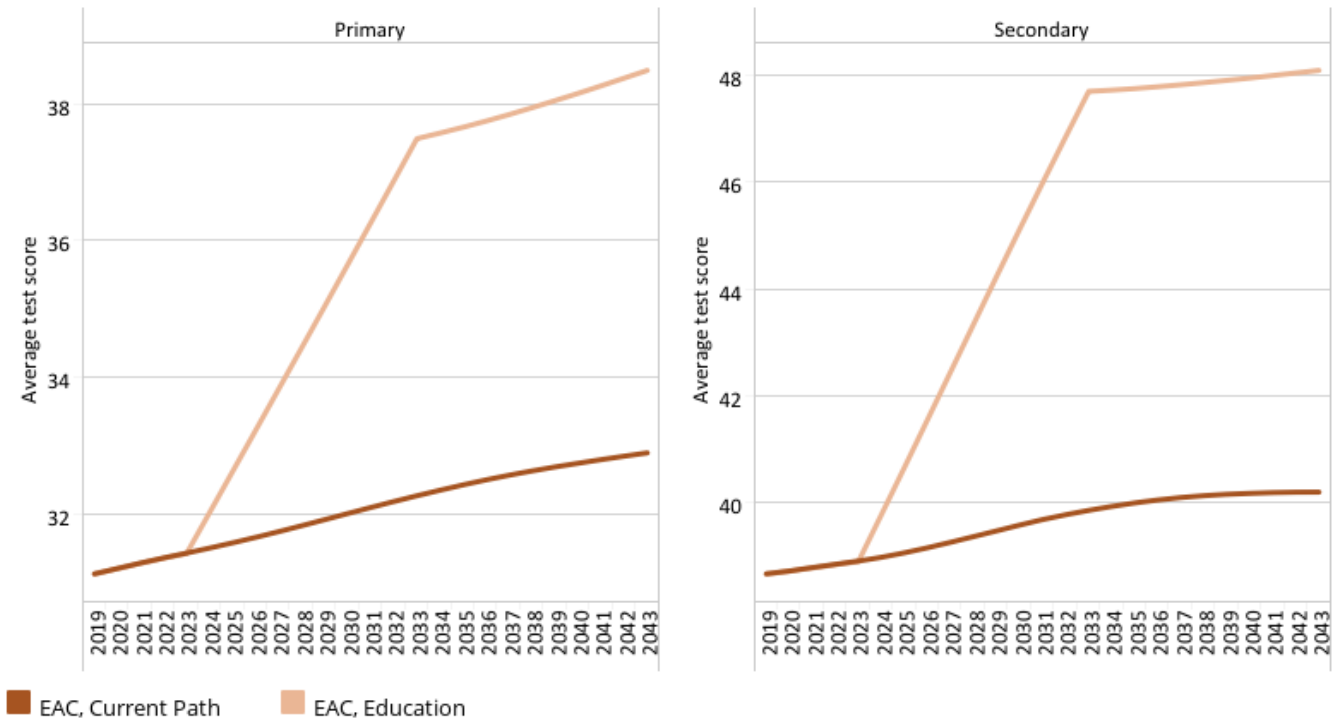
The intervention is explained [here](#) in the thematic part of the website.

Education is a key development booster but comes with long lags in impact. In 2019, the adult population of the EAC had, on average, 5.6 years of education, which is set to increase to 7.2 years in 2043 on the Current Path. In the Education scenario, the mean years of education of the EAC would increase to 7.6 years, equal to the Current Path average for Africa. While the mean years of male education was 6.1 years in 2019, for females it was 5.1 years — a gap of 1 year. In the Education scenario, the gap in mean years of male and female education is forecast to modestly decline to 0.6 years by 2043, as gender inequality improves. Uganda will experience the largest increase in education years of 0.5 years and South Sudan 0.48 years.

Chart 27: Education quality in CP and Educ scenario, 2019–2043
Average test scores for primary and secondary learners



EAC



Source: IFs 7.63 initialising from World Bank EDSTATS

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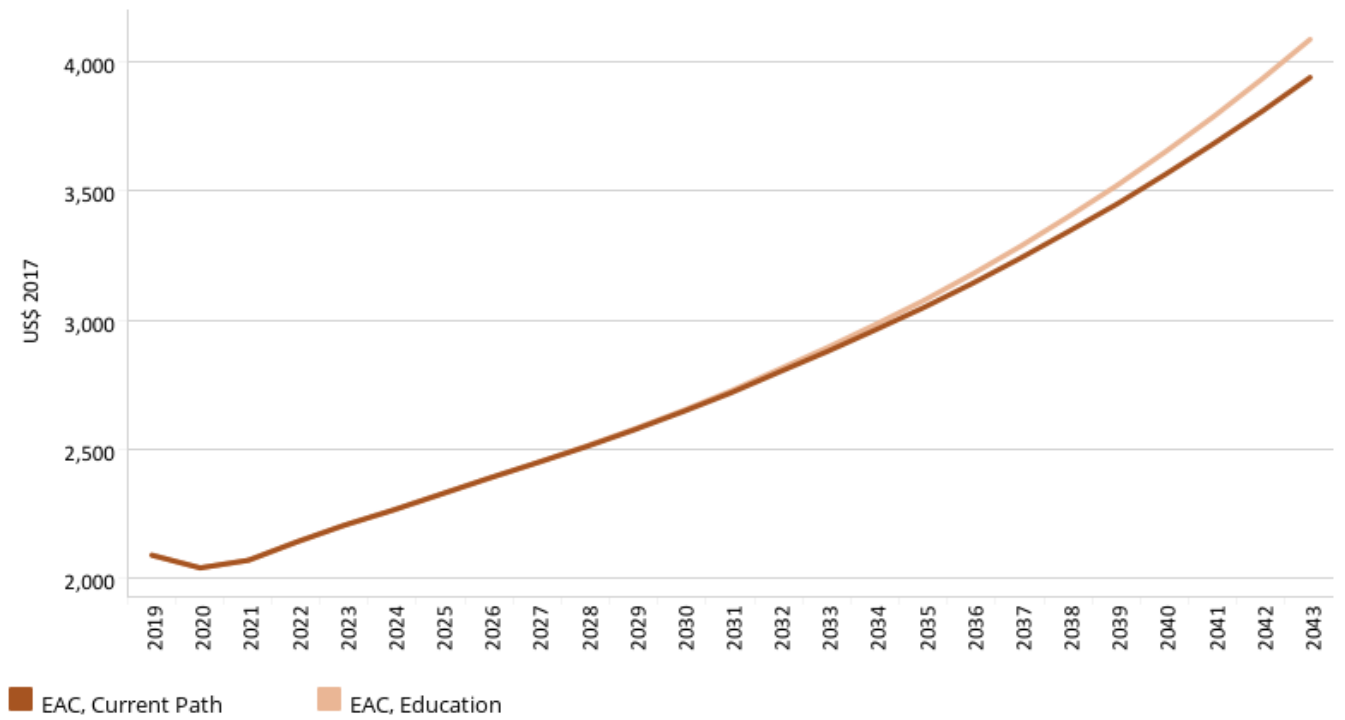
Education quality is as important, if not more important, than access to education. The quality of education can be measured by the test performance of students. In 2019, the average test score for primary learners was 31.1, set to increase to 32.9 in 2043. The Education scenario will increase average primary test scores to 38.5 — a 17% improvement compared to the Current Path forecast and 15.6% above the Current Path average for Africa in 2043.

The secondary education test score in the Current Path forecast improves from 38.7 years in 2019 to 40.2 in the 2043 Current Path forecast. In the Education scenario, average test score improves to 48.1 — a 20% improvement above the Current Path and average for Africa on the Current Path.

Chart 28: GDP per capita in CP and Educ scenario, 2019–2043
Purchasing power parity



EAC

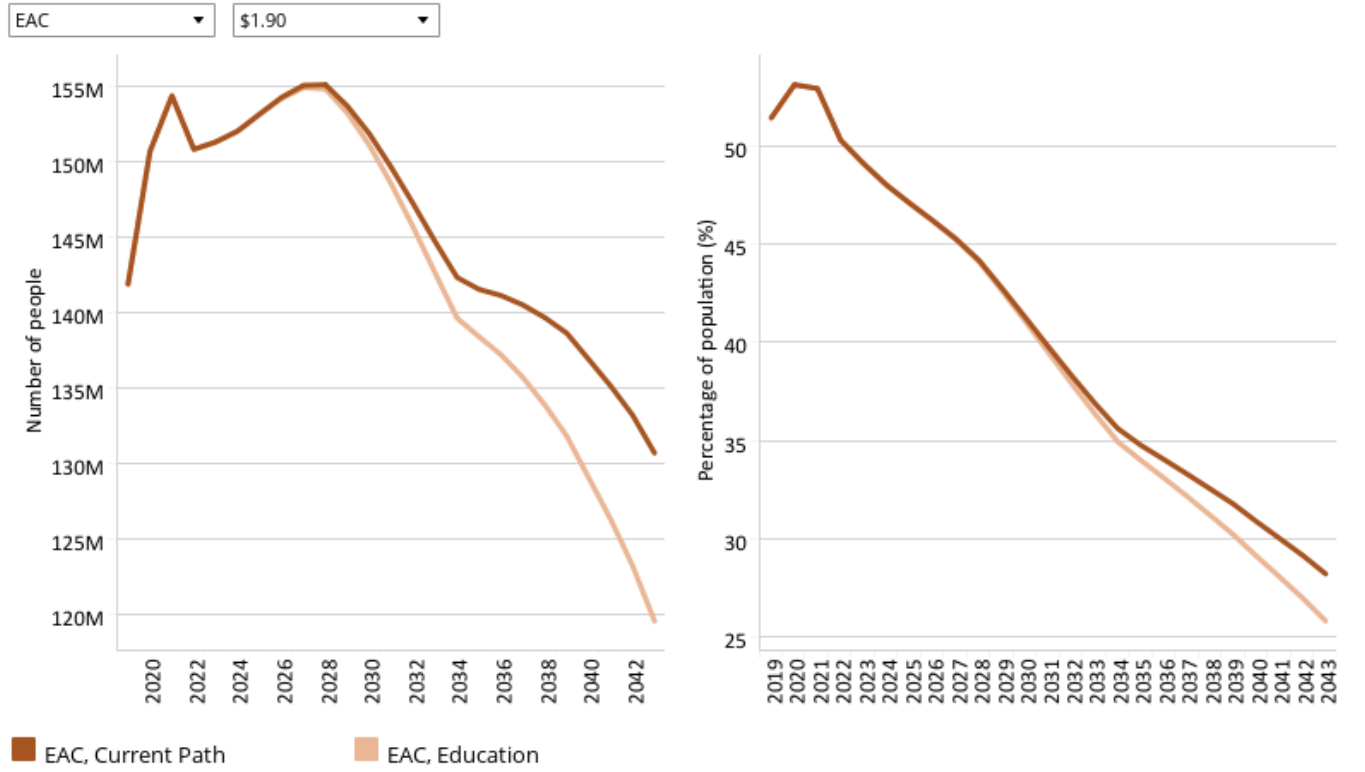


Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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The impact of the Education scenario on GDP per capita is an average improvement of an additional US\$147, or 3.7%, for the EAC compared to the Current Path forecast of US\$3 938 in 2043. The impact is the largest in Tanzania (US\$225) and Uganda (US\$193) compared to the Current Path forecast for that year. The impact is lowest in Burundi — only US\$37 above the Current Path forecast for 2043. The GDP per capita of US\$4 085 in the Education scenario, however, will be 75.2% lower than the Current Path average of US\$7 157 for Africa.

Chart 29: Poverty in CP and Educ scenario, 2019–2043
Millions of people and % of total population



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and DevPalNet World Bank data

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The Education scenario will lift 12.5 million more people out of extreme poverty in 2043 compared to the Current Path forecast, with most coming from the DR Congo (5.6 million people), Tanzania (3.3 million people) and Uganda (1.5 million people). With much lower levels of extreme poverty, the impact of the Education scenario is lowest in South Sudan.

In the Education scenario, extreme poverty will be 2.4 percentage points lower by 2043 compared to the Current Path forecast in the same year. It will, however, be above the Current Path average of 20.9% for Africa. Viewed as a percentage point reduction in rates of extreme poverty from the Current Path forecast, Tanzania will experience the largest decline of 3.1 percentage points, whereas Rwanda and Kenya will see the smallest decline in extreme poverty due to the Education scenario in 2043. In the case of Kenya, this is the result of a rapid decline in extreme poverty in the Current Path forecast.



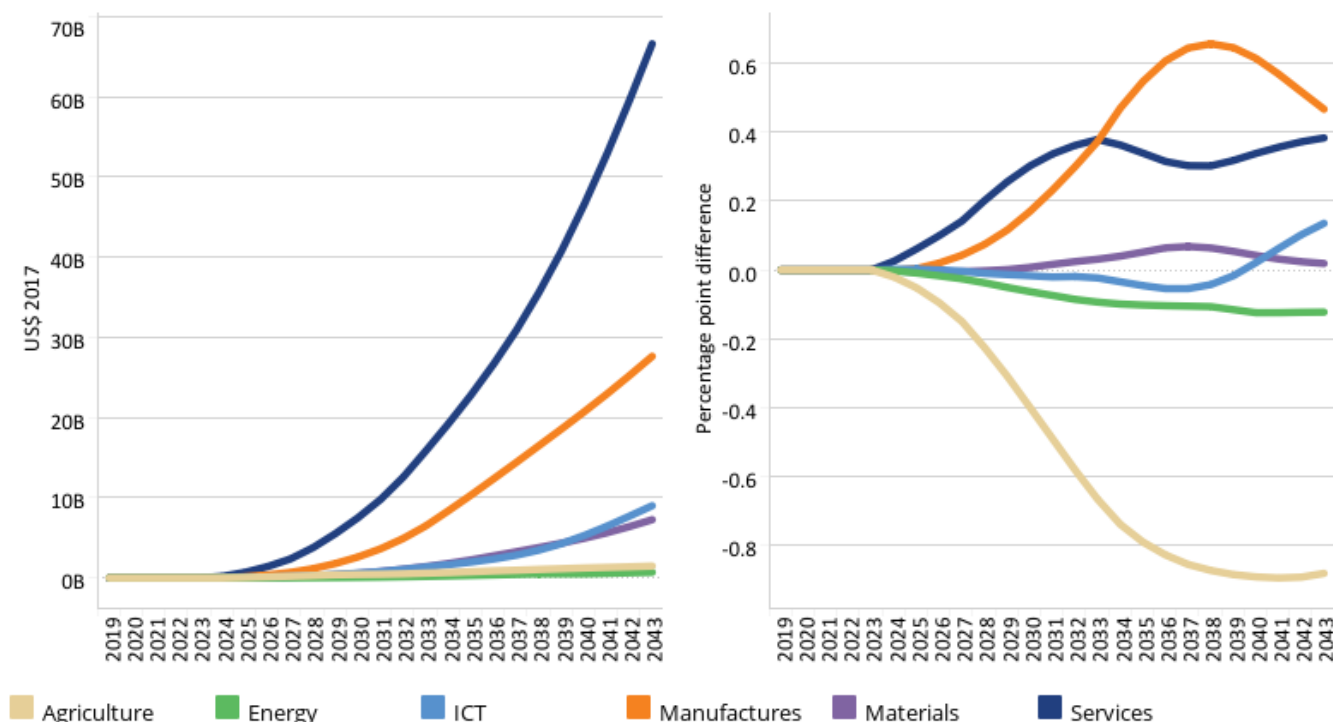
Manufacturing scenario

Chart 25 Chart 26 Chart 27 Chart 28 Chart 29 Chart 30 Chart 31 Chart 32 Chart 33 Chart 34

Chart 30: Value added by sector in CP and Manufac/Transfers scenario, 2019-2043



EAC



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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The Manufacturing/Transfers scenario represents reasonable but ambitious manufacturing growth through greater investment in the economy, investments in research and development, and promotion of the export of manufactured goods. It is accompanied by an increase in welfare transfers (social grants) to moderate the initial increases in inequality that are typically associated with a manufacturing transition. To this end, the scenario improves tax administration and increases government revenues.

The intervention is explained [here](#) in the thematic part of the website.

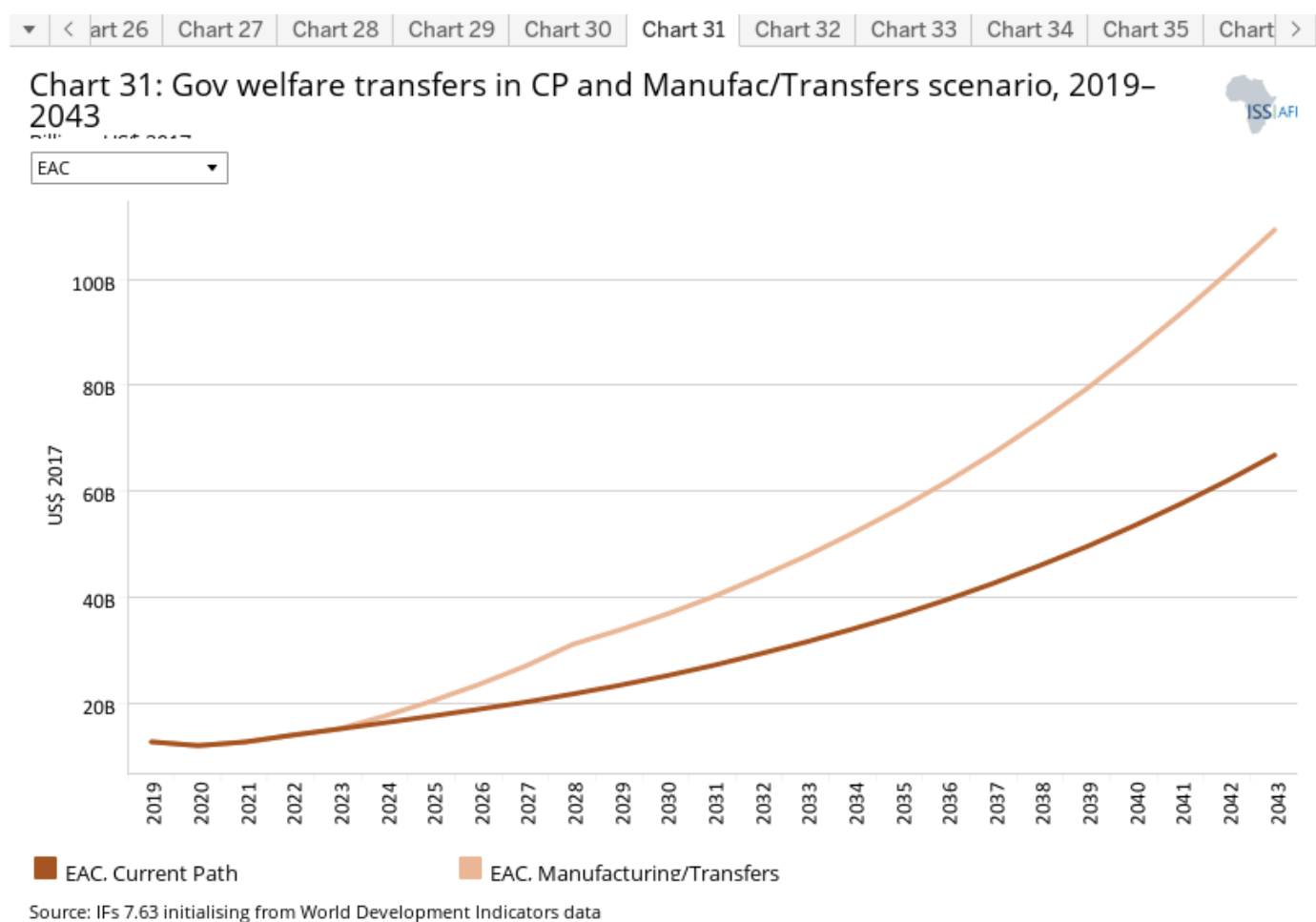
Chart 30 should be read with [Chart 8](#) that presents a stacked area graph on the contribution to GDP and size, in billion US\$, of the Current Path economy for each of the sectors.

Because of its forward and backward linkages to other sectors, the manufacturing sector is unique in its contribution to productivity improvements in most economies. In 2019, the service sector represented 47% of GDP in the EAC, agriculture 28%, manufacturing 13%, energy 3.4%, ICT 4.6% and materials 3.6%. By 2043, the percentage contributions to GDP in the Current Path forecast are: services 55.3%, agriculture 10.1%, manufacturing 19.9%, energy 1.9%, ICT 6.4% and materials 6.3%.

In the Manufacturing/Transfers scenario, the increased contribution from the manufacturing sector is forecast to reach

0.37 by 2033, the end of the second ten-year implementation of Agenda 2063, and by 2043, the increased contribution from manufacturing is set to reach 0.47 percentage points above the Current Path forecast. The service sector's contributions are 0.37 and 0.38 above the Current Path by 2033 and 2043, respectively. The relative contribution of the agriculture sector generally declines, reaching 0.88 in 2043, whereas the ICT sector's contribution declines to a low of 0.054 in 2037 before improving to 0.135 in 2043. The energy sector's contribution will decline continuously, and the materials sector's contribution will marginally increase. The dynamics differ across countries. In Burundi and South Sudan, manufacturing's contribution peaks in 2036 before declining to 20.6 and 0.72, respectively, whereas in the rest of the group, the contribution of manufacturing consistently increases to 2043. In the DR Congo, services' relative contribution increases consistently across the 2043 forecast horizon, while agriculture's contribution falls continuously.

All sectors increase in absolute size in the Manufacturing/Transfers scenario compared to the Current Path forecast. By 2043, the service sector will be US\$66.6 billion larger than the Current Path forecast for that year, followed by the manufacturing sector which will be US\$27.6 billion larger; ICT will be US\$9 billion larger. Materials increases by US\$7.3 billion. The increases in size for the agriculture and energy sectors are marginal.



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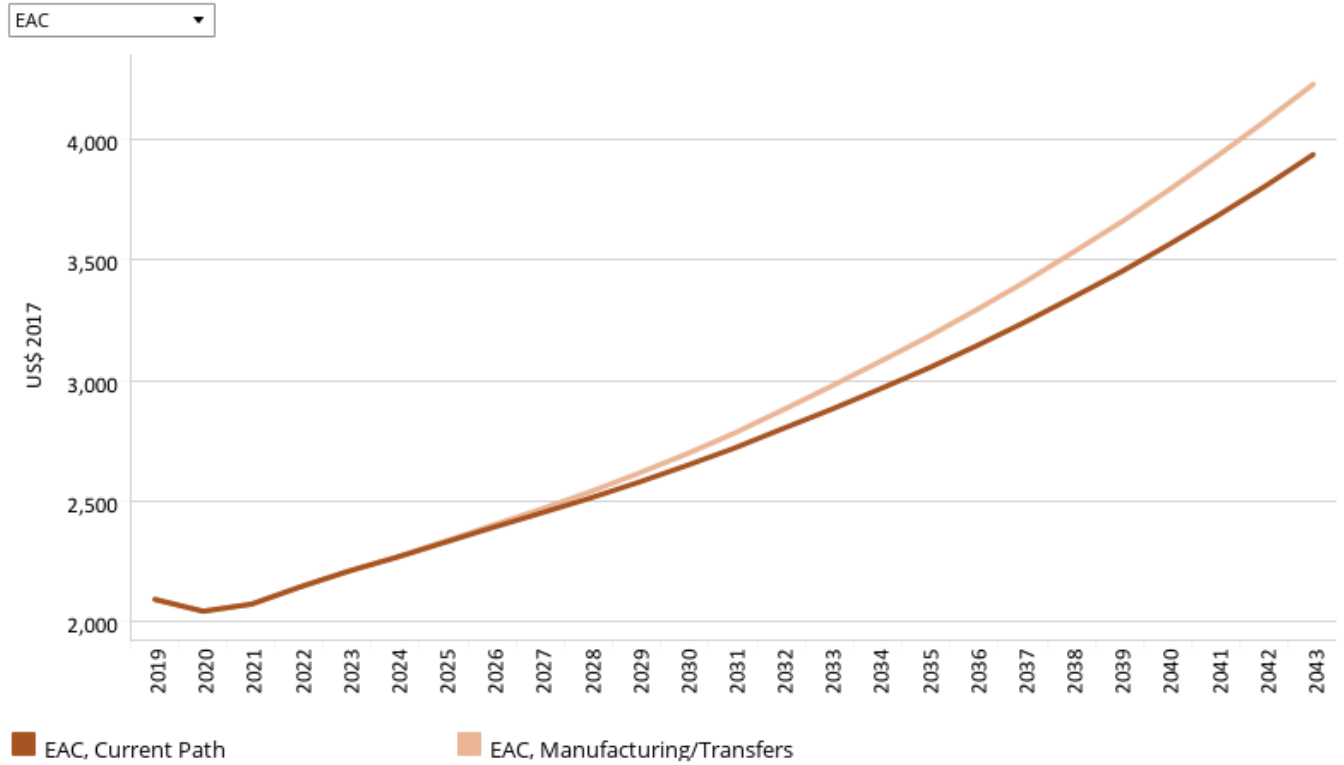
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Efforts to use welfare transfers to unskilled workers are to offset the increase in poverty/inequality that is often associated with investments in manufacturing. Whereas EAC countries transferred US\$12.8 billion in welfare transfers in 2019, the 2043 amount in the Manufacturing/Transfers scenario will be US\$109.3 billion — US\$42.5 billion more than in the Current Path forecast. Without these transfers, extreme poverty would be significantly higher. Because of the size of their

economies, Uganda, Kenya and the DR Congo have the largest transfers in the Manufacturing/Transfers scenario compared to the Current Path forecast. By 2043, Uganda will add US\$17.1 billion more to transfers, Kenya US\$10.2 billion more, and the DR Congo will add US\$6.9 billion.

Chart 32: GDP per capita in CP and Manufac/Transfers scenario, 2019–2043

Purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

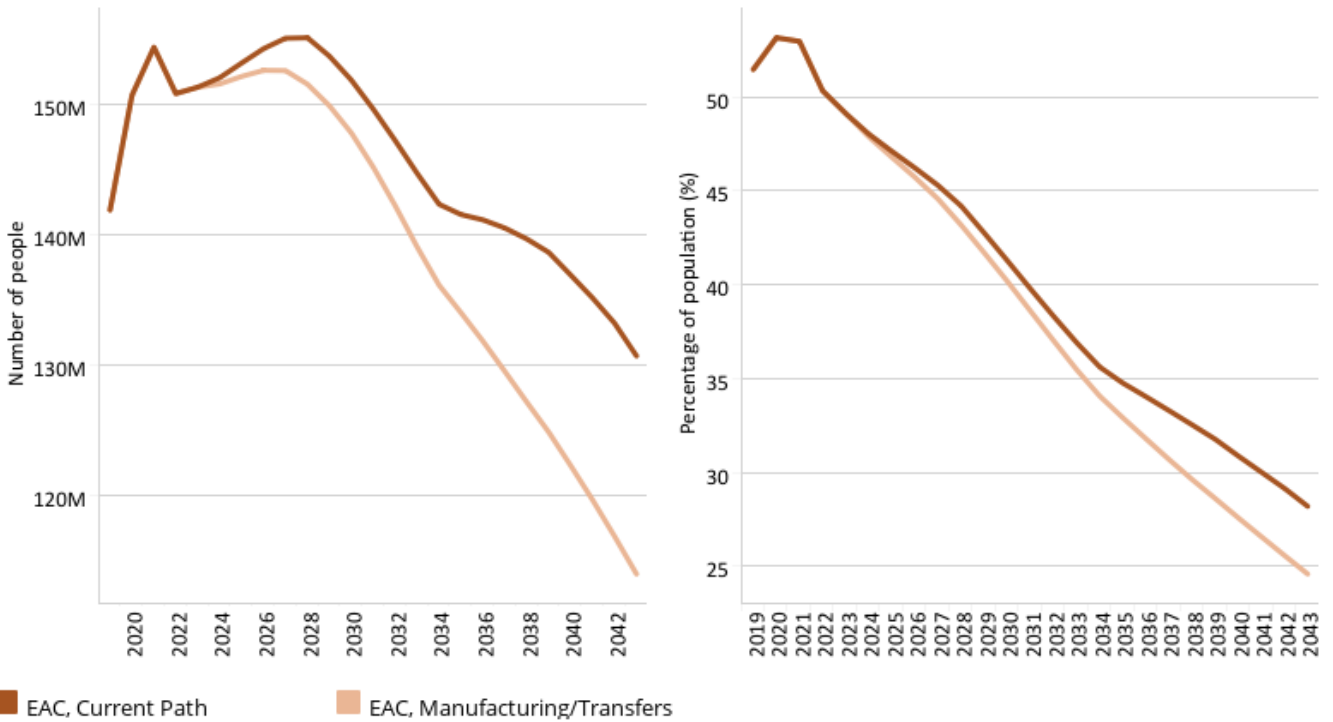
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Instead of a GDP per capita of US\$3 938 in 2043 in the Current Path, the EAC could have a GDP per capita of US\$4 230 in the Manufacturing/Transfers scenario representing an additional increase of US\$292, or 7.4%. The scenario has the most positive impact on Uganda where GDP per capita in 2043 is US\$475 higher than in the Current Path forecast for that year, followed by Tanzania (US\$422) and Kenya (US\$324). Burundi (US\$71) and South Sudan (US\$44) benefit the least. The GDP per capita in this scenario will still be 69.2% below the Current Path average of US\$7 157 for Africa.

Chart 33: Poverty in CP and Manufac/Transfers scenario, 2019–2043
Millions of people and % of total population



EAC \$1.90



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and DevPalNet World Bank data

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In the Manufacturing/Transfers scenario, the EAC would have 134 million extremely poor people in 2043 (using US\$1.90) instead of 154 million, a difference of 20 million people. Given its large population, most of that decline (9 million people in 2043) is in the DR Congo, followed by Uganda (2.9 million less in 2043).

In the Manufacturing/Transfers scenario, the EAC will have 24.6% extremely poor people (using US\$1.90) in 2043 instead of 28.2% in the Current Path forecast. This will be above the Current Path average of 20.9% for Africa. Much of the decline is in the DR Congo (a 5.2 percentage point decline) and Rwanda (a 4.7 percentage point decline).



Leapfrogging scenario

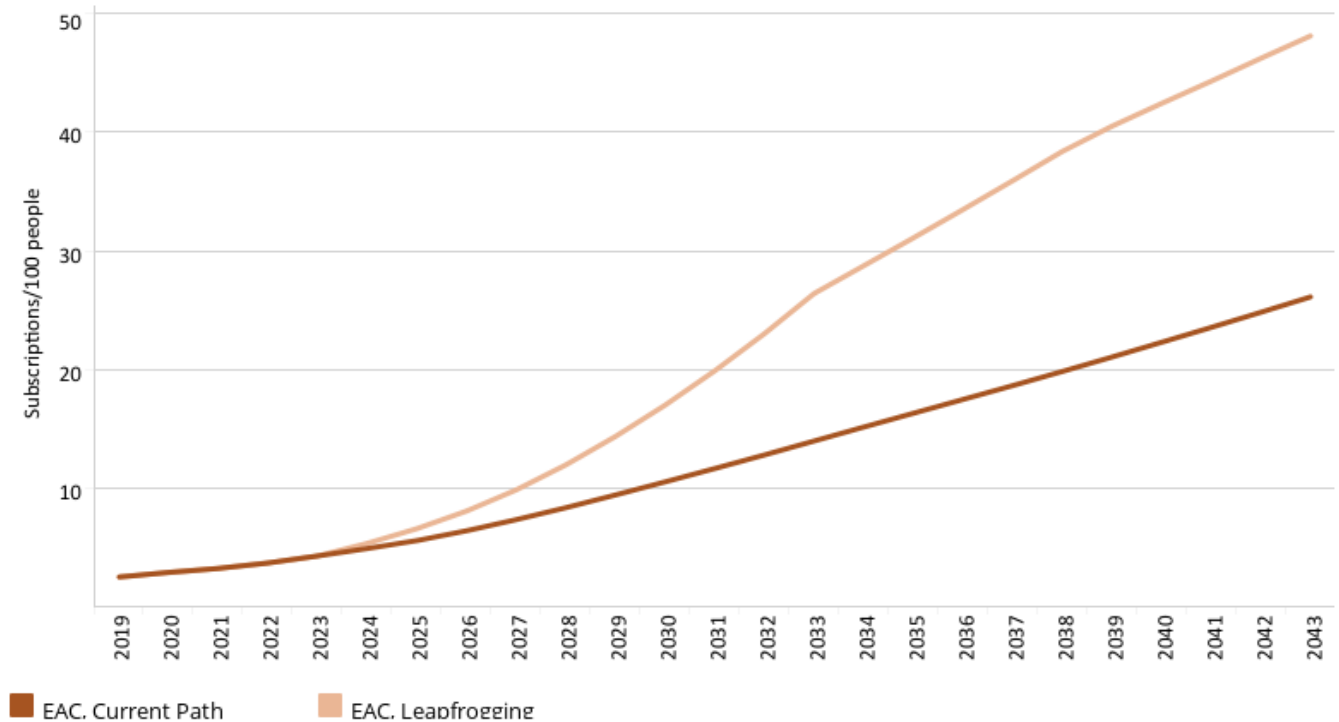
Chart 29 Chart 30 Chart 31 Chart 32 Chart 33 Chart 34 Chart 35 Chart 36 Chart 37 Chart 38 Chart 39

Chart 34: Fixed broadband access in CP and Leapfrogging scenario, 2019–2043

Subscriptions per 100 people



EAC



Source: IFS 7.63 initialising from International Telecommunication Union data

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The Leapfrogging scenario represents a reasonable but ambitious adoption of and investment in renewable energy technologies, resulting in better access to electricity in urban and rural areas. The scenario includes accelerated access to mobile and fixed broadband and the adoption of modern technology that improves government efficiency and allows for the more rapid formalisation of the informal sector.

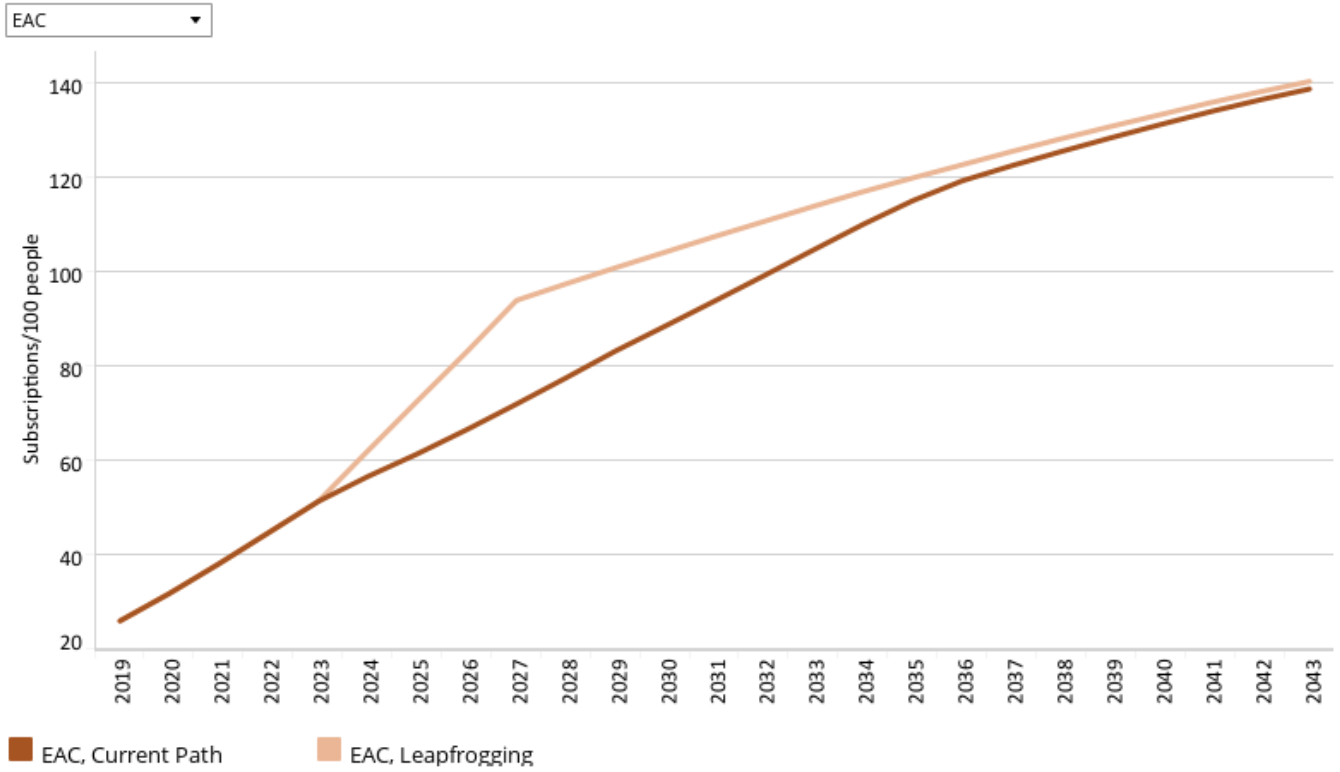
The intervention is explained [here](#) in the thematic part of the website.

Fixed broadband includes cable modem Internet connections, DSL Internet connections of at least 256 KB/s, fibre and other fixed broadband technology connections (such as satellite broadband Internet, ethernet local area networks, fixed-wireless access, wireless local area networks, WiMAX, etc.).

In 2019, fixed broadband access per 100 people in the EAC was at 2.6, below the average of 3.1 subscriptions per 100 people for Africa. This is set to increase to 26.1 in the Current Path forecast by 2043, slightly below the Current Path average for Africa at 27.7 subscriptions per 100 people. In the Leapfrogging scenario, that rate almost doubles to 48, with large country to country variations.

Subscriptions per 100 people will increase by more than 20 in five of the seven EAC countries in the 2043 Leapfrogging scenario compared to the Current Path forecast, with the least growth in Rwanda of 12.75.

Chart 35: Mobile broadband access in CP and Leapfrogging scenario, 2019–2043
Subscriptions per 100 people



Source: IFs 7.63 initialising from International Telecommunication Union data

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Mobile broadband refers to wireless Internet access delivered through cellular towers to computers and other digital devices.

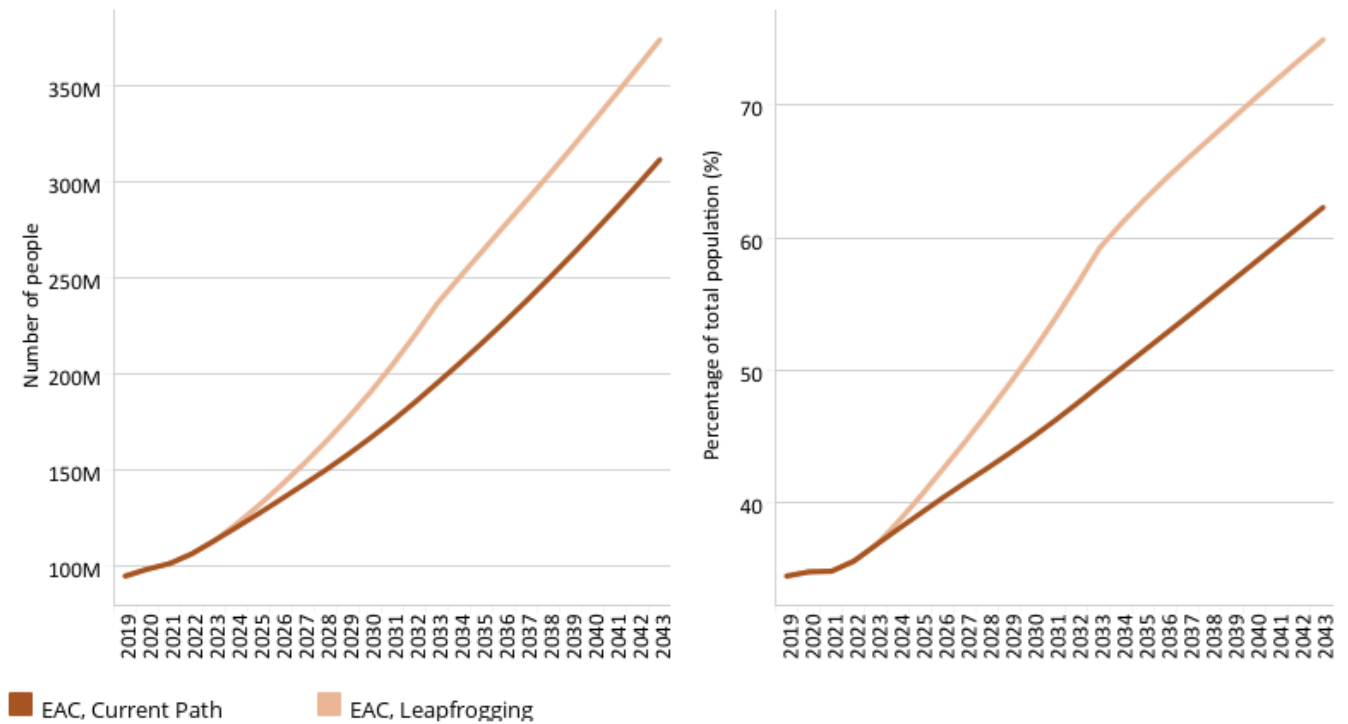
Even more rapid than increased subscriptions to fixed broadband is the improved access to mobile broadband, which may be reaching saturation levels. In 2019, 26 out of every 100 people in the EAC were connected to mobile broadband, far below the average subscription of 40.5 per 100 people for Africa. In the Current Path forecast, that ratio quickly gets to more than 100 in 2033 and to 138 by 2043. In the Leapfrogging scenario, it will get 100 in 2029 and to 140 by 2043 — almost on par with the 141 subscription per 100 people for Africa.

The Leapfrogging scenario accelerates the already aggressive forecasts on mobile broadband access within IFs. In 2043, the greatest growth will occur in Uganda (2.3) of additional subscriptions compared to the Current Path forecast, followed by South Sudan (1.9). Due to its very high number of subscriptions in the Current Path forecast, the least growth will occur in Kenya of 0.20 subscriptions per 100 people.

Chart 36: Electricity access in CP and Leapfrogging scenario, 2019–2043
Millions of people and % of population



EAC Total



Source: IFs 7.63 initialising from World Development Indicators data

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The SDG target for 2030 (Indicator 7.1.1) is 98% electricity access. Due to their low development levels, none of the EAC countries have yet reached the 2030 SDG target of 98% electricity access. In 2019, the EAC average was 34.5% (equivalent to 95.2 million people), forecast to increase to 45% in 2030 and to 62.3% (equal to 311.8 million people) by 2043 in the Current Path forecast. In the Leapfrogging scenario, the average for the group improves to 51.4% in 2030 and to 74.9% by 2043 (representing 374 million people), slightly above the Current Path average of 72.7% for Africa. Uganda has the largest improvement at 21 percentage points above the Current Path forecast by 2043, followed by Rwanda (20 percentage points) and Tanzania (13 percentage points). Kenya will be the country that yields the least impact of the Leapfrogging scenario at 7 percentage points in 2043.

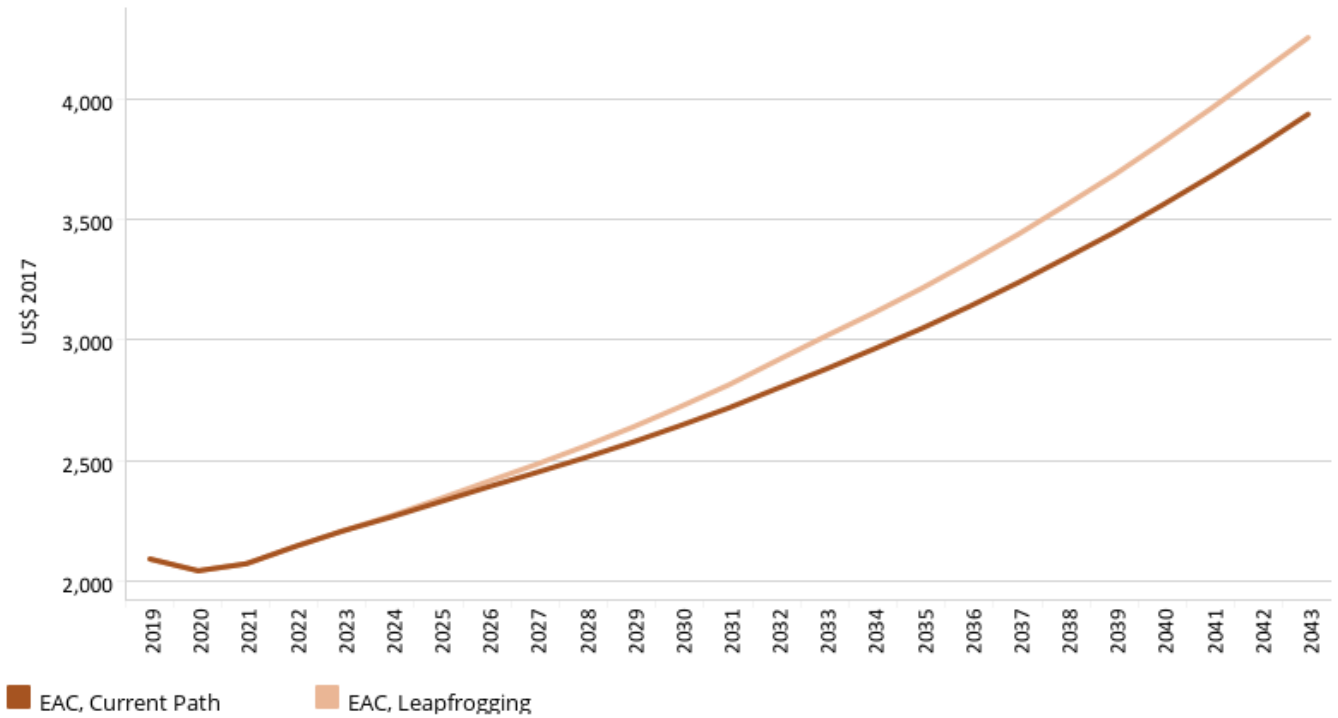
The average urban electrification rate in the EAC was 54.7% in 2019 and is forecast to improve to 63.5% in 2030 and to 76.6% in 2043 in the Current Path forecast. In the Leapfrogging scenario, urban electricity access improves to 83.7% in 2043. The DR Congo is forecast to improve most at 9.6 percentage points in 2043, followed by Burundi at 9 percentage points. Kenya will see the least improvement in urban access to electricity of 4.5 percentage points by 2043.

The rural–urban gap in electricity access is high in the EAC at more than 31 percentage points in 2019. Electricity access in rural EAC is set to increase to 48.2% in 2043 in the Current Path forecast and to 64.3% in the Leapfrogging scenario. The impact of the Leapfrogging scenario on rural electrification is highest in Uganda at 29.4 percentage points above the Current Path forecast, followed by Rwanda at 24 percentage points. South Sudan and Kenya, which will see the least benefit, will have 8.9 and 8.8 percentage points improvement in rural electricity access, respectively, as a result of the Leapfrogging scenario in 2043.

Chart 37: GDP per capita in CP and Leapfrogging scenario, 2019–2043
Purchasing power parity



EAC



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

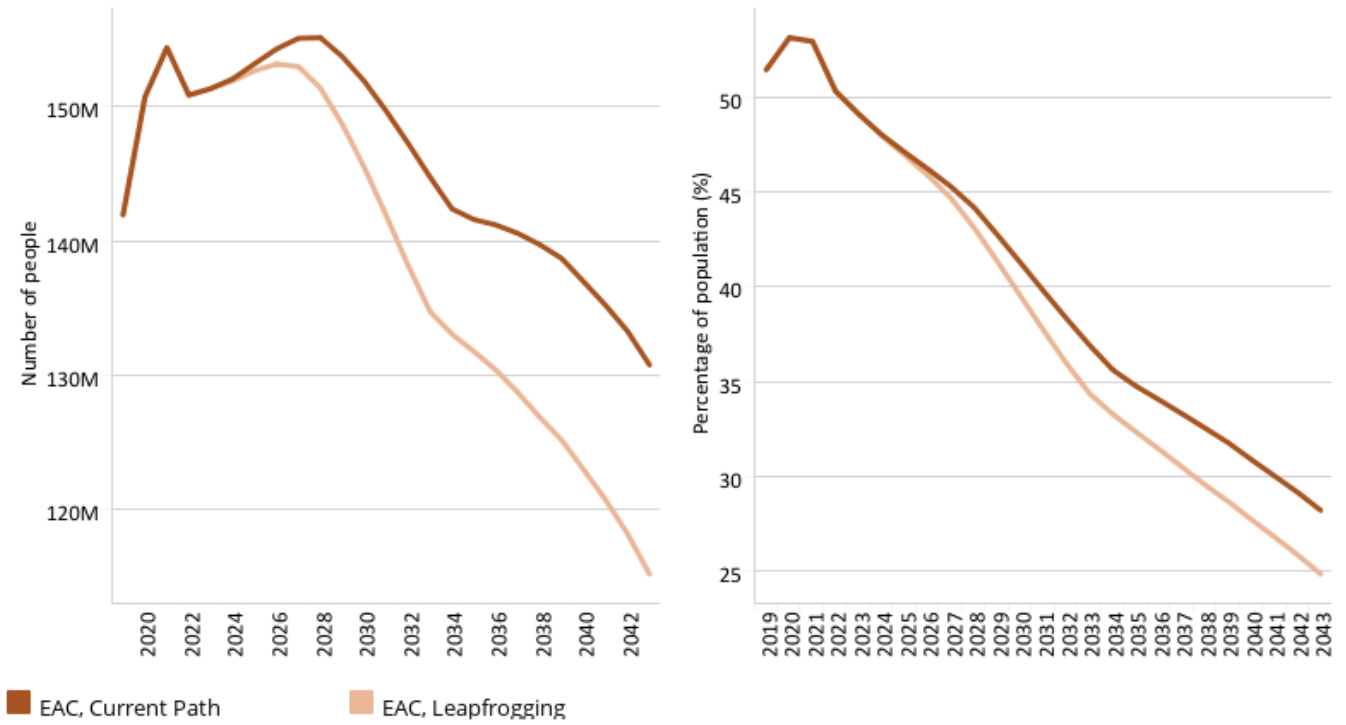
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In 2019, GDP per capita was US\$2 090 and is forecast to increase to US\$3 938 by 2043 in the Current Path. In the Leapfrogging scenario, GDP per capita will increase by additional US\$318, or 8.1%, to US\$4 256 in 2043, compared to the Current Path forecast. The largest increase is forecast for Uganda at US\$632, followed by Rwanda (US\$379) compared to the Current Path forecast. The countries with the least improvement are South Sudan and Burundi (both less than US\$160). The GDP per capita in the Leapfrogging scenario will be 68.2% lower than the Current Path average of US\$7 157 for Africa.

Chart 38: Poverty in CP and Leapfrogging scenario, 2019–2043
Millions of people and % of total population



EAC \$1.90



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and DevPalNet World Bank data

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The Leapfrogging scenario will reduce the number of extremely poor people to 115.2 million instead of the 130.8 million people in the Current Path. This is equivalent to an extreme poverty rate of 24.8% below the Current Path forecast of 28.2% but higher than the Current Path average for Africa at 20.9%. It means that the Leapfrogging scenario can lift about 15.6 million people out of extreme poverty in the region.

In the Leapfrogging scenario, the DR Congo will experience the largest decline in the number of extremely poor people (using US\$1.90) among EAC countries by 2043, compared to the Current Path forecast. It will reduce extreme poverty by 5.2 percentage points in 2043 as a result of the Leapfrogging scenario interventions, compared to the Current Path forecast. This reduces extreme poverty by 5.2 percentage points for the DR Congo and 3 percentage points for Tanzania. South Sudan and Kenya will register the least impact on poverty as a result of the Leapfrogging scenario mainly due to their already high rates of Internet connectivity.

Instead of 81.9 million extremely poor people in 2043, the DR Congo will have 72.7 million, a difference of 9.2 million people; in 2030, the difference will be 3.3 million people. Whereas the EAC was forecast to have 141 million extremely poor people in 2043, that number will only be 124 million in the Leapfrogging scenario.

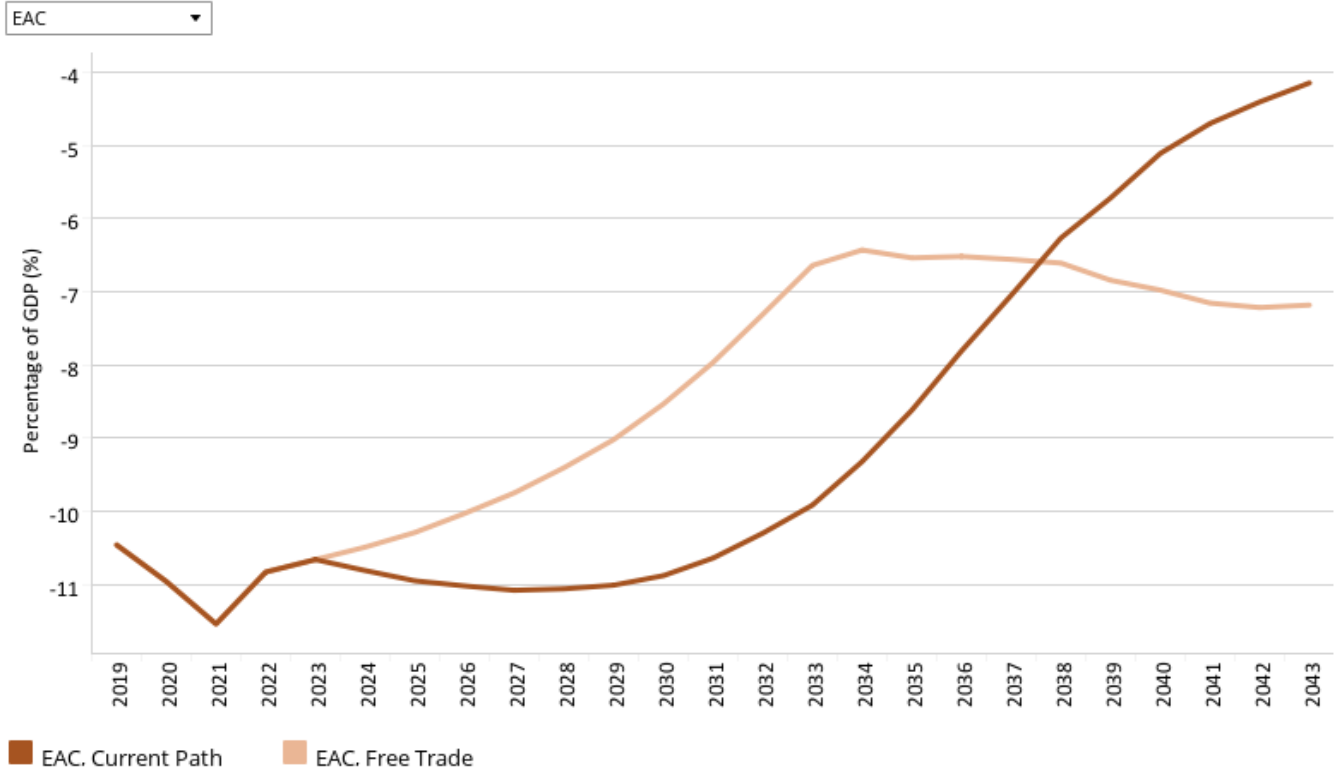


Free Trade scenario

Chart 34 Chart 35 Chart 36 Chart 37 Chart 38 Chart 39 Chart 40 Chart 41 Chart 42 Chart 43 Chart >

Chart 39: Trade balance in CP and Free Trade scenario, 2019–2043

% of GDP



Source: IFs 7.63 initialising from World Development Indicators data

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The Free Trade scenario represents the impact of the full implementation of the African Continental Free Trade Area (AfCFTA) by 2034 through increases in exports, improved productivity and increased trade and economic freedom.

The intervention is explained [here](#) in the thematic part of the website.

The trade balance is the difference between the value of a country's exports and its imports. A country that imports more goods and services than it exports in terms of value has a trade deficit, while a country that exports more goods and services than it imports has a trade surplus.

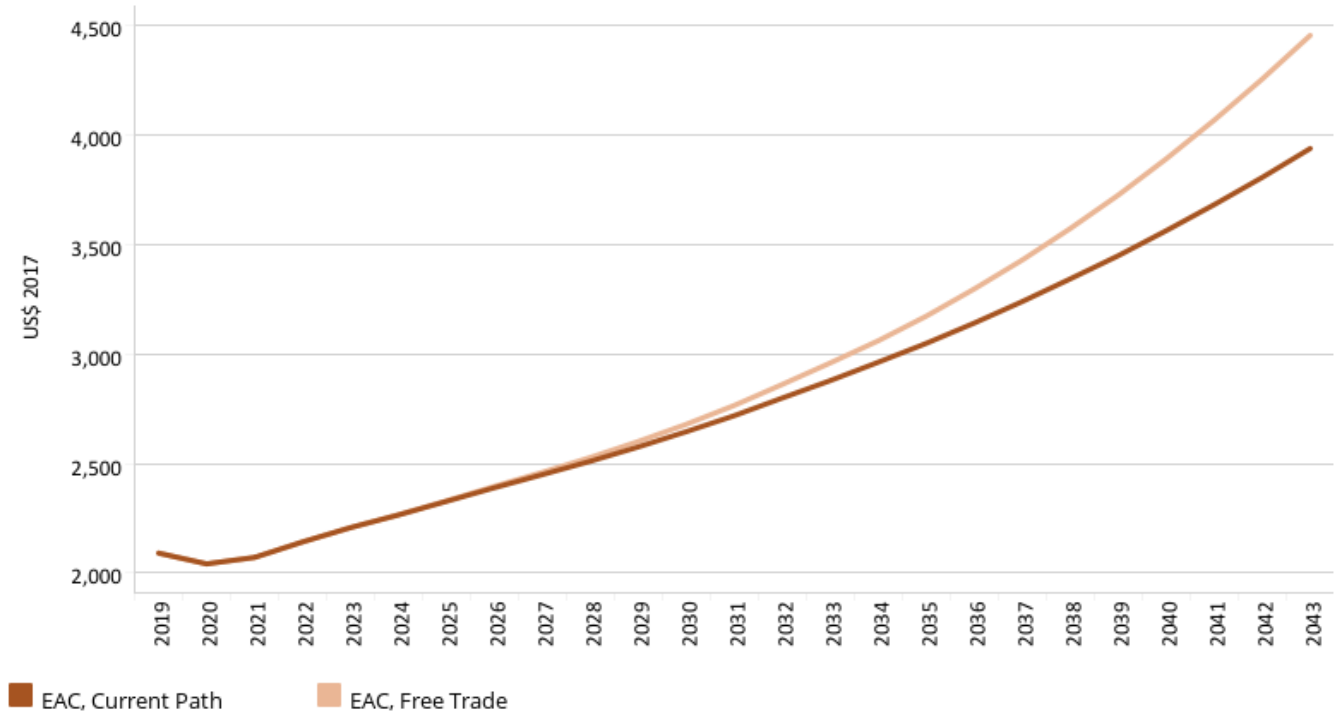
In 2019, the EAC had a trade deficit of 11% of GDP, which is expected to improve to 4.1% in 2043. The impact of the Free Trade scenario is set to increase this trade deficit to 7.2% of GDP, although the rate fluctuates over time. By 2043, in the Free Trade scenario, the EAC will be exporting to the value of US\$474 billion instead of US\$296 billion as in the Current Path forecast and importing to the value of US\$538 billion instead of US\$316 billion.

Compared to the Current Path forecast, EAC countries will increase their imports measured as a percentage of GDP in the Current Path forecast until 2035 when it starts to decline, so that by 2043 imports as a share of GDP gets to only 31.3%. In the Free Trade scenario, increases in imports will reach 44.5% by 2043. Growth in imports due to the Free Trade scenario will be largest in the DR Congo (16.9 percentage points), followed by Uganda (15.6) by 2043.

Chart 40: GDP per capita in CP and Free Trade scenario, 2019–2043
Purchasing power parity



EAC



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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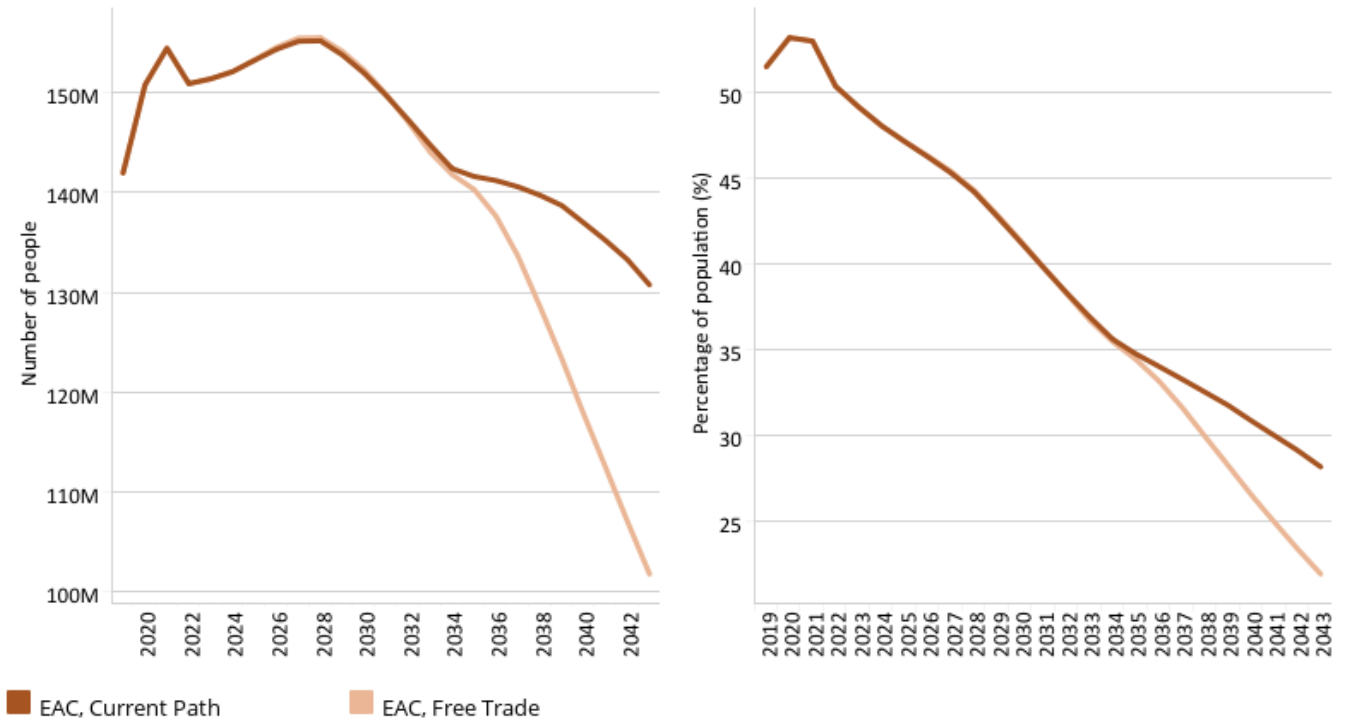
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The GDP per capita for the EAC was US\$2 090 in 2019 and is set to increase to US\$3 938 in the Current Path forecast. In the Free Trade scenario, it will increase to US\$4 455 in 2043 — a difference of US\$517. This means that the full implementation of the AfCFTA has the potential to improve GDP per capita in the region by an additional 13.1%. The GDP per capita in the Free Trade scenario will be 60.7% lower than the Current Path average of US\$7 157 for Africa.

Chart 41: Poverty in CP and Free Trade scenario, 2019–2043
Millions of people and % of total population



EAC \$1.90



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and DevPalNat World Bank data

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Trade openness will reduce poverty in the long term after initially increasing it due to the redistributive effects of trade. Most African countries export primary commodities and low-tech manufacturing products, and therefore a continental free trade agreement (AfCFTA) that reduces tariffs and non-tariff barriers across Africa will increase competition among countries in primary commodities and low-tech manufacturing exports. Countries with inefficient, high-cost manufacturing sectors might be displaced as the AfCFTA is implemented, thereby pushing up poverty rates. In the long term, as the economy adjusts and produces and exports its comparatively advantaged (lower relative cost) goods and services, poverty rates will decline.

In the Current Path forecast, the extreme poverty rate (using US\$1.90) in the EAC is set to decline from 51.5% in 2019 to 41.3% in 2030 and to 28.2% in 2043. In the Free Trade scenario, rates of extreme poverty start to decline from 2021 to 21.9% in 2043, 6.3 percentage points below the Current Path forecast but a percentage point above the Current Path average for Africa. While the DR Congo will see the largest decline of 12.6 percentage points compared to the Current Path, Tanzania experiences a decline of 5.5 percentage points by 2043.

In 2019, 141.9 million people were considered to live on less than US\$1.90 per person per day in the group. In the Current Path forecast that will slightly decline to 130.8 million in 2043. In the Free Trade scenario, extreme poverty numbers will decline to 101.8 million people in 2043. This means that the impact of the Free Trade scenario lifts additional 31.4 million people out of extreme poverty. The DR Congo, with its large poor population, will see the greatest improvement at 21.9 million people, followed by Tanzania at 5.8 million people.



Financial Flows scenario

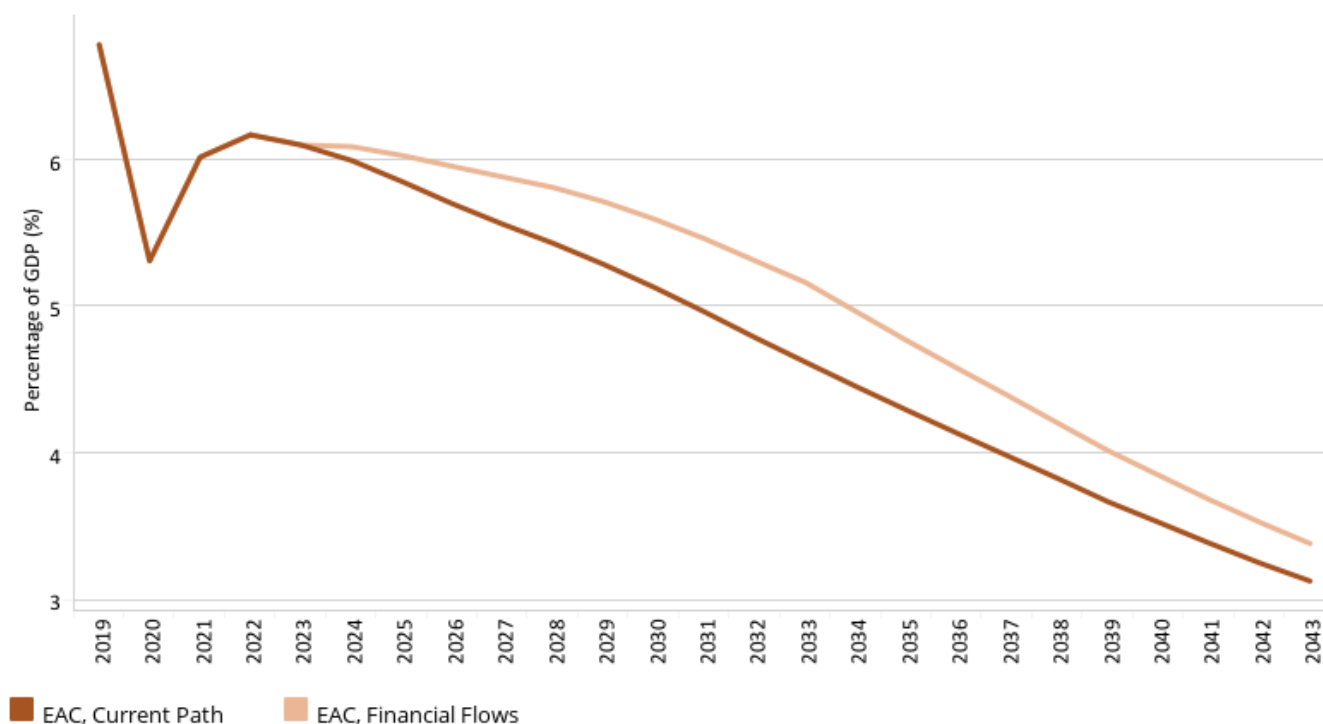
Chart 37 Chart 38 Chart 39 Chart 40 Chart 41 Chart 42 Chart 43 Chart 44 Chart 45 Chart 46 Chart 47

Chart 42: Foreign aid in CP and Financial Flows scenario, 2019–2043

% of GDP



EAC



Source: IFs 7.63 initialising from Development Assistance Committee of the OECD data, and World Bank and OECD GNI estimates.

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The Financial Flows scenario represents a reasonable but ambitious increase in worker remittances and aid flows to poor countries, and an increase in the stock of foreign direct investment (FDI) and additional portfolio investment inflows to middle-income countries. We also reduced outward financial flows to emulate a reduction in illicit financial outflows.

The intervention is explained [here](#) in the thematic part of the website.

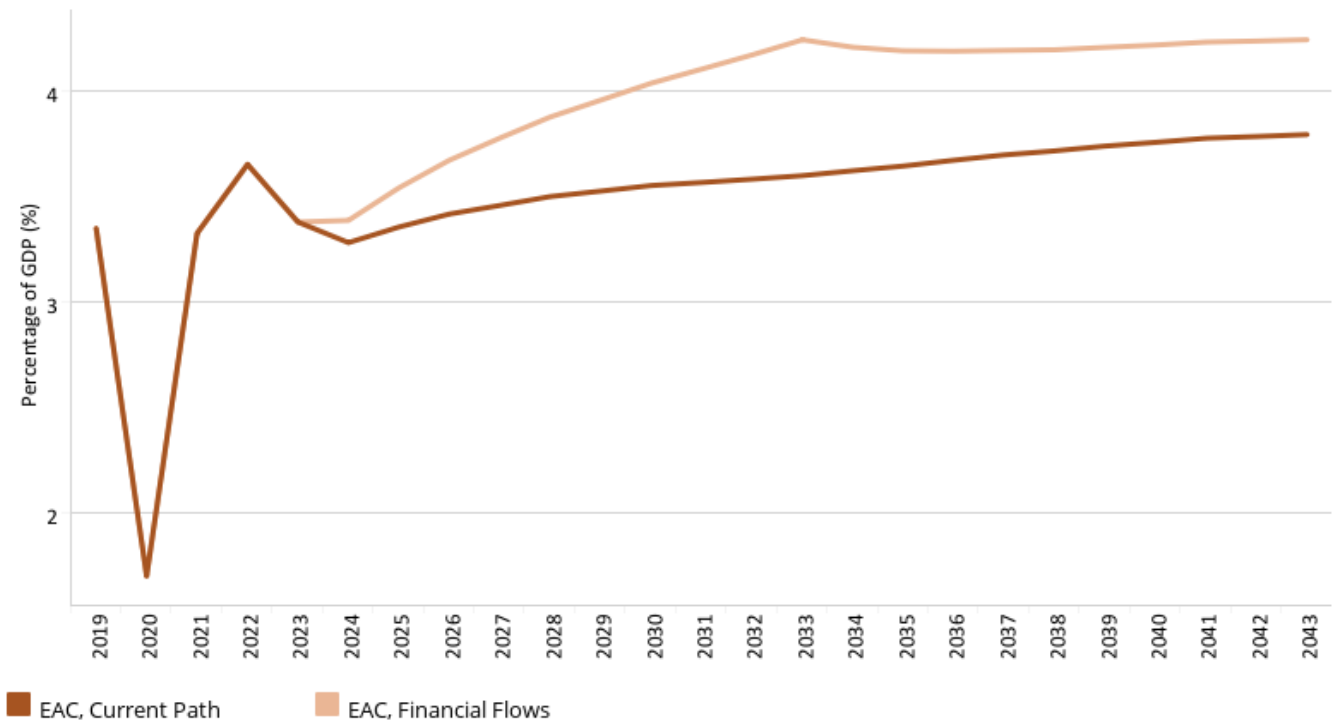
In 2019, the EAC received US\$16.4 billion net aid that will continually increase to US\$31.6 billion in 2043 in the Current Path forecast. However, as a percentage of GDP, aid continually reduces from 6.8% of GDP in 2019 to 5.1% in 2030 and to 3.1% in 2043 on the Current Path. This is because the increase in aid does not keep up with the pace of economic growth within the group. The impact of the Financial Flows scenario on the EAC is an increase in aid as a percentage of GDP by 0.26 percentage points above the Current Path forecast to 3.4% of GDP in 2043. This will be higher than the projected average of 1.2% of GDP for Africa on the Current Path. As a percentage of GDP, aid is highest in the small, fragile EAC countries of South Sudan and Burundi, mainly because of the relatively small sizes of their economies.

As a result, in the Financial Flows scenario, the reduction in aid as a percentage of GDP is slower than in the Current Path. By 2030, aid constitutes 5.5% of GDP and is at 3.3% of GDP in 2043. In 2030, the EAC will receive US\$2.2 billion more aid in the Financial Flows scenario than in the Current Path forecast and US\$3.3 billion more in 2043.

Chart 43: Inflow of FDI in CP and Financial Flows scenario, 2019–2043
% of GDP



EAC



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

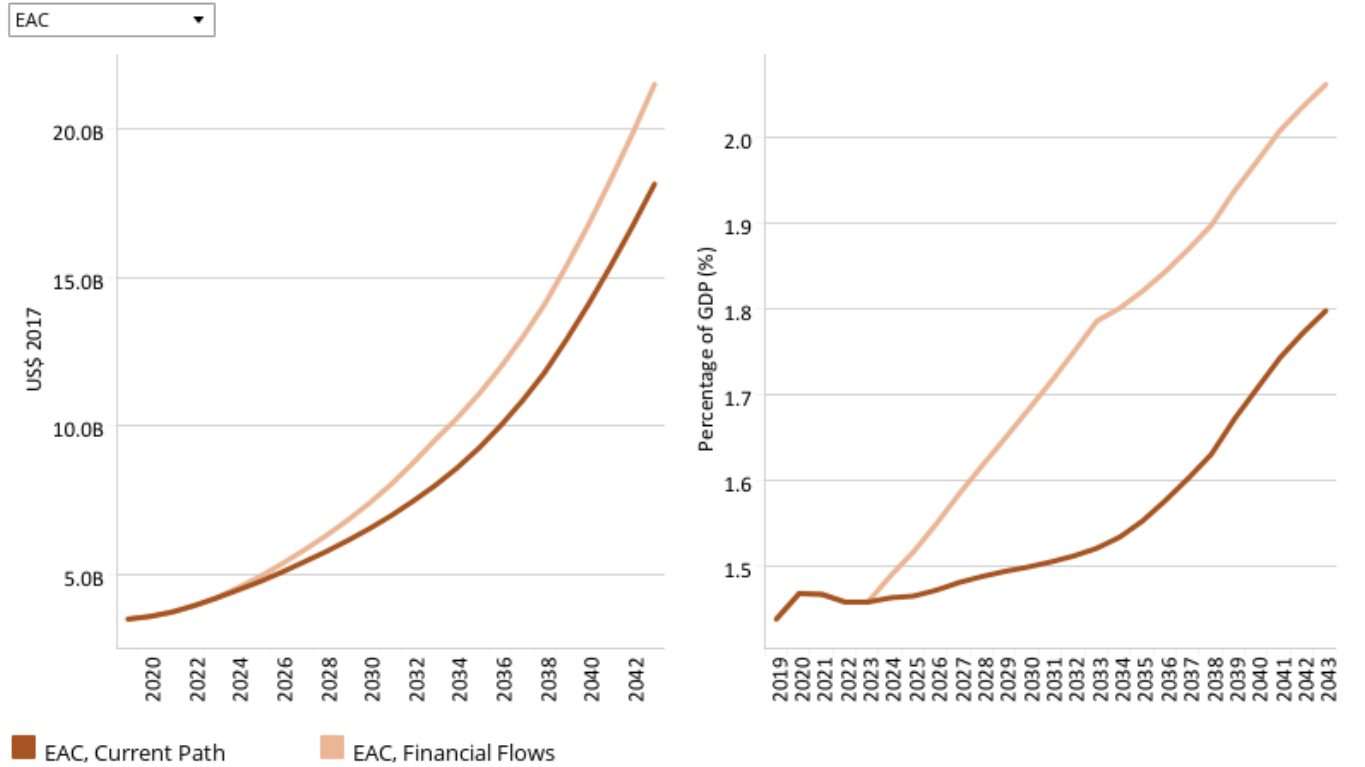
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In 2019, the DR Congo, Uganda and Tanzania receive the largest FDI inflows of >4% of GDP of the EAC. Burundi and South Sudan receive the least FDI of EAC countries, perhaps due to the instability in those countries. The impact of the Financial Flows scenario will be greatest in Tanzania where it will boost FDI by additional 0.6 percentage points compared to the Current Path, followed by Uganda (0.54 percentage points) and Kenya (0.52 percentage points). Within the EAC group, FDI inflows will increase to 3.8% in 2043 from 3.3% in 2019 in the Current Path forecast, slightly above the Current Path average for Africa. The Financial Flows scenario will increase FDI inflows to 4.2% of GDP in 2043.

Chart 44: Remittances in CP and Financial Flows scenario, 2019–2043

Billions US\$ 2017 and % of GDP



Source: IFs 7.63 initialising from World Development Indicators data

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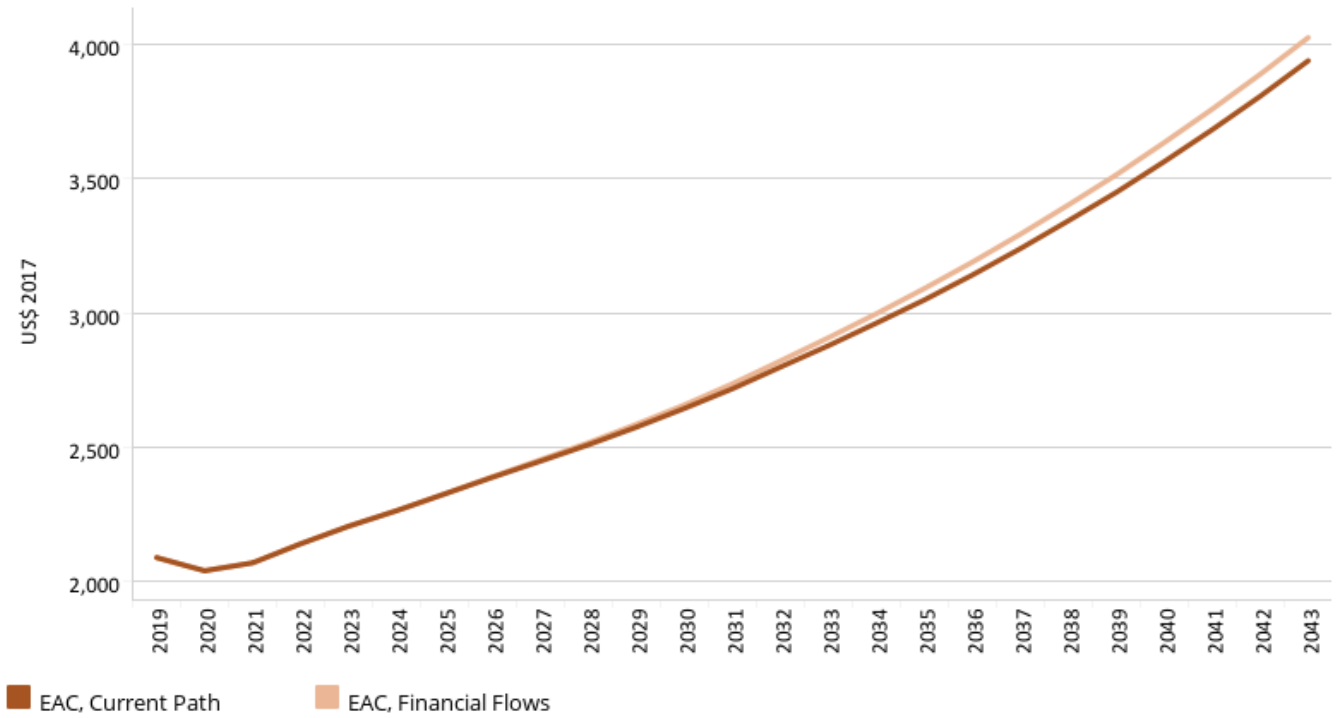
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The EAC is a net receiver of remittances at US\$3.5 billion in 2019, representing 1.4% of GDP. This is set to increase to US\$18.1 billion, equivalent to 1.8% of GDP, in 2043 in the Current Path forecast. In the Financial Flows scenario, this will further rise to US\$21.5 billion, constituting 2.1% of GDP, in 2043. In 2019, five out of the seven EAC countries were net receivers of remittance, with Kenya topping the list at US\$2.1 billion, followed by Uganda at US\$871 million. Rwanda and the DR Congo are considered to be net remittance senders. By 2043, Kenya will benefit most from Financial Flows scenario by boosting remittances receipt by an additional US\$1.12 billion, followed by Uganda at US\$1.1 billion.

Chart 45: GDP per capita in CP and Financial Flows scenario, 2019–2043
Purchasing power parity



EAC



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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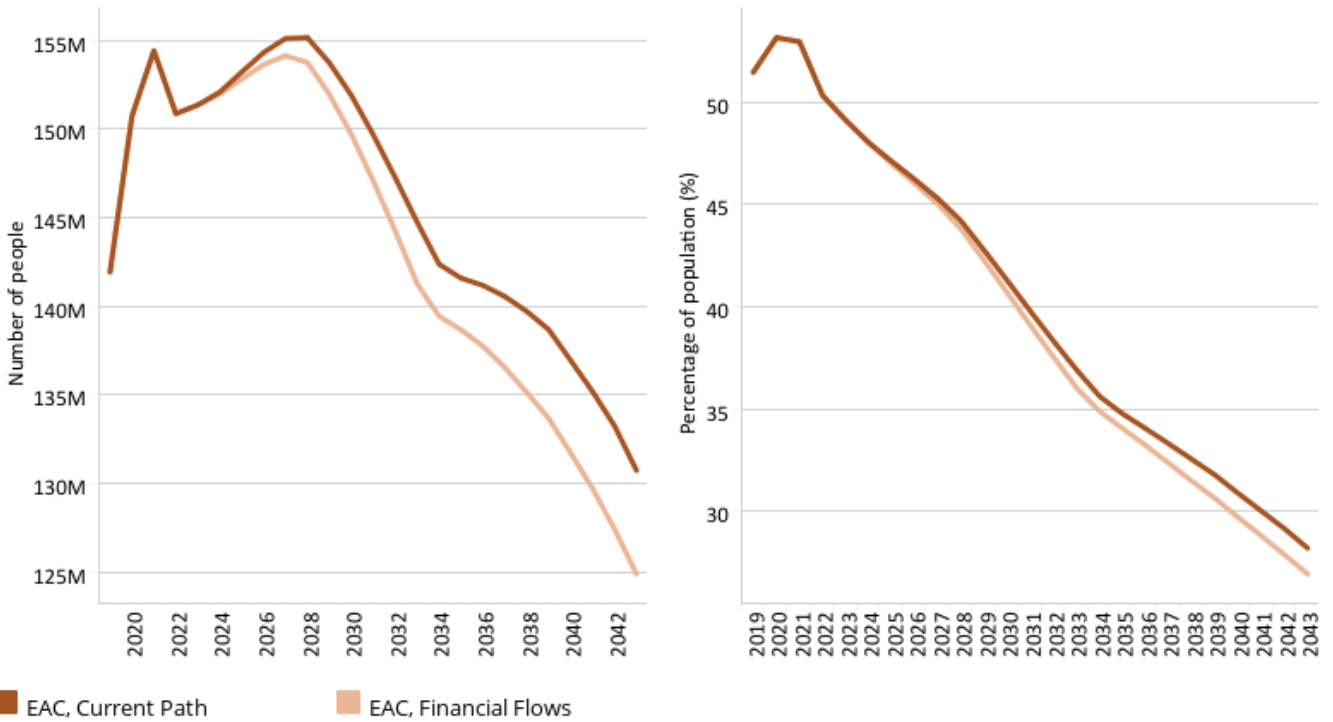
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In 2019, GDP per capita in the EAC was US\$2 090.6. In the Current Path forecast, GDP per capita will come to US\$3 938 in 2043. However, in the Financial Flows scenario, it comes to US\$4 024, an increase of US\$86.08 or 2.2%. Compared to the Current Path forecast, Rwanda receives the largest increase at US\$158.1 in 2043, followed by Kenya and Uganda. The DR Congo and Burundi achieve the smallest improvement at less than US\$50 per person. The GDP per capita of US\$4 024 in this scenario, however, will be 77.9% below the Current Path average of US\$7 157 for Africa.

Chart 46: Poverty in CP and Financial Flows scenario, 2019–2043
Millions of people and % of total population



EAC \$1.90



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and DevPalNet World Bank data

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Trade openness will reduce poverty in the long term after initially increasing it due to the redistributive effects of trade. Most African countries export primary commodities and low-tech manufacturing products, and therefore a continental free trade agreement (AfCFTA) that reduces tariffs and non-tariff barriers across Africa will increase competition among countries in primary commodities and low-tech manufacturing exports. Countries with inefficient, high-cost manufacturing sectors might be displaced as the AfCFTA is implemented, thereby pushing up poverty rates. In the long term, as the economy adjusts and produces and exports its comparatively advantaged (lower relative cost) goods and services, poverty rates will decline.

The difference between the Current Path forecast and the Financial Flows scenario is equivalent to 2.2 million fewer extremely poor people in 2030 and 6.4 million fewer in 2043. The largest declines are in the DR Congo (2.7 million people) and Tanzania (1.1 million).

The extreme poverty rate in 2019 (at US\$1.90) was 51.5%, which is likely to decline to 41.3% in 2030 and to 28.2% in 2043. In the Financial Flows scenario, the rate of extreme poverty marginally declines to 26.9% in 2043, above the Current Path average of 20.9% for Africa.



Infrastructure scenario

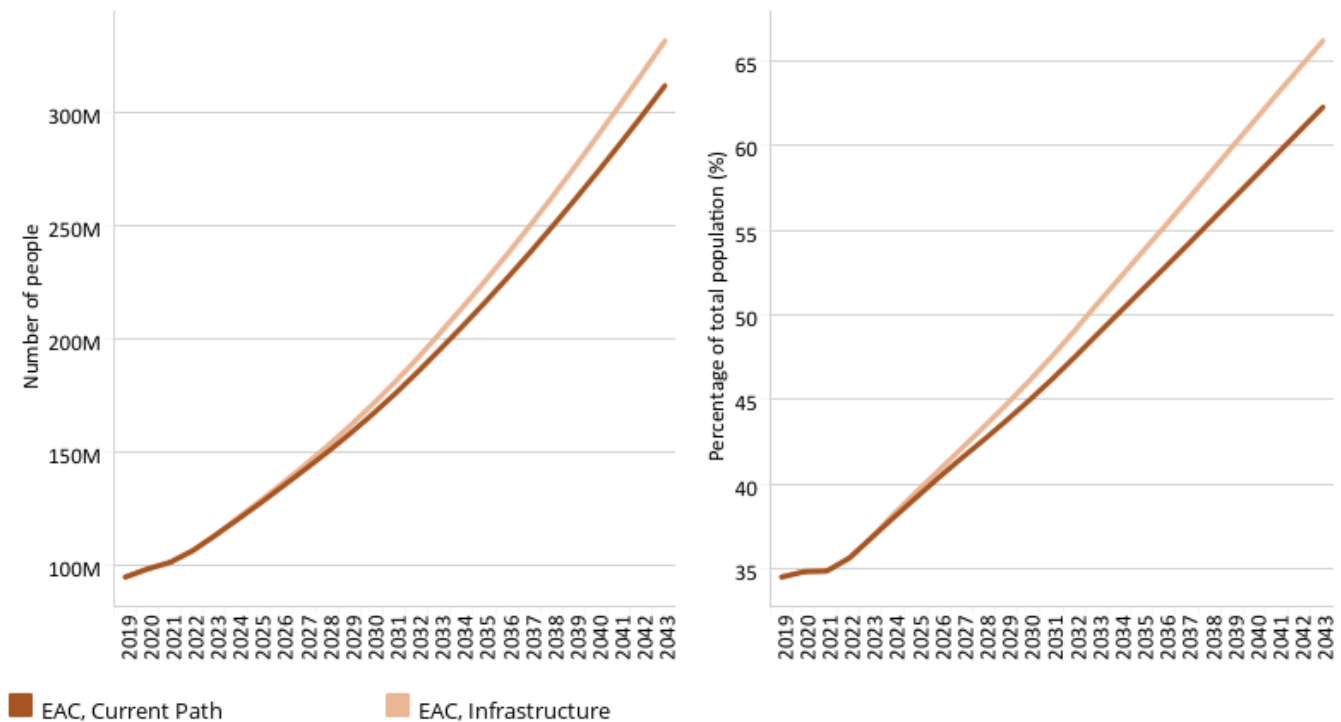
Chart 42 Chart 43 Chart 44 Chart 45 Chart 46 Chart 47 Chart 48 Chart 49 Chart 50 Chart 51

Chart 47: Electricity access in CP and Infrastructure scenario, 2019–2043

Millions of people and % of population



EAC Total



Source: IFs 7.63 initialising from World Development Indicators data

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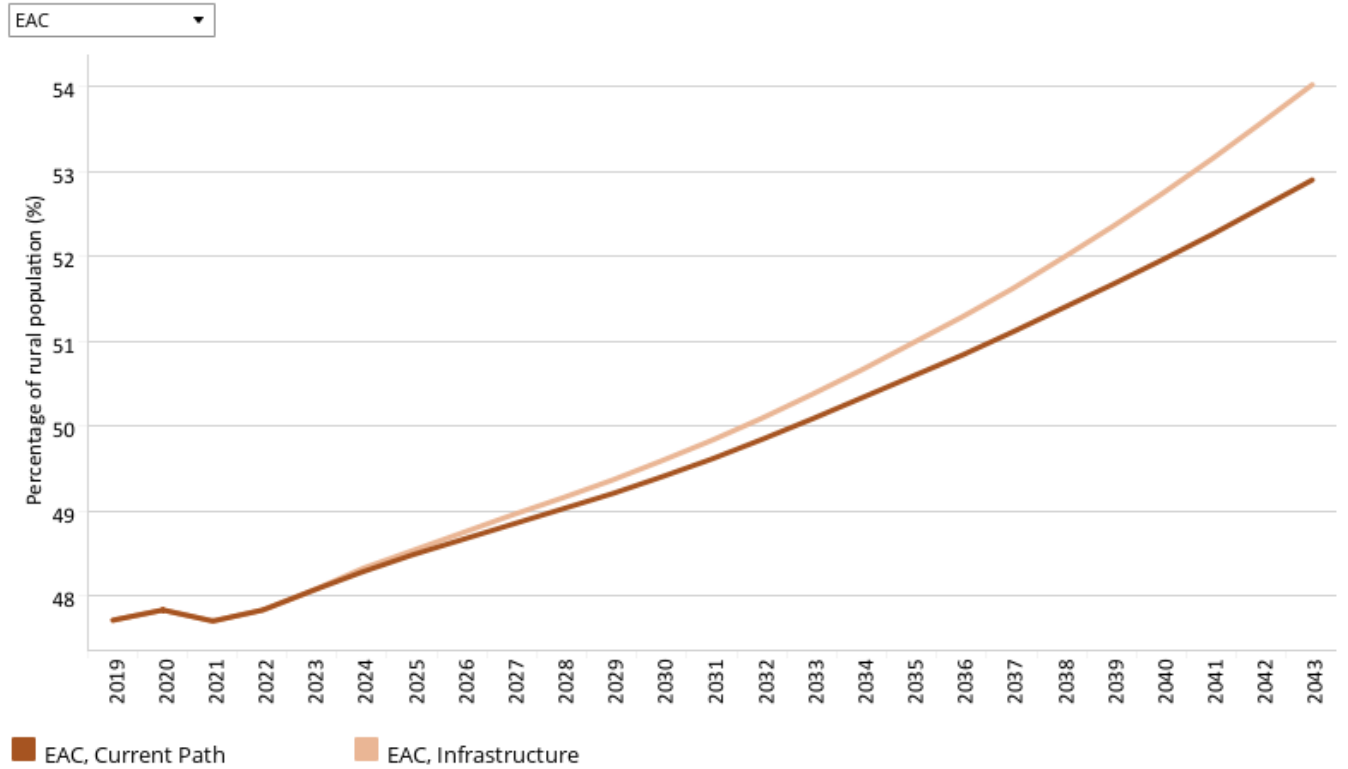
The Infrastructure scenario represents a reasonable but ambitious increase in infrastructure spending across Africa, focusing on basic infrastructure (roads, water, sanitation, electricity access and ICT) in low-income countries and increasing emphasis on advanced infrastructure (such as ports, airports, railway and electricity generation) in higher-income countries.

Note that health and sanitation infrastructure is included as part of the Health/WaSH scenario and that ICT infrastructure and more rapid uptake of renewables are part of the Leapfrogging scenario. The interventions there push directly on outcomes, whereas those modelled in this scenario increase infrastructure spending, indirectly boosting other forms of infrastructure, including those supporting health, sanitation and ICT.

The intervention is explained [here](#) in the thematic part of the website.

In 2019, the electricity access rate in the EAC stood at 34.5%, in 2030 it will increase to 45%, and in 2043 Current Path forecast it reaches 62.3%. The Infrastructure scenario has the effect of boosting electricity access across member countries by an average of 3.9 percentage points in 2043 compared to the Current Path forecast, of which 2.9 percentage points pertains to people living in urban areas. South Sudan and Rwanda will see the greatest boost in access to electricity due to the Infrastructure scenario of 14.8 and 6.3 percentage points, respectively, in 2043. At the same time, Tanzania and Kenya will see the least improvement.

Chart 48: Rural road access in CP and Infrastructure scenario, 2019–2043
 % of rural population within 2 km of an all-weather road



Source: IFs 7.63 initialising from World Bank Rural Access Index data

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Indicator 9.1.1 in the Sustainable Development Goals refers to the proportion of the rural population who live within 2 km of an all-season road and is captured in the Rural Access Index.

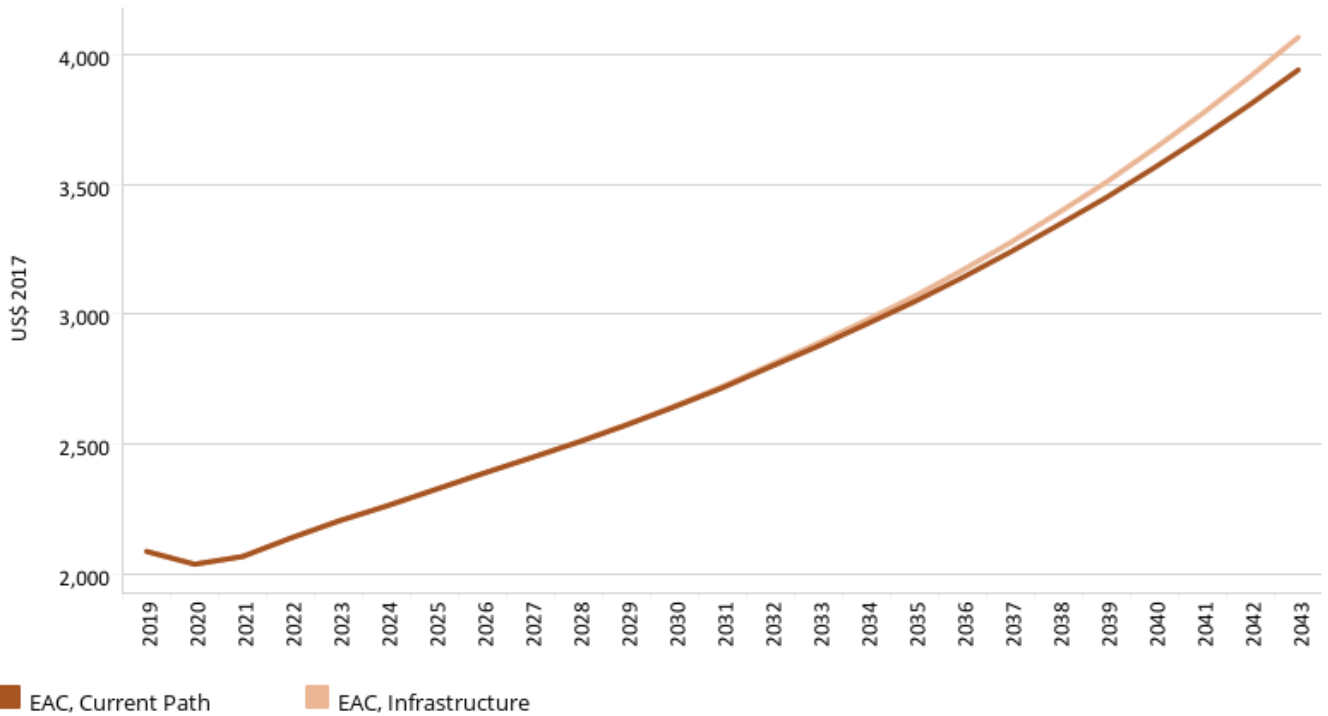
In 2019, 47.7% of the population in rural areas in the EAC lived within 2 km from an all-weather road, 5.3 percentage points lower than the average for Africa. The Current Path forecast is that this will improve to 49.4% by 2030 and to 52.9% by 2043, and to 54% in the Infrastructure scenario. However, by then it will still be below the Current Path average for Africa estimated at 59.1%. The EAC countries with the best access in 2019 were Kenya (63.3%) and Tanzania (60.7%). The worst performing countries were Uganda (34.5%) and the DR Congo (32.9%). Rwanda gains most from the Infrastructure scenario, improving access by 5.8 percentage points above the Current Path forecast by 2043, followed by Uganda. In Burundi, the Infrastructure scenario has the least impact on rural access to all-weather roads of less than 0.6 percentage points.

Chart 49: GDP per capita in CP and Infrastructure scenario, 2019–2043

Purchasing power parity



EAC



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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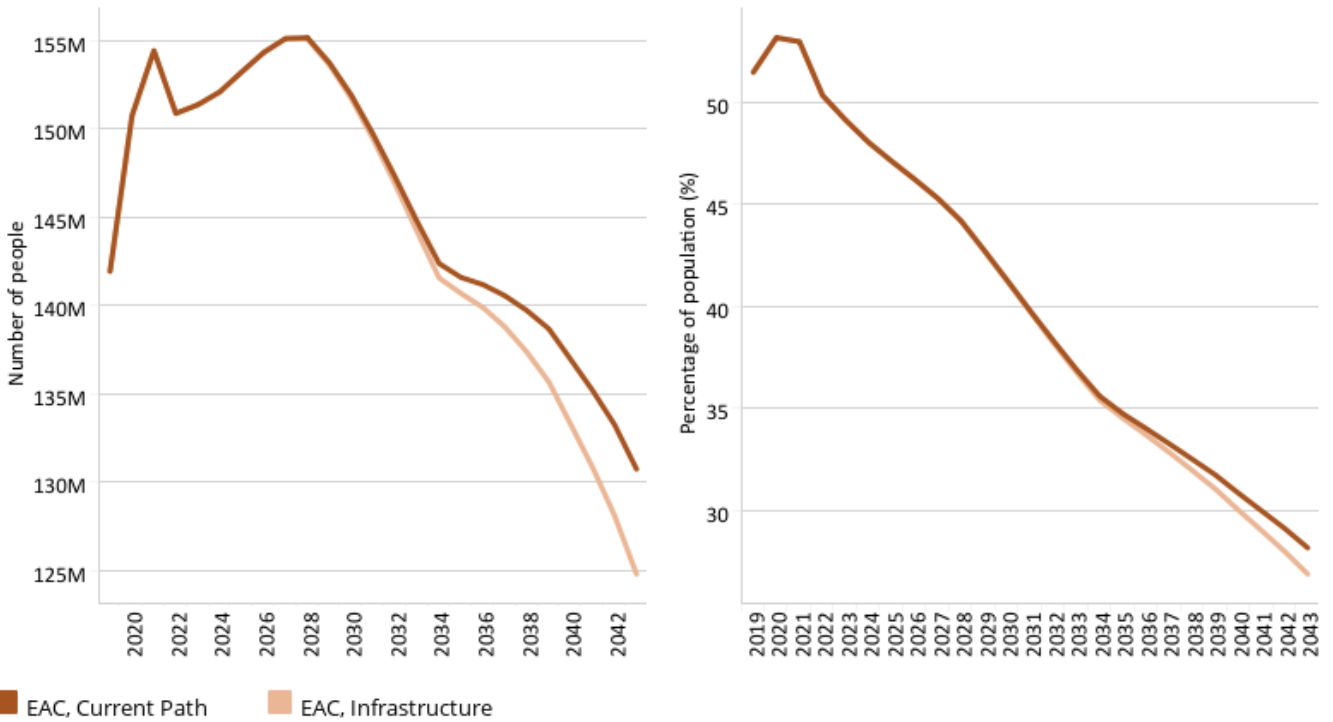
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The GDP per capita for the EAC was US\$2 090.6 in 2019 and is set to increase to US\$3 938 in the Current Path forecast, compared to US\$4 064 in the Infrastructure scenario by 2043. This represents a 3.2% increase in average GDP per capita, equivalent to US\$126 in the region in this scenario compared to the Current Path forecast. Uganda gains the most in GDP per capita and increases US\$288 above the Current Path forecast by 2043, followed by Tanzania (US\$161). Burundi, which benefits the least, will only add US\$21 per person by 2043 from the Infrastructure scenario. The GDP per capita in the Infrastructure scenario, however, will be 76.1% lower than the Current Path average of US\$7 157 for Africa.

Chart 50: Poverty in CP and Infrastructure scenario, 2019–2043
 Millions of people and % of total population



EAC \$1.90



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and DevPalNet World Bank data

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The Current Path forecast is that extreme poverty in the EAC (using US\$1.90) will slightly decrease from 141.9 million people (51.5% of the population) in 2019 to 130.8.1 million (28.2% of the population) in 2043. The number of extremely poor people in the Infrastructure scenario in 2043 will be 124.8, representing 26.9% of the total population. The Infrastructure scenario can lead to 5.9 million fewer poor people in the region by 2043. The decline in poverty is most significant in South Sudan and the DR Congo, with 3 percentage points less in the poverty rates in 2043 compared to the Current Path forecast. The extreme poverty rate in this scenario will be 6 percentage points higher than the average for Africa on the Current Path.



Governance scenario

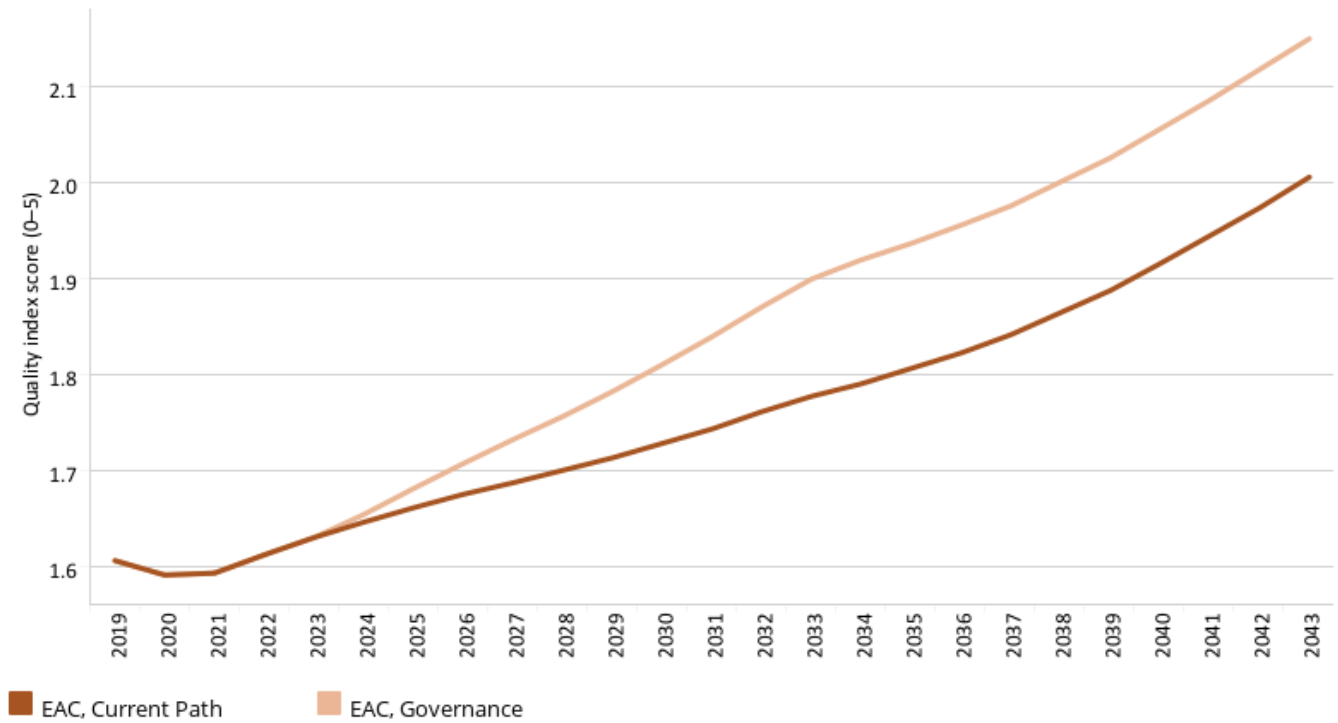
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Chart 51: Gov effectiveness in CP and Governance scenario, 2019–2043

World Bank quality index score for government effectiveness



EAC ▼



Source: IFs 7.63 initialising from Kaufmann, Kraay and Mastruzzi (2010) data

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The Governance scenario represents a reasonable but ambitious improvement in accountability and reduces corruption, and hence improves the quality of service delivery by government.

The intervention is explained [here](#) in the thematic part of the website.

As defined by the World Bank, government effectiveness ‘captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies’.

Chart 51 presents the impact of the interventions in the Governance scenario on government effectiveness.

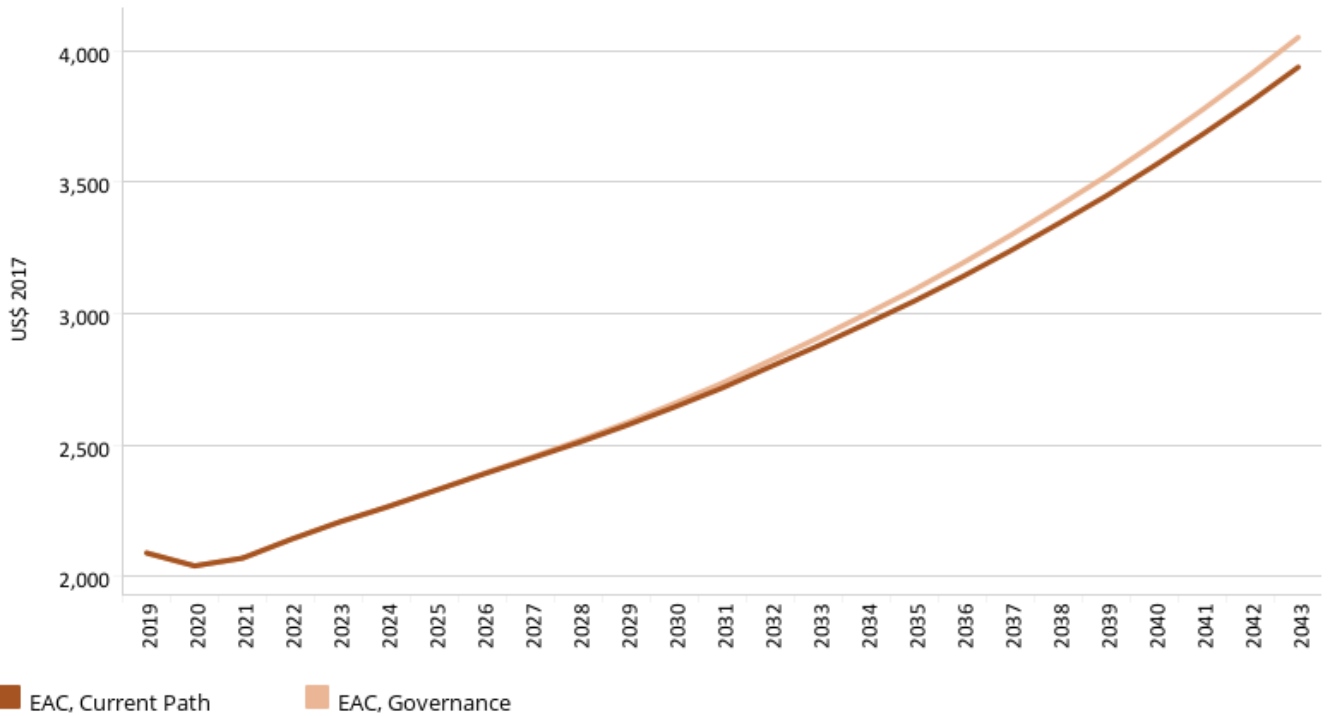
In 2019, the average score for the EAC on the governance effectiveness index was 1.61 — 5.6% lower than the average for Africa. On the Current Path, this is projected to reach 2.01 by 2043. The Governance scenario improves government effectiveness by 0.14 (or 7%) to 2.15 in 2043 above the Current Path forecast and 3.3% below the Current Path average for Africa. South Sudan improves the most at 88% and Kenya the least at 0.68%.

Chart 52: GDP per capita in CP and Governance scenario, 2019–2043

Purchasing power parity



EAC



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

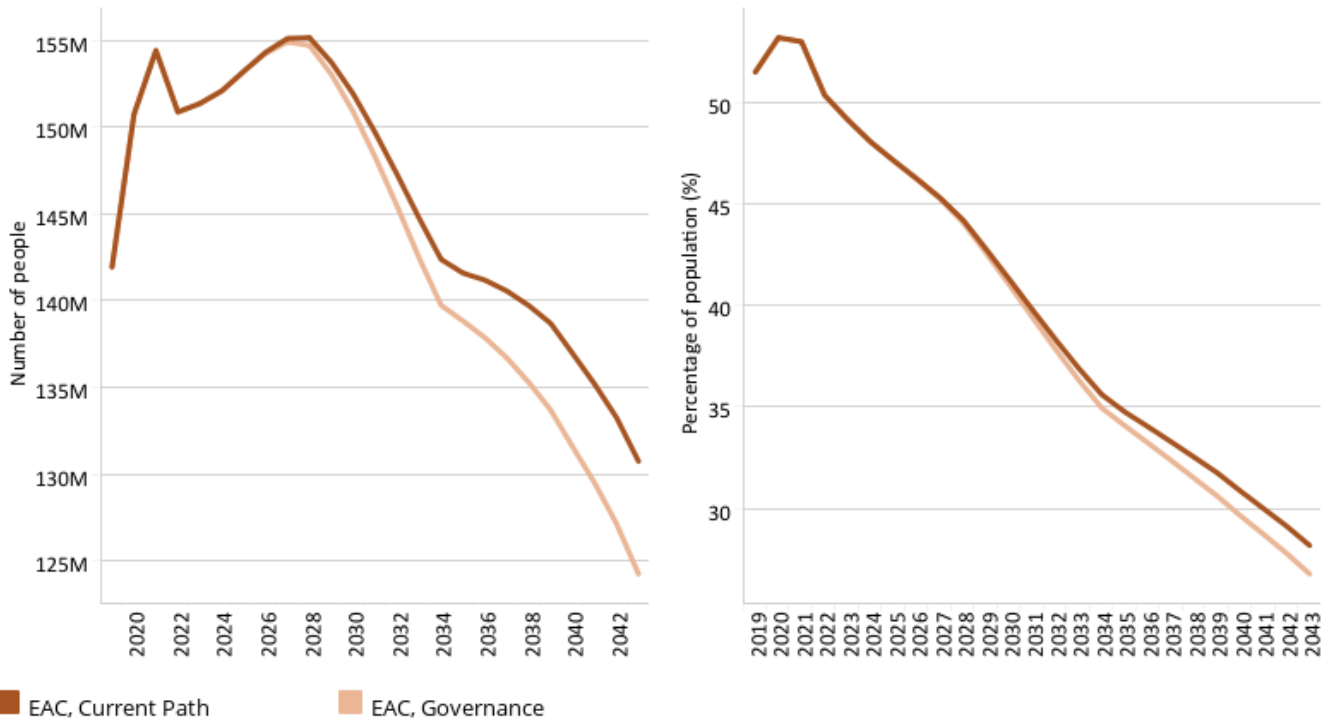
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In 2019, GDP per capita in the EAC was US\$2 090.6 and is set to improve to US\$3 938 in 2043. In the Governance scenario, GDP per capita increases to US\$4 052 — an improvement of US\$114, or 2.9%. Rwanda will gain the most in the Governance scenario compared to the Current Path forecast at US\$217, and Burundi will gain the least at a meagre US\$44 above the Current Path forecast for 2043. The GDP per capita in the Governance scenario however will be 76.6% below the Current Path average of US\$7 157 for Africa.

Chart 53: Poverty in CP and Governance scenario, 2019–2043
Millions of people and % of total population



EAC \$1.90



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and DevPalNet World Bank data

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The rate of extreme poverty (using US\$1.90) was 51.5% in the EAC in 2019, equivalent to 141.9 million people. In the Governance scenario, extreme poverty will decline to 26.8% (124.3 million people) by 2043, compared to 28.2% (130.8 million people) in the Current Path forecast and 20.9% Current Path average for Africa. Extreme poverty in the DR Congo and Burundi will decline by 2.2 and 1.7 percentage points in 2043 compared to the Current Path forecast. The Governance scenario has the least impact on Uganda and Kenya, where extreme poverty will decline by less than 1 percentage point.



Impact of scenarios on carbon emissions

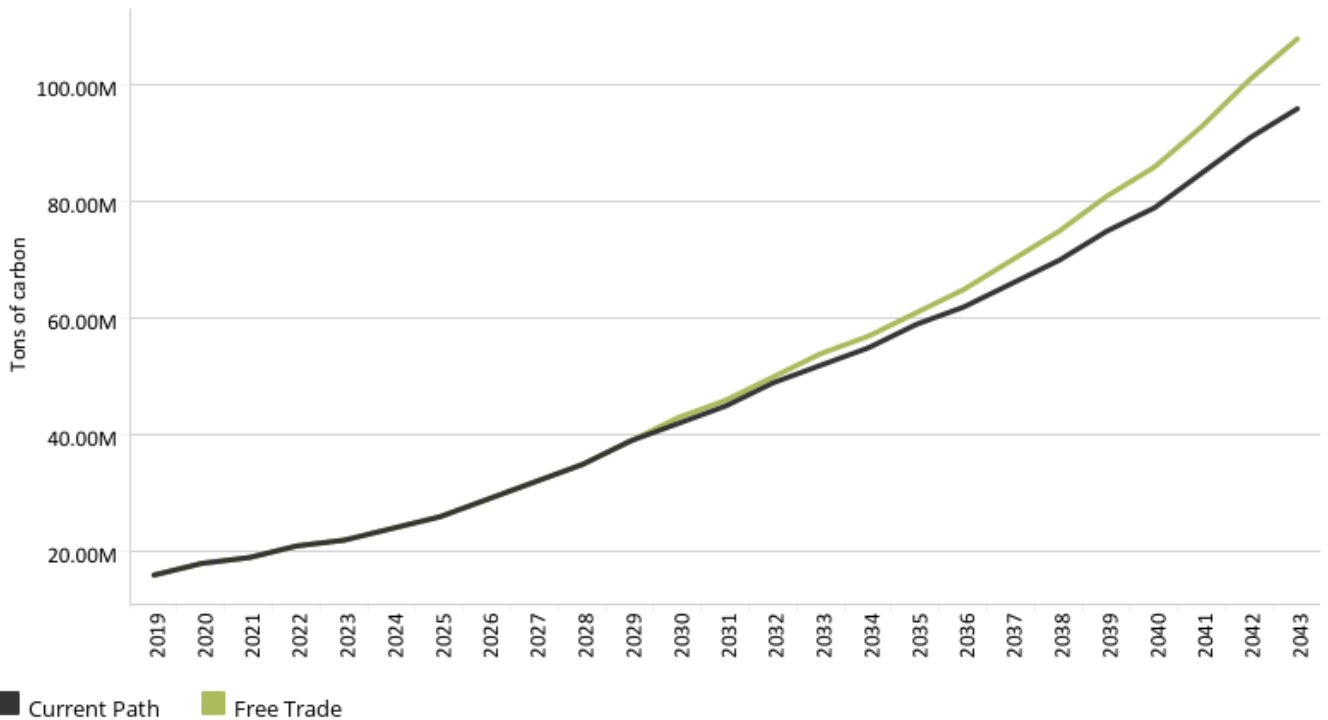
Chart 49 Chart 50 Chart 51 Chart 52 Chart 53 Chart 54 Chart 55 Chart 56 Chart 57 Chart 58 Chart 59

Chart 54: Carbon emissions in CP and scenarios, 2019–2043

Million tons of carbon (note, not CO₂ equivalent)



EAC (Multiple values)



Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

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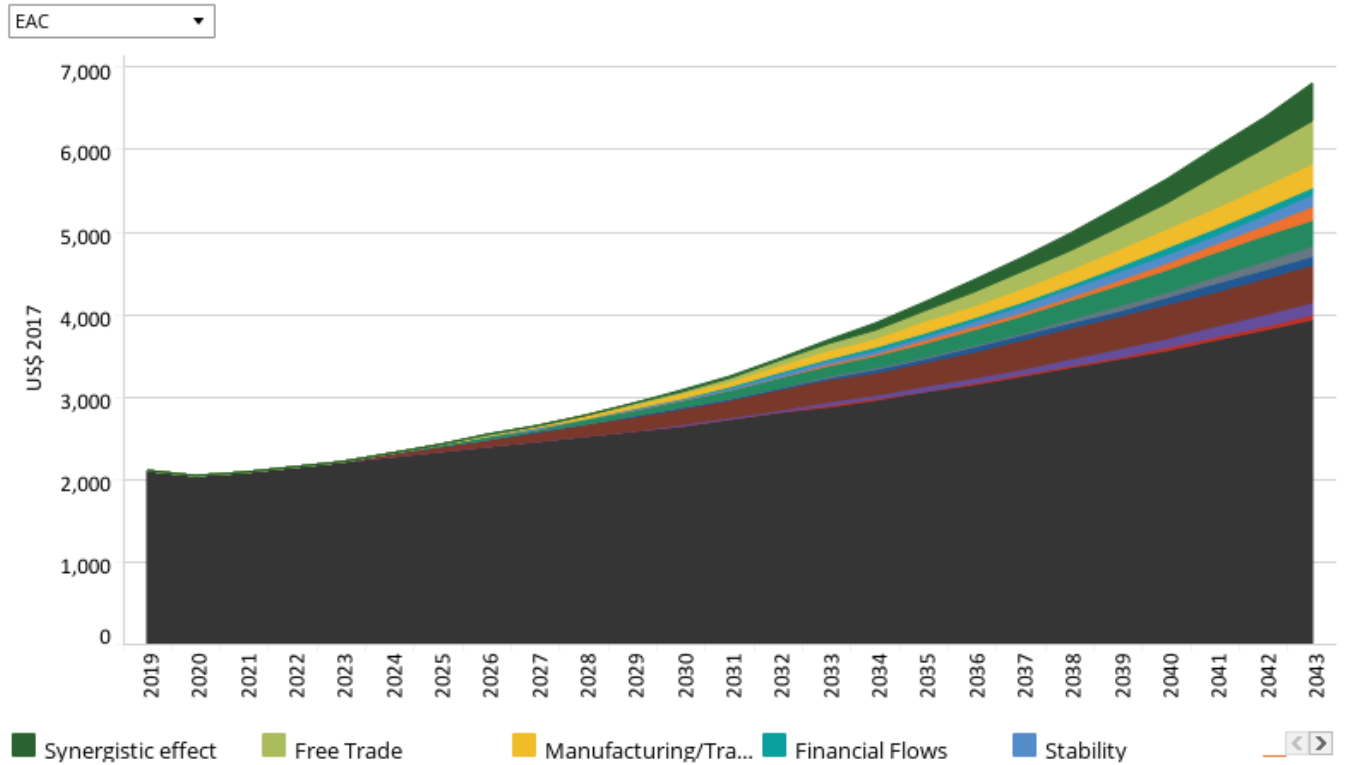
This section presents projections for carbon emissions in the Current Path for the East African Community and the 11 scenarios. Note that IFs uses carbon equivalents rather than CO₂ equivalents.

In 2019, the EAC group released 16 million tons of carbon of which 75% was released by only three countries (Tanzania, Kenya and Uganda). In the Current Path forecast, the EAC will release 96 million tons of carbon in 2043 as a result of greater economic activity and increased population growth.

The Free Trade scenario is the most carbon-intensive scenario (at 108 million tons), followed by the Agriculture scenario (at 107 million tons), while in the Demographic scenario, carbon emissions in 2043 will be below the Current Path forecast at 93 million tons.

Chart 55: GDP per capita in CP and scenarios, 2019–2043

Additional GDP per capita per scenario, purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

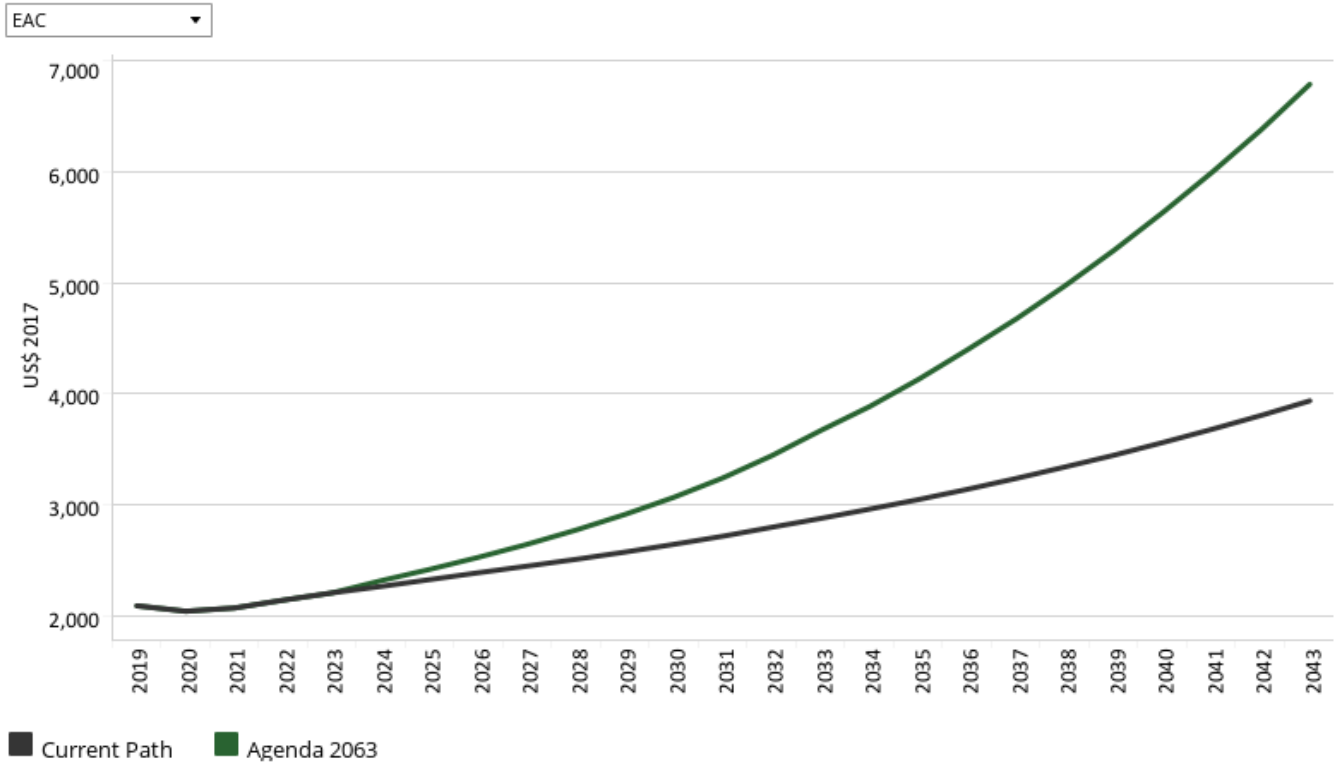
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The Combined Agenda 2063 scenario consists of the combination of all 11 sectoral scenarios presented above, namely the Stability, Demographic, Health/WaSH, Agriculture, Education, Manufacturing/Transfers, Leapfrogging, Free Trade, Financial Flows, Infrastructure and Governance scenarios. The cumulative impact of better education, health, infrastructure, etc. means that countries get an additional benefit in the integrated IFs forecasting platform that we refer to as the synergistic effect. Chart 55 presents the contribution of each of these 12 components to GDP per capita in the Combined Agenda 2063 scenario as a stacked area graph.

In 2019, average GDP per capita in the EAC was US\$2 090.6. In the Current Path forecast, it will increase to US\$3 938 in 2043. By 2033, the end of the second ten-year implementation plan of the Agenda 2063, the Agriculture scenario provides the largest increase in GDP per capita, followed by the Leapfrogging and Manufacturing/Transfers scenarios. By 2043, the Free Trade scenario provides the largest increase in GDP per capita, followed by the Agriculture scenario.

Chart 56: GDP per capita in CP and Combined scenario, 2019–2043
Purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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Whereas Chart 55 presents a stacked area graph on the contribution of each scenario to GDP per capita as well as the additional benefit or synergistic effect, Chart 56 presents only the GDP per capita in the Current Path forecast and the Combined Agenda 2063 scenario.

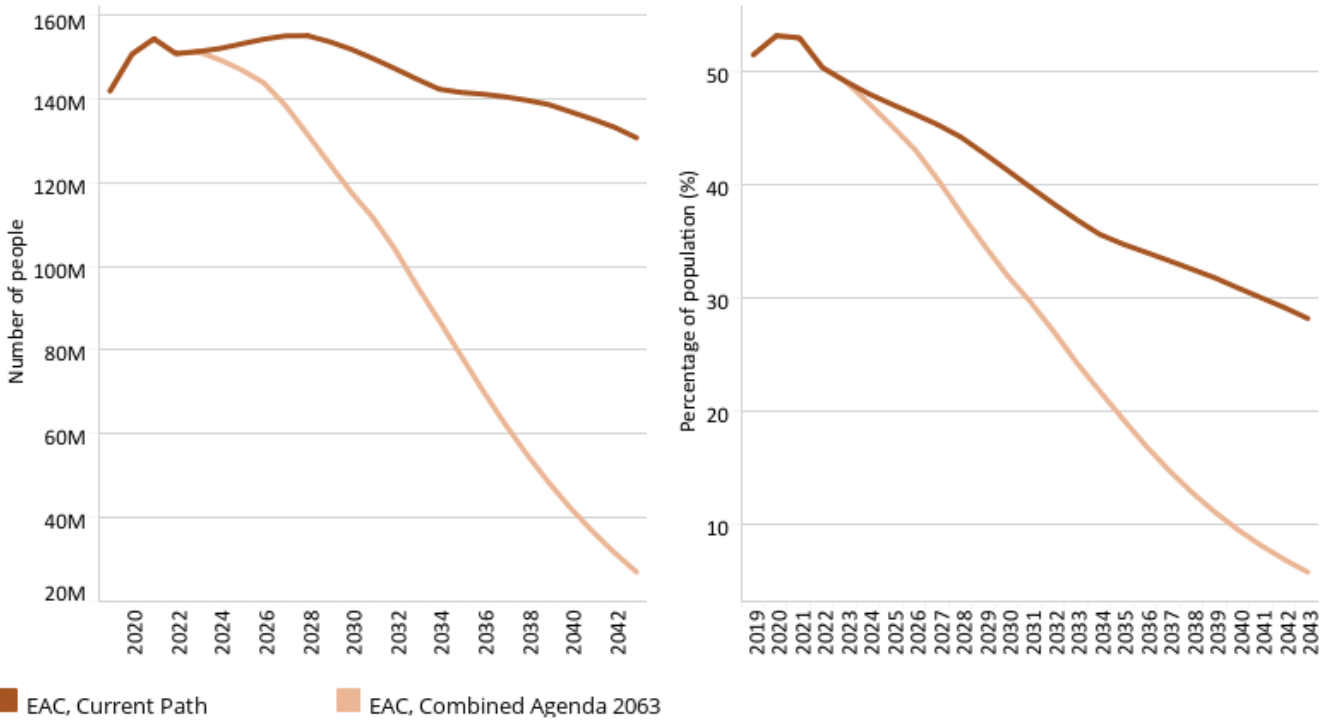
The Combined Agenda 2063 scenario has a substantial impact on incomes in the EAC group. The GDP per capita for the EAC was US\$2 090.6 in 2019 and is set to increase to US\$3 938 in 2043 in the Current Path forecast. In the Combined Agenda 2063 scenario, the average GDP per capita for the EAC will be US\$6 792, an increase of about 73% in the Current Path forecast for that year. It means that compared to the Current Path forecast, the Combined Agenda 2063 scenario has the potential to raise the average GDP per capita in the region by an additional US\$2 854 in 2043. The GDP per capita in the Combined Agenda 2063 scenario will only be 5.4% lower than the Current Path average of US\$7 157 for Africa.

Uganda gains most in GDP per capita improvements in the Combined Agenda 2063 within the group with an increase of US\$4791 by 2043 compared to the Current Path forecast, followed by Rwanda with US\$3 746. Burundi, however, only gains US\$878 as a result of the Combined Agenda 2063 scenario in 2043.

Chart 57: Poverty in CP and Combined scenario, 2019–2043
Millions of people and % of total population



EAC \$1.90



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and DevPalNet World Bank data

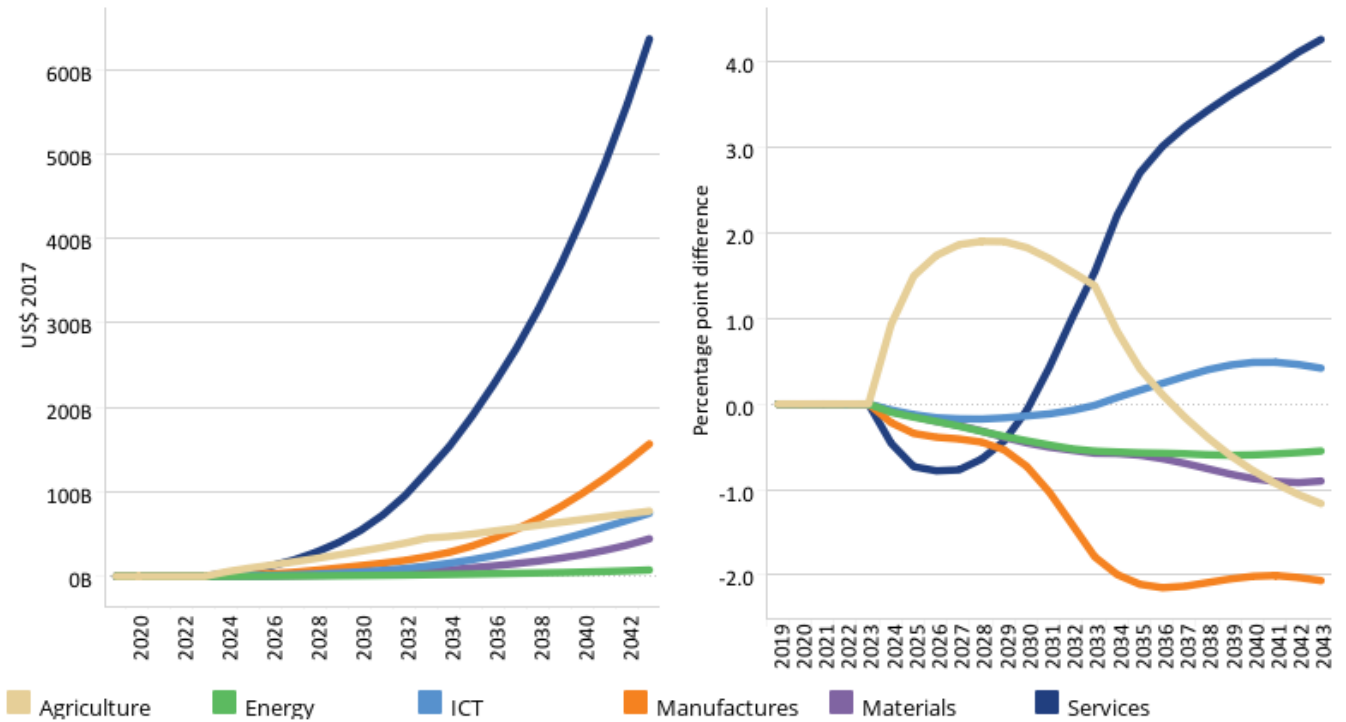
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In 2019, extreme poverty at US\$1.90 affected 51.5% of the population in the EAC in 2019, equivalent to 141.9 million people. In the Combined Agenda 2063 forecast, the percentage of extremely poor people could decline to 5.8% (26.9 million people) by 2043, instead of 28.2% (246 million) in the Current Path forecast. It means that the Combined Agenda 2063 scenario has the potential to lift additional 103.9 million people out of extreme poverty in the region, equivalent to a 22.4 percentage point decline. By 2043, the extreme poverty rate in the region in this scenario will also be 15.1 percentage points lower than the Current Path average for Africa in the same year. Burundi will experience the largest decline in extreme poverty, namely 38.7 percentage points (from 11.6 to 3.6 million people in 2043), followed by the DR Congo. Kenya and Uganda register less than ten percentage points improvement.

Chart 58: Value added by sector in CP and Combined scenario, 2019–2043
 Absolute and % point difference GDP



EAC



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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See [Chart 8](#) to view the Current Path forecast of the sectoral composition of the economy.

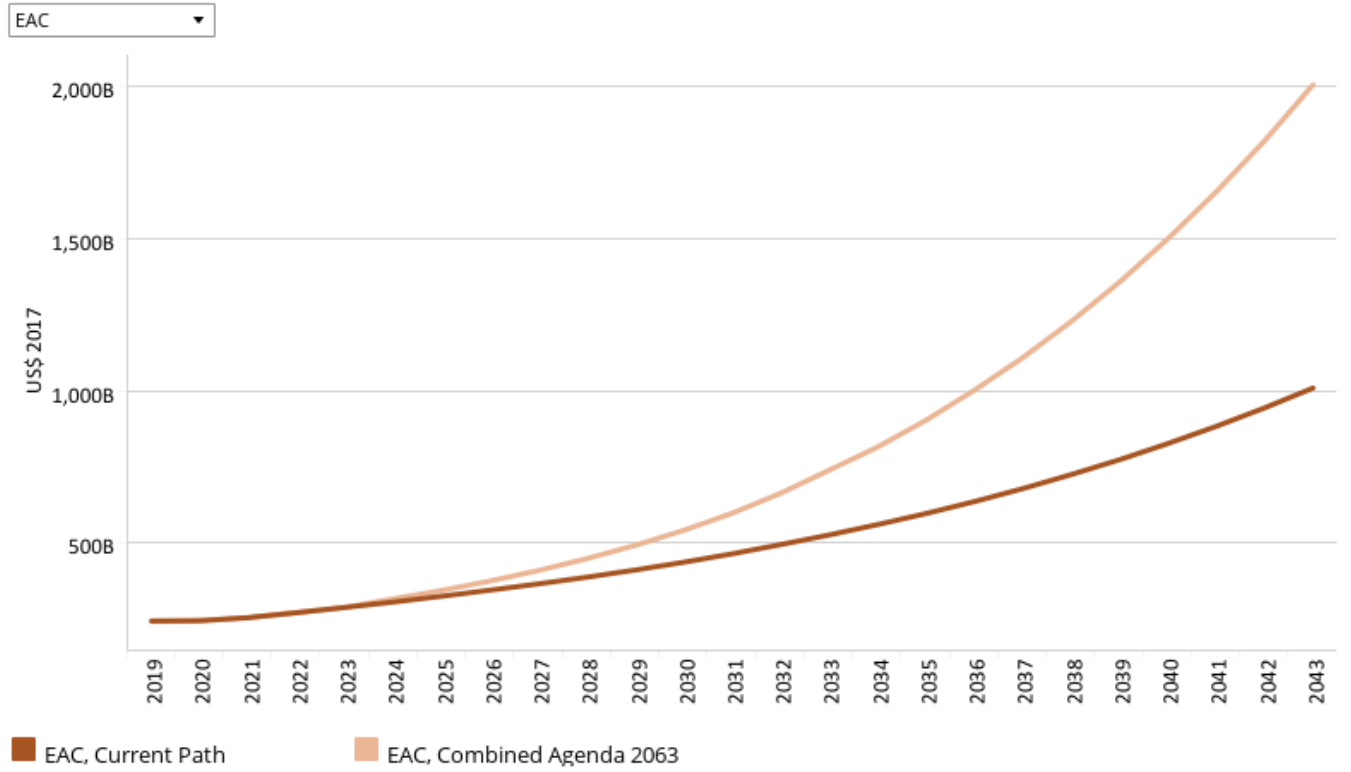
All sectors increase in value when comparing the 2043 Current Path forecast with the Combined Agenda 2063 scenario, although the relative contribution varies.

In 2019, the service sector represented 47.2% of the EAC economy. Instead of 55.3% in 2043 (the Current Path forecast), in the Combined Agenda 2063 scenario, it would represent 60%. The service sector will expand particularly rapidly in South Sudan (6 percentage points), Uganda (5.7 percentage points) and Rwanda (5.3 percentage points).

The changes in the sectoral composition of the EAC by 2043 will consist of a decline in the rate of contribution of the energy, manufacturing, agriculture and materials sectors and increases in the service and ICT sectors. By 2043, ICT in the Combined Agenda 2063 scenario will increase most in Burundi (2.8 percentage points) and the DR Congo (2 percentage points), and decline in Tanzania and Rwanda compared to the Current Path forecast.

Chart 59: GDP in CP and Combined scenario, 2019–2043

Billions US\$ 2017, market exchange rates



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

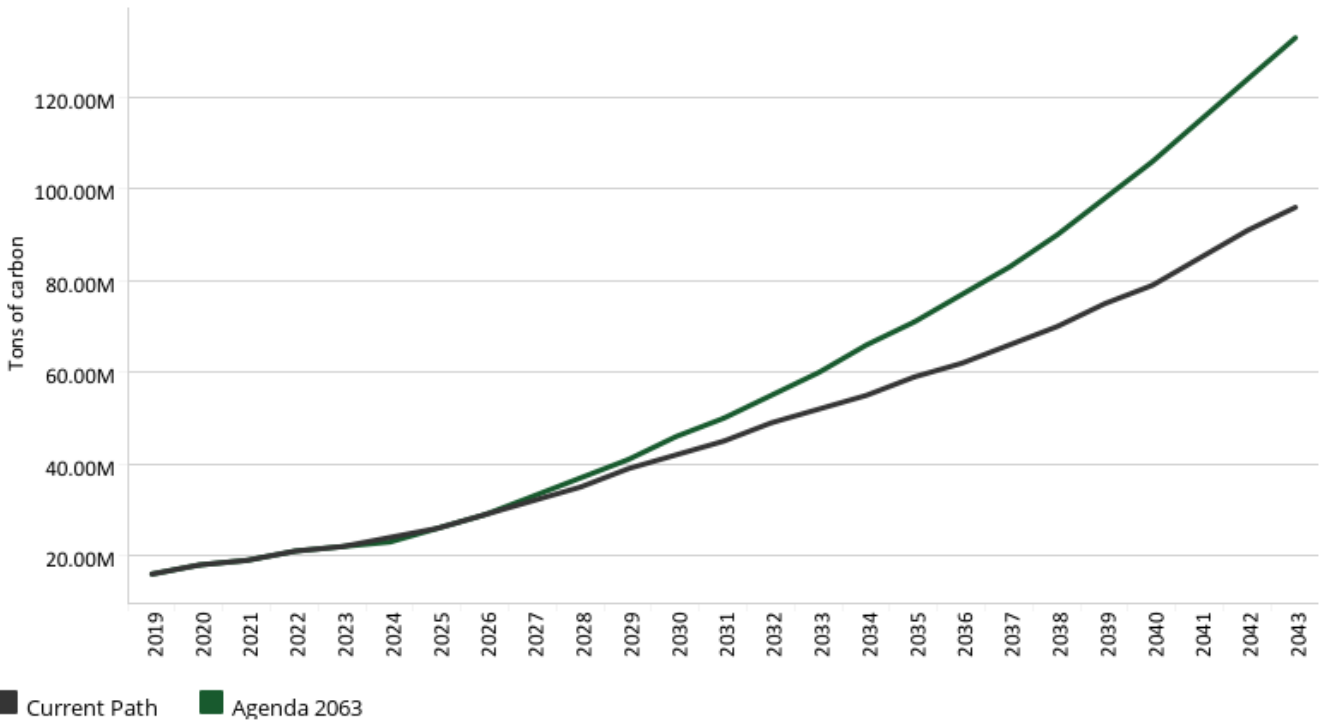
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The combined GDP of the EAC’s seven economies will increase from US\$243.1 billion in 2019 to US\$2 005 billion in 2043 instead of US\$12 008.65 billion in the Current Path forecast. In 2019, Kenya had the largest economy in the EAC at US\$70 billion, followed by Tanzania at US\$60.8 billion. In 2043, Uganda will benefit most from the Combined Agenda 2063 scenario by adding US\$279 billion, followed by Uganda at US\$242 billion. South Sudan and Burundi will add the least to their economies as a result of the Combined Agenda 2063 scenario.

Chart 60: Carbon emissions in CP and Combined scenario, 2019–2043
 Million tons of carbon (note, not CO₂ equivalent)



EAC



Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

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In the Combined Agenda 2063 scenario, the EAC will release 133 million tons of carbon in 2043 compared to 96 million tons in the Current Path forecast. In 2019, the EAC released only 16 million tons of carbon. Tanzania will release additional 15 million tons in the Combined Agenda 2063 compared to the Current Path forecast in 2043 and Uganda 13 million tons.

Endnotes

1. East African Community, [Overview of EAC](#).

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Mustapha Jobarteh joined the ISS in January 2022 as a Senior Researcher in the African Futures and Innovation programme in Pretoria. Before joining ISS, Mustapha was a senior lecturer and Head of the Department of Economics and Finance at the University of the Gambia and a research fellow with the Center for Policy, Research and Strategic Studies. His interests include macroeconomics, international trade and econometric modelling. Mustapha has a PhD in economics from Istanbul Medeniyet University, Istanbul, Turkey.

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