



AFRICAN ECONOMIC RESEARCH CONSORTIUM



An Evaluation Report

By

Haroon Borat

and

Bernard Hoekman

June 2024

African Economic Research Consortium

An Evaluation Report

By Haroon Borat and Bernard Hoekman¹

June 2024

¹ We are grateful to the many people who generously devoted their time in interviews and provided us with their views on the operation of the AERC and to the staff of the AERC for providing us with data and documents. All comments and questions can be directed to haroon.bhorat@uct.ac.za and Bernard.Hoekman@eui.eu.

About African Economic Research Consortium (AERC)

Established in 1988, African Economic Research Consortium is a premier capacity-building institution in the advancement of research and training to inform economic policies in sub-Saharan 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 cohort of locally-based professional economists to conduct policy-relevant research. AERC builds that cohort through a programme that has three primary components: research, training and policy outreach. The organization integrates high quality economic policy research, postgraduate training and policy outreach within a vast network of researchers, universities and policymakers across Africa and beyond.

Networking – the linking of individuals and institutions in a knowledge-sharing, experience-sharing framework – is the key strategic instrument for implementing AERC's activities. The network approach links economists within and outside the region and promotes professional *esprit de corps*. The Consortium is itself a network of 18 funders who support a commonly agreed programme of research activities, its dissemination and the training of future potential researchers. The Board of Directors sets broad policy, provides support for a multi-year programme of activities, approves annual work programmes and budgets, and appoints the Consortium's international staff. An independent Programme Committee sets the research agenda, advises on scientific matters and reviews and approves proposals for research and training grants. Academic Boards for the collaborative master's and PhD programmes oversee the implementation of their respective programmes. A small Secretariat, based in Nairobi, Kenya, manages the programme and provides technical support to researchers, students and participating institutions. This organizational structure allows for ownership of AERC activities by the network of local researchers, an independent determination of the research agenda, and a programme of activities that is responsive to the professional and policy needs in the region, while at the same time ensuring accountability to funders.

An Evaluation Report

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

ISBN: 978-9966-61-275-5

© 2025, African Economic Research Consortium

Contents

Section 1:		
	<i>Introduction</i>	1
Section 2:		
	<i>The AERC in a Changing Continent</i>	3
Section 3:		
	<i>Diagnosing the Challenges</i>	11
Section 4:		
	<i>Strategic Options</i>	28
Section 5:		
	<i>Conclusion</i>	43
References		45
Appendices		47

Introduction

Established in 1988, the African Economic Research Consortium (AERC) is a public non-profit organization focused on research capacity-building and advancing policy-relevant economic research in Africa. Consortium members—including bilateral and multilateral development agencies, African trade and development institutions, African central banks, and private foundations—fund the AERC’s operations. In the 35 years of its operation, the AERC has supported graduate training for over 4,000 individuals, many of whom have gone on to work in African universities, governments, central banks, national policy research institutes, regional institutions, international organizations and the private sector. The AERC’s activities include three graduate training programmes delivered in partnership with selected African universities – the Collaborative Master’s Programme (CMAP) in economics; the Collaborative Master’s in Agricultural and Applied Economics (CMAAE); and the Collaborative PhD Programme (CPP) in economics, a thematic research programme in which competitively selected early-stage researchers are supported in preparing and presenting a research paper at biannual research workshops, and collaborative research projects that bring together scholars from within and outside Africa to analyse topics pertinent to African economic growth and development. As a result of its graduate training, research capacity-building, and collaborative research activities, the AERC is at the nexus of a large network of African economists.

This report reviews changes in the external environment confronting the AERC and the objectives, programmes, structure, and capabilities of the AERC with a view to inform reflection on the strategic direction of the AERC looking forward. Our goal is to help sharpen the choices confronting the AERC in defining its vision and priorities, the strategy for realizing its goals, and the organization of its activities. We do so by providing a menu of options that can be considered to enhance the value proposition the AERC offers to its stakeholders—individual researchers, partner universities, and African governments. These options have a common denominator: making the AERC the regional leader for conducting independent, rigorous inquiry into problems pertinent to policy challenges confronting African economies, and ‘connecting’ research to African policymakers by leveraging its greatest asset; its extensive network of graduates and researchers that have benefitted from its programmes and participated in its activities.

The choices confronting the AERC are nested. First, a ‘top level’ decision is called for regarding the allocation of resources and effort to distinct components of the ‘production function’ of policy-relevant research. In helping AERC members make this top-level decision, we pose a counter-factual question: would there be a compelling case for re-creating the AERC structure as it is today if the organization did not exist? Are the gaps and weaknesses in the institutional environment for graduate training and research capacity that motivated the creation of the AERC still prevalent, and support of the type provided by the AERC still needed?

The AERC operates along the entire policy research ‘pipeline’ or ‘supply chain’, including upstream inputs into research capacity (graduate training and capacity-building), midstream activities (generating high-quality research), and downstream activities associated with distributing research outputs to ‘consumers’ and ‘customers’ (national policy makers and civil society organizations and institutions working at the continental level). All three activities involve costs, and there are trade-offs across them, especially between general economics training and capacity-building that is not tied to specific policy research projects. Budget constraints and human resource implications of these different types of activities call for a decision whether to continue to support graduate training in Economics, with an associated set of metrics and performance targets, or instead focus capacity-building activities on researchers who contribute to research outputs and outreach and policy engagement activities.

Given this top-level decision, the second-level choices concern measures to improve the quality and impact of each of the component activities. We devote more attention in our discussion of these second-level decisions to research quality, its visibility, and policy impact-related activities. We do so because whatever the top-level decision regarding the balance of efforts and resource allocation for the different elements of the research production supply chain, there is substantial ‘low-hanging fruit’ (low cost, high impact changes to operating modalities) in the production of policy-relevant research and engagement with policy. Low-hanging fruit does not imply business as usual suffices: On the contrary, reaping the potential gains require changes in the organizational structure, governance, and management of the AERC.

The remainder of this report is structured as follows. Section 2 reflects on the changing African environment in which the AERC operates. Section 3 discusses challenges confronting the AERC in the main areas of its activity. Section 4 presents a menu of options that can be considered to make the AERC the “go to” African policy research platform. Section 5 concludes.

The AERC in a Changing Continent

All organizations that have existed for as long as the AERC has, must grapple with changing dynamics and an evolving operating environment that may go undetected by the constantly changing leadership and staff of the institution. The AERC today confronts an African landscape that is very different from what it was in the late 1980s when the institution was founded. We start this report from some reflections on what we view to be the key defining contours of the changing landscape in the areas particularly salient to the AERC: African macroeconomic dynamics at the sub-regional level; the region's Economics higher education trends; and a significantly transformed donor environment. Each has implications for the AERC and for the top-level decision mentioned in the Introduction regarding the continued need for engagement across all three types of activities in support of economic analysis capacity and policy decision-making in Africa—and the modalities for doing so.

2.1 *The Macro Economic Environment and Research in Economics*

The AERC was founded in an economic environment disproportionately marked by macroeconomic shocks, persistent uncertainty, and instability in the late 1980s. Inflation in the 1990–94 period was—across all sub-regions—anywhere between 12% and 923%. In the current period, it rarely exceeds 10% (Table 1). External debt stocks as a share of GNI—an indicator of responsible fiscal management—have stabilized significantly in sub-Saharan Africa (SSA). Notwithstanding bouts of significant volatility (e.g., Zimbabwe), the region has, for close to two decades now, come through a period of relative calm marked by much lower inflation; manageable fiscal deficits; reductions in debt stocks; and growth in general of stronger and well-capacitated Central Banks and Ministries of Finance. While the focus on macroeconomic issues was clearly appropriate in the 1980s and 1990s, the improved macroeconomic situation in Africa implied that policy research priorities changed over time.

Table 1: A Macroeconomic Snapshot: Africa, 1990–2022

Macroeconomic indicator	Period averages	Central Africa	East Africa	Southern Africa	West Africa
Inflation (%)	1990–1994	923.05	17.58	78.5	11.43
	2000–2004	28.59	4.43	21.55	4.77
	2010–2013	3.15	4.57	7.25	5.44
	2013–2022	5.06	12.6	5.06	5.31
Official exchange rate (LCU per US\$, period average)	1990–1994	284.13	174.13	3.83	253.35
	2000–2004	596.83	411.55	22.06	648.79
	2010–2013	553.94	552.12	243.12	933.39
	2013–2022	554.58	1,284.41	13.02	747.4
Current Account Balance as a % of GDP	2005–2009	22.5	-6.67	-5.55	-7.21
	2010–2012	-1.55	-7.86	-9.5	-11
	2013–2022	-3.14	-6.27	-1.41	-5.82
Fiscal Balance (% of GDP)	1990–1994	-3.82	-3.29	-3.5	-0.66
	2000–2004	1.98	-3.88	-2.02	-2.66
	2010–2012	4.46	-2.55	-0.7	-2.65
	2013–2022	-1.87	-3.99	-4.02	-3.87
External debts stocks (% of GNI)	1990–1994	113.36	86.51	111.12	116.91
	2000–2004	129.74	79.06	72.69	166.08
	2010–2013	24.02	45.75	32.48	43.51
	2013–2022	45.31	66.92	32.36	44.98

Source: Borat et al. (2015) and based on data obtained from World Bank Development Indicators, 2024; IMF Government Finance Statistics, 2024.

While macroeconomic policy questions remain important, a set of inter-related and heterogeneous policy concerns have become more prominent and urgent. These include pursuit of more inclusive economic growth and sustainable development, reducing poverty and inequality, combatting climate change, realizing African regional integration objectives, conflict resolution, digitalization, human capital development, among many others.

Change has also occurred in methods and approaches in academic economic research. This has gradually transformed to one defined increasingly by a focus on ‘development micro-econometric’ type questions that exploits greater availability of African micro-datasets and empirical and analytical tools that permit more robust causal inference—ranging from natural experiments, to RCTs, to event studies. Academic research has also turned to greater pursuit of inter-disciplinary research, for example, on institutions or to address questions of a political economy nature.

The AERC's research portfolio reflects the changing policy priorities and issues confronting African policy makers—e.g., its thematic research programmes encompass a broad range of subjects and fields outside of macro/monetary/banking/finance—the AERC is not associated with providing intellectual and policy leadership outside of its historical focus. The long-standing prominence of macro-economics-related research and an associated path dependence in policy engagement—and reflected *inter alia* in relationships with individual policy makers in central banks and finance ministries that have links to the AERC—may have affected the ability to capitalize as a leading research network on new developments in economics research and new policy challenges and priorities.

2.2 The SSA Teaching and Research Environment

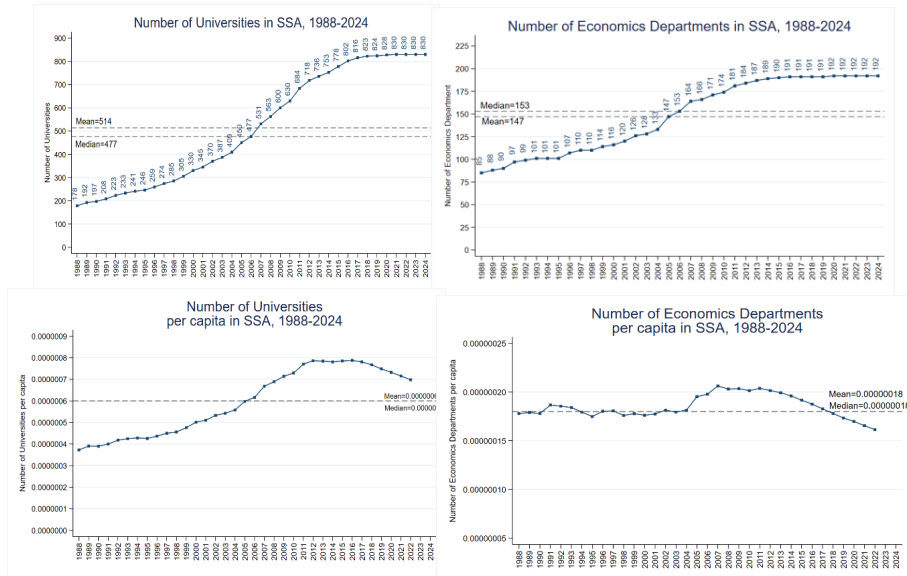
As noted in the Introduction, a core activity of the AERC is supporting the training of graduates at various levels in higher education programmes in Economics, including through a unique Joint Facility for Electives in the collaborative graduate programmes it supports. Across the Collaborative Master's (CMAP), PhD (CPP), and Agricultural & Applied Economics programmes (CMAAE), over the period 2008–2023, these AERC-supported programmes trained a total of 4,259 graduates in Economics, of which some 400 were PhDs. This translates into an average annual graduate trainee output of 283 individuals per year. This is hugely laudable, and not surprisingly, this capacity-building activity is regarded as one area in which AERC has been successful.

When the AERC was created, there were relatively few universities and even fewer Economics departments that offered high-quality training at the Master's let alone PhD level. Since 1988, the higher education landscape in the training for Economics graduates in SSA has changed dramatically. The number of universities in SSA increased by 10% per year to grow from 178 in 1988 to over 830 today (Figure 1). Graduate enrolment rates rose from 2.9% in 1988 to 9.4% in 2021—an average annual growth rate of 4%. The number of Economics departments has also increased steadily throughout the period, to some 200 in SSA currently.¹ A corollary is that the number of economists with Master's and PhD's—outside of the AERC's own 'production line'—has increased. Indeed, AERC graduates are now faculty staff in many Economics departments, teaching and supervising Master students and using AERC-supported course materials.

Although the production of PhDs (across all fields) in Africa on a per capita basis remains far below that in other regions, the SSA Economics community is now both much larger, and by extension deeper, in areas of expertise covered than was the case for the region some three decades ago. There has been a large increase in PhD enrolments in some of the leading universities (abstracting from South Africa)—e.g., the University of Nairobi, which experienced a very large increase in business/economics/management in the mid-2010s. However, this was accompanied by a rapid rise in the ratio between faculty with PhDs and doctoral students. This stood at 50 in 2015 (Cloete et al., 2018), with likely adverse implications for the quality of the associated programmes.

1 On a per capita basis, growth in both university and Economics departments in the region peaked in the early 2010s.

Figure 1: Number of Universities and Economics Departments in SSA: 1988–2024



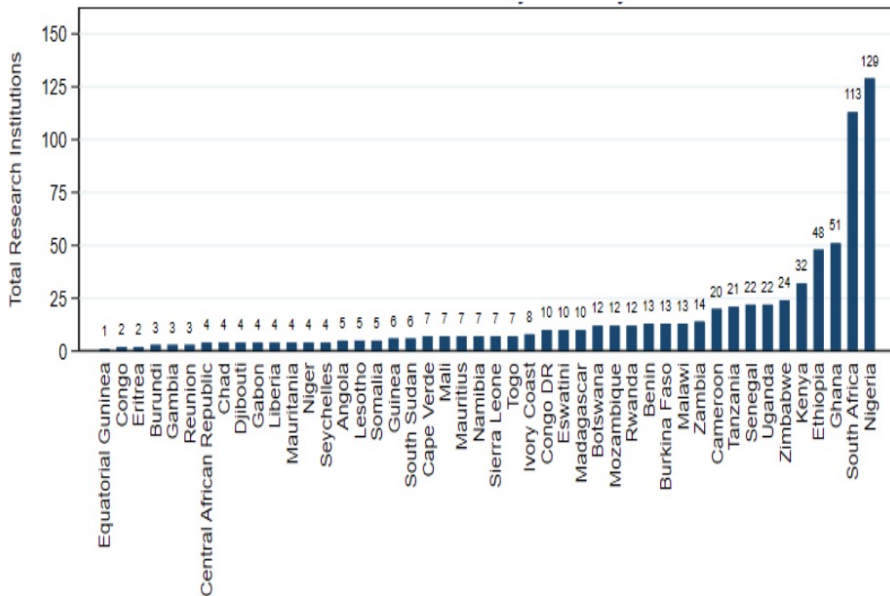
The growth in university Economics departments raises the question whether support for graduate training in Economics should continue to be a core activity of the AERC. It is clear that the graduate training programme generates important value added, not just to selected students, but also to their home universities. However, in a constrained funding environment, support for graduate training possibly has too high a weight in effort and budget in the AERC’s current work programme insofar as greater priority is accorded to the other pillars of the AERC’s mission—supporting high-quality, policy-relevant research and engagement with policy makers. This was the primary objective of the AERC when it was established, with investment in graduate training in Economics arising subsequently to address the dearth of trained economists in the region (Pestieau, 2008).

Answering this relative prioritization question depends on the weight placed by Consortium members on graduate training in light of the increase in the supply-side of graduate Economics training. While any decision in this regard should be informed by an assessment of the Economics training landscape in Africa—which is beyond the scope of this paper—the fundamental question confronting the AERC is not how large the educational supply gap is, but whether the Consortium sees value in allocating resources to the upstream part of the research value chain as opposed to other parts of the policy research supply chain—which includes specialized training needs such as courses on new methods and techniques. One consideration in this regard is that it must be accepted that graduate training inevitably will have only an indirect and longer-term impact on policy, in contrast to mid- and downstream research-centred activities, i.e., the choice depends on the relative weight placed on generating policy-relevant research and having an impact on the design and implementation of economic policy.

2.3 Growth in Policy Research Capacity

One positive spill over effect of the growth in higher education institutions and Economics graduates in Africa has been the expansion in the number of economic policy institutes, think tanks, and research units inside and outside of universities located within SSA (Figure 2). Apart from countries like South Africa, Nigeria, and Ghana, where high levels of research activity are expected, in economies such as Mozambique, Madagascar, and Benin research activity has expanded (reflected in ten or more such institutions in each country). For some countries such as Congo, Liberia, and Guinea, where there were no such research institutes only a few years ago, there are today several policy research institutes.

Figure 2: Total Number of Research Institutions in SSA, by Country: 2024



Source: RePEc.

Whilst there is undoubtedly intellectual collaboration in the policy institute landscape in SSA, there is also a low-grade level of competition for scarce funding resources. Arguably, the AERC has in part played an indirect role in creating these competitors through its graduate training and research capacity-building programmes. In a public good sense, this is a wonderful achievement, but the downside is that these institutions are competing with (and in many cases out-competing) the AERC for research funding. Given the sub-regional focus of many donors, many operating at the country level, this begs the question of the strategic positioning of the AERC as a regional organization. Further developments have been the entry of new pan-African policy research institutions such as ACET (which

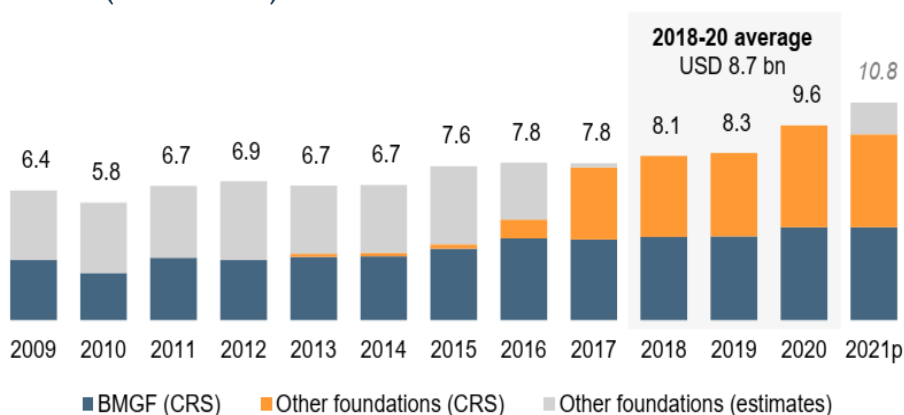
has dozens of African national think tanks and policy institutes as partners),² and the insertion into the region of research networks and institutions that are associated with US and European universities and think tanks. This has, not only added another layer of competition for the AERC, but also on opportunities for potential collaboration.³

Several questions arise given this changing research landscape. One is whether the AERC is doing enough to explore a more explicit collaboration with key country-based institutions to both co-participate in projects, but also to enable it to leverage off the comparative advantage of these institutions. This speaks to the broader issue of whether the AERC should be a pure research network of individual economists—or more of an institution-to-institution collaborator. We delve into this when discussing alternative options. Another question is analogous to one posed above regarding support for graduate training: whether the AERC’s activity mix is too heavily weighted towards research capacity-building reflected in the early career Thematic Research programme and insufficiently towards high-quality, high-impact policy research.

2.4 The Evolving Funding Environment

A key change in the AERC’s funding environment is the proliferation of new philanthropic foundations—mainly from the US—working in Africa. Examples are the Bill & Melinda Gates Foundation (BMGF), Hewlett Foundation, and MasterCard Foundation. This contrasts with the earlier days of the AERC when bilateral and multilateral donors dominated. Since about 2017, there has been a significant increase in the overall level of private philanthropic funding for development projects (Figure 3).

Figure 3: Private Philanthropic Flows for Development, 2009–21 (2021 Prices)



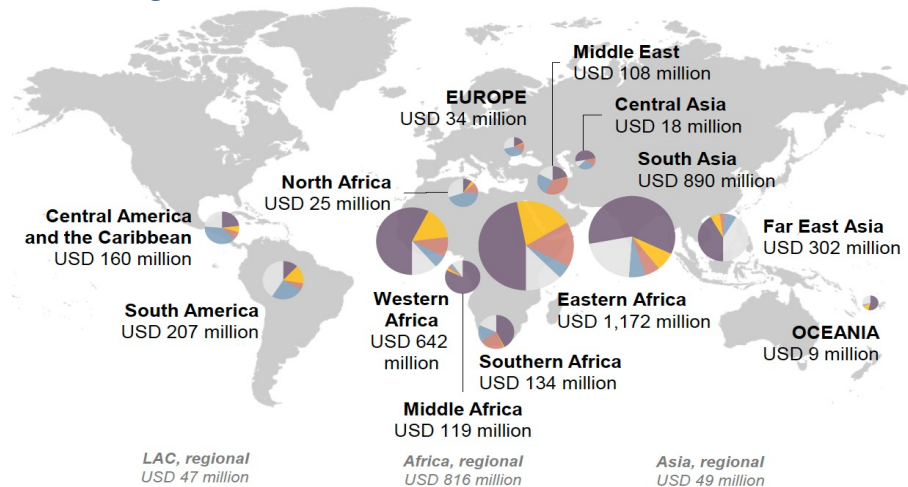
Source: OECD (2023).

² The ACET website lists 33 African institutional partners, mostly policy institutes. The AERC is one of the partners. <https://acetforafrica.org/our-networks/institutional-partners/>

³ Examples include programmes (co-)funded by FCDO (IGC, STEG, PEDL, PEP) and Germany-funded PEGNet.

The overwhelming majority of this philanthropic funding goes to Africa (Figure 4). In 2023, OECD estimates show some US\$2.1 billion were allocated to sub-Saharan Africa alone, far exceeding the allocation to any other region of the world. The increase in this type of donor funding available to the region is accompanied by several important changes. These include firstly a shift away from institutional funding towards so-called programmatic or grant-based funding. Put simply, these donors often are not willing to fund an organization's core salary and fixed costs but are focused specifically on funding pre-defined and agreed-upon activities or outputs by recipients. In addition, and in keeping with this new modus operandi, one that bilateral and multilateral donors increasingly are also adopting, donors are engaging with institutions much more through 'at-a-distance' requests for proposals (RFPs). These are almost always focused on tightly defined thematic areas. Hence, African research institutions are constantly responding to RFPs put out by global donors in specific areas including, for example, climate change, youth and economic inclusion, gender inequality, digitalization, and so on.

Figure 4: Private Philanthropic Flows for Development, by Region: 2023



Source: OECD (2023).

Although Africa is central to the donor agenda, as we discuss below, the AERC's funding has declined. In a period of a growing market, as it were, for economic development research in Africa, the AERC is lagging. The dissonance between growing funding caches for Africa and a financially struggling AERC raises several questions. Firstly, is the structure of the AERC suited to optimally respond to a more RFP-heavy style of accessing funds? We argue below that the AERC needs to become nimbler in the new donor environment, and that becoming so should involve using the AERC network in a structured manner to respond to RFPs. Given the AERC's history, it can and arguably should play a more central role in being a leading voice of African economic researchers with donors. There is a critical political economy question around the role and agenda of donors in the African context, and how the AERC can serve as an independent, objective, leading African voice

on behalf of African researchers. The AERC is ideally suited to play such a role, serving as a platform and acting as a clearing house or African home for donors with an interest in supporting high-quality, policy pertinent research on Africa.

The foregoing brief bird's-eye overview of the changing landscape in which the AERC operates makes it clear that policy priorities calling for research have become more multifaceted and diverse, the supply-side of training and research providers has grown and the type and modality of financing for research/capacity-building has become more demanding. These changes, as such, do not have major implications for the AERC insofar as its structure permits adjustment in the training offer (updating and development of new courses) and in the focus of thematic and collaborative research. Such adjustment is evident at the margin, but as discussed further below there is significant scope to increase the salience of research to African policy challenges and priorities, and to improve both quality and policy relevance and impact. The growth in universities, Economics departments and graduate students—all within a much busier and more structured environment—implies that demand/needs for support for graduate training have become diverse, with some countries no longer needing support while in others the need arguably remains acute. The policy research environment has become much more competitive, both at the national level and at the pan-African level, and in terms of funding for policy research and capacity-building.

Considering the changes that have occurred since AERC was founded in the late 1980s, would one today re-create the AERC as currently construed? There is a good case to be made for the three core pillars of AERC activities, but we would argue that, on too many response indicators to the changing forces in the region, the AERC has lagged. We argue below that conditional on a top-level decision on the relative weight to place on the three areas of AERC activity—graduate training and research capacity-building, collaborative policy research projects, and outreach/engagement with policy making institutions—AERC activities should become more narrowly focused on pursuit of clearly defined objectives that relate to African priorities. Given such clarity, changing the modus operandi of the organization to more effectively leverage the AERC network—arguably the core asset of the AERC—will be critical in establishing a compelling value proposition for African researchers, policy makers, and funding agencies.

Diagnosing the Challenges

The AERC confronts several challenges; revitalizing funding, improving its governance structures, refining the training offer, enhancing the policy relevance and quality of research products, increasing the visibility of its outputs, and bolstering its impact on policy design and implementation.

3.1 Funding

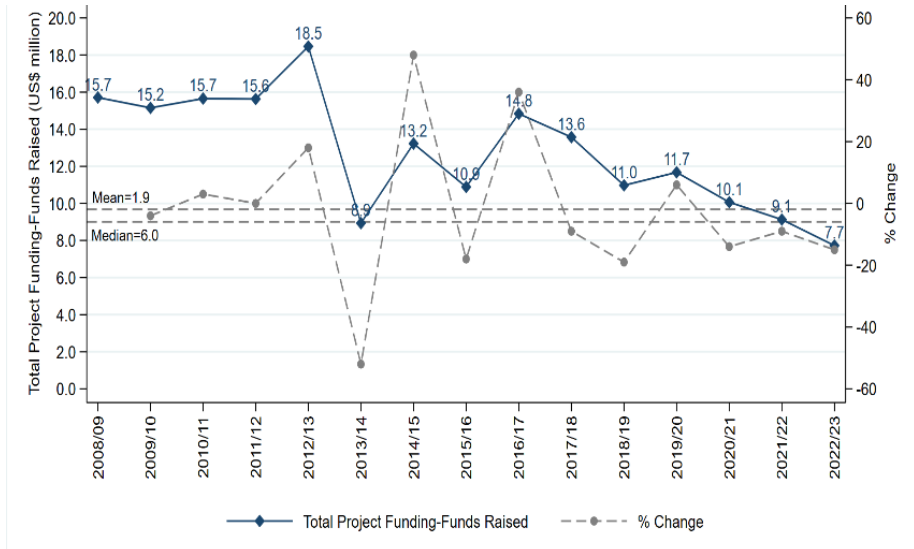
AERC is in one of its worst financial positions in its history. There has been a secular decline in the quantum of funds raised by the AERC over the period 2008 to the present (Table 2). The AERC's current funding levels are about two-thirds of what they were about a decade ago (Figure 5). Total project funding averaged US\$16.1 million in the 2008–2013 period compared to some US\$10 million in 2019–2023. Core (un-earmarked) funding has been declining, only partially offset by project-specific funds that contribute less to fixed costs with the consequence that reserves need to be tapped. In the last five years, funding contracted by 10% per year. The deteriorating funding position of the AERC is nowhere more evident than in the funding to salary costs ratio. In 2008, the funding to salary bill ratios exceeded 8 and remained here for the period 2008–2013; from 2014 onwards this position changed dramatically (Figure 6), consistent with the decline in aggregate funding levels. Clearly, without any sense of the specific historical events, it does appear that 2012–2013 was an inflection point for the AERC in terms of funding. There was both a dramatic reduction in total funding as well as funding for salary costs in this period—a position from which the AERC is yet to recover.

Table 2: AERC Aggregate Funding Profile, 2008–2023

	2008–2013	2014–2018	2019–2023
Total Funding (US\$m)	80,606,501	61,455,907	49,568,205
Average Funding (US\$m)	16,121,300	12,291,181	9,913,641
Mean Growth Rate (%)	4.4	1.3	-10.2

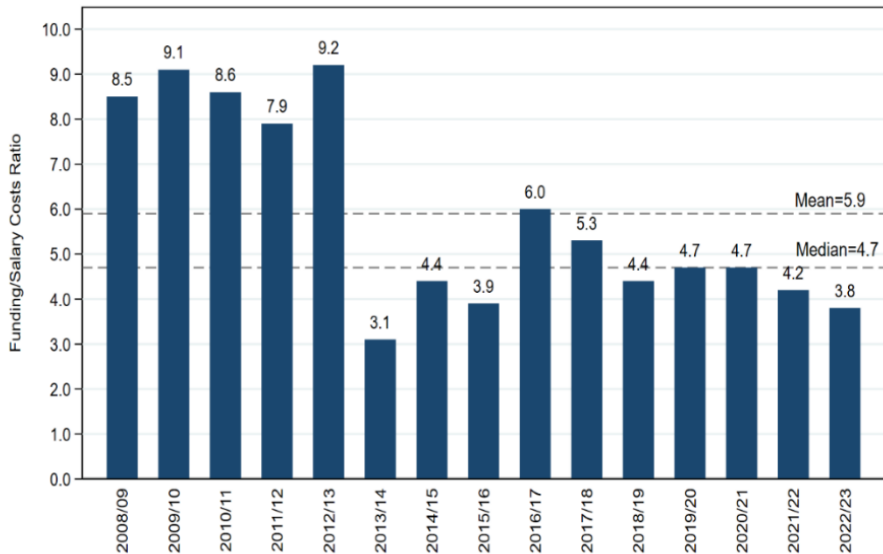
Source: AERC Financial Data (2024).

Figure 5: Total AERC Project Funding, US\$m, 2008–2023



Source: AERC Financial Data (2024).

Figure 6: Funding to Salary Costs Ratios, 2008–2023



Source: AERC Financial Data (2024).

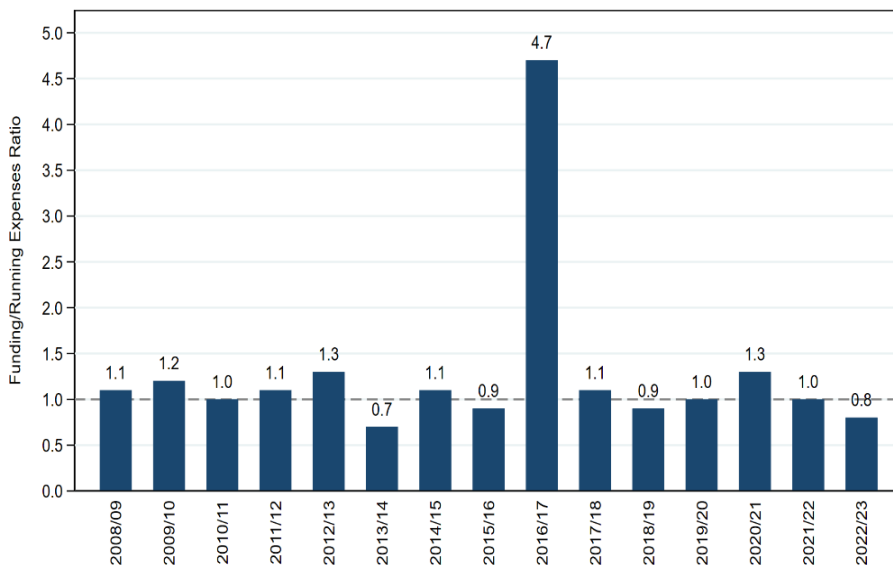
As mentioned, this decline occurred in an environment where overall economic development research funding has expanded considering the greater presence of private foundations. Ultimately, a key indicator of success—and indeed one which is essential to the optimal functioning of the AERC—has been steadily moving in the wrong direction. Other African (and non-African institutions) have been able to out-compete the AERC in the donor funding space for policy research and capacity-building, resulting in a lower funding base. The long-run deterioration in funding makes clear that a ‘business-as-usual’ approach is no longer tenable. A secular decline over close to a decade in funding implies that key donors do not see the AERC ‘product’ to be as compelling as in the past and an inability to respond to a changing funding environment that is defined by quick turnaround RFPs, clear thematic foci, and the need for high-quality applied research.

The funding trends suggest that the activity mix between training and capacity-building on the one hand, and research on the other hand, needs to change significantly if the AERC is to ensure its financial sustainability. Absent core funding provided by long-term financing commitments by a group of donors or an endowment, soft-funded and non-profit-type entities must survive by multi-year budgeting, which allows for excess funding to support fixed costs from one year to the next to be able to address any liquidity and cash-flow challenges that may arise. This calls for the use of a financial projections model against which performance is regularly reviewed, enabling consideration of unanticipated delayed payments on projects, changes in starting and ending times on projects, and shortages of funding. Appendix 2 discusses this matter in somewhat greater depth. The AERC’s funding to running cost ratios provide for little long-run headroom (Figure 7). For almost the full period, the funding-to-running cost ratio has been around 1.0 on average, apart from the 2016–2017 period—which may be a data error.⁴

It is clear from the data that the AERC has for too long shifted from one year to the next with far too little headroom to in fact maintain some surplus for multi-year planning. This lack of surplus funds also ensures that the organization is constantly driven by funding in a short-term manner with little recourse to the long-term financial health and direction of the organization, and with adverse consequences for capacity-building and research quality. While the funding to staff cost ratio suggests that the AERC has not grown its staff complement unnecessarily, the AERC could consider the scope for using cheaper mechanisms for achieving some of the needs of the organization through, for example, outsourcing some functions, not only for substantive reasons discussed below but as a means to lower fixed costs.

4 The AERC bylaws call for a reserve fund to be maintained to enable the Consortium to meet its commitments in the event of sudden reductions or cessations of grant funding. For any financially sustainable organization, it is essential to budget over a 3-year cycle wherein funds raised in any given year contribute to a healthy staff and expenses ‘coverage ratio’. In a given positive year—call it Year 1—the organization should be able to raise funds with a coverage ratio of 2, meaning that it has raised funds which constitute double the total annual running costs of the organization. Assuming that annual running costs do not change, then with this annual coverage ratio, the organization would have sufficient funds for an additional year—Year 2. Healthy organizations seek to increase this coverage ratio to avoid problems of liquidity and, ultimately, solvency.

Figure 7: Funding: Running Expenses Ratio, 2008–2023



Source: AERC Financial Data (2024).

3.2 Structure and Governance of the AERC

The AERC’s governing structure has not changed since formation. It is multi-layered, including Members of the Consortium; Non-Member Funders; Central Banks; a Board of Directors; and a Programme Committee (Figure 8). Members comprise donors that have committed to contribute at least US\$100,000 to the Consortium for core (i.e., non-earmarked) activities; Non-Member Funders provide earmarked financing for specific projects and activities.

The Board is responsible for approving the Consortium’s multi-year strategy and its annual programme of work and budget—the preparation of which are core tasks of the Executive Director. It presently has 18 members, including two ex officio representatives of the AERC in the form of the Executive Director and chair of the Programme Committee. The Board includes Institutional Directors and Directors at Large representing the broader community of stakeholders. An Executive Committee, comprising the Board Chair, Vice Chair, Secretary, Treasurer, and a minimum of one other Director elected by the Board performs the duties of the Board in the interim between Board meetings.

The Programme Committee is tasked with setting the AERC’s research agenda and determining its training priorities, in consultation with the Executive Director is also to consider and provide its views on the proposed multi-year strategy and annual Programme of Work to the Executive Director and to Board of Directors; approve recipients for grants, awards, scholarships and fellowships, and recommend the commissioning of evaluations of the research and training activities. The Programme Committee currently

has 12 members, comprising academics and representatives from the world of practice, including one national policy research institute. The AERC Executive Director is an ex-officio member; the AERC Director of Research acts as the Committee's Secretary. The Programme Committee in turn has several subsidiary bodies, including a Research Sub-Committee and a Training Sub-Committee. Academic Advisory Boards for each of the three graduate training programmes (CMAP, CMAAE, CPP) assist the Secretariat to manage and implement each programme. A Sub-Committee of the Programme Committee comprising its Chair, the Chairs of the Research and Training Subcommittees, and the Executive Director handles urgent matters referred to it by the Executive Director, and more generally is tasked with coordinating the work of the Research and Training Subcommittees.

Figure 8: Governance Structure of the AERC

MEMBERS OF THE CONSORTIUM, BOARD OF DIRECTORS AND PROGRAMME COMMITTEE AS OF MARCH 2022					
<p>Members of the Consortium</p> <ul style="list-style-type: none"> • Foreign, Commonwealth & Development Office (FCDO) • Swedish International Development Cooperation Agency (SIDA)** • The African Export Import Bank • The AERC African Central Bank Governors' Forum** • The Bill & Melinda Gates Foundation • The National Treasury, Government of Kenya • The Trade and Development Bank • The World Bank (IBRD) <p>*Observer Status</p>	<p>Non-member Funders</p> <ul style="list-style-type: none"> • African Development Bank (AfDB) • Africa Union Development Agency - New Partnership for Africa's Development (AUDA NEPAD) • Centre for Development Research (ZEF) • Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) • German Academic Exchange Services (DAAD) • International Development Research Centre (IDRC) • Norwegian Agency for Development Cooperation (NORAD) • William and Flora Hewlett Foundation 	<p>**Individual member Central Banks are:</p> <ul style="list-style-type: none"> • Banque de la République du Burundi • Bank of Ghana • Central Bank of Kenya • Reserve Bank of Malawi • Banco de Moçambique • Central Bank of Nigeria • National Bank of Rwanda • South African Reserve Bank • Bank of Tanzania • Bank of Uganda • Bank of Zambia • Reserve Bank of Zimbabwe 			
<p>Board of Directors</p> <table border="0"> <tr> <td style="vertical-align: top;"> <p>1. Ernest Aryeetey Chair of the Board; Director at Large; Secretary General, African Research Universities Alliance (ARUA), Accra, Ghana</p> <p>2. Pranilla Krishnan Vice-Chair of the Board; Institutional Director representing the Foreign, Commonwealth & Development Office (FCDO), Professor of Development Economics, University of Oxford and Fellow, Pembroke College, UK</p> <p>3. Keith Jefferys Treasurer to the AERC Board; Director at Large; Senior Policy Advisor, Ministry of Finance and Economic Development, Botswana</p> <p>4. Jean-Louis Ekra Secretary to the AERC Board; Director at Large; former President, African Export-Import Bank, Abidjan, Côte d'Ivoire</p> <p>5. Marie-Claude Martin Director at Large; Director of Global Initiatives, Alliance for Human Development, Lunenfeld-Tanenbaum Research Institute, Toronto, Canada</p> <p>6. Phillip Krause Director at Large; Senior Advisor, Collaborative Africa Budget Reform Initiative, Visiting Adjunct Professor, Wits University, Johannesburg, South Africa</p> </td> <td style="vertical-align: top;"> <p>7. Anthony M. Maruping Director at Large; former Commissioner for Economic Affairs, African Union, Maseru, Lesotho</p> <p>8. Bakayoko-Ly Ramata Director at Large; Minister of Higher Education and Scientific Research, Côte d'Ivoire</p> <p>9. Shantayanan Devarajan Director at Large; Teaching Professor of the Practice and Chair, International Development Concentration, Georgetown University's Edmund A. Walsh School of Foreign Service</p> <p>10. Adelaide Retzelitsoe Matlanyane Director at Large; Immediate former Governor, Central Bank of Lesotho.</p> <p>11. Albert Zeufick Institutional Director representing The World Bank, USA; Chief Economist, Africa Region, Washington, D.C., USA</p> <p>12. Oliver S. Saaca Institutional Director representing The Trade and Development Bank; Managing Consultant, Premier Consult Ltd, Lusaka, Zambia</p> <p>13. Benedict Okoy Oranah Institutional Director representing The African Export-Import Bank; President and Chairman of the Board of Directors, Africa Export-Import Bank, Cairo, Egypt</p> </td> <td style="vertical-align: top;"> <p>14. Julius Mula Institutional Director representing The National Treasury, Kenya; Principal Secretary, Kenya</p> <p>15. Lesetja Kganyago Group Institutional Director representing the AERC Central Bank Governors' Forum; Governor, South African Reserve Bank</p> <p>16. Stellan Arvidsson Hyving Institutional Director representing the Swedish International Development Cooperation Agency, Research Adviser, Sida, Sweden – Observer</p> <p>17. Ann Veiderpass Ex-officio member, Chair of the AERC Programme Committee; Professor, Industrial Economics, University of Gothenburg, Sweden</p> <p>18. Njuguna Ndung'u Ex officio member, Executive Director, African Economic Research Consortium</p> </td> </tr> </table>			<p>1. Ernest Aryeetey Chair of the Board; Director at Large; Secretary General, African Research Universities Alliance (ARUA), Accra, Ghana</p> <p>2. Pranilla Krishnan Vice-Chair of the Board; Institutional Director representing the Foreign, Commonwealth & Development Office (FCDO), Professor of Development Economics, University of Oxford and Fellow, Pembroke College, UK</p> <p>3. Keith Jefferys Treasurer to the AERC Board; Director at Large; Senior Policy Advisor, Ministry of Finance and Economic Development, Botswana</p> <p>4. Jean-Louis Ekra Secretary to the AERC Board; Director at Large; former President, African Export-Import Bank, Abidjan, Côte d'Ivoire</p> <p>5. Marie-Claude Martin Director at Large; Director of Global Initiatives, Alliance for Human Development, Lunenfeld-Tanenbaum Research Institute, Toronto, Canada</p> <p>6. Phillip Krause Director at Large; Senior Advisor, Collaborative Africa Budget Reform Initiative, Visiting Adjunct Professor, Wits University, Johannesburg, South Africa</p>	<p>7. Anthony M. Maruping Director at Large; former Commissioner for Economic Affairs, African Union, Maseru, Lesotho</p> <p>8. Bakayoko-Ly Ramata Director at Large; Minister of Higher Education and Scientific Research, Côte d'Ivoire</p> <p>9. Shantayanan Devarajan Director at Large; Teaching Professor of the Practice and Chair, International Development Concentration, Georgetown University's Edmund A. Walsh School of Foreign Service</p> <p>10. Adelaide Retzelitsoe Matlanyane Director at Large; Immediate former Governor, Central Bank of Lesotho.</p> <p>11. Albert Zeufick Institutional Director representing The World Bank, USA; Chief Economist, Africa Region, Washington, D.C., USA</p> <p>12. Oliver S. Saaca Institutional Director representing The Trade and Development Bank; Managing Consultant, Premier Consult Ltd, Lusaka, Zambia</p> <p>13. Benedict Okoy Oranah Institutional Director representing The African Export-Import Bank; President and Chairman of the Board of Directors, Africa Export-Import Bank, Cairo, Egypt</p>	<p>14. Julius Mula Institutional Director representing The National Treasury, Kenya; Principal Secretary, Kenya</p> <p>15. Lesetja Kganyago Group Institutional Director representing the AERC Central Bank Governors' Forum; Governor, South African Reserve Bank</p> <p>16. Stellan Arvidsson Hyving Institutional Director representing the Swedish International Development Cooperation Agency, Research Adviser, Sida, Sweden – Observer</p> <p>17. Ann Veiderpass Ex-officio member, Chair of the AERC Programme Committee; Professor, Industrial Economics, University of Gothenburg, Sweden</p> <p>18. Njuguna Ndung'u Ex officio member, Executive Director, African Economic Research Consortium</p>
<p>1. Ernest Aryeetey Chair of the Board; Director at Large; Secretary General, African Research Universities Alliance (ARUA), Accra, Ghana</p> <p>2. Pranilla Krishnan Vice-Chair of the Board; Institutional Director representing the Foreign, Commonwealth & Development Office (FCDO), Professor of Development Economics, University of Oxford and Fellow, Pembroke College, UK</p> <p>3. Keith Jefferys Treasurer to the AERC Board; Director at Large; Senior Policy Advisor, Ministry of Finance and Economic Development, Botswana</p> <p>4. Jean-Louis Ekra Secretary to the AERC Board; Director at Large; former President, African Export-Import Bank, Abidjan, Côte d'Ivoire</p> <p>5. Marie-Claude Martin Director at Large; Director of Global Initiatives, Alliance for Human Development, Lunenfeld-Tanenbaum Research Institute, Toronto, Canada</p> <p>6. Phillip Krause Director at Large; Senior Advisor, Collaborative Africa Budget Reform Initiative, Visiting Adjunct Professor, Wits University, Johannesburg, South Africa</p>	<p>7. Anthony M. Maruping Director at Large; former Commissioner for Economic Affairs, African Union, Maseru, Lesotho</p> <p>8. Bakayoko-Ly Ramata Director at Large; Minister of Higher Education and Scientific Research, Côte d'Ivoire</p> <p>9. Shantayanan Devarajan Director at Large; Teaching Professor of the Practice and Chair, International Development Concentration, Georgetown University's Edmund A. Walsh School of Foreign Service</p> <p>10. Adelaide Retzelitsoe Matlanyane Director at Large; Immediate former Governor, Central Bank of Lesotho.</p> <p>11. Albert Zeufick Institutional Director representing The World Bank, USA; Chief Economist, Africa Region, Washington, D.C., USA</p> <p>12. Oliver S. Saaca Institutional Director representing The Trade and Development Bank; Managing Consultant, Premier Consult Ltd, Lusaka, Zambia</p> <p>13. Benedict Okoy Oranah Institutional Director representing The African Export-Import Bank; President and Chairman of the Board of Directors, Africa Export-Import Bank, Cairo, Egypt</p>	<p>14. Julius Mula Institutional Director representing The National Treasury, Kenya; Principal Secretary, Kenya</p> <p>15. Lesetja Kganyago Group Institutional Director representing the AERC Central Bank Governors' Forum; Governor, South African Reserve Bank</p> <p>16. Stellan Arvidsson Hyving Institutional Director representing the Swedish International Development Cooperation Agency, Research Adviser, Sida, Sweden – Observer</p> <p>17. Ann Veiderpass Ex-officio member, Chair of the AERC Programme Committee; Professor, Industrial Economics, University of Gothenburg, Sweden</p> <p>18. Njuguna Ndung'u Ex officio member, Executive Director, African Economic Research Consortium</p>			
<p>Members of the AERC Programme Committee</p> <table border="0"> <tr> <td style="vertical-align: top;"> <p>a) Ann Veiderpass Chair of the AERC Programme Committee; Professor, Industrial Economics University of Gothenburg, Sweden</p> <p>b) Namanga Ngoni Chairman, Board of Trustees, African Fertilizer and Agribusiness Partnerships Cameroon</p> <p>c) Bernadette Dia Kamgnia Professor, CAPEC, Côte d'Ivoire</p> <p>d) Festus O. Igweikhiede Professor, Department of Economics, University of Ibadan, Nigeria</p> </td> <td style="vertical-align: top;"> <p>e) Anke Hoeffler Chair in Development Policy, University of Konstanz, Germany</p> <p>f) John Mukum Mbaku Presidential Distinguished Professor of Economics, Weber State University, USA</p> <p>g) Naomi Ngwira Ambassador of Malawi to Belgium</p> <p>h) John Njiraini Former Commissioner, Kenya Revenue Authority</p> <p>i) Kupukile Mumbo Deputy Governor, Reserve Bank of Zimbabwe</p> </td> <td style="vertical-align: top;"> <p>j) Léonce Ndikumana Distinguished Professor & Director, African Development Policy Program, Political Economy Research Institute, University of Massachusetts Amherst, USA</p> <p>k) Rose Ngugi Executive Director, Kenya Institute for Public Policy Research and Analysis</p> <p>l) Njuguna Ndung'u Ex officio member, Executive Director, African Economic Research Consortium</p> </td> </tr> </table>			<p>a) Ann Veiderpass Chair of the AERC Programme Committee; Professor, Industrial Economics University of Gothenburg, Sweden</p> <p>b) Namanga Ngoni Chairman, Board of Trustees, African Fertilizer and Agribusiness Partnerships Cameroon</p> <p>c) Bernadette Dia Kamgnia Professor, CAPEC, Côte d'Ivoire</p> <p>d) Festus O. Igweikhiede Professor, Department of Economics, University of Ibadan, Nigeria</p>	<p>e) Anke Hoeffler Chair in Development Policy, University of Konstanz, Germany</p> <p>f) John Mukum Mbaku Presidential Distinguished Professor of Economics, Weber State University, USA</p> <p>g) Naomi Ngwira Ambassador of Malawi to Belgium</p> <p>h) John Njiraini Former Commissioner, Kenya Revenue Authority</p> <p>i) Kupukile Mumbo Deputy Governor, Reserve Bank of Zimbabwe</p>	<p>j) Léonce Ndikumana Distinguished Professor & Director, African Development Policy Program, Political Economy Research Institute, University of Massachusetts Amherst, USA</p> <p>k) Rose Ngugi Executive Director, Kenya Institute for Public Policy Research and Analysis</p> <p>l) Njuguna Ndung'u Ex officio member, Executive Director, African Economic Research Consortium</p>
<p>a) Ann Veiderpass Chair of the AERC Programme Committee; Professor, Industrial Economics University of Gothenburg, Sweden</p> <p>b) Namanga Ngoni Chairman, Board of Trustees, African Fertilizer and Agribusiness Partnerships Cameroon</p> <p>c) Bernadette Dia Kamgnia Professor, CAPEC, Côte d'Ivoire</p> <p>d) Festus O. Igweikhiede Professor, Department of Economics, University of Ibadan, Nigeria</p>	<p>e) Anke Hoeffler Chair in Development Policy, University of Konstanz, Germany</p> <p>f) John Mukum Mbaku Presidential Distinguished Professor of Economics, Weber State University, USA</p> <p>g) Naomi Ngwira Ambassador of Malawi to Belgium</p> <p>h) John Njiraini Former Commissioner, Kenya Revenue Authority</p> <p>i) Kupukile Mumbo Deputy Governor, Reserve Bank of Zimbabwe</p>	<p>j) Léonce Ndikumana Distinguished Professor & Director, African Development Policy Program, Political Economy Research Institute, University of Massachusetts Amherst, USA</p> <p>k) Rose Ngugi Executive Director, Kenya Institute for Public Policy Research and Analysis</p> <p>l) Njuguna Ndung'u Ex officio member, Executive Director, African Economic Research Consortium</p>			

Whilst it is difficult to compare the AERC's governance structure to similar organizations given the uniqueness of the network configuration of the AERC, the governance structure appears unnecessarily complex. Many other organizations operating in the economic research environment have simpler structures of governance.⁵ We doubt if the AERC were to be set up today this structure would be instituted. For example, it is unclear if there would be Central Bank representation, or formal government representation—which is unnecessary for a research institution that is independent from governments. It is not clear what is the role and purpose of each layer, and how they contribute to the growth of the AERC. The structure impedes the nimbleness required to respond to the dynamic environment of the region. It does not foster a sufficiently strong and sustained focus on strategy implementation and learning—assessment of progress achieved/problems encountered. This weakness is illustrated by the fact that important recommendations suggested in several past evaluations of the AERC Strategic Plan⁶—some of which we reiterate in this report—were not implemented. This may be explained in part by the mandates of the Board and Programme Committee to approve and advise, respectively, on strategy and programme of work/budget, as opposed to contributing to implementation of the strategy through review, mobilization of financing, soliciting regular feedback from and engagement with stakeholders, and adjusting activities accordingly. In our view, the Board and the Programme Committee play too much of a passive 'oversight' role as opposed to proactively supporting the Consortium to define and implement its strategy and harness emerging opportunities. The complex and multi-layered governance structure does not help the organization to position itself and operate effectively in the current operating environment for economics research, teaching, and capacity-building in sub-Saharan Africa.

3.3 Training and Capacity-Building: Diagnosing Needs

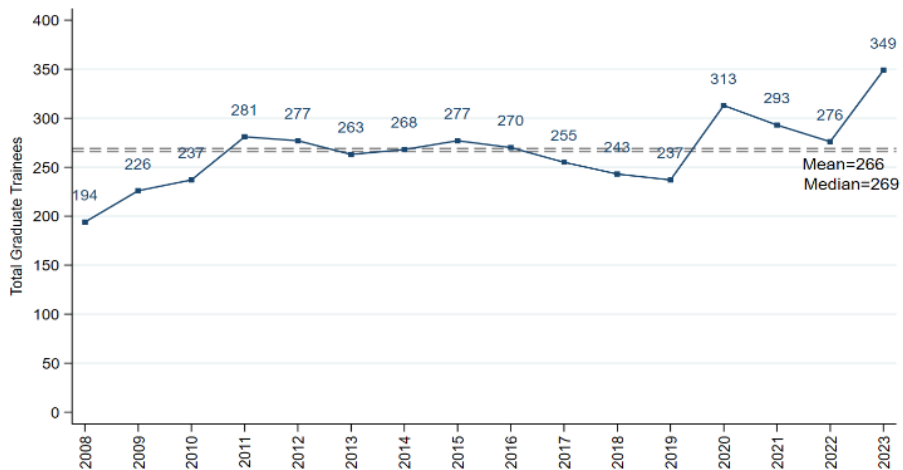
A core activity of the AERC is supporting graduate training in Economics through the Collaborative Master's (CMAPP), PhD (CPAP), and Agricultural Economics (CMAAE) programmes. These are implemented in partnership with African universities. The programmes have delivered a growing number of total graduates, with an 80% increase over the 2008–2023 period. Cumulatively, 4,259 graduates in Economics have been produced (Figure 9). The gender division, however, as Figure 10 shows, has not changed significantly from a 30:70 split in favour of men, which remains an ongoing challenge for the AERC.

5 See, e.g., the websites of the ERF, UNU-WIDER, and PEP, where the governance structures are much less cluttered and complex than those of the AERC. The ERF, also a regional research network, has a Board of 13 members, of which seven are elected by its General Assembly of Research Fellows, four are appointed by the Board from among representatives of donors and two are appointed by the Board to ensure regional, gender, and professional balance. An Advisory Committee assists the Managing Director and Board in screening nominations for ERF affiliation and advises the Board and the Managing Director on substantive and scientific issues.

6 Aryeetey and Stewart (2019); O'Connell and Njinkeu (2014); and Loxley et al. (2014).

AERC evaluations find that the graduate training programmes are effective and add value, notably the joint elective programme, which provides students access to more specialized courses.⁷ The rationale for the collaborative graduate programmes has not only been to increase the supply of African economists, but also to increase the average quality of graduate training in Economics by working with partner universities to improve curricula, establishing criteria for what should be covered in core courses, and realizing economies of scale by offering universities a vehicle to provide students with access to elective courses that they are not able to offer themselves—through the Joint Facility for Electives (CMAE and CPP) and the Shared Facility for Specialization for Electives (for CMAAE students). The interaction and engagement by the AERC secretariat and Academic Advisory Boards with the Economics departments in participating universities, including through monitoring visits, review of annual activities, and periodic updating of curricula, continue to point to the value of the collaborative approach. Alumni feedback suggests the programmes are highly regarded and support the partnership with universities to improve quality of training.

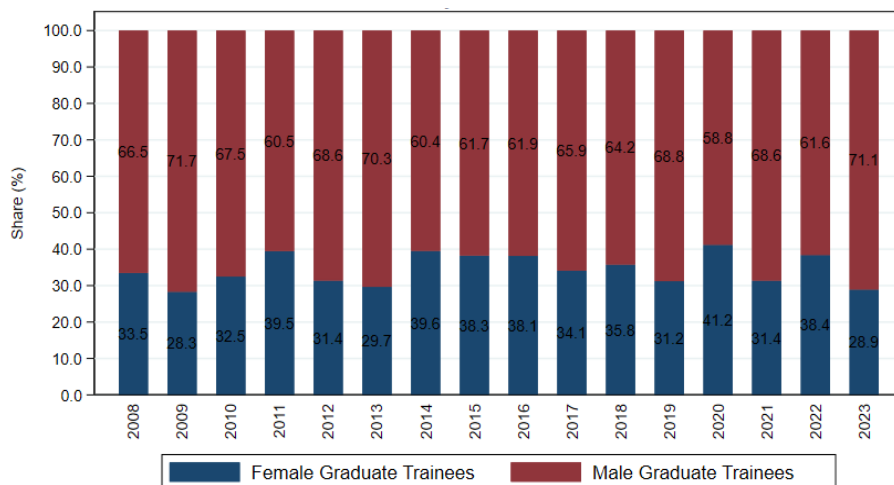
Figure 9: Total AERC Graduate Trainees in SSA, 2008–2023



Source: AERC Internal Data (2024).

⁷ McCalla and Binswanger-Mkhize (2014); Aryeetey and Stewart (2019); and Prefix Research (2022).

Figure 10: Share of AERC Graduate Trainees in SSA, by Gender, 2008–2023



Source: AERC Internal Data (2024).

There is clearly a return to AERC-funded students who can acquire a PhD or master’s degree in Economics, with AERC funding.⁸ There is also a clear social return to the region. However, in the market for scarce resources, it is not clear that the AERC is maximizing its return from this investment in PhD and Master’s students. For one, as we discuss in what follows, none of the students are marked as AERC graduates; none link their careers, their outputs, and their achievements to being in some shape or form, an ‘AERC Fellow’. In turn, it is not clear that these trainees/grantees become research champions for the AERC when they graduate. Given how the higher education market in Africa is today producing more graduates at a minimum, a reflection is needed on which countries the AERC should offer its graduate programmes to students, and those which should not be eligible—e.g., countries where the incidence of PhD and Master’s programmes is already high, such as South Africa, Nigeria, Ghana or Kenya.

The funding challenge confronting the AERC has resulted in a reduction in the capacity to offer scholarships and stipends needed for travel to and participation in joint elective programmes, long a key feature of the AERC graduate training offer. The associated mobility has created cohorts of ‘AERC graduates’ that over time have come to constitute an important dimension of the ‘AERC network’.⁹ In response to financial constraints, the AERC has moved to greater reliance on e-learning and online delivery. The joint elective programmes that were largely residential pre-COVID, moved completely online during

8 This is evident from the tracer study of AERC graduates undertaken by Prefix Research (2022).

9 As discussed below, this (nascent) network is greatly underutilized.

COVID, and looking forward, the objective is to transition to a blended/hybrid model (Ndung'u, 2022). This will lower unit costs, focus resources for residential participation on a smaller number of students, while promoting greater access and inclusion for those who cannot be offered funding for residential training. An important dimension of the AERC graduate training programme is that, course materials are made available online and are public goods that can be used, not only by students accepted in the programmes, but also by instructors in any university.

Current and future needs for graduate training and capacity-building of African economists to produce quality research remain manifold. The AERC has primarily sought to address the needs of early-career researchers, through support for graduate training in Economics and thematic research programmes (discussed further below). As a result, this is where its comparative advantage lies. Continuing to emphasize this dimension of capacity-building requires mobilizing significant long-term funding. If such funding were to be mobilized, the AERC CPP programme and the joint elective programmes offer models and experience that can support ramping up the production of high-quality economics PhDs by leveraging the pipeline of Master's graduates and through standards-setting for curricula and courses.¹⁰ In the absence of such funding (funders), the AERC may be better placed in using its network to offer higher quality co-supervision and mentoring services for early-career researchers, develop specialized short online courses that deal with new methods and subjects (such as machine learning and new econometric or modelling approaches that are offered as live webinars and videos, and short courses targeting policy makers and practitioners on recent research findings and methods/approaches and more generally on how to 'absorb' research. There is an expanding supply-side of potential providers of such training, associated with research projects and networks that are funded by AERC donors (e.g., STEG and PEDL, funded by FCDO) and leading academics and research units in top-tier global universities that have a demonstrated interest and a track record in providing tailored short courses and research capacity-building.

3.4 Early Career Thematic Research Capacity Programme

The thematic research programme is a second element of how the AERC supports African economics research capacity-building. Thematic research is organized around five broad research themes and regular calls for proposals under each, with authors of selected proposals provided with mentoring by resource persons, peer review and learning-cum-networking opportunities at the biannual research workshop. This

¹⁰ There is interest by some donors in providing such funding. For example, the MasterCard Foundation has indicated it will help fund a pilot initiative by the African Research Universities Alliance to assist member universities to ramp up production of PhD graduates, with a focus on research in the broad area of sustainable development. This provides a potential opportunity for the AERC to leverage its network of CPP universities and investment in joint electives and core courses.

programme targets younger, inexperienced African researchers. The research process within the five thematic groups can be characterized as in effect providing a supervision/mentoring portal for younger researchers. The programmes are not a production site for high-quality economics research on Africa.

Discussions with researchers and resource persons uniformly pointed to this activity generating relatively low-quality output. As was also often pointed out, this is not a bug but a feature: the aim is to help early-stage researchers become familiar with the research process and to provide mentoring and peer review that improves their research, but generally without the expectation that this will generate papers that will be publishable in professional journals. Others interviewed argued that there were few incentives, or indeed penalties, to ensure proper senior management of thematic research or increased quality from the researchers themselves. Some argue that this dimension of AERC activity should be abandoned, and resources re-allocated to a post-doctoral programme targeting junior faculty in African Economics departments. Others take the view that the focus on mentoring and (peer) review is a distinguishing positive feature of the AERC capacity-building model, arguing that what is needed is action to improve the quality and value added of the programme by improving its management, increasing selectivity at entry, incentivizing resource persons, and increasing their turnover.¹¹ The ERF, for example, as regional economics research network for the Arab countries, Iran and Turkey, has an annual call for thematic papers but no resources for the type of mentoring provided by AERC. As a result, selected researchers only benefit from comments on their proposals from thematic selection committees and peer review at the ERF annual conference. No mentoring or supervision support is provided.

As with the graduate training programme, there is a basic decision to be made centring on whether donors are willing to support this type of capacity-building. Assuming a positive answer, there is much that can be done in our view to improve how this activity can work better, in the process improving the quality of outputs. We return to this issue below.

3.5 Research: Quantity, Quality and Visibility

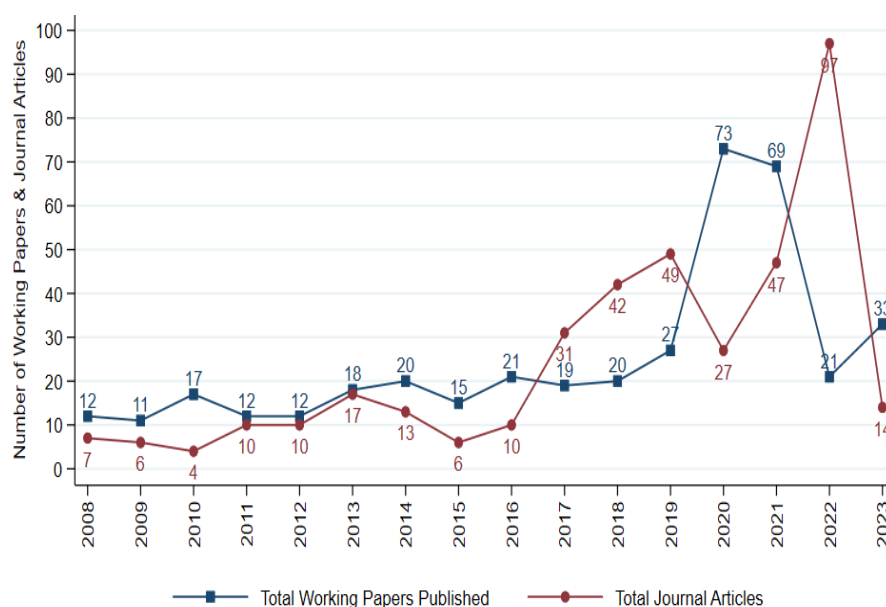
One of the mandates of the AERC is to produce academically credible research outputs. Figure 11 indicates that the AERC has a high conversion rate from working papers to journal articles. The average conversion rate from working papers to journal articles is good, reportedly standing at 1.07—possibly reflecting a lagged effect from pre-2008 working papers that were published as journal articles. There is positive growth in this output, as the number of working papers increased by 12% per year, while journal output grew 10% per annum.

Three caveats apply here: Firstly, the quality of the journals is not clear, and the AERC should do more to track and report on the average impact factors for journal publications.

11 These suggestions are also made in the 2019 Aryeetey and Stewart evaluation of the AERC.

Actions are also needed to prevent publication of thematic research in ‘predatory’ journals that are not cited by peers and generally seen as a signal of bad quality research, with adverse reputational consequences for the AERC brand. Secondly, as we expound below, the ‘visibility’ of this research output is very poor. High-profile journal outputs do not feature prominently on the AERC’s website, working papers are difficult to find, and more generally the website is not used as a vehicle to present research findings and highlight the salience of research results to current policy priorities and challenges confronting Africa. Third, it is not clear what comprises a working paper, i.e., what gets counted and what does not. Most final reports generated under thematic research programme are not processed as working papers, often reflecting a lack of quality.¹²

Figure 11: AERC-Linked Working Papers and Journal Articles, 2008–2023



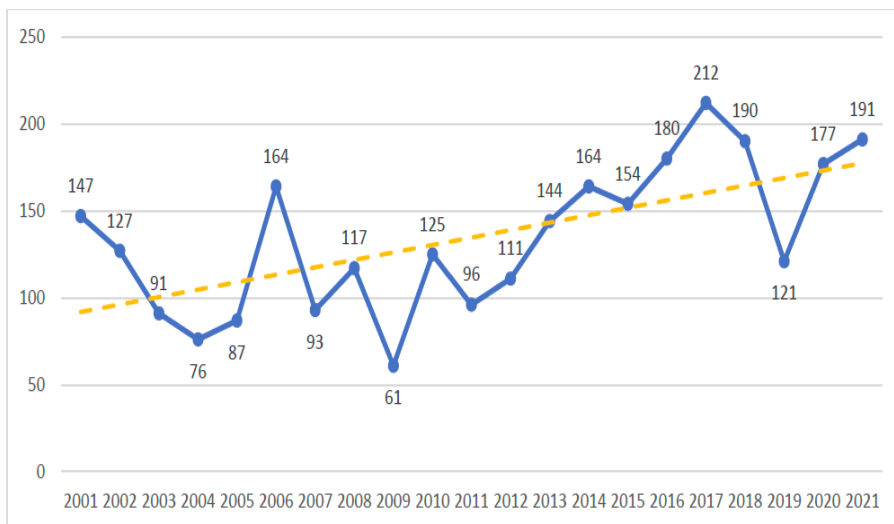
Source: AERC Internal Data (2024).

Although there is a consistent pattern of research production, for an organization that has been supporting research as a central mission, in an absolute sense the output level is rather low. We use the UNU-WIDER as an important comparator here. UNU-WIDER has an average budget to the AERC, and whilst not focused on training graduate students, does offer a series of training and associated programmes as well as Fellowships and

12 As discussed further below, the AERC does not have an integrated working paper series with papers numbered consecutively over time, and finding papers on the AERC website is a challenge.

post-doctoral visits to its offices in Helsinki. With a similar budget, relative to the AERC, the UNU-WIDER has produced five times more working papers annually in the past two decades (Figure 12). Adjusting for the significant share of the budget allocated to graduate training by the AERC (40-45%), the fact remains that UNU-WIDER produces more than twice the number research outputs compared to AERC. Similarly, the ERF has produced an average of 80 working papers per year since 2008,¹³ three times as many as the AERC.

Figure 12: UNU-WIDER Working Papers and Journal Articles, 2001-2021



Source: UNU-WIDER Annual Report, 2023.

Even after adjusting for the focus on training and capacity-building, the AERC punches below its weight in terms of spending per capita on research outputs. This is likely to be in part a function of the AERC research working model, as the thematic research programme does not necessarily generate papers that are of sufficient quality to be issued as working papers.¹⁴ This is not the case for the collaborative research projects, given that these involve more senior researchers, raising the question whether the intra-research balance between small grants for young researchers as opposed to flagship research projects is appropriate. Another question in this regard is whether collaborative research is part of a coherent research programme of the AERC or tends to be ad-hoc in nature and more reflective of short-term fund-raising opportunities exploited by the AERC. In principle, all collaborative research proposals/projects should be approved by the Programme Committee, but this provides insufficient assurances that a proposal is regarded to

¹³ Based on ERF working papers in the REPEC repository.

¹⁴ Whether this is the case is unclear as there does not appear to be a focus on issuing final reports prepared by researchers supported by the thematic programme as AERC working papers.

be a priority and of interest to African researchers. Related to this is if and how the link between collaborative research projects and the Thematic Groups is curated and cultivated.

We return to many of these questions below—in the form of what we would argue could be an overhaul of the model of the AERC. As it stands, it is difficult to make a compelling case that the AERC is a leading provider of excellence in research on the region. If one is searching for cutting-edge knowledge production, across a series of thematic areas, on economic development issues in SSA, it is unlikely that this will comprise AERC-linked research.

3.6 The AERC's Individual and Institutional Research Footprint

One reason for the limited visibility of AERC-linked research output is that insufficient attention is placed on encouraging researchers in its network—defined as those who have benefitted from the graduate training programmes (alumni), recipients of research grants, members of the thematic groups, resource persons, contributors to collaborative research projects—to indicate a connection to the AERC. Given its centrality to the AERC's current core operations, it is striking that most economists that obtain training or research grants, fellowships, and visiting scholarships through various AERC-supported initiatives often do not mention the AERC in their webpages or profiles. Much worse, as far as we can tell, the AERC does not mention them on its website. Very little effort seems to be placed on highlighting and recognizing the recipients of grants. Although there are some 80 resource persons across the five thematic areas, they are not listed on the website and are not 'affiliated' with the AERC. The lack of attention given to researchers and resource persons constitutes a major missed opportunity to raise awareness of what the AERC does and how it has made an impact.

To illustrate this point further, it does not seem that the AERC maintains a repository of individuals who have been associated in any shape or form with the organization, say for the last five years.¹⁵ We could only locate seven researchers 'linked' to the AERC on the RePEc site, a commonly used economic research dissemination platform. This compares to 140 researchers who indicate an affiliation with the ERF. This is of course not a reflection of the dearth of SSA researchers. It is instead a reflection of the AERC not encouraging (requiring) that supported researchers and resource persons create RePEc profiles and indicate an affiliation with the AERC. The AERC presently has no mechanism through which it offers researchers who are 'de facto' part of its network 'de jure' status of being affiliated with the Consortium. This would seem like a significant missed opportunity for the researchers who participate in and benefit from AERC activities, and making the profile of the AERC clearer to donors that may not necessarily understand the central role of the AERC to the Economics community in SSA.

15 There is a beta version of an online facility for alumni to interact with each other and the AERC. This is important, but the point being made here goes beyond creating an alumni platform.

We provide more specific suggestions below, but it is clear that—in the same manner as a research-centred organization promotes and sells its products and services to the donor and policy making community—the AERC undoubtedly needs a more structured, coherent and organized manner in which to affiliate individuals who have been associated with projects to the network. The costs of ensuring such affiliation are very low, while the benefits are potentially large. Many examples exist elsewhere in the Economics community. For example, the ERF, the Centre for Economic Policy Research (CEPR), the National Bureau for Economic Research (NBER), and so on, all have clearly defined membership and affiliation arrangements with researchers, including early-stage researchers. Such affiliation processes provide a channel for enhancing the visibility of the supported network, while also providing reputational benefits to the researchers themselves. There is clearly significant scope to improve the ‘footprint’ of the AERC by harnessing its network and making it more visible, in the process adding value to network members.

The AERC is also underperforming regarding its visibility as a research organization to other economists. For example, whilst the AERC is ranked first on the Penn Think Tank listings for Africa (and 68 globally), this is an exercise that is based on a perception survey and peer nomination process. The high ranking reflects the prominence of the AERC in the international policy research community and is, therefore, an important indicator of its standing in this community.¹⁶ However, this performance is not paralleled in the arguably much more important rankings for research institutions such as the Social Science Research Network (SSRN), Research Papers in Economics (RePEc), IDEAS, and Google Scholar. Indeed, we find that in a search for the ‘Top 12.5% institutions in Africa, all authors & publications years’ on RePEc, the AERC does not feature. Yet the ERF is ranked third in Africa, based on its research output on North African countries. In turn, when searching for the ‘Top 10% institutions in the field of Africa’—also on RePEc—the resulting list does not include the AERC. More worryingly, it appears attention to profiling the AERC’s research output has slipped of late. We were unable to find AERC paper listings on RePEc after 2000. In comparison, the ERF has over 900 papers on RePEc starting in 1994.

Ultimately, we would argue that the AERC has not pursued a strategy of AERC-funded researchers, resource persons, and students linking their affiliation in some form to the AERC. In addition, the AERC as an institution has become almost invisible on important research portals. The result is that the organization has a much lower profile, and ultimately presence, in the global research environment than it should have.

16 Of course, the AERC is not think tank.

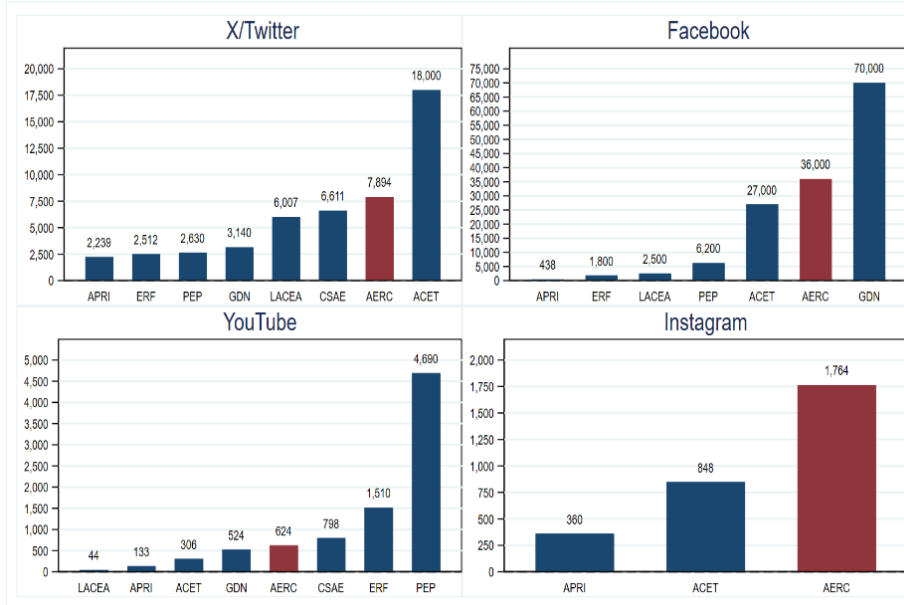
3.7 Policy Impact and Social Media Reach of the AERC

Before considering strategic and policy options for the AERC, we end this section with an overview of the social media reach and policy impact of the AERC. We use comparative social media data collected for this purpose and provide them in the figures below. We compare then, in Figure 13, the AERC with other regional networks such as LACEA, ERF, and PEP, that have a global mission—as well as those in Figure 14 that are explicitly African-based and focused institutions. A few results are obvious from the comparative statistics: Firstly, the AERC in comparison with other regional networks such as LACEA, ERF, and PEP ranks fairly well on social media statistics; often only behind the GDN or ACET. The AERC clearly has a strong *Instagram* presence relative to other social media instruments such as *YouTube*. The latter is surprising given the easier translation from training and capacity-building through video-streaming rather than the other social media platforms such as *Facebook* and *X/Twitter*. Indeed, the AERC is less active on video-based engagements relative to say ERF or CSAE. In part, this is explained by the limited budget allocated to marketing, e.g., for geo-targeted campaigns on social media platforms—a low cost method for increasing the virtual footprint of activities and research outputs; the limited focus on bringing researchers to national policy seminars¹⁷ and insufficient timely French language content on the AERC website.

When compared to the within-Africa competitors, the numbers confirm a strong presence for the AERC, but possibly less dominant than one would expect. Country-based institutions such as the ESRF, KIPPRA, and IEA do very well and even better than the AERC in some social media forums—most notably on *X/Twitter* (e.g., KIPPRA has over 10,000 followers compared to the 8,000 of the AERC). This in part may allude to the growing importance and prominence of country-level issues and challenges for the Economics community, relative to regional concerns. Importantly, the content on these various platforms, including notably the AERC website, does not sufficiently provide substantive material drawn from the research outputs. For example, if one compares the PEP landing page [<https://www.pep-net.org>] to that of the AERC, the former is much more focused on providing content to draw the reader in, through the publishing of blogs (which are regularly updated) and a ‘Recent PEP Findings’ link with at least three entry points showcasing PEP-funded research. In contrast, the AERC website has links to grant award programmes, fellowship opportunities, the organization’s strategic plan, upcoming and past events, meetings and conference participation by the Executive Director, etc. The site is largely descriptive—explaining AERC programmes. There is very little in the way of a content-driven interface and effort to engage users. The difficulty of finding research outputs has already been mentioned. But the same holds for published research. This does not figure prominently, if at all.

17 Doing so is one of the recommendations made by Aryeetey and Stewart (2019).

Figure 13: Social Media Reach: The AERC on the Global Stage

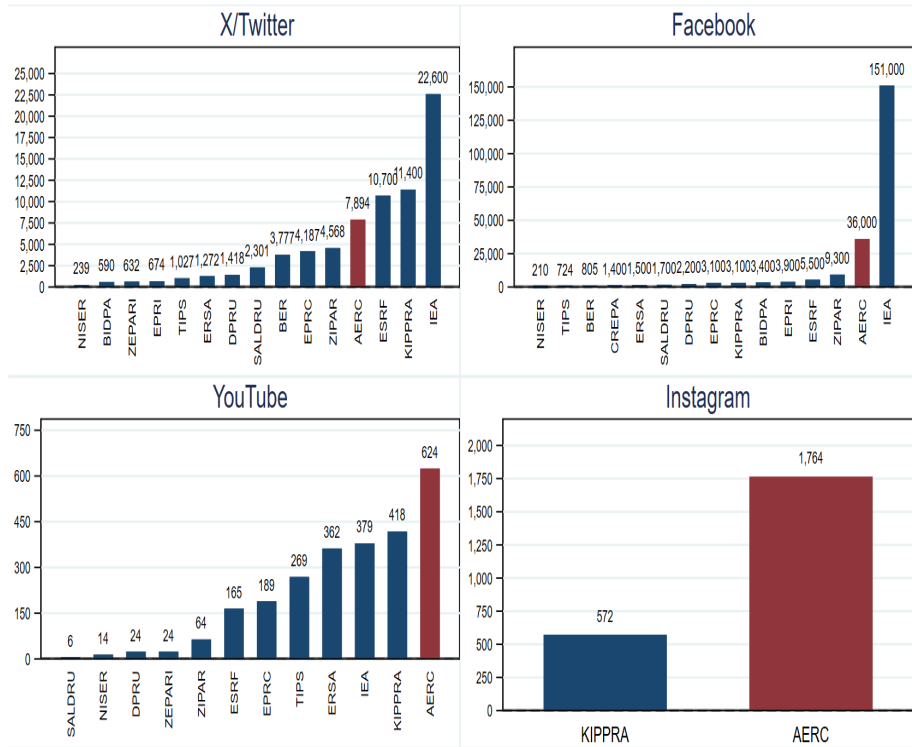


Source: Data collected from various X/Twitter, Facebook, YouTube, and Instagram accounts, 26 February 2024.

Based on the above, we ask the following leading questions in relation to the AERC’s social media strategy. Firstly, has the AERC lost an audience in key countries where regional issues matter less than SSA-wide ones? And if so, is there a manner in which the AERC can be strategic about the material that is posted on the website? Has the time come, for example, for the AERC to even consider having slightly different landing pages for sub-regions? Hence, there would be a Southern Africa (English), West Africa (French), and ideally a Lusophone landing page—which deal with research and content relevant to the sub-region. This may increase visits and also allow the AERC to be more careful about its country and sub-region interactions. In relation to the latter—and something we discuss in our strategic options section below—the AERC can consider partnering with the country institutions, whilst retaining control and ownership of product, to be closer to local and sub-regional economic policy issues emanating from research.

Our view here is that the AERC undoubtedly retains a strong social media presence, as witnessed by the number of visits and followers when compared with similar institutions both within the region and elsewhere. However, it can do better. In particular, around areas of content modification and being much more strategic about sub-regional topics, the AERC has the potential to greatly elevate its reach. This applies even with the current suite of projects and outputs the AERC is undertaking.

Figure 14: Social Media Reach: The AERC in the African Context



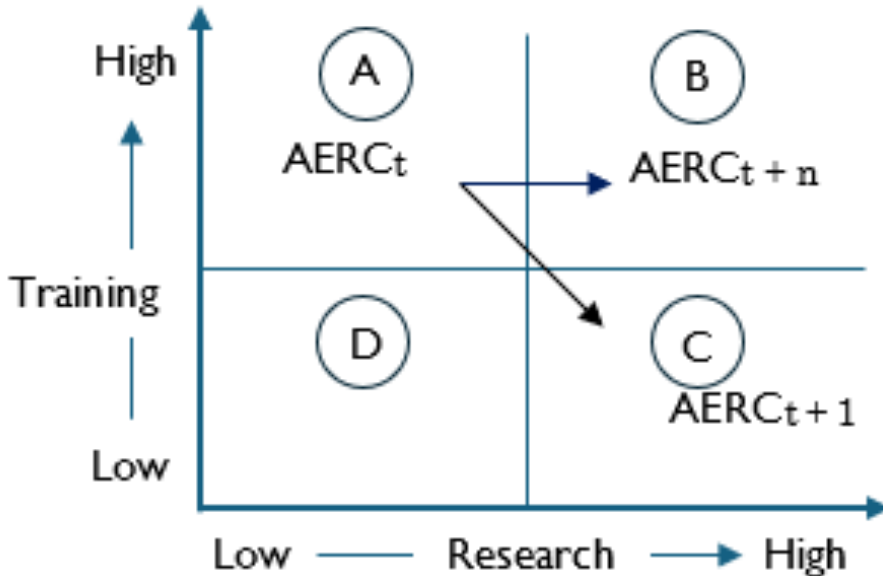
Source: Data collected from various X/Twitter, Facebook, YouTube, and Instagram accounts, 26 February 2024.

Strategic Options

To recap, the overall vision of the AERC is to bolster local capacity for conducting independent, rigorous inquiry into problems pertinent to African economies. This is pursued via three types of activities: capacity-building, research, and mapping this research onto policy impact. We would argue that, in this 3-part supply chain, as it were, there are a series of questions around the relative weight that should be placed on these various activities and then how activities in each area can be adjusted to achieve clearly specified goals better than presently. In doing so, consideration must be given to the various stakeholders at these different stages of the research and knowledge pipeline—ranging from governments, multilateral institutions, regional and international think tanks and universities, and of course individual researchers themselves. A reconfigured AERC needs to ensure that these stakeholders will continue to be served and supported, albeit possibly in a different form and manner and with different weights attached to these various stages of the research supply chain. Most important is to re-focus and re-organize the AERC work programme and modus operandi around objectives that engage on African priorities in ways that energizes its network and broader stakeholder community.

Figure 15 is an attempt at illustrating how the AERC currently allocates its resources—whether time, people, budget, and so on—between training/capacity-building, and research. Currently, the AERC is in quadrant A, with a high share of resources allocated to training/capacity-building and low allocation to research. In the short term, the AERC could potentially move from A to C—where within the current budget and funding allocations, more emphasis is placed on research, albeit restructured along the lines we propose below. This shift is possible in the short run, i.e., the next funding cycle—hence the notion of this being an ‘AERC_{t+1}’ outcome. In the longer run, should there be a continued appetite for training/capacity-building and donors willing to support this offering, a shift back to a more prominent AERC where training and research have equal weighting could be possible. We would argue that this cannot happen currently, without a first pivot towards a research programme from the AERC that is much more appealing to the donor community.

Figure 15: A Potential Short- and Medium-Term Pivot for the AERC



In terms of the nuances of this balance between supporting training and capacity-building; and research and policy outreach—it is critical to ensure that the AERC is positioning itself optimally for a future where both the funding opportunities allow for its very existence to sustain these activities and add substantial value in the African context. The end-point, we would argue, is the production of high-quality, policy-relevant research. This latter core mission of the AERC may occur through the AERC supporting Master's and PhD students who will eventually produce this high-quality research (early in the pipeline), or through the process of research itself (the *middle stage* of the pipeline), or the dissemination of research (the *final stage* of the pipeline) via blogs, social media, policy workshops, and so on.

We try, in what follows below, to provide various strategic policy options and suggestions—some more direct than others—which may involve either a change in emphasis of certain overlooked activities, the introduction of new forms of activities, or indeed in some cases improving the quality of services currently being offered by the Consortium. We turn to these areas of improvement and change by focusing first on four discrete areas: Rethinking capacity-building; Bolstering the research offering; Leveraging the AERC network; and Dissemination and outreach. Action in these four areas will require changes in the governance and the structure of the AERC. Taken together, the resulting clarity and enhancement of the value proposition offered by the AERC to its stakeholders will support its ability to attract funding and to partner with complementary institutions. We turn to each of these individually.

4.1 Rethinking Capacity Building

Although it is somewhat of a ‘creative destruction’ line of reasoning, we do ask the very direct question in this review: *Is the training of Economics graduates now as necessary as it was when the AERC was formed?* Based on our assessment shown above of the evolution and growth in both universities in SSA as well as the number of Economics departments, we would argue that this *raison d’être* is now less compelling than it was during the 1990s and early 2000s. In many ways, one could argue that the AERC has achieved its original core objective of producing a sustainable number of economists on the continent. Indeed, to some extent, the foundations laid by the AERC may have helped build the very universities and departments in the region that are now able in many countries to sustain their own supply of graduate economists. Another way of thinking about this is that, logically, if the number of Economics departments (and Economics research institutions) has increased over time in SSA, then logically this should mean that the very supply of graduates has risen. For a non-higher education institution such as the AERC that was designed to resolve this market failure, perhaps this is a sign that the market failure has attenuated somewhat. In many countries, the institutions that should be responsible for this supply are now on average doing more to deliver what is expected of them, although there is clearly huge variance in capacities and quality.

There are three clear options available in relation to capacity-building to the AERC. The first is to continue on the ‘business as usual’ path, with the possibility even of elevating this work programme so that the AERC can anchor itself further as the site of production of Economics graduates in Africa. The second is for the AERC to temper this focus and to look to a carefully managed reduction in its engagement with training and capacity-building. The third option is to remove the entirety of its focus on training and capacity-building. We turn to each of these options sequentially.

Not surprisingly, we do not support the first option. The current funding malaise and developments in the higher education sector in Africa make clear that this ‘more of the same’ approach is untenable. Such a strategy is tantamount to the AERC effectively funding universities and Economics departments to produce students that through the individual government budgeting system should be catered for. They would also be trying to correct market failures at the country level that perhaps are not as pervasive as they used to be in the early years of the AERC. This does not mean, however, that there is no gap in training and capacity-building within the African environment in Economics.

Given the undoubted gaps that exist in Economics training on the continent, it is clear that completely removing the capacity-building component of the AERC’s work programme does not make sense. Indeed, other organizations in the region do offer training services, albeit not through a formal graduate degree support programme. Ultimately then, the AERC should continue to offer a capacity-building service in this early stage of the research pipeline. We would argue, however, that this weight of contribution to the overall service offering of the AERC needs to be significantly reduced. In this respect, the middle-road solution of offering some sort of training arm and capacity-building would seem apposite at least in the short to medium term. It calls for a much closer examination of the correct allocation of each resource—time

and money—to training, as opposed to direct research and dissemination; but this can occur through an explicit process of changing the funding strategy of the organization. We discuss this further below.

There are two key changes that the AERC can consider, at least in the short term, given the current envelope of funding; and possibly with an eye to the medium-term shift in the strategic direction of the organization. Firstly, there needs to be a careful consideration of the current list of countries' students that the AERC is funding. Our understanding is that there are no exclusion criteria at the country level. No countries are explicitly excluded from AERC funding. With this in mind, one clear option would be to revise the list of countries currently being supported with a consideration to either cap the number of students or even remove some countries, which do already have a large number of domestic Economics departments or well-funded universities. As was suggested by many we spoke to, this could prioritize students from fragile or conflict-affected states and on improving gender balance in enrolment and graduation rates of MA and PhD students.

Another strategy would be to change the co-funding model, which would entail a much more careful balancing of what the AERC offers relative to the recipient institutions. In turn, there should be a much clearer and possibly more focused effort to ensure that the AERC is given a clear and public return to this human capital investment. These returns can and should come in the form of a contractual relationship between the AERC and its recipient individuals and institutions which stipulates, for example, that the individual will note their affiliation as an AERC-funded student, with the possibility of converting this label to 'AERC Graduate' upon graduation. In the case of institutions, there must be a clear and public reflection of the support provided by the AERC—with the value of the support being tied to the degree to which, say an Economics Department, should brand itself as an 'AERC-linked' department.

Some of these changes may be subtle, but they will ensure that ongoing and clear recognition is given to the AERC in its Master's and PhD funding programmes. Perhaps more importantly, if a concerted effort is made to reduce the current focus on graduate programmes, then within an overall reduced envelope to training and capacity-building as whole, greater focus can be placed on short-term training courses. Donors are more likely, in our view, to fund high-quality short-term training courses on key niche topics, as they are manageable in terms of their funding models and fulfil the capacity-building mandate many donors have when supporting projects in SSA. In this respect, there are a host of topics—some of which of course the AERC has already undertaken courses on—ranging from new econometric techniques in microeconomics and RCT training courses, to more sub-focus areas such as economic complexity analytics, quantitative modelling, and so on.

Given the AERC's global reach and standing, accessing the best academics in the world to provide this training will be entirely feasible. There is great potential for the AERC to work with leading researchers around the world and to tap into donor-funded research programmes such as STEG that have a research capacity-building mandate and resources that can be allocated to the development and delivery of specialized training courses. This strand of activity also lends itself to partnerships with other regional research networks such as the ERF, which has many economists based in North African countries.

The short courses can then become the flagship projects for the AERC's training and capacity-building programme. There is not only significant donor appetite to support such courses, but more importantly great demand for them. This demand extends beyond

the researcher community and spans staff in government and policy departments. Short courses, therefore, also offer a vehicle for more tailored and meaningful engagement with policy makers. The AERC is probably better placed than any other African institution to offer such courses in the region.

In addition, this ‘short courses’ option to capacity-building can be complemented by a high-profile Global Lecture Series which draws on Development Economics luminaries (Deaton, Banerjee & Duflo, Stiglitz, Rodrik, and so on) to undertake African lecture tours. The notion that researchers from Cameroon and Ghana to Kenya and Uganda can all benefit from exposure to these leading thinkers will, in our view, be fundable, but also crucially serve as an instrument for building the AERC brand in individual countries and can facilitate closer collaboration with in-country institutions through co-branding and possible future research collaboration.

4.2 Bolstering the Research Offering

The middle stage of the supply chain, as noted above, is probably the most important for the AERC to correct and re-engineer going forward. We have argued that the current emphasis in both funding and time allocation sense—on research—is too limiting within the AERC. The AERC has always been viewed as more of a capacity-building institution rather than as the centre for the best research in Economics in Africa. This goal—to become the locus of excellence for Economics research in Africa—should become the anchor for the AERC’s strategy, mission, and objective for the next five years. This goal is necessitated by both the changing funding environment, as well as the transformed higher education for economics in SSA. We would argue that this pivot in the research offering of the AERC can and should begin immediately.

There are five thematic areas of research, organized through its Groups A–F. The five themes are: *Poverty, labour markets & income distribution (A); Macroeconomic policy and growth (B); Finance and resource mobilization (C); Production, trade and economic integration, and agriculture (D); and climate change and natural resource management (E)*. At face value, these themes are sufficiently all-encompassing to allow for most current topics to be included within these areas of research. Currently, the approach to research production within the AERC is for this to occur across the Thematic Groups, principally through a small grants programme to younger, largely less experienced African economists. This is, and always has been, the stock in trade for the AERC. In this respect, the reach of the AERC to countries in the region and economists at the country level is unparalleled.

In turn, there are Collaborative Research Programmes (CRPs,) which are ad-hoc in nature and have a loose arrangement and link to the Thematic Groups. These CRPs are often led by senior African and non-African scholars, and oftentimes can lead to high profile, high-impact research outputs. Yet the latter is the exception. The CRPs are meant to serve as the lead research projects across themes, but it does appear (at least from the outside) that in recent years some have been hastily conceived, do not necessarily reflect what Thematic leaders would regard as priorities, are sometimes run haphazardly, and do not regularly deliver high-quality research. The AERC’s CRPs lag the flagship research projects that are regularly managed and run by, for example, UNU-WIDER, PEP, STEG, PEDL, and

so on. These latter organizations often garner significant intellectual, policy and donor mileage from high-profile lead projects—and in so doing are able to position themselves very well as centres for research excellence. The CRP may also intermittently struggle with the tendency to engage with very high-profile, high-quality academics—who either run with their own pet projects, or indeed lack the onus to engage with donor needs. In the latter, it is the guiding hand of the AERC leadership which is essential.

The rule then in terms of the AERC's research offering is defined by small, honoraria-type papers given to young scholars who are supervised and guided through the production process of their paper—by Theme Group leaders and their relevant resource persons and CRPs involving groups of more senior researchers that are brought in on an honorarium basis. By definition, the quality of the early-career thematic research, the time taken to finalize the papers, and ultimately the impact, both academically and in terms of policy outcomes, of these papers, will be limited. It will vary depending on the selectivity of the process through which proposals are assessed and the quality of the mentoring and feedback provided by resource persons. Both elements will affect quality of the reports. Many of the people we spoke to flagged weaknesses on both fronts, which include limited turnover in resource persons and insufficient attention given to ensuring that feedback is incorporated by researchers. The low average quality of these papers in turn means that dissemination opportunities, which are essential to building knowledge and funding momentum, are lost.

Given limited resources for research, the AERC is effectively substituting its research budget away from high-quality regional flagship research projects in key thematic areas of interest to African policy makers. Put differently, the research budget could potentially be targeted more towards CRPs, where the quality of the research is secured through senior researchers working on individual papers, and also then where the results from the research can be publicized, aired with senior policy makers, and so on. These high-profile research projects then become the platform around which the AERC can revitalize its position and standing as SSA's leading research organization. One example: the MasterCard Foundation is currently funding a region-wide project on Youth in Africa and Jobs in Africa. These types of flagship projects could quite easily have found a co-lead partner in the AERC. But the AERC is not viewed as the site of production—of research excellence as it were—in these areas. Indeed, it is not clear how the AERC can claim to be the locus for research excellence in any of the five Thematic Group areas.

In terms of the pivot mentioned earlier, becoming more of research-led organization as well as one known for its research excellence on the continent, there are a few important interventions that can be undertaken—many of which can occur within the current budget cycle. Firstly, the orientation of the organization needs to change wherein several, ideally all, Thematic Groups should initiate at least one large, very high-profile research project (think of *Youth and the Digital Age in Africa*; *Climate Change and the Resource Curse in Africa*; *The Rise of Sovereign Debt in Africa: An Old Foe Returns, Leveraging Geopolitical Tensions for Development*, and so on).¹⁸ Such high-profile, theme-led research projects should then become the anchor around which the Thematic Groups are organized. These would supersede the small grants programme.

18 Forging links between thematic and collaborative research was one of the recommendations made by Aryeetey and Stewart (2019).

In turn, the working papers, journal articles, workshops, policy engagements, and so on, which emanate from these Flagship Research Projects, will serve to raise the profile of the AERC as an African research leader in the particular area. This is of course the strategy pursued by other organizations working in the global development economics research environment.¹⁹ What the AERC can do is to build on this model while integrating capacity-building dimensions into each project, drawing on a selection of early-stage researchers that would become affiliated with the AERC as well as contribute to the project, working with the senior researchers leading the research. This could take the form of post-graduate appointments, offering several years of funding and supporting professional development and integration into rigorous research environments. There is no reason the AERC cannot become the regional research leader in all of the themes and sub-themes within which flagship projects occur by leveraging and incentivizing its extant network and reaching out and bringing in researchers from the diaspora. Becoming a renowned global research leader in SSA would be a clear clarion call, we would argue, for donors to shift resources towards the AERC.

Such flagship projects, however, need to be structured and organized carefully. The current approach of CRPs that occur in an ad hoc manner around calls for proposals by donors is not feasible under a research-led AERC. A few possible restructuring ideas include appointing senior AERC-affiliated researchers (global leaders who are based in Africa or elsewhere) as the Research leads for each of the themes. To ensure African ownership, one could partner with African and non-African senior scholar across each theme. The key, however, is that these individuals would have as their remunerated task—albeit part-time—to grow the AERC’s presence in the theme, to lead on proposals for specific donor calls in the thematic area, to represent the AERC in global forums, to work with individual researchers who may have research project ideas, and so on. These global thematic leaders should and will interact very regularly with the AERC Executive Director. To the Executive Director, this group of thematic leaders can constitute an ‘executive committee’ in corporate language. They would be remunerated—albeit part-time—and be tasked with raising research project funding by preparing high-quality proposals and bring in key individuals and institutions for the AERC across the themes. Through the latter, they will ideally build the profile of the AERC as the research leader in SSA in both the broad themes, and also in the individual thematic projects for which they garner donor support.

A full alternative organogram and job description for the restructured thematic research programme is beyond the scope of this review, but one can conceive of how such an executive committee and its role and functions, performance metrics, engagement with the Executive Director and Research Director, and so on, can be structured. Importantly, however, through such a restructuring of the Thematic Groups’ role and position in the AERC, the AERC will have pivoted towards an organization whose core mission and front-facing activities are revolving around high-quality, high-profile research.

19 For example, the UNU-WIDER’s flagship tax revenue project has made it the global centre for thinking about revenue mobilization in developing country contexts, including SSA. See <https://www.wider.unu.edu/about/domestic-revenue-mobilization-programme>

An important addition to the above proposed structure of individual-based Thematic leaders (ideally two per theme to allow sharing of work and helping to address scheduling conflicts, teaching commitments, etc.) would need to also actively collaborate and work with key African institutions in-country. Much of the ongoing work at the country-level by the AERC occurs through individual researchers rather than institutions. However, the AERC arguably needs to pivot by working with institutions directly and explicitly in the building of its research base. Hence, should, for example, a project on Sovereign Debt be funded by a donor, the funding proposal should ensure that under the AERC's leadership institutions in countries such as Zambia, Ghana, Mozambique, etc. collaborate with organizations, including government bodies, within these countries. The current model of selected individuals engaging with the AERC can continue—but arguably gives the AERC less sway and relevance in key economies in the region. Indeed, one could argue that the AERC's influence, and potential future growth is further constrained by being too dependent on an individual network type model where there is high diffusion of the AERC's reach and impact in the region. Individuals engaging with the AERC are less impactful than institutions collaborating with the AERC. Building active and formal links with key African research institutions who have their own networks and funding lines can only be beneficial to the AERC, which is in the unique position of being a pan-regional entity, unlike any other in SSA.

Ultimately from the above, we would argue that in examining the core services offerings of the AERC—namely, training/capacity-building and research—there is a strong case for the weight of resources to shift much more in the direction of research. This pivot can be achieved in the short run through, for example, launching a series of short one-year research projects in key themes—across the five areas with the Thematic Leads—that are funded by donors. These short-term projects could include technical training (short courses, virtual and in-person depending on the budget) and focus on generating high-quality, high-impact outputs in the form of working papers, journal articles (although there will be a lag here of course), policy briefs, blogs, vlogs, and policy workshops. These series of outputs then will help reposition the AERC in the short term as the region's research leader in these thematic areas.

This short-term repositioning then can give way to a more medium-term focus on a 3- to 5-year research programmes (again anchored to the Thematic Leads) that speak directly to current topics that are important to African policy makers and which have concentrated the minds of donors. Importantly, however, capacity-building in the form of training around short courses and so on will fit into this research programme. One can think of innovative training models in these research programmes that would allow researchers from say fragile and conflict-affected countries, to have a unique opportunity to be both trained in specific techniques—but then to partner with more experienced researchers in the thematic area of the project. Such a strong and clear inclusion component of the research would ensure that the programme does not become elitist. The pivot we are proposing, in essence, would change the emphasis away from training and capacity-building as one arm, and then research as another arm. It would pivot the AERC to being research-led—with research serving as the core around which complementary activities are built, including specialized short courses to provide skills training for researchers (methods, new techniques), complemented with short courses targeting officials and policy makers. This, we believe, is what donors are likely to be receptive to funding in the current environment.

4.3 Enhancing the AERC's Value Proposition for its Network and Stakeholders

One of the most enduring strengths of the AERC is the breadth and depth of its individual network of researchers, not just in Africa, but in the world of development economics. On the continent it is unparalleled. Yet, as argued previously, it is underutilized and under-leveraged by the AERC. The main aim here should be for the AERC to actively connect its researchers and deliberately build an epistemic community of Africa economic policy researchers. Currently, it could be argued, the network of 'AERC researchers' comprise a diffuse, 'uncommitted' pool of researchers that have benefitted from the AERC but do not see themselves (nor are they expected to) as members of the AERC network. The same pertains to resource persons. This must change in our view.

One instrument for doing so include firstly to formalize the network by the appointment of fellows (senior), affiliates (junior), and policy makers/advisors (associates).²⁰ This is a core feature of other research networks such as CEPR and ERF and creates a pool of professionals with different levels of experience that can be drawn into network activities, including workshops and projects. Appointments would need to be guided by objective criteria and be time-bound, periodically reviewed and renewed, depending on performance and participation in network activities and contribution to public goods (e.g., peer review, working papers produced, publications, etc.). This should apply to resource persons as well. Creating formal mechanisms for affiliation with the AERC will address the visibility gap noted above, but more importantly create a presumption that those who become members satisfy 'quality standards' that will be associated with reputational benefits as well as create valuable opportunities for engagement with peers and senior researchers. Appointing part-time area programme directors will help to provide leadership in research, assist in mobilization of funding, and promote quality through peer engagement/review and regular updating and turnover of resource persons. These part-time programme directors can be the self-same Thematic Group research leaders we have alluded to above.

To ensure coherence in the knowledge output of the network, a clear, integrated AERC working paper series is essential. The AERC working paper series must become the organization's flagship output—a signal of research excellence—and the series of outputs must be both regular and very widely disseminated. Such a working paper series must be curated—managed and overseen by a part-time Editor—and linked to RePEc, SSRN, and similar repositories that have become the default platforms for dissemination of research in economics and other social sciences. There must be constant requirements to convert all research projects within the AERC into high-quality AERC working papers. This is not to say that other forms of output should not be produced as well. Provision can—arguably should—be made for papers and video content and podcasts that engage with policy issues and work that is not designed to be published in refereed journals. Examples are briefing papers, policy notes, etc. Such output can be published in e-formats including e-books, something that has become a vehicle for networks such as CEPR to build on research to engage widely on policy issues. It is

20 This suggestion has been made in past evaluations of the AERC strategic plan, but was not implemented.

important that such outputs—while serving a critical role in enhancing the visibility and impact of research—are not integrated into the working paper series, which should be restricted to work intended for eventual journal publication.

The above, in turn—which is in essence an individual research network-based output—can be complemented by an offering for Africa-focused policy research institutions to participate in an AERC-platform with a regional focus. Such a platform would allow for a link to be built with best-of-breed national institutes and so leverage off the regional convening power on subjects of Africa-wide importance. It would also allow for a greater emphasis on (temporary) ‘placement’ and connecting network research members to policy institutions. In turn, the AERC gets to connect with providers of tailored policy research (e.g., IGC, AfDB, ACET, UNECA, etc.), and to enhance the local capacity and use local expertise in-country. International partnerships with organizations that have a focus and expertise on Africa are then also eminently possible through this institution-to-institution model. Such a model is equally salient for short course technical skills training, providing opportunities for collaboration with other research networks and partnerships.

Ultimately though, the AERC being able to pivot and leverage its currently incredibly rich and diverse individual network into a much more structured owned model with a clear pipeline, is absolutely essential for the AERC’s future. Anyone engaging with the AERC will need to formally recognize themselves as an AERC fellow of some form and level. In turn, the greater and more active engagement with institutions in-country, where the AERC can of course add value to these institutions, is key within a region where country-level policy discussions are becoming more pronounced—and arguably in many cases supersede—the wider SSA-level concerns.

4.4 *Improving Policy Impact and Dissemination*

The AERC has the difficult balancing act of engaging with policy makers at both the regional and country level. Hence, what may be crucial for Mozambique policy makers’ very specific needs and concerns around conflict and LNG discoveries in the north of the country, may not necessarily feature in any SSA-level policy discussions organized by the AERC.

Whilst the AERC cannot hope to cover all country issues timeously and comprehensively, it may be able to utilize the Flagship Research Project idea to embed country concerns. Hence, if there is flagship project on the future of natural resources within a climate change context, the Mozambican case can be elevated through a country case study on how conflict, climate change, and natural resources all make for a key regional economic development challenge for a low-income country. The point we make here is that the AERC can only have proper policy impact if it is engaging at a detailed, granular level with policy makers in-country and utilizing social media to disseminate outputs and engage with national stakeholders.²¹ Here again, partnering with national

21 Several of our interviews pointed to the need to go beyond Kenya in terms of engagement and sourcing of services, as well as the need to expand the capacity to engage in the French language.

policy institutes and organizations like the IGC is an obvious path to pursue. But as noted previously, such engagement must be based on research programmes with globally recognised academics and researchers in the respective thematic areas.

Importantly, this does not mean that SSA-wide engagements cannot and should not happen. Indeed, these become critical for deliberations with the multilateral institutions; but again, the thematic focus should be the lead. However, should country-focused projects be the starting point for Flagship Thematic projects, then the region-wide policy discussions will ideally be distilled and drawn from these country research projects. It is not clear that the AERC is currently even close to engaging in this manner with policy makers. To state it again, the pipeline runs from direct research to policy impact and engagement. The research needs to be undertaken by and with the AERC, and it needs to be of a high quality—with clear policy directives—which then can be used to feed into country and region-wide policy discussions. In order to assure policy relevance, bringing in/engaging with policy-making institutions at the conceptualization will be beneficial and arguably should be a feature of the design of Flagship Thematic Research projects. Doing this can involve the senior policy associates, we suggest be appointed, as one dimension of formalizing the AERC network.

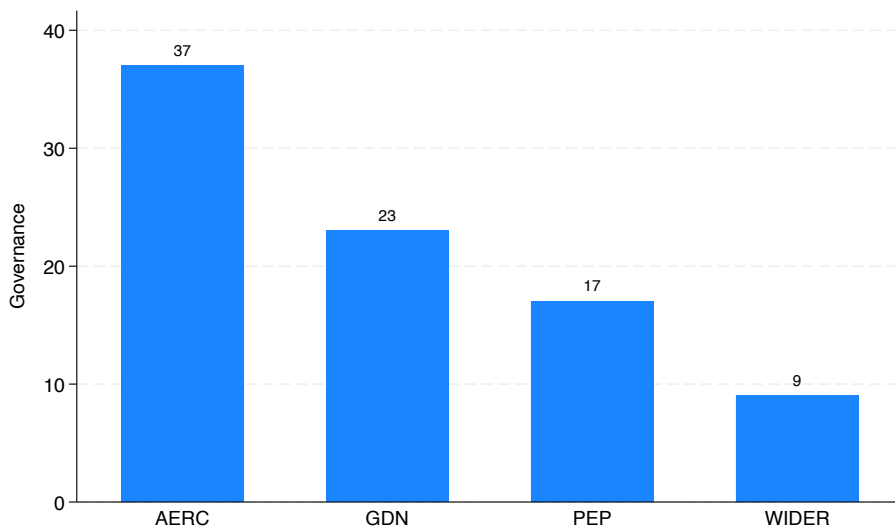
We conclude with an example. Assume the Thematic Lead, following consultations with peers and donors, proposes a flagship project on *Servicification: A Path for Development in Africa?* co-led by, e.g., Dani Rodrik and 1-2 African leads)? Such a project would not only have country papers and an overall set of SSA-wide papers but serve as the thematic lead project for Group D in a given year. The project would then be profiled throughout the continent and in relevant global fora, which would also include direct donor engagement crucially beyond the funding donor. All dissemination, policy workshops, working papers, and journal articles are driven by and through this Thematic Lead Project. This Lead Project becomes an instrument for building country research institutional partnerships, donor relations, country government linkages, and so on. The AERC leads must not only represent the AERC but also serve effectively as its ambassadors on the project. The only branding that occurs is that of the AERC, and this branding and profiling from the official launch through to follow-up seminars, workshops and presentations, forms part of a very carefully constructed and planned media strategy. Such a media strategy would be managed and overseen by the ED together with the Communication's Director and relevant thematic leads. Crucially, for all dissemination and policy impact interventions, the 'content leader' that draws an audience in has to be the thematic area. Individual researchers, policy leaders and donors will all gravitate towards themes they are interested in, and in particular if they are populated by high-profile researchers.

4.5 Governance and Structure

Our analysis above of the AERC has already alluded to the concern that the AERC governance structure is possibly too formalized and overly layered and structured. We would argue that many similar regional and global institutions do not have as complex a structure as that of AERC. It was also not entirely clear to the reviewers what the specific value-add of each governance unit within the AERC was. The AERC has a much larger number of individuals and individual ex officio representatives in its governance

structure than other research networks (Figure 16). Whilst many of these institutions—see below in the Appendix for the data underlying this graphic—have different structures, in essence the total number of governance members is the highest for the AERC. The AERC thus has, by our count, 37 governance members, which we have gleaned directly from the web information (<https://aercafrica.org/leadership/>). The data here suggests 14 members of the Board of Directors, 11 in the Programme Committee, and 12 in the Central Bank Governor’s Forum. This ignores the various sub-committees and Academic Advisory Boards. Even if these numbers are slightly different—or indeed with those of the GDN, PEP, and WIDER are as well—we are comfortable with the deduction that the AERC has a too large and lumbering governance structure. An organization whose focus should be research excellence and capacity-building does not need to have so many individuals and institutions in its governance and leadership structure.

Figure 16: Total Number of Governance Structure Members, by Institution (2024)



Source: Own calculations.

A structure which is the simplest, yet very powerful, is that of UNU-WIDER. There is a small executive team led by the Executive Director—reporting to a Board which is made up entirely of academics and the core country donor (the Finnish government) only. The Council of UNU has very little substantive oversight in the running and strategic direction of WIDER. It is not clear then to the reviewers why a similar, simpler and much more academic—or researcher-heavy—Board, is not sufficient for the AERC. Indeed, as already noted, the ERF has several researchers on its Board, chosen by the Research Fellows themselves. The suggestions made above regarding affiliation and the restructuring of the Thematic research program could be considered as a means of increasing the voice of researchers from the region in the governance of the AERC.

Relatedly, should the various layers be viewed as continuing to be important to the AERC, it does seem that the separate governance structure for Central Banks is outdated. As noted above, SSA now has moved beyond an environment where macroeconomic imbalances dominate development challenges. In this respect, should the Forum not be better aligned by including Ministries of Finance as well? Relatedly, if the AERC is to try and pivot toward a research programme which twins with country-based research institutions, it may want to consider including representatives from country-based research institutions as part of the main Board as opposed to the one policy institute that is presently represented on the Programme Committee. Indeed, one strategic element to including these key country research institutions into the AERC Board is that this allows the AERC to position itself as a network, not just of individual researchers, but also institutions, in SSA. One positive spillover of greater country exposure through the AERC then, is also that some richer economies with resources may be willing to commit their own government resources to the work of the AERC in specific Thematic Lead projects. For example, as is well known, country governments are funding specific global development institutions to run research and capacity-building programmes in their individual countries. With the AERC's global network, there is no reason why the AERC should not replicate this model.

As already alluded to above, we would suggest a rethink in some form of the current internal structure and functioning of the AERC. We propose a possibly slightly left-field type of option, anchored around the notion that the AERC should increase its quantum of trained research economists as staff who both contribute and write proposals, serve as the link to donors, and possibly even participate actively in some AERC-run research projects. Currently, the simplest way to understand the AERC staffing structure is that there is a layer of leadership represented by the Executive Director, Research Director, and Training Director. This layer then essentially engages with what appears to be predominantly non-cognate leaders. Our suggestion is that the layer below the ED and RD should have a separate (smaller) training component—but then crucially a series of senior or close to senior research leads in the thematic areas, whose job is to lead all activities (led by research not capacity-building) in that theme for sub-Saharan Africa. These research theme leaders need not be full-time but should at least be, say 50%, committed to the research programme and also tasked with (and measured in terms of performance) raising funds; conceiving of innovative policy- and donor-friendly research and outreach activities; engaging regularly with relevant donors using the AERC access points; and building new research themes and ideas for future funding. This is a radical departure from how the AERC has operated in the past, and one option would be to pilot this structure perhaps through one theme and one senior individual for a period of time. In many ways then, the senior research thematic leads would be similar in skills set to the current Programme Committee (PC) of the AERC governance structure. It would seem that this PC could effectively be disbanded to make way for this proposed structure organized around thematic leads.

4.6 *Funding and the Donor Environment*

We have spoken a great deal about the changing funding and donor environment and how it remains critical for all economics-based research and training institutions to be alive to changing donor imperatives and interests. In the funding environment—and given that it has become very competitive in the last decade—any institution must have a clear and structured funding strategy. Relying on adhoc engagements, informal networks, individuals’ goodwill, and so on, will not be sufficient to sustain the AERC. The data shows that the AERC is facing a severe funding constraint that in some cases has been described as a funding crisis. What can the AERC do differently or better in aligning itself more to such donor needs then?

Firstly, as mundane as it sounds, the AERC does need a funding executive sub-committee that meets regularly, is appropriately structured, and becomes the nerve centre for the organization’s financial wellbeing. This committee should of course be chaired by the ED and encompass the 2-3 most senior individuals in the AERC. The committee, through a staff member or a few members ideally with some research expertise, should be actively and regularly searching globally for all relevant RFPs in research first, but also capacity-building pertinent to knowledge production in SSA. Such a funding executive committee, however, must have a structured conversation, in which each of these RFP-searches are presented, evaluated (for budget, timeframes, applicability, possibility of reaching out to relevant contacts in relation to the RFP, etc.), and then a decision made on how to proceed with each RFP that is considered. Of course, in practice, informal networks and existing relationships will alert the AERC leaderships to such RFPs, and very often the RFP responses occur in a much more fluid manner. We would argue however that—given the AERC’s current dire financial position—a bit more structure in fund-raising is required. In this respect, this type of regular meeting will ensure that relevant RFPs are considered, discussed and also—should a decision be made to proceed with the RFP—allocated to a specific Theme Leader or Theme Leaders. One could then have the Theme Leader work with the RD and others to lead the proposal writing—but then also in the process identify senior African and AERC-network individuals who could contribute to the proposal submission. Given changes in communication post-COVID pandemic, it is of course entirely possible that all such fund-raising and RFP-related meetings and conversations can happen online, and hence enable a thorough international collaborative effort with AERC-aligned research leaders.

Another important dimension to consider is that, to some extent, the AERC does seem more operation-heavy instead of knowledge-heavy in terms of its staff complement. In order to pivot towards being a more research-facing institution, it is critical that the organization has a large enough number of researchers, or at least knowledge-based staff. Individuals with at least a Master’s in Economics—who may not be researchers but understand analytical and economic policy issues—should ideally dominate such a research-led organization. These individuals can undoubtedly then serve as the ‘RFP agents’—given the task of surveying the web in search of all relevant calls for research and also capacity-building. In a very important manner then, this reorientation towards research would mean a reconsideration of the staff so that in one conception, non-core services could, for example, be outsourced, whilst the organization reinvents itself as more of research leader in SSA. Ultimately this means that the ratio of funding, effort and

staffing needs to be changed to favour much more research and knowledge leadership rather than capacity and training. The latter can remain but should be secondary should the AERC wish to seriously pivot, and arguably dig itself out of its current financial malaise.

The more active raising of funds through this RFP-driven process would also allow the AERC to signal to donors that it has pivoted towards activities that donors are more willing currently to fund. It would signal that the AERC is not only seeking funds in the main for capacity-building and training. The consequence, we would argue, is that donors over time will then naturally turn to the AERC as the portal of entry to fund and lead research programmes in relation to economic development issues for SSA. Through ensuring that this occurs, it is absolutely essential the ED is viewed and engages as the research leader for the AERC. The ED would thus also be directly involved in leading some of the research, co-publishing with seniors, and in some cases even serving as the Theme Leader for a project. The ED then is a content-leader as much as he/she is the administrative and executive lead for the AERC. This is a key signal to the donor community that the AERC's ED is viewed as a credible, respected voice in the Economics community. Through being directly involved in some of the research, co-authoring papers, books and so on, the individual only serves to reinforce the research excellence of the organization.

Finally, it is critical that should the core proposals of this review be adopted—which may indeed not be the case of course—then a public *strategic* reset may be required. This strategic reset may necessitate an international roadshow with the new ED and his leadership to key global development donors, the multilateral institutions, African institutions, and so on. Such a roadshow would involve the ED and Directors, together with theme leaders ('Senior AERC Associates') representing the AERC network of fellows, affiliates, and associates, explaining and marketing as it were, the new strategic direction of the AERC to these audiences, with a view to building partnerships around the new research excellence pivot of the AERC.

Conclusion

Much ground has been covered in this report and we are fully aware that we have not addressed all the questions posed to us or reflected on all of the inputs we have received. In some cases, our ideas are not new—many have been adopted by other research networks. Elements of what we suggest may currently be pursued in some form by the AERC—for example, research projects on specific themes, policy workshops, and so on—but we believe it is important for the AERC to recognize the overlap between several of the options and proposals we make in this report and those made in past evaluations of AERC activities and strategy. Some of the ideas in the current strategic plan (AERC 2020) are ones that we would endorse, but that have not been implemented. Similarly, the thrust of some of our proposals are consistent with ideas put forward in O’Connell and Njikeu (2014) and Aryeetey and Stewart (2019), and suggestions made by senior AERC managers in internal memos and briefs. Reflecting on why past diagnostic exercises and recommendations relating to the organization and quality of thematic and collaborative research were not or only partially implemented is an important task for the AERC management and its governance bodies.

What cannot be doubted, firstly, is that the AERC has been in steady secular financial decline over the last decade. This must mean that the old model of operating is not working. However, it could also mean that some activities that the AERC has been doing (policy seminars, capacity-building) are important but should be done using a different approach going forward. In another conception, we have shown that across the research value chain—defined here as being composed of capacity-building & training, then direct research, and finally policy outreach & dissemination—the AERC must consider allocation of scarce resources within each stage. The top-level choice, given the budget constraint, is where to focus more funding, time, and effort.

Arguably, too much is being allocated to a service (training and capacity-building) relative to what the market demands (is willing to fund). Whatever the decision on where to allocate resources, across all the segments of the policy research pipeline, we have shown that the AERC requires drastic change. In our view, the goal should be to pivot the organization to become more knowledge-centred by deepening the relationship between individual researchers and resource persons with the AERC through an affiliation/accreditation model and pursuit of a more decentralized research strategy led by established leaders in each area with a mandate to reach out more to institutions within countries and the international development research community.

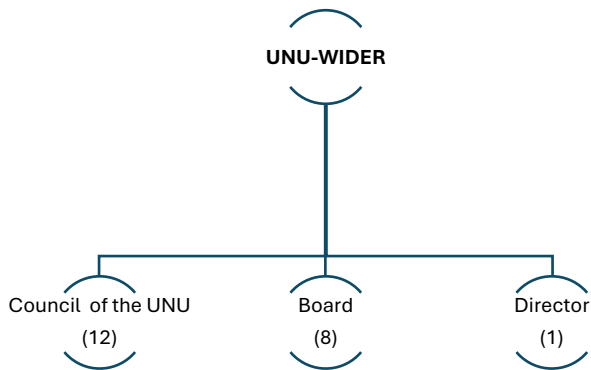
Ultimately, changes at all levels of the organization are essential, if we are to collectively ensure the survival and relevance of one of Africa's great institutions. Rethinking the governance of the organization is critical for effective implementation of the strategy and to ensure its financing. It is very difficult to add value when financial health is not present. We have, therefore, suggested some mechanisms for improved oversight within the AERC. At its core, the AERC needs to steadily pivot to focusing on research excellence. This may of course mean, as we have shown, that the current funding allocation model and roles and functions of key executives may need to change. However, we would argue that all these changes, incremental and significant—at the extensive and intensive margin as it were—can create a new AERC that is much more fit for purpose for supporting the realization of the African Union's Agenda 2063 with a clearer value proposition, and ability to mobilize its core assets and strengths: the network that has been built over time. Using this network of researchers and resource persons more effectively to address African challenges and priorities is key.

References

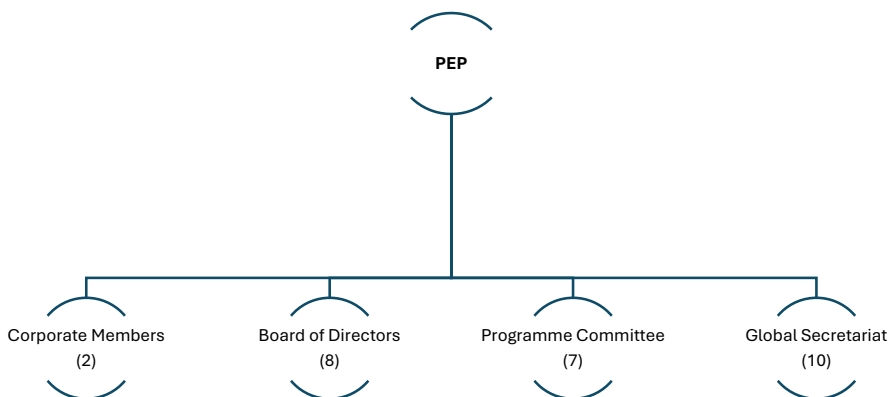
- African Economic Research Consortium (AERC). 2020. Scaling up Capacity Building for Policy Influence and Development Outcomes in Sub-Saharan Africa: Strategic Plan 2020–2025. Nairobi: African Economic Research Consortium.
- African Economic Research Consortium (AERC). 2023. Annual Report, 2022/2023. Nairobi: African Economic Research Consortium.
- Aryeetey, E. and F. Stewart. 2019. AERC: An Evaluation Report. Nairobi: African Economic Research Consortium.
- Bhorat, H. and Tarp, F. 2015. The Pursuit of Long-Run Economic Challenges: An Overview of Key Challenges. In *Africa's Lions: Growth Traps and Opportunities for Six African Economies*. Washington: Brookings Institution Press. pp1-36.
- Cloete, N., I. Bunting, and F. Van Schalkwyk. 2018. Research universities in Africa (p. 314). African Minds.
- Development Policy Research Unit. 2023. *Internal Financial Model*. University of Cape Town.
- Loxley, J. and C. Gwinn. 2009. Review of The African Economic Research Consortium Strategic Plan 2005-2010. Nairobi: African Economic Research Consortium.
- Loxley, J., C. Fundanga, S. O’Connell, and D. Njinkeu. 2014. Review of the African Economic Research Consortium Strategic Plan 2010–2015. Nairobi: African Economic Research Consortium.
- Lyakurwa, W. 2007. “The Experience of AERC in Research, Capacity Building, and the Development of Collaborative Training Programs”. In F. Bourguignon, Y. Elkana, and B. Pleskovic, eds., *Capacity Building in Economics Education and Research*. Washington, D.C.: The World Bank.
- McCalla, A. and H. Binswanger-Mkhize. 2014. Evaluation of the Collaborative Master of Science Program in Agricultural and Applied Economics (CMAAE) Covering 2010–2013, Final Report. Nairobi: African Economic Research Consortium.
- Mentz-Coetzee, M., A. Stroebel, and F. Swanepoel. 2020. The Significance of Doctoral Education and Training for Development in Sub-Saharan Africa. In *Education and Development: Outcomes for Equality and Governance in Africa*, 199–221.
- Ndung’u, N. 2022. Blended Learning Management Roadmap. AERC. Nairobi: African Economic Research Consortium.

- Ndung'u, N. 2023. "Towards a Community with a Shared Future for Mankind: Contributions of the African Economic Research Consortium". In L. Wang, ed., *China's Development and the Construction of the Community with a Shared Future for Mankind*. At https://doi.org/10.1007/978-981-19-7423-6_41
- Njinkeu, D. 2023. Consultation on Future Research, Training and Policy Outreach. Nairobi, 27 November.
- O'Connell, S. and D. Njinkeu. 2014. Review of the AERC Thematic Research Programme. Nairobi: African Economic Research Consortium.
- Organisation for Economic Co-operation and Development (OECD). 2023. Private Philanthropy for Sustainable Development, 2018–20. Paris: Organisation for Economic Co-operation and Development. At <https://www.oecd.org/dac/private-philanthropy-sustainable-development.pdf>
- Pestieau, C. 2008. AERC Governance, Management and Structure – A Model That Works.
- Prefix Research. 2022. Tracer Study of Graduates of the AERC Collaborative Training Programme. Final Report for the AERC.

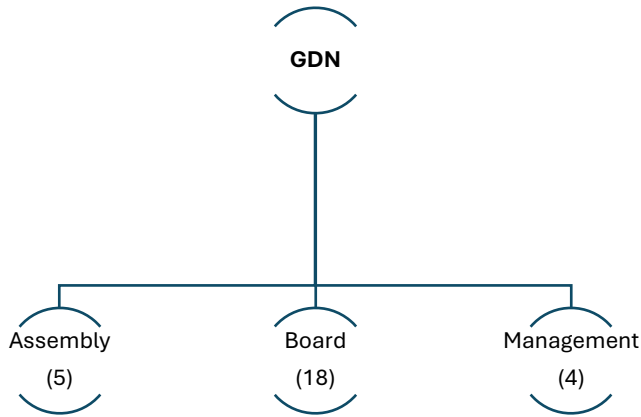
Appendix 1: Board and Governance Structures: UNU-WIDER, PEP and GDN



<https://www.wider.unu.edu/governance>



<https://www.pep-net.org/management-staff>



https://www.gdn.int/topic/who_s_who

Appendix 2: Managing Funding Uncertainty

The changing funding and donor environment makes management an essential tool for any donor-funded institution to utilize and embed in its day-to-day operations. Developed internally by the Development Policy Research Unit by one of the co-authors of this report with his senior team, the little financial model below is simple—but crucial in measuring current and future funding flows; relative to baseline costs for any soft-funded institution. We present below then a generic version of this ‘Salary Projections Tracker Model’. One can think of an institution as having funds annually across a range of projects—listed here as Projects A–F. Some may be single-year projects and others multi-year. The core, baseline funding and financial sustainability plan, is to ensure that salary costs are covered. One can of course elaborate this further to include salary and core costs, and so on. Hence, critical to the funding identified in each project here, is that they represent the portion of the project which can be allocated to salaries.

Table 3: A Funding Salary Projections Tracker Model: Soft-Funded Institutions

Project/Funding to Salary	2024	2025	2026
Project A	87,367		
Project B	186,753	623,734	623,734
Project C	819,606	298,843	1,229,801
Project D1	148,440		
Project D2	575,076	623,734	642,915
Project E	5,000,000	1,229,801	
Project F	7,000,000		
Total Funds Raised	13,817,242	2,776,112	2,496,450
Total Salary Costs – Subset	10,000,000	10,700,000	11,449,000
Net Income	3,817,242	(4,106,646)	(13,059,196)
Monthly Salary	833,333	891,667	954,083
Calendar Year Coverage – Months	17	3	3
Cumulative Coverage – 2-Year Average	5	(4)	(14)

Source: Development Policy Research Unit, University of Cape Town (2023).

If one takes this salary-by-projects funding by each project, you can, for example, see that in 2024, the fictitious institution raised a total of \$13,817,242. Salary costs for 2024 were \$10,000,000. Crucially, when converted to a monthly salary bill, this means that the institution can in 2024, cover salary for a total of 17 months (rounded off from 16.58). This in turn means that the monthly coverage for 2024 will actually have a surplus of about five months, which can accrue to 2025. If one looks at the funds raised for 2025, it is clear that funds have been raised to cover only three months of salary—resulting in only eight months of cover for 2025. This means that for 2025, the salary coverage ratio is in deficit to the tune of four months. Given the 2026 project outlook and assuming the inflationary adjustments to salary, the coverage deficit grows to 14 months—which effectively is an organization in significant financial trouble. Whilst seemingly very operational, we would argue that it needs to serve as the central instrument for the AERC’s executive committee in managing its finances. This matter is far too important to be treated solely as an auditing and accounting matter.



Mission

To strengthen local capacity for conducting independent, rigorous inquiry into the problems facing the management of economies in sub-Saharan Africa.

The mission rests on two basic premises: that development is more likely to occur where there is sustained sound management of the economy, and that such management is more likely to happen where there is an active, well-informed group of locally based professional economists to conduct policy-relevant research.

Bringing Rigour and Evidence to Economic Policy Making in Africa

- Improve quality.
- Ensure Sustainability.
- Expand influence.

www.aercafrica.org

Learn More



www.facebook.com/aercafrica



www.instagram.com/aercafrica_official/



twitter.com/aercafrica



www.linkedin.com/school/aercafrica/

Contact Us

African Economic Research Consortium
Consortium pour la Recherche Economique en Afrique
Middle East Bank Towers,
3rd Floor, Jakaya Kikwete Road
Nairobi 00200, Kenya
Tel: +254 (0) 20 273 4150
communications@ercafrica.org