



# CALL FOR PROPOSALS

## AERC COLLABORATIVE RESEARCH PROJECT

### “FINANCIAL INCLUSION AND MARKET DEVELOPMENT IN EAST AFRICAN COMMUNITY ECONOMIES – COUNTRY CASE STUDIES” - 2022

#### A. Introduction

Established in 1988, African Economic Research Consortium (AERC) is a premier capacity building, training, and research institution to inform, influence and impact economic policies in Africa based on evidence. The Consortium’s mandate and strategic mission is built on the belief that sustained development in sub-Saharan Africa requires well trained, locally based professional economists. A highly integrated knowledge organization spanning research, training, and policy outreach, AERC consists of a vast network of universities, policy makers, researchers, educators, and international resource persons.

The AERC collaborative research program addresses contemporary policy issues and brings together seasoned researchers from both Africa and elsewhere to generate policy-oriented research at the frontier of the economics discipline. Collaboration enables researchers to tackle complex issues by leveraging global expertise, skills, and tools to deliver high quality research outputs.

#### B. The Project and Its Context

#### C. The Call for Country Case Study Proposals

This Call is for Research Proposals to undertake in-depth country studies to inform policy makers and development practitioners on Financial Inclusion and Market Development in East Africa Community Economies from the viewpoint of individual countries and/or sub-regions (or group of countries). Under this project, AERC will commission 10-15 studies that will help build greater policy support for digital financial inclusion at the country level as well as influence digital finance policies.

The project prioritizes studies on the following East African Community Economies **Kenya, Tanzania, Rwanda, Burundi, Uganda, and South Sudan**. To that end, proposals should identify and briefly describe the datasets to be used (see below). The country case studies will focus on, but are not limited to the following themes:

##### 1. Economic Policy and Digital Finance

- The monetary economics of e-money and policy implications
- The new economics of digital finance and its policy implications
- Data for digital finance related monetary policy - current and recommended practices.
- Assessing the impact of specific policies on the development of digital financial services, for example, taxation of digital financial services, or regulatory avoidance.
- Assessing digital finance policy and its impact on financial inclusion.

##### 2. Digital Ecosystem Development

- The role of ecosystem actors in the development of ecosystems including but not limited to policy makers, regulators, institutions, intermediary (bridge) institutions.
- Reviewing the development of digital finance ecosystems in individual countries.

- Testing and applying tools to monitor and measure the development of digital ecosystems.
  - Including the excluded: Ecosystem development and its impact on financial inclusion.
  - Data for digital ecosystem development
- 3. Interoperability**
- The practice of interoperability beyond East Africa
  - Making it work - future policies to promote interoperability
  - Ascertaining the impact of interoperability in particular markets
  - Payment system visions and strategy: how they differ and why it matters.
- 4. Gender in Digital Financial Services**
- Data on gender in digital finance at country level and its policy implications
  - Gender policy in digital finance
  - Policies and practices to support gender in digital finance practices
  - The role of financial education in promoting digital financial services
- 5. Innovation and Financial Conduct**
- Practices, policy, and regulation to support appropriate innovation and financial conduct in evolving markets
  - The policy and practice of digital finance for sustainable development in focus countries
  - Lessons from innovations for digital financial inclusion in focus countries

## D. Proposal Requirements:

A proposal should not exceed 15 pages with 1.5 spacing. **Any proposal that does exceed the page limit is automatically disqualified.** The proposal should include the following:

- a) **Introduction/Objective (s):** A well-motivated introduction clearly stating the specific objectives of the study and country of focus. *We are interested in proposals with original and innovative ideas, including ones that can challenge the dominant global thinking and its relevance to contemporary African conditions, are of policy relevance (even if this involves quite radical shifts from the "business as usual" policies), and can add value to the existing global knowledge by bringing the depth and complexity of contextual knowledge of country conditions to bear.*
- b) **Methodology and Data:** In addition to the usual statement detailing how the research objectives are to be achieved, researchers intending to investigate specific issue(s) drawing on country data must demonstrate availability and access to the requisite data required for the study. *We welcome proposals that make use of quantitative, qualitative or mixed methods if they can demonstrate practical potential to address programmatic and development needs.*
- c) **Expected Outputs:** A high quality, policy relevant and publishable research paper to be approved by independent peer reviewers. A policy brief of no more than 5 pages should also be produced.
- d) **Statement of Qualification and Current CV(s) for each author** (include in the CV: nationality, gender, and full contact details). *Women are particularly encouraged to apply.*
- e) **Work Programme and Timeline:** A brief description of the activities and timeline needed for each activity. Total duration of the study should not exceed 12 months
- f) **Budget:** Estimated expenditure by major line items, e.g., research assistance; travel; computer time; secretarial support; honorarium etc. Total budget should not exceed **US\$15,000.**

## E. Submission Requirements and Key Dates:

The submissions must consist of a **15-page proposal** with all the requirements stipulated in D above as well as the researcher's most recent Curriculum Vitae (CV) as one document, preferably in word: the CV should not be more than **5 pages** and should highlight education levels, research experience, publications, and other information **relevant** to this call. Additionally, the biographical

section of the CV must include the researcher's nationality, gender, and full contact details. Where the proposed study will involve more than one researcher, the CVs of all researchers must be included as part of the submission.

The researcher or research teams should also demonstrate expertise on the country selected for the study, either through research/publications or team composition. **Suitably qualified women are especially encouraged to apply.**

The lead researcher is responsible for ensuring that a **complete application** is submitted to the AERC. Incomplete applications will not be accepted.

### **Project Timelines**

This call for proposals is the first stage in the application process. Researchers who submit applications that meet the necessary criteria in this first stage will be invited to present their proposals in an inception workshop. Those that have potential will be granted up to **USD\$15,000**. The breakdown of the timeline is as follows:

- **18 March 2022:** Close of submissions.
- **31 March 2022:** Applicants will be informed of the outcome of their Expressions of Interest.

### **Complete proposals should be submitted to:**

- AERC Director of Research at [collaborative.research@aercafrica.org](mailto:collaborative.research@aercafrica.org) with a copy to [cecilia.mutanu@aercafrica.org](mailto:cecilia.mutanu@aercafrica.org)
- The subject of your email should read "***AERC- BMGF Financial Inclusion and Market Development in EAC – Country Case Studies - Proposal Submission***".

NB: To be able to undertake the country case studies, the following framework papers and two country case study papers will be shared with researchers so that they can guide the subject matter and the issues to be covered in the broader EAC project:

#### **a) Framework papers**

1. Bridge Institutions in Africa: By Jonathan Greenacre
2. Financial Inclusion, Interoperability and Market Development in EAC: By David Cracknell
3. Overview of Digital Financial Services Ecosystems in Eastern Africa: By Ravi Ruparel
4. The Old and the New Economics of Financial Inclusion: By Peter Knaack
5. The Monetary Economics of E-Money in East Africa: By Isaac Mbiti and David N. Weil
6. Expanding Digital Financial Services in the East African Community with a Gender Lens: By Flora Myamba
7. The Role of Digital Financial Services in Sustainable Development: By Ravi Ruparel

#### **b) Country Studies**

8. Digital financial services and implications of financial literacy on gender and over-indebtedness: The case of Kenya
9. Digital Financial Technology in Tanzania: Assessment of Growth Drivers