

Ongoing Research Activities

1. COVID-19 Impact on African Economies

The COVID-19 pandemic is not only a global health risk, but also an economic and social shock. It is covariate in nature as it affects large parts of societies at the same time. Societal resilience and effective state policies have become the main ingredients of current prescriptions to withstand, cure and mitigate effects of the Covid-19 pandemic since its outbreak in the beginning of 2020. African societies have fared relatively well compared with other world regions, but indirect effects of the pandemic have been unfolding severe and long-term consequences for sustainable development on the continent. AERC continues to implement several collaborative research projects on the impact of COVID-19 global pandemic on African economies.

a) The AERC-OXFAM-IDRC project on “The Impact of COVID-19 Pandemic on Livelihoods in Africa”.

This project is supported by the International Development Research Centre (IDRC) and implemented by the AERC in collaboration with Oxfam. The project comprises of case studies conducted in six African countries: Ethiopia, Kenya, Nigeria, Senegal, South Africa, and Zambia. The objective is to conduct high quality policy research using novel and innovative approaches, including data collection methods, that can shed light on the gendered impact of the COVID-19 pandemic on livelihoods in selected African countries with special emphasis on vulnerable groups who bear the brunt disproportionately, economically, physiologically and emotionally. A kick-off workshop for the country case studies was held on 13–14 July 2021 where a total of 6 country case studies were selected. In addition, the Oxfam and the AERC jointly conducted a gender/participatory methods/advocacy, campaigning and engagement technical workshop on 27–29 July 2021 to build the researchers’ capacity to integrate gender into research and policy. The mid-review workshop was held on 18 – 19 November. The Project is supported by a steering committee made up of a multi-disciplinary team of senior researchers, including Dr Marzia Fontana (Institute for Development Studies, University of Sussex, & IDRC), Dr Sara Stevano (SOAS, University of London), Prof. Femi Ayadi (University of Houston Clear Lake), and Dr Manasi Kumar (Department of Psychiatry at the University of Nairobi). Dr. Sara Stevano, a development and feminist economist with extensive experience on political economy and livelihoods, is the Project Coordinator. The final review workshop will be held in March 31 and April 1 2022. The national advocacy activities will be carried out from April to August 2022.

b) The AERC-SIDA project on “Addressing Health Financing Vulnerabilities In Africa Due To The Covid-19 Pandemic”.

This project aims to examine the multidimensional impacts of the COVID-19 starting from the macroeconomic tremors it has already caused, and tracing them to the household and individual levels, with a focus on the health and healthcare for poor and vulnerable populations. The implementation of the project will be carried out in two phases: framework research followed by country case studies. As part of the first phase of the project, the AERC identified Professor Germano Mwabu, as the coordinator of the framework phase of the project. Professor Mwabu is a Professor at the School of Economics at Kenyatta University, and previously participated in the initial project on healthcare financing, contributing a framework research paper titled *“Health Care Financing and Health Care Demand in Africa: A Framework for*

Analysis". The inception workshop was held on 21 June 2021 with the mid-review workshop held on January 2022. The framework paper final review workshop will be held on April 2022 and there after country case studies kickstart in May 2022. For the CCS phase, with Prof. Germano Mwabu (University of Nairobi) will be the coordinator assisted by Prof. Ingrid Woorland, Prof. Tomson Ogwang and Prof. Bernadette KAMGNIA.

2. Inclusive Finance for Fragile and Post-Conflict States in Africa

This project is funded by the IDRC and seeks to understand financial sector development and inclusion in fragile and post conflict countries in Africa, with a view to informing policy on Africa's inclusive growth and realization of the 2030 agenda for sustainable development (SDGs). Other specific elements to be studied in this project are women empowerment, youth and financial inclusion, remittance flows to post-conflict states, health benefits of financial inclusion, and the role of education and financial inclusion in post-conflict states. The project is supported by a Steering Committee comprising of Prof. Issouf Soumare (Université Laval (LABIFUL), Dr. Christine Awiti (The Commonwealth), and Prof. Charles Adjasi (University of Stellenbosch). Prof. Anke Hoeffler (University of Konstanz) is the Project Coordinator, while Dr. Elizabeth Nanziri (University of Stellenbosch) is the project Co-Coordinator. An inception workshop was held on 22–23 July 2021, with 10 proposals being funded after the workshop. In addition, a gender mainstreaming workshop was conducted on 4–6 August 2021 to build the researchers' capacity to undertake gender analysis. The mid-review workshop was held on 23 – 24 November 2021 and the final review workshop in March 2022. The in-country dissemination workshops will be held in June and July 2022

3. Re-Examining the Growth, Poverty, and Inequality Relationships in Africa – Framework and CCSs Research (GPIR)

This AERC collaborative research examined how the growth-poverty-inequality nexus in sub-Saharan Africa is effected by redistributive policies and strategies. Under the co-ordination Prof. Erik Thorbecke of Cornell University, fourteen framework papers have been completed (. The papers are under review for publication in a World Development journal special issue. Five of the framework papers were presented at the IEA World Congress in July 2021 following an invitation by Dan Rodrik, the President of the IEA. The AERC Programme Committee has chosen the theme, "Growth, Poverty, and inclusion in times of COVID-19 pandemic" for the December 2021 and June 2022 Plenary Sessions. Under the Country case studies Phase, the Inception workshop was held on 12 -13 October 2021. The Project coordinator of the country case studies phase is Prof. Erik Thorbecke (Cornell University), with Yusi Ouyang (University of Tulsa), and Miguel Nino-Zarazua (UNU-WIDER) being the project steering committee members.

4. Climate Change and Economic Development in Africa (CCEDA)

The CCEDA project supported by NORAD seeks to substantially enhance the capacity of African governments to confront development challenges in a 21st century context characterized by significant environmental challenges and imperatives. The ultimate goal is to radically improve the capability of the continent (and its policy makers) to confront climate and environmental change, and leverage the opportunities they present, as it confronts its development challenges. The project has two components: framework research and country case studies. The framework research phase was completed on August 2021 with the papers being published as AERC working paper series (see Annex Table C5). The second phase of the

project involves 14 country case studies from across the African region. An inception workshop held on 9- 10 August 2021. The project coordinator of the project is Prof. John Asafu-Adjaye (University of Queensland, Australia). The mid-review workshop was in January 2022. All framework and country case study papers will be disseminated in a senior policy seminar on March 30 2022. The final review workshop will be held in May 2022 followed by in-country dissemination workshops in July and August 2022.

5. AERC-ERF Disruptive Technologies project

The AERC is currently collaborating with the Economic Research Forum on a project, funded by the Carnegie Corporation, that seeks to assess the impact of disruptive technologies in Africa. This project is informed by accelerations in technological progress over the last few decades that are affecting the future of work across the globe. The AERC commissioned case studies that will tackle some of the issues surrounding disruptive technologies including, impacts of these technologies (including on labour markets and global competitiveness), digital penetration, and support for emerging industries. The country case studies will be undertaken in four sub-Saharan Africa countries: Ethiopia, Kenya, Senegal, and South Africa (see Annex Table C6). The meeting to discuss the concept notes and way forward was held in June 2021 and five papers were funded. The papers, which are currently being developed, will be reviewed and discussed during a thematic review workshop that is scheduled for 14 December 2021. The project Coordinator is Dr. Shahrokh Fardoust (ERF). The dissemination workshops for the thematic papers will commence in April 2022.

6. Building Policy Research Institutions to Support Human Capital in Africa (HCA)

AERC and the Bill and Gates Foundation are currently undertaking a set of reinforcing activities in seven (7) Sub-Saharan African countries (Nigeria, Ethiopia, Kenya, Uganda, Burkina Faso, Senegal, and Madagascar) that will help build greater policy support for human capital at the country level, influence human capital policies, and strengthen African policy research institutions. Coordinated by Prof. Lant Pritchett (Centre for Global Development & Harvard University) and Prof. Haroon Borat (University of Cape Town), the final review workshop for framework research was held on 24–25 August 2021. A total of 9 framework papers have been completed and are now under consideration for publication.

During Phase II of the project, the AERC is not only having their own country case studies but also collaborating with eight national think tanks in seven Sub-Saharan African countries (Burkina Faso, Ethiopia, Kenya (2), Madagascar, Nigeria, Senegal, and Uganda) to deliver on African policy research institutions country case studies in terms of generating ideas for policy analysis and research as well as conducting various policy engagement activities geared towards influencing public policy and practices in government and private sector.

Annex Table C8: Africa National Think Tanks with Human Capital Institutional Partnerships with AERC

No.	Country	Full name of Think Tank and Website
1.	Burkina Faso	Centre d'Etudes, de Documentation et de Recherche Economiques et Sociales (CEDRES) www.cedres.bf
2.	Ethiopia	Ethiopia Policy Studies Institute (PSI) https://psi.gov.et/
3	Kenya	Kenya Institute for Public Policy Research and Analysis (KIPPRA) www.kippira.or.ke
		Institute of Development Studies, University of Nairobi. https://ids.uonbi.ac.ke/university-nairobi
4	Madagascar	Centre de Recherche pour le Développement of Université Catholique de Madagascar www.ucm.mg
5	Nigeria	Nigerian Economic Summit Group (NESG) www.nesgroup.org
6	Senegal	Consortium of Economic and Social Research (CRES) www.cres-sn.org
7	Uganda	Economic Policy Research Centre (EPRC) www.eprcug.org

To ensure that the researchers produce a paper of high quality and publishable in highly ranked international journals, the AERC together with the steering committee members is organizing a “master class” session with prominent economists about how to write a high impact, high citation, "bayesian shock" paper. The project steering committee members for the think tank country case studies are Prof. Lant Pritchett, Benjamin Piper and Noam Angrist while those for the individual country case studies are Prof. Lant Pritchett, Prof. Germano Mwabu and Noam Angrist

7. Digital Financial Services and Market Development in the East African Community Region (DFSP-EAC)

The project seeks to build a facility that leverages AERC's network of institutions and policy outreach. The project is funded by the BMGF and seeks to achieve four objectives intended to impact digital financial inclusion in the EAC as a bloc: (i) working with EAC central banks and other financial sector authorities to achieve regional payments interoperability alignment; (ii) build capacities (infrastructure and technology) of central banks to effectively oversee regional market developments; (iii) build replicable frameworks for advancing National electronic ID use with respect to financial services across the EAC; and (iv) build a learning sharing centre on consumer protection that can effectively guide the consumer protection mandate across the region including transparency on account terms and charges. A total of 7 framework papers were commissioned at an inception workshop held in May 2021. Additionally, a framework paper focusing on Gender and Financial inclusion together with two country case studies involving researchers from the Bank of Tanzania and the Central Bank of Kenya were commissioned in August 2021. The country case studies researchers are expected to provide the data required by the framework paper authors in their study. A mid-review workshop was held in November 2021. The AERC appointed David Cracknell, the Managing Director of First Principles Consulting Limited as the project coordinator. Meanwhile, following a call for expression of interest for the institutional partnership grants in February 2021 and a

readvertisement in June 2021, the AERC has awarded partnership grants to six competitively selected institutions to support capacity building in economic policy research, provide targeted institutional support, and support linkages between research and policy in the respective countries. These include Kenya Bankers Association (KBA)-Kenya, Bank of South Sudan (BoSS) in partnership with Ebony Center for Strategic Studies (ECSS), the Economic Policy Research Network (EPRN)-Rwanda, Science, Technology and Innovation Policy Research Organization (STIPRO)-Tanzania, *Centre Universitaire de Recherche pour le Développement Economique et Social* (CURDES)-Burundi, and Economic Policy Research Centre (EPRC)-Uganda. The inception workshops for the individual and institutional country case studies are expected to be held in June and July 2022

8. *Value Chain Development, Trade and Economic Transformation in Africa*

The project aims to explore global and regional value chains' development dynamics in terms of upgrading opportunities for African countries and the development policy implications and imperatives for economic transformation. The specific objectives of this SIDA-funded project are to evaluate the performance of African economies in global and regional value chains; increase understanding of drivers and benefits of value-chain trade integration; and provide specialized training on reforms that help improve business climate, strengthen value chains and development of selected sectors. Prof. Jaime De Melo (University of Geneva) is coordinating the project and 10 framework papers were presented at an inception workshop held in June 2021. The mid-review workshop was held in October 2021. The project steering committee members include Dr. Dominique Njinkeu (African Trade and Sustainable Development) and Prof. Marcelo Olarreaga (University of Geneva). The final workshop will be held in April 2022 paving way for the country studies call in June 2022.

9. *Work and Income for Young Men and Women in Africa: A Political Economy and Social Equity Approach to the Employment Potential of Specific Sectors and Subsectors in African Economies – Growth Sectors project*

The main aim of this project is to strengthen the evidence base on youth employment, drawing on research that will examine the growth sectors with the highest multipliers and potential to create employment opportunities in 9 African countries: Ethiopia, Egypt, Kenya, Mali, Mozambique, Nigeria, Senegal, Tunisia, and Uganda. This project was commissioned by INCLUDE Knowledge Platform and is funded by the Netherlands Ministry of Foreign Affairs. The AERC is implementing this project in collaboration with the Economic Research Forum (ERF) and the Overseas Development Institute (ODI). Professor Ahmadou Aly Mbaye, Rector at Université Cheikh Anta Diop (UCAD), was appointed as the Project Coordinator. Professor Mbaye is supported by a Project Steering Committee that includes senior scholars in employment and labour markets, and development policies. They are Professor Jane Kabubo-Mariara (Executive Director, Partnership for Economic Policy), Professor Margaret Chitiga-Mabugu (Director, School of Public Management and Administration, University of Pretoria), Professor Rolph van der Hoeven (Emeritus Professor at the International Institute of Social Studies (ISS) & UN Economic and Social Council member), and Assoc. Professor Chahir Zaki (Professor of Economics & Director, French section, Cairo University). The final-review workshop for country case studies was held in January 2022 while regional and national policy workshops will be held in March 2022.

10. African Public Service Delivery Index (PSDI)

The African Development Bank (AfDB) funded project covers the full stream of public services that can help to enhance transparency and accountability in public service delivery across all the sectors in Africa. The activities of the project include designing and implementation of the public service perception survey in line with PSDI indicator framework aligned with the AfDB high five priority areas (Feed Africa, Light up and Power Africa, Industrialize Africa, Integrate Africa, and Improve the quality of Life for the People of Africa).

11. Climate Change and Central Banking in Africa

The AERC, with funding from Boston University's Global Development Policy Center, is undertaking a study on climate change and central banking in Africa. This is an offshoot to the Climate Change and Economic Development in Africa (CCEDA) project with the South African Reserve Bank and International Food Policy Research Institute (IFPRI) taking the lead, while the AERC is working with the IMF and Boston University. Specifically, under this collaboration, the AERC will write three-four papers over a 2-year period and engage in collective meetings with other members of the Task Force to advance collective and individual policies toward a development centered climate agenda at the International Monetary Fund. The AERC has engaged Prof. John Asafu-Adjaye to prepare the first research paper on Macroeconomic consequences of climate change in Africa and policy implications.