



# African Economic Research Consortium

ANNUAL REPORT  
2015 / 16





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 Banco de Moçambique  
 Reserve Bank of Malawi  
 Central Bank of Nigeria  
 National Bank of Rwanda  
 South Africa Reserve Bank  
 Bank of Tanzania  
 Bank of Uganda  
 Bank of Zambia  
 Reserve Bank of Zimbabwe

*\*\*Up to June 2015*



# African Economic Research Consortium

Consortium pour la Recherche Economique en Afrique

## Annual Report 2015/16

For the period 1 April 2015 to 31 March 2016



AERC Annual Report 2015/2016

Published by: African Economic Research Consortium  
P.O. Box 62882 City Square  
Nairobi 00200, Kenya

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# The African Economic Research Consortium

## Vision

Sustained development in sub-Saharan Africa, grounded in sound economic management and an informed society.

## Mission

To strengthen local capacity for conducting independent, rigorous inquiry into problems pertinent to the management of African economies, through a synergetic programme combining research with postgraduate training in economics.

## Objectives

- i. Enhance the capacity of locally-based researchers to conduct policy-relevant economic inquiry.
- ii. Promote the retention of such capacity, and
- iii. Encourage its application in the policy context.



# Foreword



*Prof. Lemma W. Senbet,  
Executive Director, AERC*

It is with great pleasure that I present to you the African Economic Research Consortium's (AERC) Annual Report 2015/16 for the fiscal year ending March 2016. I hope you will find this report both informative and that it will give you a greater appreciation of this highly integrated knowledge and capacity building organization for the service of sustained African development. In this Annual Report, AERC renders accountability for the key developments in 2015/16. Even more than in previous years, we want the Annual Report to meet the information needs of all our stakeholders: longstanding and newer funding partners, researchers, graduate students, educators, universities and other governmental and non-governmental institutions.

The year 2015/16 marks the first year of the implementation of the Strategic Plan 2015-2020. More than 27 years since its inception, AERC has fostered an enduring, integrated capacity building framework anchored in three pillars: research, collaborative graduate training and policy outreach. These are complemented by a vast network of institutions, researchers, educators, graduate students, international resource persons, and policy makers. The novel features of the current strategy are inclusive capacity building and quality enhancement, global linkages and private sector engagement, enhanced visibility and policy impact, as well as promoting African stakeholder-ship and long-term sustainability of AERC.

It has been an exciting and yet quite a busy year for myself, the staff and management of AERC. Looking back at the activities and programmes running through the year reminds me of just how dynamic we are as a seasoned organization. Despite a busy schedule, we have remained true to our core value – a premier capacity building institution in the advancement of research and training to inform economic policies in sub-Saharan Africa.

This period saw a flurry of activities under programmes for thematic and collaborative research, collaborative graduate training, policy outreach and institutional collaboration. The biannual research workshops featured plenary, concurrent and technical sessions, along with side presentations by our flagship institutional partners, such as AfDB, UNECA and AUC. The core biannual workshops are our enduring delivery mechanisms for capacity building for policy-oriented research involving peer review of early career researchers from around the continent. The peer review mechanism is monitored by international resource persons for greater clarity of the deliverable and clear expectations for the next advanced round of research. You may know that many of those who have been nurtured over the years through the AERC capacity building framework occupy senior positions around the continent. Two biannual research workshops were convened during this period, each featuring a plenary session and a policy roundtable - Arusha, Tanzania (June 2015) and Addis Ababa, Ethiopia, December (2015).

Under the AERC training programme, 71 Collaborative Master's Programme (CMAP) students, including 30 (42%) women, participated in the 2015 Joint Facility for Electives (JFE) held in Arusha, Tanzania, from 29 June–18 September 2015. As for the Collaborative PhD Programme (CPP), 19 students, including 8 (42%) women, attended the 2015 JFE held at the same venue from 29 June–30 October 2015. The Collaborative Master's Programme in Agricultural and Applied Economics (CMAAE) Shared Facility for Specialization and Electives (SFSE) began on 3 August 2015 at the University of Pretoria and ended on 30 November 2015. Eighty-two 82 students attended the SFSE, 38 (46%) of whom were women.

As outlined in the strategic plan 2015-2020, AERC has for the first time, developed a free standing bridge programme to foster inclusive capacity building by addressing underrepresentation by virtue of gender, language barrier, and fragile and post conflict states. It is worth noting that we have begun implementing the bridge programme by tapping into new support by our key institutional partners who share AERC's vision for inclusive capacity building.





In order to enhance best global practice and generate high quality economic policy research and graduate training, focus has been placed on seeking to strengthen national, regional and global linkages with leading policy research institutions, universities and multilateral institutions during the current strategy period. This provides an opportunity for AERC to be mentored and mentor fledgling research and training institutions in sub-Saharan Africa. Several activities were undertaken during the reporting period towards realizing the stipulated strategic objective and associated outcomes. In particular, these activities pertain to collaborative research and institutional collaboration.

Among the collaborative research activities are financial sector development project, understanding growth in fragile and post conflict states, the completion and launch of the book volume on capital flight from Africa. A new collaborative research on regional integration is underway inspired by the new AfDB grant. The activities under institutional collaboration included implementation of the Service Delivery Indicators in health and education (in partnership with the World Bank) through training workshops in Nigeria, Tanzania and Kenya; the Knowledge Platform for Inclusive Development (in partnership with the Dutch Ministry of Foreign Affairs) and AERC Scholar Visitors Programmes (IMF, AfDB, and Oxford - CSAE).

A relatively uncharted area in the AERC Strategic Plan 2015-2020, is engagement with the private sector. The private sector has increasingly been recognized as a key driver of economic growth and development in Africa. During the current strategic plan period, more prominence will be given to private sector linkages so as to enhance development impact of activities of AERC in mutually beneficial areas of interest. In order to achieve the outcomes under this objective, numerous activities were undertaken during the reporting period. Leveraging strategic partnerships for transformative action is a key plank in our programmes. A growing share of our strategic partnerships are now starting to take root in the private sector as we work together on fostering these relationships. I am also pleased to inform you that PTA Bank has just become an institutional member of the Consortium in accordance with the AERC bylaws with a seat on the Board. This follows an exciting development of the Livingstone Resolution of African Central Banks with eleven signatories to become members of the Consortium effective March 2015.

On the policy front, where research meets policy, the eighteenth senior policy seminar that was held in Nairobi, Kenya on March 22-23, 2016 brought together nearly 100 participants, primarily African policy-makers and advisors drawn from the highest levels of government representing 24 countries on the continent. The policy seminar was a timely opportunity to share the lessons emerging from financial inclusion initiatives in Africa and the rest of the world, with relevant policy makers and private sector actors in the continent, inspired by dissemination of AERC Collaborative research and other commissioned papers from thought leaders on the subject. The longstanding AERC senior policy seminar is a forum for promotion of informed policy making based on rigor and evidence through intense dialogue between policy makers and researchers, and among policy makers as well. The forum is also intended to inform AERC in keeping abreast of policy imperatives for its research and training programmes.

During the reporting period, a number of strategies were employed in an effort to sustain, or even increase the resources available for implementation of programme activities under the new Strategic Plan 2015-2020. These include deepening and sustaining strong relationships with current funding partners; re-engaging with previous funders, engaging with non-traditional partners and cultivating sustainability through enhanced African stakeholderhood of AERC. However, our resource challenges remain substantial and this is the time for our longstanding funders to continue to partner with us in an aggressive strategy to put AERC in a more sustainable path.

Finally, we are gratified again to maintain our enduring unqualified audit reports. Together we can usher in a new era that is more sustainable, resilient, and inclusive for AERC. I wish to convey deep gratitude to the AERC management and staff who continue to demonstrate high performance and devotion to AERC and to Africa. The AERC Board and key advisory organs, including the Programme Committee and academic advisory boards have been vigilant in their monitoring and evaluation throughout the reporting period. Huge compliments to the longstanding and new members of the Consortium, and non-member partners as well as our vast network, without whom AERC ceases to exist.

**Prof. Lemma W. Senbet,**  
**Executive Director,**  
**African Economic Research Consortium**





# Overview

The year 2015/16 marks the first year of the implementation of the Strategic Plan 2015-2020. The Strategy, which was approved by the Board at its meeting in March 2015, is contextualized within the evolving African economic environment and challenges.

More than 25 years since its establishment, AERC has fostered an enduring, integrated capacity building framework anchored in three pillars: research, collaborative graduate training and policy outreach. These are complemented by a vast network of institutions, researchers, resource persons, and policy makers.

Today, the economic environment in Africa has greatly changed for the better, and growth is robust, resilient and generally diversified. This can be attributed to improved capacity for economic policy analysis in the continent, better policies and a new breed of policy makers, who are evidence-driven. Many of these policy makers are alumni of AERC.

The novel features of the current strategy are inclusive capacity building and quality

enhancement, global linkages and private sector engagement, enhanced visibility and policy impact, and promoting African stakeholder-ship and long-term sustainability of AERC. Informed by the evolving needs and present development imperatives in sub-Saharan Africa, the strategic objectives for the period 2015-2020 are as follows:

## 2015–2020 Strategic Objectives

1. Enhance capacity building for economic policy research and graduate training in sub-Saharan Africa.
2. Build and strengthen national, regional and global linkages to generate high quality economic policy research and graduate training.
3. Engage the private sector in mutually beneficial research and training activities to enhance innovation, and to deepen and broaden AERC capacity building.
4. Enhance AERC visibility, outreach and policy engagement to maximize the uptake of AERC products in policy.
5. Maximize mutual benefits through diversified resource base and stakeholder-ship for sustainability.



*Members of the AERC Programme Committee and AERC management staff take positions for a photograph after a PC meeting that was held recently in Nairobi, Kenya.*



## Programme progress

During this period AERC continued to utilize the enduring capacity building framework encompassing research, graduate training, and policy outreach. Two biannual workshops were held in June and December 2015. The June 2015 Biannual Research Workshop was held in Arusha, Tanzania on 31 May- 4 June 2015, bringing together 108 researchers drawn from 24 African countries. The December 2015 biannual research workshop was held in Addis Ababa, Ethiopia, on 29 November-3 December bringing together 98 researchers from 23 African countries. There was an increase in the proportion of women presenting thematic research reports, whereby the June 2015 biannual witnessed 21% women participation, while the December biannual featured 20% women participants, compared with 18% in December 2014. A total of 20 researchers in each of the two biannual research workshops were drawn from fragile and post-conflict countries.

As has become a tradition, the plenary session marking the commencement of the research workshop was held on the first day of each biannual research workshop. The June 2015 plenary session, held under the theme Sovereign Wealth Funds and Natural Resource Management in Africa, was officially opened

and chaired by Her Excellency Ambassador Amina S. Ali, Permanent Representative of the African Union Mission to USA while that for December, under the theme Agriculture and Structural Transformation in Africa, was officially opened and chaired by Dr. Anthony Mothae Maruping, Commissioner for Economic Affairs, African Union Commission (AUC). The two biannual research workshops had researchers from under-represented countries, such as Burundi, Burkina Faso, Chad, Congo, the Democratic Republic of Congo, Guinea, Liberia, Malawi, Mauritania, Sierra Leone, and Togo.

Plenary sessions provide a forum for updating researchers on frontier knowledge and raising policy makers' awareness on topical issues. The sessions also engage a panel of policy makers, private sector actors and senior scholars in a public-private roundtable discussion. Among the plenary participants in June and December were policy makers, donors, researchers, academia, and the private sector, including AERC key partners, such as the International Development Research Centre (IDRC), the World Bank, International Monetary Fund (IMF), Swedish International Development Cooperation Agency (SIDA), United Nations University World Institute for Development Economics Research (UNU-WIDER), and United Nations Economic Commission for Africa (UNECA). The AERC

Executive Director, Prof Lemma Senbet gave opening remarks focusing on the AERC capacity building framework and the positioning of the plenary session in this framework.

The 2015/2016 period also saw a flurry of activities under programmes for collaborative research and institutional collaboration. The activities under collaborative research included holding final review workshops for the capital flight and financial sector projects. AERC organized the launch of the book *Capital Flight and Tax Havens* in Oslo, Norway, in December 2015, as part of broader dissemination of the work, and in recognition of NORAD as the sponsor of this project. Moreover, this period was marked by implementation of the new collaborative research project on growth and fragility, funded by IDRC. The call was sent out in May 2015 and proposals were received by mid-September 2015. These have since been reviewed and the project was officially launched in March 2016. AERC also issued a call for proposals for country case studies under the Financial Sector Reforms and Development Project. Ninety-eight proposals were received.

The activities under institutional collaboration included implementation of the Service Delivery Indicators basic training workshops in Nigeria and Tanzania, and Advanced Service Delivery indicators training in Kenya and Tanzania. During this period, AERC held



*Prof. Njuguna Ndung'u, former Governor, Central Bank of Kenya addressing participants at a workshop in Nairobi hosted by the African Economic Research Consortium (AERC) and INCLUDE. INCLUDE is one of five knowledge platforms established by the Netherlands Ministry of Foreign Affairs to promote the use of knowledge in the formulation and implementation of inclusive development policies.*

a seminar in collaboration with the Chinese Embassy in Nairobi on the China-Africa Cooperation on the Three Networks of Africa's infrastructure (rail, road and air). In partnership with the Knowledge Platform on Inclusive Development Policies (INCLUDE) of the Dutch Foreign Ministry, AERC successfully organized two Knowledge Platform meetings. The first was held in Nairobi from 11-12 May 2015 while the second meeting took place in Leiden, The Netherlands, on 15-16 October 2015.

The other activities under institutional collaboration included visiting scholars and internships programmes, such as the AERC/IMF Programme, the AERC/Journal of African Economies Programme, AERC/African Development Bank Programme, and the IFAD-AFRACA Programme. The AERC/Journal of

African Economies Visiting Scholars Programme enables network members who have completed an AERC-supported research project to visit the University of Oxford, where they participate in academic and research activities at the Centre for the Study of African Economies (CSAE), write a publishable journal article from their research reports and present their research output at a seminar. Twenty-four researchers have participated in the programme over the period 2007– June 2015.

The AERC/IMF visiting scholar programme provides AERC researchers an opportunity to work on their work-in-progress or final reports using facilities at the International Monetary Fund (IMF) and to interact with IMF staff in their areas of research. The AERC researchers are now being hosted by the Research Department and the African

Region of the IMF following the signing of the MOU in 2015.

The AERC/African Development Bank Scholars Exchange Programme is designed by the Research Department of the African Development Bank (AfDB), whereby new graduates under the AERC collaborative training programmes, particularly doctoral programmes, are given an opportunity to spend up to three months at the AfDB offices in Abidjan, Côte d'Ivoire, to deepen their research competencies. Visiting AERC researchers work on topics arising from their dissertation with a view to deriving publishable papers, which are included, where applicable, in the working paper series of the Bank. Moreover, the research fellows have dedicated mentorship, including from senior management, so as to enhance their skills and





exposure to practical issues related to development financing and challenges of Africa's transformation.

Under the AERC training programmes, 71 CMAP students, including 30 (42%) women, participated in the 2015 Joint Faculty for Electives (JFE) held in Arusha, Tanzania, from 29 June–18 September 2015. The JFE was opened by the Executive Director who used the occasion to describe how the collaborative training programmes were being integrated into the overall AERC capacity building framework. Under the CPP, 19 students, including 8 (42%) women, attended the 2015 JFE held at the same venue from 29 June–30 October 2015. The CMAAE Shared Facility for Specialization and Electives (SFSE) began on 3 August 2015 at the University of Pretoria and ended on 30 November 2015. Eighty-two 82 students attended the SFSE, 38 (46%) of whom were women.

Meanwhile, scholarships under the three collaborative training programmes were awarded to 13 CMAP, 49 CMAAE, and 21 PhD/CPP students admitted in 2015/2016. Out of the 49 CMAAE scholarships, DAAD for the first time supported scholarships awarded to three in-country and in-region students to undertake their PhD in Agricultural Economics at the Jaramogi Oginga Odinga University, the Jomo Kenyatta University of Agriculture and Technology, and at the Egerton University. In terms of gender

distribution, 54% of CMAP, 37% of CMAAE and 33% of CPP scholarships were awarded to female students in 2015/2016. All students are currently undertaking their first year of studies at their respective universities. Scholarships were also renewed for 15 CMAP, 40 CMAAE and 42 CPP continuing students. Thesis research grants for five second-year CMAAE students were provided under a sub grant from the Rutgers Consortium targeting countries and themes under the Feed the Futures programme.

The period witnessed the continued implementation of measures to ensure that the masters' programme in category C universities maintains the level of quality that has been the hallmark of the CMAP. To accomplish this, the following measures, first introduced in 2012, were maintained: continued membership in the CMAP Academic Advisory Board of heads of schools/departments of Economics at the category C universities; engagement of joint external examiners for both category B and category C universities; and monitoring visits conducted to the category C universities to monitor quality of teaching of core and elective courses. In support of the capacity of universities that collaborate in the AERC programmes to maintain high quality standards, operating grants were issued to all CMAP category B and C universities,

as well as the CPP universities. The programme supported faculty capacity building through the lecturer exchange programme.

One major milestone that was achieved during the reporting period is the merging of the CMAP and PhD academic advisory boards and sub-committees into one with the primary goal of maximizing value from synergy. A joint meeting of the full academic advisory boards of CMAP and CPP was held on 30 October 2015 at the Ngurdoto Mountain Lodge in Arusha, Tanzania, where the proposal to merge and to change the operational modalities of the newly reconstituted CMAP-CPP Academic Advisory Board and Sub-Committees was unanimously endorsed. The changes will take effect beginning May 2016, when the three newly reconstituted sub-committees and the merged CMAP-CPP Academic Advisory Board will hold their first meeting to approve the CPP JFE and comprehensive examination results, as well as the venue and the list of elective courses and visiting lectures for the 2016 JFE.

As a means to enhance best global practice and generate high quality economic policy research and graduate training, focus has been placed on seeking to strengthen national, regional and global linkages with leading policy research institutions, universities and multilateral institutions during the current strategy



*Signing a grant: Prof. Lemma W. Senbet, Executive Director, African Economic Research Consortium (left) and Mr. Gabriel Negatu, Regional Director for Eastern Africa, African Development Bank (AfDB) signing a grant of UA5 million (US\$ 7 million) to finance AERC's knowledge generation and capacity building activities.*

period. This provides an opportunity for AERC to be mentored and also mentor fledgling research and training institutions in sub-Saharan Africa. Several activities were undertaken in partnership with national, regional and global partners during the reporting period towards realizing the stipulated strategic objective and associated outcomes. AERC continues to emphasize increasing partnerships in relation to work on agriculture and related issues, in alignment with the emphasis on agriculture as a dedicated theme in the current thematic research strategy.

As for private sector engagement, which is a new territory for AERC, efforts have begun with the utilization of the existing platforms for enhancing participation of private sector actors,

particularly at the biannual workshop policy roundtable and the CMAAE thesis dissemination.

In order to enhance the brand and strengthen the value proposition of AERC, communication and outreach remains one of the key instruments during this strategic plan period. Dissemination of research outputs helps boost interaction among researchers and policy communities, hence making widely known the programme activities of AERC. During this period, the production of research outputs and other promotional materials continued, while regular updates to the network members and other partners were done, with AERC taking advantage of key events to disseminate information to a wide range of stakeholders.

## Maximizing mutual benefits through a diversified resource base and stakeholder ship

As stipulated in the strategic plan 2015-2020, AERC has put in place considerable efforts towards enhanced sustainability through a diversified and broadened stakeholder base. Various activities were carried out in April-June 2015 towards realizing the stipulated strategic objective and associated outcomes.

A number of strategies were employed in an effort to increase the resources available for implementation of programme activities. These include deepening and sustaining strong relationships with current funding partners; re-engaging with previous



funders; enhancing engagement with African governments and institutions; engaging with non-traditional partners; and, capitalizing on the vast network and alumni base.

Through these efforts new commitments were made by existing funders towards the new strategy. The African Development Fund (ADF) has approved a three-year grant of UA 5.0 million (US\$7.0 million) in support of AERC research capacity and knowledge enhancement. The African Development Bank (AfDB) funding is in addition to the initial grant of US\$720,000 awarded by the AfDB towards the Researchers Exchange Programme.

Deepening and sustaining strong relationships with current members of the Consortium have paid off. Besides the March 2015 AERC Board meeting, members had a separate meeting and all present reaffirmed their continuing membership in the Consortium and support of the AERC Strategic Plan 2015-2020. The only member not present was the Norwegian Agency for Development Cooperation (NORAD), which reaffirmed its membership in the Consortium.

Since then there have been major commitments from Consortium member institutions. DFID has committed US\$8.6 million to the strategic plan. DFID has also pledged an additional US\$1.8 million in quality

incentives. Likewise, SIDA has committed a grant of US\$8 million (SEK 72 million) in support of the five-year plan; and BMGF has provided a grant of US\$1.5 million in support of the CMAAE programme.

In addition, DANIDA has provided support for the first year of the strategy and has also committed to the second year of the plan. NORAD has provided a bridge support of US\$307,000 (NOK 2.7 million), while awaiting the longer term support due to budgetary considerations. A contribution agreement of US\$200,000 from the World Bank was signed, while Global Development Network (GDN) committed funding of US\$149,000 over a one-year period. Among the other Consortium members, the World Bank has provided US\$200,000 for the current period and is expected to continue to do so annually for the rest of the strategic plan. Likewise, GDN has provided a grant of US\$149,000 and is expected to continue to do so annually for the rest of the strategic plan.

A successful re-engagement with the International Development Research Centre (IDRC) has culminated in the awarding of a grant of US\$1.2 million in support of inclusive capacity building with a special focus on fragile states. The project activities will be undertaken over a period of three years. In addition, following encouragement by IDRC for AERC to submit

another proposal for support to the training programme, a full training proposal has been submitted.

There has been relentless effort to re-engage the United States Agency for International Development (USAID) in support of the new strategy, and the outcome has been positive. At a Washington meeting of the Executive Director and the Africa Bureau of USAID, it was confirmed that USAID is going through its internal process for packaging support to AERC. In addition, the USAID has provided a bridge grant through GDN of US\$285,000 while awaiting the longer term arrangement.

The Executive Director held a productive meeting with the Head of the European Union Delegation to Kenya where prospects for collaboration were discussed. Discussions continue with Chinese institutions in relation to the Forum on the China-Africa Cooperation (FOCAC) initiative.

Efforts continued in reaching out to African governments and institutions as a key strategy for sustainability of the Consortium. This culminated in the historic convening of 12 African central banks in Livingstone, Zambia, in March 2015; eight of them signed the Resolution for Central Banks to become members of the Consortium in accordance with AERC bylaws. Since then, three of the remaining four banks -- Mozambique, Nigeria, and Zambia -- have signed



the Livingstone Resolution. In terms of disbursements, considerable progress has been achieved, with six central banks having already released funds to AERC for 2015/16 under the individual contribution agreements. The AERC Board, at its March 2015 meeting, officially approved the membership of the Banks in the Consortium, and the Governors' Forum will be represented by a group director on the Board.

The Governors' Forum members gathered in Lilongwe, Malawi, in January 2016, for the annual Central Bank Governors' Forum meeting which was hosted by Governor Charles Chuka of the Reserve Bank of Malawi. The governors and deputy governors representing the member banks reaffirmed their commitment to AERC, pointing out that AERC is an important institution and partner for sustained African development.

They commended AERC's contribution to capacity building in research and training as all Central Banks represented (and many more) had benefited immensely from AERC products. They urged AERC to continue to articulate and communicate its value propositions to the stakeholder segments more aggressively, consistent with the current Strategic Plan, 2015-2020.

Forum members also challenged AERC to reach out to pan-African banks and institutions by holding

workshops and seminars on key themes of interest, and inviting them. Partnerships between AERC and individual central banks may include internships and student scholarships, with inputs on curriculum development for collaborative training programmes. Avenues for membership expansion of the Forum beyond the annual contribution, such as contributing to the RIEF or providing one-off support, were also discussed.

In support of these resource mobilization efforts, AERC has ensured compliance with grant conditions, which include timely donor reporting, adherence to procurement guidelines, stringent administrative and financial measures and delivery of implementation plans. Meanwhile, other efforts towards broadening the stakeholder base have focused on establishing new partnerships.

### Improving the human resource, administrative and financial management capacity for effective programme delivery

The importance of having proper structures in place is seen as a key driver to the implementation of the strategy 2015-2020. There is a need to review the Secretariat's current organizational structure, which

was last revised in 2010, and its suitability to support the new strategy. In this regard, a structural review took place in the second quarter of the year. The performance management system was reviewed with the view to strengthen its objectivity, measurement and evaluation criteria and linkages to reward system. Staff performance reviews for 2014/15 were also completed.

The annual statutory audit for AERC for the period, April 2014 to March 2015, was conducted in May 2015 together with specialised audits for the ACBF CPP II and CMAAE II projects as well as the World Bank-funded Service Delivery Indicators (SDI) project. The reports were forwarded to the respective donors, and the AERC annual audit report was discussed and approved at the July 2015 Executive Committee of the Board.

In order to increase the operational efficiency, plans are at an advanced stage for an integrated Enterprise Resource Planning (ERP) system implementation. With a vendor now identified, it is expected that a project manager will be hired to work hand in hand with the Management team appointed to oversee the project implementation. Furthermore, additional equipment would be procured to meet the minimum requirement for the ERP platform.

The ERP system is expected to enhance and integrate





*Prof. Lemma W. Senbet, Executive Director, AERC, stressing a point to Dr. Caleb Fundanga, Executive Director of the Macro Economic and Financial Management Institute (MEFMI) and Dr. Keith Jefferis of Econsult, Botswana during a biannual research workshop held in Arusha, Tanzania. Looking on is Her Excellency Ambassador Amina S. Ali, Permanent Representative of the African Union Mission to the United States, who was the Chief Guest at the conference.*

the current manual and separate automated systems of accounting, grants management, procurement and human resource management. Part of the ERP integration will include the Research Management System currently under development. Thus far, the paper submission and review workflow modules have been completed.

This will see the research processes integrated with grants administration and the finance modules of the ERP. The interface requirements and impact of this integration to the completed modules are currently under review. Further development will be in tandem with the ERP system expected to take a period of 12 months.

### Programme progress

Programme activities in 2015/16, the first year of the current strategic plan, kicked off on a high note for the research, training, and policy outreach activities. This report provides details of the progress made towards the realization of the strategic objectives and associated outcomes.



# Enhance capacity building in economic policy research and graduate training in sub-Saharan Africa





## Enhance capacity building in economic policy research and graduate training in sub-Saharan Africa

**T**he 2015-2020 strategy pays specific attention to quality enhancement in research and graduate training and inclusive capacity building. Previous external evaluations have pointed out several gaps in research and training, including: (1) reaching global standards of research and training excellence; (2) addressing the uneven distribution of capacity building by gender and geography (fragile and post-conflict countries); and (3) addressing the emerging policy priorities and new methodologies.

The outcomes under the strategic objective are presented together with the key activities undertaken during the reporting period.

### Enhanced pool of locally based economists in sub-Saharan Africa with improved skills and competencies to conduct economic policy research and teaching at universities

#### Thematic research

The AERC thematic research modality of “learning-by-doing” remains a key avenue for enhancing the pool of locally based economists in sub-Saharan Africa with improved skills and competencies to conduct economic policy-relevant research. Thematic research features the biannual research workshop which is the main vehicle for peer review process intended to maintain and yield high quality research output on topical African economic development issues. As outlined in the strategic plan 2015-2020, AERC aims at increasing the number of researchers completing thematic research papers, from the baseline of 560 in March 2015 to 690 by the end of the plan period as a way of achieving

this outcome. AERC is on track to achieving this outcome. By the end of March 2016, the cumulative expected number of researchers who have finalized their reports was 610, up from 560. The thematic research activities that have been instrumental in contributing towards the achievement of this outcome are outlined below.

#### The biannual research workshop

The biannual workshop features Plenary Sessions on the first day followed by three days of five concurrent sessions. The fourth day is devoted to technical sessions involving individual researchers and resource persons for greater clarity of the outcome of the peer review mechanism and forming clear expectations for the next advanced round of research. Two biannual research workshops were convened during the period April 2015 to March 2016, each featuring a plenary session and concurrent sessions, and a policy roundtable.

The first biannual workshop of the Strategic Plan 2015-2020 was held in Arusha, Tanzania, from 31 May to 4 June 2015, with a total of 108 researchers (27 of whom were CPP students) in attendance. The thematic researchers and CPP participants were drawn from 24 African countries. Out of the 81 thematic researchers, 17 participated for the first time and 27 (21%) were female participants (excluding CPP students). A total of 25 CPP students (nine of whom were women) defended their thesis proposals, while two students (one woman) presented their post-field work reports. Concurrent sessions at the biannual research workshop featured 91 presentations involving 23 proposals, 23 interim reports, 18 final reports, and 27 CPP thesis proposals. Of the 23 proposals, 14 were recommended to proceed to the interim report stage, four were approved for the award of proposal revamp grants, three were





recommended for revision and presentation at future biannual workshops, and two were recommended for withdrawal.

The second biannual workshop was held in Addis Ababa, Ethiopia, from 29 November to 3 December, 2015 – marking the first time a biannual workshop was held in Ethiopia. A total of 98 researchers (of whom 22 were CPP students) attended the workshop. Out of the 76 thematic researchers, 17 participated for the first time and about 20 (20%) of the researchers were female participants. A total of 22 CPP students (seven of whom were women) defended their thesis post-field work reports. Together, the researchers and CPP participants were from 23 African countries. The concurrent sessions featured 82 presentations involving 25 proposals, 14 interim reports,

21 final reports and 22 CPP thesis post-field reports. Of the 25 proposals presented, 19 were recommended to proceed to the interim report stage, one was approved for the award of proposal revamp grants, one was recommended for revision and presentation at future biannual workshops, and four were recommended for withdrawal.

The presentations in the two biannual workshops covered a wide range of topics across the five thematic areas. Researchers from under-represented countries (such as Burundi, Burkina Faso, Chad, Congo, DRC, Guinea, Ethiopia, Liberia, Malawi, Mauritania, Tanzania, Sierra Leone, Togo and Zimbabwe) participated in the workshops. Following the outcome of the two biannual workshops, 35 thematic research grants, five of which

were proposal revamp grants, were awarded.

It is worth noting that the number of CPP and CMAP graduates participating in thematic research is gradually increasing. Thirteen CPP graduates presented their thematic research reports during the June 2015 biannual research workshop while seven CPP and five CMAP graduates presented their thematic research proposals in December 2015. Moreover, the link between technical workshops and thematic research continues to bear fruit, as evidenced by the participation of five and six researchers at the June and December 2015 biannual research workshops, respectively – having sharpened their research skills at past technical workshops.



*Participants keenly following discussions at a seminar on “China-Africa Cooperation on Three Networks of Africa’s Infrastructure and Industrialization” held in Nairobi, Kenya. The policy roundtable sessions discussed deepening China-Africa cooperation.*

## 2015 Plenary sessions

Plenary sessions, marking the commencement of the biannual research workshops, are renowned as vehicles for updating researchers and policy makers on frontier topics in the economics discipline. Two plenary sessions were held during the reporting period.

The 42nd Plenary Session on *Sovereign Wealth Funds and Natural Resource Management in Africa*, which was held in June 2015, was officially opened and chaired by Her Excellency Ambassador Amina S. Ali, Permanent Representative of the African Union Mission to USA. She appreciated the timeliness of the topic, its important contribution to knowledge and the lively discussions, pointing out that the topic was relevant to most African countries. The Executive Director's opening remarks focused on the AERC capacity building framework and the positioning of the plenary session in this framework.

Three commissioned papers were presented during the June 2015 Plenary Session. The first paper on *Resource Funds: Stabilizing, Parking and Intergenerational Transfer* was presented by Dr. Samuel Wills, University of Oxford. Discussions on the paper were led by Dr. Amadou Sy, The Brookings Institution, USA. The second paper on *Sovereign Wealth Funds and Infrastructure Investment in Africa* was presented by Dr. Rabah Arezki,

International Monetary Fund (IMF), USA and discussed by Dr. Keith Jefferis of Econsult, Botswana. The third paper on *Why Should Countries Save Resource Revenues When Demands for Social and Physical Infrastructure are Pressing?* was presented by Dr. Amaoko-Tuffour, St Francis Xavier University, Canada, and discussion on the paper was led by Dr. Domenico Fanizza, International Monetary Fund (IMF), USA. Open floor discussions on the paper were lively with participants taking keen interest in the content of the papers presented. The papers will be published in a special issue of the *Journal of African Economies* once they are revised, taking into account comments received.

The June 2015 plenary session attracted a broad range of participation by policy makers, donors, researchers and academia. Among the international participants were staff of the International Development Research Centre (IDRC), the World Bank, International Monetary Fund (IMF), Swedish International Development Agency (SIDA), and the United Nations University World Institute for Development Economics Research (UNU-WIDER).

The 43rd Plenary Session on *Agriculture and Structural Transformation in Africa* was officially opened and chaired by Dr. Anthony Mothae Maruping, Commissioner for Economic Affairs, African Union Commission (AUC).

He noted that the topic of the plenary session was timely and emphasized the important role and contributions of agriculture to the economies of most African countries. The AERC Executive Director gave welcoming remarks focusing on and emphasizing the AERC capacity building framework and the positioning of the plenary session in that framework. The plenary session attracted a broad range of participation by policy makers, donors, private sector, researchers and academia. Among the international participants were staff of the International Development Research Centre (IDRC), African Union Commission, Mfarm Limited, the World Bank, International Monetary Fund (IMF), PTA Bank, UNU-WIDER, ACBF and UNECA.

Three commissioned papers were presented during the December 2015 Plenary Session. The first paper on *The Structural Transformation of Rural Africa: On the Current State of African Food Systems and Rural Non-Farm Economies*, was co-authored by Prof. Christopher B Barrett, Cornell University, USA; Dr. Luc Christiansen, the World Bank, USA; Dr. Megan Sheahan, Cornell University, USA; and Dr. Abebe Shimeles, AfDB, Cote D'Ivoire and presented by Dr. Luc Christiansen. Discussions on the paper were led by Prof Yaw Nyarko, New York University, USA. The second paper on *An African Green Revolution: Past Failures and Future Prospects* was



presented by Prof. Keijiro Otsuka, GRIPS, Japan and discussed by Dr. Adama Coulibaly, United Nations Economic Commission for Africa (UNECA), Addis Ababa, Ethiopia. The third paper on *Pathways Less Explored – the Nature and Significance of Aspirations in Agricultural Transformation* was presented by Dr. Alemayehu Seyoum Taffesse, IFPRI, Ethiopia, and discussion on the paper was led by Prof. Rodney Smith, University of Minnesota, USA. Open floor discussions on the papers were very lively. The papers will be published in a special issue of the *Journal of African Economies* once they are revised, taking into account comments received.

### The June and December 2015 Public-Private Policy Roundtables

The June and December 2015 plenary sessions concluded with a public-private sector roundtable policy discussion. The June 2015 public-private sector roundtable policy discussion was chaired by Her Excellency Ambassador Amina S. Ali, and moderated by Dr. Caleb Fundanga, Executive Director, Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), Harare, Zimbabwe. The discussions were based on the June 2015 plenary topic with the aim of linking it to practical steps taken in various African countries. The panelists were Dr. Keith Jefferis, Econsult, Botswana;



*A group session in one of the AERC's biannual research workshops. The workshop is one of AERC's flagship events. Each of the biannual research workshops attracts about 200 researchers, academics, policy makers and other economists who participate in the Research Programme.*

Prof. Kinandu Muragu, Kenya School of Monetary Studies (KSMS), Kenya; Dr. Amadou Sy, the Brookings Institution, USA; Dr. Domenico Fanizza, IMF, USA; Dr. Precious Zikhali, World Bank, South Africa and Dr. Adolf Mkenda, Ministry of Finance and Economic Affairs, Tanzania.

The December 2015 public-private sector roundtable policy discussion was chaired by Mr. Admassu Tadesse, President and Chief Executive Officer of the PTA Bank. As in the case of the June roundtable discussion, the discussions for the December 2015 aimed at linking the December 2015 plenary topic – Agriculture and structural transformation in Africa – to practical steps being taken in various African countries. The panelists were Prof. Mthuli Ncube, Oxford University, UK and chair of AERC Board; Ms. Linda Kwamboka, MFarm Limited, Kenya; Dr. Eleni Zaude Gabre-

Madhin, CEO Elleni LLC and former CEO, Ethiopia Commodity Exchange, and Prof. Yaw Nyarko, New York University, USA.

### Student enrolment into the collaborative training programmes

The scholarship selection process was successfully completed in September/October 2015. A total of 13 CMAP scholarships were awarded to students admitted in various Category B and C universities, a drop from 19 and 15 scholarships awarded in 2014/2015 and 2013/2014, respectively. The drop in the award of scholarships was occasioned by resource constraints. In terms of gender distribution, 54% of the scholarships were awarded to female students in 2015/2016, a slight increase compared with 53% in 2014/2015 and 47% in 2013/2014. On the regional representation front,





seven scholarships were awarded to students from seven underrepresented countries: Angola, Burundi, Gambia, Rwanda, Sierra Leone, Swaziland and Zambia. Studies have commenced in all Category B and C universities, and students are expected to participate at the 2016 JFE upon completing their first year of study.

The threat of Ebola, however, remained a major challenge in 2015, resulting in one student from Sierra Leone, who was awarded a scholarship to study at the University of Nairobi, being forced to defer his studies to 2016 after he was barred from traveling to Kenya from Sierra Leone while on transit in Abidjan, Cote d'Ivoire. A similar challenge had been experienced in 2014, when a Liberian student admitted at the University of Nairobi was forced to postpone his studies following a travel ban issued by the Government of Kenya to and from Ebola risk countries. We are pleased to report that the Liberian student commenced his studies at the University of Nairobi in 2015.

Under the CMAAE, a total of 49 scholarships, of which three were DAAD-funded PhDs, were awarded in 2015/16. The 46 MSc scholarships were awarded to first year students admitted at the eight accredited universities (University of Nairobi, Egerton University, University of Zimbabwe, Lilongwe University of Agriculture and Natural Resources (LUANAR) – Bunda Campus, Sokoine University

of Agriculture, Haramaya University, Makerere University and University of Pretoria). Except for the University of Pretoria that commenced its academic year in January 2016, the rest began their academic year in September/October 2015. In terms of gender distribution, 35% of the scholarships were awarded to female students, which is significantly lower than 58% in 2014/2015 and 50% in 2013/2014.

A total of 17 scholarships were awarded to CPP Class of 2015 students admitted at the eight CPP Degree-Awarding Universities (Benin, Cape Town, Cocody, Dar es Salaam, Ibadan, Nairobi, Yaoundé II and Witwatersrand). An additional four scholarships were awarded to CPP Class of 2016 students admitted at the Universities of Cape Town and Witwatersrand, whose classes commenced in January 2016, and who are expected to participate at the CPP JFE in 2017. This is unlike their counterparts from other universities, who despite being admitted into the programme at the same time, began their first year of study in October/November 2015, and are expected to participate at the JFE in 2016. Out of the 17 CPP Class of 2015, 12 are Kenyans funded under the AERC/ Government of Kenya Capacity Building for Policy Analysis Project, while the remaining five are students from other nationalities funded by other donors. In terms of gender distribution, five (29%) of the CPP Class of 2015 students

are female. This is a significant drop from 44% in 2014 and 38% in 2013. Out of the four CPP Class of 2016 students admitted at the universities of Cape Town and Witwatersrand, two are female.

A significant drop in the award of scholarships from 26 in 2013 to 18 in 2014 and 17 in 2015 can be attributed to a decline in earmarked funding for the CPP following the close-out of some grants, such as the AfDB grant in September 2012 and the ACBF grant in September 2014. Due to the limited number of non-Government of Kenya scholarships, a limited number of scholarships were awarded to students admitted at the Universities of Benin, Cocody, Dar es Salaam, Ibadan, Yaoundé II and Witwatersrand. As a result, the teaching of core courses at the Universities of Ibadan and Yaoundé II, which are host-degree awarding universities, has not been cost effective. The continuous need to meet the increasing demand for scholarships calls for collective effort to enhance African stakeholder support as well as diversification of funders for long term sustainability of the CPP. In this respect, the CMAP shortfall was funded by a one-off grant from the Governors' Forum, and a bridge support from Norad was used for CPP.

In April 2015, a total of 42 PhD scholarships were renewed for continuing students in the class of 2012 (15), 2013 (26), and one for a Government of Kenya-sponsored student studying in





Germany. Scholarships were also renewed for 40 CMAAE and 15 CMAP continuing students who had successfully passed their 2014 SFSE/JFE examinations.

Meanwhile, a total of 19 CMAP and 17 CPP students awarded scholarships in 2014 completed their first year of coursework and have undertaken elective courses at the 2015 JFE. The 27 CMAAE students awarded scholarships in 2014 participated at the 2015 SFSE at the University of Pretoria and are currently writing their thesis. We are pleased to report that by March 2016, the cumulative number of CMAP, CMAAE and CPP alumni was 2,691, 614 and 169, respectively.

## Enhanced generation and use of high quality economic policy-relevant research

To enhance the generation and use of high quality economic policy-relevant research, AERC aims at having several of the thematic research reports published in quality peer reviewed journals. A first step is to have the reports published as AERC research papers then have them published in quality peer reviewed journals. Towards meeting this outcome in the year 2015/2016, twenty-five research papers were published, bringing the total of thematic research papers published by AERC to 309 from a baseline of 284 in January 2015. Mechanisms

are being put in place to track publications by thematic researchers in peer reviewed journals and to enhance their ability to publish in leading international journals through mentorship by senior researchers and resource persons. To help with tracking and monitoring of thematic research projects, AERC is working on an online paper submission and tracking system that will be integrated into the ERP system.

## Enhanced capacity of universities to conduct graduate-level economics teaching and policy oriented research that is relevant to African development needs

### Change of status of CMAP, CMAAE and CPP universities

Over the past three years, AERC has received a number of applications from collaborating universities seeking to be graduated in status. During the year 2013/2014, for instance, three CMAP Category A universities, namely: Kenyatta University in Kenya, Kwame Nkrumah University of Science and Technology in Ghana, and University of Zambia, applied to be graduated to Category B. The Category B universities comprise degree awarding departments that have sufficient number of suitably qualified members of staff to teach core courses and supervise MSc

thesis. Applications were also received from four universities wishing to join the CPP degree-awarding university status. These are: Addis Ababa University in Ethiopia, University of Botswana, University of Mauritius and University of Abomey-Calavi in the Republic of Benin.

Both Addis Ababa University and the University of Botswana are long-time members of the CMAP, with Addis Ababa being in Category C and Botswana being in Category B. Two CPP non-host degree-awarding universities, namely, University of Felix Houphouët-Boigny<sup>1</sup> in Abidjan, Côte d'Ivoire, and University of Nairobi in Kenya, have submitted applications to be graduated to host degree-awarding university status. The University of Mauritius has also submitted an application to join the CPP as a degree awarding university. The timing of the graduation of universities across CMAP, CMAAE and CPP would be important given the possible financial implication. An Ad hoc Committee of the Academic Advisory Board of CMAP and CPP has been appointed to appraise the relevance and effectiveness of the current operational modalities of the two programmes given the unification of the advisory academic boards of CMAP and CPP, as well as the preparedness of network

<sup>1</sup> Felix Houphouët-Boigny University (Université Félix Houphouët-Boigny) was previously the University of Cocody in Abidjan, Cote d'Ivoire.



*Participants listen keenly to a presentation during one of the African Economic Research Consortium's plenary session in a biannual research workshop.*

universities to be graduated to the next level. The report of the Committee was tabled before the full Academic Advisory Board of CMAP and CPP in April/May 2016.

Under the CMAAE, Haramaya University in Ethiopia has been accredited, bringing the total number of accredited universities to eight. The University admitted its first cohort of students in October 2015.

### **Supporting CMAP, CMAAE and CPP universities**

Annual operating grants were issued to all participating CMAP and CPP universities during the period in support of their operations for the 2015/16 academic year. These grants cover programme operating costs, allowances to university officials involved in programme implementation and fees for students (including thesis supervision fees). Expenditure on maintenance

of computers and other equipment is also covered by the grants. Hence, among other things, the grants improve teaching and research facilities at the universities as part of AERC's institutional capacity building. During the reporting period, AERC renewed service grants to eight universities for the CPP Class of 2012 and 2013.

### **Faculty capacity building: exchange programme and retooling workshops**

During the reporting period, AERC supported visits by one lecturer each to the CPP host-degree awarding universities of Dar es Salaam and Cape Town to teach Microeconomics and Macroeconomics, respectively, and two to University of Yaoundé II to teach Microeconomics and Quantitative Methods.

The Living Standards Measurement Surveys (LSMS) retooling workshop was held

from 12-15 October 2015 in Lusaka, Zambia. Dr. Antonio Scognamillo from the University of Florence, who was identified to carry out the training by both the World Bank LSMS unit and AERC, took 12 participants through an intensive three-day programme. The workshop was expected to strengthen the research capacity of these members of network universities.

### **Enriching the learning experience: SFSE and JFE, including courses mounted at regional SFSEs**

The 2015 CMAP and CPP Joint Facility for Electives (JFE) commenced successfully on Monday, 29 June 2015 at Ngurdoto Mountain Lodge in Arusha, Tanzania. The venue of the JFE was selected due to the ongoing construction and renovation works at the Kenya School of Monetary Studies in Nairobi, which in 2014 had been approved and contracted as the JFE venue for the period 2014-



2016, following an extensive competitive procurement process. The CMAP JFE ended on 18 September 2015 while the CPP JFE closed on 30 October 2015.

A total of 71 CMAP class of 2014 students drawn from the seven Category B universities (Botswana, Cape Coast, Malawi, Makerere University, Mauritius, Namibia and

Zimbabwe) and from 12 African nationalities were in attendance, 30 (42%) of whom were women. A summary of students' participation by university and gender is given in Table 1.

**Table 1: CMAP JFE student distribution by gender (2012–2015)**

No.	University	Gender		Total 2015	Female %			
		Male	Female		2015	2014	2013	2012
1	Botswana	2	13	15	87.0	76.5	57.1	75.0
2	Cape Coast	14	1	15	6.7	41.7	11.1	16.7
3	Makerere	4	1	5	16.7	40.0	11.1	28.6
4	Malawi	9	6	15	40.0	33.3	60.0	20.0
5	Mauritius	6	6	12	50.0	50.0	-	50.0
6	Namibia	0	1	1	100.0	16.7	60.0	44.4
7	Zimbabwe	6	2	8	25.0	28.6	25.0	11.1
	<b>Total</b>	<b>41</b>	<b>30</b>	<b>71</b>	<b>42.0</b>	<b>47.8</b>	<b>32.2</b>	<b>30.0</b>

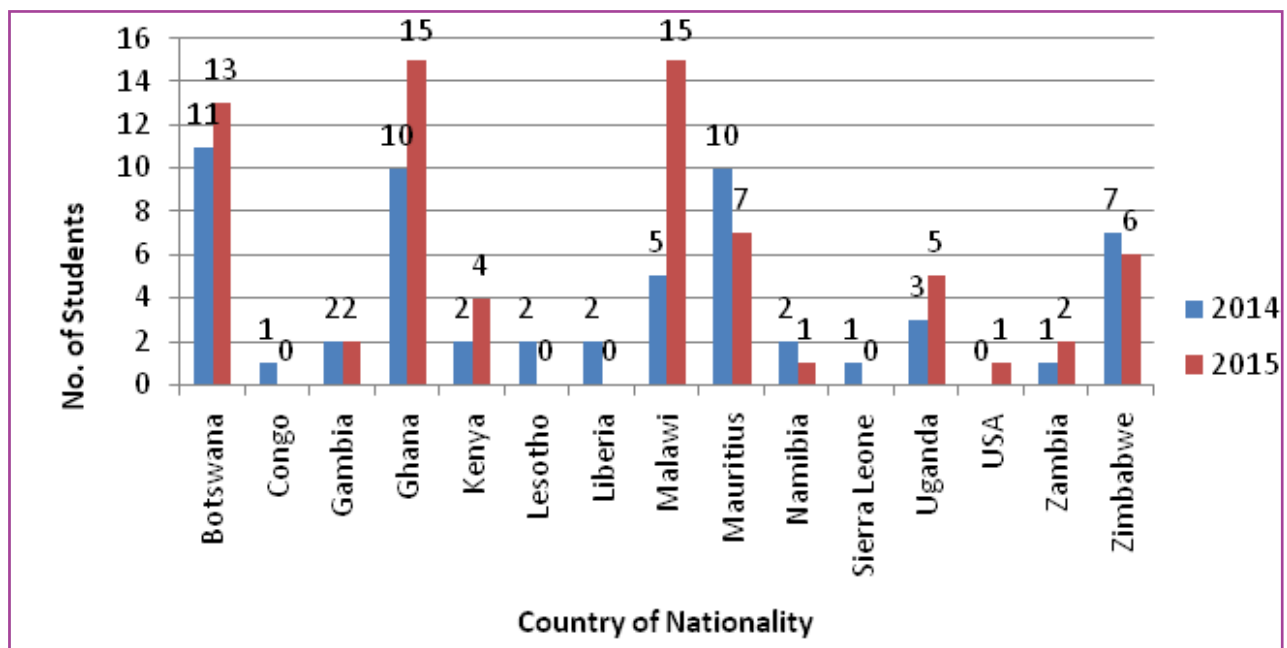
In percentage terms, enrolment of female students is lower than the 48% recorded at the 2014 JFE, which was the highest level of female participation since the inception of the

JFE in 1993. Overall, though, significant improvements have been made in recent years on gender diversity, with enrolment of female students standing

at 30% in 2012, 32% in 2013, 48% in 2014 and 42% in 2015.

Distribution by nationality is presented in Figure 1.

**Figure 1: CMAP JFE 2014 and 2015 student distribution by nationality**



One privately-sponsored American student from the University of Mauritius enrolled for the JFE, the first time ever for an American to participate in the programme. Privately-sponsored students pay the full cost of attending the JFE.

A total of six CMAP elective courses were offered (Corporate Finance & Investment, Econometrics Theory and Practice, Health Economics, International Economics, Monetary Theory & Practice, and Public Sector Economics) and six visiting lecturers per session were engaged, two of whom were women. However, the female lecturer engaged to teach Corporate Finance & Investment during the second semester of the JFE failed to take up the appointment owing to other engagements at her university. There still exists room for improvement in encouraging more women to participate in the teaching of elective courses at the JFE.

The teaching of the elective courses was evaluated by the students as being good, except for the Econometrics Theory and Practice II, whereby the service of the visiting lecturer was terminated on grounds of a complete breakdown of his relationship with the class and inadequacy of delivery on his contractual obligations at the expected level. This action was taken after students in his class petitioned the AERC in writing to intervene halfway into the second semester. After undertaking an assessment, including administering an

evaluation questionnaire of the lecturer by the students, meetings between the students and the AERC Executive Director, Director of Training and JFE Administrator, and a separate one with the lecturer, it was resolved that he be relieved of his JFE teaching duties. In his place, two CPP visiting lecturers were contracted to jointly teach the course as a remedial option. The two had initially been appointed to teach Econometrics in the first and second semesters of the CPP JFE, respectively, but their contract terms were amended to include teaching of the CMAP course.

The year 2015 marks the fourth year since four Category C universities took full responsibility for teaching both core and elective courses, and not sending students to JFE. In 2015/2016, a total of 120 students enrolled into the MA programme at the Category C universities, compared with 121 in 2014/2015 and 110 in 2013/2014. Universities of Ghana and Dar es Salaam have recorded gradual increase in the enrolment of students in the programme since their graduation to Category C, while Addis Ababa University has maintained its admission of 30 students every academic year. There has been a gradual drop of enrolment of students at the University of Nairobi to 11 in 2015/2016, down from 15 in 2014/2015, 22 in 2013/2014, 26 in 2012/2013, and 33 in 2011/2012. This could partly be explained by the change in preferences of students

to enrol into the part-time evening programme, which has been occasioned by the declining scholarship support to Category C universities.

Regarding the teaching of elective courses in 2015 to CMAP Class of 2014 students admitted at the four Category C universities, University of Dar es Salaam offered four elective courses (Corporate Finance & Investment, Econometrics Theory & Practice, Health Economics, and International Economics), University of Ghana offered eight elective courses (Development Economics, Environment Economics, Health Economics, International Economics, Labour Economics, Managerial Economics, Money and Banking, and Public Finance), while University of Nairobi offered six elective courses (Corporate Finance and Investment, Economic Policy Analysis and Planning, International Economics, Management Decision Analysis, Public Sector Economics, and Research Methods and Computer Applications). Addis Ababa University offered four elective courses (Environmental and Natural Resource Economics, Environmental Valuation and Policy, International Trade Theory and Policy, and International Finance Theory and Policy).

A total of 19 students from the class of 2014 drawn from five African nationalities attended the CPP JFE. Eight (42%) of them were female. It is worth noting that in this cohort,





three students were privately sponsored from the University

of Dar es Salaam. Table 2 shows the distribution of the

CPP students by university and gender.

**Table 2: CPP JFE 2015 student participation by university and gender**

	Degree-Awarding University	CPP Class of 2014 Students			Of which Non-AERC Sponsored
		Male	Female	Total	
1	Benin	0	0	0	-
2	Cape Town	3	1	4	-
3	Felix Houphouet-Boigny <sup>2</sup>	0	0	0	-
4	Dar es Salaam	2	2	4	3
5	Ibadan	0	1	1	-
6	Nairobi	3	2	5	-
7	The Witwatersrand	3	2	5	-
8	Yaoundé II	0	0	0	-
	<b>Total</b>	<b>11</b>	<b>8</b>	<b>19</b>	<b>3</b>

A total of 5 CPP elective courses were offered (Development Economics, Financial Economics, Econometrics, Health Economics and Public Sector Economics) and five visiting lecturers per session were engaged, one of whom was a woman.

The 2015 CMAAE Shared Facility for Electives (SFSE) began at the University of Pretoria, South Africa, on 3 August 2015, and ended on 30 November 2015. A total of 82 students, 38 (46%) of whom were female.

The students were drawn from seven accredited universities, namely, Nairobi, Makerere, Sokoine, Egerton, LUANAR

Bunda College, Pretoria and Zimbabwe. A total of 14 foundation and elective courses were offered and 14 visiting lecturers engaged.

Blended learning: reach, quality, cost and operational efficiency in teaching electives  
 In an effort to re-examine the structure of CMAAE and come up with appropriate strategies to reduce the delivery cost of the programme, AERC recruited an e-learning consultant to identify an appropriate platform for e-learning and work with the network to develop content for courses that could be delivered through online approaches, including video conferencing. The consultant conducted consultative meetings with several universities, including the University of Nairobi, Egerton University, University of Pretoria and the AERC Management and administrative staff. At a

one-day consultative meeting of heads of departments of CMAAE accredited universities held on 17 June 2015, the following three courses were identified for the pilot phase of blended learning: Environmental and Natural Resources Management, Agricultural Project Planning and Management, and Institutional and Behavioural Economics.

A follow-up workshop conducted from 7-9 December 2015 provided an opportunity to begin the process of developing course material for blended learning and for the e-learning consultant to offer training to a team of courseware developers on the use of the chosen e-learning platform. The team identified the sections of the three course that could be delivered through e-learning and those that could be delivered face-to-face.

<sup>2</sup> Felix Houphouet-Boigny University (Université Félix Houphouët-Boigny) was previously the University of Cocody in Abidjan, Cote d'Ivoire.

## Maintaining academic excellence

### Quality assurance under the improved CMAP architecture

To ensure that the MA programme offered by Category C universities maintains the level of quality that has been the hallmark of CMAP since inception, AERC continued to put the following measures in place:

- The heads of schools/ departments of Economics at the Category C universities continue to be members of the CMAP Academic Advisory Board. They were among the members who attended the 6-8 May, 2015 joint meeting of the PhD Academic Advisory Board and the Committees of CMAP Academic Advisory Board.
- Joint external examiners continue to be engaged for both Category B and Category C universities. Lessons drawn from joint external examination would be shared during the CMAP Academic Advisory Board meeting scheduled for November 2015.
- Monitoring visits continue to be conducted to the Category C universities to monitor quality of teaching of core and elective courses.

As part of the quality assurance measures proposed for implementation during the strategic plan period 2015-

2020, efforts continued towards standardizing the teaching of elective courses and networking between students in Category C and Category B universities. Lecturers have been encouraged to develop online course materials and teaching resources that will be shared through video conferencing and e-learning at the JFE, and at Category C universities. It is expected that there will be increased efficiency and minimized costs of offering elective courses in the long run through these efforts.

### Conducting and grading comprehensive examinations

Comprehensive examinations for the CPP Class of 2014 students were set at a meeting of teams of experts held in Johannesburg, South Africa from 2-4 February, 2016. Seven examination papers were set (Microeconomics, Macroeconomics, Development Economics, Econometrics, Financial Economics, Health Economics and Public Sector Economics) and 19 students sat for the examination at their respective host-degree awarding universities from 10-29 February, 2016. Thereafter, the examinations were graded by the internal examiners in March 2016 and sent to external examiners together with the JFE examinations for review. Both results were presented for approval at the CMAP and CPP Academic Advisory Board meeting in April/May 2016.

### Academic Advisory Board meetings

During the reporting period, academic advisory board meetings of the three collaborative graduate training programmes were held. During a joint meeting of the PhD Academic Advisory Board and the CMAP Executive Committee held on 8 May 2015 in Arusha, Tanzania, a proposal was tabled for integration of the Academic Advisory Boards of the CMAP and CPP, so as to maximize value from synergy. The following justifications were provided for merging the two boards into one:

- Both CMAP and CPP jointly undertake several activities, including review and development of core and elective courses, conducting of faculty retooling workshops and hosting the JFE at the same venue. In addition, both programmes source for visiting lecturers, external examiners and resource persons from a common pool;
- Bringing the CMAP and CPP boards together would greatly enhance the quality of the programmes, given that the products of CPP contribute to the strengthening of teaching at the CMAP universities;
- The merger would enhance efficiency and minimize costs;
- Some schools of Economics (Dar es Salaam and Nairobi) were members of the two Boards by virtue of offering both programmes. The number was expected to increase as more CMAP universities



apply to be graduated to CPP degree-awarding universities; and

- The functions of the two Academic Advisory Boards and their Sub-Committees were similar.

A joint meeting of the full Academic Advisory Boards of CMAP and CPP was held on 30 October 2015 in Arusha, Tanzania, where the proposal to merge and to change the operational modalities of the newly reconstituted CMAP-CPP Academic Advisory Board and Sub-Committees was unanimously endorsed. The newly reconstituted Board and the Sub-Committees would be as follows:

- (a) The merged CMAP-CPP Academic Advisory Board holds one meeting annually in May to approve the CPP JFE and comprehensive examination results, the CMAP supplementary examinations, as well as manage all other academic aspects of both programmes.
- (b) The terms of reference of the newly reconstituted CMAP-CPP Executive Committee have been revamped so as to approve the CMAP JFE examinations on behalf of the Board and report to the main Academic Advisory Board in May.
- (c) The newly reconstituted CMAP-CPP Committee on Core and Electives has a membership drawn from both programmes. All the functions still remain as before and the Committee holds its meetings in May every year.

- (d) The newly reconstituted CMAP-CPP Committee on Programme Evaluation and Institutional Development meets twice every year to review the CMAP JFE examination results in November and the CPP JFE and comprehensive examinations results in May. The Committee's functions remain the same.
- (e) The role of the members-at-large and the regional representatives has been harmonized so that, instead of having separate members-at-large and regional representatives for each programme, there are now four members-at-large/regional representatives, at least one of whom is a woman nominated by the Academic Advisory Board.

These changes took effect in April/May 2016, when the three newly reconstituted Sub-Committees and the merged CMAP-CPP Academic Advisory Board held their first meeting to approve the CPP JFE and comprehensive examination results, as well as the venue, list of elective courses and visiting lectures for the 2016 JFE.

The Academic Sub-Committee of the CMAAE programme also held its meeting on 25 May 2015 in Nairobi, Kenya, to approve the list of the 2015 SFSE courses, visiting lecturers and external examiners. This was followed by the meetings of the Academic Sub-Committee and the Academic Advisory Board held on 25-26 January 2016 in Nairobi, Kenya, to consider and approve the 2015

SFSE examination results. A monitoring visit was also made to the University of Nairobi.

## Enhanced participation of under-represented countries, groups and institutions, including post-conflict and fragile states in economic policy research and training

As outlined in the strategic plan 2015-2020, AERC aims at addressing the uneven distribution of capacity building by gender and geography (fragile and post conflict countries) and to address the emerging policy priorities and new methodologies to partly enhance participation of under-represented countries and groups. Capacity building for women and for researchers in post-conflict and fragile states to formulate appropriate economic policies and sound economic management is key to achieving this outcome. It is worth noting that the new IDRC support focuses on capacity building and research pertaining to fragile and post-conflict states.

### Capacity building for women and for researchers in post-conflict and fragile states

Efforts at increasing women's participation in AERC research activities started on a high note with the proportion of women presenting their reports at biannual workshops increasing



from 18% in December 2014 to 21% in June 2015 and 20% in December 2015. The number of researchers from fragile and post-conflict countries participating in thematic research activities was 31% while the proportion of researchers from Francophone attending the thematic research activities increased to 41% from a baseline of 35% as of March 2015. In terms of thematic research grants to researchers from fragile and post-conflict countries, 16 researchers were approved to receive thematic research grants following the June and December 2015 biannual research workshop. The enhanced representation of Francophone researchers in AERC research activities is encouraging. However, a matter of concern is country concentration stemming from Cameroon as now the most represented in thematic research (24% of researchers in the June 2015 biannual).

### Special technical workshops for fragile and post-conflict countries

To achieve enhanced participation of underrepresented countries, groups and institutions, AERC has adopted a multipronged approach, including sensitization visits and special technical workshops. During the first quarter of 2015/2016, AERC started preparations for a special technical training workshop on Research Methods, Proposal Writing and Presentation Skills which was held on 4-14 October, 2015 in Arusha, Tanzania.

The workshop exclusively targeted participants from fragile and post-conflict states. Dr. Anthony Wambugu of University of Nairobi, Kenya, was the course instructor. This was the fourth time the course was being offered, bringing together potential researchers from fragile and

post-conflict countries. The participants were encouraged to develop proposals, and six promising proposals will receive proposal development grants in 2016/2017. In total, 19 participants attended the course, of which six were women as shown in Table 3.

**Table 3: Distribution of participants of the technical workshop on Research methods, proposal writing and presentation skills**

Country of researchers	Male	Female
Central African Republic	2	0
Chad	2	0
Congo	0	3
Côte d'Ivoire	2	0
Democratic Republic of Congo	0	1
Ethiopia	1	0
Mali	1	0
Niger	1	0
Rwanda	1	0
Sudan	1	1
Togo	2	0
Zimbabwe	0	1
<b>Total</b>	<b>13</b>	<b>6</b>

As part of the follow-up steps after the technical workshop in October 2015, a mentorship programme as an integral component of the course is under way to assist the participants develop research proposals with technical support given by the course instructor. The objective is ultimately to use these technical workshops as a feeder for the thematic research pipeline. In addition to providing post-workshop technical support to the

participants, this new modality will help cultivate interest in undertaking research among the researchers from the countries. Six selected proposals written by the workshop participants will be presented back to back with the June 2016 biannual research workshop to be held in Kenya.

Table 4 presents a summary of the outcomes relating to the implementation of Strategic Objective 1.



**Table 4: Outcomes resulting from implementation of strategic objective 1**

Strategic Objective	Outcomes	Outcome Indicators	Baseline	Target 2015	Actual April 2015 -March 2016	Variance & Explanation
1. Enhance capacity building for economic policy research and graduate training in sub-Saharan Africa	(1.1) Enhanced pool of locally based economists in sub-Saharan Africa with improved skills and competencies to conduct economic policy research and teaching at universities	# of researchers who have finalized thematic research reports	560	580	610	Due to increased numbers of researchers completing their research reports due to improved monitoring of their progress. As we catch up with the pipeline, the increase is likely to reduce. These targets will therefore need to be revised.
		# of CMAP, CMAAE and CPP alumni (cumulative)	CMAP = 2,753 CMAAE = 719 CPP = 137	CMAP = 2,963 CMAAE = 799 CPP = 163	CMAP=2,691 CMAAE=614 CPP=169	The baseline and milestones of CMAP and CMAAE are based on total enrolment up to 2015 rather than number of graduation as per the stated indicator, which gives a huge variance. The correct baseline graduation rate for CMAP = 2,524 and CMAAE = 554. This will have to be corrected going forward.
		% of graduates in economics & agricultural economics working in universities, government and policy research institutions	60%	65%	67%	This is derived from the CPP alumni statistics of when graduated and name of Institution employer (114 out of 169) working in of universities, government and policy research. This is documented in the tracer study report of graduates of CPP dated October 2015
	(1.2) Enhanced generation and use of high quality economic policy-relevant research	# of thematic research final reports published through AERC (cumulative)	284	299	304	AERC has enhanced its monitoring of progress of both researchers and reviewers and this has significantly improved turnaround time of research projects. Similarly, the publications pipeline has been streamlined and now takes only 3-5 months.

Strategic Objective	Outcomes	Outcome Indicators	Baseline	Target 2015	Actual April 2015 -March 2016	Variance & Explanation
		# of CMAP elective courses offered at Category C universities	4	4	5	Average number of electives offered by 4 Category C universities is 5
	<b>(1.3)</b> Enhanced participation of under-represented countries, groups and institutions, including post-conflict and fragile states in economic policy research and training	% of participants taking part in AERC's research activities who are women	18%	19%	20%	Higher proportion due to increased number of females submitting proposal to AERC
		% of participants taking part in AERC's training activities who are women	26%	28%	34%	The increase in women enrolment into the programme is explained by affirmative action in the award of scholarships.
		% of participants taking part in AERC's research activities from fragile and post-conflict states	25%	27%	31%	This is boosted by the number taking part in special technical workshop for fragile and post-conflict states
		% of participants taking part in AERC's training activities from fragile and post-conflict states	14%	16%	20%	Increment is as a result of affirmative action in favour of students from these countries
		% of participants taking part in AERC's research activities from Francophone and Lusophone countries	35%	36%	41%	Due to increased number of Francophone researchers submitting in their proposals
		% of participants taking part in AERC's training activities from Francophone and Lusophone countries	20%	22%	23%	Calculated from 2010-2015 for CPP which admits Francophone students. Increment is as a result of increased number of scholarships awarded to students admitted in Francophone universities.



Strategic Objective	Outcomes	Outcome Indicators	Baseline	Target 2015	Actual April 2015 -March 2016	Variance & Explanation
		# of CMAP elective courses offered at Category C universities	4	4	5	Average number of electives offered by 4 Category C universities is 5
	<b>(1.4)</b> Enhanced participation of under-represented countries, groups and institutions, including post-conflict and fragile states in economic policy research and training	% of participants taking part in AERC's research activities who are women	18%	19%	20%	Higher proportion due to increased number of females submitting proposal to AERC
		% of participants taking part in AERC's training activities who are women	26%	28%	34%	The increase in women enrolment into the programme is explained by affirmative action in the award of scholarships.
		% of participants taking part in AERC's research activities from fragile and post-conflict states	25%	27%	31%	This is boosted by the number taking part in special technical workshop for fragile and post-conflict states
		% of participants taking part in AERC's training activities from fragile and post-conflict states	14%	16%	20%	Increment is as a result of affirmative action in favour of students from these countries
		% of participants taking part in AERC's research activities from Francophone and Lusophone countries	35%	36%	41%	Due to increased number of Francophone researchers submitting in their proposals
		% of participants taking part in AERC's training activities from Francophone and Lusophone countries	20%	22%	23%	Calculated from 2010-2015 for CPP which admits Francophone students. Increment is as a result of increased number of scholarships awarded to students admitted in Francophone universities.



# Build and strengthen national, regional and global linkages to generate high quality economic policy research and graduate training







## Build and strengthen national, regional and global linkages to generate high quality economic policy research and graduate training

In order to enhance best global practice and generate high quality economic policy research and graduate training, focus has been placed on seeking to strengthen national, regional and global linkages with leading policy research institutions, universities and multilateral institutions during the current strategy period. This provides an opportunity for AERC to be mentored and mentor fledgling research and training institutions in sub-Saharan Africa. Several activities were undertaken during the reporting period towards realizing the stipulated strategic objective and associated outcomes. In particular, these activities pertain to collaborative research and institutional collaboration.

### Collaborative research

Collaborative research is the main vehicle that AERC uses to enhance its profile in policy making in sub-Saharan Africa. The Collaborative Research projects that were implemented during the reporting period included Financial Sector Reforms and Development, Capital Flight and Tax Havens, Growth in Fragile States in Africa and Senior Scholars Programme.

### Financial sector and development project

The financial sector reforms and development project framework papers were commissioned in April 2014, with Prof. Isaac Otchere, Carleton University, Canada, as the Project Coordinator. AERC held a framework paper review workshop from 31 January–1 February 2015 in Nairobi, Kenya, where draft interim research reports were presented. The researchers received feedback on their researches from resource persons: Prof. Kalu Oja, (University of Witwatersrand, South Africa), Prof. Nicholas Biekpe (University of Cape Town, South Africa), Prof. Isaac Otchere and Prof. Lemma Senbet (AERC Executive Director).

Researchers revised their papers following the workshop and submitted their draft final research reports in April 2015 to the project coordinator and these were sent for external review by the project coordinator. The researchers then revised their papers in preparation for the final workshop which was held in August 2015.

One of the papers from this project was presented at an AERC session (panel discussion on *Finance and Agricultural Development in Africa*) at the GDN conference in Casablanca, Morocco, that took place from 11-13 June 2015 and chaired by the AERC Executive Director. The side session at the GDN conference was instrumental not only in showcasing AERC research, but also in exposing the AERC researchers to other networks. Four other papers from this project were presented at the African Econometrics Society Conference held from 22-24 July in Lusaka, Zambia, bringing more exposure to both AERC research and researchers.

The final workshop was held in Nairobi from 13-14 August, 2015, where the researchers presented their final research papers. Ten papers were presented during this workshop. The researchers received comments from peers as well as from resource persons (Prof. Otchere; Prof. Laurence Harris and Prof. Senbet). The project coordinator is working with the Secretariat to identify a suitable outlet for the framework papers and it is anticipated that the final manuscripts would be submitted to the journal for publication in 2016/2017. Meanwhile, AERC sent out to network researchers a call for expression of interest for the country case studies of the project. A total of 98 proposals were received and reviewed. Preparations are now advanced for the launch of this project (inception workshop) in late April 2016. Due to funding constraints, the project



*Prof. Victor Murinde, a senior AERC Resource Person and a professor of Economics at University of Birmingham in the U.K, shoots a question during one of AERC's meetings.*

will be of limited scope, as only about eight country case studies will be commissioned.

### **Capital flight and tax havens**

AERC, with the support of NORAD, commissioned a special research project on Capital Flight and Tax Havens following a brainstorming workshop held on 3 November 2012, in Nairobi, Kenya, with 15 papers commissioned. Prof. Leonce Ndikumana of the University of Massachusetts, Amherst, USA, is the coordinator of the project. A book volume of the framework papers was published during the fourth quarter of 2014 by the Oxford University Press (OUP) with Professors Leonce Ndikumana and Ibi Ajayi as editors. Some of the framework papers provided input into the AERC Senior Policy Seminar on *Capital flight from Africa* held on 9–10 April 2014 in

Addis Ababa, Ethiopia. AERC organised a book launch in Oslo, Norway, in December 2015, as part of broader dissemination of the work, and in recognition of NORAD as the sponsor of this project.

Nine country case studies of the project were commissioned in June 2014 following an inception and capacity building workshop in March 2014 for 12 pre-selected country case studies. An interim review workshop was held on 6–8 December 2014 back-to-back with the biannual research workshop in Lusaka, Zambia, and a final review workshop was held on 29–30 May 2015 back-to-back with the AERC May/June 2015 Biannual Research Workshop in Arusha, Tanzania. The researchers received comments from their peers and from the project Steering Committee made up of the following resource persons:

Prof. Leonce Ndikumana (Project Coordinator), Dr. Janvier Nkurunziza, Prof. Niels Herms, Dr. Abbi Kedir and Prof. Humphrey Moshi. The papers were prepared for publication and submitted by the coordinator to the African Development Review (ADR) in December 2015, bringing the project to completion.

### **Growth in fragile states in Africa**

AERC launched a collaborative research project on *Growth in Fragile and Post-Conflict countries* (supported by the IDRC) to better understand the growth dynamics in fragile and post-conflict countries in Africa. This project will inform economic policies that promote sustainable growth and development. A call for proposals was issued in May 2015 and 77 proposals were received. The proposals underwent the first shortlisting





to identify proposals that fit within the framework papers concept and 44 proposals were identified and sent out for review. The reviewers submitted most of the reports to AERC in December 2015 with the remaining reports submitted in January 2016. The selected proposals were revised and presented during a framework inception workshop held in March 2016 with eight proposals commissioned in March 2016. A final review workshop is scheduled for November 2016. This will mark the completion of the framework paper phase of this project.

### Health care financing in Sub-Saharan Africa

Sub-Saharan Africa, perhaps to a greater extent than any other region in the world, still faces a grim scenario with respect to the health of its people. Poor population health status is mirrored by crises in

health financing and human resources for health. The recent global crisis threatens to further undermine progress towards attaining vital health sector goals. This led to AERC's plan to implement a collaborative research project on *Health Care Financing in sub-Saharan Africa*. In this regard, AERC engaged Prof. Martine Audibert from Centre d'Etudes et de Recherches sur le Développement International (CERDI), France, to develop a full proposal on the project. Prof. Audibert developed and submitted the final revised proposal in August 2014 following comments from AERC. AERC has since gotten funds from SIDA to implement this project which is scheduled to start in July 2016 for three years.

### Climate change

AERC initially engaged Professors Channing Arndt and Dr. Wisdom Akpalu from

UNU-WIDER to develop a full proposal for the joint *Climate Change* project. A draft proposal was submitted early in the year, and AERC developed a concept note to facilitate resource mobilization efforts for the project. AERC, in collaboration with UNU-WIDER and JPEG-MIT, engaged in developing a broader proposal for a joint research project, responding to a call by the UK Department for International Development (DFID). The Consortium's call for expression of interest was successful, paving the way for the submission of a full-fledged proposal. Unfortunately, the Consortium abandoned the proposal development, owing to financial technicalities associated with some of the partners. AERC and UNU-WIDER have since agreed to jointly pursue the climate change research agenda, but would have to fundraise for it. Currently AERC does not have funding for this project.



*Participants in a Concurrent session of the AERC Biannual Research workshop. The Concurrent sessions of these workshops feature several presentations of research proposals, work in progress, final reports and PhD theses proposals.*

## Senior scholars research programme

The Senior Scholars Research Programme provides an opportunity for senior members of the network to engage in AERC research. The objective of the programme is to retain senior scholars in the AERC network. A call for proposals was developed and posted on the AERC website and sent to network members in November 2012 on three themes: *Youth Unemployment; Sources and Spread of Growth Opportunities and Distribution of Benefits; and Natural Resource Management, Climate Change and Economic Development Nexus*. The 30 proposals received in March 2013 underwent three rounds of external review, with three of them on the theme *Youth Unemployment* considered to be promising. One proposal out of the three was selected and commissioned in September 2014, but the project only commenced in April 2015, with the disbursement of the first instalment.

Currently the researchers are implementing the project and submitted an initial draft of the project report to AERC in December 2015. The project fell behind schedule due to difficulties in securing good data. Initially, the research team had wanted to undertake the study using data for Cameroon, Ghana and Zimbabwe. Unfortunately the Zimbabwean authorities were non-cooperative. The team then, with the help of the AERC Executive Director,

approached the Tanzania Bureau of Statistics (TBS) for the employment data. The data was not ready and available until November 2015 when the Bureau officially launched it. The draft report has been sent to two reviewers, who will act as the “steering committee” for the project. The interim final report is expected by 30 June 2016 and the final research report by 30 December 2016. The project research report will be published as a monograph.

## Wrap up of old collaborative research projects

The *Sub-project on Health, economic growth and poverty reduction in Africa* that started in 2008 and coordinated by Prof. David Sahn has eight framework papers and 15 country case studies. An edited manuscript of a book volume that contains selected framework papers and country case studies was submitted in March 2014 to the University of Nairobi Press with Prof. Sahn as the editor. We are pleased to report that the volume was published under the AERC imprint in February 2016 bringing a close to the project.

## Institutional collaboration

The institutional collaborative activities were wide-ranging, and pertain to: Knowledge Platform for Inclusive Development, Capacity for Service Delivery Indicators, Counting on Women’s Work (CWW): The Gendered Economy in the Market, Structural

Transformation of African Agriculture and Rural Spaces (STAARS), and China-Africa Think Tanks 10+10 Partnership, Visiting Scholar Programmes, such as AERC/AfDB Exchange Programme, AERC/IMF, and AERC/University of Oxford, internship programmes, and the WFP P4P. They are described below in detail:

## Knowledge platform development project

The Knowledge Platform on Inclusive Development Policies (INCLUDE) brings together researchers from Africa and the Netherlands who work with the private sector, non-governmental organizations (NGOs) and governments in exchanging information and ideas about how to achieve better research-policy linkages on economic transformation and inclusive development. The project is overseen by the Knowledge Platform Committee, of which the AERC Executive Director is a member. The Secretariat responsible for the Platform’s knowledge management is hosted by the African Studies Centre (ASC) in Leiden and is a consortium made up of ASC, AERC, The Broker and the International Institute of Social Studies (ISS/EUR). In the second half of 2014, stakeholder mappings were carried out in Kenya, Uganda, Rwanda, Ethiopia, Ghana and Mozambique in the areas of productive employment, strategic actors and social protection and reports finalized. A workshop



for the research consortia and a platform meeting was organized from 20-21 October 2014 in The Hague, the Netherlands. In late 2014, INCLUDE Platform launched a website (<http://includeplatform.net>) which is consistently updated to share new knowledge being generated by research consortia, existing knowledge and efforts to build new knowledge communities for policy influence.

On 11-12 May 2015, AERC and INCLUDE organized a Working Conference on Building Policy-Knowledge Communities for Inclusive Development in Africa in Nairobi. The conference brought together the research consortia, platform members, researchers and policy makers to explore how the Platform can collaborate with other actors to establish policy-knowledge communities in countries where the Platform is supporting research projects and progress that INCLUDE had made and how to improve on the on-going activities. Further, the Partnership for African Social and Governance Research (PASGR) and INCLUDE organized the Kenya research-policy practitioners forum on social protection in Nairobi on 13 May 2015. The forum deliberated on the challenges to the uptake of evidence on social protection and came up with knowledge gaps and needs of policy actors for the new knowledge-policy community to address, policy processes that researchers need to bear in mind for their evidence to

get to policy makers and key policy stakeholders in social protection policy and project interventions in Kenya.

Through 2014 and 2015, INCLUDE Secretariat has continued to publish the research activities of the 17 research consortia funded by the NWO-WOTRO Programme Research for Inclusive Development in Sub-Sahara Africa (RIDSSA) to generate new knowledge on social protection, productive employment and strategic actors. INCLUDE has also enhanced the capacity of the research consortia to connect with policy makers and communicate with them especially during the conferences held in Ethiopia, Netherlands and Kenya. On 15-16 October 2015, INCLUDE held a working conference on "Policy-knowledge Interactions on Inclusive Development for Women and Youth: Perspectives from Africa"

in Leiden, the Netherlands during which policy makers, researchers and practitioners from Africa and the Netherlands deliberated on interventions that can be initiated to create employment for youth and women and how available evidence and experiences can be utilized in this regard.

### Capacity for service delivery indicators project

Based on the collaborative AERC-World Bank research on service delivery indicators, the Bank is currently engaged in a new Africa-wide flagship initiative to track service delivery in education and health across countries and over time in a comparable manner. The Capacity for Service Delivery Indicators Project (SDI) has been developed jointly by the African Economic Consortium (AERC) and the World Bank (WB) with the objective of expanding the capacity for



*Dr. Marleen Dekker of INCLUDE addressing participants at the Knowledge Platform on Inclusive Development Policies (INCLUDE) meeting organized in collaboration with AERC that brought together researchers from Africa and the Netherlands.*



analysis and use of SDI data in national policy dialogue on education and health issues in Kenya, Nigeria, and Tanzania.

The basic SDI training for Nigeria took place on 24–28 August 2015, in Abuja in partnership with the Nigerian Institute of Social and Economic Research (NISER). Dr. Sarah Alade, Deputy Governor of the Central Bank of Nigeria, opened the workshop. The World Bank Country Director, Dr. Indira Konjhozic and Professor Lemma Senbet, AERC Executive Director, gave opening remarks. A total of 31 participants drawn from the education and health sectors in Nigeria attended the training.

The launch of the Tanzania SDI survey results (country report) has been repeatedly postponed, which meant that AERC had to also repeatedly cancel the proposed training. Upon discussions with the World Bank, a decision was made to carry on with the Basic SDI training in Tanzania even though the SDI launch has been postponed. The basic SDI training in Tanzania was conducted on 5-9 October 2015 in Dar es Salaam, in partnership with REPOA. The training workshop was officially opened by Mr. Omari Issa, the Chief Executive Officer of the President's Delivery Bureau. Opening speeches were delivered by Prof. Lemma W. Senbet, AERC Executive Director, and Dr. Gayle Martin, SDI Programme Leader at World Bank, on the AERC-World Bank partnership and the future of SDI. Prof. Samuel

Wangwe, Executive Director of REPOA, host institution, gave welcome remarks. Twenty-eight participants attended the training out of whom nine were female.

The Kenya advanced training followed thereafter on 3- 5 November 2015 in Nairobi. The instructors at the training were: Dr. Ritva Reinikka, Prof. Germano Mwabu, Dr. Deon Filmer, Dr. Eldah Onsomu and Dr. Waly Wane. A total of 22 participants attended this training and 18 proposals on Service Delivery Indicators were presented. This was the first advanced training in the series. The Tanzania advanced training took place in March 2016 while the Nigeria training was in May 2016. A suggestion was made to increase the number of training days for the advanced course from three to four based on experiences from the Kenya advanced training, which took three days but some of the content ended up not fully covered. The project is scheduled to be completed by 30 October 2016.

### **China-Africa think tanks 10 +10 partnership plans**

AERC signed a memorandum of understanding in 2014 with the Centre for African Studies, Yunnan University, China, under the China 10 +10 partnership plan. The two organizations have partnered to carry out joint economic policy research and analysis on economic issues of interest to Africa and China.

In June 2014, AERC developed a proposal

under this partnership on China-Africa Cooperation on Three Networks of Africa's Infrastructure and Industrialization. The objective was to understand China's infrastructure investments in Africa, how these are financed and the impact of these infrastructure investments on industrialization in the region as well as identifying challenges and opportunities within the three networks. The proposal was successful and AERC, in collaboration with the People's Republic of China Embassy in Nairobi and Yunnan University Centre for African Studies organized a seminar, which took place on 29 October 2015 in Nairobi, Kenya. Forty scholars, policy makers, government representatives and development partners drawn from Africa and China attended the seminar. Seminar sessions were chaired and moderated by the AERC Executive Director and a scholar from China. The discussions focused on: the role of China in deepening cooperation; challenges, opportunities, implementation mechanisms (i.e., priority in terms of sub-region and financing options for the three infrastructure investments).

In July 2015, AERC also developed and submitted a proposal on *Promoting Technology Transfer and Human Resource Development Focusing on Manufacturing: China's Case for Africa*, again under the China 10+10 partnership plan. This project is expected to explore and





discuss enabling policy frameworks that promote manufacturing and industrial development focusing on technology transfer and human resource development. The objective is for AERC to organize a policy seminar in 2016 to allow for dialogue between policy makers and the industrialists (local and foreign) in the respective countries in the region. This is the second proposal developed and submitted under this partnership. AERC is waiting to receive feedback on the proposal.

### **Structural transformation of African agriculture and rural spaces project**

The *Structural Transformation of African Agriculture and Rural Spaces (STAARS)* project is based on collaboration between the African Development Bank, the African Economic

Research Consortium (AERC), Cornell University, the Partnership for Economic Policy, and the World Bank. The objectives of the STAARS project are to (1) directly feed policy questions into economic research, (2) build the capacity of young researchers in Africa, and (3) generate and promote in-depth, rigorous research on African agriculture and rural spaces. The STAARS project is, thus, naturally aligned to AERC objectives, particularly the new focus on agriculture.

During this reporting period, The STAARS project activities included preparations for the STAARS conference held on 4-5 December, 2015 back-to-back with the AERC December 2015 biannual research workshop in Addis Ababa, Ethiopia. As part of the conference preparation, a call for proposals was issued and AERC was involved in

the review of 79 proposals. About 20 papers/proposals were selected for presentation at the STAARS conference. The conference was held immediately after the AERC biannual research workshop and concluded with a highly interactive public-private sector roundtable chaired and moderated by the AERC Executive Director.

### **Counting on Women's Work (CWW): The gendered economy in the market project**

The African Economic Research Consortium (AERC) was sub-contracted by the University of Cape Town (UCT) to implement the *Counting on Women's Work (CWW): The Gendered Economy in the Market* project in Kenya. The contract was for one year, from 1 March 2015 to 29 February 2016. This is a very limited scale project, which is part of a bigger IDRC project



*Conference participants follow proceedings at an AERC/INCLUDE symposium. These researchers work with the private sector, NGOs and governments in exchanging information and ideas on how to achieve better research-policy linkages on economic transformation and inclusive development.*

being carried out by UCT. The tasks carried out for the Kenya research included the following:

- Compiling at least one full set of National Time Transfer Accounts by gender.
- Writing a detailed paper analysing the results, i.e., a Final Technical Report.

AERC sub-contracted a team led by Prof. Germano Mwabu to undertake the study. A progress report was submitted to UCT in August 2015 as per the agreed reporting timelines. A final report was submitted to UCT in March 2016 bringing the project to a completion.

### **ACBF country case studies on domestic resource mobilization**

AERC has collaborated with ACBF in coordinating 14 country case studies in 14 African countries on the theme “*Domestic Resource Mobilization.*” These case studies we carried out in Kenya, Uganda, Ethiopia, Madagascar, Democratic Republic of Congo, Zimbabwe, Zambia, South Africa, Mali, Togo, Ghana, Cote d’Ivoire, Morocco, and Cameroon and will feed into the ACBF 2015 Africa Capacity Report. Both the first drafts, and revised final drafts of the reports (after taking into account reviewers’ comments), have been forwarded to ACBF bringing the project to a successful completion. The AERC collaborative activity is intended to be an input into the ACBF project on capacity development indicators.

### **Visiting scholars programmes**

To further enhance the profile of AERC in policy making in SSA, AERC links its researchers to other institutions through visiting scholars programmes. Currently AERC has three visiting scholar programmes; *AERC/IMF visiting scholars programmes*, the *AERC/JAE visiting scholars programme* and *AERC/World Bank (WB) Robert McNamara Women’s Fellowship Programme*.

### **The AERC/IMF visiting scholars programme**

The AERC/IMF visiting scholars programme provides AERC researchers an opportunity to work on their work-in-progress or final reports using facilities at the International Monetary Fund (IMF) and to interact with IMF staff in their areas of research. During the reporting period and following the signing of a new MoU, a call for expression of interest was posted on AERC website and circulated widely to AERC network members. The list of applicants was reviewed during the June 2015 AERC-IMF meeting held in Arusha, Tanzania, involving two IMF representatives from both Research and Africa departments. The list was sent to the IMF for final selection of the participants in the programme. The IMF selected eight researchers to attend the visiting scholars programme between February and end of April 2016. The AERC researchers will now be hosted by the Research Department and the African Region of

the IMF following the signing of the MoU in 2015. Three researchers (Ronald Mangani, Jules Rene Minkoua Nzie and Josephine Ndambuki) who had been selected much earlier and had not visited the IMF awaiting the signing of the MoU will visit the IMF in 2016.

### **AERC/Journal of African economies visiting scholars programme**

The AERC/Journal of African Economies visiting scholars programme enables network members who have completed an AERC-supported research project to visit the University of Oxford where they participate in academic and research activities at the Centre for Study of African Economies (CSAE), write a publishable journal article from their research reports and present their research output at a seminar. Over the period 2007–June 2015, a total of 24 researchers have participated in the programme. Three researchers – Epo Boniface Ngah from Cameroon, Fred Matovu from Uganda, and Eme Dada from Nigeria participated in the programme during the first half of 2015. In July 2015, a call for expression of interest for applicants for the year 2015 was circulated widely to all network researchers and posted on the AERC website. A total of 18 applicants responded to the call out of which six were recommended for the programme and their names forwarded to CSAE for selection. CSAE selected two candidates out of the six



that were recommended to participate in the programme during the first half of 2016. These are Elizabeth Nanziri from Uganda and Douzenet Mallaye from Chad.

### **AERC/World Bank (WB) Robert McNamara Women's Fellowship Programme**

AERC and the World Bank launched a new fellowship programme targeted at African women economists. The main objective of the McNamara PhD fellowship programme is to allow researchers advance their doctoral research work mainly by using the facilities and resources provided by the host institution and by interacting with peers. The AERC/WB Robert McNamara Women's Fellowship Programme was launched during the June 2013 biannual workshop in Arusha, Tanzania. A call for proposals was announced during the same biannual workshop and posted on the AERC website. Four out of the 12 applications received were shortlisted by a review panel selected by the AERC Executive Director. The World Bank finalized the selection and two female researchers, Onelie Nkuna from Malawi and Susan Watundu from Uganda, were selected to participate in the fellowship at the World Bank in Washington. Onelie Nkuna visited the World Bank in Washington DC for the programme from 1 March to 30 September 2014, while Susan Watundu visited the World Bank in July 2014 to December 2014. Feedback

from the two participants shows that the programme was useful to them in terms of the opportunity to greatly advance their thesis research work among other things. AERC has contacted the World Bank on the way forward following the successful completion of the fellowship of the two women researchers.

### **CMAAE internship programme and institutional partnerships**

Four new interns joined the programme in April 2015 under the IFAD-AFRACA project on Rural Finance and Knowledge Management. In addition, two researchers - one each from Ethiopia and Mozambique - were supported to undertake country case studies in Ethiopia and Mozambique. The researchers presented their work-in-progress at a three-day AFRACA conference on 10-12 June 2015 on the theme *Regional Experiences on Knowledge Sharing and Networking in Rural and Agricultural Financing*. This is a new partnership between AERC and AFRACA.

### **AERC/African Development Bank scholars exchange programme for research and mentorship**

The Research Department of the African Development Bank has designed an exchange programme between the AfDB and the AERC, whereby new graduates under the AERC collaborative training

programmes, particularly doctoral programmes, are given an opportunity to spend up to three months at the African Development Bank Office in Abidjan, Cote d'Ivoire, to deepen their research competencies. During the period of the programme, visiting researchers are expected to work on topics arising from their dissertation with a view to deriving publishable papers, which will be included, where applicable, in the working paper series of the African Development Bank. Moreover, the research fellows will have dedicated mentorship, including from senior management, so as to expose them to the Bank and enhance their skills as they learn a number of practical aspects related to development financing and the challenges of Africa's transformation. Visiting researchers are supervised by appropriate Bank staff in the Development Research Department.

During the period under review, call for research proposals was made in July 2015, with a total of 37 applications and research proposals being received from new doctoral graduates and other young researchers within the AERC network. A total of 15 research fellows were nominated, six of whom began their three-month mentorship at the AfDB Headquarters on 1 February 2016. The next cohort of nine research fellows reported on





*Students and faculty listening to presentations during the launch of the Collaborative Master's in Applied Agricultural Economics (CMAAE) Shared Facility for Electives (SFSE) at the University of Pretoria in South Africa.*

1 May 2016. The programme is expected to run for two years and benefit a total of 30 visiting research fellows.

**Sandwich PhD fellowship awards**

During the reporting period, the programme continued to support five PhD fellows who are currently in their third year of study. Two of the fellows

successfully completed their coursework at Cornell University in December 2013 under a sandwich arrangement and are currently undertaking research work at the University of Pretoria. Two other fellows are pursuing theses research at Lilongwe University of Agriculture and Natural Resources, Bunda Campus in Malawi and at the

University of KwaZulu-Natal in South Africa, respectively. The other fellow, who was admitted to the University of Pretoria, also completed course work and commenced thesis research work in May 2014. Cumulatively, a total of eight PhD fellows have benefitted from the CMAAE staff development fellowships as shown in Table 5.

**Table 5: List of CMAAE students awarded PhD Fellowships**

No.	Name	Gender	Nationality	University Admitted	Remarks
1	Jackson Langat	M	Kenya	Egerton University	Graduated 2014
2	Elias Kuntashula	M	Zambia	University of Pretoria	Graduated and joined the University of Zambia
3	Patrick Hitayezu	M	Rwanda	Kwazulu Natal, SA	Graduated
4	Christopher Fakudze	M	Swaziland	University of Pretoria	Thesis submitted for examination; awaiting graduation in 2016
5	Brian S.S. Mlipha	M	Swaziland	University of Pretoria/ Cornell Sandwich	Expected to graduate 2016
6	Priscilla Hamukwala	F	Zambia	University of Pretoria/ Cornell Sandwich	Expected to graduate 2016
7	Sotja Dlamini	M	Swazi	LUANAR	Thesis development stage
8	Rebecca Namulinda	F	Zambia	University of Pretoria	Expected to graduate 2016





### **P4P Data Analysis and Knowledge Management Hub (DAKMAH) Project**

AERC continued to build on its partnership project with WFP through the spearheading of the implementation of the Purchase for Progress (P4P) pilot project in Africa, Asia and Latin America. The partnership was planned to run for a period of four years ending March 2015, but a one-year no-cost extension was given and the project ended in March 2016. This enabled the Hub to conclude all envisaged activities and deliverables, and to lay a more solid base for further development of the centre of expertise, while disseminating evidence, lessons and best practices for smallholder agricultural and market development to policy makers.

For continuity and to avoid losing momentum on the

project, it has become necessary to seek some kind of bridge support (from 9 March to 31 December, 2016) in order to enable AERC to develop a proposal for the second phase of AERC/WFP partnership on the data analysis and knowledge management Hub and resource mobilization. In preparation for this and to explore possibilities for future collaboration, the Director of WFP George Heymell and the P4P Senior Programme Advisor Were Omamo, visited AERC in July 2015. This was followed by an AERC mission to WFP office in Rome that included the AERC Executive Director, the Director of Training and the DAKMAH Project Manager. It is expected that the joint AERC/WFP proposal partnership on the post-pilot phase will cover other areas of work, such as food security and nutrition.

- **Publication volume project**

AERC is preparing a publication volume with the aim of summarizing lessons learned from the Purchase for Progress (P4P) pilot initiative at both country and regional levels. The work on the publication volume started in July 2015 with the call for proposals and this was followed by the inception workshop, which took place on the 20 November 2015 in Nairobi. After successfully hosting the final workshop in February 2016 in Rome, whereby several authors presented their final results/papers at the workshop, the finalization of the publication volume, which consists of engaging reviewers to review the papers, editing, printing, etc., was completed in June 2016.



*Participants of the African Economic Research Consortium's (AERC) Thesis Dissemination Workshop that was held in Dar es Salam, Tanzania recently. The theme for this workshop was Revisiting Policy Options for Leveraging Smallholder Farmers Productivity and Access to Markets along Value Chains.*

- **Uploading data and maintenance of the project data portal (data repository)**

Dissemination of the P4P data through the project data portal started in June/July 2015 and is expected to continue in the next fiscal year 2016/2017. As earlier indicated, the data portal aims to share lessons and data generated over the five years of the pilot programme, as well as datasets from other sources/fields, such as nutrition, food security, climate change, finance and other related areas. The exercise is on-going and is expected to continue beyond the no-cost extension period, i.e., during the bridge period.

Further, AERC is in the process of leveraging the P4P data infrastructure to develop a premier African data bank. The Hub has finalized the landing page of the data portal and datasets for Tanzania, Ethiopia, Ghana, El Salvador, Mali and Malawi were uploaded in March/April 2015. Additionally, the country reports for Tanzania, Ethiopia and El Salvador were also uploaded on the data portal during the same period.

- **Special session at the AERC Biannual workshop**

The Hub also organized a special session at the AERC biannual workshop which took place in Arusha, Tanzania, in June 2015. This was the second<sup>3</sup>

special session organized by the Hub since the inception of the project in March 2011. The goal of the special session was to officially launch the project data portal (<https://www.aercdevdata.org/>), i.e., expose the AERC network of researchers to the data that has been collected and is available for further analysis on the outcomes of P4P. The Hub in partnership with a researcher from the AERC network also presented a paper on “Improving Smallholder Farmer Yield through Guaranteed Market: The Case of Purchase for Progress (P4P) in Ghana” at the June special session.

#### **Senior Policy Seminar**

One of AERC’s major activities is bridging the gap between economic research and economic policy. The gap is not only in implementation of policy; it frequently arises in translating research findings into policy. AERC addresses these concerns through a variety of forums, the flagship of which is the Senior Policy Seminar. AERC senior policy seminars are forums designed specifically to bring together senior policymakers from sub-Saharan African countries to exchange experiences and deliberate on topical issues pertaining to sustainable development of their economies. Participants in the past seminars have

<sup>3</sup> The first side event was organized at the AERC biannual workshop which took place in Accra, Ghana, in June 2014.

been drawn from the highest level of government, including the presidency, ministers, governors of central banks, heads of civil services, permanent secretaries and heads of government agencies and parastatals.

As part of the enhanced partnership, AERC and WFP jointly organized the 17th Senior Policy Seminar (SPS) held in Maputo, Mozambique in March 2015 under the theme *Agriculture in Africa’s Transformation: The Role of Smallholder Farmers*. The 17th SPS was a unique opportunity to share the lessons emerging from the P4P pilot initiative with relevant policy makers from around sub-Saharan Africa (SSA). A notable outcome of the SPS is that senior policy makers present at the forum adopted a declaration as an affirmation of their strong commitment to supporting smallholder agriculture as an engine for growth and transformation in the continent. This was based on a two-day intense dialogue between researchers and policy makers, as well as among policy makers, based on rigour and evidence stemming from the P4P lessons and other related presentations at the forum.

#### **Technical Support**

Under the WFP-AERC partnership, the Hub provided technical support to the final surveys in Guatemala and Ghana in May/June 2015. The technical support consisted of training of enumerators, supervision of actual data collection/cleaning and developing database for



uploading onto the newly launched data portal. In addition, mid-term reports were updated with final survey data

and the reports for El Salvador, Ethiopia, Kenya, Malawi, Zambia and Tanzania finalized in May 2015. Table 6 presents

a summary of the outcomes relating to the implementation of Strategic Objective 2.

**Table 6: Outcomes resulting from implementing Strategic Objective 2**

Strategic Objective	Outcomes	Outcome Indicators	Baseline	Target 2015	Actual April 2015 -March 2016	Variance & Explanation
Build and strengthen national, regional and global linkages to generate high quality economic policy research and graduate training	<b>(2.1)</b> Enhanced profile of AERC in policy making in SSA	# of collaborative research projects successfully completed (cumulative)	20	21	22	The capital flight collaborative research project was completed in 2015. The Financial Sector Development project was completed in March 2016. The high completion rate is largely due to close monitoring of the projects by management as part of the quality enhancement initiatives.
		# of collaborative research projects presented at conferences (cumulative)	15	16	22	One paper (Financial Sector project) was presented at the GDN Annual Conference in Morocco (June 2015). Four papers from the Financial Sector collaborative research project were presented at the African Chapter of the Econometric Society Conference held in Lusaka, Zambia (July 2015). Four papers on capital flight country case studies were presented at the Centre for the Study of African Economies conference, in UK.
	<b>(2.2)</b> Strengthened institutional capacity to conduct quality policy relevant research and training	# of African policy-oriented research and training institutions with enhanced capacity	Universities =26 Think Tanks =10	Universities =28 Think Tanks =12	Universities =27 Think Tanks =12	Shortfall of 1 university is as a result of no additional university being matured to either CMAP Category B or C, CMAAE accredited or CPP degree-awarding university AERC is on course in finalizing partnerships with two research think tanks.





**Engage the private sector in mutually beneficial research and training activities to enhance innovation, and to deepen and broaden AERC capacity building**







## Engage the private sector in mutually beneficial research and training activities to enhance innovation, and to deepen and broaden AERC capacity building

**T**he private sector has increasingly been recognized as a key driver of economic growth and development in Africa. During the current strategic plan period, more prominence has been given to private sector linkages so as to enhance development impact of activities of AERC in mutually beneficial areas of interest. In order to realize the outcomes under this objective, several activities were undertaken during the reporting period. This is a new horizon for AERC, and we plan to invest more as we acquire greater knowledge base. For this purpose, a consultant will be engaged during the upcoming plan period to assist in the development of a private sector engagement strategy.

### Increased private sector participation in economic policy research and capacity building for sustainable development in Africa

A few activities under this objective have commenced with participation of private sector practitioners in AERC activities, such as the public-private policy roundtable discussions at the biannual research workshop plenary sessions. The June 2015 policy roundtable discussion involved the participation of Dr. Keith Jefferis, Econsult, Botswana, as a panelist while the December 2015 one was chaired and moderated by Mr. Admassu Tadesse, President and Chief Executive Officer of the PTA Bank. Other private sector participants in the roundtable discussions included Ms. Linda Kwamboka, MFarm Limited, Kenya and Dr. Eleni Zaude Gabre-Madhin, CEO Elleni LLC and former CEO, Ethiopia Commodity Exchange.

Part of AERC's valued private sector stakeholders are farmers who contribute to AERC's research

agenda by providing primary data to CMAAE theses research. These farmers are normally invited to theses dissemination workshops where graduates of the CMAAE programme present their research findings and make recommendations to farmers and other stakeholders. So far, AERC has held 16 in-country theses dissemination workshops between 2011 and March 2016 in various countries. To date, a total of 220 farmers have participated in theses dissemination workshops. Other partners participating in the theses dissemination sessions include financial institutions that work closely with the farmers.

As mentioned above, this is a new initiative, which is a completely uncharted territory for AERC. The aim is to develop a strategy for private sector engagement with the AERC on issues of mutual benefit.

### Strengthened capacity for research and analysis in the private sector

#### Research on issues pertinent to the private sector

The growing importance of the private sector in the economies of the region necessitates policy research attention relevant to the private sector. Most of the work in this respect has been under the theme of financial inclusion and in topics discussed during the biannual workshops in groups C and E.

#### Senior policy seminar on financial inclusion

The March 2016 Senior Policy Seminar was on financial inclusion, and was held in Nairobi, Kenya. The current AERC financial sector development project is being leveraged to

produce a synthetic paper by the project coordinator, Professor Isaac Otchere, which is accessible to policy and private sector actors. The other presentations included a paper by Professor Thorsten Beck and Professor Mthuli Ncube.

The formal research-based policy-oriented presentations were augmented by a public-private policy roundtable featuring senior policy makers and private sector actors. The AERC Senior Policy Seminar was picked for the

pre-launch of a large scale project on finance for low income countries, with a focus on Africa, stemming from the DFID-ESRC grant. AERC is a major partner on this project for capacity building, knowledge generation, and policy outreach, hence the SPS was selected as an avenue for the launch.

Thus, the SPS was another avenue to help accelerate AERC's engagement with the private sector through a robust public-private sector

partnership. Moreover, the AERC SPS was an avenue to disseminate the new report of the Global Financial Inclusion Task Force. The report was presented remotely from Washington with three Task Force members, including the AERC Executive Director, moderating a dialogue among the SPS participants on the report findings.

Table 7 presents a summary of the outcomes relating to the implementation of Strategic Objective 3.

**Table 7: Outcomes resulting from implementing Strategic Objective 3**

Strategic Objective	Outcomes	Outcome Indicators	Base-line	Target 2015	Actual April 2015 -March 2016	Variance & Explanation
Engage the private sector in mutually beneficial research and training activities to enhance innovation, and to deepen and broaden AERC capacity building	(3.1) Increased private sector participation in economic policy research and capacity building for sustainable development in Africa	# of policy research and training activities undertaken in partnership with the private sector (cumulative)	1	2	1	The planned activities are still to take place. They are now scheduled for the second half of 2016.
		# of private sector actors participating in AERC policy outreach activities (cumulative)	10	15	14	Three private sector actors participated in the March 2015 Senior Policy Seminar on Smallholder Agriculture in Maputo, Mozambique and one in Nairobi, Kenya. Six private sector actors participated in the March 2016 SPS on Financial Inclusion.



Strategic Objective	Outcomes	Outcome Indicators	Base-line	Target 2015	Actual April 2015 -March 2016	Variance & Explanation
		# of private sector actors participating in research dissemination activities (cumulative)	20	30	29	<p>For instance, the PTA President attended and moderated the public private policy roundtable discussion in December 2015 with two other private sector actors as panellists. Four private sector actors participated in the STAARS conference held back-to-back with the December Biannual Research Workshop in Addis Ababa. The STAARS conference was organised by AERC in partnership with AfDB, Cornell University, World Bank and Partnership for Economic Policy (PEP).</p> <p>Similarly we had two private sector actors participate in the June 2015 plenary as panellists</p>
	<b>(3.2)</b> Strengthened capacity for research and analysis in the private sector	# of researchers conducting policy oriented research related to private sector (cumulative)	10	13	15	<p>Several projects of direct interest and relevance to private sector were undertaken in the areas of smallholder agriculture and finance. These were carried out under the CMAAE, Thematic Research and Collaborative Research programmes.</p>



# Enhance AERC visibility, outreach and policy engagement to maximize the uptake of AERC products in policy







## Objective 4: Enhance AERC visibility, outreach and policy engagement to maximize the uptake of AERC products in policy

In order to enhance the brand and strengthen the value proposition of AERC, communication and outreach remain among the key instruments during the current strategic plan period. Dissemination of research outputs helps boost interaction among researchers and policy communities, hence, making widely known the programme activities of AERC. Various activities were undertaken during the reporting period, particularly the Senior Policy Seminar and production of research outputs and other promotional materials.

### AERC as a reference and focal point for policy research and training in sub-Saharan Africa

This reporting period was marked by the dissemination of AERC activities and the development of performance indicators for the first year of the strategic plan. The Senior Policy Seminar outputs, Research Papers, and other publications too rolled off the press with some being uploaded onto the AERC website. ICT innovations and support to network members through grants were other key activities. All these activities fall within the broad objectives of the Strategic Plan 2015-2020.

#### The 2016 senior policy seminar on “Financial Inclusion in Africa”

The 2016 AERC Senior Policy Seminar XVIII, which was partly funded under the USAID/GDN grant, was a resounding success. The SPS took place in Nairobi, Kenya, which was fitting given the progress that Kenya has realised in the area of financial inclusion. The theme of the SPS was *Financial Inclusion in Africa*. Senior policy makers and advisors from across Africa congregated in Nairobi on March 22–23, 2016 to deliberate on one of the continent’s most pressing issues.

The seminar brought together nearly 100 participants, primarily African policy-makers and advisors drawn from the highest levels of government representing 24 countries on the continent. The seminar was officially opened by Ms. Sheila M’Mbijiwe, Deputy Governor, Central Bank of Kenya on behalf of Dr. Patrick Njoroge, Governor, Central Bank of Kenya. The cluster of senior government officials included one minister, one governor and five deputy governors of central banks, two Ambassadors, the International Monetary Fund resident representative in Kenya, the president of the PTA Bank, former Vice President and Chief Economist of the African Development Bank, two special advisors, as well as parliamentarians. Other participants included senior scholars and directors of various ministries and research institutes.



*Ms. Sheila M’Mbijiwe, Deputy Governor, Central Bank of Kenya, addressing the plenary during the official opening of the AERC Senior Policy Seminar XVIII. The policy seminar was a timely opportunity to share the lessons emerging from financial inclusion initiatives in Africa and the rest of the world with relevant policy makers and private sector actors in the continent.*

The policy seminar was a timely opportunity to share the lessons emerging from financial inclusion initiatives in Africa and the rest of the world with relevant policy makers and private sector actors in the continent. Their contributions is bound to

heighten the debate on the importance of financial inclusion as a catalyst for inclusive growth. The senior policy seminar provided a timely forum for dialogue between senior policy makers and thought leaders, and among policy makers themselves.

### Media coverage

The AERC Secretariat made significant effort to ensure that the seminar drew extensive media coverage, with the result that leading local newspapers, as well as television and FM radio stations allocated considerable space and time to enlighten Africans and the rest of the world on the event. The *Daily Nation*, *Citizen TV*, *Capital FM*, *Kass Media*, *Kenya News Agency (KNA)*, *Radio Waumini*, *Sunday Weekly*, *Hot 98*, *AIG Radio*, *West TV*, *Xinhua*, and *Radio Salama* all covered the event. Television stations like *Citizen TV* also carried interviews with some of the seminar participants including Ms. Sheila M'Mbijjewe, Deputy Governor, Central Bank of Kenya and the AERC Executive Director; Prof. Lemma Senbet whose interviews were broadcast in various outlets. The interviews were apportioned substantive airplay of broadcast.

### AERC Tops Development Think Tanks in Africa, and among the Very Top internationally in the 2015 Global Index

The African Economic Research Consortium (AERC) has emerged as among the very top International Development Think Tanks in the 2015 Global Index, and first in this category in sub-Saharan Africa (SSA). The organization was also placed at position 24 globally in this category, an improvement from last year's 25<sup>th</sup> spot. Moreover, for the first time AERC was separately listed among the Best Independent Think Tanks internationally.

Earlier, AERC had joined other think tanks and civil society actors around the world ahead of the launch for a unique global programme organized by the Think Tanks and Civil Societies Programs (TTCSP) at the University of Pennsylvania that involved a series of coordinated events that were intended to highlight the important role think tanks play in government and civil societies around the world. This year's theme was "Why Think Tanks Matter to Policymakers and the Public." The programme involved hundreds of think tanks and

other civil society actors in approximately 50 countries and 70 cities. It produced a series of coordinated events that were intended to highlight the important role think tanks play in governments and civil societies.

The 2015 Go To Think Tank Index Launch marked the ninth annual event organized by TTCSP, whose initial effort to produce a global ranking of the world's leading think tanks in 2006 was in response to a series of requests from donors, government officials, journalists, and scholars who wanted the organization to identify the leading think tanks in the world. A total of 4,677 journalists, policy makers, think tanks and public and private donors from 143 countries participated in this year's ranking process. Last year's edition of the Global Go To Think Tank Index Report was downloaded over 175,000 times from March 1, 2015 to December 31, 2015, and there are now 47,000 individuals that follow the annual ranking process. The independent Index is designed to help users of information and policy analysis identify the leading centers of excellence in public policy research around the world.



Participants listening to presenters at AERC's eighteenth senior policy seminar that was held in Nairobi, Kenya. The seminar brought together senior African policy-makers and advisors from the highest levels of government representing countries on the African continent.



## Publications (research output and corporate /promotional materials)

**Thematic Research Papers:** Fifteen (15) research papers, whose titles are indicated in Table 8, were produced and distributed to AERC network members and other stakeholders.

**Table 8: New AERC Research Papers**

Number	Title of Research Paper	Author(s)
286	Modelling Trade Flows between Three Southern and Eastern African Regional Trade Agreements: A Case Study	Sannassee R. Vinesh, Seetanah Boopen and Tandrayen Verena
287	Households' Incomes and Poverty Dynamics in Rural Kenya: A Panel Data Analysis	Milu Muyanga and Phillip Musyoka
288	The Impact of Economic Partnership Agreements between ECOWAS and the EU on Niger	Amadou Ousmane
289	A Re-examination of the Determinants of Child Labour in Cote d'Ivoire	Edouard Pokou Abou
290	The Inflationary Effects of Fiscal Deficit in Sierra Leone: A Simulation Approach	Robert Dauda Korsu
291	Fiscal Decentralization and Social Services in Nigeria	Eme A. Dada
292	An Analysis of Married Women's Empowerment in Sub-Saharan Africa	Yélé Maweki Batana and Pitaloumani Gnakou Ali
293	Threshold Effects in the Relationship between Inflation and Economic Growth: Evidence from Rwanda	Musoni J. Rutayisire
294	Market Power in Nigerian Domestic Cocoa Supply Chain	Joshua Olusegun Ajetomobi
295	Bank Consolidation and Bank Risk Taking Behaviour: A Panel Study of Commercial Banks in Nigeria	Nwosu Emmanuel and Amadi Francis N
296	Mechanisms of Monetary Policy Transmission in the Countries of the West African Monetary Union: An Empirical Study	Yao Dossa Tadenyo
297	Analysis of Determinants of Public Hospitals Efficiency in Cameroon	Nguenda Anya and Saturnin Bertrand
298	Explaining Pro-poor Growth in Cameroon	Boniface Ngah Epo and Francis Menjo Baye
299	Microfinance and Poverty in Cameroon: An Oaxaca-Blinder Decomposition Analysis	Syrie Galex SOH
300	Food Prices, Tariffs and Household Welfare in Tanzania: Empirical Evidence from Dar es Salaam	Vincent Leyaro

### Collaborative Research Volumes and Other Projects Published

- *The Macroeconomics of Africa's Recent Growth.* This volume was drawn

from final research papers developed under the auspices and support of the Thematic Research Programme of AERC. The book is edited by Prof. Ibi Ajayi and Shantayanan Devarajan and was

published as a joint venture between the AERC and the World Bank.

- *Capital Flight and Tax Havens.* The volume is an outcome of a Collaborative effort in the best of AERC's traditions,



and focuses on capital flight from Africa, a key issue that African policy makers are grappling with. The book is edited by Prof. Ibi Ajayi and Prof. Leonce Ndikumana. It was published by the Oxford University Press (OUP).

- *Health, Economic Growth and Poverty Reduction Framework Papers*. The volume edited by Prof. David Sahn was published as a joint venture between AERC and the University of Nairobi.

### Other AERC publications

- *Senior Policy Seminar XVII Policy Brief: A Brief titled Agriculture in Africa's Transformation: The Role of Smallholder Farmers* was published in April 2015.
- *Senior Policy Seminar XVII Report: A report titled Agriculture in Africa's Transformation: The Role of Smallholder Farmers* was published.
- *Senior Policy Seminar XVII Papers: A book volume titled Agriculture in Africa's Transformation: The Role of Smallholder Farmers* was published.

### Updates from the ED's Desk

The *Updates from the AERC Executive Director's Desk* were shared in June and December 2015 among the network members. They were also posted on the AERC website for wider circulation. The updates highlight the most recent activities and milestones, and they are reviewed and signed off

by the AERC Executive Director.

### AERC Newsletter

The latest issue of *AERC Newsletter* (Number 31) was published and distributed to the network.

### AERC Strategic Plan 2015/2020

The AERC Strategic Plan 2015/2020 was published. The Plan was approved at the March 2015 AERC Board meeting and its implementation kicked-off in earnest. AERC stakeholders were interested in copies, thus the need for its publication in hard copies for distribution purpose.

### Policy Briefs

Seven (7) Policy Briefs were produced from the collaborative research projects during the period under review and posted on the AERC website for wider circulation. These Policy Briefs are AERC publications that provide a concise, readable summary of a specific research paper that is particularly intended for use by policy makers.

### AERC Website updated with publications and workshop papers

The AERC website now has 702 publications and working papers, which are available and easily accessible. These include 281 Research Papers, 83 Policy Briefs, 15 Working Papers, Newsletters, Annual Reports, and other materials. Posting of AERC publications, announcements of events, notifications and other relevant information to the website

is an on-going process to ensure network members and stakeholders have the most up-to-date information about the Consortium.

### Information Resources Service/Library

The AERC Library is in the process of being transformed into an electronic library. Much progress has been made towards digitization of the library and integration of an online subscription to the Kenya Library and Information Services Consortium (KLISC). This provides access to online databases of over 50,000 journals from renowned publishers including Springer, Emerald Insight, Wiley Online Library, and Oxford University Press. Access to the online journals is usually provided to AERC researchers.

### Paperless Workshops and Social Media

#### Technology for cost effective workshops and increased reach

During the 2015/16 period emphasis has been put on enhancing the use of technology to improve cost efficiency in AERC workshops. A key enabler of this has been the events portal on the AERC website. Over 1500 participants have been able to attend AERC events virtually through live web casts on the portal during the period under review. Additionally electronic participant registrations and distribution of workshop materials have been made possible. Over time this has built up into an online repository of AERC workshop





materials that can be made available to network members and provides useful insights on programme performance. Substantial cost savings have been made from this departure from traditional physical paper distribution, logistics and onerous administrative effort behind participant registrations.

**Improved social media engagement**

There has been an improvement in the overall

performance of social media over the 2015/16 fiscal year. The table below illustrates a comparison of Twitter activity between the June 2015 and December 2015 Biannual Workshops. This shows a net improvement on all metrics. The most significant improvements are retweets (1652 from 243) and impressions (48,900 from 11,400) both indicative of increased engagement and reach of AERC messages.

forward a network relationship management system will be integrated with the AERC website, events and alumni portals to gain insights on individual profiles and preferences. This will enable targeted messaging based on an individual’s specific information requirements gathered from their profile. The events portal will also be enhanced to allow cross platform information sharing with leading social media websites. The resultant ease of access to information across different social media accounts interlinked through the events portal will lead to increased uptake and sustained engagement with the AERC network and beyond.

**Over 350 Alums registered to date**

Following a revamp of the Alumni portal that saw the introduction of a distributed content management system and moderated discussion forums, the portal is now geared to serve as a central

**Table 9: Comparison of June 2015 and December 2015 Biannual Twitter Performance**

Metric	June 2015	December 2015
Followers	520	683
New Followers	53	163
Tweets	207	1050
Tweet impressions	11400	48900
Retweets	243	1652

To sustain the gains made, social media channels will be used to continually update the network of ongoing

AERC activities beyond the two flagship AERC events – the Biannual workshop and Senior Policy Seminar. Going



*A session during a biannual research workshop. The workshop provides an opportunity for monitoring the progress and quality of the various research projects sponsored by AERC, thereby fulfilling one of its major mandates – to strengthen local capacity for conducting independent, rigorous inquiry into problems facing the management of economies in sub-Saharan Africa.*

point of information and collaboration amongst members. To date over 350 alums have registered on the portal since its inception one year ago. Plans are underway to increase the membership base and facilitate access for current members to the AERCAA Journal series, online journals subscribed to by AERC, digitized AERC library and Alumni Directory.

### Media coverage for AERC and Biannual Research Workshops

The May/June and November/December 2015 Biannual Research Workshops were held in Arusha, Tanzania and Addis Ababa, Ethiopia respectively. The themes for the plenary sessions of these workshops were *Sovereign Wealth Funds and Natural Resource Management in Africa*, and *Agriculture in Africa's Transformation*. Both meetings attracted significant media coverage from leading local newspapers, and television. Also FM radio stations allocated considerable space and time to enlighten people on these events. In Addis, the AERC Secretariat in collaboration with the Bank of Tanzania ensured that June Biannual Research Workshop was coverage by the Tanzanian media, with newspapers, television and FM radio stations allocating slots for the event. *Tanzania Broadcasting Corporation (TBC)*, *Independent Television (ITV)*, *Daily News*, *The Guardian*, *Business Times*, *The Citizen*, and *THISDAY* all had

articles about the workshop. The TBC (a national television station), has a massive reach in the country.

Again, during the December Biannual Research Workshop, the AERC and UNECA Secretariat made significant effort to ensure that the workshop drew extensive media coverage, with the result that leading local newspapers, as well as television and FM radio stations allocated considerable space and time to enlighten the Ethiopians on the event. *Pan African News Agency (PANA)*, *Ethiopia Radio and Television Agency (ERTA)*, *Ethiopian News Agency (ENA)*, *Voice of America (VOA)*,

*Xinhua*, *The Reporter*, *Capital Newspaper*, *The Africa Report*, *Addis Standard*, *China Central Television (CCTV)* all covered the event.

### Enhanced policy outreach and attractiveness to African governments, donors, and other stakeholders

#### Support Towards Dissemination at National and International Conferences

AERC supports various activities through small grants.



*Prof. Mthuli Ncube, former Vice President and Chief Economist of the African Development Bank addressing participants during the AERC Senior Policy Seminar XVIII that was recently held in Nairobi, Kenya. Prof. Ncube who is a professor of public policy at University of Oxford, United Kingdom is the current Chairman of the AERC Board of Directors.*



These include *National Policy Workshop* grants to local economics association or other institution for convening a policy workshop; *Grants to Professional Associations* provides support to strengthen the economics profession in Africa to foster closer links between academic and policy communities; and, *Conference Participation* grants that are issued for capacity building by facilitating the travel of African economists to present

the results of their AERC-funded research to regional and international conferences as well as regional economics journals for institutional support. Details of the grants that were disbursed during the fiscal year 2015/16 are provided in Annex C.

### Theses Dissemination Workshops

To empower smallholder farmers with best practices

and policy makers on the key recommendations of supported theses research work, the CMAAE programme conducted three theses dissemination workshop, which were held in Malawi in July 2015, in Zambia in October 2015 and in Tanzania in March 2016. This was the 16<sup>th</sup> workshop among a series of dissemination workshops held since 2011. Table 10 presents statistics of past CMAAE theses dissemination workshops.

**Table 10: CMAAE theses dissemination workshops (2011-2015)**

Year	Country	Category of Participants					Total
		Farmers / farmer group representatives	Extension	Policy Makers	NGOs/Development Partners/ Media	Student & Advisors/ researchers	
2015	Zambia	6	3	6	6	16	37
2015	Malawi	12	10	2	4	18	46
2015	Uganda	16	6	3	5	12	42
2014	Kenya	47	20	13	12	20	102
2013	Zimbabwe	11	10	3	4	9	37
2013	Swaziland	8	10	2	5	10	35
2013	Rwanda	8	10	1	4	16	39
2013	Ethiopia	10	14	3	5	13	45
2012	Zambia	12	10	1	3	10	36
2012	Malawi	9	5	3	6	11	34
2012	Kenya-NBI	14	10	1	7	22	54
2011	Kenya-Egerton	20	9	1	5	17	52
2011	Zimbabwe	9	15	2	6	15	49
2011	Uganda	12	16	3	7	13	51
2011	Malawi	10	14	1	8	20	53

**Table 11: Outcomes resulting from implementation of Strategic Objective 4**

Strategic Objective	Outcomes	Outcome Indicators	Baseline	Target 2015	Actual April 2015 -March 2016	Variance & Explanation
1. Enhance AERC visibility, outreach and policy engagement to maximize the uptake of AERC products in policy	(4.1) AERC as a reference and focal point for research and training in SSA	# of publications downloads from AERC website annually	28,000	40,000	43,441	3,441- Higher demand for AERC’s quality outputs.
		AERC’s ranking among global development think tanks (measurement by Think Tanks and Civil Societies Programme)	27	26	24	2 AERC ranked 24th worldwide in the category of “Top International development Think Tanks” and first in Africa exceeding expectation.
	(4.2) Enhanced policy outreach and attractiveness to African governments, donors, and other stakeholders	# of established partnerships with African governments and institutions (cumulative)	<ul style="list-style-type: none"> <li>• National think tanks (NT)=10</li> <li>• Public universities (PU)=41</li> <li>• Central banks (CB)=4</li> <li>• Governments (Gov)=1</li> <li>• Regional institutions (RI)=4</li> </ul>	<ul style="list-style-type: none"> <li>• NT=12</li> <li>• PU=42</li> <li>• CB=6</li> <li>• Gov=1</li> <li>• RI=4</li> </ul>	<ul style="list-style-type: none"> <li>• NT=12</li> <li>• PU=41</li> <li>• CB=6</li> <li>• Gov=1</li> <li>• RI=4</li> <li>• International Institutions =1</li> </ul>	<ul style="list-style-type: none"> <li>• 2</li> <li>• 1</li> <li>• 6</li> <li>• 0</li> <li>• 0</li> </ul>
		# of policy analysts and researchers from African governments and other institutions participating in AERC activities (cumulative)	795	845	876	31





# Maximize mutual benefits through diversified resource base and stakeholder ship for sustainability





## Maximize mutual benefits through diversified resource base and stakeholder for sustainability

**A**s stipulated in the strategic plan 2015-2020, AERC needs to put in place considerable efforts towards enhanced sustainability through a diversified and broadened stakeholder base. To achieve this, AERC’s long term financing strategy will be anchored on clear value propositions for its diverse partners. Various activities were carried out in the year towards realizing the targets of this strategic objective and associated outcomes.

### Broadened and diversified resource base for sustained funding of AERC’s activities

During the reporting period, a number of strategies were employed in an effort to increase the resources available for implementation of programme activities. These include deepening and sustaining strong relationships with current funding partners; re-engaging with previous funders; enhancing the engagement with African governments and institutions; engaging with non-traditional partners; and, capitalizing on the vast network and alumni base.

Efforts made on resource mobilization have borne fruits with new commitments made by existing and re-engaged funders. The African Development Fund (ADF) has now approved a three-year grant support of UA 5.0 million (US\$7.0 million) for AERC research capacity and knowledge enhancement. The AfDB funding adds to the pool of resources available for implementation of programme activities in the strategic plan. This is in addition to the initial grant of US\$720,000 awarded by the African Development Bank (AfDB) towards support for the Researchers Exchange Programme. This funding will support the capacity building of young network researchers who will have an

opportunity to visit the AfDB and engage with more senior researchers.

AERC is deeply appreciative of the continued partnership with existing funders, particularly those that have engaged with AERC over a long period. Deepening and sustaining strong relationships with current members of the Consortium have paid off. Besides the March 2015 AERC Board meetings, members had a separate meeting and all present reaffirmed their continuing membership in the Consortium and support of the AERC Strategic Plan, 2015-2020. The only member not present was NORAD which subsequently also reaffirmed its membership in the Consortium. Since then NORAD has provided a bridge support of US\$307,000 (NOK 2.7 million) for 2015/16 PWB activities as it considers the remaining funding request.

Other major resources recently committed from our existing partners towards funding the 2015-2020 strategy include DFID contribution of US\$8.6 million and an additional US\$1.8 million for quality incentives; SIDA grant of US\$8 million (SEK 72 million) in support of the five-year plan; and BMGF grant of US\$1.5 million in support of the CMAAE programme.

In addition, DANIDA has provided support for the first year of the strategy and has also indicated its continued support for the second year of the plan. Among the other existing funders, the World Bank has provided US\$200,000 for the current period and is expected to continue to do so annually for the rest of the strategic plan. Likewise, GDN has provided a grant of US\$149,000 and is expected to continue to do so annually for the rest of the strategic plan. Moreover, there are continuing efforts to maintain on-going partnerships with the African Capacity



*Members of staff drawn from the African Economic Research Consortium (AERC) and the African Development Bank Group (ADB) at the occasion of signing a grant to finance AERC's knowledge generation and capacity building activities.*

Building Foundation (ACBF), Government of Kenya, the UN's World Food Programme (WFP), Netherlands Ministry of Foreign Affairs and the German Academic Exchange Service (DAAD).

A successful re-engagement with the International Development Research Centre (IDRC) has culminated in the awarding of a grant of US\$1.2 million in support of inclusive capacity building with a special focus on fragile states. The project activities will be undertaken over a period of three years. In addition, following encouragement by IDRC for AERC to submit another proposal for support to the training programme, a full training proposal has been submitted.

There has been a major effort to re-engage the United States Agency for International Development (USAID) in support of the new strategy, and the outcome has been positive. At a Washington

meeting of the Executive Director and the Africa Bureau of USAID, it was confirmed that USAID is going through its internal process for packaging support to AERC. In addition, the USAID has provided a bridge grant through GDN of US\$285,000 while awaiting the longer term arrangement.

Relentless efforts continued in reaching out to African governments and institutions as a key strategy for sustainability of the Consortium. As reported earlier, these efforts have culminated into the historic convening of 12 African central banks in Livingstone, Zambia (February 2015), and signing of the Resolution for the Banks to become members of the Consortium in accordance with the AERC bylaws. Eight of the Banks signed the Resolution in Livingstone. Three more have since signed – Zambia, Mozambique, and Nigeria. In terms of disbursements, considerable progress was

realized with six central banks already having released their 2015/16 financial contributions. On-going negotiations indicate that more central banks will shortly release core funding to AERC based on individual contribution agreements.

The AERC Board, at its March 2015 meeting, officially approved membership of the Banks and the representation of the Governors' Forum by a group director on the Board. This follows the signing of the historic Central Bank Governors' Forum resolution in Livingstone in February 2015 and the subsequent approval of group directorship of the Consortium by the AERC Board in March 2015. The Central Banks continue to play their role as members of the AERC Consortium, with the Bank of Uganda hosting the July 2015 meeting of the Executive Committee of the Board in Kampala, Uganda. The National Bank of Rwanda likewise hosted the November





*Members of the AERC Governors' Forum. They gathered in Lilongwe, Malawi, recently during the annual Central Bank Governors' Forum meeting. The Governors and Deputy Governors representing the member banks reaffirmed their commitment to AERC, pointing out that AERC is an important institution and partner for sustained African development.*

2015 meeting of AERC Executive Committee in Kigali, Rwanda.

In January 2016, Governors and Deputy Governors gathered in Lilongwe, Malawi, for the annual Central Bank Governors' Forum, which was hosted by Governor Charles Chuka of the Reserve Bank of Malawi. The Governors reaffirmed their commitment to AERC, pointing out that AERC is an important institution and partner for sustained African development. They commended AERC's contribution to capacity building in research and training as all Central Banks represented (and many more) had benefited immensely from AERC products. They urged AERC to continue to articulate and communicate its value propositions to the stakeholder segments more aggressively, consistent with the current Strategic Plan,

2015-2020. Forum members also challenged AERC to reach out to pan-African banks and institutions by holding workshops and seminars on key themes of interest to the pan-African banks, and inviting them to these meetings. Partnerships between AERC and individual Central Banks may include internships and student scholarships, with input on curriculum development for collaborative training programmes. Avenues for membership expansion of the Forum beyond the annual contribution, such as contributing to the RIEF and/or providing one-off support, were discussed.

AERC continues to depend on the support of its vast network and alumni base to increase its ability to reach out to partners, and especially the African stakeholders. AERC Alumni, Central Bank Governors, Deputy Governors and other

senior banks' staff continue to provide a connection in formalizing these partnerships. Furthermore, joint applications to funding opportunities and the development of memoranda of understanding with partners have been facilitated by the network members.

In support of these resource mobilization efforts, AERC has ensured compliance with grant conditions, which include timely donor reporting, adherence to procurement guidelines, stringent administrative and financial measures and delivery of implementation plans.

### **Donor reporting and compliance**

All donor reports in the fiscal year were submitted on time and constituted both financial and narrative reports as required. This represented 100% compliance to donor requirements.





## Effective, accountable and transparent governance structure and management practices

### AERC Governance

The smooth implementation of the strategic plan 2015-2020 will depend on an effective, accountable and transparent governance structure. We recognize with appreciation the role played by the Board of Directors in the development and subsequent approval of the new strategy. We also acknowledge the support of the Board in laying the foundations for the execution of the Plan by the Secretariat. AERC is also deeply appreciative of the reaffirmation of continuing membership of the institutions currently represented on the Board. The continuing challenge is huge turnover in the directors representing the institutions.

In March 2015, the Board approved the Charter and constitution of an Audit and Risk Committee to support the Executive Committee of the Board. The Executive Committee, at its July 2015 meeting, nominated Ms Susan Kasinga as an external expert to join the committee with effect from April 1, 2016. Ms Kasinga currently works as a Director at the Standard Investment Bank in Nairobi. Her areas of expertise include; investments, fund management

accounting, finance and auditing.

At the same time, we recognize the contribution of the AERC Programme Committee in its important advisory capacity in the design and monitoring of the programmes. The Committee held two meetings in June and December 2015 and approved the awarding of 35 research and four PhD thesis grants. The meetings also provided an opportunity for the Committee to confirm its commitment to support the Secretariat in the implementation of planned activities towards the achievement of the strategic objectives.

## Improved HR capacity and Administration processes for effective programme delivery and stakeholders value addition

The management is cognizant of the fact that, to achieve the milestones set out in the 2015-2020 strategy, the quality of workforce, supporting structures and cultivating a culture that aims to enhance stakeholder's value addition will play a critical role.

### Organizational structural review and alignment

The importance of proper structures in place is seen as a key driver to the

implementation of the strategy 2015-2020. Current AERC organizational structure was last revised in 2010. With the new strategic phase, it is important to review the structure and align it to effectively support the strategic plan objectives. Following a competitive procurement that saw 19 firms expressing interest, Parker Randall Consultants were procured to carry out the assignment. The exercise commenced in November 2015 and is expected to be completed in June 2016.

### Staff changes

In terms of the staff capacity, three programme managers left the Secretariat during the reporting period. The Manager of CMAAE, George Owuor, left on 1 April and has since been replaced by Dr. Mark Korir who previously was the Head of the Department of Economics at Moi University, Kenya. The Collaborative Research Manager and Resource Mobilization Manager positions also fell vacant during the period following the departure of Samuel Mwakubo and Mary Kuria, respectively. Following a competitive recruitment process, Dr. Wilson Wasike was appointed as the Collaborative Research Manager and reported on 1 February, 2016. Dr. Wasike was previously a Senior Research Analyst under the AERC-GoK capacity building project where he has been since August 2013. Dr. Wasike worked in AERC previously



*AERC Staff members in a team building session during a seminar:*

in the position of Training Manager. Moreover, Ms. Monica Naggaga-Kizito was appointed in February 2016 into the position of Resource Mobilization Manager. Ms. Kizito previously worked with Oxfam GB and most recently as a Director with Drylands Learning and Capacity Building Initiative (DLCI). The total staff complement remained at 34, excluding the WFP Dakmah and GOK project staff. The positions of Director Communications, Editor, Librarian and Research Administrator were not filled during the period due to budgetary constraints.

### **Performance management system**

The performance management system was reviewed to

strengthen its objectivity, measurement and evaluation criteria and linkages to reward system. This is based on a modification of the Performance Contracting (PC) system and best practices from other organizations in the same sector. Staff training and sensitization was carried out within the period and the staff were able to set the objectives for 2015/16. The new tool is seen to be an improvement to the Balanced Score Card as it allows for tracking of objectives in line with the Monitoring and Evaluation framework that is defined in the strategy. The process of testing the application of the tool is ongoing and the findings will be used to improve the tool further.

### **Staff activities**

As part of implementing the 2015-20 strategy and ensuring that all staff are on board in its implementation, AERC held

two one-day sessions with all staff in which the activities planned in the strategy were presented and discussed. In these sessions, the staff were able to discuss how to leverage on various opportunities and any unforeseen challenges. The staff found the session very useful in facilitating the operationalization of the strategy.

As part of team building and enhancing team cohesion, a two-day staff seminar was held in October 2015 in Naivasha, Kenya. The theme of the seminar was *Enhancing team*



*cohesion*. Several activities and brainstorming sessions were carried out during the seminar. These provided a forum for staff to provide feedback on various issues especially the on-going structural review.

During the period, the Annual General Meeting for the staff provident fund was held, and as required, the fund audited accounts for the year were presented to the members. The meeting doubled as a forum to update members on new developments from the Retirement Benefits Authority and to address any concerns raised. During the year, the Board of Trustees of the fund held quarterly review meetings to monitor the fund performance as well as the performance of the service providers.

## Improved operational efficiency and turnaround time of business processes

### Automation of business processes

Automation of the integrated Enterprise Resource Planning (ERP) commenced in September 2015 with the external project consultant on board. The requirements gathering process commenced with the detailed documentation of the current Consortium's business processes, identifying the gaps and proposing certain changes in the business processes. Governance structures for

the ERP were also put in place with appointments of the steering committee members, project team members and identification and categorization of the various stakeholders in the whole process. Roles and responsibilities for each were also drawn. Timeframes and milestones for monitoring the implementation processes with detailed documents, such as the project charter, communication plan, risk identification and management plans, training plans were also drawn and formed annexes to the project charter. It is envisaged that the project will take 12 months to implement. As per the implementation plans, the project is on course and expected to remain on course.

To ensure maximum benefits realization in this process, an additional layer of business process re-engineering was included, where an independent external consultant was engaged to review the current and proposed business processes. The two processes are being carried out simultaneously and are seamless. A clear matrix of managing the two consultants was drawn to facilitate the management of their deliverables while minimising conflicts arising during implementation.

The ERP system is expected to enhance and integrate the current manual and separate automated systems of accounting, grants

management, procurement and human resource management.

### Research Management System - Paper submission and review system

Part of the ERP integration will include the Research Management System currently under development. Thus far, the paper submission and review workflow modules have been completed. This will see the Research processes integrated with Grants administration and the Finance modules of the ERP. The interface requirements and impact of this integration to the completed modules is currently under review. Further development will be in tandem with the ERP system expected to take a period of 12 months.

### E-learning and e-resource depository services developed

The e-learning/blended learning project for the CMAAE is currently on course. This follows the enlistment of consultants, Neil Butcher and Associates, who have developed alternative design scenarios for blended learning solutions that strive to balance cost, reach, quality and standardization. The next steps include the selection of a design and implementation strategy that would best meet the programmes objectives.

Table 12 presents a summary of the outcomes relating to the implementation of Strategic Objective 5.

**Table 12: Outcomes resulting from implementation of Strategic Objective 5**

Strategic Objective	Outcomes	Outcome Indicators	Baseline	Target 2015	Actual April 2015 -March 2016	Variance & Explanation
Maximize mutual benefits through diversified resource base and stakeholder-ship	(5.1) Broadened and diversified resource base	Broadened and diversified resource base	<ul style="list-style-type: none"> <li>• 7 African governments and institutions-provided funding in 2014/15 (6 central banks-Kenya, Ghana, Tanzania, Uganda, Zambia and Mozambique)</li> <li>• 3 Foundations (DAAD, ACBF, BMGF)</li> <li>• 6 North America and European government (DFID, SIDA, NORAD, DANIDA, USAID and IDRC)</li> <li>• 4 Multilateral institutions (WFP, AfDB, UNU-WIDER and GDN)</li> <li>• 0 Asia and South America</li> <li>• 3 other organizations (Trinity, Dunford, IFAD/ AFRACA)</li> </ul>	<ul style="list-style-type: none"> <li>• 9 African governments and institutions (Continued support and additional Central Banks of Nigeria and Lesotho)</li> <li>• 4 Foundations (Additional AGRA)</li> <li>• 7 North America and European governments (Additional EU)</li> <li>• 4 Multilateral institutions</li> <li>• 2 Asia and South America (China and Australia)</li> <li>• 4 other organizations (Additional IFPRI)</li> </ul>	<ul style="list-style-type: none"> <li>• 11 Central Banks (Governors' Forum) have signed resolution for support. Government (GOK) continued to fund</li> <li>• 3 Foundations supporting (DAAD, ACBF, BMGF)</li> <li>• 6 North America and European government have committed/ indicated on-going support (DFID, SIDA, NORAD, DANIDA, USAID and IDRC)</li> <li>• 4 Multilateral institutions (WFP, AfDB, GDN and World Bank) continue to support</li> <li>• Partnership with China on-going</li> <li>• 2 other organizations (Dunford, IFAD/ AFRACA) continue to fund</li> </ul>	<ul style="list-style-type: none"> <li>• 11 Founding members include: Nigeria, Kenya, Uganda, Tanzania, Ghana, Zambia, Malawi, Zimbabwe, Mozambique, Rwanda, and Burundi</li> <li>• Negotiation for re-engagement and partnership with AGRA ongoing</li> <li>• EU re-engagement process has commenced.</li> <li>• AERC held a seminar on "China-Africa Cooperation on Three Networks of Africa's Infrastructure and Industrialization" in Nairobi, Kenya; 29 October 2015. Seminar was held in partnership with Yunnan University (China) and the Embassy of China</li> </ul>





Strategic Objective	Outcomes	Outcome Indicators	Baseline	Target 2015	Actual April 2015 -March 2016	Variance & Explanation
	<b>(5.2)</b> Effective, accountable and transparent governance structure and management practices	Level of stakeholders' satisfaction with AERC service delivery	-	70%	Survey not yet carried out. Not factored in PWB due to funding constraints	
	<b>(5.3)</b> Improved HR capacity and Administration processes for effective programme delivery and stakeholders' value addition	% of staff retention	70%	72%	94%	3 Managers left during the period
	Revised organizational structure that supports the strategy	New organizational structure in place			Ongoing	The assignment began in November 2015 and is expected to be completed by June 2016
	Skills gap assessment carried out and staff training conducted in line with identified gaps	Skills gap report and trainings undertaken			Ongoing	Same as above
	Salary and compensation survey conducted	A new salary structure in place			To be carried out in 2016/17	This will be carried out upon completion of the organizational structure review
	Staff Satisfaction survey conducted	Employee satisfaction index	52.5%	61.7%		Postponed to 2016-17 to allow for completion of structural review and ERP implementation.



Strategic Objective	Outcomes	Outcome Indicators	Baseline	Target 2015	Actual April 2015 -March 2016	Variance & Explanation
	<b>(5.4)</b> Improved financial and risk management of AERC resources and programmes.	Global ranking of financial transparency of organizations conducted annually by Transparify	5-star rating	5-star rating	5-star rating	
		# of unqualified audit reports	1	1	1	
	<b>(5.5)</b> Improved operational efficiency and turnaround time of business processes	# of processes automated	Microsoft Information Product (MIP) Payroll Mgt. System (PMS) Fixed Asset Mgt. System (FAMS) Library Mgt. System (LMS)	MIP PMS FAMS LMS Core Integrated Finance System (CIFS) Human Resource and Payroll Mgt. System(HRPMS) Document Management System (DMS) Research & Training Information System	Integrated (ERP) system implementation commenced in September 2015. It incorporates the systems targeted	ERP Implementation ongoing  Document Management system postponed due to budget constraints



# Financial Performance



## Programme Financial Performance and Financing

### Introduction

In March 2015, the AERC Board approved the Programme of Work and Budget (PWB) for 2015/16 with the financial requirements of US\$14.0 million and a projected income level of US\$ 12.1 million. The Excess requirements over income of US\$ 1.9 million was to be financed by carry over net assets from the previous year 2014/15. The PWB requirements were guided by the activities planned in the first year of the Strategic Plan 2015-2020 and in line with the Monitoring and Evaluation Plan for year one of the strategy.

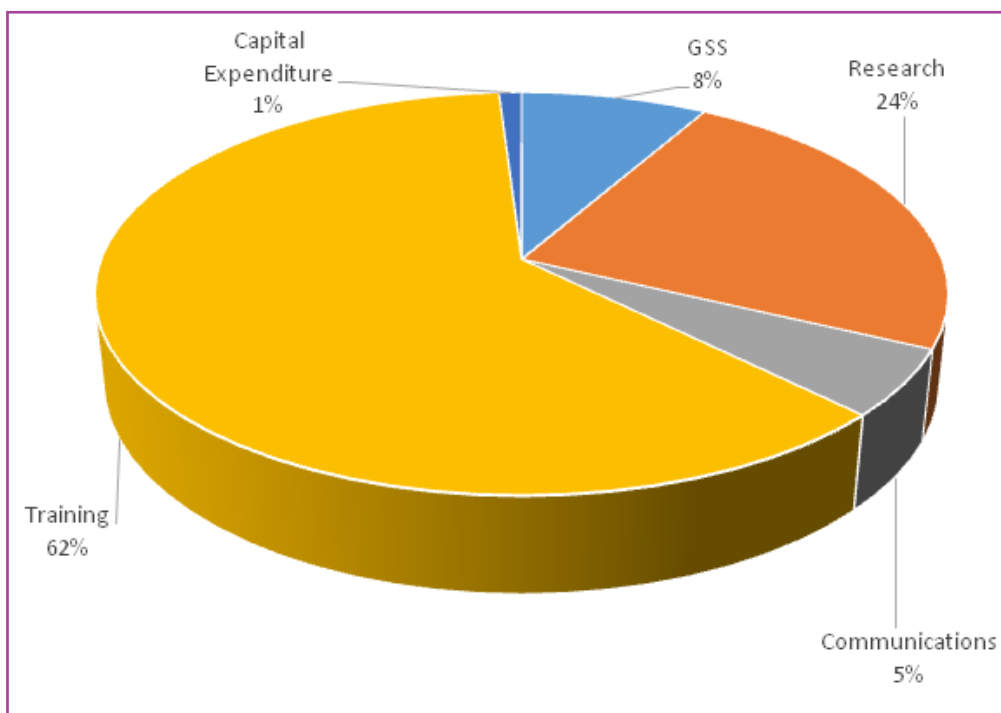
### Key financial highlights

The Consortium appointed Deloitte & Touche as its statutory auditors for the strategic period

2015-2020. This follows the end of term of the previous auditors Ernst and Young. Deloitte & Touche carried out the main statutory audit for 2015/16 alongside the special audit of the African Capacity Building Foundation (ACBF). Ernst and Young continued to undertake the specialized audit of the World Bank, Service Delivery Indicators Project.

The actual total programme expenditure for the period is US\$ 12.05 million. This expenditure was financed by income of US\$ 10.9 million and US\$1.15 million carry forward funds from the previous year 2014/15. The actual expenditure is 14% lower than the approved budget of US\$14.1 million. Figure 1 indicate the Programme contribution to total expenditure.

Figure 1: Expenditure per implementing programmes



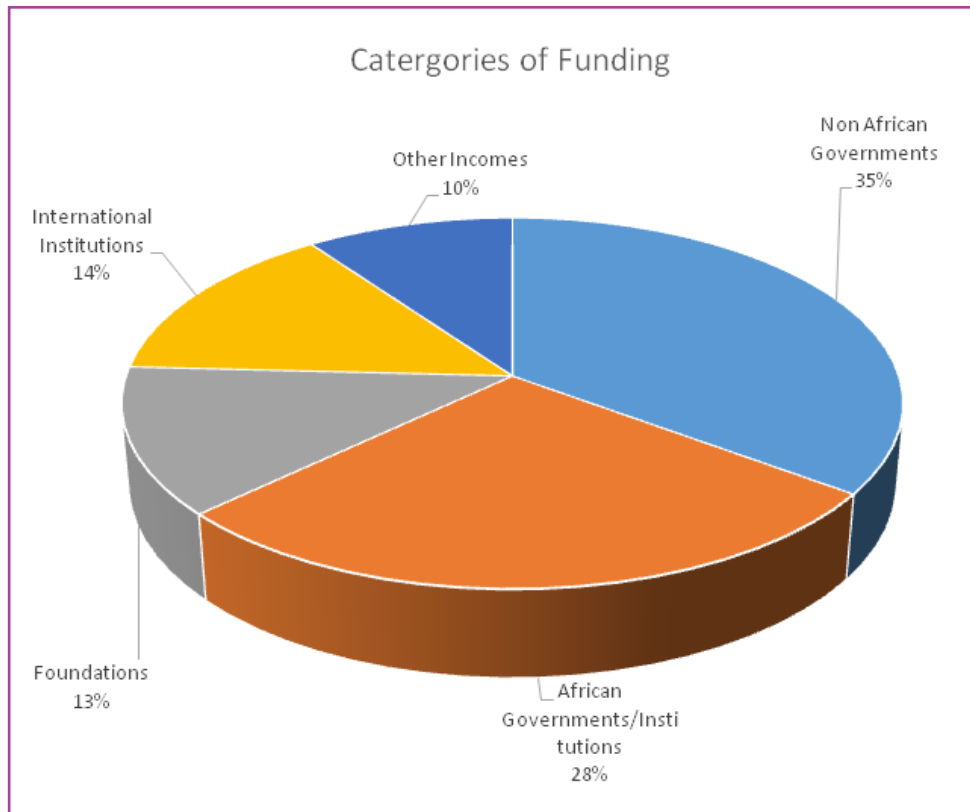


The actual income of US\$ 10.9 million was 10% lower than the March 2015 approved budget. Figure 2 shows the categories of the funding

sources with government stakeholders contributing a significant component of the Programme financing (63%). Of this amount, 28% is

income derived from African governments and institutions. Foundations and International institutions accounted for 13% and 14%, respectively.

**Figure 2: Categories of funding Sources**



The net assets of the Consortium at the year-end was US\$20.4 million, out of this US\$ 9.3 million pertains to the Consortium’s Board Reserve Fund (US\$ 3.0 million) and Research Innovations Endowment Fund (RIEF) (US\$ 6.3 million). The balance of US\$ 11.1 million are mainly earmarked programme funds

available for programme activities in the coming year and beyond (US\$6.2 million of this amount is earmarked for the Government of Kenya Special capacity Building Project).

The consortium’s Financial Statements were duly approved at the July 2016

Executive Committee of the AERC Board. The approved financial statements as well as the Independent auditor’s report on Internal Controls were subsequently shared with all donors. A summary of the approved audit report for the fiscal year is presented on the financial pages.





## Summary Financial Report

**Deloitte.**

Deloitte & Touche  
Certified Public Accountants (Kenya)  
Deloitte Place  
Waiyaki Way, Muthangari  
P.O. Box 40092 - GPO 00100  
Nairobi  
Kenya  
Tel: +254 (20) 423 0000  
Cell: +254 (0) 719 039 000  
Fax: +254 (20) 444 8966  
Dropping Zone No.92  
Email: admin@deloitte.co.ke  
www.deloitte.com

**INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF AFRICAN ECONOMIC RESEARCH CONSORTIUM, INC**

The accompanying summary financial statements on pages 67 to 72, which comprise the statement of financial position as at 31 March 2016, statement of activities and changes in net assets and statements of expenditure per objective and per function for the year then ended are derived from the audited financial statements of African Economic Research Consortium, Inc for the year ended 31 March 2016. We expressed an unqualified opinion those financial statements in our report dated 22 July 2016. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of African Economic Research Consortium, Inc.

*Directors' responsibility for the Summary Financial Statements*

The Directors are responsible for the preparation of the summary of the audited financial statements in accordance with accounting principles generally accepted in the United States of America.

*Auditors' Responsibility*

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

*Opinion*

In our opinion, the summary financial statements derived from the audited financial statements of African Economic Research Consortium, Inc for the year ended 31 March 2016, are consistent, in all material respects, with those financial statements in accordance with accounting principles generally accepted in the United States of America.

The engagement partner responsible for the audit resulting in this independent auditor's report is  
**CPA Rose Mwaura - P/No 1954.**

Certified Public Accountants (Kenya)  
Nairobi, Kenya

1 August 2016



## AFRICAN ECONOMIC RESEARCH CONSORTIUM, INC

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2016

	2016 US\$	2015 (Restated) US\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and bank balances	2,396,352	1,487,852
Short-term investments	10,102,502	13,250,960
Grants receivable	916,776	206,812
Other receivables	485,394	878,589
<b>Total current assets</b>	<b>13,901,024</b>	<b>15,824,213</b>
<b>Non-current assets</b>		
Long-term investments	10,319,820	10,122,564
Property and equipment	259,744	134,313
<b>Total non-current assets</b>	<b>10,579,564</b>	<b>10,256,877</b>
<b>TOTAL ASSETS</b>	<b>24,480,588</b>	<b>26,081,090</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accruals	777,910	549,631
Sundry creditors	202,285	158,551
Grants payable-grantees	3,103,026	3,809,759
<b>Total liabilities</b>	<b>4,083,221</b>	<b>4,517,941</b>
<b>Net assets</b>		
Unrestricted net assets	1,727,574	1,107,490
Board restricted reserve	2,996,983	3,932,499
Temporarily restricted net assets	10,223,103	11,046,732
Research innovations endowment fund	5,449,707	5,476,428
<b>Total net assets</b>	<b>20,397,367</b>	<b>21,563,149</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>24,480,588</b>	<b>26,081,090</b>

Ms. Frannie A. Léautier  
Treasurer of the Board

Lemma W. Senbet  
Executive Director

**AFRICAN ECONOMIC RESEARCH CONSORTIUM, INC**
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 31 MARCH 2016**

	Operating reserve US\$	Board restricted reserve US\$	Temporarily restricted reserve US\$	Permanently restricted reserve US\$	Total 2016 US\$	Total 2015 (Restated)* US\$
<b>Support and revenues</b>						
Grant from Governments	4,129,662	-	2,802,974	-	6,932,636	9,111,069
Grants from Foundations	109,150	-	1,285,709	-	1,394,859	1,609,714
Grants from International Organizations and others	155,807	-	1,356,795	-	1,512,602	1,461,869
Investment income	56,147	44,484	642,121	(26,721)	716,031	1,366,993
Other (loss)/income	(141,949)	-	1,916	-	(140,033)	5,128
	<u>4,308,817</u>	<u>44,484</u>	<u>6,089,515</u>	<u>(26,721)</u>	<u>10,416,095</u>	<u>13,554,773</u>
<b>Net assets released from restriction</b>						
Satisfaction of Program Restrictions	8,045,669	-	(8,045,669)	-	-	-
Grants write back	-	-	470,456	-	470,456	36,292
Appropriation from Board Reserve/RIEF	980,000	(980,000)	-	-	-	-
Appropriation to Temporary Reserve Fund	(662,069)	-	662,069	-	-	-
	<u>8,363,600</u>	<u>(980,000)</u>	<u>(6,913,144)</u>	<u>-</u>	<u>470,456</u>	<u>36,292</u>
<b>Total support and revenues</b>	<u>12,672,417</u>	<u>(935,516)</u>	<u>(823,629)</u>	<u>(26,721)</u>	<u>10,886,551</u>	<u>13,591,065</u>

\* 2015 reported amounts have been restated to correct a prior year misstatement (see Note 18 to the financial statements).





AFRICAN ECONOMIC RESEARCH CONSORTIUM, INC

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 31 MARCH 2016

	Operating reserve US\$	Board restricted reserve US\$	Temporarily restricted reserve US\$	Permanently restricted reserve US\$	Total 2016 US\$	Total 2015 (Restated)* US\$
<b>Expenditure</b>						
General Administration	1,012,941	-	-	-	1,012,941	1,262,147
Program Management **	-	-	-	-	-	77,430
Research Program	2,887,907	-	-	-	2,887,907	3,138,715
Communications	649,989	-	-	-	649,989	722,189
Master's Program	1,378,840	-	-	-	1,378,840	2,118,924
CMAAE Program	2,357,966	-	-	-	2,357,966	2,593,512
Doctoral Program	3,764,690	-	-	-	3,764,690	2,554,511
<b>Total expenditure</b>	<b>12,052,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,052,333</b>	<b>12,467,428</b>
<b>Change in net assets</b>	<b>620,084</b>	<b>(935,516)</b>	<b>(823,629)</b>	<b>(26,721)</b>	<b>(1,165,782)</b>	<b>1,123,637</b>
Net assets at the beginning of the year	1,107,490	3,932,499	11,046,732	5,476,428	21,563,149	20,439,512
<b>Net assets at the end of the year</b>	<b>1,727,574</b>	<b>2,996,983</b>	<b>10,223,103</b>	<b>5,449,707</b>	<b>20,397,367</b>	<b>21,563,149</b>

\* 2015 reported amounts have been restated to correct a prior year misstatement (see Note 18 to the financial statements).

\*\*In 2016, Program management has been merged with the general administration under the new strategy.

## AFRICAN ECONOMIC RESEARCH CONSORTIUM, INC

 SCHEDULE OF EXPENDITURE  
 FOR THE YEAR ENDED 31 MARCH 2016

## STATEMENT OF EXPENDITURE PER OBJECTIVE

	General administration US\$	Research program US\$	Communications & publications US\$	CMAAE program US\$	Masters program US\$	Doctoral program US\$	Total 2016 US\$	%
Enhanced Capacity Building Build & Strengthen National, Regional & Global Linkages	-	1,621,808	1,727	1,444,043	1,096,347	2,240,057	6,403,982	53%
Enhance AERC Visibility, Outreach and Policy Engagement	-	682,828	-	530,284	4,930	58	1,218,100	10%
Program Management	-	525,589	298,214	50,223	-	-	348,437	3%
	-	525,589	356,744	212,006	278,400	1,525,412	2,898,151	24%
<b>Total programme costs</b>	-	<b>2,830,225</b>	<b>656,685</b>	<b>2,236,556</b>	<b>1,379,677</b>	<b>3,765,527</b>	<b>10,868,670</b>	<b>90%</b>
Diversification and Broadening AERC Stakeholder and Resource Base	1,306,264	-	-	-	-	-	1,306,264	11%
Overheads	(181,789)	58,705	-	123,084	-	-	-	0%
Capitalization of equipment purchases	(111,534)	(1,023)	(6,696)	(1,674)	(837)	(837)	(122,601)	(1%)
<b>Total expenditure</b>	<b>1,012,941</b>	<b>2,887,907</b>	<b>649,989</b>	<b>2,357,966</b>	<b>1,378,840</b>	<b>3,764,690</b>	<b>12,052,333</b>	<b>100%</b>



**AFRICAN ECONOMIC RESEARCH CONSORTIUM, INC**  
**SCHEDULE OF EXPENDITURE**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**STATEMENT OF FUNCTIONAL EXPENDITURE**

Year 2016	General administration US\$	Research program US\$	Communication & publications US\$	CMAAE program US\$	Master's program US\$	Doctoral program US\$	2016 Total US\$
<b>Expenditure</b>							
Personnel costs	677,697	424,923	272,028	483,059	230,639	675,586	2,763,932
Contracted services	94,114	338,448	25,815	166,578	89,900	153,984	868,839
Travel, conferences and meetings	208,514	1,432,012	179,898	671,476	647,039	714,019	3,852,958
Communications	35,048	11,942	2,470	7,748	7,417	14,370	78,995
Occupancy and office operations	120,714	47,872	141,339	115,937	23,675	1,103,862	1,553,399
Grants to organizations	-	21,000	22,070	695,050	342,084	793,397	1,873,601
Grants to individuals	(2,000)	537,300	4,195	94,489	27,000	300,902	961,886
Depreciation	60,643	15,705	2,174	545	11,086	8,570	98,723
Equipment purchases	111,534	1,023	6,696	1,674	837	837	122,601
<b>Total expenditure before overheads</b>	<b>1,306,264</b>	<b>2,830,225</b>	<b>656,685</b>	<b>2,236,556</b>	<b>1,379,677</b>	<b>3,765,527</b>	<b>12,174,934</b>
Overheads	(181,789)	58,705	-	123,084	-	-	-
<b>Total expenditure before capitalization</b>	<b>1,124,475</b>	<b>2,888,930</b>	<b>656,685</b>	<b>2,359,640</b>	<b>1,379,677</b>	<b>3,765,527</b>	<b>12,174,934</b>
Capitalization of equipment purchases	(111,534)	(1,023)	(6,696)	(1,674)	(837)	(837)	(122,601)
<b>Total expenditure after capitalization</b>	<b>1,012,941</b>	<b>2,887,907</b>	<b>649,989</b>	<b>2,357,966</b>	<b>1,378,840</b>	<b>3,764,690</b>	<b>12,052,333</b>

## AFRICAN ECONOMIC RESEARCH CONSORTIUM, INC

 SCHEDULE OF FUNCTIONAL EXPENDITURE  
 FOR THE YEAR ENDED 31 MARCH 2016

## STATEMENT OF FUNCTIONAL EXPENDITURE

Year 2015	General administration US\$	Program management US\$	Research program US\$	Communications & publications US\$	CMAAE program US\$	Masters program US\$	Doctoral program US\$	2015 Total US\$
<b>Expenditure</b>								
Personnel costs	735,450	-	496,266	302,736	587,434	623,571	245,488	2,990,945
Contracted services	147,982	36,173	297,972	(14,833)	214,442	100,116	198,670	980,522
Travel, conferences and meetings	280,070	36,438	1,332,886	196,906	776,320	545,994	774,164	3,942,778
Communications	10,780	-	16,978	4,921	27,341	6,199	9,402	75,621
Occupancy and office operations	134,904	4,819	97,445	146,180	155,308	302,204	56,227	897,087
Grants to organizations	-	-	162,550	28,700	698,306	510,077	1,131,850	2,531,483
Grants to individuals	-	-	718,900	57,089	73,600	21,600	132,813	1,004,002
Depreciation	12,995	-	15,718	490	727	9,163	5,897	44,990
Equipment purchases	17,800	-	50,351	-	-	-	-	68,151
<b>Total expenditure before overheads</b>	<b>1,339,981</b>	<b>77,430</b>	<b>3,189,066</b>	<b>722,189</b>	<b>2,533,478</b>	<b>2,118,924</b>	<b>2,554,511</b>	<b>12,535,579</b>
<b>Overheads</b>	<b>(60,034)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,034</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditure before capitalization</b>	<b>1,279,947</b>	<b>77,430</b>	<b>3,189,066</b>	<b>722,189</b>	<b>2,593,512</b>	<b>2,118,924</b>	<b>2,554,511</b>	<b>12,535,579</b>
<b>Capitalization of equipment purchases</b>	<b>(17,800)</b>	<b>-</b>	<b>(50,351)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(68,151)</b>
<b>Total expenditure after capitalization</b>	<b>1,262,147</b>	<b>77,430</b>	<b>3,138,715</b>	<b>722,189</b>	<b>2,593,512</b>	<b>2,118,924</b>	<b>2,554,511</b>	<b>12,467,428</b>

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## Annex A: Thematic Research Programme Statistics for 2015/16

**Table A1: Distribution of researchers by country, gender and thematic group**

June 2015											
No.	Country of researchers	Category		Gender		Researchers per country	Thematic Researchers by concurrent group				
		Thematic	CPP	M	F		A	B	C	D	E
1	Burundi	1		1		1			1		
2	Botswana		2	1	1	2					
3	Burkina Faso	3		1	2	3		1			2
4	Cameroon	24	2	19	7	26	10	3	1	5	5
5	Chad	1		1		1	1				
6	Côte d'Ivoire	6	1	7		7		2	2	1	1
7	Congo	1		1		1					1
8	DRC	1		1		1	1				
9	Ghana	2	3	3	2	5		1	1		
10	Guinea	1		1		1			1		
11	Ethiopia	1		1	1	1				1	
12	Kenya	4	15	10	9	19	1	1	1		1
13	Liberia	2		2		2		1	1		
14	Malawi	6		5	1	6		3	2	1	
15	Nigeria	9	2	11		11	2	1		2	4
16	Senegal	5		4	1	5		1	1	2	1
17	Sierra Leone	1		1		1		1			
18	South Africa	2		2		2	1		1		
19	Sudan	2		1	1	2				1	1
20	Tanzania	2	1	2	1	3		1		1	
21	Togo	3		3		3	1				2
22	Uganda	2	1	1	2	3				2	
23	Zambia	1		1		1		1			
24	Zimbabwe	3		3		3		1	1	1	
<b>Total</b>		<b>83</b>	<b>27</b>	<b>83</b>	<b>27</b>	<b>110</b>	<b>17</b>	<b>18</b>	<b>13</b>	<b>17</b>	<b>18</b>



December 2015											
No.	Country of researchers	Category		Gender		Researchers per country	Thematic Researchers by concurrent group				
		Thematic	CPP	M	F		A	B	C	D	E
1	Burundi	1		1		1			1		
2	Botswana	1	2	1	2	3		1			
3	Burkina Faso	1			1	1					1
4	Cameroon	11	1	10	2	12	2		1	3	5
5	Chad	2		2		1	2				
6	Côte d'Ivoire	9	1	8	2	10	1	2	2	1	3
7	Congo	1		1		1		1			
8	DRC	1		1		1	1				
9	Ghana	4	3	5	2	7		3		1	
10	Guinea	1		1		1			1		
11	Ethiopia	3		3		3				1	2
12	Kenya	3	12	9	6	15	3				
13	Liberia	1		1		1			1		
14	Malawi	3		3		3		1	2		
15	Mauritania	1		1		1	1				
16	Niger	1			1	1			1		
17	Nigeria	11	2	12	1	13		4		3	4
18	Senegal	10		9	1	10	2	2	3	3	
19	Sierra Leone	1		1		1		1			
20	Tanzania	1	1	1	1	2		1			
21	Togo	3		3		3	1		1		1
22	Uganda	3		2	1	3			1		2
23	Zimbabwe	3		3		3		1		2	
<b>Total</b>		<b>76</b>	<b>22</b>	<b>78</b>	<b>20</b>	<b>98</b>	<b>13</b>	<b>17</b>	<b>14</b>	<b>14</b>	<b>18</b>



**Table A2: Distribution of CPP students by country, gender and thematic group**

June 2015									
	Country of CPP participants	Gender		Total per country	CPP student presentation by thematic concurrent group				
		M	F		A	B	C	D	E
1	Botswana	1	1	2				1	1
2	Cameroon		2	2					2
3	Côte d' Ivoire	1		1					1
4	Ghana	2	1	3	1	2			
5	Kenya	10	5	15	5	1	4	3	2
6	Nigeria	2		2		2			
7	Tanzania	1		1		1			
8	Uganda		1	1		1			
	<b>Total</b>	<b>17</b>	<b>10</b>	<b>27</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>6</b>
December 2016									
1	Botswana	1	1	2				1	1
2	Cameroon		1	1					1
3	Cote d'Ivoire	1		1					1
4	Ghana	2	1	3	1	2			
5	Kenya	8	4	12	5	1	4	2	
6	Nigeria	2		2		2			
7	Tanzania	1		1		1			
	<b>Total</b>	<b>15</b>	<b>7</b>	<b>22</b>	<b>6</b>	<b>6</b>	<b>4</b>	<b>3</b>	<b>3</b>

**Table A3: Distribution of CPP students by country, gender and thematic group – 2015/16**

	Country of CPP participants	June 2015									December 2015								
		Gender		Total per country	CPP student presentation by thematic concurrent group					Gender		Total per country	CPP student presentation by thematic concurrent group						
		M	F		A	B	C	D	E	M	F		A	B	C	D	E		
1	Botswana	1	1	2				1	1	1	1	2				1	1		
2	Cameroon	0	2	2					2		1	1					1		
3	Cote d'Ivoire	1		1					1	1		1					1		
4	Ghana	2	1	3	1	2				2	1	3	1	2					
5	Kenya	10	5	15	5	1	4	3	2	8	4	12	5	1	4	2			
6	Nigeria	2	0	2		2				2		2		2					
7	Tanzania	1	0	1		1				1		1		1					
8	Uganda	0	1	1		1													
	<b>Total</b>	<b>17</b>	<b>10</b>	<b>27</b>	<b>6</b>	<b>7</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>15</b>	<b>7</b>	<b>22</b>	<b>6</b>	<b>6</b>	<b>4</b>	<b>3</b>	<b>3</b>		





## Annex B: Training Programmes Statistics for 2015/16

**Table B1: Scholarship awards under CMAP in 2015**

	Name of Candidate	Gender	Country of Nationality	University Admitted
1	Mwangi Lottan Waithira	Female	Kenya	Nairobi
2	Muli John Nzuki	Male	Kenya	Mauritius
3	Mwangi Beatrice Njeri	Female	Kenya	Malawi
4	Chepkorir Valentine	Female	Kenya	Nairobi
5	Aswata Millicent Bridgit	Male	Kenya	Makerere
6	Mwafulirwa Jane	Female	Zambia	Botswana
7	Bah Saidu*	Male	Sierra Leone	Nairobi
8	Namuliira Phionah	Female	Uganda	Dar es Salaam
9	Rwamihigo Sylvestre	Male	Rwanda	Nairobi
10	Undji Joao Valdemar	Male	Angola	Namibia
11	Ngwenya S. Nkosingiphile	Male	Swaziland	Botswana
12	Nkunzimana Jeanine	Female	Burundi	Nairobi
13	Saine Mariama	Female	Gambia	Mauritius
	<b>Summary</b>	<b>Female = 54%</b>		

\*Candidate had to defer studies to 2016 after being barred from travelling to Kenya from Sierra Leone while on transit in Abidjan, Cote d' Ivoire, the main reason being the threat of Ebola.

## Annex C: Conference participation, national policy workshops and professional association grants awarded in 2015/16

**Table C1: Conference Participation grants – 2015/16**

Name	Amount (US\$)	Type/theme	Affiliation	Country
CSAE	9,738	Travel grant to meet conference expenses for five members of the AERC network who attended the CSAE annual conference held in Oxford on 22-23 March 2015	Centre for Study of African Economies (CSAE)	UK
Dr Elizabeth Owiti	5,000	Travel grant to present a paper: Survival Analysis of HIV and AIDS Treatment in Kenya at the ISPOR 20th Annual International Meeting on 16-20 May 2015 in Philadelphia, USA	School of Economics, University of Nairobi	Kenya
Chalmers Mulwa	3,641	Travel grant to make a presentation at the Triennial Conference of Agricultural Economists to be held from 9-14 August 2015 in Milan, Italy	University of Cape Town	South Africa
Santigie Mohamed Kargbo	1,560	Travel grant to make a presentation at the Econometric Society (AES) Workshop to be held from 22-24 July 2015 at Taj Pamodzi hotel in Lusaka, Zambia	University of Cape Town	South Africa
Dr. Lessana Cissokho,	3,000	To travel to Oxford, United Kingdom, and participate in the CSAE annual conference held in Oxford on 22-23 March 2016	Department of Economics, University of Dakar	Senegal,
Ratjomose Machema,	2,575	To travel to Oxford, United Kingdom, and participate in the CSAE annual conference held in Oxford on 22-23 March 2016	School of Economics, University of Cape Town,	South Africa.
Christine Makanza,	1,840	To travel to Oxford, United Kingdom and participate at the CSAE annual conference held in Oxford on 22-23 March 2016	School of Economics, University of Cape Town,	South Africa.

**Table C2: National Policy Workshop grants – 2015/16**

Name	Amount (US\$)	Type/Theme	Affiliation	Country
Makerere University	3,100	Grant to support School of Economics host a National Policy Conference in Kampala, Uganda on 18 June 2015	Makerere University	Uganda
Dr. Jean-Christophe BOUNGOU-BAZIKA	5,000	Grant to hold a National Policy Conference	CERAPE	Congo Brazzaville


**Table C3: Professional Associations grants – 2015/16**

Name	Amount (US\$)	Type/theme	Affiliation	Country
AAWE	10,000	Grant to sponsor two of AAWE members to a joint AAWE-AERC information/networking workshop at the conference from 22-24 March 2015 at Oxford University, England	Association for the Advancement of African Women Economists (AAWE)	USA
CREPOL	5,000	Grant to support CREPOL host the sixth Annual Conference for Regional Integration in Africa (ACRIA 6) in Banjul, Gambia from July 1-3, 2015	CREPOL	Senegal
AES	10,000	Grant to support AES host their Annual Conference in Lusaka, Zambia from July 22-23, 2015	African Econometric Society (AES)	Zambia
African Growth Institute	10,000	Grant to support the African Growth Institute host the 13 <sup>th</sup> African Finance Journal Conference in Accra, Ghana early 2016	African Finance Journal	South Africa



## Secretariat Management and Staff

Lemma W. Senbet	Executive Director
Monica Naggaga	Manager, Resource Mobilization
Lydia Auma	Executive Assistant
Anna Owino	Personal Assistant

### Finance and Administration

Grace Amurle	Director of Finance and Administration
John Muriithi	Manager, Finance
Pamella Kilwake	Accountant
Lamiku Kidamba	Accounts Assistant
Hellen Muthoni	Administrative Assistant
Catherine Tole	Manager, Human Resource and Administration
Damaris Michoma	Human Resources Administrator
Rose Atieno	Receptionist/Secretary
Jackson Ng'ang'a	Driver/Office Assistant

### Research

Witness Simbanegavi	Director of Research
Damiano Manda	Manager, Research Programme
Wilson Wasike	Manager, Research Programme
Sheila Lyaga	Programme Administrator
Vacant	Research Administrator
Susan Miyengi	Programme Assistant
Nancy Muriuki	Programme Assistant

### Training

Innocent Matshe	Director of Training
Tom Kimani	Manager, Training Programme
Mark Korir	Manager, CMAAE Programme
Paul M. Mburu	JFE Administrator
Emma Rono	Programme Administrator
Catherine Cheng'oli	Training Administrator
Evar Kiambuthi	Accountant, CMAAE
Paul Ngugi	JFE Assistant
Bertha Chedeye	Programme Assistant (CMAAE)
Elizabeth Mboi	Programme Assistant (CPP/CMAP)

### Communications

Vacant	Director of Communications
Charles Owino	Manager, Publications
Juffali Shahalir Kenzi	Manager, ICT
Steven Kinuthia	Information Technology Administrator
Vacant	Editor
Vacant	Librarian
Winston Wachanga	Information Resources Administrator
Sandra Mulluka	Publications and Communications Assistant

### Dakmah Project

Paulo Dias	Project Manager
Dennis Kinambuga	M&E Officer
Walter Moturi	Data Analyst
Claris Riungu	Data Analyst
Judith Mutuku	Data Analyst
Rebecca Wairimu	Data Analyst





The AERC, established in 1988, is a premier capacity building institution in the advancement of research and training to inform economic policies in sub-Saharan Africa. It is one of the most active Research and Capacity Building Institutions (RCBIs) in the world, with a focus on Africa. AERC's mission rests on two premises: First, that development is more likely to occur where there is sustained sound management of the economy. Second, that such management is more likely to happen where there is an active, well-informed cadre of locally-based professional economists to conduct policy-relevant research. AERC builds that cadre through a programme that has three primary components: research, training and policy outreach. The organization has now emerged as a premier capacity building network institution integrating high quality economic policy research, postgraduate training and policy outreach within a vast network of researchers, universities and policy makers across Africa and beyond. AERC has increasingly received global acclaim for its quality products and services, and is ranked highly among global development think tanks.

## African Economic Research Consortium

### Consortium pour la Recherche Economique en Afrique

Middle East Bank Towers, 3rd Floor  
P. O. Box 62882-00200  
Nairobi, Kenya  
Tel: (254-20) 273-4150 (pilot line) /  
273-4157 / 273-4163  
Fax: (254-20) 273-4173 /273-4170  
E-mail: [exec.dir@aercafrica.org](mailto:exec.dir@aercafrica.org)