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AERC INSIGHT

The African Economic Research Consortium



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Note From the Executive Director

Dear Readers,

Welcome to the latest edition of AERC Insight, our quarterly newsletter. It is with great enthusiasm that I share updates on our key activities, achievements, and strategic developments in this new edition.

This period was marked by significant milestones and impactful collaborations. In December 2024, we successfully hosted the 61st Biannual Plenary Session, a pivotal event that brought together experts in Fintech to explore the Financial Technology Revolution in Africa. Hosted in partnership with the Central Bank of Kenya and the Kenya Bankers Association, the plenary session addressed the transformative potential of Fintech in shaping Africa's economic future. Further, AERC's commitment to fostering policy discussions that address the continent's most pressing economic challenges was evidenced at the African Economic Conference (AEC) 2024 held in Gaborone, Botswana. The

"As we reflect on our past achievements, we recognise the evolving knowledge and capacity-building needs of the continent and the primordial necessity to remain relevant and innovative in this fast-changing terrain." - Prof. Victor Murinde, AERC Executive Director.



AERC Special Session featured at the AEC 2024 convened eminent thought leaders who discussed navigating uncertainty and promoting strategies for building resilience in Africa, solidifying AERC's role in shaping Africa's economic trajectory through innovative solutions. During the period, the AERC also successfully hosted two regional policy forums: the AERC-BMGF Regional Policy Forum on Advancing Financial Inclusion and Market Development in East Africa, and the AERC-Hewlett Foundation Regional Policy Forum on Data Policy and Governance in Africa. The forums, held in Dar es Salaam, Tanzania and Nairobi, Kenya, respectively, exemplify our dedication to advancing regional development through targeted and strategic policy dialogue.

The AERC is also immensely proud to celebrate the achievement of Prof. James Robinson, an esteemed member of the AERC network, who was awarded, alongside Professors Daron Acemoglu and Simon Johnson, the Nobel Prize in Economics 2024. The trio received the prestigious award for their research on how the nature of institutions explains the wealth disparities between countries. This recognition is a testament to the caliber of expertise within our network and the transformative impact of our collaborative efforts.

The beginning of 2025 started on a sad note for the AERC family, due to the passing of Jeffrey C. Fine, the first ever Executive Director of our esteemed institution. Jeffrey's visionary leadership from 1988 to 1994 laid the foundation for AERC's success in economic research and training across the continent. His ground-breaking work, including the establishment of the Collaborative Graduate Programme in Economics, continues to benefit over 20 universities in Sub-Saharan Africa. Jeffrey's contributions have left an indelible mark on AERC and Africa's economic research community, and his legacy will continue to inspire us.

As we reflect on our past achievements, we recognise the evolving knowledge and capacity-building needs of the continent and the primordial necessity to remain relevant and innovative in this fast-changing terrain. Therefore, the AERC is transitioning from its current Strategic Plan (2020-2025) to a transformative 10-year Strategic Plan (2025-2035) – "Reinventing the AERC for Delivering Africa's Economic Prosperity" – that entails a comprehensive reorganisation of AERC research, training, and policy engagement activities. The new strategy positions the AERC to better address the challenges and opportunities of Africa's dynamic economic research and policy landscape. As we embark on this new, ambitious and much needed journey, I invite all our members and stakeholders to join us as we steer the AERC to new heights.

I invite you to read on, keep abreast with our ongoing activities, join us in our upcoming initiatives and stay engaged (www.aercafrica.org) with our work.

Thank you for your unwavering support and commitment to the mission and vision of the AERC.

Prof. Victor Murinde
Executive Director, AERC

AERC 61st Biannual Plenary Session



Group photo: Biannual plenary session

The Fintech Revolution in Africa

The African Economic Research Consortium (AERC) hosted its 61st Biannual Plenary Session on 1st December 2024, in Nairobi, Kenya, under the theme “The Fintech Revolution in Africa”.

The event was held in partnership with the Central Bank of Kenya (CBK) and the Kenya Bankers Association. The plenary session had 822 participants attending (222 physically and 600 virtually), bringing together world-leading scholars, policymakers, and practitioners in Fintech and financial services. They shared insights on the shifting global economic and financial trends and how to build resilience for future shocks, with a special focus on Africa.

The keynotes, research papers, and panel discussions provided opportunities for engagements with policymakers, private sector practitioners, and non-governmental

The keynotes, research papers, and panel discussions provided opportunities for engagements with policymakers, private sector practitioners, and non-governmental organisations (NGOs) to generate new findings and experiences related to Fintech’s role in shaping developments in the global financial system and the world economy.

AERC 61st Biannual Plenary Session



From left to right: Prof. Ernest Aryeetey, Dr. Kamau Thugge, Prof. Victor Murinde during the AERC 61st Biannual Plenary Session

organisations (NGOs) to generate new findings and experiences related to Fintech's role in shaping developments in the global financial system and the world economy.

The plenary session set the tone for the December 2024 Biannual Research Workshop week of thought-provoking discussions, research presentations, and roundtables. Delegates delved into the role of Fintech in fostering financial inclusion, driving economic growth, and addressing challenges such as climate resilience and digital infrastructure gaps.

The plenary opening session was chaired by Prof. Ernest Aryeetey, Chair of the AERC Board of Directors and Emeritus Professor of Development Economics at the Institute of Statistical, Social and Economic Research at the University of Ghana.

The Chief Guest, Dr. Kamau Thugge, CBS, Governor of the Central Bank of Kenya, delivered a powerful opening address that underscored Africa's Fintech potential and Kenya's leadership in fostering digital financial inclusion. Dr. Thugge reiterated that Kenya's vibrant Fintech ecosystem, bolstered by a supportive regulatory

environment and innovations like M-PESA, has revolutionised access to financial services, particularly for the unbanked population. "With Fintech projected to grow thirteenfold to \$65 billion by 2030, Africa is not just participating in the global Fintech revolution—it is leading it," he remarked.

Dr. Thugge reaffirmed CBK's commitment to fostering strategic partnerships with institutions such as AERC to ensure evidence-based policy formulation and implementation. "The collaboration between the CBK and AERC exemplifies how research-driven insights can directly inform and shape policies that promote financial inclusion, economic resilience, and innovation. We look forward to deepening this partnership to tackle emerging challenges and leverage

"With Fintech projected to grow thirteenfold to \$65 billion by 2030, Africa is not just participating in the global Fintech revolution—it is leading it." - Dr. Kamau Thugge

the immense opportunities that Fintech offers."

Dr. Thugge also highlighted the challenges facing Africa's Fintech ecosystem, such as infrastructure constraints, regulatory complexities, and cybersecurity risks. He urged stakeholders to remain steadfast in addressing these hurdles while capitalising on the continent's strengths, including a youthful, tech-savvy demographic and increasing mobile penetration.

In his remarks, Prof. Victor Murinde, AERC Executive Director, unveiled the organisation's Strategic Plan for 2025–2035, designed to position AERC as a locus of research excellence. He emphasised the focus on renewal, inclusion, sustainability, and innovation, adding, "This strategy ensures AERC remains at the forefront of addressing Africa's economic challenges through high-quality research and impactful policy engagement."

Prof. Murinde highlighted the organisation's enduring mission of strengthening local capacity for economic research and policy influence. He noted that the 61st plenary comes at a pivotal moment when Africa's Fintech sector is driving significant social and economic change. "Our work ensures that rigorous, policy-relevant research informs Africa's development trajectory. Partnerships, like the one we share with the Central Bank of Kenya, are central to this mission," he stated.

The Plenary Theme 'The Fintech Revolution in Africa'

The Fintech revolution is in full swing globally. However, it is not an exaggeration to argue that the spark of the latest wave of the revolution was ignited in Kenya with the M-PESA financial innovation for mobile money. An interesting aspect of this argument is the seemingly reversed direction of the waterfalls, where financial innovation has originated in Africa and subsequently spawned financial systems globally rather than the other way around. As the most basic type of Fintech, mobile

AERC 61st Biannual Plenary Session

money innovation has been significant for many African nations since it has offered a vital route to digital financial inclusion.

The African continent is witnessing a transformative wave in Fintech that is reshaping the landscape of financial services and driving economic inclusion at an unprecedented pace. Fuelled by a convergence of factors such as increasing internet penetration, growing mobile phone usage, and a burgeoning young population, Africa has emerged as a hotbed for Fintech. It is not only revolutionising traditional banking and finance but also creating new opportunities for entrepreneurship, investment, and socioeconomic development across the continent. In addition, the transformation is driving significant improvements in customer experience through seamless, user-friendly interfaces and personalised financial solutions.

From mobile money platforms that provide banking services to the unbanked to peer-to-peer lending platforms that facilitate access to credit for small businesses, African Fintech startups are pioneering solutions tailored to the

unique needs and challenges of the region. Moreover, advancements in artificial intelligence, blockchain technology, big data analytics, and digital payment systems are driving further disruption and innovation in areas such as insurance, remittances, and wealth management.

As governments and regulatory authorities increasingly recognise the potential of Fintech to foster financial inclusion and stimulate economic growth, the regulatory environment is evolving to support and promote innovation while safeguarding consumer interests and financial stability. In this dynamic Fintech ecosystem, collaboration between Fintech startups, traditional financial institutions, and policymakers is crucial to harnessing its full potential to drive inclusive and sustainable development across Africa.

However, some serious challenges persist. The diffusion of Fintech is slow in many parts of Africa. Internet penetration is low on the continent compared to other parts of the world. Energy and electricity infrastructures are woefully inadequate, with significant portions of the continent without regular access to electricity.

Some Key Issues of Debate in Fintech Revolution in Africa

- Regulatory frameworks
- Artificial Intelligence (AI), Machine Learning and Big Data Analytics
- Central Bank Digital Currencies (CBDCs)
- Climate Risk and Fintech
- Fintech, Startups and Private Sector Development

Fintech development is, therefore, limited, despite the rapid rise in mobile phone ownership. Mobile applications bring security threats, and in environments where data protection laws are weak, trust in Fintech can be undermined. This will be a challenge for consumers as well as service providers. Trust issues in financial institutions can pose significant challenges. Policy challenges where the introduction of levies, duties and other distortionary fiscal instruments can also amplify the overall transaction costs and are not incentive-compatible for innovation.

Plenary Session highlights:

Plenary Session 1: Keynote & Prof. Benno Ndulu Memorial Lecture



Professor Thankom Arun,
Professor of Global Development and Accountability, Essex Business School and Faculty Dean Research (Social Sciences), University of Essex



Mr. Jared Osoro,
Director, Credit Markets, Financial Sector Deepening (FSD) in Africa & Member, Monetary Policy Committee, Central Bank of Kenya.

This session brought into perspective the potential of Fintech to foster cross-border trade in Africa and globally. Drawing insights from a recent research project on UK - India bilateral trade in Fintech and Fintech-enabled services, the keynote presents timely lessons for Africa to harness Fintech to enhance African Continental Free Trade Area (AfCFTA) adoption and sustainability. The session was chaired by Professor Ernest Aryeetey, Chair of the Board, AERC and the discussant for the session was Mr. Jared Osoro.

The Keynote Speaker Professor Thankom Arun, a paper on *'UK - India Bilateral Trade in Fintech and Fintech-enabled Services: What are the Lessons for Africa?'*.

Prof. Thankum in memory of Prof. Benno Ndulu provided highlights of his illustrious achievements as a champion of economic reforms and visionary central banker and legacy of economic leadership.

AERC 61st Biannual Plenary Session

- Appointed Central Bank Governor in 2008 following institutional challenges.
- Rebuilt public trust in the Bank of Tanzania.
- Oversaw economic growth averaging 7% annually.
- Reduced inflation from a peak of 20% in 2011 to single digits.
- Tackled key challenges like the current account deficit and debt sustainability.
- Founding member of the AERC, fostering research and training across Africa.

In his presentation of the keynote, he highlighted that the Fintech sector currently holds 2% of global financial services revenue. By 2030, Fintech's annual revenue is projected to reach \$1.5 trillion, accounting for 25% of all banking valuations worldwide. There is a broad spectrum of investor involvement, funding ranges from financial services specialists, generalist investors, technology-focused private investors, and hedge funds. He reiterated that the evolution of Fintech has reached a point where prudence—the skill of minimizing additional risks to the financial system—has become as critical as driving profitable growth.

Prof. Thankum in his presentation added that digital financial services are reshaping Africa's traditional banking sector,

"By 2030, Fintech's annual revenue is projected to reach \$1.5 trillion, accounting for 25% of all banking valuations worldwide."

-Prof. Thankom Arun

transitioning from brick-and-mortar to digital platforms. Mobile money dominates Africa's DFS, with the continent accounting for over two thirds of global mobile financial transactions by volume and value in 2022. This is driven by its youthful population, urbanisation, smartphone adoption, and mobile operator platforms. Fintech growth is particularly pronounced in Nigeria, Kenya, South Africa, Egypt, and

other major economies, driving financial inclusion. The share of individuals making or receiving digital payments rose from 28% in 2014 to 50% in 2021, demonstrating a narrowing of the "digital gap".

"Banks in Sub-Saharan Africa increasingly partner with Fintech companies, leveraging synergies to offer enhanced digital services - support retail and business clients, spurring economic activity and broadening the reach of financial services. His parting shot was on several thought-provoking questions for researchers, practitioners and policymakers.

How can licensing regimes be streamlined to support AfCFTA?

What lessons can be drawn from Europe's e-money license?

How will PAPSS address cross-border payment challenges?

What role do banks play in reducing liquidity requirements via PAPSS?

How can payment innovations address Africa's offline population?

How can African payment systems be optimized for global trade?

Plenary Session 2: Paper Presentation by Kenya Bankers Association



Dr. Maureen Were,
Acting Deputy Director, Real Sector Division, Central Bank of Kenya



Dr. Samuel Tiriongo,
Director, Research & Policy, Kenya Bankers Association



Dr. Rodgers Ochenge,
Lecturer, Department of Economic Theory, Kenyatta University



Dr. Paul Mpuga,
Chief Country Economist, South Africa, African Development Bank

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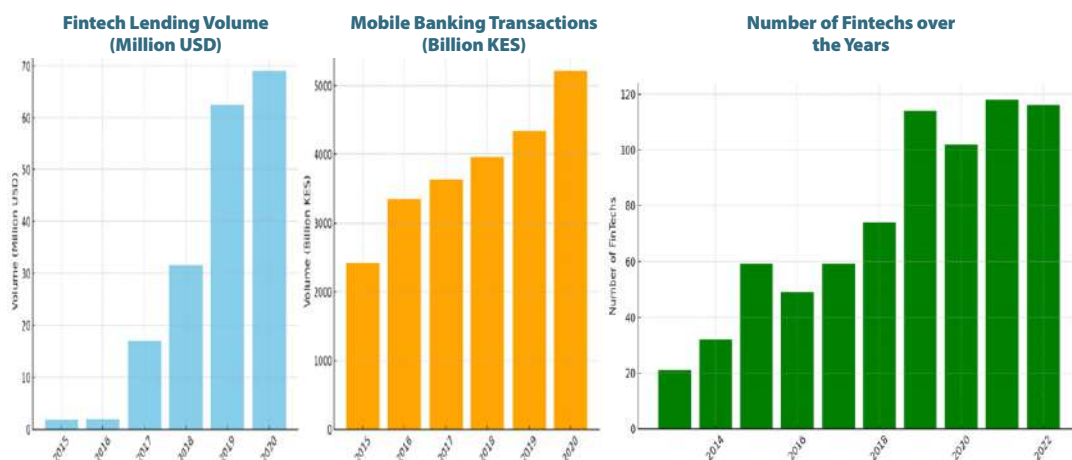
This session highlighted some novel aspects of the Fintech revolution in Kenya. Indeed, Kenya has played a significant role in the development and expansion of the Fintech space in Africa and globally. There are great opportunities for financing new investments using novel Fintech products, but there are also some serious challenges.

The Chair of the Session was Dr. Maureen Were. In this session, Dr. Samuel Tiriongo, and Dr. Rodgers Ocheng presented a paper on “Fintech Evolution in Commercial Banking in Kenya: Trade-Off between Efficiency and Fragility”. Dr. Paul Mpuga discussed the paper.

In this presentation, the authors noted that Fintech – the application of technology in the provision of financial services – involves multiple actors (tech developers, Fintech firms, government, traditional financial institutions, and customers.

Fintech was anchored on the rollout of mobile money and its evolution has been credited for enhancing access and usage of financial services. On the other hand, though with many advantages, it is also perceived as the cause of banking fragility and spurring consumer indebtedness. The scope of Fintech is broad and can be summarised in this illustration, which

shows the massive investment and turnover in the Fintech industry in Kenya. However, there is still room for expansion. The authors made the following conclusions: Fintech credit offered by the competition triggers banks’ risk-taking behaviour; Fintech products adopted by the banks improve cost-efficiency, and It is also important for each bank to determine internal threshold.



Fintech lending volumes, Fintech firms, and Mobile Banking in Kenya (2013-2022)

Plenary Session 3: Voices of Today and Tomorrow in the Fintech Space



Mr. Leon Kiptum,
Board Member & Deputy
Secretary General,
Association of Fintechs
in Kenya (AFIK), and
the Senior VP for Flutter
Wave East Africa



Mr. Phineas Munene,
CEO, Phindor



Ms. Emily Odindo,
Founder, Pim Company
Limited



Ms. Phyian Karinge,
Product Manager,
agriBora, Young Techies



**Mr. John Kiptum
Juma,**
Co-Founder and CEO,
Churpy Inc.

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This session shared some key insights from the youth who are working in the Fintech space in Kenya, including Fintech-enabled start-ups. It provided a high octane and exhilarating platform for sharing experiences by young actors in the field. The moderator was Mr. Leon Kiptum and the panellists were Mr. Phineas Munene, Ms. Emily Odindo, Ms. Phylan Karinge

and Mr. John Kiptum. The young people in the panel, Mr. Munene and Ms. Karinge, provided insight into the challenges that the youth face in funding their innovation in Fintech. Leon Kiptum and John Kiptum noted that only a few ideas are funded, and there is much mistrust by commercial banks who perceive Fintech as a threat to their business. They called for acceptance

of Fintech, especially by young people, to work together with the big banks that are embracing Fintech in their business processes. Ms. Emily Odindo shared that she mentors a lot of young people in the Fintech space, and one solution to bring the young people to the forefront is to give them opportunities to display and invest in their ideas.

Plenary Session 4: High-Level Practitioner Round Table by Bank CEOs (Kenya Bankers Association)



Professor Sandrine Kablan,
Université Paris-Est Créteil
(UPEC)



Ms. Betty Korir,
CEO, Credit Bank



Ms. Audrey Mnisi Mireku,
Banking Operations, Risk
and Cyber Security Executive,
Ghana Association of Banks



Ms. Jamila Aroi,
Partner, PwC Kenya



Mr. Moses Nyabanda,
Managing Director, Equity
Bank Kenya



Mr. Kelvin Mukabi,
Assistant Manager, ICT, Middle
East Bank Kenya



Mr. Gituku Kirika,
CEO, Integrated Payment
Services Ltd (IPSL)

This session brought together the key banking sector executives who are influencing the development of Fintech across Africa. Arguably, the banking sector's adoption of Fintech as a neo-investment line has created infinite possibilities in the sector away from traditional banking. The session provided an opportunity to interact with business leaders in the commercial banking sector who shared with us the successes and challenges experienced in

the Fintech development space. The experiences ranged from evolving and stringent regulatory frameworks to embracing AI and Machine learning to spur efficiency. Alongside Fintech's role in climate risk mitigation, Fintech viability and sustainability opportunities for future infrastructure investment in Fintech in Africa and many more. The session was moderated by Prof. Sandrine Kablan and graced by financial industry practitioners.

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Plenary Session 5: Paper Presentation by Global Fintech Experts



Prof. Peter Muriu,
Associate Professor of
Economics, Department
of Economics and
Development Studies,
University of Nairobi



Prof. Markos Zachariadis,
Chair in Financial
Technology (Fintech) &
Information Systems
Alliance Manchester
Business School,
University of Manchester



Prof. Meryem Duygun,
Aviva Chair in Risk and
Insurance, University of
Nottingham. Founder &
Co-Director, INFINITY
Inclusive Financial
Technology Hub



Dr. Rose Ngugi,
Executive Director, The
Kenya Institute for Public
Policy Research and
Analysis (KIPPRA)



Prof. George Kararach,
Lead Economist, African
Development Bank

The session papers brought into perspective how Fintech will likely dramatically influence the status quo in banking and finance. The papers provided an opportunity to debate the new evidence and to challenge some of the emerging Fintech issues in policy areas as well as private sector practice. The Chair of the session was Prof. Muriu while the paper presentation was done by two global experts in Fintech 'Prof. Markos Zachariadis on 'Developing a Fintech Research Agenda for Impact: The Economics and Strategy of Data Portability in Financial Services' and Prof. Meryem Duygun on 'Financial Literacy: Unlocking Fintech Potential in Africa' respectively. The discussants for the session were Dr. Ngugi and Prof. Kararach.

Presenting some of the research outputs on various topics on Fintech, Prof. Zachariadis highlighted that the span of research in digital innovation and financial services focused on:

- How does money move within modern economies and across borders?
- How do payment infrastructures and cross-border payment systems emerge?
- What are their key characteristics in terms of standards, technology, architecture, community, governance, security, etc.?
- What is their economic impact?
- How do you study them?

On open banking, he noted that a single regulatory-enforced standard may not lead

"Open Banking will potentially change the way banks operate and will lead to a more "modular" architecture and way of organising. Banks operate on a traditional "pipeline" business model/arrangement and produce everything themselves (vertical integration)." - Prof. Markos Zachariadis

to industry-wide interoperability due to different implementation approaches by actors. Standardisation is a continuous, multi-stakeholder process where industry players' adjustments to implementation roadblocks cause recalibration of standards and shifts in industry architecture. Standards implementation can lead to the emergence of bottlenecks and new roles and connections in industry architecture. Standardisation for data sharing and interoperability has architectural implications both within and across industries.

Open Banking will potentially change the way banks operate and will lead to a more "modular" architecture and way of organising. Banks operate on a traditional "pipeline" business model/arrangement and produce everything themselves (vertical integration). Opening up their Application Programme Interfaces (APIs) will potentially allow third party developers

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to deliver parts of the value chain of the banking service (e.g. distribution, or API layer, etc.).

Prof. Duygun, in her presentation, highlighted the rapid growth in Fintech in Africa. There are over 5,200 tech start-ups in Africa by 2021, with nearly half in Fintech.

- Investment Surge: \$1.45 billion secured by African Fintechs in 2021, a 39.3% increase from 2020.

- Financial Inclusion: Mobile money platforms have driven account ownership in Sub-Saharan Africa from 34% (2011) to 55% (2021).
- Economic impact: Projected revenue of \$30 billion by 2025. Governments are advancing regulatory frameworks to balance innovation and consumer protection.
- On financial literacy, she concluded that the Fintech revolution offers a

transformative opportunity to enhance financial literacy, drive economic inclusion, and empower underserved communities across Africa.

By leveraging innovative solutions like mobile money platforms, digital education tools, and localised financial literacy programmes, we can bridge gaps in access and build resilience against socio-economic challenges.

Plenary Session 6: Central Bank Governors Forum I - "Central Bank Digital Currencies: Where Are We?"



Prof. Sheri Markose,
Professor of Digital
Finance, University of
Essex



Dr. James Alic Garang, Governor,
Bank of South Sudan



Dr. Rashad Cassim,
Deputy Governor,
South African Reserve
Bank



Hon. Dr. Abdullah Makame,
MP, East African
Parliament



Dr. Dunstone Ulwodi, General
Manager, Fund
Management,
Kenya National
Entrepreneurs Savings
Trust (KNEST) &
Chairman, Economists'
Society of Kenya



Dr. Kombe Kaponda, Financial
Markets Infrastructure
Specialist, Central
Bank of Zambia

In this session, the Central Bank Governors, members of the legislature and experts explored the evolution and emerging interest in the adoption of central bank digital currencies (CBDC) across African countries. Using digital solutions, Central Banks in Africa are seeking to modernise their operations, including monetary policy and payment systems. However, there are some challenges, including inadequate infrastructure, low digital literacy, cybersecurity, trust and acceptance by citizens and users, and interoperability with cross-border systems.

This session provided practical insights from the Central Bank Governors on potential pathways to CBDC adoption and use.

Prof. Markose chaired the session, and the panellists were Dr. Garang, Prof. Lensink, Dr. Kaponda, Dr. Cassim, Hon. Dr. Makame and Dr. Ulwodi.

In her presentation before the panel session, Prof. Markose highlighted that several countries in Africa have initiated Central Bank Digital Currencies exploration.

This was illustrated by the map (next page).

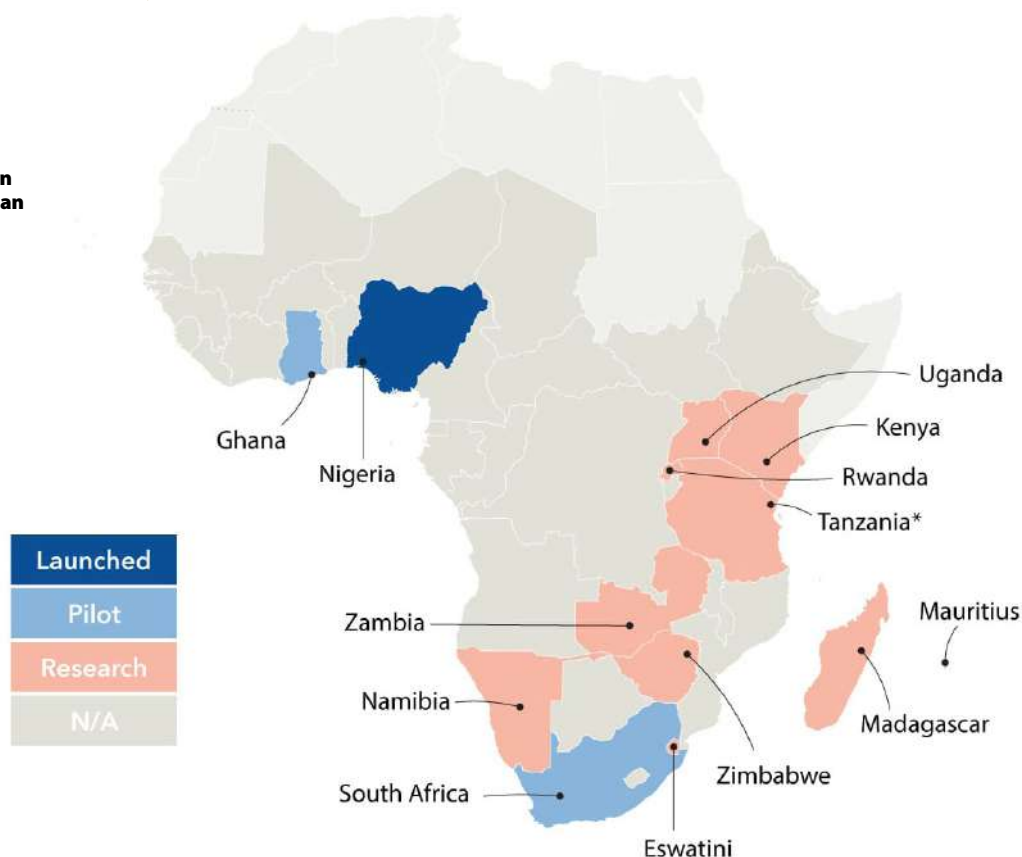
The participants had robust discussions by exploring these thought-provoking questions.

- Stage of CBDC preparations in respective African countries? What lessons on CBDC have the other countries learnt from Nigeria's E-Naira top-down rollout? What aspects of the payments infrastructure in your country require special consideration in the design and rollout strategy of CBDC? How to achieve financial inclusion with CBDC – not the case with E-Naira?
- What preparations will you undertake within the CBDC team, with payment service providers like MNOs and banks and in terms of CBDC literacy in the population?
- What CBDC design measures do you think are essential to mitigate bank runs?
- How are cybersecurity problems being tackled in digital payments?
- How imminent is the CBDC pilot or full-scale CBDC rollout in your country?

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Source: Central Bank
Digital Currencies Tracker
(cbdtracker.org).

*Tanzania is not included in
the CBDC Tracker, as it's in an
early stage of exploration



Biannual Concurrent Sessions



Concurrent and technical sessions were held in a hybrid platform from 2 – 4 December 2024, with a presentation of 44 research studies across the 5 thematic groups. A total of 50 Resource and Guest Resource persons attended the sessions, the same number as those who attended the June 2024 Biannual workshop. The Guest Resource Persons included 13 thesis supervisors from the CPP Universities. Of the 44 reports, 1 was a revised new proposal, 12 interim reports, 10 final reports and 21 CPP PhD thesis best chapters and proposals, as summarised in the table below.

Research and CPP Papers by Thematic Group-December 2024

Thematic Group	M	F	Total	FR	WIP	RNP	CPP	Total	RPS
Group A - Poverty, labour markets and income distribution	9	6	15	2	2		4	8	11
Group B - Macroeconomic policy and growth	4	3	7	1	3		1	5	8
Group C - Finance and resource mobilisation	5	6	11	1	2		7	10	9
Group D - Production, trade and economic integration	6	3	9	2	2	1	3	8	9
Group E - Agriculture, climate change & natural resource management	13	6	19	4	3		6	13	13
Total	37	24	61	10	12	1	21	44	50

Key: FR = final report; WIP = work in progress; RNP = revised new proposal; CPP = Collaborative PhD Programme.

A total of 61 researchers, i.e. corresponding authors and co-authors, including CPP students, presented their papers in the December 2024 Biannual compared to 93 researchers in the June 2024 Biannual. The researchers came from 16 African countries. There were 24 women (39%) among the participating researchers in December 2024 compared to 42 women (45%) in June 2024.

AERC Holds a Special Session on ‘Harnessing Industrial Policy in Africa: Relevant Research questions’ at the December 2024 Biannual Research Workshop

A special session on **Harnessing Industrial Policy in Africa: Relevant research questions** by Professor Antonio Andreoni, Professor of Development of Economics, Department of Economics, SOAS University of London, was held on 2 December 2024.

Prof. Andreoni emphasised that industrial policy scoping in Africa ought to address the new competition and the geopolitical landscape to foster sustainable structural transformation. The political economy should strive to enhance productivity and make industrial policy work. He noted that across Africa, several governments are rediscovering industrial policy driven by economic growth, as well as social and ecological sustainability goals. However, some challenges make the policies unsuccessful. Some of the challenges he highlighted were aspirational goals poorly aligned with emerging windows of opportunities across economic sectors and activities and not always grounded on the productive structure of the economies. For instance, in Nigeria, Tanzania and Kenya, among others, coordination and implementational challenges, especially when multiple stakeholders within a country or across countries in the region are involved. One example is the East African Community to the African Continental Free Trade Area (AfCFTA); and the complex political economy of industrial policy enforcement.



Professor Antonio Andreoni presenting



Dr. Rose Ngugi engaging the researcher

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Reimagining Africa's Economic Recovery: Debt Restructuring and SDR Reallocation at AERC Governors' Forum



From left to right: Panelists: Prof. Robert Mudida, Hon. Dr. Abdullah Makame, Dr. Jason Braganza, Prof. Abebe Shimeles and Dr. Dianah Muchai.

The AERC hosted an engaging Governors' Forum in Nairobi, bringing together central bank governors, policymakers, researchers, and thought leaders.

The forum focused on the theme 'Reimagining Africa's Economic Recovery: Debt Restructuring and SDR Reallocation'.

The event held on 1st December 2024, during the 61st AERC Biannual Plenary session, is based on the AERC and Bill and Melinda Gates Foundation (BMGF) – collaborative research project on “Evidence to drive reforms for Special Drawing Rights (SDR) financing in SSA economic recovery”.

This engaging event aimed at situating the role of SDRs and informing plans and the needed policy reforms to access the Resilience and Sustainability Trust (RST) financing.

The conversation panel moderated by Dr. Dianah Muchai (AERC Collaborative Research manager) featured the following

panellists: Jason R Braganza (Executive Director, AFRODAD, Dr. Daouda Sembene (CEO, Africatalyst), Prof. Robert Mudida, (Director of Research, Central Bank of Kenya), Prof. Abebe Shimeles (Honorary

Africa's economic trajectory has been shaped by what panellists referred to as the triple shocks: the COVID-19 pandemic, geopolitical disruptions, and the intensifying impacts of climate change.

Professor, University of Cape Town and Senior Economic Advisor), Hon. Dr. Abdullah Makame, (MP, East African Legislative Assembly) and Serah Makka, (ONE's Executive Director for Africa).

Africa's economic trajectory has been shaped by what panellists referred to as the triple shocks: the COVID-19 pandemic, geopolitical disruptions, and the intensifying impacts of climate change.

These crises have created a perfect storm, leaving many nations struggling with debt distress, liquidity crunches, and dwindling reserves.

Prof. Abebe Shimeles, Honorary Professor, University of Cape Town and Senior Economic Advisor, made his thematic presentation on 'Triple shocks, debt distress and liquidity crunch in Africa: reforming the architectures of development finance'.

He painted a stark picture of the continent's fiscal landscape, noting that only a handful of Sub-Saharan African countries maintain sovereign borrowing space, while most are burdened by unsustainable debt and limited access to external financing.

Special Drawing Rights, a lifeline during global economic crises, have emerged as a central topic in Africa's recovery discourse. While observing that SDRs provide a buffer against external shocks, Prof. Robert Mudida, Director of Research, Central Bank of Kenya, underscored the inequities in their distribution, with most allocations directed towards larger economies with fewer financial constraints. This disparity, compounded by the inflexible application of these resources, calls for a re-evaluation of the quota system to ensure that SDRs address the needs of vulnerable nations more effectively.

Jason Braganza, Executive Director, AFRODAD, highlighted the limitations of existing debt relief frameworks, critiquing their creditor-centric design and limited inclusivity. He advocated

for the establishment of a neutral mediation mechanism to ensure fairness and accountability in debt restructuring processes. Complementing this perspective, Dr. Daouda Sembene, CEO of Africatalyst, called for robust regulatory frameworks and institutional reforms to create an enabling environment for sustainable finance.

The discussion also explored actionable pathways for African nations, including enhancing fiscal discipline, bridging the gap between policy design and implementation, and fostering intra-African trade to strengthen economic self-reliance. Hon. Dr. Abdullah Makame, MP at the East African Legislative Assembly

"Disparity, compounded by the inflexible application of these resources, calls for a reevaluation of the quota system to ensure that SDRs address the needs of vulnerable nations more effectively." - Prof. Robert Mudida

(EALA), stressed the implementation gap in policy frameworks, citing the delayed actualisation of initiatives such as the Maputo Declaration. He called for deliberate efforts to prioritise productive sectors and harness Africa's untapped potential.

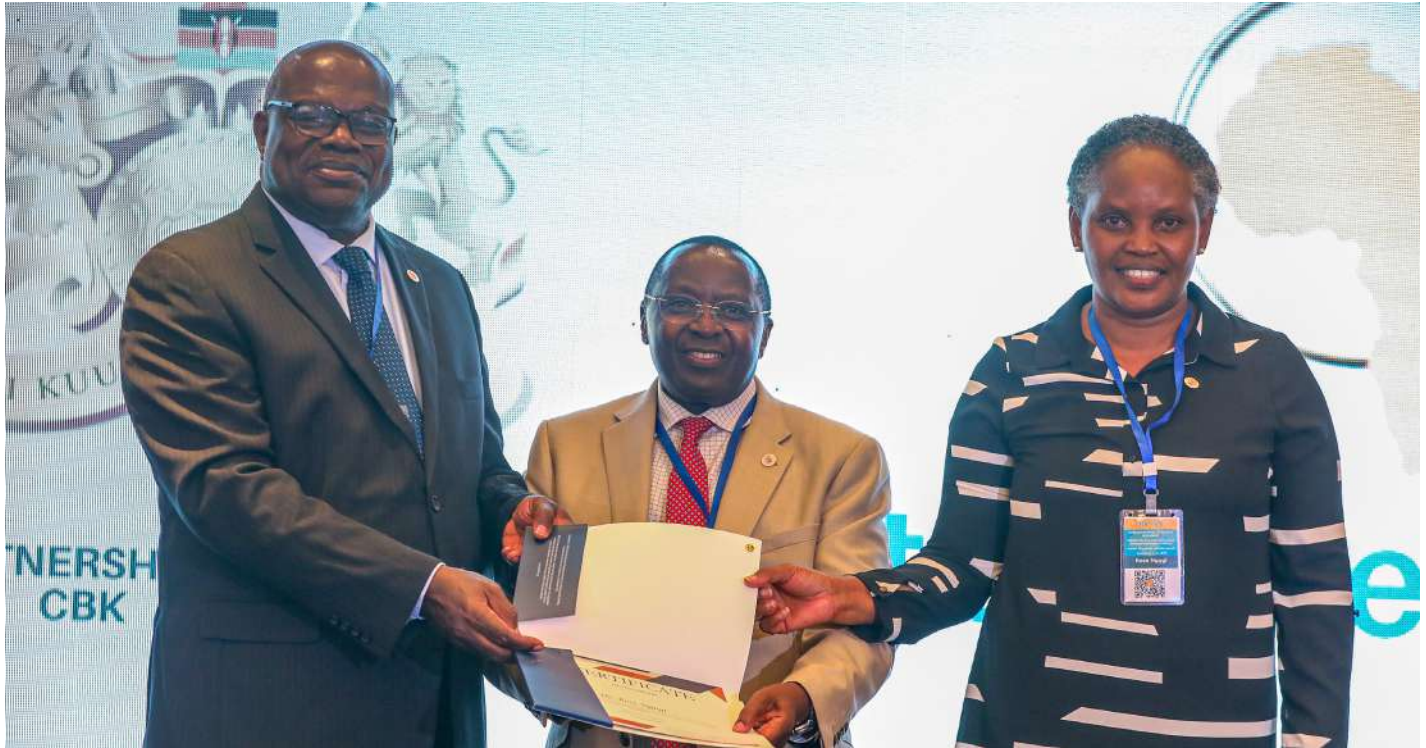
While SDRs are not a panacea, the forum highlighted their potential as a tool for stabilising economies and fostering long-term development. Beyond immediate debt relief, panellists advocated for recalibrating global cooperation, including expanding development finance and leveraging private sector participation through risk mitigation instruments. Such measures, they argued, would not only address liquidity constraints but also drive investments in high-impact areas, such as industrial policies and social infrastructure.

As the forum drew to a close, the discussions reiterated the urgency of reimagining the global financial architecture to reflect Africa's needs and aspirations.



Prof. Abebe Shimeles making a presentation during the AERC Governors Forum

Induction of AERC Inaugural Fellows



(From left to right): Prof. Aryeetey Ernest, Prof. Victor Murinde and Dr. Rose Ngugi.

AERC Hosts Inaugural Fellows Induction Dinner

Against the backdrop of the 61st Biannual Plenary Session, the AERC marked a historic milestone with the inaugural induction of AERC Fellows in the Network

The dinner event, held on 1st December 2024 in Nairobi, brought together

distinguished network members, renowned economic researchers, and AERC funders and partners to celebrate this significant initiative aimed at enhancing the organisation's mission of advancing research-guided policy-making across the African continent.

A total of 26 members were inducted as the first cohort of the AERC Fellows, an elite group that represents some of the organisation's dedicated and accomplished contributors. Moving forward, the AERC Fellows will play a key role in sustaining this initiative by nominating and electing future members, ensuring the Network remains vibrant.

The evening kicked off with opening remarks by AERC's Executive Director, Prof. Victor Murinde, who highlighted the importance of the initiative as a step towards streamlining and strengthening Network membership.

He described the induction as a

The induction is a testament to AERC's commitment to recognising excellence and fostering collaboration among its members.

- Prof. Victor Murinde, AERC Executive Director.

testament to AERC's commitment to recognising excellence and fostering collaboration among its members. These sentiments were echoed by the Chair of the AERC Board of Directors, Prof. Ernest Aryeetey, who commended the Fellows for their remarkable contributions to the broader field of economic research in Africa.

The inaugural induction dinner set the tone for a future of collaboration and recognition within AERC, celebrating those whose expertise and dedication continue to shape impactful research and policymaking on the continent.

The following are the inducted AERC Fellows:

1. Prof. Ernest Aryeetey, University of Ghana, Legon
2. Prof. Ahmadou Aly Mbaye, University Cheikh Anta DIOP (UCAD)
3. Hon. Dr. Adelaide Retselisitsoe Matlanyane, Ministry of Finance and Development Planning, Lesotho
4. Prof. Bernadette Dia Kamgnia,

Cellule d'Analyse de Politiques Economiques du CIREs

5. Prof. Victor Murinde, African Economic Research Consortium (AERC)
6. Dr. Abbi Kedir, African Economic Research Consortium (AERC)
7. Prof. Robert Lensink, University of Groningen
8. Prof. Hong Bo, SOAS University of London
9. Prof. Issouf Soumare, Laval University
10. Prof. Oliver Morrissey, University of Nottingham
11. Prof. Andy McKay, University of Sussex
12. Prof. Léonce Ndikumana, University of Massachusetts
13. Prof. Finn Tarp, University of Copenhagen
14. Prof. James Robinson, University of Chicago
15. Prof. Dick Durevall, University of Gothenburg

16. Prof. Jane K. Mariara, Partnership for Economic Policy (PEP)
17. Dr. Rose Ngugi, Kenya Institute for Public Policy Research and Analysis (KIPPRA)
18. Prof. Sir. Paul Collier, University of Oxford
19. Prof. Chris Adam, University of Oxford
20. Prof. Stefan Dercon, University of Oxford
21. Governor Lesetja Kganyago, South African Reserve Bank
22. Prof. Christopher Green, Loughborough University
23. Prof. Lemma W. Senbet, University of Maryland
24. Prof. Olawale Ogunkola, University of Ibadan
25. Prof. Kevin Chika Urama, African Development Bank (AfDB) Group
26. Dr. Andrew Dabalen, The World Bank



Regional Collaboration

AERC contributes to Policy Dialogue at the African Economic Conference 2024 in Botswana



Photo Credit: AfDB Group

The African Economic Research Consortium (AERC) engaged with policy experts at the African Economic Conference (AEC) 2024 with Prof. Victor Murinde, the AERC Executive Director, participating as a panelist in two high level policy dialogue sessions.

The first session featured an interactive discussion on the urgent need to reform the global financial architecture (GFA) to achieve global and regional economic stability. Critical aspects such as debt relief initiatives, global financial regulation, innovative development finance, and inclusive and effective international tax cooperation were discussed. The second session focused on ensuring stability and growth amidst regional and global uncertainties,

such as the Euro debt crisis, Brexit, the US-China trade tensions, the COVID-19 pandemic and the Russia-Ukraine conflict. Discussions considered how global uncertainties impact sectoral investments and economic performance across African countries, with a focus on the different income levels and tailored strategies to enhance stability and growth. The AEC2024 was held in Gaborone, Botswana, from 23-25 November 2024.

The President of the Republic of Botswana, His Excellency Duma Gideon Boko, delivered the keynote address. He observed that Africa is rich in natural resources, and it is, therefore, critical to develop and strengthen value chain systems for value addition to the continent's vast natural resources to prioritise their use. This will diversify the African economy significantly and create more jobs. President Duma Boko was accompanied by Hon. Phenyio Butale, the Minister of International Relations, who delivered the welcoming address.

The President emphasised that Africa is blessed with a young and vibrant population, which is a tremendous asset that, if invested wisely, can result in an enormous demographic dividend. "Our young people are the innovators, entrepreneurs, and leaders of tomorrow, who will drive our economic growth and create inclusive, resilient societies. We must, consequently, prioritise investments in their education and equip them with the necessary skills to drive innovation and build a workforce capable of thriving in the digital economy," he said.

"Peace and stability in Africa must be anchored on accountable and responsive governance," the President said, adding, "This is a fundamental human right for every African citizen. It sets the requisite bedrock for any form of measure for our economic development and its sustainability." He called on African countries to strengthen democracy and uphold the rule of law. Africa's economic success and sustainability are intrinsically

linked to accountable governance, President Duma Boko stressed during the official opening session.

Prof. Victor Murinde, in one of his presentations, said that Africa's debt stocks have grown significantly in the past decade, adding that as a percentage of Gross Domestic Product (GDP), Africa's

"Our young people are the innovators, entrepreneurs, and leaders of tomorrow, who will drive our economic growth and create inclusive, resilient societies. We must, consequently, prioritise investments in their education and equip them with the necessary skills to drive innovation and build a workforce capable of thriving in the digital economy."- The President of the Republic of Botswana, His Excellency Duma Gideon Boko

share of external debt has risen to 28%. In the post-COVID-19 economic landscape, Africa's debt challenges have become an increasing barrier to development. External debt has risen to about US\$566 billion, and debt servicing costs have gone up further, limiting investments in critical areas. "The global debt architecture is not well-suited to the needs of African countries," he said.

The composition of African debt has changed significantly. Previously, most of the African external debt was owed to official creditors – high-income countries and multilateral lenders like the World Bank and International Monetary Fund (IMF). Now, China and private creditors make up a large proportion of debt stocks, meaning more debt is non-concessional, observed Prof. Murinde.

Other key speakers during the conference included: Mr. Claver Gatete, Executive Secretary United Nations Economic Commission for Africa (ECA); Prof. Kevin Urama, Chief Economist and Vice-President, African Development Bank Group (AfDB); Ms. Ahunna Eziakonwa, Assistant Secretary General and Director Regional Bureau

for Africa, United Nations Development Programme (UNDP); Dr. Raymond Gilpin, Chief Economist and Head of Strategy, Analysis, and Research Team, Regional Bureau for Africa, (UNDP); Dr. Hanan Morsy, Deputy Executive Secretary and Chief Economist, (ECA) and Nobel Prize Laureate Abhijit Vinayak Banerjee, The Ford Foundation International Professor of Economics at the Massachusetts Institute of Technology among other dignitaries.

The African Development Bank Group (AfDB) used the occasion to announce its Ten-Year Strategy 2024-2033, themed "Seizing Africa's opportunities for a prosperous, inclusive, resilient, and integrated continent". The strategy notes that after a decade of strong economic performance, countries across Africa have shown great resilience. But the continent must deal with a set of interlocking crises – some global, others originating within the continent – that threaten to undermine its hard-won gains.

Africa has emerged from the Covid-19 pandemic only to confront worsening food insecurity and a growing debt crisis. The impacts of climate change are intensifying and accelerating. Conflict and political instability have surged, while the youthful working-age population continues to grow at a faster pace than jobs. With limited opportunities in their home countries, millions of Africa's young people, the continent's future, are seeking economic opportunities in other regions. These accumulating crises threaten to trap Africa in a cycle of emergency response. Thus, the continent urgently needs to shift resources into building sustainable and resilient growth that delivers jobs and equity, the strategy emphasises.

The AEC 2024, with the theme: "*Securing Africa's Economic Future Amidst Rising Uncertainty*," was jointly organised by the African Development Bank (AfDB), the Economic Commission for Africa (ECA), and the United Nations Development Programme (UNDP).

AERC Special Session Lights Up the African Economic Conference 2024



Gaborone, Botswana
23-25 November 2024

The African Economic Research Consortium (AERC) had an awakening special session at the African Economic Conference 2024 on the sub-theme “Navigating Uncertainty: Strategies for Building Resilience in Africa”.

The session explored the multifaceted challenges and opportunities for building resilience in African economies in the face of rising global uncertainty. The conference was held in Gaborone, Botswana, from 23-25 November 2024.

The Keynote was delivered by Hon. Dr. Monica Musenero Masanza, Minister for Science, Technology and Innovation, Office of the President, Republic of Uganda, while the session was Moderated by Professor Dirk Willem te Velde, Principal Research Fellow and Director at the ODI.

The session drew on key findings and

recommendations from reports by the ODI, the ECOWAS Bank for Investment and Development (EBID) and the European Investment Bank (EIB). It examined the

Recent global events, including the Russia-Ukraine war, the COVID-19 pandemic and the ongoing climate crisis, have exposed vulnerabilities and underscored the importance of building resilience.

impact of global shocks, the role of finance and investment and the importance of regional cooperation in navigating uncertainty and promoting sustainable growth in Africa. Through a dynamic panel discussion, this session fostered dialogue among policymakers, researchers, and stakeholders to identify concrete actions and partnerships for securing Africa’s economic future.

The objectives of the session were to unpack the findings and policy recommendations from the reports, highlighting their relevance to the AEC 2024 theme and analyse the impact of global shocks, such as the Russia-Ukraine war and the COVID-19 pandemic on African economies. As well as their implications for vulnerable groups, facilitate an in-depth discussion and dialogue on the interconnected challenges of geopolitical tensions, economic

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volatility, climate change and their impact on Africa's development. Other objectives were to identify practical solutions and policy options for building resilience and promoting inclusive, sustainable growth, with a focus on diversification, regional cooperation, financial inclusion and climate-smart investments.

The session also explored the role of development finance institutions, governments and the private sector in fostering a resilient and inclusive economic future for Africa. As well as the importance of regional cooperation and integration in addressing shared challenges and building a more resilient and prosperous Africa.

Prof. Jane Mariara, the Executive Director of the Partnership for Economic Policy (PEP), highlighted the impact of the Russia-Ukraine war on Africa, especially on women and vulnerable populations. Prof. Mariara emphasised the need for tailored policy responses and social safety nets. She explained how the Russia-Ukraine war has disproportionately impacted women and vulnerable populations in Africa and the specific policy interventions required to address their needs. Considering the multiple shocks faced by African economies, she pointed out that social safety nets need to be strengthened and targeted to protect the most vulnerable groups and prevent long-term scarring effects.

Dr. Pagnamam George Yekpa (EBID), presented key findings from the West African Development Outlook, focusing on strategies for building resilience to recurring shocks. His presentation focused on the most pressing challenges facing West African economies in terms of building resilience to recurring shocks, and the key policy recommendations from the EBID report. Dr. Yekpa explained how regional cooperation and integration within ECOWAS can contribute to strengthening resilience and promoting economic diversification in the face of global uncertainty.

Colin Bermingham, also from the EIB,

Dr. Pagnamam George Yekpa (EBID), presented key findings from the West African Development Outlook, focusing on strategies for building resilience to recurring shocks. His presentation focused on the most pressing challenges facing West African economies in terms of building resilience to recurring shocks, and the key policy recommendations from the EBID report.

discussed the evolving financial landscape in Africa, focusing on addressing the financing gap, harnessing Fintech and promoting green finance. The presentation looked at how the financial sector in Africa, including traditional banks and Fintech companies, contributes to building resilience and promoting sustainable development in the context of climate change and digital transitions. Issues such

as the key barriers to unlocking investment in Africa and how these can be overcome to foster a conducive environment for private sector growth and industrialisation were deliberated on.

Recent global events, including the Russia-Ukraine war, the COVID-19 pandemic and the ongoing climate crisis, have exposed vulnerabilities and underscored the importance of building resilience. While Africa has demonstrated remarkable economic progress in recent decades, persistent challenges such as limited access to finance, infrastructure gaps and social inequalities continue to hinder sustainable development.

The session concluded by highlighting the importance of collaboration, innovation, and proactive policymaking in securing Africa's economic future. Panelists emphasised the potential for Africa to emerge stronger and more resilient from the current challenges, charting a path towards sustainable and inclusive growth.



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AERC and AfDB in dialogue to build the capacity of African policy makers



From left to right: Dr. Charles Owino (AERC), Mr. Lorian Egesa (AERC), Dr. Seedwell Hove (AfDB), Prof Victor Murinde (AERC), Dr. Eric K. Ogunleye (AfDB) and Dr. Abbi Kadir (AERC)

The African Economic Research Consortium (AERC) and the African Development Bank (AfDB) had a fruitful dialogue on ways of supporting the development of the Africa Impact Analysis for Planning (AFRIPLAN) project.

Prof. Victor Murinde, AERC Executive Director, said that the AERC would be happy to build the capacity of African policymakers in areas of skill shortage

to assess the direct, indirect and induced impact of reforms, government spending and investment decisions.

“There is an acute lack of skills in Africa on economic planning and sequencing reforms, as well as the key aspects of policy implementation, evaluation and coordination,” he said.

Dr. Eric K. Ogunleye, Director, African Development Institute said that the AfDB is considering a project for the development of an Africa impact analysis for planning tool. “The AFRIPLAN is conceived as a planning tool for measuring the comprehensive impacts of public and private investment and expenditures on incomes, jobs, Gross Domestic Product (GDP), public revenue, local, regional and national outcomes,” he said.

If this partnership comes through, the AERC will strengthen the capacity of

AfDB’s regional member states to assess the impact of key economic and financial reforms and related policy decisions. The organisation would be drawing on the vast network of AERC Fellows and experts to support the development of the AFRIPLAN.

Largely, the AFRIPLAN uses input-output analysis, focusing on sectoral

With extensive experience in economic modelling and impact assessment, the AERC network experts possess a strong understanding of input-output (I-O) analysis and regional economic dynamics, which is essential for leveraging AFRIPLAN effectively.

Regional Collaboration

interdependence and the flow of funds through the economy. Unlike the conventional Computable General Equilibrium (CGE) modelling, AFRIPLAN does not adjust for changes in prices or supply and demand equilibrium. Its appeal lies in the fact that AFRIPLAN is generally less complex and more user-friendly compared to CGE models, making it accessible for non-specialists.

The AERC is well-equipped to execute AFRIPLAN due to its diverse network of skilled economists and development planning experts. With extensive experience in economic modelling and impact assessment, the AERC network experts possess a strong understanding of input-output (I-O) analysis and regional economic dynamics, which is essential for leveraging AFRIPLAN effectively.

Additionally, the AERC experts would bring valuable insights into the socio-economic contexts of various projects, ensuring that the analyses are not only methodologically sound but also relevant to local conditions. This combination of expertise puts the AERC in a perfect position to conduct comprehensive economic impact assessments, provide actionable insights that can inform policy decisions and drive sustainable development initiatives across Africa.

Also present at this meeting were Dr Seedwell Hove, Economist at AfDB, Dr Abbi Kadir, AERC Director of Research, Lorian Egesa, Chief Finance Officer and Dr Charles Owino, Manager Strategic Partnership & Resource Mobilisation.

The AERC is a leader in policy-oriented economic research in the continent, and its biannual research workshops have become the largest gathering of professional economists in sub-Saharan Africa. The Consortium is a public, not-for-profit organisation devoted to building capacity for economic policy research into problems pertinent to the management of economies in sub-Saharan Africa. The AERC is a network that builds capacity



through three primary components: research, graduate training in economics, as well as communications and policy outreach. The organisation integrates high-quality economic policy research, postgraduate training, and policy outreach within a vast network of researchers,

universities, and policymakers across Africa and beyond.

The African Development Bank (AfDB) is dedicated to financing the economic and social development of its African member countries. The AfDB's mission is to fight poverty and improve living conditions on the continent by promoting the investment of public and private capital in projects and programmes that are likely to contribute to the economic and social development of the region. The primary function of AfDB is making loans and equity investments for the socio-economic advancement of the Regional Member Countries (RMC). The bank also provides technical assistance for development projects and programs as well as promoting investment of public and private capital for development.

Largely, the AFRIPLAN uses input-output analysis, focusing on sectoral interdependence and the flow of funds through the economy. Unlike the conventional Computable General Equilibrium (CGE) modelling, AFRIPLAN does not adjust for changes in prices or supply and demand equilibrium.

MAINSTREAMING GENDER AT AERC



Gender mainstreaming at AERC starts with the recognition that women face barriers when accessing and retaining careers in economics and finance. Such barriers may entail tensions stemming from domestic responsibilities, career ambitions, lack of financial capability, including inadequate mentoring. Ensuring women's active participation in the field of economics is important as it will guarantee that economic policies and programmes cater for both men and women in the society,

not to mention promoting gender equity.

Given this background, AERC has tackled these gender issues in various ways. First through a Gender taskforce to ensure that gender issues are identified and addressed. So far, gender training has been undertaken, and a Gender audit and survey are currently in the pipeline. The research department has conducted women researcher training targeting women researchers across Africa. Prof. Miracle Benhura shares her story with us.

Mainstreaming Gender at AERC

Prof. Miracle Benhura

Associate Professor, School of Economics and Business Sciences, University of Witwatersrand

What has been your role in the AERC gender training?

Resource person/mentoring young researchers. Mentorship is an important contributor to strengthening research capacity among AERC researchers. I have been involved in formal mentorship programmes, targeting women to mitigate some of the gendered power dynamics. This has helped early career researchers learn from our experiences as resource persons to navigate some of the challenges they face.

What are the challenges and opportunities you have faced as a female researcher/trainer? How did you navigate these challenges?

The challenges include lack of female role models during early stages of my research career. I navigated this through networking with researchers in AERC and various conferences and collaborating with established researchers. Work-life balance is another challenge and I navigated this by proper planning and institutional support at workplace – e.g., writing retreats. I had an opportunity of rating by the South African National Research Funding (NRF), this gives me access to seed funding and funded research projects.



What can AERC do to enable /facilitate more women trainers/researchers in Economics?

Training programmes targeted at both female trainers (retooling – new research approaches) and researchers as well as facilitating research collaboration of female trainers with established male researchers.

What should be the priorities for AERC in building the capacity of female researchers?

Increase intake of female researchers at PhD programmes and provide support which takes work life balance into account. AERC can also facilitate networks with established researchers and institutions.

Tizita Gebeyehu Yismaw

Nationality: Ethiopian

Designation: Presented at the Biannual Research Workshop in December 2024

University: University of Witwatersrand, South Africa



In detail, when and how did you know about AERC, and how has your experience been with the consortium?

I first heard about the AERC CPP scholarship in 2021 while pursuing my second master's degree at the University of Namur, in the Specialised Master in International and Development Economics (SMIDE) program. The director of the program and our beloved professor, Prof. Romain Houssa, often shared scholarship opportunities with us through the SMIDE Alumni website. It was there that I first came across the AERC CPP scholarship for Sub-Saharan African applicants. I then sought to learn more about the structure of the core and elective courses, as well as the participating universities, on the AERC website.

I was impressed by the well-organised AERC curriculum and decided to pursue my PhD at the University of the Witwatersrand (Wits) in Johannesburg, South Africa. I contacted Prof. Tendai Gwatidzo, who was then the PhD program coordinator at the Wits School of Economics and Finance. He was incredibly supportive, explaining the documents I needed to prepare and sharing the Wits call for applications with me. To be honest, the application process wasn't easy. Applying for a PhD program at Wits requires submitting a proposal and securing a supervisor, both of which are mandatory. Fortunately, I already had

a PhD proposal and reached out to my supervisor, Prof. Dambala Gelo Kutela, Associate Professor of Economics at the Wits School of Economics and Finance. He accepted me as a candidate. I eventually managed to submit my application on the final day of the call, in June 2021.

How did you get to be part of the CMAAE/CPP/CMAP program?

In September 2021, I received an email from the AERC informing me that I had been admitted to the University of the Witwatersrand, South Africa, to undertake my PhD studies under the AERC Collaborative PhD Program (CPP). Wits University had also forwarded my application to AERC to be considered for scholarship support. I was then asked to submit my CV, cover letter, and certified copies of all my academic credentials (both master's and undergraduate). I submitted all the required documents to AERC on time, but I never expected to receive the scholarship, as the program is highly competitive.

In October 2021, I received a congratulatory email, which included the AERC scholarship letter. I was both excited and overwhelmed at the same time. The excitement came from seeing my PhD dream come true, but I was also overwhelmed since it was just a month after I had returned home from Belgium,

having completed my master's program. Accepting the award was the most challenging decision of my life. I almost declined the offer because I wasn't ready to leave my family—especially my son—for the second time. After a serious discussion with my husband, he promised to take care of our son and strongly motivated me to go to South Africa and seize this golden opportunity. I accepted the offer, signed the contract, and began processing my visa to go to South Africa! It was the best decision we ever made. I will always be thankful to him for pushing me, as I truly enjoyed the program.

My two-year stay at the University of Cape Town (UCT) in Cape Town, South Africa, to complete my coursework was both enjoyable and challenging. It took firm dedication to pass all the core coursework at UCT and join the AERC Joint Facility for Electives (JFE) program.

"I was impressed by the well-organised AERC curriculum and decided to pursue my PhD at the University of the Witwatersrand (Wits) in Johannesburg, South Africa. I contacted Prof. Tendai Gwatidzo, who was then the PhD program coordinator at the Wits School of Economics and Finance." - Tizita Gebeyehu

The JFE program was another great experience. It taught me time management, full commitment, teamwork, presentation skills, writing skills, communication skills, and self-determination. I believe the comprehensive examinations are the most difficult part of the AERC PhD program.

In 2024, I moved to Wits University to begin the research component of my PhD. My dissertation is entitled “Essays on Food Security, Child Health, and Education Outcomes in Eastern Africa.” The theoretical framework for my research is grounded in the theory of human capital, which emphasizes the critical role of health and education in fostering economic development and improving overall well-being.

Your research presented during the Biannual Research Workshop in December 2024 focuses on food security, child health, and education outcomes in Eastern Africa. What inspired you to choose this particular area of study, and how do you see it impacting policy in the region?

As we all know, food is crucial for achieving the 17 UN Sustainable Development Goals (SDGs) and the AU Agenda 2063, including Goal 2 (SDG-2) – Zero Hunger, SDG 3 (Good Health and Well-Being), SDG 4 (Quality Education), and SDG 5 (Gender Equality). Despite various interventions, including food aid, nutritional supplementation, and agricultural development programs, food insecurity and malnutrition remain entrenched in Sub-Saharan Africa. The proportion of food-insecure individuals has surged by over 60% since 2014, and chronic undernutrition has resulted in 31% of children under five being stunted. Moreover, the prevalence of undernutrition in Eastern Africa (28.5%) is the highest (except for Middle Africa) compared to the African average (19.1%), the global average (9.2%), and Sub-Saharan Africa (22.5%).

Therefore, I decided to study food security, child undernutrition, and child health in-depth, specifically in Eastern Africa, focusing on Rwanda and Ethiopia. To expand my knowledge and deepen my understanding of food security, nutrition, and child health, I began searching

“I decided to study food security, child undernutrition, and child health in-depth, specifically in Eastern Africa, focusing on Rwanda and Ethiopia. To expand my knowledge and deepen my understanding of food security, nutrition, and child health, I began searching for relevant short courses and training opportunities.” - Tizita Gebeyehu

for relevant short courses and training opportunities. I came across the call for the 2023 Bergen Summer Research School (BSRS) and applied. I was admitted to the course on Food and Nutrition Security in Childhood. The timing was perfect, as it took place in June 2023, right after I completed my coursework at UCT and while I was waiting for the JFE program to start. I accepted the offer and traveled to the University of Bergen, Norway, to attend the course. It was an invaluable experience and laid the foundation for my dissertation.

I had already decided on the first essay of my dissertation, which focuses on interventions aimed at lifting smallholder households out of food insecurity by providing multidimensional support in rural Rwanda. However, the second and third essays of my dissertation developed after my time at Bergen. These essays focus on promoting cheaper, yet healthy products for poor households and their impact on coping with malnutrition and food insecurity in Ethiopia.

The findings of my study aim to provide evidence-based recommendations for policymakers and development practitioners to design effective food security and nutrition programs in the region.

How did presenting your research at the AERC Biannual Research Workshop in December 2024 help refine your work? Were there any specific feedback or insights that stood out to you?

Presenting at the AERC Bi-Annual was a rewarding experience. The lead resource

person, Prof. Germano Mwabu, along with the chairperson of our thematic research group, other resource persons, thematic researchers, and colleagues from different universities, provided me with valuable constructive comments and suggestions. My session was engaging, and most of the feedback revolved around clarity issues and recommendations to improve the work. Additionally, I received post-Bi-Annual research comments that will help me refine and shape the work into a publishable standard.

What is next after presenting your research at the workshop? Do you plan to publish your findings or continue exploring this topic further?

The next steps involve defending my proposal at Wits, collecting primary data for the third essay, writing the reports, presenting all the essays at various national and international conferences, and publishing my findings in reputable journals. I also plan to continue working on this topic, as I am deeply interested in studying food security and health economics in developing countries.

What advice would you give to other young researchers in Africa who are interested in studying food security and child health?

A piece of advice for students is to first identify a research gap. They should review existing literature and attend workshops and conferences to uncover these gaps. It's also important to subscribe to reputable journals and stay updated with the latest publications. Since data collection can be costly, networking and applying for various funding and grant opportunities are crucial for those interested in conducting primary research. Additionally, participating in summer schools, training programs, and short courses can help students better understand their topics, identify potential research titles, build connections, and expand their networks.

News

Reinventing the AERC for Delivering Africa's Economic Prosperity



The AERC is embarking on a bold new chapter! In response to the dynamic needs of Africa and the crucial role of economic research, we are launching a transformative 10-year Strategic Plan (2025-2035), “Reinventing the AERC for Delivering Africa’s Economic Prosperity” This plan will deliver a comprehensive reorganisation of our activities, fostering continuous advancement in economic research and empowering Africa’s development. Announcing this fundamental change, the AERC released two communiques on various forums to update the AERC Network and stakeholders.



COMMUNIQUE: AERC Strategic Plan 2025-2035: Re-engineering Economic Research and Capacity Building in Africa

Recognising the imperative for continuous advancement in economic research and capacity building in Africa, the African Economic Research Consortium (AERC) is embarking on a transformative 10-year Strategic Plan (2025-2035) – “Reinventing the AERC for Delivering Africa’s Economic Prosperity” – that will replace the current Strategic Plan (2020-2025) and fundamentally transform AERC’s research, training, and policy engagement activities.

The re-engineering of economic research in Africa builds on the AERC success story of having established a robust pan-African network of researchers, resource persons, research institutions and policy makers. Going forward, the AERC research agenda will be shaped by critical African priorities and urgent needs that will require the integration of collaborative research, thematic research, PhD training and policy engagement. Under the AERC Strategic Plan 2025-2035, we will engage senior scholars within and outside Africa to collaborate on tackling the continent’s most pressing economic development challenges. Additionally, future research programmes will incorporate capacity building development through mentorship by providing support and guidance to emerging scholars at different stages of their careers. Each research programme will have the following characteristics:

1. Each research programme will be led by a Principal Investigator working with a Co-Principal Investigator and a team of leading researchers (co-investigators) to develop research work packages and frame the research questions in each work package.
2. Senior scholars will mentor post-doctoral and early-career researchers (ECRs), fostering professional growth and academic excellence.
3. Joining the research work packages will be through a competitive process, where post-doctoral researchers or ECRs will bid competitively to win research grants on identified research questions at a set deadline. This competitive process will replace the past practice of submitting proposals on a rolling basis throughout the year.
4. An additional layer of capacity building will be to nurture future economists, by offering PhD scholarships to students who will be attached to a research programme, hence providing opportunities for specialised capacity building on the relevant research area.

In the interim, given the imminent expiry of the Strategic Plan 2020-2025, the AERC will uphold its fiduciary responsibility to support the ongoing pipeline of thematic researchers (at work-in-progress and final report phases) on each of the five thematic research groups (Groups A-E) until completion of final research papers during the summer months of 2025.

“Through the integration of research excellence, mentorship, and capacity building, the AERC aims to nurture a new generation of African economists ready to conduct frontier research, lead economic policy engagement and drive sustainable development efforts across Africa.” Prof. Victor Murinde, Executive Director, AERC.



COMMUNIQUE: AERC Strategic Plan 2025-2035: Re-engineering of Economics Training in Africa

Recognising the evolving knowledge and capacity building needs of the African continent, the African Economic Research Consortium (AERC) is transitioning from its current Strategic Plan (2020-2025) to a transformative 10-year Strategic Plan (2025-2035) – “Reinventing the AERC for Delivering Africa’s Economic Prosperity” – that entails a comprehensive reorganisation of AERC research, training, and policy engagement activities.

The re-engineering of economics training in Africa builds on the AERC success story of having established a robust pan-Africa network of institutions and faculty collaborating to deliver graduate training in economics, through the Collaborative PhD Programme (CPP), Collaborative Master’s Programme (CMAP) and Collaborative Master’s Programme in Agricultural and Applied Economics (CMAAE). Going forward, the AERC is seeking funding to embark on a step-change that not only enhances the pan-Africa collaboration framework now in place but also achieves the twinning of African universities with their peers in Europe and North America to deliver high quality graduate training in economics. Specifically, the key elements of the transformation include:

1. A twinned PhD Programme in Economics that is co-designed and co-delivered by research-intensive African universities with leading universities in Europe and North America.
2. A new Master’s degree in Applied Economics, which will blaze the trail for innovative programmes that reflect recent developments in economics. In addition, the new programmes will be tailored to meet the knowledge and capacity building needs of fragile and underserved African countries.
3. A robust Quality Assurance and Enhancement System (AQAES) that will facilitate rigorous annual monitoring and evaluation of the Master’s and PhD programmes, students and faculty.
4. Demand-driven, self-financing short-term executive courses designed to respond to continuous professional development needs of economists in government departments, private sector companies, and international organisations in Africa. These courses will leverage AERC’s research expertise and extensive capacity building networks.

In the interim, given the imminent expiry of the Strategic Plan 2020-2025, the AERC will not issue new scholarships or grants to support new enrolments into CPP, CMAP and CMAAE programmes; however, we will continue to support the ongoing pipeline of sponsored students on each of the three programmes until completion of their studies.

“This transformation, which is a key component of the upcoming AERC Strategic Plan (2025-2035), seeks to elevate the quality of our graduate programmes in economics to top global standards. I wish to extend my sincere gratitude to all our partner universities, esteemed trainers and mentors, dedicated students, and accomplished alumni for their unwavering support throughout the years. As the AERC embarks on the new ambitious 10-Year Strategic Plan, I eagerly anticipate stronger collaboration to collectively propel our respective organizations towards new pinnacles of success.” Prof. Victor Murinde, Executive Director, AERC.

AERC network member Prof. James Robinson awarded the Nobel Prize in Economics 2024

Professor James Robinson, an active AERC network member and collaborator is among the three economists awarded the 2024 Nobel Prize in economics.

Together with Prof. Daron Acemoglu and Prof. Simon Johnson, they received this award for their research into how the nature of institutions helps explain why some countries become rich and others remain poor. The trio of economists were announced the prize winners by the Royal Swedish Academy of Sciences during a news conference in Stockholm, on 14th October 2024. The Nobel Committee praised the trio for exploring why “societies with a poor rule of law and institutions that exploit the population do not generate growth or change for the better.” The Committee added that the analysis by the trio of economists provides a deeper insight into why countries fail or succeed.

The AERC Executive Director, Prof. Victor Murinde, congratulated the trio for this significant distinction and achievement, observing that the award speaks volumes. “They have accomplished something truly amazing. The achievement is a testament to their talent, passion, and hard work”.

Prof. Robinson led a team of five senior scholars from the global north and one from sub-Saharan Africa in the co-teaching of the AERC Collaborative PhD Programme (CPP) Joint Facility for Electives (JFE) 2024 course on Research Methods and Computer Applications. This course has been significantly revamped to cover approaches to research design and methods.

Prof. Robinson gave the 2021 Benno Ndulu Memorial Lecture on “Africa’s Latent Assets” in honour of the former Governor of the Bank

of Tanzania. Furthermore, alongside Prof. Maria Angelica Bautista of the University of Chicago, he conducted a two-week summer lecture and training on research methods from 13th to 24th June 2022. During the interactive master class, the attendees learnt canonical approaches to research using African-based materials with emphasis placed on initially identifying a compelling question from the real world, fieldwork, qualitative studies, or noticing anomalous variation in an interesting outcome.

He was also a keynote presenter at the Africa Meeting of the Econometric Society (AFES), 1st to 3rd June 2023, hosted by the AERC in Nairobi, Kenya. In April 2024, he gave a five-day intensive researcher proposal development

“They have accomplished something truly amazing. The achievement is a testament to their talent, passion, and hard work.” - Prof. Victor Murinde, AERC Executive Director.



Prof. James Robinson presenting during an AERC Summer Master Class

training to post-doctoral and early career researchers assembled from fragile and underserved African countries.

Prof. Robinson is an economist and political scientist. He is the Reverend Dr. Richard L. Pearson, Professor of Global Conflict Studies and University Professor at the Harris School of Public Policy, University of Chicago. He has conducted influential research in the field of political and economic development and the relationships between political power and institutions and prosperity. His work explores the underlying causes of economic and political divergence both historically and today. He uses both the mathematical and quantitative methods of economics along with the case study, qualitative and fieldwork methodologies used in other social sciences. He is a co-author with Daron Acemoglu of *Economic Origins of Dictatorship and Democracy*, *Why Nations Fail*, and *The Narrow Corridor*.



Prof. Robinson with participants during an AERC Summer Master Class

AERC Pays Tribute to its First Executive Director, Jeffrey Fine



The AERC is greatly saddened by the passing of Jeffrey C. Fine in January 2025. He served as the first executive director of the AERC from August 1988 to March 1994.

Mr. Fine left his position at the International Development Research Centre (Jan 1984 – July 1988), where he was the Senior Programme Officer to establish the AERC, a major African network of professionals engaged in economic policy research and graduate education. He is known for having introduced new approaches for improving the quality and relevance of economic research and its effective dissemination to key audiences within and outside Africa. Also, he implemented the collaborative graduate program in economics, which currently serves more than 20 Sub-Saharan African universities, and successfully mobilised resources from 15 international and bilateral agencies and private foundations towards core support of the AERC's capacity-building projects.

Jeff, as he was fondly known, worked with the government of Canada and Kenya as an Economist where, among other tasks, he prepared economic strategy papers, developed project management and financial control systems, and carried out studies on international financial institutions, including the IMF, World Bank and Asian Development Bank.

Some of his works include: “A Strategy for Graduate Training in Economics for Africans.” AERC Special Paper Number 9, published in 1990 by AERC. His other publication on “PhD education in Economics in Sub-Saharan Africa: Lessons and Prospects,” was published in 1994. This report summarises the results of a series of studies commissioned by the AERC to assess the desirability and feasibility of an Africa-based collaborative programme to offer a doctoral degree in economics.

His more recent activities include research and post-graduate education networks in Sub-Saharan Africa (Partnership for Higher Education

in Africa), as well as the development of business school education in Sub-Saharan Africa and its application to service delivery (International Finance Corporation and the Global Business School Network).

Jeff, who passed at the age 79, made an incredible mark on the AERC and economic policymaking in Sub-Saharan Africa. As we remember his legacy, the AERC fraternity sends condolences to Jeff's family and friends during this time of profound loss.

AERC at the Kenya Bankers Association Research Conference



Prof. Murinde (fifth from left) with members of the Kenya Bankers Association during the 13th Annual Banking Research Conference

AERC participated in the 13th Annual Banking Research Conference themed *“Banking sector resilience: Navigating macro-imbalances, responsiveness to evolving business landscape and driving sustainability.”*

This event took place on 26th – 27th September 2024 in Nairobi, Kenya.

Prof. Victor Murinde, Executive Director, AERC, delivered the keynote on bank stability, bank business model and the financial resource curse. In his presentation, he observed that an abundant reserve of natural resources often precipitates a resource curse in countries with weak governance institutions. This, he added, fosters political corruption, thus eroding democratic accountability.

“Recently, strong fluctuations of natural resource prices have focused the attention on

the transmission of this instability to the banking system,” said Prof. Murinde. The novelty of an article he published recently related to this topic considered bank business models and credit policy with micro-level data.

Prof. Murinde welcomed the participants to the AERC Biannual research workshop, whose plenary session will be on the *Fintech Revolution in Africa*. He noted that Fintech has revolutionised retail electronic payment systems—a transformation that has

evolved into a technological platform to manage micro-savers’ accounts, virtual savings and credit systems. Each of these biannual research workshops attracts hundreds of researchers, academics, policymakers and other economists who participate in the AERC Research Programme. The workshops provide a forum where the participants can meet with a worldwide network of professionals and deal with issues relevant to Africa’s economic development.

“Recently, strong fluctuations of natural resource prices have focused the attention on the transmission of this instability to the banking system.”- Prof. Victor Murinde, AERC Executive Director.

On his part, Raimond Molenje, Ag. Chief Executive Officer, Kenya Bankers Association (KBA) observed that the Conference's theme this year underscores the need to address the complex and interconnected challenges that define the current banking sector landscape. "With the growing economic uncertainty, marked by inflationary pressures, debt crises, and shifting monetary policies, understanding these macroeconomic dynamics is crucial to better navigate the risks posed by these imbalances and develop policies that foster stability and long-term resilience in the banking sector," said Mr. Molenje.

"The rapid technological advancements and shifting expectations are transforming how consumers engage with financial services. As Fintech innovations, digital banking, and personalised financial products redefine the activities in the market, the strategies adopted by banks to maintain competitiveness, relevance, and trust in a constantly evolving business environment remain fluid," he said.

Ms. Betty Korir, Vice Chair of the KBA Governing Council and Chief Executive Officer of Credit Bank, stressed the fact that commercial banks need to innovate to remain competitive. This will aid them to remain global players. She observed that the challenges the banking industry in Kenya faces require strategic responses to support the national economic development agenda. "Some of the wonderful papers that will be presented here will continue to shape the banking sector and the policy framework in this country," said Ms. Korir.

The AERC is a leader in policy-oriented economic research in the continent, and its biannual research workshops have become the largest gatherings of professional economists in sub-Saharan Africa. The Consortium is a public, not-for-profit organisation devoted to building capacity for economic policy research into problems pertinent to the management of economies in

"With the growing economic uncertainty, marked by inflationary pressures, debt crises, and shifting monetary policies, understanding these macroeconomic dynamics is crucial to better navigate the risks posed by these imbalances and develop policies that foster stability and long-term resilience in the banking sector." - Mr. Raimond Molenje, Ag. CEO KBA

sub-Saharan Africa. The AERC is a network that builds capacity through three primary components: Research, graduate training in economics, as well as communications and policy outreach. The organisation integrates high-quality economic policy research, postgraduate training, and policy outreach within a vast network of researchers, universities, and policymakers across Africa and beyond.

KBA is the umbrella body of banks

licensed by the Central Bank of Kenya (CBK) with a current membership of 46. The Association promotes and develops sound and progressive banking principles, practices and conventions and contributes to the development of the sector. It influences the policy landscape by proactively engaging the policy development stakeholders for the development of a conducive business environment on behalf of its members.

The Kenya Bankers Association established the Centre for Research on Financial Markets and Policy to offer an array of research, commentary, and dialogue regarding critical policy matters that impact financial markets in Kenya. The Centre sponsors original research, provides thoughtful commentary, and hosts dialogues involving scholars and practitioners, and conferences on key financial market issues.



AERC-BMGF Regional Policy Forum: Advancing Financial Inclusion and Market Development in East Africa



Group photo during the AERC-BMGF Regional Policy Forum, Tanzania.

AERC, with support from the Gates Foundation (BMGF), convened a Regional Policy Forum focusing on financial inclusion and market development in the East African Community (EAC).

Hosted at the Four Points by Sheraton Dar es Salaam New Africa, Tanzania, on 28th October 2024, the forum gathered prominent figures from financial institutions, including representatives from the Central Bank of

Tanzania, policymakers, private sector leaders, and researchers.

The forum opened with remarks from Prof. Victor Murinde, Executive Director of AERC, who highlighted the significance of digital financial services and market development in achieving inclusive growth. Prof. Murinde outlined AERC's commitment to enhancing evidence-based policymaking in Africa through initiatives like delivering Digital Financial Services for the Poor (DFSP) project. "This research initiative addresses key challenges such as financial inclusion, market development, and the interoperability of digital payment systems, all of which are vital for advancing the economic landscape in East Africa," he said. The project, supported by

Prof. Murinde outlined AERC's commitment to enhancing evidence-based policymaking in Africa through initiatives like delivering Digital Financial Services for the Poor (DFSP) project.

BMGF, has produced over 20 research papers covering essential themes, including competition and consumer protection, gender dimensions in digital finance, and strengthening institutional capacities.

In his opening address, the guest of honour, Hon. Dr. Abdullah Makame,

Member of Parliament for the East Africa Legislative Assembly (EALA), underscored the necessity of bridging financial and digital divides within the region. He noted the broader implications of financial exclusion beyond limited access to credit, emphasising that AERC's research provides valuable insights to guide regional policymakers. "This project equips us with critical evidence to develop policies that make financial services accessible to all, thus setting the stage for a more prosperous East Africa," Dr. Makame stated.

The forum featured a thematic presentation from Mr. David Cracknell, Managing Director of First Principles Consulting. He discussed policy options to advance digital financial inclusion and enhance the ecosystem's interoperability. Mr. Cracknell stressed the need for cohesive regulations to support cross-border digital transactions and consumer protections.

Various presentations providing in-depth analyses in areas such as institutional capacity strengthening for payment system interoperability, consumer protection in digital payments and gender, digital financial services and financial inclusion were featured during

the forum. A policy roundtable discussion also allowed participants to explore strategies that could enhance financial inclusion and economic integration within the EAC. Moderated by Dr. Peter Wamalwa, an economist at the Central Bank of Kenya, the session featured panellists who addressed the importance of digital identity (e-ID) systems, policies for rural access, and cross-border interoperability in digital financial services. The panellists included Dr. Patricia Ojangole, Managing Director at Uganda Development Bank Limited, Mr. Humphrey Moshi, Rtd. Professor of Economics at the School of Economics, University of Dar es Salaam, and Founding Director of the Centre for Chinese Studies, Mr. Kennedy Komba, Director, Financial Deepening and Inclusion, Bank of Tanzania

The guest of honour, Hon. Dr. Abdullah Makame, noted the broader implications of financial exclusion beyond limited access to credit, emphasising that AERC's research provides valuable insights to guide regional policymakers.

and Prof. Peter Muriu, Department of Economics & Development Studies, University of Nairobi.

In his closing remarks, Prof. Murinde emphasised that, while the DFSP project concludes this month, the journey to understanding and expanding digital finance in Africa has only begun. He highlighted the often-overlooked issue of language accessibility within digital finance, noting, "Kenya alone has over 50 local dialects. If digital financial products fail to account for linguistic diversity, we risk creating new barriers to access." Prof. Murinde encouraged ongoing research into language and cultural factors that affect digital finance access, stressing that the exploration of digital financial services across Africa remains a vast, untapped field.

He thanked BMGF for its support and acknowledged the forum's participants, whose insights and expertise contributed to a robust dialogue on advancing digital finance. "Today's discussions set the groundwork for future policy developments and practical innovations in financial inclusion across East Africa," he concluded.



From left to right: Prof. Peter Muriu, Dr. Samuel Tiriongo, Dr. Elizabeth Kasekende and Dr. Anne Kamau during the paper presentation.

AERC-Hewlett Foundation Regional Policy Forum on Data Policy and Governance in Africa



Group photo at the AERC Regional Policy Forum, Nairobi, Kenya.

Data governance stands at Africa's pivot axis of economic development, and linking evidence to policy action in Africa is still a challenge.

The integration and adoption of legislation and frameworks are evolving at a plodding pace, and there is an urgent need for change. Ten years later, after the African Union (AU) Malabo Convention of Cyber Security and Personal Data Protection legal framework in 2014, only fifteen countries, while the other 39 were non-committal. The slow adoption across the 54 member countries is negatively affecting the progressiveness of data governance systems in the continent. As of October 2023, 18 countries had signed the protocol, with

In collaboration with the Malabo Convention, the African Union has come up with other initiatives, including The African Continental Free Trade Area (AfCFTA 2018, that's been taken up by 43 countries), the Africa Data Policy Framework (2022), and the Policy and Regulation Initiative for Digital Africa (PRIDA) Union – EU project.



Prof. Victor Murinde

15 ratifying it simultaneously. Only 20 out of the 54 countries in Africa have passed data protection legislation. Apart from Cape Verde (2001, amended 2021), Burkina Faso, 2004, repealed, with new 2021 Act), Senegal (2008), Tunisia (2004), Morocco (2009) Ghana (2012), Côte d'Ivoire (2013), Lesotho (2013) as earlier enactors before Malabo Convention of 2014, since 2015 more Africa countries have come on board and have made substantive legislative efforts. Together with the Malabo convention, the African Union has come up with other initiatives, including The African Continental Free Trade Area (AfCFTA; 2018; 43 countries), the Africa Data Policy Framework (2022), and the Policy and Regulation Initiative for Digital Africa (PRIDA) Union -EU project. These initiatives may have separate objectives but have a common unit of enhancing data governance in Africa. The slow adoption of initiatives such as the Malabo Convention and the enactment of data protection legislation are causes for worry regarding the integration of shared economic development aspirations and goals within the continent. The gains from the open data policy which allows for

"This workshop is timely as it comes at the brink of developing a 10-year strategic plan focused on AERC becoming the locus of research excellence in Africa, relying on data in the transformation of the current Collaborative Master's and PhD programmes to incorporate continuous professional development for public policy actors and private sector practitioners." - Prof. Victor Murinde, AERC Executive Director.

data interoperability as well as the sharing of digital information while protecting personal data and privacy, is a catalyst for progressive development; despite the Malabo framework's slow uptake, some non-ratifying countries have passed progressive legislation towards data stewardship, quality, security, privacy, and management. Harnessing economic opportunities and good data governance will provide a practical approach to solving emergent social, political, and institutional challenges and risks bedeviling African growth prospects.

AERC convened a Regional Policy Forum on Data Policy and Governance in Africa. The policy forum, which was hosted at the Trademark Hotel in Nairobi, Kenya on 31st October 2024 and was attended by 89 participants (37 physically and 52 virtually).



Prof. Izak Atiyas,
Senior Scholar at Istanbul Policy Centre and
Professor at Sabancı University, Faculty of Arts and
Social Sciences

The forum opened with remarks from Prof. Victor Murinde, Executive Director of AERC, who underscored the significance of data governance in economic development in the African continent. He highlighted the commitment of the AERC to evidence-based policy making noting the importance of convening the different stakeholders and actors to engage in conversations focusing on the outcomes of the completed collaborative research on Data Policy and Governance in Africa. "This workshop is timely as it comes at the brink of developing a 10-year strategic plan focused on AERC becoming the Locus of Research Excellency in Africa, relying on data in the transformation of the current Collaborative Masters and PhD programmes to incorporate continuous professional development for public policy actors and private sector practitioners." Prof. Murinde stated. "Data analytics has transformed over the years from the generation of software for data processing and advancing, to the use of panel data, thus changing not only in the way data is handled but also the methodology of data analysis, including Artificial Intelligence and machine learning. Regarding the critical area of data governance in institutions, the AERC remains the locus of research with new evidence, perspectives and policy options." Prof. Murinde also emphasized.

The AERC collaborative research project on Data Governance in Africa has produced 8 research papers that were presented in two parallel sessions. The papers covered areas such as Africa's digital transformation through technological innovation, exploring interoperability platforms in Africa, governance of data and technology in Africa and their role in economic development, and the relationship between statistical capacity and government effectiveness, amongst others.

The forum featured a synthesis paper presentation by seasoned researchers, Prof. Izak Atiyas, Professor of Economic,



Dr. Miriam W. Oiro Omolo,
Executive Director at the African Policy Research
Institute

Sabanci University, and Dr. Miriam Omolo, Executive Director, Africa Policy Research Institute on the title 'Political Economy and Institutional Structure of Data Policy and Governance in Africa: Opportunity and Challenges'. The paper observed that many sectors utilize data and stressed the need for inclusivity when developing an adaptive data governance framework to ensure all sectors are represented.

Through generous support from the Hewlett Foundation, the AERC implemented the collaborative project 'Political Economy and Institutional Structure of Data Policy and Governance in Africa: Opportunities, Challenges and Risks' from 2022 to 2024. This project is a sequel to Data Governance and Sound Policy in Africa, and the output has been published in a book volume, '[Data Governance and Policy in Africa, SpringerLink](#)'.

- This project commissioned eight papers focusing on five broad themes:
- Benchmarking Africa against global best practices on data policy and governance;
 - Identifying institutional structures for data policy and governance frameworks that can be replicated across Sub-Saharan African countries;
 - Exploring data interoperability platforms in Africa and related policy-making opportunities and risks;
 - Exploring gaps, priorities, and opportunities in the digital revolution,

digital technology, and the efficiency of data governance in Africa;

- Strengthen the prevailing weak cultural predispositions, data centricity, and governance – How users can start to see the link between using data to solve problems and innovation, and how they can act on fresh concepts and provide value in the process.

The goal of the regional policy forum was to enhance the uptake of evidence generated from the political economy and instructional structures of data policy and governance to enable positive policy adoption and actions by African countries. The specific objectives of the regional policy forum are:

- To provide a platform for a policy dialogue on the political economy and institutional structures that influence the uptake of data policy and governance across Africa.
- To promote discussions and deliberations that will contribute to pathways for policy actions to improve policy adoption and legislative action on African data governance.
- To ignite a positive debate on the findings of the studies and suggest ways to address the bottlenecks that have hindered smooth policy adoption and legislative and regulatory actions on data policy and governance in Africa.
- To facilitate peer learning between selected countries that have adopted the in-country and continental data governance policy initiatives and those that have not to enhance the uptakes across Africa.

Based on AERC's experience and performance on the mission of bringing rigor and evidence to economic policymaking in Africa, a 'theory of change' for the project on data governance was premised on the following hypotheses:

1 Many countries face slow adaptation to changes in regulation and frameworks that are critical in enhancement of data policy and governance for Africa's future.

2 Even in countries where efforts are being made to produce legislation on data policy and governance issues, there seem to be **differences in the scope, management, and implementation of data policy and governance practices.**

3 The impact of pervasive data policy and governance issues on economic activities, democratization, and market competitiveness is little understood.

4 Though efforts have been made on policy platforms on data governance, **more efforts through policy forums are needed** to catalyze change in data policy and governance matters.

The papers explored Africa's digital transformation through technological innovation, focusing on interoperability platforms, data and technology governance, economic development, and the link between statistical capacity and government effectiveness.

Evidence from the Data Governance Project

During the Regional Policy Forum, two sessions were organised to share evidence. In the opening session, a synthesis paper on the project will be presented, followed by a session for the data governance practitioners' panel was presented by Prof. Izak Atiyas from Sabanci University and Dr. Miriam Omolo, Africa Policy Research Institute. A parallel paper presentation session was conducted where 8 researchers presented their papers in two groups.

Group 1 Presentations	Group 2 Presentations
Strengthening data-driven policy and data governance in Africa Christine Kwanele Dube & Nnemeka Ohamadike, Good Governance Africa.	Africa's statistical tragedy: causal relationship between statistical capacity and government Effectiveness Professor Ousmanou Njikam, University of Yaoundé II.
Cross-border data transfers in Africa: An overview of the regulatory policies implemented in the continent Professor Martina Ferracane and Simón González, European University Institutu	Digital data and technology in Africa: political economy of their governance and role in economic development Dr. Abbi Kedir, AERC.
Interrogating Africa's digital transformation through technological innovation: how endogenous, how inclusive? Professor Geci Karuri Sebina & Professor Ogundiran Soumonni, University of Witwatersrand.	The Case for an African e-marketplace under the African Continental Free Trade Area (AfCFTA) Agreement Dr. Miriam Omolo, Africa Policy Research Institute.
Exploring interoperability platforms in Africa: An examination of the adoption and implementation of interoperability standards for data exchange in Africa: Opportunities, risks, and policy considerations Hanani Hlomani and Professor Caroline Ncube, University of Cape Town.	Data governance framework for improved sustainable finance in Africa Dr. Afolabi E. Olowookere, Analysts' Data Services and Resources (ADSR) Ltd.



Prof. Victor Murinde, the AERC Executive Director giving remarks at the Regional Policy Forum.

While significant progress has been made recently in improving data governance structures in Africa, much remains to be done to catch up with other regions with high percolation and robust frameworks. The African Union Data Policy Framework provides an excellent opportunity for synergy and collaboration to enhance safety use, access, and affordability and foster sustainable and inclusive development on the continent. Considering the lessons learned from developed regions such as the European Union and the United States of America, data governance systems will progressively propagate a functioning environment for efficient data collection, open data access, and establishment of data protection legislation and offices. On the theme of benchmarking Africa against global best practices on data policy and governance, the project aimed at first mapping and documenting the existing data management, assessing

reforms, and recommending policy action pathways for a balanced data governance system or framework. Secondly, the production of knowledge and evidence on data governance systems reforms in sub-Saharan Africa and actionable policy adoption. Three papers were developed under this theme: are: '*Strengthening data-driven policy and data governance in Africa*' by Dube and Ohamadike (2024), '*Cross-border data transfers in Africa: An overview of the regulatory policies implemented in the continent*' by Ferracane and González (2024), and '*Data governance framework for improved sustainable finance in Africa*', by Olowookere (2024).

The rigidity of the African governance structure has primarily hindered the accessibility and use of data. This is due to legislative and regulatory barriers that make the cost prohibitive and data quality low, making it difficult to access for informed policy decision-making.

News

Additionally, the challenges faced by African governments in data policy and governance are cross-sectoral. For instance, critical socioeconomic data are collected in unreasonable time intervals and are rarely available to inform policy on time. They are inaccessible to researchers conducting studies to build the knowledge necessary to impact policy. In addition, making data available to researchers would generate feedback on the quality of data and lead to further improvements in the data collection process itself. Another concern is the fragmented, scattered, and poorly organised socio-economic and individual-level data, costing governments enormous resources and time to manage the economy. Important socio-economic surveys are designed and collected independently from each other, costing massive resources and, at the same time, limiting their significance for policy making. Other matters of concern are that most data governance studies are concentrated on privacy and security. Much more can be harnessed from the extensive data available in the virtual world. Studies on how it can be tapped

Studies on who has access, the cost, and the use of data evidence-based policymaking are limited. While open data policies by some governments in sub-Saharan Africa (SSA) have made it easier to access data online, more interventions are needed for countries that are hoarding data.

for societal and economic progression are very important to human society. Studies on who has access, the cost of data, and the use of data evidence-based policymaking are limited. While open data policies by some governments in Sub-Saharan Africa (SSA) have made it easier to access data online, more interventions are needed for countries that are hoarding data and that can help generate or facilitate action that can lead to better social and economic policy outcomes. Most of the data governance and policy issues identified

above are borne of the government's and the private sector's weak capacity to recognize the enormous potential data facilitates the advancement of society. Under the theme, 'Identifying institutional structures for data policy and governance frameworks that can be replicated across Sub-Saharan African countries, a paper on *'Africa's statistical tragedy: the causal relationship between statistical capacity and government effectiveness'* by Njikam (2024).

With the rapid evolution of digital technologies and more market and non-market activities transactions mainly taking place in digital places across the globe, the African government inevitably has to develop infrastructure that is safe, cost-effective, and accessible to all. Data governance systems facilitating seamless connection across borders to enable communication, trade, and movement of people, goods, and services are plausible pathways for integrated, globally shared development across regions. This can be fostered by augmenting privacy, cyber security, and interoperability and providing affordable internet access

Data Governance Practitioners Panellists at the Regional Policy Forum



Mr. Benjamin Avusevwa,
Director of
Statistical
Coordination and
Method, Kenya
National Bureau of
Statistics



Dr. Denis Ngae,
Director of
Projects, Studies
and Foresights,
Ministry of Posts and
Telecommunication,
Cameroon



Mr. Oyedeji Adeyemi Daniel,
Chief Planning
Officer, Lagos
State, Ministry of
Wealth Creation and
Employment



Dr. Zeenat Ishmail,
Chief Director,
Strategic
Management
Information,
Western Cape
Government, South
Africa



Mr. John Walubengo,
Deputy Data
Commissioner,
Officer of the
Data Protection
Commissioner,
Kenya



Mr. Aina Matthew,
Assistant Director
of Statistics, Nigeria
Bureau of Statistics

to the African population. Under the themes, 'Exploring data interoperability platforms in Africa and related policy-making opportunities and risks', 'Exploring gaps, priorities, and opportunities in the digital revolution, digital technology, and the efficiency of data governance in Africa', and 'Strengthen the prevailing weak cultural predispositions, data centricity, and governance', four papers were developed. The authors have broadly covered the following topics: 'Interrogating Africa's digital transformation through technological innovation: how endogenous, how inclusive?' by Sebina and Soumonni, 'The Case for an African e-marketplace

under the African Continental Free Trade Area (AfCFTA) Agreement', Omolo (2024), 'Exploring interoperability platforms in Africa: An examination of the adoption and implementation of interoperability standards for data exchange in Africa: Opportunities, risks, and policy considerations', by Hlomani and Ncube (2024), and 'Digital data and technology in Africa: the political economy of their governance and role in economic development', by Kedir (2024).

Practitioners and Policy Panels

Two sessions were organized at the Regional Policy Forum to engage

Most of the data governance and policy issues identified above are borne by governments and the private sector's weak capacity to recognise the enormous potential data facilitates in the advancement of society.

Data Governance Practitioners and Policy Makers. The data governance practitioner and high-level policy panels provided an incisive platform for peer learning and sharing experiences, as well as suggestions of potential pathways for hastening policy action related to data governance across the African continent.

High-Level Policy Panel at the Regional Policy Forum



Amb- Prof. Bitange Ndemo,
Kenyan Ambassador to Belgium and the European Union



Ms. Malarvizhi Veerappan,
Senior Data Scientist and Programme Manager for Data Management and services, World Bank



John Olela,
Director, Central Planning and Project Monitoring, Statement Department of the National Treasury, Kenya



Prof. Robert Mudida,
Director of Research, Central Bank of Kenya



Ms. Aretha Mare,
Unit Manager - Data & Security Infrastructure Governance, Smart Africa



Ms. Catherine Muya,
Data Policy Advisor, AU-GIZ

High-Level Data Governance Practitioners Panel

This session featured eminent data governance practitioners and was chaired by Mr. Benjamin Avusevwa, Director of Statistical Coordination and Methods, Kenya National Bureau of Statistics. The panel included experts from the Ministry of Posts and Telecommunication in Cameroon, the Central Bank of Kenya, the Data Protection Commissioner Office in Kenya, the Nigeria Bureau of Statistics and the Ministry of Wealth Creation and Employment in Nigeria, and the Western Cape Government in South Africa.

The Data Governance Practitioners' panel discussions ranged from:

- E-government strategies, data, protection, privacy, and access for policy usage in South Africa.
- Interoperability platforms and the institutional structures in Cameroon.
- Data governance institutional structures and its plausible influence on wealth creation youth employment in Nigeria
- Data privacy, protection, and cybersecurity and how the Office of Data Protection Commissioner handles infringement on citizens in Nigeria.



From left to right: Ms. Malarvizhi Veerappan and Prof. Izak Atiyas at the Regional Policy Forum in Nairobi, Kenya.

High -Level Policy Panel on Data Governance

The high-level policy panel was moderated by Ambassador Prof. Bitange Ndemo, the Kenyan Ambassador to Belgium and the European Union. The session featured representatives from the World Bank's Data Management and Services Unit, the National Treasury and Economic Planning, the Government of Kenya, the Central Bank of Kenya, Smart Africa, and the African Union-GIZ. The panelists addressed the importance of inclusive policy frameworks and support systems within institutions to strengthen and enhance good data governance practices across Africa.

The session was chaired by Amb. Prof. Bitange Ndemo, Kenyan Ambassador to Belgium and the European Union. The policy panelists delved into policy and regulatory issues influencing the data governance across Africa.

The High-Level Policy Panel discussions ranged from:

- Diagnostics on Statistical capacity in Africa and the role of the World Bank and other international development agencies in supporting African statistical systems and data governance.
- Data systems resilience and their capability to inform policy implementation in SDGs.

- Data governance, fiscal risk, and cybersecurity arising from rapid digitalization of the financial sector.
- Private sector engagement in data governance.
- Data governance institutional structures and its plausible influence on wealth creation, youth employment and trade (AfCFTA) in Africa
- Data privacy, protection, and cybersecurity and how the Office of Data Protection Commissioner handles infringement on citizens.

- Untapped frontier for data governance to foster to enhance the interoperability across African countries especially where internet access is still a big challenge.
- Adoption of Malabo protocol and the AU Data Governance Framework across African countries.
- Data openness and access and pertinent political and institutional barriers.
- The infrastructure development as an enabler of big data capture and its inadequacy in Africa.

Closing the policy forum, Prof. Abbi Kedir, Director of Research, AERC noted that the current project has built on the Phase I research that was completed in 2022. He added that the forum has presented opportunities for developing Phase III to address the identified gaps and investigate the opportunities, policy options and recommendations discussed. "The AERC appreciates the support from the Hewlett Foundation towards the project whose research documents the existing data management, assesses reforms, and recommends policy action pathways for a balanced data governance framework, while producing knowledge and evidence on data governance systems reforms in sub-Saharan Africa and actionable policy measures." Prof. Kedir concluded.



Participants at the Regional Forum Policy.

Gendered impact of external shocks in low-income economies and policy priorities: Evidence from research on the impact of the Russia-Ukraine war



Multiple shocks and [hashtag#polycrisis](#) are impacting lower-income economies. These shocks and how they are managed impact countries' ability to invest in public goods, healthcare, education, and the growing need to adapt to the impacts of climate change. Economic shocks also have a gendered impact, and so do policies.

On 16 September 2024, the International Development Research Centre (IDRC), AERC, Partnership for Economic Policy (PEP), Economic Research Forum (ERF), Overseas Development Institute (ODI), and Cowater virtually hosted an expert roundtable on the gendered impact of external shocks in low-income economies. The topics of discussion were [IDRC](#) and [Global Affairs Canada | Affaires Mondiales Canada](#) supported research on the impact of the war in Ukraine. Marzia Fontana highlighted that economic shocks and related policy responses are gendered processes because economies are gendered structures. Women tend to be disadvantaged doubly because of lower incomes in the paid sector and unequal burdens in the unpaid care sector. Marzia reminded us that austerity policies often prescribed as the remedy for economic crises tend to exacerbate gender

inequalities as well as other inequalities. Caren Grown emphasised the importance of finding the right unit of analysis to understand gendered dynamics.

[PEP's Jane Mariara](#) presented CGE and micro-econometric models: impacts of country-specific price shocks are driven by women's economic situation, and policies impact the economy differently. Women in rural Egypt are affected due to labour market constraints; rural women in Kenya, heavily reliant on agriculture and informal jobs, face the deepest impacts.

Women in rural Egypt are affected due to labour market constraints; rural women in Kenya, heavily reliant on agriculture and informal jobs, face the deepest impacts.

[AERC](#) research presented by [Dianah Muchai](#) focuses on Kenya's policies of fuel, fertiliser subsidies, and fuel procurement. The research shows that fuel policies led to a change in the use of fuel sources for cooking, with key gender dimensions given women's role in unpaid care. Moreover, male-headed households take up new sources of fuel more quickly than women-headed households.

ERF's latest research, presented by Chahir Zaki, focuses on food security in Egypt using a newly collected dataset, showing domestic economic policies increased insecurity caused by the war in Ukraine, and female-headed households and females in female-headed households bear most of the cost of crises.

The work thus highlighted the need for mitigation policies that are most effective for the most vulnerable populations and support economic growth. [Phyllis Papadavid ODI Global](#) stressed the need for economic policies to tackle unequal gender norms and prioritising access to education, finance and technology to underpin African women's resilience to macroeconomic shocks. [Valeria Esquivel](#) brought the discussion back to Mariza's starting point and the need to address the structural aspects of economies that make women bear the costs of crises.

Off the Press New Publications

Volume 33, Issue Supplement 1: Re-examining Growth, Poverty, Inequality and Redistribution Relationships in Africa Economies

Date
2024

Editors

Augustin Fosu, Erik Thorbecke,
Yusi Ouyang, Dianah Ngui and
Abbi Kedir

Publisher

African Economic Research Consortium

Supplement Papers

The Interrelationship Amongst Growth, Inequality and Poverty in Africa: Seven Studies from Five Countries

Erik Thorbecke, Yusi Ouyang, Abbi M. Kedir and
Scholastica Odhiambo

COVID-19 Pandemic, Poverty and Health Outcomes in South Africa: Do Social Protection Programmes Protect?

Abiodun Olusola Omotayo and Adebayo Isaiah
Ogunniyi

Asymmetric Response of Poverty to Growth and Inequality in South Africa: Implications for Current and Future Shocks

Nicholas Ngepah

Coping Strategies and Inequalities during the COVID-19 Pandemic Period: Evidence from Kenya

Eleftherios Giovanis and Oznur Ozdamar

URL

https://academic.oup.com/jae/issue/33/Supplement_1



Volume 33, Issue Supplement 2: African Economies: Recovery Agenda from Multiple Shocks

Date
2024

Editors

Abbi Kedir, Scholastica Odhiambo
and Dominique Njinkeu

Publisher

African Economic Research Consortium

Supplement Papers

Preface: African Economies: Recovery from Multiple Shocks

Victor Murinde

African Economies: Recovery Agenda from Multiple Shocks

Abbi Kedir, Scholastica Odhiambo and Victor
Murinde

Debt Distress and Climate-Resilient Development in Sub-Saharan Africa

Kevin P. Gallagher, Luma Ramos, Anzette Were and
Marina Zucker Marques

The Political Economy of Economic Policy Advice

Stefan Dercon

Wholesale Debt Relief: Do LICs Need a New Package?

Chuku Chuku



URL

https://academic.oup.com/jae/issue/33/Supplement_2

Off the Press New Publications

Working Paper GVC-II-002: Approximating the First order Effects of AfCFTA Tariff Reductions on CO2 Emissions

Date

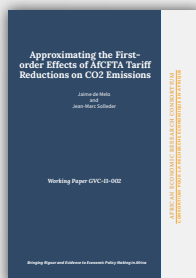
2024

Authors

Jaime De Melo
Jean-Marc Solleder

Publisher

African Economic Research
Consortium



Abstract

This paper explores the likely effects of tariff reductions under the African Continental Free Trade Area (AfCFTA) on carbon dioxide (CO₂) emissions. It proceeds in three steps, with all estimates relying on the most recent, i.e. 2015, disaggregated data on emissions intensities. First, we show that, across African countries, CO₂ intensities are higher in the more protected sectors, so that, at unchanged emission intensities, tariff elimination on intra-African trade during AfCFTA should favour CO₂ intensive activities. Second, for the EAC and ECOWAS, the two RECs for which AfCFTA-compliant tariff reduction schedules are available, we estimate that removing tariffs on goods in the tariff elimination list would reduce progressively the carbon intensity of trade for these goods. The estimates suggest that an increase of 1% of the emission intensity is associated with a decrease of about 0.09% of the MFN tariff. Third, to see which effect will dominate, we estimate partial equilibrium effects of 'full' tariff elimination under AfCFTA and find that intra-African trade would increase by 32% and emissions embedded in trade by 24%, implying a CO₂ elasticity to trade of 0.74, thus, reducing the CO₂ emission intensity of Intra-African trade.

URL

<https://publication.aercafricalibrary.org/handle/123456789/3912>

Working Paper GVC-II-003: Potential for Africa Continental Free Trade Area to Increase East African Community Exports to Africa

Date

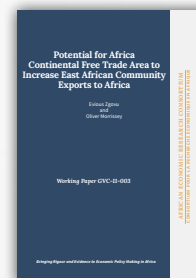
2024

Authors

Evious Zgovu
Oliver Morrissey

Publisher

African Economic Research
Consortium



Abstract

This paper provides estimates of the potential for East African Community (EAC) member countries to increase exports to the rest of Africa as the other countries reduce tariffs under the African Continental Free Trade Area (AfCFTA), using a simple approach to identify the markets (countries) and products most likely to benefit considering only growth of existing imports from the EAC. The assumption is that EAC member countries have evident export capacity in such products and markets, and that these products are unlikely to be excluded from liberalization by importing countries. The results suggest that the EAC could expand exports overall by 10-15%, largely concentrated in relatively close countries, and agriculture and resource-based products, but with basic manufactures. Relatively distant markets in North and West Africa offer reasonable potential to EAC countries, except Rwanda (concentrated on the Democratic Republic of Congo - DRC) and Tanzania (concentrated on Southern Africa).

URL

<https://publication.aercafricalibrary.org/handle/123456789/3913>

Off the Press New Publications

Working Paper GVC-II-004: Job Impacts of Global Value Chains: Firm-Level Evidence from Cameroon

Date

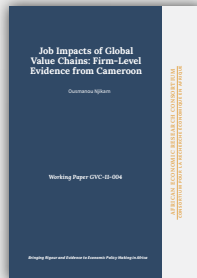
2024

Authors

Ousmanou Njikam

Publisher

African Economic Research Consortium



Abstract

Today, almost 50% of the world trade involves Global Value Chains (GVCs). New technologies entering GVCs participating firms' exports are skill-biased and understanding the job implications in African countries endowed with unskilled workers is vital. Using firm-level panel data in Cameroon, this paper analyses whether GVCs' integration and position have contributed to job generation and explores whether firm characteristics such as capital and skill intensity of production influence the GVCs-job relationship. I estimate dynamic labour demand functions for skilled and unskilled workers including sector-level GVCs and their interactions with firm characteristics. GVCs integration and position have no significant impact on any type of job. However, examination of moderator effects yields important results: while forward GVCs and GVCs position hurt both (un)skilled workers in less capital- and skill-intensive firms, backward GVCs have a significantly positive impact on (un)skilled jobs in more capital- and skill-intensive firms, and GVCs participation enhances only unskilled jobs in more capital-intensive firms. The findings are robust to the disaggregation of sectors into manufacturing vs services, high- vs low-GVCs participation, and upstream vs downstream industries and highlight the role of human capital in influencing the GVCs-job nexus in African economies.

URL

<https://publication.aercafricalibrary.org/handle/123456789/3914>

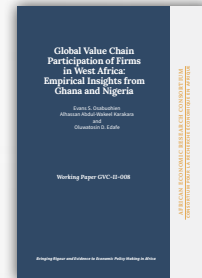
Working Paper GVC-II-008: Global Value Chain Participation of Firms in West Africa: Empirical Insights from Ghana and Nigeria

Date

2024

Authors

Evans S. Osabuohien,
Alhassan Abdul-Wakeel
Karakara, , Oluwatosin D.
Edafe



Publisher

African Economic Research Consortium

Abstract

Global value chains (GVC) have become an important developmental issue. However, empirical studies on the peculiar nature of the GVC participation of firms are sparse, especially in West Africa. Thus, this study empirically examines the factors that constitute the major drivers of firm GVC participation and the institutional obstacles to firm GVC participation. The study discusses how such factors could be surmounted. We use the logit model as the empirical strategy and the World Bank's Enterprise Survey (ES) database for two biggest West African countries: Ghana and Nigeria. The findings show that firms in West Africa face constraints that militate against their participation in GVC. Also, we find crucial factors that can influence firms' participation in GVC, which differ relatively between Ghana and Nigeria. In essence, medium and large-scale firms have higher likelihood to participate in GVC than small-scale firms. Similarly, the legal status of the firm helps in enhancing the firms' participation in GVC, as firms that are shareholding or partnership firms are more likely to participate in GVC than sole proprietorship firms.

URL

<https://publication.aercafricalibrary.org/handle/123456789/3916>

Collaborative PhD Programme Thesis Research Work Presentations at the Biannual Research Workshop



Postgraduate Degree (PhD) thesis research work presentations by CPP students in the concurrent thematic groups at the biannual research workshops have remained a key component of strengthening the quality and integration of research and training.

AERC has introduced a raft of reforms in CPP thesis research that entails restructuring the entire process of proposal development, supervision, award of thesis grants, regular monitoring of progress, and presentations at the biannual research workshops and publications.

To address the longstanding quality challenges in research and graduate training, the Research Methods and Computer Applications course was introduced as a mandatory JFE common

course for all CPP students. The course was revamped and taught at the CPP JFE 2024 by a team of senior scholars from world-class universities, led by the winner of the 2024 Nobel Prize in Economics, Prof. James Robinson, from the University of Chicago. Other team members included Prof. Soeren Hennare from Newcastle University Business School, Prof. Pierre Nguimkeu from Georgia State University, Prof. Sara Lowes from University of California San Diego, Prof. Nathan Nunn

from University of British Columbia and Prof. Bosson Brou from University of Felix Houphouet-Boigny in Côte d'Ivoire. The course has been redesigned as an advanced introduction to asking questions and doing research in African social science, with applications focused particularly on questions relating to African economic and political development.

Another reform is having preliminary independent reviews by thematic resource persons before students are invited to present their PhD proposals and best chapter papers at the concurrent biannual research workshop. Award of PhD thesis research grants is pegged to obtaining positive reviews at the biannual research workshop. CPP students are typically invited in their third and fourth year of study to present their proposals and best chapters/papers of their thesis with potential for publication in high-end journals or refereed journals at the biannual research workshops held annually in May/June and December. This way, the CPP students benefit from the peer review mechanism and the large pool of international resource people, but more importantly, it is an opportunity to shape them into research and policy analysts.

At the December 2024 Biannual Research Workshops, a total of 21 PhD thesis research proposals and best chapter papers were presented in the concurrent thematic groups as summarised in the Table below.

List of CPP proposals and best chapters presented at the December 2024 Biannual Research Workshop

	Name	Gender	Nationality	Title of the Paper	Degree Awarding University
1	Okpeitchan Sahindatou Olaitan Abèkè	F	Benin	Essays on the Analysis of Maternal and Child Health in the WAEMU.	University of Abomey-Calavi, Benin
2	Wachira Peris	F	Kenya	Understanding Household Earnings in South Africa: Measurement, Inequality and Volatility.	University of Cape Town, South Africa
3	Yismaw Tizita Gebeyehu	F	Ethiopia	Essays on Food Security, Child Health and Education Outcomes in Eastern Africa.	University of Witwatersrand, South Africa
4	Gameli Adika	M	Ghana	Decomposing Socioeconomic Inequalities in Childhood Chronic Illness in South Africa.	University of Cape Town, South Africa

AERC Round Up

	Name	Gender	Nationality	Title of the Paper	Degree Awarding University
5	Djouljeta Germaine	M	Cameroon	Public Sector Efficiency and Well-Being in Africa.	University of Yaoundé II, Cameroon
6	Mensah Samuel	M	Ghana	Fostering Sustainable Development in Sub-Saharan Africa: The Role of Renewable Energy and Green Finance.	University of Cape Town, South Africa
7	Dadirai Patricia Mkombe	F	Malawi	Determinants and Growth Effects of External Debt in the Southern African Development Community.	University of Cape Town, South Africa
8	Marunda Doreen Charles	F	Tanzania	Assessing the Evolution of Mobile Money and Financial Literacy Programs as Tools of Financial Inclusion and Implications on Banks' Credit Risk in Tanzania.	University of Dar es Salaam, Tanzania
9	Njowe Ekeme, Nadine Rachel	F	Cameroon	Financial innovations and gender disparities: an analysis of access to social services and social justice in the context of developing countries.	University of Yaoundé II, Cameroon
10	Afful, Solomon Luther	M	Ghana	Financial Development and Informal Economy in Ghana: Exploring Key Determinants for Formalization.	University of Cape Coast, Ghana
11	Usoro, Enobong Baldoma	F	Nigeria	Access to Credit and Asset Accumulation among Households in Nigeria”.	University of Ibadan, Nigeria
12	Kamdem Yvan Audrey	M	Cameroon	Fintech, Credit Constraints and Educational Intergenerational Mobility: Evidence from Cameroon.	University of Yaoundé II, Cameroon
13	Natuha Phiona	F	Kenya	“Efficiency Differentials and Export Performance in Uganda’s Coffee Value Chain.	University of Dar es Salaam, Tanzania
14	Raynold Runganga	M	Zimbabwe	Import Shocks, Labour Market Rigidity and Spatial Dependency in Informal and Formal Local Labour Markets: Evidence from South Africa.	University of Cape Town, South Africa
15	Djibrine, Abakar Djibrine	M	Chad	Foreign Direct Investment and State of Fragility in Africa: An African Subregional Analysis.	University of Yaoundé II, Cameroon
16	Adangbedou Etonam Julien	M	Benin	Essays on Economics of Biodiversity in Sub-Saharan Africa.	University of Abomey-Calavi, Benin
17	Mulugeta Fola Gitore	M	Ethiopia	Effects of Climate Change on the Poverty and its Transitions in Ethiopia.	University of Ibadan, Nigeria
18	Djuichou Tchoutedjem Carole	F	Cameroon	Essays on Water Scarcity in Africa.	University of Yaoundé II, Cameroon
19	Samuel Osei-Gyebi	M	Ghana	Effect of Renewable and Nonrenewable Energy Consumption on Multidimensional Poverty in Sub-Saharan Africa.	University of Ibadan, Nigeria
20	Eric Atsu Avorkpo	M	Ghana	Can Readiness Moderate Climate Vulnerability Impact on Energy Transition?	University of Cape Coast, Ghana
21	Prince K.M Gyamfi Opoku	M	Ghana	Essays on Food Security and Environmental Sustainability in Africa.	University of Cape Coast

Webinar Series on Applied Quantitative Analysis



The American Institutes for Research (AIR) Pipeline Partnership Program (P3-Africa), in collaboration with the AERC, held an Applied Quantitative Analysis Webinar Series for graduate students in Economics and related disciplines at African universities. A total of 14 sessions (7 theoretical and 7 practical), each lasting one hour, were held from 29 February – 29 August 2024. Over 700 participants were in attendance from 56 countries across Africa and beyond the continent including Kenya, Nigeria, South Africa, Tanzania and United States.

Policy Analysis for Sustainable and Healthy Foods in African Retail Markets (PASHFARM)



The Policy Analysis for Sustainable and Healthy Foods in African Retail Markets (PASHFARM) is a project inaugurated on 18 April 2023 following the signing of the project grant with the Bill & Melinda Gates Foundation (BMGF) in October 2022.

The on boarding of the project officers took place in March 2023 and a total of 20 research grants (6 collaborative, 7 country case studies and 7 faculty research grants) were issued in October 2023.

The AERC-PASHFARM project held a 3-day online project review workshop on 9-11 December 2024 to review 20 research papers under the project. A total of 11 work-in-progress papers were recommended to progress to final reports, while 9 final reports were recommended to move to review for publication. It is expected that each of the final papers would be submitted to referred journals with the approval and guidance of Resource Persons and the Project Steering Committee members.

AERC Hosts Policy Dialogues on Human Capital Development in Africa



Human Capital is critical for inclusive growth and shared prosperity in Africa. Hence, there is a continuous need to facilitate regional and country-owned policy reforms, action plans and cross-country learning. During this period, the AERC held policy dialogues in Burkina Faso, Ethiopia, Kenya, Madagascar, Nigeria and Senegal focusing on four key areas:

- Expanding government investment in social services.
- Introducing reforms and innovation to improve service delivery.
- Committing to equity and inclusiveness.
- Addressing fertility and gender issues to harness a demographic dividend, which is critical for African governments as they invest in human capital development.

Madagascar: Dialogue on Education and Health

A ERC, in collaboration with the Research Centre for Development (RCD), held a policy dialogue based on the Gates-funded project “Human Capital Development in Africa” on September 27, 2024, in Antananarivo, Madagascar.

Representatives from various ministries and organisations attended the Policy Dialogue. Mr. Rakotoniaina Roger, Director DESIP, represented the Ministry of National Education, the Ministry of Public Health by Mr. Andridherinjaio Amdo, and the Ministry of Economics and Finance by Mr. Rakoto Dimby.

The policy dialogue was based on two policy papers: “*Healthcare-seeking Behaviour during the COVID-19 Pandemic*” and “*The Effects of the School Feeding Programme on Academic Performance*.” The objective of the dialogue was to spark discussions on the way forward, considering the results and policy recommendations from both studies.

For the “*Healthcare-Seeking Behaviour During the COVID-19 Pandemic*” policy paper, it was observed that individuals showing symptoms directly related to COVID-19 quickly seek medical treatment



Roundtable during policy dialogue on Human Capital Development in Africa - Madagascar.

as a precaution, whereas those with less recognised symptoms avoid healthcare centres due to fear. Therefore, there was a need to improve communication about different symptoms during health crises and to train community health workers in diagnosing cases during epidemics or pandemics.

For “*The Effects of the School Feeding Programme on Academic Performance*”, it was observed that the programme had a limited impact on students’ academic performance in Madagascar. Analyses revealed that while the provision of school meals improves students’ reading skills, it has no statistically significant impact on their math skills. Furthermore, it was observed that although the programme’s effects were not significant in public primary schools, an improvement in academic performance was noticeable among students in private schools. The effectiveness of the school feeding programme also depends on various criteria related to the socio-economic

situation of the targeted students and the quality of teaching.

On the opportunities that emerged for follow-up/concrete policy influence, it was observed that:

- Future studies can evaluate the impact of programmes such as FER/FAF supplementation. This aims to provide deworming and iron supplementation for children that “target to improve their academic performance by improving their health” rather than focusing on a school feeding programme whose primary objective is not to promote academic performance.
- Future studies can consider evaluating the effect of school feeding programmes on retention of students in school.
- The government is developing an integrated package that covers both education and health. This will be crucial for human capital development, especially for the less privileged children.

The package targets individuals of low socioeconomic status. The government is currently developing a social registry with a total of 250,000 currently registered. This registry will guide them on who should receive support, including benefiting from school feeding programmes. This provides a good data point for future studies related to human capital development.

The objective of the dialogue was to spark discussions on the way forward, considering the results and policy recommendations from from the policy papers.

Kenya: Experts Call for Strengthened Education Policies During Policy Dialogue

Education experts, government officials and key stakeholders gathered in Nairobi, Kenya, to participate in a high-level policy dialogue hosted by the AERC.

Held on 8th October 2024, the event focused on identifying policy solutions to address gaps in Kenya's education system and improve human capital development in the wake of the COVID-19 pandemic.

The dialogue tackled several pressing issues facing Kenya's education system, with a particular focus on policies such as the free primary education initiative and school feeding programmes. Stakeholders discussed the successes and challenges of these programmes, emphasising the need for targeted reforms.

In his opening remarks, Prof. Victor Murinde, Executive Director of AERC, underscored the critical role of human capital in Kenya's development trajectory. "Human capital is not just a driver of economic growth; it is the foundation for sustainable development. Investing in education, health, and skills development is essential for Kenya to realise its full potential," he said.

Prof. Murinde emphasised the need for comprehensive and evidence-based policies to bridge the gaps in education access and quality, particularly in rural and marginalised areas.

The dialogue attracted key figures from various ministries and institutions, including representatives from the Ministry of Education, the Nairobi County, Kenya



Participants at the high-policy dialogue in Nairobi, Kenya.

Institute of Curriculum Development, the State Department for Economic Planning, State Department of Labour and Skills, among others. The discussions revolved around the effectiveness of current education policies such as the Free Primary Education programme and school feeding initiatives.

Dr. Phyllis Machio, a research fellow at AERC and a senior lecturer at the University of Nairobi, highlighted the strides made under the Free Primary Education programme, which has significantly increased enrolment. However, concerns were raised about the transition from primary to secondary school, particularly in underserved regions. "Access to education must not stop at the primary level; we need to ensure that children progress to secondary and beyond," Dr. Machio noted.

She further spoke about the role of school feeding programmes in promoting attendance, particularly in arid and semi-arid regions (ASALs). "These programmes

The discussions revolved around the effectiveness of current education policies such as the Free Primary Education programme and school feeding initiatives.

are crucial for keeping children in school, but more work needs to be done to ensure that food security is not a barrier to education, especially in rural and informal settlements," she said.

The AERC dialogue concluded with a call for stronger partnerships between the government, private sector, and civil society to support policies that enhance human capital. Stakeholders agreed that a holistic approach—encompassing education, nutrition, and infrastructure—will be key to ensuring the next generation is equipped to contribute to Kenya's growth and development.

Nigeria: The Role of Foreign Direct Investment and Health



Group photo: Policy dialogue in Abuja, Nigeria

In collaboration with the Nigerian Institute of Social and Economic Research (NISER), the AERC hosted a policy dialogue on the role of foreign direct investment and health on human capital development on October 10, 2024, in Abuja, Nigeria.

The event attracted over 20 participants, consisting of policymakers, researchers and civil society representatives. The meeting was attended by officials from key government ministries, such as Education, Health, Social Services, Labour, the President's Office, and Budget and Economic Planning, alongside representatives from the legislature, non-governmental organisations, and academic institutions.

Addressing the participants during the official opening session, Prof. Antonia T. Simbine, Director General NISER, emphasised the importance of investing in formal and informal education, vocational

training, and continuous professional development as a way of developing human capital. She added that to acquire and maintain skills, “we need to attract and retain top talent through competitive compensation, benefits, and work environments.”

Prof. Oluwakemi Okuwa, a research professor of labour and education economics and head of the human capital policy department (NISER), noted that the benefits of investing in human capital are immense. These include increased productivity and efficiency, improved innovation and entrepreneurship, enhanced competitiveness and sustainability, better quality of life and well-being, as well as increased economic growth and prosperity.

In his presentation titled *‘Leveraging Economic Development through Human*

Prof. Antonia T. Simbine, emphasised the importance of investing in formal and informal education, vocational training, and continuous professional development as a way of developing human capital.

Capital in Nigeria: The Roles of Foreign Direct Investment and Health,’ Dr. Kairiza Terrence, a research fellow at the AERC, observed that human capital can be strengthened through external (Foreign Direct Investment – FDI) and internal (health and education) means. He added that FDI inflows generate crucial knowledge spillovers, driving technological progress and sustainable economic growth.

Dr. Kairiza said that Nigeria, as the most populous country in Africa, has a vast pool of potential human capital of over 200 million people, with over one-third of them comprising the youth. This means that the country has vast potential to take advantage of the import of human capital in the development nexus. However, the growth of the country is not consistent with the human capital potential of the country. “Indications are that human capital can be developed by external means through FDI and internal channels such as investments in health and education. Nigeria, as one of the highest recipients of FDI in Africa, is well-positioned to leverage these benefits of human capital to improve development outcomes,” said Dr. Kairiza.

The policymakers highlighted the vital need for Nigeria to establish a Human Capital Development Unit (HCDU) within its government structures. This would enable the country to address significant gaps in human capital development, which is crucial for economic growth. To achieve this, three key initiatives were highlighted.

- **STEM-Focused Education Reforms:** Introducing digital literacy, critical thinking, and problem-solving skills to equip students for the modern workforce.
- **Sector-Specific Vocational Training:** Launching training programmes in agriculture, manufacturing, and healthcare to address skills gaps and enhance productivity.
- **Mentorship Initiative:** Pairing students with industry professionals to provide valuable hands-on experience and guidance.

Ethiopia: Engendering Economic Development through Human Capital Promotion



Group photo: Policy dialogue on Human Capital Development in Addis Ababa, Ethiopia.

AERC, in partnership with the Policy Studies Institute (PSI), a public think-tank in Ethiopia, hosted a policy dialogue breakfast meeting in Addis Ababa, Ethiopia on October 24, 2024.

The event focused on the country's case studies of the human capital development project funded by BMGF.

The workshop, themed *"Engendering Economic Development Through Human Capital Promotion In Ethiopia: Insights From AERC-BMGF Human Capital Collaborative Project"*, featured participants drawn from key government ministries, including Finance, Planning and Development, TVET, the Ethiopian Chamber of Sectoral Associations, and academic institutions.

H.E. Mr. Fekadu Tsega, the Director General of PSI, in his opening speech, emphasised the vital role of collaborative discussion in tackling Ethiopia's human

capital development challenges. He noted that the initiative aligns seamlessly with PSI's mission to provide evidence-based policy advice to the government.

Speaking at the same event, AERC Director of Research Dr. Abbi Kedir highlighted the importance of putting human capital development at the forefront of the development agenda for structural transformation in Africa. "Human capital development is essential for structural transformation," Dr. Kedir stated. "It's not just about years of schooling, but about meaningful learning outcomes. African governments must design policies that ensure investments in education yield comparable levels of learning to those in developed countries." Dr. Kedir also highlighted the potential of school feeding programmes to boost nutrition and enhance learning abilities

"It's not just about years of schooling, but about meaningful learning outcomes. African governments must design policies that ensure investments in education yield comparable levels of learning to those in developed countries." - Dr. Abbi Kedir

in children, encouraging participants to explore this initiative further.

In the presentation of the evidence emerging from the human capital project in Ethiopia, Dr. Kairiza noted that to enhance the quality of learning, efforts should focus on expanding access to pre-primary and early childhood education opportunities, as early education test scores were found to significantly impact progression to higher education. He further observed that there were gender and rural-urban disparities in human capital, which had a detrimental impact on development outcomes.

To address the lingering gender gap in education, participants stressed that the government should implement gender-sensitive policies tackling disparities in educational opportunities. Some of the potential strategies to bridge the gap include:

- **Affirmative action measures:** Implementing measures to boost girls' enrolment, particularly in higher education.
- **Scholarship programmes:** Offering scholarships to support girls' transition to higher education and skills training.
- **Gender-sensitive policies:** Developing policies that address systemic inequalities and promote equal access to education.

Senegal: Achieving Human Capital Development

The Consortium Pour la Recherche Economique et Sociale (CRES) and AERC convened a policy dialogue on October 24, 2024, to facilitate the discussion on unpacking the role of work-linked training, women's participation in the labour market, community health insurance and return migration.



Group photo during the human capital development policy dialogue in Senegal

The overall objective was to identify the essential advances that have been achieved, as well as the existing gaps and policy recommendations on these important topics of human capital development. The dialogue was attended by 16 policymakers from key institutions in Senegal, including the Prime Minister's Office, the Ministry of Industry and Trade, the Ministry of Economic Planning and Cooperation, the National Agency for Universal Health Coverage, the National

"It is important to examine issues of care provision within the framework of Community Health Insurance (CMU), particularly the quality of care offered, geographic and financial accessibility. Concerning geographical accessibility, it is important to strengthen the health card. It is also important for several ministries, not only the Ministry of Health, to ensure a healthy population by reducing the number of sick people and tackling the health determinants. Lastly, there is a need for inter-ministerial collaboration to achieve universal health coverage, a goal broader than that of CMU." - Ministry of Health and Social Action

Agency for Youth Employment, Ministry of Health and Social Action, Ministry of Family Affairs and Solidarity.

The discussions emphasised the vital role of artisanal apprenticeship, certification of acquired skills, and implementing the National Orientation Strategy, which are all important for encouraging young people to choose professional sectors. Emphasis was put on ensuring that technical training took centre stage in the education policy in Senegal and extending support to girls to attend technical training. One of the participants highlighted the critical role of the National Social Protection Strategy in providing conditional transfers towards supporting health and education and its essential role in promoting the professional integration of women. Childcare centres were cited as one of the ways in which working mothers may be supported in their dual function of working to earn an income and their role in nurturing children. Participants also noted that the Government may consider implementing social protection programmes for return migrants. Currently, plans are underway to extend this support to return migrants so that they can integrate into the population.

One key message that came across was the need for more collaborative

"There exist challenges posed by the lack of experience and the inadequacy of current training courses, which calls for a review of training programmes. Migrants are essential to our economy, given the skills and experience they have acquired abroad. ANPEJ's strategic development plan and Information System (SIM) should be revised to bring young people closer to employment opportunities. Finally, there is a need for concrete solutions to limit irregular immigration, to establish Universal Health Coverage (CMU) as compulsory, and to build synergies between the various players within the Government." - National Agency for Youth Employment

and coordinated work amongst the stakeholders. Remarkably, one stakeholder called for the need for the different Government bodies working in silos to achieve Human Capital Development in Senegal. One opportunity that emerged was in regard to the ongoing policy revision that is currently being undertaken by the Ministry of the Interior and Public Security to revise the State employer agreement, including contracts into the youth policy.

Burkina Faso: Linkages Between Income Growth, Economic Empowerment, and Foreign Aid Direct Investments



Group photo: Human Capital Development policy dialogue in Burkina Faso.

Centre d'Etudes, de Documentation et de Recherche Economiques et Sociales (CEDRES) and AERC organised a breakfast roundtable discussion on October 22, 2024, with policymakers from different agencies in Burkina Faso, including the Ministry of Energy, Mines and Quarries (MEMC), the Directorate General of the Economy and Planning (DGEP) of the Ministry of the Economy, Finance and Development.

To stimulate discussions, AERC/CEDRES started by making a brief presentation highlighting:

- Foreign direct investments and human capital accumulation.

- Women's economic empowerment.
- Child mortality and factors that explain income prosperity among the employed in Burkina Faso.

During the deliberations, the Secretary General of the Ministry of Mines indicated that the Ministry was supporting human capital development through the local mining fund. However, he recommended that studies should also be carried out on the negative effects of mining on human capital. The representative

The representative of the Conference of Ministers of Education (CONFEMEN) mentioned that the Government is committed to the transformation of the education system in a context of crisis.

of the Conference of Ministers of Education (CONFEMEN) mentioned that the Government is committed to the transformation of the education system in a context of crisis. Participants suggested strengthening the synergy of actors working on the development of human capital. The representative of the General Directorate of Economy and Planning mentioned that a national strategy for the integrated development of human capital was adopted by the Government, which reflects the transversal nature of human capital. The Representative of the World Bank did indicate that the World Bank was undertaking a project on women's empowerment and demographics. Under the project, they support the empowerment of women and help them access health products, including infant nutrition.

Capacity Building

AERC Convenes a Technical Workshop on Research Methods and Proposal Writing Skills for African Economists

AERC convened a technical workshop on research methods and proposal writing skills for women, fragile and post-conflict countries (FPC) and under-served countries for African economists from September 30 to October 11, 2024, in Nairobi, Kenya.

During the opening ceremony, Prof. Victor Murinde, the AERC Executive Director, welcomed researchers from 19 African countries. In his speech, he emphasised that AERC's footprints on research capacity building in Africa are unrivalled across the continent.

For over 36 years, AERC's training, research, communication and policy outreach programmes have remarkably changed the landscape for economic education and research in Africa. Through its training and research programme, AERC has contributed to the development of human capital in Africa's economy. Prof. Murinde concluded that the training will provide a rich base of well-trained economists whose capacity will address emerging economic opportunities and challenges that Africa is facing. Dr. Abbi Kedir, Director of Research and Dr. Scholastica Odhiambo, Manager of Research, also graced the opening ceremony. Dr. Kedir observed that the workshop intended to upgrade the researchers' skills so that they could produce high-quality research that would



Group photo during Research Methods Workshop for African Economists in Nairobi, Kenya.

be published in esteemed international journals. "Your research should also feed into policy formulation across Africa as topical research is a top priority for policymakers," he said.

The participants were encouraged to take the course seriously to benefit from transferable skills by learning new techniques, data analysis, academic writing for publication and presentation skills. The training also equipped the participants with key skills to respond to calls for research proposals/papers on relevant and priority policy areas.

In the current five years strategy, AERC has emphasised the themes of raising its quality of research and graduate training outputs. This will help develop a momentum of its sustainability that will

"Your research should also feed into policy formulation across Africa as topical research is a top priority for policymakers."- Dr. Abbi Kedir.

be key in influencing policy across sub-Saharan African economies.

The AERC is one of the most active Research and Capacity Building Institutions (RCBIs) in the world, with a focus on Africa. The organisation has increasingly received global acclaim for its quality products and services and is ranked highly among global development think tanks.

The technical workshop aimed to enhance the researchers' capacity to enable them to apply advanced research methods, write quality and fundable research proposals, and develop incisive presentation skills. The goal was to strengthen the capacity to conduct rigorous and policy-relevant research to support informed policymaking in these countries. Forty-five researchers from 19 countries, of which 58% were women, participated in the workshop. Of the participants, 56% were from francophone countries. The trainer for the workshop was Prof. Abayomi Samuel Oyekale of Northwest University, Mafikeng Campus, South Africa.

African Countries Represented at the Research Methods Workshop

Countries	By Gender		By Type of Attendance		Total
	F	M	Physical	Virtual	
Benin	2	3	2	3	5
Burkina Faso	3	3		6	6
Burundi	1		1		1
Cameroon	4	1	3	2	5
Central African Republic		1	1		1
Chad		2	2		2
Côte d'Ivoire	2		1	1	2
Ethiopia		1	1		1
Kenya	1		1		1
Mauritania		1	1		1
Nigeria	9		4	5	9
Rwanda		1	1		1
Senegal	1	2	2	1	3
Sierra Leone		1	1		1
Tanzania		1	1		1
Togo		1	1		1
Uganda	2		2		2
South Africa		1	1		1
Zimbabwe		1	1		1
	25	20	27	18	45

The workshop broadly covered the topics below, with emphasis on the impact evaluation methodology taking the spotlight.

Snapshot of Topical Areas Covered in the Research Methods Training

- Proposal Writing Skills
- Research Ethics & Compliance
- Research Frameworks
- Literature Review
- Experimental Research Designs for Impact Evaluation
- Sampling
- Data Collection and Preparation
- Survey Data Analysis in STATA
- Impact Evaluation Models
- Panel Econometric Models
- Introduction to Time Series Models

The resulting impact was improved competency in developing high-quality research proposals to join the thematic research pipeline; researchers appraising emerging econometric techniques in experimental econometrics, thus increasing the versatility of their skills in conducting high-quality economic research that has practical policy application. In the

long run, the training is expected to improve research quality, publication in high-ranking refereed journals, and policy engagement based on robust evidence in African countries. The technical workshop contributed significantly to capacity building and strengthening the research, academic writing, and presentation skills of women and other researchers from fragile and post-conflict African states.

Below are some impact stories from African researchers who attended the Technical Workshop on Research Methods and Proposal Writing Skills.

Testimonials

Mike Muzekenyi:

The Research Method Training provided by AERC in Nairobi, Kenya, from 29 September to 11 October 2024, has been a transformative experience, equipping us with essential skills for conducting high-quality research for high-level development policies. I gained valuable insights into data analysis, report writing, and effective presentation techniques.

The training introduced a range of quantitative data analysis methods and taught us how to use various databases for reliable data collection, which is crucial for evidence-based research. One highlight was the hands-on experience with Stata, a powerful statistical software that was new to me. This practical training bridged the gap between theory and application, enabling us to handle complex data sets with confidence.

For researchers from smaller firms like ours, the training offered much-needed international exposure, giving us access to cutting-edge methodologies typically available to larger institutions. This experience has enhanced our technical expertise and positioned us to compete in a global research environment. AERC's dedication to empowering researchers across different contexts is commendable, fostering not only knowledge acquisition but also real-world application. I highly recommend AERC for anyone seeking to enhance their research skills and contribute meaningfully to the global economic development research community.

Capacity Building

Pamela Sinzinkayo:

The workshop on research methods is essential for any researcher. My participation in this workshop, organised by AERC, allowed me to enrich my knowledge and acquire new research skills. I deepened my understanding of processing and collecting panel data, time series, and household surveys, as well as writing scientific articles. Additionally, I discovered new econometric approaches for macroeconomic and microeconomic analyses. As a lecturer-researcher at the University of Burundi, I am committed to applying the knowledge gained, which will contribute to the development of my career and the improvement of my research projects. Furthermore, applying this knowledge will be beneficial to any development project in determining its level of economic profitability.

Pothin Melaine Néri Kpangba Kingo:

I am pleased to express my gratitude to you for the technical workshop organised by AERC on research methods, proposal writing and presentation techniques for African researchers. I will take full advantage of the knowledge gained from this workshop, which will allow me to gain an understanding of the Stata software as well as research methods. I would also like to express my gratitude to the entire AERC team and our trainer, the Professor. For this workshop, we should have used Stata, but we haven't used software such as Python and R yet. Therefore, I ask AERC to include these activities in their programmes.

Hephzibah Onyeje Obekpa:

The Research Methods Workshop organised by AERC has been a transformative experience, providing invaluable insights into advanced research methodologies and proposal writing. Professor A.S. Oyekale gave incredibly in-depth and detailed lessons during the workshop. One highlight of the workshop for me was the practical guidance using Stata 18 software for data analysis and modelling.

The workshop provided hands-on experience in handling big datasets and applying sophisticated statistical techniques. This practical knowledge gives attendees leverage for carrying out empirical research in real-world settings, particularly in African economic development. The workshop was a huge success, encouraging networking and cooperation among attendees and offering the knowledge and skills required to raise the bar for research. I highly recommend this workshop to any researcher looking to enhance their skills and contribute to impactful research in Africa.

Ezo Emako:

Participating in the training workshop on research methods, proposal writing, and presentation skills hosted by the African Economic Research Consortium (AERC) from 30th September to 11th October 2024 was an enlightening experience that significantly enhanced my academic capabilities. The workshop's comprehensive design provided me with robust knowledge and practical skills necessary for constructing effective research proposals. One of the key areas I focused on was conducting a thorough literature review, which is essential for identifying gaps in existing research. This process not only refined my analytical abilities but also equipped me with the tools to develop a conceptual framework that underpins my research endeavours.

Furthermore, I gained clarity on how various components of a research project interconnect, including the research title, background context, statement of the problem, objectives, hypotheses, literature review, methodologies, and findings. Understanding these connections

is critical for crafting coherent and impactful proposals. Additionally, my comprehension of different research designs and approaches has deepened significantly through this workshop. In terms of the econometric modelling techniques introduced during the sessions, I acquired valuable insights into impact models such as Randomised Control Trials (RCTs), Propensity Score Matching (PSM), Instrumental Variable Regression (IVR), and Two-Stage Least Squares (2SLS) regression methods. Mastering these advanced statistical techniques is crucial for conducting rigorous empirical analyses that can contribute meaningfully to economic policy development in underrepresented African contexts. Beyond technical skills acquisition, the workshop facilitated networking with peers from diverse backgrounds. These connections will undoubtedly enrich my future academic endeavours. Overall, this training has positioned me well to undertake substantial research initiatives in my field. I extend my heartfelt gratitude to AERC for this enriching opportunity that has undoubtedly enhanced my academic journey.

AERC Calls on Researchers to Prioritise Responsible Econometrics

AERC is in the frontline advancing research capacity for African research in recent econometric methods. In this merit, advancing econometrics skills in Africa is pivotal for fostering robust economic analysis, informed policymaking, and evidence-based decision-making on the continent.

AERC convened a technical workshop on Advanced Econometrics, including Bayesian and Machine Learning (ML), in Nairobi, Kenya, from 7th to 18th October 2024.

AERC has made remarkable progress in capacity building, advancing research, and graduate training to shape African economic policies for over 35 years. AERC's strategic mission is based on the belief that sustained development in sub-Saharan Africa is necessary for well-trained, locally based professional economists. Therefore, this technical workshop, funded by the Bill and Melinda Gates Foundation Human Capital Development Project, continues to build on the mission of strengthening the capacity and generating policy-relevant economics research.

During his opening remarks, AERC Executive Director, Prof. Victor Murinde, welcomed the participants and expressed enthusiasm towards the workshop being a great platform to converge and discuss the recent developments in econometrics. He added that econometrics is a crucial tool in the econometrics profession

and hoped the training would begin an exciting journey of improving technical competence and enhancing the publication profiles of the researchers.

Moreover, Prof. Murinde said that the technical workshop was a step forward in enhancing the researchers' competence in using econometric tools, promoting cross-learning, and supporting informed policymaking in African countries. He emphasised the importance of the researchers to the network as AERC prepares for the next strategic plan that will focus on the consortium being the locus of excellence in economic research in Africa.

Dr. Abbi Kedir, AERC Research Director, said that the workshop offered an opportunity for the researchers to upskill and retool by providing an experience of venturing into exciting realms of advanced econometrics, including the use of AI and Machine Learning. He advised the researchers that the mastery of econometrics comes from not just using fantastic state-of-the-art econometric techniques, but also understanding the fundamentals behind the innovative methodologies that will be shared during

Prof. Murinde emphasised the importance of the researchers to the network as AERC prepares for the next strategic plan that will focus on the consortium being the locus of excellence in economic research in Africa.

the training. He concluded by encouraging the participants to practice econometrics responsibly since it is the right direction for fast-tracking productivity.

In the 10-day hybrid workshop, a total of 41 researchers participated in the technical workshop, of which 68% were women. Participants came from 21 countries (Benin, Botswana, Burkina Faso, Cameroon, Congo, the Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Madagascar, Malawi, Mali, Mozambique, Nigeria, Senegal, South Africa, Sudan, Tanzania, Togo, Uganda and Zimbabwe. Of the participants, 40% were from francophone countries and one from lusophone.



Group photo: Advanced Econometrics Technical Training Workshop in Nairobi, Kenya.

Capacity Building

The aim of the technical workshop was to:

- Improve the researchers' competency and provide an exciting learning opportunity, fostering capacity building in advanced econometrics techniques.
- Support informed policymaking in these countries by building the advanced analytical capacity of researchers to conduct rigorous and policy-relevant research.
- Enhance methodological robustness and execution, leading to high-quality results and practical solutions to economic and policy challenges in Africa.

The scope of training covers the latest innovations in econometrics. The technical workshop covered a comprehensive range of practical topics, ensuring the participants were well-equipped and prepared for their research.

These topics were designed to be applicable immediately to researchers' work. They included:

Panel data: Static models, dynamic models with short or long time series dimension, nonlinear panel models, synthetic control and inference, Bayesian treatments for panel data stochastic frontier models.

Time series: Time series models and estimation methods, innovation in time series models, AI and ML in economics and econometrics, catastrophic modelling (within financial econometrics), economic forecasting, spatial econometrics, and Bayesian econometrics.

Prof. Afees Salisu, Director, Centre for Econometrics & Applied Research (CEAR), Ibadan, Nigeria, was the trainer for the technical workshop. The resulting impact was based on:

- Improved competency in applying advanced econometrics techniques in handling data and conducting high-quality research with policy significance.
- Enhanced capacity to execute research using new econometric techniques that integrate AI and Machine Learning, thus increasing the robustness of outcomes.

African Countries Represented at the Advanced Econometrics, Including Bayesian and Machine Learning Workshop					
Countries	By Gender		By Type of Attendance		Total
	F	M	Physical	Virtual	
Benin	3	2	1	4	5
Botswana	1		1		1
Burkina Faso	4		1	3	4
Cameroon	4	3	4	3	7
Congo	1		1		1
DR Congo		1	1		1
Ethiopia	1	1	2		2
Ghana	1	1	1	1	2
Kenya	1		1		1
Madagascar	1		1		1
Malawi	2		1	1	2
Mali	1	1	1	1	2
Mozambique		1	1		1
Nigeria	3		2	1	3
Senegal	1	1	1	1	2
Sudan		1	1		1
Tanzania	1		1		1
Togo	1			1	1
Uganda	1		1		1
Zimbabwe		1	1		1
South Africa	1		1		1
	28	13	25	16	41

- Improved capacity of early and middle-career researchers in Africa to generate quality research papers with robust results and conclusions that are aligned with practical policy solutions in African economies.

The training is expected to improve research quality, publication in highly ranked refereed journals, and policy engagement based on robust evidence. Below are some impact stories on advanced econometrics, including Bayesian and Machine Learning.

Snapshot of Topical Areas Covered in the Technical Workshop

- Proposal Writing Skills
- Panel data econometrics: Static panel data models
- Dynamic panel data models
- Non-linearities in panel data analysis
- Time series econometrics: Mixed data
- Frequencies in time series modelling
- Modelling with Machine Learning techniques
- Modelling with Bayesian techniques

Testimonials

Abigail Chari:

The workshop provided invaluable insights into advanced econometric techniques essential for analysing complex datasets, panels and time series analysis. It was important to understand the different types of panel data methods and conditions under which every method can be used to produce robust results. I gained practical skills in using panel and time series data, which have significantly enhanced my research capabilities.

The collaborative environment fostered networking opportunities with fellow researchers and experts in the field, allowing for the exchange of ideas and best practices. The hands-on sessions were particularly beneficial, as they equipped me with the tools to apply theoretical concepts to real-world problems. The intercultural and other soft skills gained during the workshop are immeasurable. The workshop provided me with an opportunity to grow as a researcher as well as an individual. Overall, this workshop has deepened my understanding of econometrics and empowered me to contribute more effectively to my research community.

Yaya Sidibe:

During the 10 days of training, we benefited from the theoretical and practical elements of panel data econometrics, in addition to the methodology of writing a scientific article. The points covered on the theoretical level include, among others, the static panel, the dynamic panel, the non-linearity of the dynamic panel, the level analysis of the dynamic panel, the multivariate analysis, the MIDAS analysis, the modelling with the Bayesian technique and the prediction analysis in Machine Learning.

At the practical level, software was highlighted, in particular, Stata, MATLAB and R, which made it possible to compare theory with practice. Reference articles greatly supported the understanding of the courses, and articles published by Prof. Salisu. Important points also covered were the methodology for writing

an article – the introduction, methodology, results and discussion, and conclusion.

Before this workshop, I had a disorientation on the analysis of panel data which meant that the submission of papers in journals was rejected on the econometrics of panel data. Furthermore, I learnt the differentiation between a short panel and a long panel, which subsequently allows us to know the estimation technique used. The collaboration with other researchers from African countries was beneficial, and I had an opportunity to share my experience and obtain knowledge. Besides, scientific collaborations are underway, and articles are in the pipeline. As a health economist, I have met people in my field with whom I have kept in touch. This workshop has made me grow academically, professionally, and as a humanitarian.

Sita Kone:

The workshop offered a unique opportunity to dive deeply into econometric methods and applications, providing significant value to my work as a researcher in agricultural economics and policy analysis. Throughout the sessions, I gained hands-on experience with various econometric models, including static and dynamic panel data analysis, Bayesian econometrics, and Machine Learning techniques. The balance between theoretical instruction and practical applications, such as coding exercises and real data interpretation, greatly enhanced my understanding of these advanced methodologies.

The insights into applying GMM estimators, handling non-linear panel

data models, and exploring cutting-edge machine learning algorithms for predictive analysis were particularly valuable in expanding my analytical toolkit. The workshop also strengthened my capacity to apply these techniques to real-world data, particularly in contexts like sub-Saharan Africa, where robust, policy-relevant research is critical. The collaborative environment with AERC's vast network of professionals, including researchers and policymakers, was also invaluable. It reinforced my methodological knowledge and opened avenues for future research collaborations and policy-oriented discussions.

Denise Gisèle Megnigang:

I acquired new knowledge of panel data econometrics in both theory and practice during this training. Now, I have the necessary skills to conduct relevant econometric research analyses using sophisticated software. Thanks to this training, I now know the proper structure of scientific work and the outline of a PowerPoint presentation. The lessons I've learned will enable me to improve the final report quality of the research work I'm currently revising with the collaboration and funding of AERC. As a teacher-researcher, I'll be sharing these skills with other researchers in my country and with my Master's students.



Lorian Egesa

Lorian Egesa joins the AERC as the Chief Finance Officer. Prior to this, he worked for BOMA, a non-profit organisation, where he served as the Global Financial Controller. He has held senior positions in other organisations, including the Massachusetts Institute of Technology (MIT), World Vision, PATH and Oxfam GB. He holds an MBA from Daystar University, a Bachelor of Commerce from the University of Nairobi and is a Certified Public Accountant of Kenya.

Lorian is married and is blessed with two daughters. He is an avid golfer and supports Arsenal Football Club. He is also a budding chef.

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