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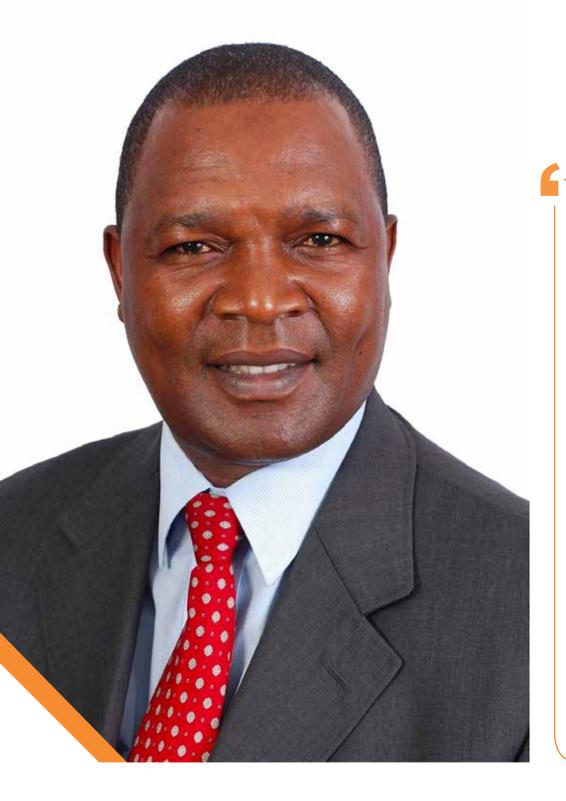
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It is with pleasure that I present to you this annual report, which takes stock of the events, achievements, and efforts in the year 2020/21 to lay a solid groundwork for the five years of the Strategic Plan for 2020-2025. While looking ahead to the challenges to come, it underscores the broad range of activities carried out during the fiscal year.

Foreword

t is with pleasure that I present to you this annual report, which takes stock of the events, achievements, and efforts in the year 2020/21 to lay a solid groundwork for the five years of the Strategic Plan for 2020-2025. While looking ahead to the challenges to come, it underscores the broad range of activities carried out during the fiscal year. As noted within, there have been significant achievements in all three thematic areas envisioned in AERC's plan, namely Improve Quality of AERC products; that quality will Ensure its Sustainability; and Expand policy Influence through networking with national think tanks in Sub Saharan African (SSA) economies. We have approached the objectives set for the strategy period with a strong focus and clarity of purpose that has enabled us to escalate capacity building and partnership efforts, as well as enhance the performance and integration of our programmes, increase our outreach, and maintain our emphasis on quality. The staff of the Secretariat are to be commended for their dedication and commitment to these goals. Their contribution is particularly important in view of our determination to remain as lean, effective, and as proactive as possible, but the growing workload has often stretched our capacity to the limit.

As always, implementation efforts encountered a few challenges. The 2020-2025 planning cycle recognizes the changing policy landscape and associated economic complications; effects of the COVID-19 pandemic has challenged the health care infrastructure, increased youth unemployment, widened inequality, and is associated with rising poverty. The onset of the COVID-19 pandemic and management of its effects have been the main challenge during this reporting period. Amongst other difficulties, national and international movement of persons has been greatly curtailed, hence affecting implementation of some AERC activities. These effects have called for innovativeness in implementation and delivery of our activities to safeguard from any form of disruptions or discontinuities.

Although AERC has innovatively established online delivery of the training and research activities, the process occasioned some delays in implementation. In several cases the smooth virtual delivery of research and training programmes was hampered by frequent power failures and unstable internet connectivity across countries. The initial unprecedented impact on delivery was encountered as staff made a new shift from office set-up to the working-from-home approach. Notably, staff continued to adjust to the new modality during the year, even as the pace picked up with the introduction of a hybrid mode of working from home and office.

However, these challenges have in turn presented several opportunities that are worth mentioning: For instance, COVID-19 has opened new opportunities of novel funding targeted towards research activities related to the pandemic as well as new strategic partnerships with like-minded institutions on the post pandemic economic recovery strategy as well as the requisite reforms in SSA economies. The key opportunity for AERC remains the digital innovation that has been occasioned by the effects of the pandemic - thus, the online graduate training has greatly lowered the unit costs and it is developing space for inclusivity. The virtual biannual research workshop will be extended to include a collaboration and mentorship platform that enables continuous and sustained interaction between researchers and resource persons, and an expanded and costeffective reach and impact of research capacity building efforts. Additionally, current research retooling workshops will be developed into Massive Open Online Courses (MOOC's) to further scale up reach and inclusivity. Using E-learning platforms, the collaborative training model will further be expanded to include partnerships with universities across the globe that offer frontier online courses within the repertoire of AERC training courses. These will be made available to students and faculty within the AERC network. This would enhance both quality and improve overall sustainability of the Training programme through cost efficiency in line with AERC's 2020-2025 strategic themes. On the policy front, we are innovating by proactively disseminating through digital, email and social media channels. We are also engaging top media outlets through op-eds to boost awareness of AERC research outputs. The integration of the E-Learning with the E-Library is further adding to the opportunity to transform amidst the Covid-19 pandemic. The new demands for studies and policy directions on the impact of Covid-19 pandemic on the SSA economies and the post-Covid-19 economic recovery strategies is also presenting AERC with new avenues of funding as well as an effective platform for policy influence.

Overall, however, we are happy to note that fund-raising efforts are yielding good results. We are grateful to all our partners for their support and confidence to our programme efforts and the totality of AERC capacity building objectives. Besides the programmatic evidence, this Annual Report for 2020/21 contains a summary of an appropriate and satisfactory financial statement prepared by our auditors. I am therefore pleased to present the report to the members of the Consortium, the Board of Directors, the Programme Committee, the network and other AERC stakeholders. You and your support have made the year's accomplishments possible.

Prof. Njuguna Ndung'uExecutive Director, AERC

We have approached the objectives set for the strategy period with a strong focus and clarity of purpose that has enabled us to escalate capacity building and partnership efforts, as well as enhance the performance and integration of our programmes, increase our outreach, and maintain our emphasis on quality.



Overview

he year 2020/21 marks the first year of implementation of the AERC Strategic Plan for 2020-2025, which was approved by the AERC Board at its meeting in March 2020. It also marks 33 years since the AERC was established as a premier capacity building institution through research and graduate training in economics. The main objective being to inform economic policies and strengthen institutions in sub-Saharan Africa (SSA).

The 2020-2025 planning cycle recognizes the changing policy landscape and attendant economic challenges; effects of the COVID-19 pandemic that has challenged the health care infrastructure, increasing youth unemployment, widening inequality, and rising poverty. Some of these challenges were well stated by Ernest Aryeetey and Frances Stewart in the 2015-2020 AERC Strategic Evaluation Report. The AERC has had great achievements in the last three decades in bringing rigour and evidence to policy making in SSA. Going forward, the AERC is changing the modality of delivery along the research and policy value chain. This includes opening to new approaches to enhance relevance, building upon the unique convening power of the organization and scaling up AERC's services to support policymakers in their efforts to build a stronger economic foundation for SSA economies. By becoming a valued partner and encouraging other like-minded institutions and organizations to join in partnership, the AERC will expand capacity for economic policy making across the region as well as policy impact for positive development outcomes in SSA economies.

In implementing the Strategic Plan 2020-2025, AERC will enhance the mark of improved quality, that will define its own momentum for sustainability and create a new era and platform for policy influence in SSA economies. This is the new approach that AERC has adopted for capacity building in the current planning cycle. This approach will fundamentally change the way AERC operates, moving from an objectives-based approach to a theme-based approach, and focusing on outcome pathways and impact measurement, in both the short- and long-term periods.

The core of AERC's efforts to improve the quality of thematic research will be driven by the collaborative research model. In this case, Resource Persons will develop collaborative research projects that will attract young researchers across Thematic Groups and this path will raise the quality of research in Thematic Groups and provide a supply of research themes for young researchers, including the Collaborative PhD Programme (CPP) students. Teams of researchers will evolve from individual thematic research projects, prescreening of new proposals by thematic group resource persons, and methodological technical workshops and mentorships will be conducted to enhance analytical skills of early career researchers.

Quality improvement in the training programme will involve reviewing curriculum of all core and elective courses and adopting digital learning in all collaborative training programmes. Reforms in CPP thesis research are also envisaged to advance novel ideas that are well articulated with scientific

2020-2025 STRATEGIC THEMES

- 1. IMPROVE QUALITY by transforming the AERC capacity building model to strengthen the quality of research and training outputs.
- 2.ENSURE
 SUSTAINABILITY:
 Improved quality will
 create a momentum
 for sustainability
 through building strong
 institutions, diversified
 resource base and
 inclusive participation
 in AERC research and
 training activities.
- 3. EXPAND INFLUENCE: Improved quality and a momentum for sustainability will create an appropriate platform for policy influence. This will foster the uptake of economic policy research, knowledge sharing and dialogue through making the AERC the knowledge generation and a policy advisory centre

evidence to influence policy and increase the number of publications by CPP students in internationally refereed journals. A cohort of new professors/lecturers of high academic calibre within network universities and other reputable institutions will be appointed to ensure high quality level training in line with the quality target research defined by AERC and ensuring that the training meet the skills needs for African labour market as well as supply of researchers for the AERC network. At the same time, the training targeting government officials on the continent in the design and evaluation of policies will be considered a priority to facilitate the emergence of sustainable economic policies and the promotion of quality governance.

> Updates on Programmes for the current reporting period: April 2020 – March 2021

The fiscal year 2020/21 kicked off in April 2020 with an unprecedented health emergency, the Coronavirus Disease 2019 (COVID-19), which has afflicted the world and adversely impacted most sectors of African economies. Most countries in SSA have had periods of partial or total lockdown, with limited or no domestic and/or international travel, while physical gatherings have been greatly curtailed or banned altogether. With the enforcement of international health and safety measures to deal with the COVID-19 pandemic. the AERC quickly adapted the measures and innovatively implemented various programme activities. These include virtual hosting of the flagship Biannual Research Workshops in June and December 2020, the AERC Senior Policy Seminar XXIII in March 2021, meetings of the Academic Advisory Boards of the Training Programme and other international consultative meetings. The Training Programme also developed online teaching materials for all elective courses delivered virtually to students across its network of universities during the 2020 Joint Facility for Electives and Shared Facility of Specialization and Electives.

This annual report provides progress in the implementation of the activities set out for the period under each of the three strategic themes to achieve associated outcomes. The report also highlights the challenges and opportunities in this new delivery mechanism of programmatic activities.

> STRATEGIC THEME

1 - IMPROVE QUALITY: Transforming the AERC capacity building model to strengthen the quality of research and training outputs

The focus in the five-year strategic plan period is to transform AERC's capacity building model to strengthen research output quality and utilize the collaborative research model to push and signal quality of thematic research projects for younger researchers entering the AERC network and for the vast network of researchers, faculty, students, and policymakers. In the training programme, improving quality and ensuring sustainability is envisaged to involve curricula review, a thorough re-think of the training delivery modalities to embrace virtual learning, including reforming CPP thesis workshops and framework for thesis and scholarship grant awards.

The AERC implemented various research and training activities during the year to achieve set targets and outcomes. These outcomes are presented alongside the key activities undertaken during the reporting period.

1.1 Improved synergy between collaborative and thematic research

Collaborative Research Projects

The AERC seeks to improve synergies by encouraging resource persons in each of the five thematic research groups as well as in different themes within the Group to develop a collaborative research project. During the year, calls and reviews were made for the following nine collaborative research projects – that touch on case studies that will be guided by the developed framework papers:

1. Impact of COVID-19 on Poverty and Inequality in Africa

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,

Thematic Research Areas

- 1. Poverty, Labour Markets, and Income Distribution
- 2. Macroeconomic Policy and Growth
- 3. Finance and Resource Mobilization
- 4. Production, Trade and Economic Integration
- 5. Agriculture, Climate Change and Natural ResourceManagement



The focus in the five-year strategic plan period is to transform AERC's capacity building model to strengthen research output quality and utilize the collaborative research model to push and signal quality of thematic research projects for younger researchers entering the AERC network and for the vast network of researchers, faculty, students, and policymakers.

but indirect effects of the pandemic have been unfolding severe and long-term consequences for sustainable development on the continent.

Over the last one year, the AERC has undertaken a research project on poverty consequences of epidemic-induced lockdowns, and the fiscal costs of off-setting them. The objective of this research is to use country-level household survey data to estimate:

- a) The loss of income these lockdowns cause across the income distribution
- b) The increase in poverty brought about by the income losses; and
- c) The government expenditure that would be necessary to offset that increase in poverty.

Five country case studies (Ethiopia, Ghana, Kenya, Senegal, and Uganda) have been completed and the resultant papers published as AERC working papers. The papers are also under review for possible publication in the Review of Development Economics. We are pleased to report that this research has been undertaken by thematic research alumni.

2. Inclusive finance in fragile states/environments in Africa

This AERC-IDRC collaborative research project 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 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. A call for country case studies was issued in May 2020 and a total of 159 proposals were received in August 2020. An internal assessment of the proposals was conducted, and subsequently 35 proposals were sent out for an independent review. The Inception and Capacity Building workshop for the project was held virtually in July 2021, where 10 proposals with highest potential to contribute to knowledge and policy were presented and subsequently commissioned.

For intellectual leadership and steering committee, AERC has contacted the following professionals for support: Prof. Andy McKay of Sussex University, Prof. Victor Murinde of SOAS, University College London, Prof. Alemayehu Geda of Addis Ababa University in Ethiopia, and Prof. Anke Hoeffler of University of Konstanz, Germany. These are professionals with great insight in the issues relating to state and economic fragility as they participated in the first phase of the project that focused on "Growth in fragile and post-conflict states in Africa".

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

Thirteen framework research papers have been completed under the leadership of Prof. Erik Thorbecke of Cornell University. The project coordinator is currently reviewing the final versions of the papers before publication in the AERC working paper series. Furthermore, the papers are under consideration for publication in a special issue of the World Development Journal. Five of the framework papers have been chosen to be presented at the IEA in Bali in July 2021 following an invitation by Dan Rodrik, the President of the IEA.

Proposals received from the call for GPIR – country case studies are from either thematic research resource persons or early-career researchers who have successfully completed at least one project. It is, therefore, expected that the skills gained from thematic research will benefit the delivery of quality outputs for influencing policy. The second phase of the project was launched in May 2021.

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

Started in December 2019, this collaborative research project is designed to improve the capability of the African continent to confront climate and environmental change as it faces its development challenges. A mid-review workshop was held in September 2020 with 11 framework papers in discussion. The research teams submitted revised papers in November 2020 and the project coordination team of Prof. John Asafu-Adjaye and Prof. Theophile Azomahou is currently reviewing the papers for publication as a special issue of a refereed journal. A call for proposals for the country case studies phase was circulated in April 2021 and an inception workshop was held July 2021.

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

Developing human capital for inclusive growth and shared prosperity in Africa requires a massive and coordinated effort to strengthen the quantity, efficiency, and impact of investments in people, with support from the Bill and Melinda Gates Foundation (BMGF). The driving force for this project is to increase the knowledge base on Africa's human capital and address key constraints on human capital development in SSA. An Inception Workshop for the framework papers phase of the project was held virtually in July 2020 with several concept notes presented and nine (9) papers commissioned to anchor country case studies in selected African countries. Prof. Lant Pritchett of Harvard University and Prof. Haroon Bhorat of University of Cape Town are the



Over the last one year, the AERC has undertaken a research project on poverty consequences of epidemic-induced lockdowns, and the fiscal costs of off-setting them. project coordinators. A mid-review workshop to discuss work-in-progress reports by framework researchers was held in February 2021.

During Phase II of the project, the AERC will collaborate with nine national think tanks to conduct human capital research and policy outreach in seven Sub-Saharan African countries - Burkina Faso, Ethiopia, Kenya, Madagascar, Nigeria, Senegal, and Uganda.

The project will undertake a set of reinforcing activities in these countries to help build greater policy support for human capital development at the country level, influence human capital policies, and strengthen African policy research institutions. By 31 March 2021, out of the nine identified think tanks, five had already been awarded institutional partnership grants to facilitate the process of soliciting for ideas for policy research and analysis from policymakers, private sector, and civil society.

The remaining four are still undergoing processes to complete self-assessments. In the medium term, this is a project that the AERC will use to encourage younger AERC Network researchers to undertake research in their own countries guided by the framework papers and outside the 7 countries already in the sample. A call for proposals for studies to be undertaken in the seven focus countries was released in June 2021 and an inception workshop for the case studies was planned for September 2021.

6 Digital Financial Services, Market Development and Interoperability in East African Community

The AERC has held many consultative meetings with various professionals, including Prof. Tavneet Suri of Massachusetts Institute of Technology Ravi Ruperal, Alan Gelb, Peter Knaack, Nick Hughes, Jonathan Greenacre, and the Late Benno Ndulu. Based on the consultations, several issues were identified for policy research and analysis. The issues include: (i) The structure and functioning of payments as well as digital platforms interoperability in Sub-Saharan Africa; (ii) Cross-Country Common Approach to Financial Interoperability, Digital Space and Electronic Payments: International Experience and Lessons for EAC; (iii) Digital Finance Interoperability and Financial Inclusion: Lessons from India's Experience; (iv) Development Impacts of DFS in the EAC Region; and finally, (v) the overall concept of market development supported by an innovative regulatory environment.

The AERC has received concept notes from David Cracknell, Isaac Mbiti and David Weil. Additional concept notes came in April 2021. In addition to this, David Cracknell has accepted to provide intellectual leadership as the project's coordinator. The project commenced in May 2021 with an inception workshop for the framework research,

while the call for proposals for country case studies was advertised in October 2021.

7. The Impact of COVID-19 on Livelihoods in

The AERC is implementing this project in partnership with Oxfam. The objective is to conduct quality policy research using novel and innovative approaches, including data collection methods, to shed light on the impact of the COVID-19 pandemic on livelihoods and other related dimensions (health, education, social protection, and food security and nutrition) in selected African countries - with special emphasis on vulnerable groups who bear the brunt disproportionately, economically, physiologically, and emotionally. To ensure quality outputs and results from this project, substantial amount of time was spent in preparatory work. Expert-consultations were held on joint working modalities as well as approaches for conducting the research and mounting relevant gender analysis and research uptake.

The AERC has convened a multi-disciplinary team of experts to provide technical support to researchers undertaking country case studies. They include Dr Marzia Fontana (London School of Economics and IDRC Gender Advisor), Dr Sara Stevano (development and feminist political economist at SOAS London), Dr Femi Ayadi (Professor of Healthcare Administration, University of Houston-Clear Lake) and Dr Manasi Kumar (Senior Lecturer in the Department of Psychiatry at the University of Nairobi).

The team will provide the analytical framework for the country-case studies. Dr. Fontana will help to bring into sharp focus the gender, and specifically women, dimension of the COVID-19 pandemic while using standard economics models, including DSGE, which may be more suitable to capture the fiscal implications of the double burden faced by women and girls. Dr Stevano will help spotlight issues surrounding livelihoods and pollical economy, while Dr Ayadi and Dr Kumar will bring into focus the health dimension, including the impacts of COVID-19 on access to healthcare services, mental health outcomes, and incidences of violence. The project's implementation kicked off in the last quarter after appointment of the Steering Committee.

A call for country case studies was published in April 2021, and an inception workshop done in June 2021. In addition to this, training of country case study teams on gender analysis and research uptake will take place in July 2021.

8. Healthcare Financing in Sub-Saharan Africa amid COVID-19

To address the challenges associated with financing of healthcare in Africa, the AERC commissioned a collaborative research project on the theme: Health care financing in sub-Saharan



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Africa in June 2017. With coordination by Dr. Augustine Asante of University of New South Wales, Australia, the framework research papers were completed and published in the Applied Health Economics and Health Policy (AHEHP) journal. The second phase – consisting of country case studies under the coordination of Prof. John Ataguba of University of Cape Town - was also completed and the Health Policy and Planning journal has been identified as a suitable publication outlet for the papers. Further, the AERC with the support of SIDA has added a component on the project to examine the challenges faced by the Health Infrastructure in SSA during the COVID-19 pandemic and managing health pandemics in SSA.

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

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 10 African countries: Ethiopia, Egypt, Kenya, Mali, Mozambique, Niger, 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 framework

research phase kicked off in December 2020 with an inception workshop. Three experts are currently writing framework papers: Dr Dirk Willem te Velde and Maximiliano Mendez-Parra, both from the ODI, and Dr John Page (Brookings Institution). A call for country case studies was published in January 2021, an inception workshop was done in April 2021 and mid-review workshop done in July 2021.

1.2 Building capacity through thematic and collaborative research

Thematic Research

The thematic research programme uses a unique framework combining learning-bydoing by researchers, peer review, mentoring and networking through the biannual research workshop, with skills improvement through technical workshops and the visiting scholars' programmes. As per the Strategic Plan 2020-2025, the AERC targeted to increase the number of final thematic research reports completed from the baseline of 740 in March 2020 to 770 by the end of the year 2020/2021. We are pleased to report that the cumulative number of final research reports finalized by the end of the fiscal year is 774. Thematic research activities that produced these outputs and that were instrumental in contributing towards the achievement of the outcome are outlined below.

The June and December 2020 biannual research workshops

Due to the effects of the COVID-19 global pandemic, AERC innovatively held virtual biannual research workshops in June and December 2020. Concurrent sessions held at the June biannual involved presentations by 64 researchers and CPP students representing 20 African countries. A total of 140 participants were in attendance over a 5-day duration across five thematic groups. Meanwhile, the November biannual had a total of 73 researchers and CPP students representing 17 African countries. Over 150 participants were in attendance over a 5-day duration across five thematic groups. Table 1 provides details on the thematic groups for the two biannual research workshops held in the year.



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Table 1

June 2020					
Thematic Group	FR	WIP	NP	CPP	Total
Group A - Poverty, labour markets and income distribution	2	2	1	4	9
Group B - Macroeconomic policy and growth	4	1	0	4	10
Group C - Finance and resource mobilization	2	9	1	2	14
Group D - Production, trade and economic integration	6	3	1	1	10
Group E - Agriculture, climate change & natural resource management	1	8	1	2	12
Total	14	24	4	13	55
December 2020					
Thematic Group	FR	WIP	NP	CPP	Total
Group A - Poverty, labour markets and income distribution	3	2	14	0	19
Group B - Macroeconomic policy and growth	3	1	6	0	10
Group C - Finance and resource mobilization	7	2	8	0	17
Group D - Production, trade and economic integration	2	2	7	0	11
Group E - Agriculture, climate change & natural resource management	7	1	8	1	17
Total	22	8	42	1	73

Key: NP = new proposal; RP = revised proposal; WIP = work in progress; FR = final report; CPP = PhD thesis.

As an outcome of the biannual research workshops, 31 new thematic research grants and 10 PhD thesis grants were approved for award.

The Plenary sessions

The June 2020 biannual research workshop featured the 52nd plenary session on the theme Business environment, competitiveness, and economic growth in Africa, where four papers were presented. The plenary session, which was held virtually on 29 June 2020, had a total of 364 participants. Also featured was a special virtual session on the theme African Economies amid COVID-19. Five papers were presented at the session, which had a total of 237 participants in attendance. A roundtable session following the keynote address featured distinguished economists and private and public sector leaders from across the continent.

In December 2020, the AERC virtually hosted the 53rd plenary session on the theme The Covid-19 Pandemic and Public Finance in Africa: Challenges and Opportunities, with over 400 participants in attendance. A roundtable session following the keynote address featured distinguished practitioners from revenue administration agencies, and private and public sector leaders from across the continent.

Strengthening Technical Capacity

AERC continues to improve the skills and capacity of the individual researchers to carry out policy relevant research and to influence policy. In this area, a virtual policy brief training workshop was held in October 2020 and conducted by CommsConsult Ltd. The workshop had two critical

learning features. Firstly, it was a practical training where participants were "learning by doing" the communication (i.e., each participant submitted a working draft policy brief on recently completed research). Secondly, there was a policy panel session where policymakers shared experiences on the research-to-policy linkages, and how to further strengthen the research communication/interface. There were 19 trainees drawn from across SSA countries.

Building Research Capacity through Collaborations

The effects of the COVID-19 pandemic, which include restricted travel, have necessitated a reorganization of some activities while others have been cancelled or postponed. These include the AERC session at the CSAE Conference in Oxford, UK; the AERC Session at Econometric Society of Africa Conference in Spain; and the visiting scholarships under the AERC/IMF, the AERC/ CERDI/FERDI, the AERC/World Bank visiting scholars' programmes. AERC is also partnering with Cornell University under the STAARS project to improve the synergy between collaborative and thematic research streams as well as improving the quality of mentoring of researchers. Some of these collaborative efforts cannot be held virtually and thus have been put on hold.

Following recent developments on the COVID-19 situation, however, a decision was made to hold the Bali Conference virtually in July 2021. Secondly, AERC forwarded the list of applicants to the World Bank for selection of the 2021 scholars who will participate in visiting scholars' programme once travel restrictions have been lifted.



The June 2020 biannual research workshop featured the 52nd plenary session on the theme Business environment, competitiveness, and economic growth in Africa, where four papers were presented.

1.3 Improved quality and delivery of graduate level economics curriculum

During fiscal year 2020/21, several activities were undertaken to improve the quality delivery of the collaborative training programmes at partner universities to match global standards. The international measures to deal with the COVID-19 outbreak has meant that the AERC adapts to new ways of delivering online/virtually its training activities, especially the CMAP-CPP Joint Facility for Electives (JFE) and the CMAAE Shared Facility for Specialization and Electives (SFSE). To this end, curricula was updated, and online teaching materials were developed for all elective courses offered in 2020. In addition, the meetings of Academic Advisory Boards as well as presentations of PhD thesis proposals by CPP Class of 2018 students at the June 2020 Biannual Research Workshop were held virtually. Every cloud has a silver lining, the training activities lowered the unit costs and were inclusive – all those who wished and were qualified to take the electives were given a chance but must be examined. It is an activity to watch and develop in future – inclusivity may imply flattening university categorization and developing better indicators for universities joining the AERC network.

Developing Online Course Materials for CMAP-CPP JFE and CMAAE SFSE

The AERC moved swiftly to make the necessary academic, technical, and infrastructural adjustments for online delivery of the JFE. Teams of international experts drawn from network universities and other reputable institutions around the world were appointed in April/May 2020 to jointly update course outlines to global standards, as well as develop online teaching materials for 6 CMAP, 3 CPP and 8 CMAAE elective courses taught virtually at the 2020 JFE and SFSE. In addition, six CMAAE foundation and elective course materials that had been built for blended learning and uploaded onto the AERC Learning Management System were also reviewed and updated. Each set of course materials was developed by a team of experts comprising three network members and an external lead reviewer. The external reviewer, a senior expert in the specific field of Economics, was charged with the responsibility of providing overall quality-assurance through objective external review and international benchmarking. The teaching materials that include detailed PowerPoint slides and teaching notes were uploaded onto the AERC Learning Management System and e-library.

The second phase of curricula review and development of the online materials for all the CMAP and CPP core courses and the remaining elective course were successfully concluded. This will ensure that in 2021, students have a wide and updated menu of electives to select from, and secondly, teaching of core courses is standardized in all the network universities irrespective of categorization.

Enriching the Learning Experience: Joint Facility for Electives (JFE) and Shared Facility for Specialization and Electives (SFSE) 2020

In the immediate onset of the COVID-19 pandemic, all network universities were closed, with classes being moved online, albeit with a delay of 1-3 months. Meanwhile at the AERC, preparations for JFE and SFSE continued, but with the commencement date for CMAP/CPP JFE and CMAAE SFSE moved to August and September, respectively, to allow the universities to complete teaching and examination of the core courses, which are a pre-requisite for students' entry into the JFE/SFSE. Under the prevailing circumstances, the 2020 CMAP/CPP JFE and the CMAAE SFSE were delivered online using a combination of live or synchronous lectures via the Zoom platform, complemented by the AERC online library platform (eLibrary) where textbooks, reference journal articles and lecture materials/notes were easily accessible, and lecture recordings were available for asynchronous lessons.

The CMAP JFE 2020

Virtual learning of the CMAP JFE was successfully delivered from 17 August - 7 November 2020, with the final examinations being administered and invigilated at the respective home universities of the students. A total of 105 students from 6 Category "B" universities (Makerere, Botswana, Cape Coast, Malawi, Namibia and Zimbabwe) and 2 Category A universities (National University of Lesotho and Kwame Nkrumah University of Science and Technology) participated in the CMAP JFE 2020. This is a significant increase since 2012 when four CMAP universities were graduated to Category "C", offering a full menu of core and elective courses. Prior to the elevation of universities to Category C, the total JFE student enrolment had risen to 138 in 2010 and 144 in 2011 but plunged to an average of about 60 over the period 2012-2019. The 2020 CMAP-JFE had 105 students.

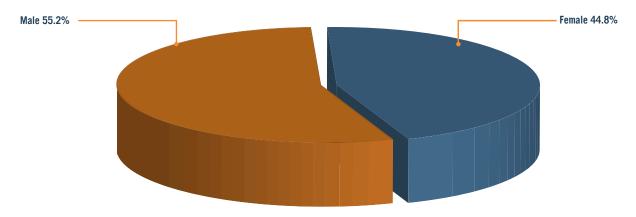
The introduction of a virtual JFE has had notable positive outcomes as participating universities were not subjected to the existing capping of students' numbers at a maximum of 10 per university. As has been observed in the past, having a limited number of students was necessitated by financial and other logistical considerations, particularly regarding costs associated with travel, accommodation and upkeep of students and visiting lecturers. Such considerations were not at play in the current environment, opening opportunities for students from Category A universities to participate in the virtual JFE for the first time. This is expected to be the norm moving forward.

In terms of gender distribution, 47 (45%) of the 105 students in CMAP JFE 2020 were female students. In percentage terms, this is a significant improvement over the 30% female enrolment recorded in 2019 but lower than 46% in 2018 JFE sessions. The highest level of female participation since the inception of the programme stands at 48%, recorded in 2014.



The June 2020 biannual research workshop featured the 52nd plenary session on the theme Business environment, competitiveness, and economic growth in Africa, where four papers were presented.

Figure 1: Overall CMAP JFE 2020 student distribution by gender



The distribution of students by gender and university over the period 2014-2020 is presented in Table 2.

	JFE 2020					Female Enrolment in Previous Years (%)						
No.	University	Female	Male	Total	Male %	Female %	2019	2018	2017	2016	2015	2014
1	Botswana	8	3	11	27.3	72.7	55.6	33.3	66.7	77.8	80.0	76.5
2	Cape Coast	4	10	14	71.4	28.6	23.1	41.7	10.0	8.3	6.7	41.7
3	Makerere	5	4	9	44.4	55.6	25.0	25.0	50.0	10	16.7	40.0
4	Malawi	3	7	10	70.0	30.0	0.0	60.0	58.3	41.7	46.7	33.3
5	Mauritius	-	-	-	-	-	0.0	85.7	61.5	80	42.9	50.0
5	Namibia	10	8	18	44.4	55.6	40.0	80.0	50.0	40	100.0	16.7
6	Zimbabwe	3	6	9	66.7	33.3	30.0	25.0	20.0	20	25.0	28.6
7	Kwame Nkrumah	3	10	13	76.9	23.1	-	-	-	-	-	-
8	Lesotho	11	10	21	47.6	52.4	-	-	-	-	-	-
	Totals	47	58	105	55.2	44.8	30.0	46.3	44.9	38.4	42.7	47.8

At the individual university level, four of the eight universities recorded women enrolments of above 50% in 2020. These were Makerere University and the University of Namibia (56% each); the National University of Lesotho (52%); and the University of Botswana, which maintained its lead with a commendable 73% female enrolment. Universities that did not perform so well on the gender front were Cape Coast and Kwame Nkrumah, while Malawi and Zimbabwe managed to attain 30% female enrolment in this cohort. The AERC continues to encourage female participation in its collaborative training programme by applying affirmative action in the award of scholarships to qualified female students, and application of female/family-friendly policies in these programmes. This includes provision of family support to expectant and nursing students at the JFE and in their home institutions.

The following six elective courses were offered virtually in the CMAP JFE 2020 by 12 visiting lecturers: Econometric Theory and Practice;

Financial Economics; Environmental Economics; Health Economics; Monetary Theory and Practice; and Public Sector Economics.

The CPP JFE 2020

Virtual CPP JFE 2020 was successfully delivered from 17 August - 20 November 2020, with the final examinations being administered and invigilated at the respective home universities of the students. A total of 32 students participated in the virtual CPP JFE 2020. The students were drawn from 2 CPP universities (Cape Town and Dar es Salaam) and 3 non-CPP universities (Addis Ababa, Kwame Nkrumah and Cape Coast). In terms of gender, only 2 (6%) of the 32 students were female, which is the lowest proportion of female students in the programme so far. Table 3 shows the distribution of the CPP JFE 2020 students by university and gender, while Figure 2 analyses the trend of female enrolment in the programme over the 2009-2020 period.



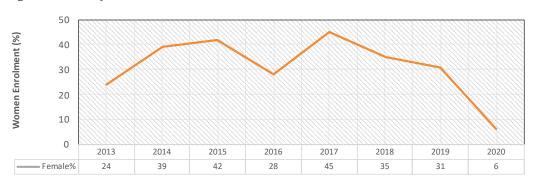
The following six elective courses were offered virtually in the CMAP JFE 2020 by 12 visiting lecturers: Econometric Theory and Practice; Financial Economics; Environmental Economics; Health Economics; Monetary Theory and Practice; and Public Sector Economics.

Table 3: CPP JFE 2020 distribution of students by gender and university

	University	Ger	ider	Totalo	Female %	Male %	
	University	Female	Male	Totals	remaie %	IVIAIC /0	
1	Addis Ababa	0	10	10	0.0	100.0	
2	Cape Coast	1	10	11	9.1	90.9	
3	Cape Town	0	2	2	0.0	100.0	
4	Dar es Salaam	1	4	5	20.0	80.0	
5	Kwame Nkrumah	0	3	3	0.0	100.0	
7	Witwatersrand	0	1	1	0.0	100.0	
	Total	2	30	32	6.3	93.8	

The enrolment level of female students into the CPP still remains low, emphasizing the need for an inclusive capacity building strategy for women and identifying the supply bottlenecks that result in few women enrolling into PhD studies.

Figure 2: Trend analysis of female enrolment into CPP JFE (2013-2020)



In view of the declining trend in female enrolments, continuous engagement of affirmative action in the award of scholarships to qualified women, together with family-friendly policies, are necessary. These interventions appear to have yielded success in the case of the CMAP and the CMAAE, which have recorded steady improvements in women enrolment, averaging 40% over the last five years (2016-2020). However, there was a huge decline in 2020 given that students were not selected to participate in the JFE through the AERC, as the cohort consisted of the full complement of students enrolled at the participating universities.

The AERC endeavours to undertake several measures to enhance women enrolment into PhD studies during the current strategic plan period. These include: establishing a scholarship fund for women; partnering with highly accomplished women leaders, scholars and researchers who can serve as mentors to younger women; conducting sensitization missions to countries with low women enrolment to encourage more undergraduate female students to enrol into the Master's programme to boost the pool of qualified women who ultimately enrol for PhD; and, placing strict quotas on proportion of support given to universities for scholarships and JFE/SFSE participation, in favour of qualified women.

The following three elective courses were offered virtually in the CPP JFE 2020: Development

Economics; Econometric Theory and Practice; and Environmental Economics. A supplementary course on Research Methods and Computer Applications has been re-introduced as mandatory common course for all CPP students to improve the students' understanding of various aspects of the research process. The four courses were taught by 8 visiting lecturers.

The CMAAE SFSE 2020

The CMAAE virtual SFSE 2020 was successfully delivered from 31 August – 11 December 2020 via a combination of AERC Moodle-based Learning Management System (with an embedded Zoom platform) and the University of Pretoria's online platform, commonly referred to as ClickUp. A total of 117 students (43% of whom were female) from the 8 accredited universities participated in the virtual SFSE 2020 (see Table 4). This was an increase from the previous year where a total of 81 students drawn from 7 accredited universities were in attendance. Previously, the number of students facilitated to the residential training at the SFSE was capped at 10 per participating university, a practice that was not applied in the 2020 SFSE. Online course delivery has further necessitated a change in the examination modality towards open-book and applied type of questions suited to learning goals that ask students to apply knowledge or analyse situations rather than identify concepts or provide definitions.



The AERC endeavours to undertake several measures to enhance women enrolment into PhD studies during the current strategic plan period.

Table 4: CMAAE SFSE 2020 distribution of students by gender and university

	University	Gen	ider	Total	Female%	Male%	
	University	Female	Male	IUlai	remaie /o	IVIAIC /0	
1	Egerton University	5	3	8	62.5	37.5	
2	Haramaya University	2	8	10	20.0	80.0	
3	LUANAR Bunda Campus	11	8	19	57.9	42.1	
4	Makerere University	4	13	17	23.5	76.5	
5	Sokoine University	5	2	7	71.4	28.6	
6	University of Nairobi	16	13	29	55.2	44.8	
7	University of Pretoria	5	9	14	35.7	64.3	
8	University of Zimbabwe	2	11	13	15.4	84.6	
	Totals	50	67	117	42.7	57.3	

During the virtual SFSE 2020, a total of 14 courses were offered by a team of 15 visiting lecturers, given that one course was co-taught by two lecturers. In comparison, a total of 13 courses were offered at the 2019 SFSE.

Feedback on Implementation of Virtual Learning

The implementation of virtual learning was applauded by several universities as having opened opportunities for their students to participate in the CMAP or CPP JFE for the first time. For the CMAP JFE, 2 new universities enrolled in the virtual JFE 2020, namely, Kwame Nkrumah University of Science and Technology (KNUST) and the National University of Lesotho (NUL). In the CPP JFE, Addis Ababa University, KNUST and the University of Cape Coast in Ghana, were the 3 new entrants. Additionally, restrictions on the number of students allowed to attend JFE/SFSE had been lifted, as space, budgetary or logistical considerations associated with the traditional, physical JFE were no longer major factors under the online environment. This greatly benefitted universities that already had high enrolment of students in their programmes or those that had been closed altogether due to Covid-19. Many of the network members and institutions, as well as external resource persons/reviewers and examiners, applauded the efficiency and professionalism with which the AERC ensured that online course materials were developed for all JFE courses, other learning materials were provided on the e-library, courses were delivered using a variety of online platforms, and final examinations were efficiently coordinated across all the participating universities.

The implementation of the virtual learning was, however, not without challenges. Among the key challenges cited by the students and visiting lecturers include:

 Power outages affecting both students and lecturers that resulted in some students occasionally missing classes and lecturers having to organize make-up classes under restrictive timelines. Unfortunately, this was a localized, country-specific challenge that the AERC and the participating universities had little or no control over.

- Internet connectivity challenges. This issue was multifaceted, as it related to both the strength or quality of the local internet connections on the part of both students and lecturers (bandwidth, stability, and reliability of the supply), as well as the students' and/or lecturers' ability to purchase adequate internet data for the entire duration of the programme. The devices in use (laptops, desktop computers, tablets, or smart phones) were also a factor. The AERC had provided institutional support to universities to purchase data bundles for their students, but this support had only been extended to the 7 CMAP Category B and 2 CPP host universities, while logistical and administrative challenges occasioned by the COVID-19 pandemic somewhat affected the timeliness of disbursement of the funds from the universities to the individual students. The CMAP Category A and the Non-CPP universities, which traditionally were not participants in the JFE (but were later allowed to join in 2020 after the session went virtual) were not provided with this specific support as these institutions had not been initially factored into the budget. However, the AERC ensured that all virtual lectures were recorded and shared with the students immediately thereafter, and this took care of anyone who might have missed classes due to internet or power outages.
- Going forward, the AERC will endeavour to broaden the reach and level of support to the participating institutions, students, and lecturers, to improve the effectiveness of online course delivery. Where possible, students will be encouraged to study from centralized facilities within their home universities (such as appropriately equipped computer labs or lecture rooms) as it is more efficient and cost-effective for AERC to provide targeted institutionalized support rather than addressing individual needs of each student. Avenues for discounted, special educational internet or device packages will be explored and negotiated with specific mobile/internet service providers, through the respective universities.
- Large class sizes for some courses (over 40 students) inhibited effective class participation to take place. This also affected the administration of group-work assignments and



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tests, as well as timely provision of feedback to students. To address this issue, consideration will be made in future to engage teaching assistants to support the lecturers with tutorials and grading of continuous assessment tests and assignments, if such class sizes cannot be controlled in any other way.

- Class attendance and level of commitment of students was lower compared to when faceto-face teaching was conducted at common facilities in Nairobi and Pretoria. To a large extent, this is attributed to various distractions associated with the learning-from-home environments in addition to the internet and power challenges. This in turn may have contributed to several students performing poorly in continuous assessments and final examinations. Funds allowing, a blended learning approach could be adopted in the future so that 60% of learning is online, with students congregating at a common facility for the remaining 40% for face-to-face tutorials, examinations, and networking. In addition, a requirement that all students use active video can help in tracking students' attention. This will require a supply of more bandwidth to the institutions.
- Quantitative aspects of the courses were difficult to demonstrate online without proper tools and equipment such as a camera or an iPad/notebook to demonstrate mathematical derivations. Lack of experience and proficiency in online delivery of courses, and insufficient IT related technical skills on the part of the lecturers, could also have been a contributing factor. Moving forward, lecturers will be required to acquire the necessary tools and equipment to teach the quantitative aspects of the courses. Orientation and re-tooling of lecturers will be considered well ahead of commencement of online teaching.
- Time allocated for virtual teaching and examination preparations was too short, considering the volume of material to be covered and the intensity of the programme. This may have compelled the lecturers to rush through the teaching material without giving ample time for class discussions and for students to adequately internalize the content. Students also lacked time for revisions prior to sitting for final examinations, with some having to complete class assignments a day or two to the final examinations. Given that no significant additional costs are incurred in a virtual learning environment, the AERC will review the duration of the programme for optimal coverage of course material, better preparation for examinations and greater interaction among students and lecturers.
- The three-hour class sessions were too long. Scheduling of classes was a challenge due to students being spread across different time

zones. This meant that some students began classes very early in the morning while others finished late in the night to ensure that the courses were fully covered within the stipulated period. Where possible, AERC will consider adjusting the lectures to a maximum of two hours each, considering the different time zones.

Reforms in CPP Thesis Research Workshops and Grants

Presentations of PhD thesis proposals and post-field work reports by CPP students in the concurrent thematic groups at the biannual research workshops has remained a key component of strengthening quality as students benefit from the peer review mechanism and from the large pool of international resource persons. However, comments given by resource persons and other researchers at the biannual research workshops are only beneficial to the extent that students present quality research papers. The quality of research by the PhD students significantly depends on their conceptualization of research ideas, a good understanding of research methodology, matching of students with highly committed and suitable supervisors in the field of specialization, and regular monitoring of progress.

During the recent presentations of PhD thesis proposals at the biannual research workshops, students exhibited poor conceptualization of research ideas and little or no guidance from their supervisors as evidenced by their choice of topics, content, and presentation. On numerous occasions, students were unaccompanied by their supervisors during their proposal presentations at the biannual research workshops. The problem varies across universities.

The reforms in CPP thesis research entail restructuring of the entire process of proposal development, supervision, grants award, regular monitoring of progress, presentations at the biannual research workshops and publications. The following reforms have been introduced at different stages of CPP teaching and thesis research cycle:

Starting with this year's virtual JFE 2020, the *Research Methods and Computer Applications* course has been introduced as mandatory common course for all CPP students. The primary goal of this move is to impart practical skills and improve the students' understanding of various aspects of the research process - proposal development, research design, data collection, analysis, writing and presentation.

Invitation to present at the biannual research workshops will no longer be automatic but competitive as is the case with thematic researchers. Students accompanied by their thesis supervisors will be invited to present PhD proposal and best chapter/paper of their thesis that



The three-hour class sessions were too long. Scheduling of classes was a challenge due to students being spread across different time zones. This meant that some students began classes very early in the morning while others finished late in the night to ensure that the courses were fully covered within the stipulated period. Where possible, AERC will consider adjusting the lectures to a maximum of two hours each, considering the different time zones.

have been independently reviewed and approved by thematic group chairs. The best chapter/paper of the thesis presented at the biannual research workshop is a complete research paper written in a journal article format. Presentation of best chapters/papers at the concurrent sessions of the biannual research workshops provides the students with an opportunity of being mentored by resources persons, some of whom are editors of high-ranking academic journals. The CPP students who publish in refereed journals will be eligible for The Foreign, Commonwealth & Development Office (FCDO) incentives.

Award of PhD thesis research grants will no longer be automatic and pegged to proposal presentation at the biannual research workshop. Instead, award of PhD thesis research grants will be competitive and subject to certain quality thresholds based on an independent review of the proposals by thematic resource persons. Subject to positive review, students accompanied by their thesis supervisors will be invited to present their PhD proposal at the concurrent session of the biannual research workshop. The thematic group chairs will present their recommendations on the eligibility of the proposals to be awarded PhD thesis research grants for final approval by the Programme Committee.

Table 5: CPP Class of 2018 proposal presentation student distribution by country, gender and thematic groups

				June 2020) Biannual	Research W	/orkshop		
	Country of CPP participants		Gender		otal per			ematic con	current
		М	F		А	В	С	D	E
1	Burkina Faso	0	1	1					1
2	Cameroon	1	0	1		1			
3	Cote d'Ivoire	1	0	1				1	
4	Ethiopia	1	0	1		1			
5	Ghana	1	0	1					1
6	Kenya	1	0	1			1		
7	Lesotho	1	0	1	1				
8	Nigeria	0	2	2	2				
9	Sierra Leone	1	0	1		1			
10	Tanzania	1	0	1		1			
11	Uganda	0	1	1	1				
12	Zambia	1	0	1			1		
	Total	9	4	13	4	4	2	1	2

These reforms were implemented at the December 2020 biannual research workshop. There were no CPP students that were ready with these new reforms, partly due to time constraints. During the June 2020 biannual research workshop, a total of 13 CPP Class of 2018 students presented their PhD proposals (see Table 5). Thereafter, the students were awarded PhD thesis research grants.

The number of nationality spread is 12 in 2020, like in 2019, but a slight improvement from 11 in 2018. Deliberate efforts have been made to have a wider regional representation in the programme by awarding scholarships to students from previously under-represented countries and groups. We are pleased to report that these efforts have seen the participation of students from Burkina Faso, Ethiopia, Lesotho, and Sierra Leone in this year's biannual research workshop.

Academic Advisory Board Meetings

The CMAP-CPP Academic Advisory Board (AAB) and its Sub-Committee meetings were held

virtually in May 2020 and February 2021. The AAB approved the CPP JFE 2019 and comprehensive examination results for the CPP Class of 2018 students in May 2020, and the CMAP JFE 2020 examination results in February 2021. At the May 2020 meeting, the Board also deliberated on ways in which the academic programmes would continue under the prevailing COVID-19 circumstances, including the proposed online delivery of the CMAP-CPP JFE in 2020. A similar virtual meeting was held for the CMAAE Academic Sub-Committee in May 2020 to consider and approve the online SFSE 2020 courses to be offered and the respective visiting lecturers. Other meetings of the Academic Sub-Committee and the AAB were held in January 2021 to approve the CMAAE SFSE 2020 examination results. Holding of virtual meetings is the approach moving forward because it is enhancing efficiency, ability to have more frequent consultations and meetings, as well as achieve cost-savings.

CMAP, CMAAE and CPP Admissions and Scholarships

Under CMAP, a total of 12 new partial tuition and fees in-country scholarships (67% to female students) were awarded in September 2020. A total of 14 new CPP scholarships were awarded in 2020/2021. Five out of the 14 were full CPP scholarships while the remaining 9 were partial tuition and fees in-country scholarships. In terms of gender distribution, 9 (64%) of the 14 CPP scholarships were awarded to women in 2020/2021, compared to 42%, 23%, 52%, 29% and 44% in 2018/2019, 2017/2018, 2016/2017, 2015/2016 and 2014/2015, respectively.1 The significant increase in the enrolment of female students into the CPP has been achieved out of deliberate outreach efforts by the AERC to the admitting universities to encourage more female students to enrol into the CPP as well as applying affirmative action in the award of scholarships to qualified women. A total of 42 CPP scholarships were renewed in April 2020 for continuing students: 3 students CPP Class of 2019; 13 students CPP Class of 2018; and 26 students CPP Class of 2017.

Following a rigorous selection process spanning about 9 months (advertising, document review, plagiarism tests, shortlisting, and interviewing), the AERC/CMAAE, in conjunction with the DAAD, awarded 6 PhD in Agricultural Economics scholarships under the In-Country, In-Region (ICIR) programme. Five out of the six scholarships representing 83% were awarded to female applicants with an equal distribution between In-country and In-Region scholarships. Four of the candidates are enrolled at the University of Nairobi (Kenya), 1 each at the Sokoine University of Agriculture (Tanzania) and at the Haramaya University (Ethiopia). Under the COVID-19 conditions, only the Sokoine University of Agriculture offered face-to-face learning while students admitted at the University of Nairobi and Haramaya University enrolled for online classes awaiting the situation to improve before reporting to their campuses. A total of 41 (5 full and 36 partial) CMAAE scholarships were awarded in 2020/2021 to students admitted in 6 of the 8 CMAAE universities. In terms of gender distribution, 18 (44%) of the 41 CMAAE scholarships were awarded to women.

This is a summary of the outcomes relating to the implementation of activities under strategic theme 1.

Table 6: Outcomes resulting from implementation of strategic theme 1 on improving quality.

End of Strategy	Outcome	Baseline	Target	Actual
Outcomes	Indicator	2019/20	2020/21	April 2020-March 2021
1.1Improved enabling environment	1.1(a) Number of AERC alumni engaged in relevant policy formulation and research within policy making institutions (Cumulative)	1,020	1,050	1053
for high quality policy-oriented	1.1(b) Number of policies informed by AERC research (Cumulative)	0	1	3
research and graduate training	1.2(a) Number of collaborative research framework and country case studies published in internationally refereed journals (Cumulative)	270	280	288
in sub-Saharan Africa 1.2Improved	1.2(b) Number of thematic and graduate students' research papers published in internationally refereed journals (Cumulative)	243	258	252
researchers' capability and dissemination capacity	1.3(a) Percent of graduates in economics & agricultural economics working as teaching faculties, researchers, policy analysts and policy makers in universities, government institutions and policy research institutes	76%	78%	80%
1.3Improved quality of graduate students Intermediate	1.3(b) Number of CMAP, CMAAE and CPP alumni produced with competencies to conduct economic policy research and graduate training in SSA (Cumulative)	CMAP- 3,151 CMAAE-910 CPP-249	CMAP- 3,277 CMAAE-971 CPP-263	CMAP-3,217 CMAAE-957 CPP- 266
Outcomes 1.4Improved	Outcome	Baseline	Target	Actual
synergy between collaborative and	Indicator	2019/20	2020/21	April 2020-March 2021
thematic research 1.5 Improved	1.4(a) Number of collaborative research projects done by the five thematic research groups (Cumulative)	0	2	2
incentive for thematic and collaborative	1.4(b) Number of thematic research papers generated from the broader themes of collaborative research (Cumulative)	0	5	5
research 1.6 Improved quality	1.5(a) Number of early career researchers (ER) conducting thematic research (Cumulative)	4,520	4,670	4,551
and delivery of university graduate level	1.5(b) Number of senior researchers participating in AERC research (Cumulative)	540	560	562
economics curriculum 1.7. Improved due diligence and	1.6(a) Number of Masters and PhD students registered for online JFE/ SFSE (annually)	80	150	260 (CMAP-109; CMAAE-117; CPP-34)
quality assurance by AERC	1.7(a) Percent of research proposals out of the total peer reviewed and presented that proceed to interim report	65%	70%	65%



> STRATEGIC THEME 2

ENSURE SUSTAINABILITY: Building strong institutions, diversified resource base and inclusive participation in AERC research and training activities.

trong institutions are essential drivers of socio-economic transformation. The AERC provides an avenue of supplying researchers and policy analysists with requisite skills to provide research-based policy advice to inform national policymaking and strengthen critical institutions. To expand access to AERC's research and training programmes, as well as policy outreach during the strategic period 2020-2025, AERC will seek to broaden its resource base, harness robust support systems coupled with competent human capital, sound policies and procedures, and governance structure.

During the fiscal year 2020/21, AERC undertook various activities to support institutional capacity building in the region and achieve targets set for several outcomes that are summarized in Table 6.

2.1 Improved collaboration with economic policy decision-making institutions

Establishment of partnerships with directorates of economic affairs and research units at ministries of finance, central banks, national policy research institutes and think tanks is aimed at building a pool of qualified economists and policy analysts equipped with the latest tools of economic analysis for effective policy analysis and policy formulation. The AERC seeks to take the lead as an anchor

institution to coordinate national think tanks within sub-Saharan Africa to enhance the impact of the network to influence economic policymaking on the continent.

During the period under review, AERC partnered with several institutions of governments, foundations, non-state actors and regional institutions to jointly undertake policy research to inform policy on the continent.

The AERC-BMGF COVID-19 Strengthening East African Community Policy Interventions and Administrative Response Project

In 2020/21, the AERC signed a grant agreement with the Bill and Melinda Gates Foundation (BMGF) to manage the project on strengthening a harmonized policy response and administrative actions to mitigate the impact of the COVID-19 in the East African Community Countries, Burundi, Kenya, Tanzania, Rwanda, Uganda, and South Sudan. The one-year project (June 2020-June 2021) seeks to minimize societal and economic impact of the COVID-19 pandemic by generating knowledge for evidence-based advice to inform policy and strategies; mainstreaming gender in the crisis response; regulatory harmonization, coordination, and regional surveillance of the pandemic to minimize supply disruptions and



To expand access to AERC's research and training programmes, as well as policy outreach during the strategic period 2020-2025, AERC will seek to broaden its resource base, harness robust support systems coupled with competent human capital, sound policies and procedures, and governance structure.

cross-border trade; fostering global and intraregional transfer of best practices; and intraregional exchange of technical expertise needed to address the crisis. The project is coordinated by AERC and jointly implemented with the EAC Secretariat, East African Healthcare Federation (EAHF)I, East Africa Business Council (EABC), and Federation of East Africa Freight and Forwarders Association (FEAFFA), among others. The project is implemented by a Steering Committee with the support of five technical working groups on health, trade, transport and logistics, research, and policy. Research outputs for informed policy interventions are on course. One of the project outputs is the flagship report on the impact of COVID 19 on the EAC trade which was launched on 17 February 2021. A virtual Regional Policy Forum is scheduled for 25-26 May 2021 to share the policy and administrative options generated from the project for consideration by policy practitioners from the 6 East African Community member countries. The project is scheduled for completion by 30 June 2021.

The Inventory of Social Economic Land Data in Africa (ISELDA) Project

The AERC partnered with the African Union Development Agency (AUDA) - New Partnership for African Development (NEPAD) to collate social economic data on land and propose a land data improvement strategy in 10 African member countries (Benin, Botswana, Burkina Faso, Cameroon, Ethiopia, Ghana, Madagascar, Mali, Namibia, and Uganda). The project commenced in June 2019 and is scheduled to be completed on 31 May 2021 following a 2 months no-cost extension. For each of the 10 countries, a land data inventory report, a land improvement strategy report, and a policy note have been produced. An overall synthesis report covering the 10 countries has also been produced. The project helped to improve governments policy making on land issues working with stakeholders in land and natural resources and supported country ministries of land, agriculture, planning and national development, among others to develop country help desks/online portals where data on land would be accessed. In partnership with the Regional Centre for Resources Mapping for Development (RCRMD), a validation workshop on socioeconomic data, and training on the use of the data portal has been scheduled for 17-21 May 2021 in Dakar, Senegal.

The AERC-GoK Capacity Building for Policy Analysis Project

The Government of Kenya-funded capacity building project, which has been implemented over a period of nine years since January 2011, was designed with the primary objective of strengthening economic policy analysis and financial management capabilities in the National Treasury. The Government of Kenya under the National Treasury established a Capacity

Building Endowment Fund over a period of 6 years to deliver the following key components of the project: a) Institutionalization of economic policy analysis; b) Placement of graduates and contract of policy analysts; c) Building Treasury macro model for research and policy analysis; d) Training programme for Masters and PhD; and e) Establishing a network of annual exchange of policy research through economic conferences.

During the fiscal year 2020/21, a total of 37 master's graduates participated in the Government of Kenya internship programme at the National Treasury, of whom 9 successfully completed their mandatory three-year period of internship in July 2020. This brings the total number of those who have successfully interned to 36, of whom 25 have been employed as Economists at the National Treasury. The project has also supported 97 masters and 80 PhD Kenyan students admitted various CMAP, CMAAE and CPP universities, of whom 76 masters and 25 PhD have successfully graduated. The AERC submitted a proposal for phase II of the project and is seeking audience with the Government of Kenya to discuss the modalities of implementation.

Programme Accompanying Research and Innovation (PARI-BMZ)

In March 2019, the Program of Accompanying Research for Agricultural Innovation (PARI) supported by the BMZ was brought on board to support MSc thesis research, PhD thesis research, thematic and faculty research. The research themes include: Mechanization, automation and skill development in agricultural production and food processing; Digitalization in agriculture, food, and nutrition; and Enhancing opportunities for the youth in the rural economy, among others. In 2020/21, a total of 19 research grants were issued, 10 being MSc Thesis research, 7 Faculty and 2 PhD Thesis research grants - bringing to a total of 31 grants under the project (15 MSc, 11 faculty and 5 PhD). The project is planned for completion on 31 December 2021.

AERC BMGF Agricultural Policy Analysis for Nutrition Project (AFPON)

The AFPON project seeks to determine the linkages between agricultural, food and nutrition policies on nutrition outcomes in sub-Saharan Africa. In the reporting period, the project received a no-cost extension to 31 December 2021 to wind up project activities, including faculty research, the AFPON conference (13-14 May 2021) and the end of project evaluation. Calls for faculty research, commissioning of conference plenary papers and a call for a consultant for end-of-project evaluation were completed during the reporting period. A proposal for a special issue of the Food Policy Journal was successfully made after which due process for the publication would be followed for its release.



The AERC partnered with the African Union Development Agency (AUDA) – New Partnership for African Development (NEPAD) to collate social economic data on land and propose a land data improvement strategy in 10 African member countries

2.2 Enhanced capacity to diversity funding base

The funding environment for non-for-profits has shifted. Donors' funding strategies are changing, with many donors taking a different approach to funding organizations. The AERC is taking an aggressive approach towards realizing the strong and diversified resource base that is required to support the strategy.

AERC resource mobilization efforts

Fundraising efforts in support of the Strategic Plan 2020-2025 commenced in the fiscal year 2019/20 and progressed in earnest in the year 2020/21, the main challenge being to finance this first year of the new strategic plan. While efforts to fundraise for the strategy continued, suggestions for short-term measures to finance implementation of the first year of the strategy were also considered. The following fundraising efforts were made over the year:

- The Foreign, Commonwealth and Development Office (FCDO, former DFID) awarded the AERC a grant of £8.0million in support of the Strategic Plan 2020-2025. Out of this amount, £1.2million will support the performance incentive tranche for researchers in the AERC Network. During the year, the FCDO has disbursed £1.0million in advance and as an addition to the FY 2020/21 allocation of £650,000. These funds have been used to fast track some of the activities previously planned for the fiscal year 2021/22.
- The Swedish International Development Cooperation Agency (Sida) signed a one-year (2020/21) grant agreement extension, for SEK 23.5million, as an amendment to the previous five-year grant support. Out of this amount, SEK 1.0 million will support Phase II of the collaborative research project on healthcare financing, titled Addressing health financing vulnerabilities in Africa due to the COVID-19 pandemic. Discussions are ongoing following Sida's proposal to further extend the one-year agreement (for 2020/21) to enable the AERC use carry over funds to finance activities during the first quarter of 2021/22. These efforts will allow for continued support while awaiting the signing of a new grant agreement expected in June 2021.
- The William and Flora Hewlett Foundation has awarded a grant of US\$125,000 over a period of 15 months towards a scoping project to improve Data Policy and Data governance in Africa.
- The Bill and Melinda Gates Foundation (BMGF) awarded a grant of US\$650,000 in support of the project on Strengthening East African Community Policy Interventions and Administrative Responses to COVID-19 pandemic.

- In efforts towards increased collaboration and deepening existing partnerships, AERC partnered with OXFAM and submitted a funding proposal to International Development Research Centre (IDRC) to implement a joint project The Impact of the COVID-19 Pandemic on Livelihoods in Africa. The project has been funded for CAD1.2 million with an expected implementation period of 2 years (2020-2022).
- The AERC successfully bid for an INCLUDE (Dutch Ministry of Foreign Affairs) tender on a proposed project titled 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. AERC was awarded a grant for €500,000 to implement the project over the period July 2020 – September 2021.
- AERC signed a joint agreement with the Ford Foundation and the AfDB for US\$400,000 towards undertaking the Public Service Perception Survey to compliment the Africa Public Service Delivery Index project. These funds were disbursed during the fourth quarter.
- The AERC signed a service agreement with the AfDB for US\$199,407 to undertake research work on benchmark models for macroeconomic policy management in Africa. The assignment covers a period of 3.5 months to 31 March 2021.
- AERC submitted a request to the World Bank to increase the current annual commitment of US\$300,000 to US\$500,000. Meanwhile, we are pleased to report that the Bank has already made its annual contribution of US\$300,000 for the current fiscal year.
- The AERC and the TradeMark East Africa signed MOU with grant support of US\$500,000 towards research cooperation on Trade Policy Analysis and Research in the East African Community. The AERC and the Economic Research Forum (ERF) signed an MOU to undertake collaborative research activities. As part of this, the AERC received a grant of \$41,800 to commission four country case studies for the project "Trans Regional Research on Private Sector Development, Digitization and Disruptive Technologies".
- The African Export Import Bank joined membership of the Consortium by signing a membership agreement in April 2020 and made the annual contribution of US\$100,000 for the fiscal year 2020/21 in May 2020.
- AERC continues to engage the members of the AERC African Central Bank Governors' Forum to make contributions for the fiscal year 2020/21. Meanwhile, contributions for the previous year, 2019/20 were received during

us\$ **500,000**

AERC submitted a request to the World Bank to increase the current annual commitment of US\$300,000 to US\$500,000. the first half of this year from the Trade and Development Bank (TDB), Bank of Ghana, Reserve Bank of Malawi, Central Bank of Mozambique, South African Reserve Bank, Bank of Tanzania, Bank of Uganda, and Bank of Zambia. Reminders have been sent to the other members. Since inception of the Forum, a total of US\$4,675,000 has been contributed by the members.

- AERC submitted a funding proposal for renewal
 of the second phase of the Government of
 Kenya Capacity Building project for Policy
 Analysis. An allocation of core support in the
 current budget of Kshs.36,542,000 annually
 for four years has been provided as we await
 Parliamentary approval of the Finance bill.
 At the same time, the AERC has developed
 a similar GoK-type of training programme
 concept for Ghana, Botswana and Equatorial
 Guinea, and targets to do the same for
 Cameroon, among other Francophone African
 countries.
- Following discussions with the Government of Ethiopia, the AERC submitted a proposal for a project akin to the GoK capacity building and policy analysis project as part of the technical assistance to the Ministry of Finance, Ethiopia. Discussions are ongoing with an expectation that the Minister of Finance, Ethiopia will provide the approval to commence the project in the next fiscal year, 2021/22.

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

2.3 Improved organization support system

Organization effectiveness of AERC will create a platform to facilitate delivery of the strategy. The governance and systems facilitate to a great extent how effective AERC is planned to look like.

AERC Governance

The Executive Committee of the AERC Board held its July and November 2020 meetings virtually. Outcomes of the July 2020 meeting include the approval of the first quarter report of the Executive Director on AERC activities, the revisions of the programme of work and budget (PWB) for 2020/21 fiscal year and the audited financial statements for the fiscal year 2019/20. The November 2020 Executive Committee meeting approved the half year report of the Executive Director on AERC activities, revisions to the Programme of Work and Budget (PWB) 2020/21, and revised policies and procedures manuals on Board procedures, human resources, finance and administration, the new ICT policy manual, and the anti-fraud and anti-corruption policy. Additionally, the AERC

Programme Committee held virtual meetings on 6 July and 9 December 2020. The outcomes of the two meetings include approval of the award of 21 new thematic research grants and 10 PhD thesis grants. The Programme Committee continues to play an important advisory role in the design and monitoring of the implementation of research, training, and policy outreach activities.

Audits

The annual audit for the financial year 2020/21 kicked off in March 2021 with the interim audit. The final audit was in May 2021. External auditors, Deloitte undertook the audit. Notably, this was the final year of their three-year contract. The audited financial statements and the management letter was presented to the Executive Committee in July 2021 for approval. The IRS return for the FY 2020/21 was also prepared and submitted for review by the accountants in the USA for submission in November 2021.

During the year, the Internal Audit function focused on the Communications Department, especially the work that the Agency of Record has been undertaking in digital management, marketing outreach, policy outreach and alumni outreach. The Internal Audit also evaluated partnerships from the perspective of donor funding and implementing partners for efficiency in delivery of strategic objectives of the AERC in CMAAE and other programmes. The internal audit also reviewed travel and events management, Business Continuity Plan (BCP) and compliance with ethics programmes. A report on the Internal Audit was presented to the Audit and Risk Committee and the Executive Committee in March 2021.

Revisions to the Programme of Work and Budget 2020/21 that was approved in March 2020 were approved by the Executive Committee in July and November 2020. The revisions considered the changes in implementation of programmatic activities because of the COVID-19 pandemic, new information on funding sources and review of activities to match available funds, and net assets carried forward from 2019/20.

Performance Management System

There was strengthening of the Management by Objectives performance management system. The performance appraisals for the year ended March 2020 were successfully completed. Performance management training was conducted for all staff, which resulted to a better outcome in the development of the new performance agreements for the fiscal year 2020/2021. In addition, the performance appraisal system has witnessed more objective outcomes as evidenced from the positive shifts in the overall institutional performance graphs.



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

AERC Updates on performance during COVID-19 pandemic

In response to effects of the COVID-19 pandemic. the AERC implemented various initiatives in a bid to mitigate the spread of the disease since the pandemic was declared in March 2020. A fund was set up to enable the organization to cater for employee some costs associated with COVID-19 related illnesses. This is because the medical insurance does not cover pandemic related expenses. The Management has continued to facilitate staff with internet and telephone reimbursements to enable them to continue working efficiently from home. In January 2021, a hybrid model was adopted which allows staff to work from both home and the office in a more effective manner with the aim of boosting institutional productivity. Lastly, a survey was conducted to allow staff provide feedback on remote working conditions, with the aim of improving the support provided to staff during this time. The response rate was 78%, with over 75% of the respondents indicating confidence in the actions the leadership was taking to support employees during the crisis.

Staff Recruitment and Retention

The year saw recruitment costs increase significantly as the available positions were filled and the new members of staff joined the institution. The roles filled this year include Chief Communications and Policy Outreach Officer (from Mauritius), the Manager of Research (from Malawi), the Director of Training (from France) and the Programme Administrator in the Training programme (from Kenya).

Staff Development and Training

With the increased uptake of online training, 67% of staff applied for various courses to upskill competency levels. The IT department continues to emphasize the importance of Cyber Security Risk Mitigation and has put measures in place to track staff awareness on this issue, which at inception was 53% of staff being technologically

aware on this subject matter. In addition, all staff underwent a refresher training on the ERP currently in use at the Secretariat. The HR department organised virtual wellness sessions for all staff to address medical conditions that affect employees and encourage healthy lifestyles.

2.4 Enhanced participation of underrepresented countries and groups in research and graduate training

To create a critical mass of women and nationals from underrepresented countries, particularly the post-conflict African nations participating in research and graduate training remains a priority in the current strategic plan period. This would involve identifying supply bottlenecks that result in few women enrolling into graduate studies in economics to boost the pool of highly qualified women scholars and researchers on the continent. Beginning from 2020/21, the AERC is strengthening efforts towards increasing the number of women participating in thematic and collaborative research programmes. A total of 42 early-career female researchers participated in the June and December 2020 biannual research workshops. The AERC plans held two technical workshops, one for women only and the other for fragile states in May and June 2021. A total of 20 participants took part in each of the two workshops.

The training programme has introduced quotas on the proportion of support given to universities for scholarships to be allocated to qualified Out of the 12 CMAP scholarships women. awarded in September 2020, 8 (67%) have been awarded to women. Under the CPP, 9 (64%) of the 14 scholarships were awarded to women in 2020/2021. The CMAAE awarded 18 (44%) of the 41 MSc scholarships to women. Universities that have a history of low enrolment of women are being sensitized to encourage more undergraduate women economics majors to enrol into master's programme to boost the number who ultimately enrol for PhD. Since the inception of the CPP in 2002, the proportion of women PhD graduates has been 23%.



The training programme has introduced quotas on the proportion of support given to universities for scholarships to be allocated to qualified women.



Table 7: Outcomes resulting from implementation of strategic theme 2 on ensuring sustainability

End of Strategy	Outcome	Baseline	Target	Actual
Outcomes	Indicator	2019/20	2020/21	April 2020-March 2021
2.1 Improved organizational performance	2.1(b) Number of empirical policy research papers produced by policy analysts and researchers of government institutions, national think tanks, and research institutes technically equipped through research mentorship and specialized technical trainings.	0	20	23
2.2 Diversified financial resource base supporting AERC activities	2.2(a) Funding concentration-reliance ratio, which measures funding share of 5 largest funders (gives awareness of the risk of reliance on few funders)	83%	83%	79%
2.3 Increased participation of underrepresented countries and groups in	3.3(a) Annual percentage of thematic researchers who are from fragile and post-conflict countries	33%	34%	33%
economic policy institu- tional strengthening	3.3(b) Number of thematic research papers produced and co-authored by women researchers (Cumulative)	200	210	221
Intermediate	Outcome	Baseline	Target	Actual
Outcomes	Indicator	2019/20	2020/21	April 2020 -March 2021
2.4 Improved collaboration with economic policy decision making institutions	2.4(a) Affiliation of AERC with national, regional and international organizations (National Think Tanks (NT), Central Banks (CB), African Governments (AG) and Regional Institutions (RI)	NT (12) CB (14) AG (1) RI (4)	NT (12) CB (14) AG (1) RI (4)	NT (14) CB (12) AG (1) RI (4)
2.5 Enhanced capacity to diversify funding base	2.5(a) Cumulative Number (CN) and Mix of funding partners supporting AERC	CN (16) Mix (5)	CN (16) Mix (5)	CN (16) Mix (5)
2.6 Improved organization support system	2.6(a) Percentage of technical staff retained	50%	70%	85%
	2.6 (b) Programme efficiency ratio calculated as programme expenses divided by total expenses (Measures how much of an organization's expenses are being spent on programmes versus overhead costs)	74%	74%	75%
2.7 Enhanced visibility and opportunity in underrepresented regions of Africa	2.7(a) Percentage of participants taking part in research and graduate training activities that are from Francophone and Lusophone countries	40%	42%	48%
	2.7(b) Percentage of AERC sponsored masters and PhD graduates who are women.	MA (34%) PhD (24%)	MA (35%) PhD (25%)	MA (36%) PhD (23%)



> STRATEGIC THEME 3

EXPAND POLICY INFLUENCE: Fostering the uptake of economic policy research, knowledge sharing and dialogue through creation of a knowledge generation centre, policy advisory centre by networking with National Think Tanks.

nfluential evidence-based policy advise requires AERC to adopt a targeted, proactive, and strategic approach to communication. In the coming years, AERC will be more directive and tactical in its policy engagements and deploy a wide range of new and innovative methods to communicate more effectively. By developing new forms of cooperation and information sharing, and by transitioning to a more proactive policy influencing stance, AERC will have a demonstrable influence on economic policy decision-making in Africa.

The AERC is now effectively harnessing the value and equity to expand visibility with existing and new audiences. With a clear strategy, and medium to long-term investment in media, digital, marketing and outreach now in place, a lot of changes are envisaged. These coupled with internal and external capacity were hitherto considered the main barriers towards achieving our objective. The Agency model will re-define the capacity requirements. The agency's performance will be benchmarked against previous year performance to ensure a return on investment and whether externalizing the team is a model that will work effectively for AERC in the long-term.

During the fiscal year 2020/21, AERC undertook various activities to expand influence in the region and achieve targets set for several outcomes that are summarized in Table 8.



The AERC is now effectively harnessing the value and equity to expand visibility with existing and new audiences. With a clear strategy, and medium to long-term investment in media, digital, marketing and outreach now in place, a lot of changes are envisaged.

Table 8: Comparison statistics for current and previous reporting periods

Madia Occasion			FY 2020-2	2021
Media Coverage	Q1	Q2	Q3	Q4
Reach	273,898,474	355,498,474	490,098,474	624,698,474
AVE (US\$)	18,539,673	19,130,714	19,141,350	20,495,972
Social Media				
Twitter	4,130	4,532	4,800	5,106
Facebook	15,582	18,852	24,096	24,883
Instagram	439	537	685	802
LinkedIn	31,400	34,585	37,009	37,888
Website				
Unique Pageviews	35,920	43,920	53,352	58,812
Usage of e-Library Repository		2,070	35,652	36,777
Publications				
Research Papers	12	15	18	28
Policy Briefs	5	20	25	15
Op-Eds	2	4	3	2
Other Publications	14	5	6	2
Marketing				
Digital Campaigns (% Open Average to 2,000 network members)	4 Campaigns	30 campaigns	21 campaigns	26 campaigns

Sources: Meltwater Media Database, Hootsuite Analytics Platform, Google Analytics, MailChimp Analytics.

Enhanced platforms for cooperation and information sharing.

Improved cooperation and information sharing specifically across national think tanks, providing one-to-one policy implementation support, and expanding convenings will result in stronger links between research, policy implementation, and impact. This relates to improvements in the availability and accessibility of relevant economics policy-related research and knowledge to a broad range of actors (including decision makers and policy influencers). Indeed, AERC will use various platforms to provide timely and customized support to influence policy decision making in sub-Saharan Africa. Examples of such fora include policy advisory and knowledge centres, publications as well as information sharing, such as conventions, seminars, and workshops.

Knowledge Platform Development Project

The Knowledge Platform on Inclusive Development Policies (INCLUDE) brings together researchers from Africa and the Netherlands who work with the private sector, non-governmental organizations (NGOs) and governments in exchanging information and ideas about how to achieve better research-policy linkages on economic transformation and inclusive

development. The Platform Secretariat is hosted by the African Studies Centre (ASC) in Leiden and is a consortium made up of ASC, AERC, and The Broker. An INCLUDE Platform meeting was held virtually in April 2020 to elaborate the agenda for INCLUDE research 2019-2022 as well as discuss the COVID-19 impact studies proposal and new synthesis studies in the context of Boosting Decent Employment for Africa's Youth Initiative.

In July 2020, three African Policy Dialogues (APDs) were established, namely: (a) increasing women entrepreneurship in Mali; (b) inclusive national youth policy in Niger; and (c) inclusive governance for economic structural transformation in Mozambique. Furthermore, a virtual APD learning and experiences sharing forum hosted by AERC was held on 16 July 2020. Lastly, synthesis studies on the impact of COVID-19 in Africa were launched in July 2020. The case studies are drawn from Rwanda, Nigeria, Mali, Niger, and Tunisia.

The INCLUDE Platform held its bi-annual meeting virtually in November 2020. The members shared experiences on the effects of the COVID-19 pandemic on their work. Further, short updates on the Platform's programmes, including the research on 'equity and Covid-19, work and income for young men and women, African Policy Dialogues and the IDRC/ILO evidence synthesis papers,

^{*} Media Reach refers to the total number of different individuals or households exposed, at least once, to the coverage during a given time.

^{**} AVE - Advertising Value Equivalency - attributes a monetary value to earned media secured by providing the advertising cost for placement within the media outlet at the same time (broadcast) or location (print/online).

were presented. As part of the meeting, separate sessions on topical issues were held. These were: Equity in COVID-19 mitigation and policy responses in Africa held on 12 November 2020; Cash transfers: Safety net or trampoline? Changing perceptions on the African continent held on 16 November 2020; and Productive employment: Experiences and evidence from African Policy Dialogues held on 17 November 2020.

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

The AERC publications pipeline continues to advance in terms of production of research papers, policy briefs, working papers, and collaborative research outputs. During the period, 45 research papers and 50 policy briefs were produced from thematic research and collaborative projects and posted on the AERC website for wider circulation. These policy briefs provide a succinct and clear summary of a specific research paper that is particularly intended for use by policy makers. The AERC Strategic Plan 2020-2025, the AERC Annual Report 2019/2020, the AERC Evaluation Report by Ernest Aryeetey and Frances Steward, a book length volume titled "A Digital Financial Services Revolution in Kenya: The M-Pesa Case Study" by Prof. Njuguna Ndung'u, the Thematic and Collaborative Research working papers including the COVID-19 Working Papers on Ethiopia, Ghana, Kenya, Senegal and Uganda, Senior Policy Report and Papers, as well as the AERC Newsletters, were also published and widely distributed. The AERC used print and web subsite development, including promotion campaign targeting all stakeholders to disseminate these outputs. Other efforts to ensure effective dissemination and access of policy research during the period include:

- The new e-Library system was popularized to the network. In this new system, AERC research and publications are comprehensively collected, managed, and preserved for access regionally and globally. The e-library system is an innovative idea that will ensure minimal print editions of AERC outputs meant for dissemination. Network members are now able to access AERC research outputs easily. AERC publications can be cited and sourced through university e-library systems worldwide, which will increase visibility.
- AERC publications are currently available on RePEC (Research Papers in Economics) from the following link https://econpapers. repec.org/paper/aerwpaper/default4.htm. The connection to RePEC has seen a marked increase in downloads of AERC publications. There are over 300 AERC Research Papers on RePEC. RePEC is a collaborative effort of hundreds of volunteers to enhance the dissemination of research in Economics and related sciences.

- In line with enhancing the reach and accessibility of AERC's Research papers, a partnership with the Kenya Library Information Services Consortium (KLISC) is providing access to a host of over 50 online journals and databases, including JSTOR, Science Direct, SpringerLink, Oxford, Taylor & Francis as well as Ebsco Host. Efforts are underway to reach out to more journals within and outside of the consortium listings.
- Small grants that AERC provides to support the network for various activities were scaled down following the COVID-19 challenges. AERC extends support to local economics associations or other institutions for convening National Policy Workshops. AERC did not receive applications for support towards virtual workshops or meetings.

AERC has taken proactive steps towards improving strategic communication capability by developing a visibility strategy and engaging communications experts.

Media Outreach

Media outreach has significantly improved. Ten (10) Executive Director's Opinion Editorial (Op/eds) and other articles on thought leadership were disseminated globally, but also found placements in other media outlets.

The AERC conducted a very successful master class with 20 journalists from across sub-Saharan Africa to enlighten them about AERC's activities. Hosted under the theme "COVID-19 Crisis Amplifies the Urgency for Economic Diversification in Africa", AERC Senior Management Team (SMT) had a live roundtable discussion unpacking how the global crisis caused by the COVID-19 pandemic has magnified the risks of low levels of economic diversity, while responding to questions from the media. The other objective was to promote a common understanding about the importance of communicating economics across the continent. Going forward, the AERC will seek to develop the capacity of the media to analyse, scrutinize, discuss, interpret, and report key financial and economic policy issues addressed by AERC to inform African economic policy decisions and contribute to sustainable economic growth. This can only be done by improving coverage of economic research and financial issues in targeted markets and enhancing communications capacity.

The AERC developed a new corporate video using new messaging techniques, which will henceforth be used for campaigns. The video features impact data and other related stories about AERC. The AERC is also creating and promoting a monthly video diary on vision and progress of the 2020-25 Strategic Plan featuring the AERC Executive Director for promotion using live social media outlets.



The AERC publications pipeline continues to advance in terms of production of research papers, policy briefs, working papers, and collaborative research outputs.

The virtual June and December 2020 biannual research workshops and the Senior Policy Seminar XXIII were promoted to the global, Pan-Africa and local media before, throughout and after the event. Leading local newspapers, television and FM radio stations as well as online channels, allocated considerable space and time to the event. The following media promoted the events: CNBC Africa; Vanguard; eNCA; Africa. Com; Tech Economy; Ripples Nigeria; East Africa Business Week; Economic Confidential; Biz Community; Modern Ghana; and Democracy in Africa. Television stations like CNBC Africa based in South Africa, Citizen TV, NTV and KTN as well as the Standard Newspaper, The Daily Nation, Business Daily, The Star and The People Daily covered the event. International Media such as Xinhua, China, Swahili-CRI, CIO too covered the events. The Radio Stations based in Kenya that covered these conferences included Capital FM, Radio Africa, and Citizen Radio. Some of these stations published interviews. In addition, the virtual official opening sessions of the 2020 JFE and SFSE were given intense media coverage and promoted for wider reach on the social outlets.

Digitization has become a priority for the AERC, especially in the provision of various services in response to the challenges presented by the COVID-19 pandemic. Social media has become the best way for network members to engage with AERC. LinkedIn continues to be the highest engagement platform followed by Facebook, Twitter, and Instagram in that order. However, lately, Facebook is becoming the preferred

platform with more feedback and engagement on the content, making it one of the key pages for AERC. Web unique pageviews have also been growing rapidly.

The AERC Website

The AERC French website is boosting page views by making the site more accessible to French speakers who form a large contingent of the AERC Network. AERC is constantly producing and uploading new content for this site. On the main website, the AERC Communications unit is using the latest news section to ensure new articles appear frequently. The website is scheduled for revamp to redevelop some sections for improved functionality, look and feel as well as Search Engine Optimization (SEO). The primary goal is to create emphasis on promoting our products.

Notably, there are more users to each page and an increase in new users throughout the site. The bounce rate has increased slightly, showing that users are leaving the site too quickly without going through the content. This problem will be fixed by the impending revamp. Publications page ranks higher, which means that users get to important pages even though they have shorter viewing times.

As part of Branding, the AERC re-designed the staff email signatures to provide guidelines for prevention of COVID-19. Below is the informative banner that constitutes a sample of our new email signature.



Digital Innovation

The AERC has experienced an upsurge in adoption of technology for the delivery and management of the research and training programme activities. This has been primarily through the AERC e-learning, e-library platforms, and the Research Management System. Other activities include the virtual delivery of the joint facilities for electives, the biannual research workshops, and governance meetings, such as the Executive Committee, Programme Committee and

Academic Advisory Boards. In addition, a Board Management Portal was procured to facilitate virtual board meetings while ensuring the integrity of key governance processes through in-built controls enabling transparency and accountability through monitoring and tracking of activities, secure document workflows electronic approvals, voting and surveys, among other features. Digital innovation will not only ensure continuity, but also open prospects of increasing the efficacy of AERC's operational model in delivering its mandate.

The drive to digitalize administrative operations is centred on enabling efficient and secure remote working by reorienting the core technology infrastructure to deliver integrated cloud-based IT services. These range from centralized access controls for self-service applications on the ERP, Zoom and Microsoft Teams cloud to digitizing document workflows through an ongoing Document Management System project.

With the increased adoption of online services, exposure to cyber security risks has also increased. Mitigation measures have included

implementation of an automated cyber security training and awareness platform with the aim of improving individual staff competency in detecting and responding to cyber security threats.

The Data: The Research Management System (RMS)-- http://research.aercafrica.org/ has to date facilitated the processing of over 520 thematic research papers. Nearly 1,000 researchers are currently registered on the system resulting in a rich database continuously growing and capturing the profiles of researchers and reviewers currently active in the AERC network.

Table 9: Outcomes resulting from implementation of strategic theme 3 on expanding influence

End of Strategy	Outcome	Baseline	Target	Actual
Outcomes	Indicator	2019/20	2020/21	April 2020-March 2021
3.1 Improved cooperation and information shar- ing on economic policy issues across Africa	3.1(a) Monitoring and Evaluation on impact of policy briefs within policy arena, one country as a pilot (as a measure of impact of policy briefs within the policy arena where AERC policy briefs are disseminated)	5%	10%	18%
3.2 Improved proactive policy engagement and outreach	3.2(a) Number of policymakers participating in AERC events such as Senior Policy Seminars (Cumulative)	1,300	1,400	1,924
Intermediate	Outcome	Baseline	Target	Actual
Outcomes	Indicator	2019/20	2020/21	April 2020 -March 2021
3.3 Enhanced platforms for cooperation and information	3.3(a) Number of impactful information sharing tools developed (Cumulative)	5	6	7
3.4 Improved strategic communication capability	3.4(a) Number of strategic policy communication programmes developed and used effectively (Cumulative)	1	2	3





The onset of the COVID-19 pandemic and management of its effects have been the main challenge during the reporting period.

Challenges and Opportunities

he onset of the COVID-19 pandemic and management of its effects have been the main challenge during the reporting period. Amongst other difficulties, national and international movement of persons has been greatly curtailed, hence affecting implementation of AERC activities. These effects have called for innovativeness in implementation and delivery of AERC activities, thus presenting several opportunities.

Some of the challenges faced during the reporting period include:

- i) Although AERC has innovatively established online delivery of AERC training and research activities, the process occasioned some delays in implementation. In several cases the smooth virtual delivery of research and training programmes was hampered by frequent power failures and unstable internet connectivity across countries.
- ii) The initial unprecedented impact on delivery as staff made a new shift from office set-up to the working-from-home set up modality. Notably, staff continued to adjust to the new modality during the year, even as the pace picked up with the introduction in January 2021 of a hybrid modality of working from home and office.
- iii) Funding commitments for the year have been slowed by the effects of the pandemic on the funding institutions as well as competition of resources, slow commitment to funding, etc.

These challenges have in turn presented several opportunities that are worth mentioning:

- iv) COVID-19 opens new opportunities of new funding targeted towards research activities related to the pandemic as well as new strategic partnerships with like-minded institutions on the pandemic.
- v) The key opportunity for AERC remains the digital innovation that has been occasioned by the effects of the pandemic the online graduate training will greatly lower the unit costs.
- vi) The database of AERC researchers within the Research Management System can be developed into an online listing that is accessible globally thereby enhancing AERC's brand. This can progress into an alumni database using a client relationship management system (CRM) to enable better coordination and collaboration, and to expand AERC's reach and impact.
- vii)The virtual biannual research workshop can be extended to include a collaboration and mentorship platform that enables continuous and sustained interaction between researchers and resource persons, and an expanded and cost-effective reach and impact of research capacity building efforts. Additionally, current research retooling workshops can be developed into Massive Open Online Courses (MOOC's) to further scale up reach and inclusivity.
- viii)Using E-learning platforms, the collaborative training model can further be expanded to include partnerships with universities across the globe that offer frontier online courses within the repertoire of AERC training courses. These can be made available to students and faculty within the AERC network. This would enhance both quality and improve overall sustainability of the Training programme through cost efficiency in line with AERC's 2020-2025 strategic themes.
- ix) The new demands for studies and policy directions on the impact of Covid-19 pandemic on the SSA economies and the post-Covid-19 economic recovery strategies is presenting AERC with new avenues of funding as well as an effective platform for policy influence.



Programme Financial Performance and Financing

n March 2020, the Board approved the Programme of Work and Budget (PWB) for 2020/21, the first year of the AERC Strategic Plan, 2021-2025, with Programme financial requirements of US\$12.75 million. This was to be financed by US\$11.03 million projected to be received from various funders. The excess expenditure over income of US\$1.72 million was to be partly covered by projected carry over funds from 2019/20 US\$24.08 million.

In July 2020, the Executive Committee of the Board approved the revisions to the PWB 2020/21 to incorporate mandated activities and take account of actual fund balances carried forward to 2020/21 after the audit of 2019/20 and to reflect additional information on new and ongoing donor commitments. Programme requirements were approved with a budget of US\$12.64 million to be financed by the projected income of US\$9.94 million. The excess expenditure over income of US\$2.7 million was to be financed from the Programme carry over funds from the previous year 2019/20.

The November 2020 PWB revisions considered the changes in the operating environment, especially the effects of COVID-19 on programming resource mobilization and any fluctuations of major currencies against the US Dollar. Programme requirements were approved with a budget of US\$11.86 million to be financed by the projected income of US\$9.95 million. The excess expenditure over income of US\$1.91

million was to be financed from the Programme carry over funds from the previous year.

The March 2021 PWB revisions were made taking into account the current operating environment. There were several adjustments made in the previous reviews on incomes and expenditures. The forecasts for March 2021 considered the practicality of events and the real cost of doing business as the impact of COVID-19 has not eased up. The incomes were adjusted to US \$ 9.68million and expenditure of US\$ 9.36million.

Despite the challenges experienced during the year, there has been stability on the various currencies against the US Dollar and hence no adjustment has been made to the PWB on this basis. Despite the challenges in the economic and social environment, AERC has continued to receive funding support from existing and new funders. The Programme activities to be implemented have been reviewed and adjusted to include mandated activities, operational efficiency, and factor in new contributions from funders.

March 2021 Projections to the 2020/21 PWB

The Management has proposed the March 2021 projections to the PWB 2020/21 to consider:

- The actual fund balances carried forward to 2020/21 after the audit of 2019/20.
- To reflect additional donor commitments,



Despite the challenges experienced during the year, there has been stability on the various currencies against the US Dollar and hence no adjustment has been made to the PWB on this basis.

among other funders, FCDO reprofiled £850,000 from 2021/22 to the current fiscal year.

- Adjustments to the mode of programmes delivery in the COVID-19 era.
- Review anticipated levels of Programme requirements for remaining few months of 2020/21.

1.1 Programme Financial Requirements

The level of Programme requirements is projected with a budget of US\$9.36 million. This is a decrease of 26.57% from the March 2020 approved level of US\$12.75 million. This revised programme financial requirement is a net effect of adjustments and revisions to include mandated activities, cost saving measures and virtual activities due to COVID -19. With the onset of COVID-19, programming took a different approach and given AERC's work that revolves around events that have now moved to virtual. The budgets have been progressively reduced as programming approach to various activities become clearer. The following section provides details of the changes per Programme.

1.1.1 Research Programme

The projected funding requirements for budgeted

Table 10: Research Programme variance analysis

activities decreased by US\$1.21million to US\$3.15 million, 27.73% from the March 2020 approved budget of US\$4.35 million. This decrease mainly results from the June and December Bi-Annual and technical workshops being implemented virtually due to COVID-19 restrictions on travel and gatherings. Other savings included grants issued at a lower level than budgeted for and lower rates paid for simultaneous interpretations (US\$54,208). Virtual engagements and activities under BMGF Human Capital project, which include media and CSO's engagements, have been postponed to the next financial year. In addition, retooling workshops planned for the current financial year were postponed to next year, thus reducing the budget by US\$296,910.

New activities were introduced due to additional funding from IDRC: "Impact of COVID-19 on Livelihoods in Africa" - US\$260,928. Hewlett Foundation Scoping study on Data Policy and Data Governance in SSA - US\$125,000. FCDO reprofiled some for the 2021/22 funding to the current fiscal year and new activities were incorporated. The increase in funding did not however offset the reduced expenditure due to virtual events.

US\$ **₩9.36**M

The level of Programme requirements is projected with a budget of US\$9.36 million. This is a decrease of 26.57% from the March 2020 approved level of US\$12.75 million.

us\$ **260,928**

New activities were introduced due to additional funding from IDRC: "Impact of COVID-19 on Livelihoods in Africa" - US\$260,928.

Programme	March Approved	July Projected	Nov Projected	March 21 Projected	Variance (Mar Proj Vs Mar)	Explanations
	US\$	US\$	US \$	US \$	US \$	
Thematic Research	2,378,983	2,481,900	1,885,024	1,483,722	(895,261)	Virtual biannual meetings in June & December due to COVID-19 -19
Collaborative Research	1,974,682	2,514,432	2,140,980	1,662,849	(311,834)	Activities reprogrammed to the next financial year (BMGF Human Capital, Retooling workshops, CSO engagements)
Total	4,353,665	4,996,332	4,026,003	3,146,571	(1,207,094)	

1.1.2 Training Programme

The projected funding requirements for training decreased by US\$1.41 million, 25.68% to US\$4.08million from the March 2020 approved budget of US\$5.49 million. This is a result of undertaking the mandated activities virtually; Joint Academic Boards, JFE and SFSE in 2020 that lowered the unit costs drastically. Also, the planned facilitation of 23 staff to take part in the exchange Programme in CMAP was postponed due to COVID-19. Other additional activities for CPP include the recruitment of teams of expert and lead reviewers to develop online course materials for 8 CPP elective and 3 core courses.

However, their costs were much lower than the cost of holding physical meetings. Shared costs among the programmes for blended learning also significantly reduced the training costs. Due to travel restrictions, the full scholarships to students could not be awarded as they were on virtual learning, which reduced the costs. Some universities had not admitted students during the COVID-19 period, which also reduced the number of eligible scholarships across the training programmes.

US\$ **₩1.41M**

The projected funding requirements for training decreased by US\$1.41 million, 25.68% to US\$4.08million from the March 2020 approved budget of US\$5.49 million.

Table 11 Training programme variance analysis

Programme	March Approved	July Projected	Nov Projected	Nov Projected March 21 V Projected		Comments on variances
	US\$	US\$	US\$		US\$	
СМАР	979,526	893,526	893,526	755,866	(223,660)	JFE 2020 was launched virtually hence reducing cost of accommodation and travel costs, reduction of thesis grants for CMAP. Postponement of faculty exchange Programme.
CMAAE	2,121,094	1,619,644	2,000,420	1,705,279	(415,815)	SFSE 2020 was launched virtually saving costs on accommodation & travel costs. Some of the BMGF COVID-19 19 grant activities were postponed to 2021/22
CPP	2,388,316	2,220,966	2,123,266	1,618,913	(769,403)	JFE 2020 was launched virtually hence reducing cost of accommodation and travel costs, reduction in GoK Interns admission. Lecturer costs were significantly reduced.
Total	5,488,936	4,734,136	5,017,212	4,080,057	(1,408,879)	

2.1.3 Communication and Policy Outreach:

The expenditure budget was reduced to U\$\\$1.06 million, 27.14% lower than the approved of U\$\\$1.45 million as approved in March. Some of the activities' budget have been reallocated within the budget. A substantial amount of the communication budget was allocated to Senior Policy Seminar (\$P\$) with the hope that it would be a physical meeting but now this will change, it will be virtual.

2.1.4 General Support Services (GSS):

The budget has been reduced by US\$0.29 million to US\$1.08 million 25.9% from March approved

budget due to cancelled travel to meetings, conferences, and accommodation costs. Those activities are most likely to take place virtually.

As shown in Table 12, the variances between the approved budget in March 2020 and subsequent periods are tabulated. This has mainly been due to effects of COVID-19 on programming and possibility of some activities not taking place. The ultimate reduction in the March 2021 budget is based on realistic virtual programme of the remaining fiscal years' activities. In support of virtual learning, AERC has been progressively investing in the relevant infrastructure to support the collaborating institutions and beneficiaries with the virtual mode of delivery.



The expenditure budget was reduced to US\$1.06 million, 27.14% lower than the approved of US\$1.45 million as approved in March.

Table 12: Expenditures per Programme March 2021 Projection for PWB 2020/21

	Approved March 2020	Revision Jul 2020	Revision Nov 2020	Projected Mar 2021	Proportion
Programme	US\$	US\$	US\$	US\$	%
Research Programme	4,353,665	4,996,332	4,026,003	3,146,571	34%
Communications Unit	1,449,899	1,449,899	1,449,899	1,056,383	11%
Training - Masters Programme	979,526	893,526	893,526	755,866	8%
Training - Doctoral Programme	2,388,316	2,220,966	2,123,266	1,618,913	17%
CMAAE Programme	2,121,094	1,619,644	2,000,420	1,705,279	18%
Total Programme Costs	11,292,500	11,180,367	10,493,114	8,283,011	88%
General Support Services	1,456,982	1,456,982	1,369,387	1,079,420	12%
Grand Total	12,749,482	12,637,349	11,862,501	9,362,430	100%

From Table 12 and Figure 1, Programme costs are projected at 88% of the overall revised budget. Research accounts for 34%, Training 43% and Communications 11%. GSS accounts for 12%, explained by the fact that fixed operational costs are covered here.

Figure 3: Expenditure per programme

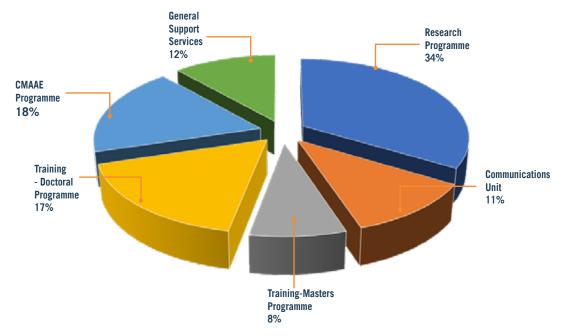


Table 13: Trends of Expenditure Ratios (2015/16 to 2020/21)

Ratio	Benchmarks	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Projected 2020/21
Programme costs	0.66	0.72	0.79	0.74	0.72	0.72	*0.88
Personnel costs	0.18	0.19	0.19	0.19	0.20	0.19	0.19
Grants to total costs	N/A	0.26	0.31	0.33	0.30	0.29	0.40
Capacity Building Seminars & Workshops	N/A	0.33	0.30	0.31	0.34	0.35	0.27
Indirect costs	0.3	0.33	0.21	0.26	0.22	0.24	0.25
Overheads	0.15	0.09	0.07	0.11	0.10	0.10	0.12

The projected income is US\$9.68 million represents US\$1.36 million reduction of 12.28% from March 2020 approved budget of US\$11.03 million. The March 2020 income budget figures were based on projections and the reduction over

the year is based on actual funding confirmations by funders as the year progressed. Table14 and Figure 4 show the breakdown of the funding sources by category.

Table 14: Income Sources Categorization

	Approved March 2020	Revision July 2020	Revision Nov 2020	Projected Mar 2021	Proportion
Categorization	US\$	US\$	US \$	US \$	
1. Non-African Governments	6,713,931	5,616,728	4,888,323	6,074,375	63%
2. African Governments/Institutions	2,700,000	2,700,000	2,700,000	1,027,500	11%
3. International Institutions	1,138,617	1,138,617	1,883,419	2,095,326	22%
4. AERC Other income	480,500	480,500	480,500	480,500	5%
Grand Total	11,033,048	9,935,845	9,952,242	9,677,701	100%

Non-African Governments constitute 63% of the total income whereas African Governments constitute 11%. International institutions and other income account for 22% and 5%, respectively. This being the last quarter of the Fiscal Year, it is expected that the percentages actual results may

not materially vary from projected results. There is a decline in African Governments/ Institutions from the approved March 2020 (24%) and the projected March 2021 (11%), which was due to projected 2nd phase of GoK capacity building project which has not yet materialized.

Figure 4: Income sources categories

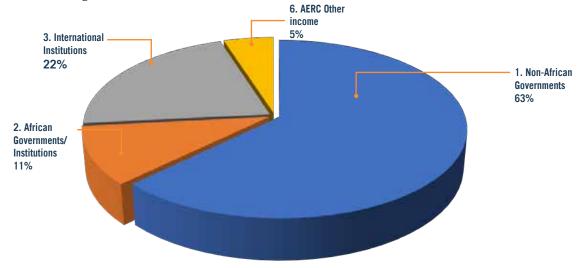


Table 15 explains the variances within the various categories of income, approved budget in March 2020 and projected March 2021.

Table 15: Summary of income projections changes

Description	Non-African Governments	African Governments/ Institutions	International Institutions	Other income	Total
March approved Income budget	6,713,931	2,700,000	1,138,617	480,500	11,033,048
New Income: FCDO, IDRC, INCLUDE, Sida Health grant	1,256,449				1,256,449
Funding not confirmed: SIDA Bridging, DFID Incentive and Communication Strategy	-1,896,005				-1,896,005
GoK unrealizable income - no positive response from GoK despite follow ups		-1,172,500			-1,172,500
Governors' Forum unrealized - reduced to reflect projected receipts		-500,000			-500,000
New Income: TMEA, Ford Foundation, AFDB, BMGF, Hewlett Foundation			1,502,499		1,502,499
Funding not confirmed/Reduced: GIZ, NEPAD, AfDB Mentorship			-545,790		-545,790
March projected Income	6,074,375	1,027,500	2,095,326	480,500	9,677,701

1.3 Projected Net Assets

As shown in Table 16, the total projected net assets as at end of 2020/21 amount to U\$\$24.39, whereas the beginning net assets were U\$\$24.08 million. There is an increase in net assets by U\$\$0.315 million (1.31%) from the 2019/20 carry forward net asset position. The increase is due to earmarked fund received in 2020/21

expected to be carried forward, advanced funding from FCDO, and reduced programme costs due to virtual meetings. Of the total projected net assets, US\$11.84 million is restricted Board Reserves (US\$4.39 million) and General Endowment Fund (GEF) (US\$ 7.44 million). The balance of US\$12.56 million is projected Programme net assets that include earmarked programme funds to be utilized in subsequent periods.

Table 16: Projected Net Assets at the end of 2020/21 ('000 US\$)

Assets	Core	Collab. Research	CMAP	CMAAE	СРР	Sub-Total	Board Reserve	GEF	Total
Actual Carry Over funds 2020/21	2,971	4,497	778	547	3,912	12,705	4,244	7,126	24,075
Projected Income 2020/21	2,915	2,821	522	1,849	1,105	9,212	150	316	9,678
Total Projected Funds 2020/21	5,886	7,318	1,300	2,396	5,017	21,917	4,394	7,442	33,753
Less: Projected/ Actu- al Expend 2020/21	(3,620)	(1,663)	(756)	(1,705)	(1,619)	(9,362)	0	0	(9,362)
Total Net assets at end of 2020/21	2,267	5,656	544	691	3,398	12,555	4,394	7,442	24,390

1.4 Budget Tables

The detailed budget tables reflecting these revisions are presented in the Annexes.

1.5 Managing Risks

AERC Management gives high regard to managing risks, because in the event of risks materializing, they may hinder implementation of Programmes. The implementation of Programme activities has been closely monitored and activities implemented based on availability of resources. A detailed review of the enterprise risks is in progress and expected to improve on the current Risk register. The Executive Committee of the Board has been updated periodically on any significant changes to Programme requirements and financing, considering the current risks being monitored and any others that may emerge.

1.5.1 COVID-19 Pandemic

The AERC Management continues to monitor

the impact of COVID-19 on programming and making necessary adjustments and disclosures in reporting. As detailed out in the risk register, the various measures have been put in place to ensure AERC operations are continue.

1.5.2 Exchange Rates

The assumption is that the US Dollar would remain stable against the major currencies used in projecting the income, despite the current crisis of COVID-19. Table 8 shows the analysis of exchange rates used in the March 2020 approved PWB and projected rates for March 2021. The rates have not been adjusted in March 2021 projections because the variances have been in the range of 1-7%. The exchange rate fluctuations will be closely monitored and revised in March 2021/22 PWB if necessary and presented for approval by the Executive Committee.

Table 17: Exchange Rates

Currency	March 20 Approved	July 20 Proposed	Nov 2020 Proposed	March 20 Proj
SEK	9.8	9.8	8.96	8.96
DDK	6.76	6.76	6.35	6.35
Euro	0.91	0.91	0.85	0.85
CAD	1.32	1.32	1.32	1.32
STG	0.78	0.78	0.77	0.77
NOK	9.17	9.17	9.33	9.33
Kenya Shilling	102.53	102.53	109.59	109.59

1.6 Recommendation

The Executive Committee is requested to deliberate and approve the proposed revisions to the budget.



Report on the audit of financial statements

Opinion

We have audited the accompanying financial statements of African Economic Research Consortium, Inc, ("Consortium") set out on pages 38 to 40 which comprise the statement of financial position as at 31 March 2021 and 2020, statement of activities and changes in net assets, schedule of expenditure per objective, schedule of functional expenditure and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Consortium as at 31 March 2021 and 2020, and of its financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of AERC in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The management is responsible for the other information, which comprises the information about organisational information, and statement of director's responsibilities but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion on this other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with accounting principles generally accepted in the United States of America and for such internal controls as management determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Consortium's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Consortium or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Consortium's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consortium's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consortium to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is

CPA Patricia Seroney - Practicing certificate No. 2434

Politica Scorney
For and on behalf of Defoitte & Touche
Certified Public Accountants (Kenya)
Nairobi

5th August 2021

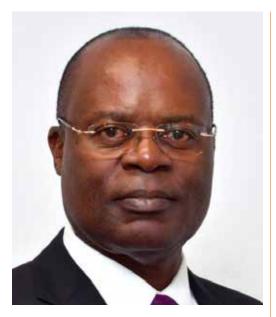
	Note	Note 2021	
		US\$	US\$
ASSETS			
Current assets			
Cash and bank balances	5	3,672,406	2,488,797
Short-term investments	6	12,779,166	10,849,081
Grants receivable	7	400,091	1,595,410
Other receivables	8	189,825	81,387
Total current assets		17,041,488	15,014,675
Non-current assets			
Long-term investments	6	12,907,027	11,650,722
Property and equipment	9	161,535	79,840
Total non-current assets		13,068,562	11,730,562
		20.110.050	00.745.007
TOTAL ASSETS		30,110,050	26,745,237
LIABILITIES AND NET ASSETS			
Current liabilities			
Accruals		307,799	263,564
Sundry creditors		119,786	248,991
VAT payable		75,440	55,958
Grants payable-grantees	10	2,967,667	2,101,682
Total liabilities		3,470,692	2,670,195
Net assets			
Without donor restrictions	11	6,660,010	6,318,194
With donor restrictions	12	19,979,348	17,756,848
Total net assets		26,639,358	24,075,042
TOTAL LIABILITIES AND NET ASSETS		30,110,050	26,745,237

The financial statements on pages 38 to 40 were approved and authorised for issue by the Board of directors on 2021 and signed on their behalf by:

Dr. Keith JefferisTreasurer of the Board

Njuguna Ndung'u Executive Director

	Note	Without donor restrictions	With Donor restrictions	Total 2021	Total 2020
		US\$	US\$	US\$	US\$
Support and revenues					
Grant from Governments	7	2,730,761	3,855,643	6,586,404	7,276,062
Grants from Foundations	7	-	1,175,000	1,175,000	3,509,774
Grants from International Organizations and others	7	300,000	259,614	559,613	778,130
Investment income	13	304,403	1,347,162	1,651,565	389,244
Less expenses					
Other losses	14	(38,245)	-	(38,245)	(333,899)
		3,296,919	6,637,419	9,934,337	11,619,311
Net assets released from restriction					
Satisfaction of program restrictions		4,545,529	(4,545,529)	-	-
Grants forfeited		-	130,610	130,610	55,600
		4,545,529	(4,414,919)	130,610	55,600
Total support and revenues		7,842,448	2,222,500	10,064,947	11,674,911
Expenditure					
General administration		938,194	-	938,194	1,060,413
Research program		2,101,612	-	2,101,612	3,258,983
Communications & publications		901,546	-	901,546	1,149,031
Masters program		648,256	-	648,256	1,186,685
CMAAE program		1,682,153	-	1,682,153	2,026,798
Doctoral program		1,228,871	-	1,228,871	2,633,804
Total expenditure	11	7,500,632	-	7,500,632	11,315,714
Change in net assets		341,816	2,222,500	2,564,315	359,197
Net assets at the beginning of the year	11/12	6,318,194	17,756,848	24,075,042	23,715,845
Net assets at the end of the year	11/12	6,660,010	19,979,348	26,639,357	24,075,042



We Acknowledge Dr Louis A. Kasekende as the Immediate former AERC Board Chair

Dr. Louis Kasekende's term as the Chairman of the AERC Board of Directors ended 31 March 2021, having served in this capacity since April 2017. He is currently the Executive Director of the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), where he assumed duty on 1 April 2021. Dr. Kasekende is the immediate former Deputy Governor, Bank of Uganda. He has been very instrumental in spearheading the collaboration with the AERC African Central Bank Governor's Forum to ensure the long-term sustainability of the AERC through increased African stakeholdership.

He served as Chief Economist of the African Development Bank (AfDB) from 2006 to 2009. As Chief Economist, he was the Bank's spokesperson on socio-economic and development issues of importance for Africa. Between 2002 and 2004, he served as Alternate Executive Director and later as Executive Director at the World Bank for Africa Group 1, including 22 countries mostly from Anglophone Sub-Saharan Africa. He has previously served as a member of the United Nations Group of Eminent Persons for the Least Developed Countries and the World Bank Knowledge Advisory Commission.



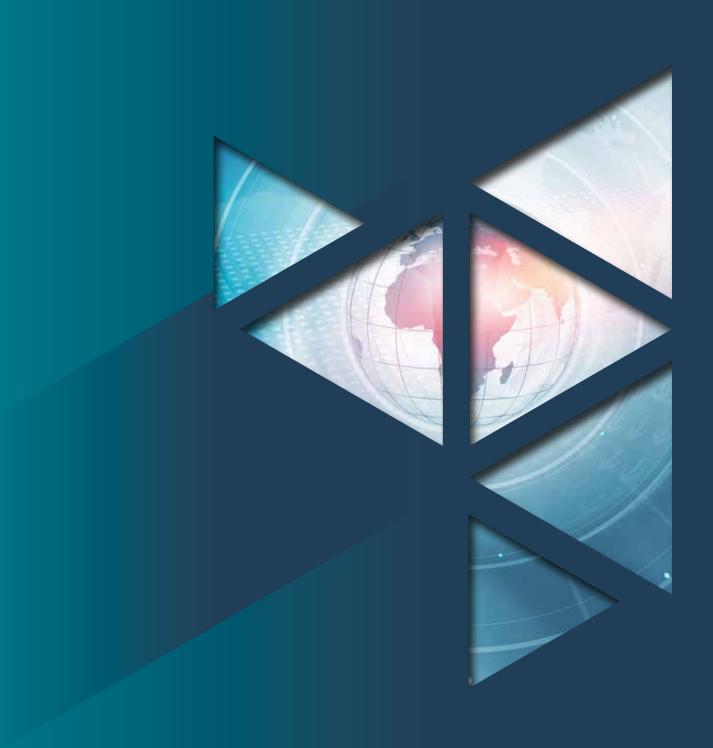
We Welcome Prof. Ernest Aryeetey as the new AERC Board Chair

Prof. Ernest Aryeetey was appointed as the new African Economic Research Consortium (AERC) Board Chair recently. He takes over from Dr. Louis Kasekende whose term ends 31 March 2021, having served in this capacity since April 2017. Prof. Aryeetey is currently the Secretary-General of the African Research Universities Alliance (ARUA) and a former Vice-Chancellor of the University of Ghana.

Prof. Aryeetey has been associated with the AERC since its inception in 1988 and has served in various capacities: as a Resource Person, member of the AERC Programme Committee (2005-2009), thought leader, presenter, and discussant of policy papers at AERC flagship events, and recently as a Director at Large on the AERC Board. Prof. Aryeetey, jointly with Prof. Frances Stewart, carried out the evaluation of the AERC Strategic Plan 2015-2020, whose recommendations informed the strategic directions for the AERC over the period 2020-2025.



Bringing Rigour and Evidence to Economic Policy Making in Africa



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