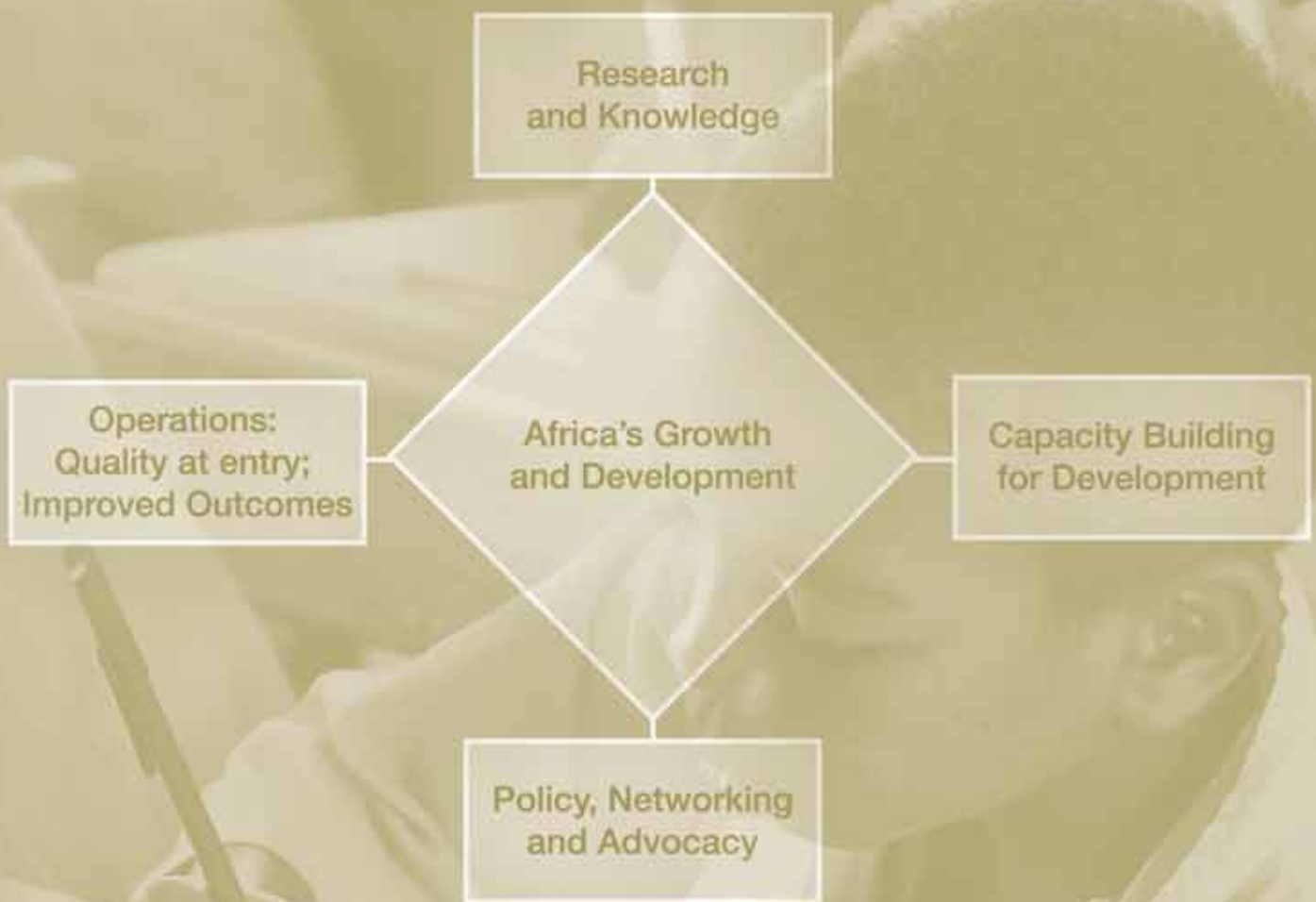


Research Summary

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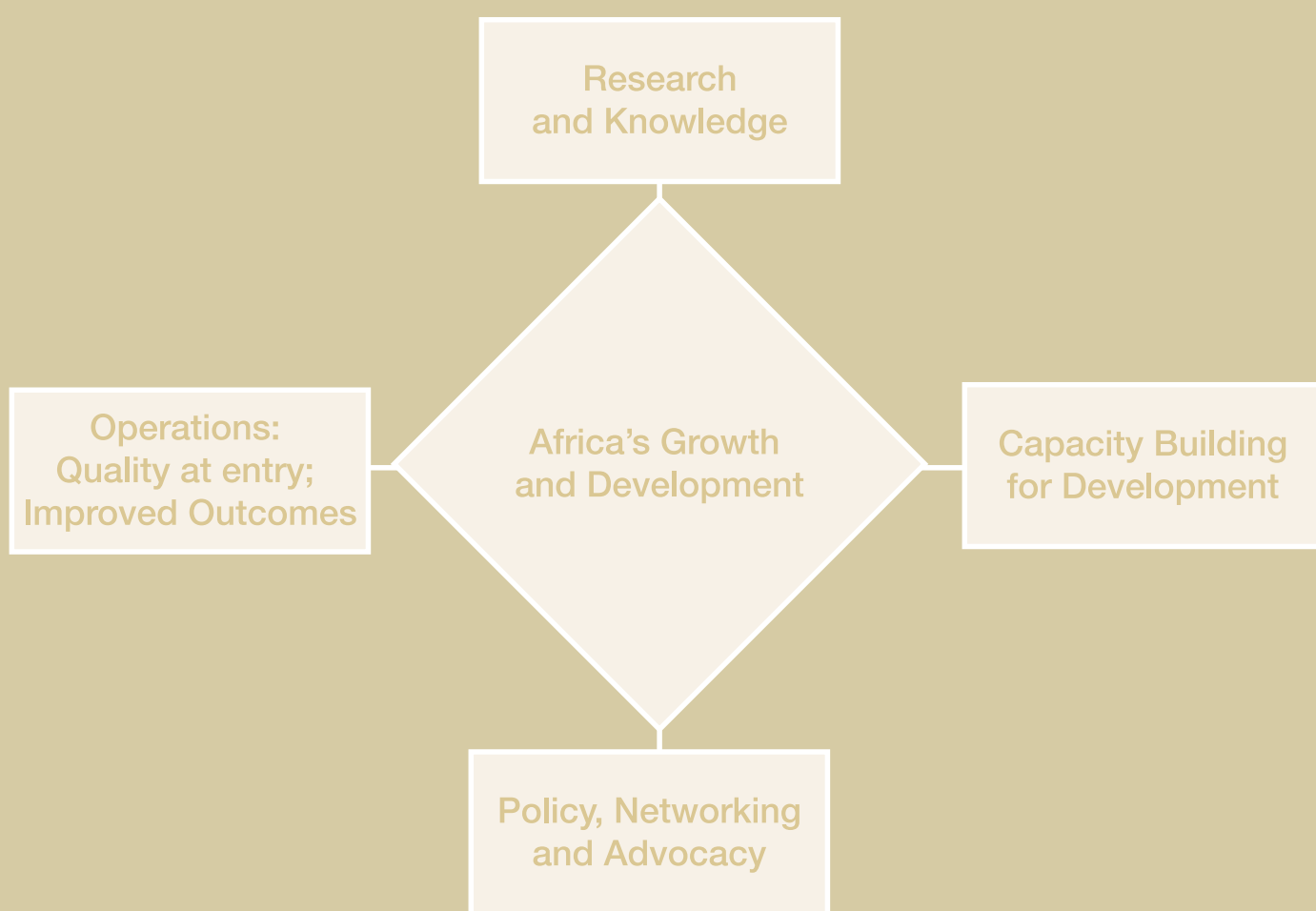


Research Department

African Development Bank Group

Research Summary

2009



Research Department

African Development Bank Group



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Acronyms and Abbreviations

ACR	Africa Competitiveness Report
ADB	African Development Bank
ADOA	Additionality and Development Outcomes Assessment
ADR	African Development Report
ADRev	African Development Review
AEC	African Economic Conference
AEO	African Economic Outlook
AFD	Agence Française de Développement
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
APF	African Petroleum Fund
AU	African Union
AUC	African Union Commission
CCS	Centre for Chinese Studies
CEPR	Centre for Economic Policy Research
CIDA	Canadian International Development Agency
CIRPEE	Centre interuniversitaire sur le risque, les politiques économiques et l'emploi
CSP	Country Strategy Paper
DDA	Doha Development Agency
DEG	German Federal Ministry for Economic Cooperation and Development
DFID	UK Department for International Development
DRC	Democratic Republic of Congo
DSGE	Dynamic Stochastic General Equilibrium
EADI	African Development Institute
EBRD	European Bank for Reconstruction and Development
ECON	Chief Economist Complex
ECOWAS	Economic Community of West Africa States
EDGE	Enhanced Data Rates for GPRS Evolution
EDRE	Development Research Department
ELF	Exclusive License Form
EMU	European Economic and Monetary Union
EPA	Economic Partnership Agreements
EES	Études économiques et sectorielles
ERF	Economic Research Forum
ERWP	Economic Research Working Papers
ESTA	Statistics Department
ESW	Economic and Sector Work
FCMG	Financial Crisis Management Group (AfDB)
FDI	Foreign Direct Investment
FOCAC	Forum on China–Africa Cooperation

FOs	Field Offices
GCI	Global Competitiveness Index
GD	Growth Diagnostics
GDP	Gross Domestic Product
GIC	Growth Incidence Curve
ICA	Investment Climate Assessment
ICA	Infrastructure Consortium for Africa
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
IPRCC	International Poverty Research Centre in China
IZA	Institute for the Study of Labour
JAI	Joint African Institute
JPHRDG	Japan Policy and Human Resources Development Grant
KPI	Key Performance Indicators
KMDS	Knowledge Management and Development Strategy
LDC	Least Developed Countries
MDG	Millennium Development Goal
MENA	Middle East and North Africa
MIC	Middle Income Country
MTR	Mid-Term Review
ODA	Official Development Assistance
OECD DEV	Organisation for Economic Cooperation and Development, Development Centre
OIVP	Infrastructure, Private Sector and Regional Integration Complex
ONIF	Infrastructure Department
OPSM	Private Sector Department
ORCE	Regional Development Centre
OREB	Regional Department, East 2
ORNA	Regional Department, North 1
ORSA	Regional Department, South 1
OSAN	Agriculture and Agro-Industry Department
OWAS	Water and Sanitation Department
PBA	Performance Based Allocation
PBFC	Policy Briefs on the Financial Crisis
PBG	Poverty Bias of Growth
PREM	Poverty Reduction and Economic Management
PRSP	Poverty Reduction Strategy Paper
PSO	Private Sector Operation
REC	Regional Economic Communities
RMCS	Regional Member Countries
SADC	Southern African Development Community

SANE	South Africa, Algeria, Nigeria, and Egypt
SIDA	Swedish International Development Cooperation Agency
SME	Small and Medium Enterprises
SSA	Sub-Saharan Africa
TRIST	Tariff Reform Impact Simulation Tool
UA	AfDB Unit of Account
UK	United Kingdom
UNECA	United Nations Economic Commission for Africa
US	United States
USD	US dollar
WB	World Bank
WDR	World Development Report
WEF	World Economic Forum
WPS	Working Paper Series
WTO	World Trade Organisation

Foreword



In 2009, the Chief Economist Complex (ECON) recorded significant accomplishments in enhancing the visibility and intellectual capacity of the African Development Bank (AfDB), as well as mainstreaming knowledge in the Bank's development operations. As the anchor of research within ECON, the Development Research Department (EDRE) made commendable achievements in 2009 in conducting high quality research to generate deeper understanding of the continent's development challenges, especially during the peak of the global financial and economic crisis. EDRE played a key role in working with the rest of the Bank to facilitate dialogue and advocacy. The Department also supported in-depth analysis of key development issues to inform policy responses. This was evidenced by the Bank's lead role in coordinating the meetings of the Committee of Ten African Ministers of Finance and Central Bank Governors (C-10) - a platform that helped the continent to build consensus around key issues that fed into the global processes, including G20.

Beyond the significant achievements in response to the crisis, EDRE made considerable progress in strengthening cooperation in knowledge generation and in building operational linkages within the Bank. These linkages were particularly boosted by the successful completion of the pilot phase of the Additionality and Development Outcome Assessment (ADOA) of private sector operations, which became institutionalised by a decision of the Board in September 2009.

EDRE's contribution to increasing knowledge-based interaction of the Bank's economists with the rest of the world through the internal Bank seminar series and the African Economic Conference, is also worthy of recognition. These achievements, coupled with the improved quality and coverage of the Bank's flagship publications such as the African Economic Outlook, which is managed in collaboration with the Statistics Department, have further demonstrated EDRE's ability to deliver fully on its mandate of serving as the anchor of knowledge generation and dissemination in the Bank.

I would like to congratulate the Department for the outstanding performance. Going forward, I strongly encourage EDRE to consolidate these achievements. With the improvement in its human resource capacity in 2009, I have no doubt that EDRE will take on this challenge and extend its commendable performance in 2010 and beyond.

A handwritten signature in black ink that reads "Louis Kasekende". The signature is written in a cursive, flowing style.

*Louis Kasekende
Chief Economist
African Development Bank*



The year 2009 has posed significant challenges for Africa, calling for enhanced analytical support from the Bank to inform policy response to the crisis. To address this challenge, EDRE scaled up its efforts in contributing to ECON's mandate of generating and disseminating knowledge, especially for the purpose of monitoring the crisis and guiding policy responses by the Bank and the Regional Member Countries (RMCs). While achievements in this context are noted as commendable, the Department also succeeded in delivering its standard knowledge products. This includes the production of the flagship publications, as well as topical studies, such as the Debt Relief and Social Service Delivery, the Assessment of Oil and Gas in Africa, and several Working Papers.

The success of the African Economic Conference as Africa's premier forum for analytical and policy debate continues to gain prominence. This high level conference, together with the increasing attendance of the Bank-wide monthly seminars, helped raise the profile of the Bank's knowledge activities and further strengthened the research-operational linkages within the Bank. This is complemented by the increasing involvement of operational staff in the preparation of the African Economic Outlook (AEO) country notes, and EDRE

research staff involvement in Economic and Sector Work (ESW). This cross-fertilisation between research and operations is critical for the Bank's mission to become both a knowledge Bank and an effective development financing institution.

EDRE is determined to consolidate these achievements in the coming years, and to deepen Bank-wide collaboration on knowledge generation and dissemination. EDRE appreciates and will continue to count on the support from Operations and Sector specialists in promoting the role of knowledge in advancing the Bank's overall mission. This partnership will build a stronger and more effective Bank.

A handwritten signature in black ink, appearing to read 'Léonce Ndikumana', written over a set of horizontal lines.

Léonce Ndikumana
Director
African Development Bank

1 Introduction

1.1 Purpose of the Research Summary

This Research Summary is an annual publication of the Development Research Department (EDRE) of the African Development Bank (AfDB). First published in 2009, the report presents a summary of the Department's activities during the year under review, and highlights key findings from ongoing studies and priority areas of research for the following year.

The purpose of the Research Summary is to provide an avenue for clients, within and outside the Bank, to identify research products that are most pertinent and applicable to improving the quality of their work. The report also creates an opportunity for jointly identifying priority areas for future research collaboration, so as to ensure that Bank-led research is best suited to serving operational and policy needs. It is divided into five chapters. The rest of this Chapter gives an overview of EDRE's research work and achievements in 2009. Chapter Two reviews the mandate of the Department, and presents its focus areas of research and analytical activities during 2009. Chapter Three gives a detailed overview of the research activities and achievements under each of the research pillars, while Chapter Four highlights EDRE's collaboration and research networking and partnership activities. Chapter Five presents some concluding remarks and the way forward.

1.2 Overview of 2009

Having gone on record as the peak of the global financial and economic crisis, the year 2009 came with tremendous challenges that required a response from the Chief Economist Complex (ECON), particularly in generating and disseminating policy-relevant analysis and other knowledge products for effective Bank response to the crisis. As ECON's anchor of knowledge generation, EDRE played a key role in providing up-to-date research and analysis on the crisis. This provided the foundation for the Bank to effectively take the lead in coordinating Africa's responses to the global financial and economic crisis, through rigorous

analysis and policy dialogue, working closely with the African Union Commission (AUC) and the United Nations Economic Commission for Africa (UNECA).

The crisis-response momentum that gathered at the high-level meeting of African Ministers of Finance and Central Bank Governors in Tunis in November 2008, and the ensuing activities of the Committee of Ten (the C-10), accelerated in 2009. In collaboration with other units in ECON and Operations Complexes, EDRE took the lead in supporting the activities of the C-10 with analytical products and policy advocacy. This created an important platform for building an African voice, and a common position on key issues that fed into important global processes, such as the G-20.

While responding to the increased demand for knowledge and analysis during the crisis, EDRE also made significant progress in delivering on its core mandate and activities targeted in the Department's Key Performance Indicators (KPIs) for 2009. In doing so, EDRE collaborated seamlessly with the Statistics Department (ESTA) and African Development Institute (ADI) on key initiatives under ECON's mandate. To this end, during 2009, EDRE made a significant stride in improving the quality of the Bank's flagship publications, such as the African Economic Outlook (AEO), the African Development Report (ADR), the Africa Competitiveness Report (ACR) and the African Development Review (ADRev).

Taking the lead role in 2008 from the Organisation for Economic Cooperation and Development (OECD) in the publication of the AEO, ECON (EDRE and ESTA) did not only improve the quality of the report but also increased its coverage from 35 countries in 2007/2008 to 50 in 2009/2010. The AEO is now on record as the most consistent and comprehensive analysis of Africa's economic performance. In this context, the AEO website won the "2009 Best in Class" award in the Reference Category by the Interactive Media Council. In a similar vein, the ADR 2008/2009 on fragile states also emerged as timely, and found useful application to policymaking in fragile economies as they grappled with the challenges of an unprecedented

financial and economic crisis. Also, the EDRE's collaboration with the World Bank and the World Economic Forum (WEF) on the Africa Competitiveness Report (ACR) attracted significant media attention at the 2009 World Economic Forum in Cape Town, as the ACR became known as an instrumental reference for private sector policy and investment decisions on the continent.

In 2009, the Department completed the pilot phase of the Additionality and Development Outcome Assessment (ADOA), which became institutionalised within the Bank, to work closely with the Private Sector Department (OPSM). With these activities, EDRE contributed significantly to the Bank's results agenda in 2009. During the course of the year, EDRE also increased the number of Working Papers and introduced simplified knowledge products that can be easily accessed and used by Operational Departments and Regional Member Countries (RMCs). Such products include Development Research Briefs and the Financial and Economic Crisis Policy Briefs. These briefs are short, factual, and stimulating publications for quick referencing. They are useful for decision making.

Finally, 2009 also witnessed enhanced interactions and networking with other institutions, which provided a framework for leveraging knowledge generated elsewhere and intensifying collaborative activities. This success was evident in the increasing number of research and policy institutes that are now participating in the production of the AEO country notes, as well as the participation of Country Economists and Bank's Field Offices (FOs) in the AEO production.

The increased attendance of the 2009 African Economic Conference (AEC), which brought together researchers, policy makers and development practitioners, including Africans in the Diaspora, is another testimony of ECON's success in deepening the Bank's visibility as a knowledge Bank. At the same time, increased in-country dissemination activities in 2009 created an avenue for intensified interaction with RMCs and the Bank's FOs, while the monthly Bank-wide seminars and

EDRE's involvement in Economic and Sector Work (ESW) have made advances in mainstreaming research products in Bank operations. The Department hopes to consolidate and reinforce these achievements further in the coming years.

2 RESEARCH DEPARTMENT AND ITS MANDATE

2.1 Purpose

The Bank recognises knowledge generation and development intervention as mutually reinforcing. This explains the high priority that knowledge generation and dissemination has received lately at the Bank, so as to ensure that lessons and development experiences provide direct feedback into the identification of research priorities.

EDRE undertakes and disseminates research on priority issues related to African social and economic development, with particular emphasis on growth, poverty reduction, and accelerating the process of regional economic integration. EDRE is also responsible for providing advice and guidance to Operations Departments on the use of basic economic indicators in the preparation and evaluation of development interventions.

The mandate of the Research Department cuts across several key activities, including the following:

- i. Identify strategic priorities for Bank-led research on African economic and social development and regional integration issues; undertake a selected programme of individual and collaborative research related to these strategic priorities, in close cooperation with international and regional research institutions and other stakeholders;
- ii. Develop technical and financial cooperation arrangements with other agencies and institutions carrying out activities related to the Bank's research and operations priorities;
- iii. Disseminate the results of development research internally and externally through the Department's web site, a wide variety of publications and economic research papers, and, in collaboration with the African Development Institute, through regional and international seminars and workshops, as well as through the annual African Economic Conference;
- iv. Manage the preparation of the Bank's flagship publications, notably the African Economic Outlook, African Development Report, Africa Competitiveness Report, and the African Development Review, and disseminate their findings to RMCs, development partners,

universities and research bodies, and the media; v. Assist country and sector economists throughout the Bank in developing and employing standardised economic methodologies, utilising appropriate economic indicators in their operational work, and accessing the results of relevant economic research undertaken within and outside the Bank; and

vi. Undertake economic intelligence, analysis and studies as requested by Senior Management, and prepare related papers, briefs, and statements.

As with the other departments in the ECON complex, the activities of the Development Research Department are guided by the Bank's Knowledge Management and Development Strategy (KMDS), around its four Pillars as described below:

Strategic Pillar 1: Strengthen the generation of knowledge: Under this pillar, EDRE undertakes research activities that support the Bank's capacity to incorporate analytical insights in designing its operational responses to Africa's development challenges. The Bank's effectiveness in assisting RMCs to achieve high growth rates and reduce poverty in Africa depends primarily on its capacity and ability to improve the quality of its development operations. Towards this goal, the Research Department analyses the main constraints, opportunities, challenges, and risks confronting African economies. The Department also responds to knowledge needs in relation to emerging issues, such as the fuel and food crisis. It was instrumental in 2009 in responding to the financial and economic crisis with timely research and analytical products.

Strategic Pillar 2: Leverage knowledge through partnerships: The Research Department identifies and leverages knowledge in a variety of forms and from different sources, enabling Africa's voice to be heard. The Department has founded several partnerships with relevant external institutions, including universities and think tanks.

Strategic Pillar 3: Enhance knowledge dissemination and sharing: Effective dissemination

is an indispensable instrument for translating knowledge into policy actions. Thus, in addition to dissemination within the Bank (Boards, Management Staff, networks, etc.), the Department organises forums and international conferences to reach out to researchers, policy makers and development parishioners. For 2009, the dissemination emphasis was on the flagship publications, namely AEO, the ACR, and ADR, and the knowledge products of the financial and economic crisis (Annex 5).

Strategic Pillar 4: Enhance the application of knowledge. The value of knowledge lies only in its use. For the Bank, value means how well knowledge outputs are used to better design and implement projects, provide quality policy advice to RMCs, and improve internal business processes and review mechanisms. Assessing the effectiveness of the Bank's development work requires measurement of the results that work. To strengthen operational development effectiveness, the Development Research Department developed the Additionality and Development Outcomes Assessment Framework (ADOA) for the ex-ante development impact assessments of its private sector operations. In 2009, EDRE was mandated to assess all private sector operations before they are submitted for Board approval. Through the ADOA activities and the increased collaboration with Country Operations Departments and Field Offices, EDRE has become more instrumental in enhancing the Bank's policy advice to RMCs. This improves policymaking.

With its emphasis on quality and results, EDRE has adhered to the following core principles of the Bank's Knowledge Management and Development Strategy:

- Selectivity: Research is anchored on the Bank's strategic operational priorities and the development challenges facing its RMCs.
- Relevance: Research is responsive, policy-oriented and relevant, and informs decision making in RMCs and Bank operations.
- Value addition: Research enhances innovation and adds value to the Bank's work, boosting its development effectiveness.
- Partnerships and cost-effectiveness: Research

generation and dissemination explores opportunities for synergy and partnerships, which contributes to cut costs and thus increases the returns to Bank's investments in research.

2.2 Research and Operations Linkages

EDRE's research activities are designed to contribute to improving the Bank's operations and to enhance policymaking and development effectiveness in the RMCs.

To effectively serve these functions and to support the four strategic pillars described earlier, the Bank deemed it appropriate to focus its research priorities in three interrelated areas in 2008–2012, namely: (i) Poverty reduction and equity; (ii) enhancing the competitiveness and productivity of African economies; and (iii) improving the quality of institutions and economic management. Corresponding to the Bank's mission, poverty reduction (Focus Area 1) remains the Bank's overarching focus for knowledge activities, while equity and shared growth are central to sustainable growth and development. The investment climate and competitiveness of RMCs (Focus Area 2) are improved by strengthening the quality of institutions and macroeconomic management (Focus Area 3).

As depicted in Figure 1, the current and future activities of research themes are conceptualised around strengthening the relationship between the ECON Complex and the Country and Sector Operations Complexes. EDRE's analyses provide valuable inputs into operational processes and documents that form the framework for policy and for setting the Bank's operational priorities. The documents include Country Strategy Papers and Poverty Reduction Strategy Papers, while the operational processes are related to economic and sector works, and portfolio activities.

The Bank's flagship publications produced by EDRE in collaboration with other departments provide a vital medium for the dissemination of knowledge generated to the Operations Complexes.

2.3 Structure of the Research Department

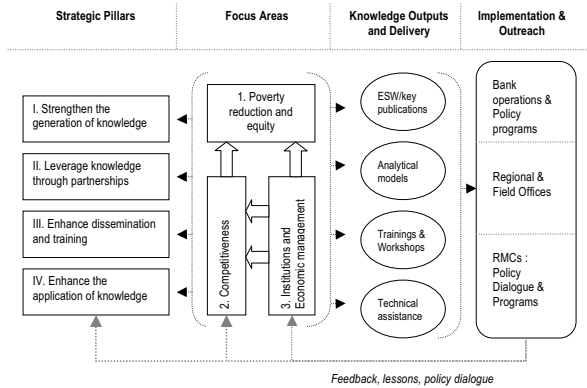


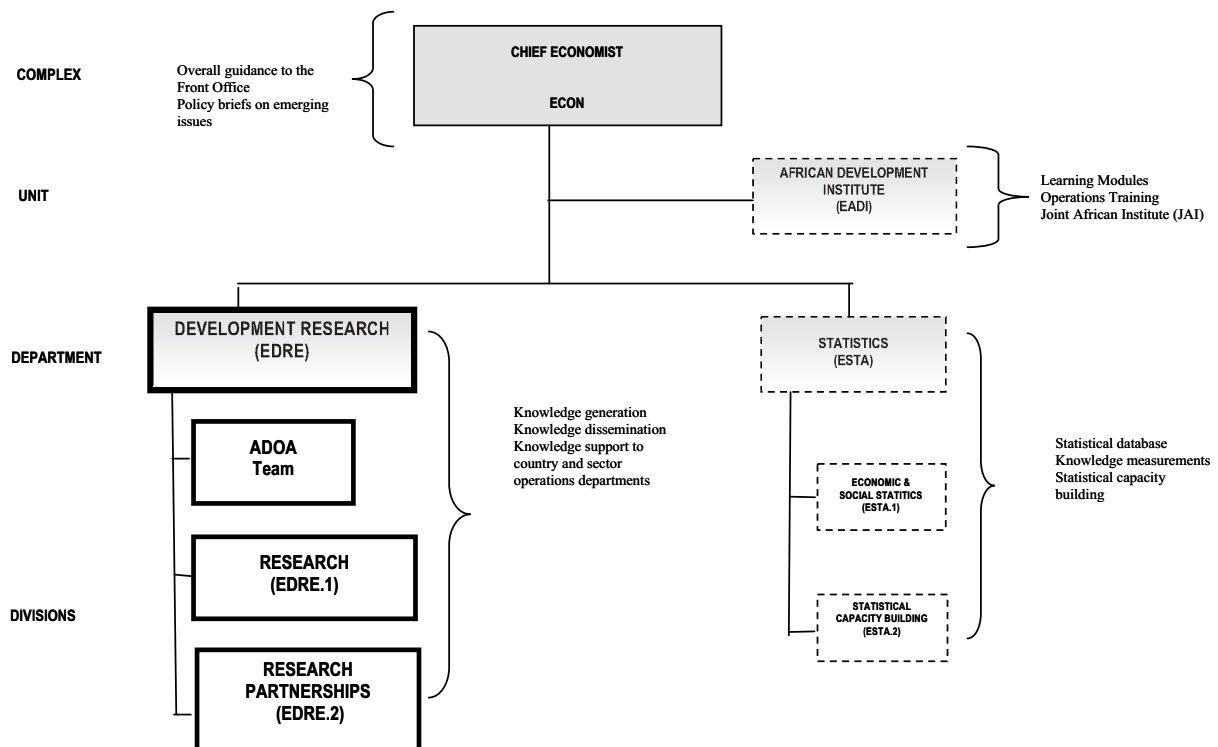
Figure 1: Conceptualising Linkages between Research and Operations

Furthermore, the Department also publishes a Working Paper Series (WPS), which disseminates key findings from research studies and innovative thoughts about emerging development issues. In 2009, EDRE introduced Development Research Briefs for rapid dissemination and quick referencing of recent research findings. Finally, throughout the year, the Department produced Policy Briefs on the Financial and Economic Crisis, targeting policymakers and development practitioners, both within and outside the Bank.

The Research Department, which is part of the Chief Economist Complex, consists of two divisions: The Research Division and the Research Partnership Division (Figure 2).

In 2009, the Department enjoyed a staff complement of 39, including the Director, two Division Managers, two Lead Economists, three Chief Research Economists (one went on leave of absence in March), and seven Principal Research Economists (one rotated to OIVP in November). The others were four Senior Research Economists (one left the Bank in November), four Research Economists, two Technical Assistants, six Young Professionals, two STS as Research Assistants, one Admin Assistant, one Team Assistant, two Secretaries, and two STS as Assistant Secretaries.

Figure 2: The Chief Economist Complex (ECON)



3.1 Focus Area I: Poverty Reduction and Equity

Most African countries continue to face development challenges in terms of reducing poverty, income disparities, and inequalities, and in achieving the Millennium Development Goals (MDGs). Growth diagnostics and accruing evidence shows that it is the pattern of growth, more than the general rate of economic growth, that is strongly positively correlated with poverty reduction. In other words, economic growth can be pro-poor and therefore poverty-reducing, distribution-neutral, or poverty-aggravating in some instances.

This finding has operational implications for designing programmes and setting implementation priorities. Therefore, research in this focus area can generate knowledge that advances the Bank's mission of contributing to poverty reduction in Africa.

In 2009, EDRE's activities focused on understanding growth constraints in Africa and identifying possible solutions. The Department also paid attention to understanding the nature and determinants of poverty and the links between government actions and poverty outcomes. In collaboration with the Operations complexes, EDRE, in 2009, carried out research under this pillar in the following key areas: Growth, poverty, and inequality in selected African Middle Income Countries (MICs); development aid and access to water and sanitation in sub-Saharan Africa; poverty analysis in the Democratic Republic of Congo; smallholder agriculture in a changing African economy with evidence from East Africa; migration, remittances, and development in sub-Saharan Africa; growth diagnostics in West Africa; and growth and aid effectiveness in fragile and post-conflict countries. A brief highlight on each of these studies is presented below.

3.1.1 Growth, Poverty, and Inequality in Selected African Middle Income Countries

Task manager
Audrey Verdier-Chouchane

Project duration
September, 2008 to first quarter 2010



Poverty reduction strategies can be improved by generating deeper understanding and analysis of the sources of economic growth and the relationships between growth, inequality, and poverty reduction. Based on case studies in four middle income countries (MICs), namely Mauritius, South Africa, Morocco, and Tunisia, this study seeks to generate knowledge on the nature and distribution of wealth generated by economic growth. It also aims to examine the role of sectoral and distributional policies in promoting equitable growth.

The objectives of the study are to: (i) Describe poverty reduction strategies in African middle income countries (MICs) in relation to the political, economic, and social context, and to assess the pro-poor features of these strategies; (ii) understand the causes of persistent high poverty rates and inequalities; (iii) explore and quantify the gender dimensions of pro-poor growth; (iv) draw policy recommendations for increasing growth and reducing poverty and inequality.

The study is undertaken in collaboration with CIRPEE (Centre interuniversitaire sur le risque, les politiques, économiques, et l'emploi, University of Laval, Canada) and with National Statistics Offices in the countries covered by the study.

Data on the distribution of income was collected through two household surveys at 5 to 10 year intervals. The analysis focused on changes in poverty from the growth and inequality components, with particular emphasis on gender and regional impact on growth. The data was used to estimate the Growth of Incidence Curves (GICs), i.e., the impact of growth and distributional changes on poverty. The calculation of the poverty bias of growth (PBG) and growth elasticity of poverty will also help

in drawing relevant policy recommendations for the RMCs and the African Development Bank in the design and implementation of pro-poor policies.

Preliminary findings from the study indicate that the impact of growth on poverty and inequality has been very different across the four countries (see table).

On policy recommendations, greater investment is needed in infrastructure to connect poor households to economic opportunities. Policies to foster the participation of women in the labour force also make a significant difference in the distribution of family income. Given their relatively strong social roles,

Summary of findings

especially in human capital development (ensuring education and nutritional well-being), empowered women can be very effective drivers of development.

Data and preliminary findings were validated by the Bank’s country economists at the end of May 2009. Operation Departments for North Africa and Southern Africa are collaborating with the Development Research Department to discuss and provide field experiences. The results will be disseminated in regional member countries. The objective is to build capacity of institutes of statistics in these countries to undertake pro-poor growth analysis, and to appreciate the importance of data collection at a household level, in projects aimed at reducing poverty.

Countries	Average income (USD)		Headcount (% at 3USD)		Gini index		Change in income (%)	Absolutely pro-poor?	Relatively pro-poor?
	Start	End	Start	End	Start	End			
Mauritius (2001-2006)	8.69	9.66	5.8	4.1	0.34	0.36	11%	Yes	Uncertain
Morocco (1990-1998)	6.45	5.29	21	30	0.38	0.37	-18%	No	Uncertain
South Africa (1995-2005)	8.61	10.8	42	41	0.61	0.67	25%	Uncertain	No
Tunisia (1990-2000)	6.43	7.35	23	18	0.39	0.39	13%	Yes	Uncertain

3.1.2 Development Aid and Access to Water and Sanitation in Sub-Saharan Africa

Task managers
 Marco Stampini and Adeleke Salami
 Project duration
 September, 2008 - ongoing



Improved access to water sources and sanitation facilities in African countries could not only increase development, but also enhance the effectiveness of development operations in other sectors. Coordination, clear assignment of responsibilities, and greater emphasis on capacity building, especially at the local level, are key to water and sanitation sector efficiency. Countries that adopt well-designed water utility reforms substantially improve access to services and make significant progress in financial capacity to sustain and expand services. It is against this background that the study was designed to examine these issues in selected countries.

In recognition of the heterogeneity of Africa, the study has given due importance to understanding the varying factors that determine success or failure in different regions, so as to better target future interventions, channel development aid to where it is most needed, learn lessons from past experiences, and avoid replication of errors.

In this context, the objectives of this study are to:

- (i) Identify factors determining performance of countries in providing access to safe water and improved sanitation facilities;
- (ii) assess the role, significance, and targeting of development aid in the provision of water and sanitation, and to;
- (iii) pinpoint lessons for the design and implementation of future development interventions in the water and sanitation sectors.

The study is conducted in collaboration with the Water and Sanitation Department (OWAS), which has provided technical inputs and will peer-review the outcomes. A consultant from the Oxford Centre for Water Research in Oxford University (UK) is also involved in the study.

The analysis comprises secondary data and desk research, complemented by case studies conducted in Madagascar, Burkina Faso, Kenya, and Uganda. The case studies are based on field work through interviews with the main stakeholders in governments, communities, and water management authorities. Limited primary data was also collected through interviews with key informants and discussion groups in the communities benefiting from water-related development projects. The data has been analysed and the results are being incorporated in a study report.

Preliminary analysis shows that in some sub-Saharan African countries, aid covers up to 90 percent of national water and sanitation expenditures (WHO 2008). Nonetheless, the sector still receives a small share of total aid. Between 2002 and 2007, aid allocation to water and sanitation projects increased from 0.9 percent of overall Official Development Assistance (USD 218

million) to 1.5 percent (USD 472 million) (OECD 2009).

Sub-Saharan African countries are generally not on track to meet the Millennium Development Goals of halving the proportion of people without sustainable access to safe drinking water and improved sanitation by 2015. The total coverage of improved drinking water increased from 49 percent in 1990 to 58 percent in 2006. During the same period, access to improved sanitation increased even more slowly — from 26 percent to 31 percent. Performance varies greatly across countries, and seems to be increased by the implementation of policies that: (i) Improve coordination among the different institutional stakeholders; (ii) establish clear accountability; (iii) focus on capacity building and; (iv) dedicate appropriate resources to monitoring and evaluation.

Final results will be disseminated within the Bank and in the countries covered in the case studies. The results are expected to assist with the design and implementation of future development aid strategies in the water and sanitation sector for sub-Saharan Africa. The study will produce: (i) A Board Information Note; (ii) a study report for the Water Partnership Programme, articulating the issues as described in the objectives, and; (iii) a working paper.

3.1.3 Poverty Analysis in the Democratic Republic of Congo

Task manager
Ahmed Moummi

Project duration
March, 2008 – April 2009



The study on poverty in DRC seeks to analyse the spatial distribution of poverty in the country in order to identify the provinces that are most affected by this phenomenon, and the degree of disparity in poverty. The research fits within the economic and sectoral study (ESW) initiated by the Regional Department Center (ORCE). Its objective is to analyse the impact of the decentralisation process vis-à-vis poverty in DRC, and to investigate the determinants of poverty with particular attention to social and households' characteristics. The main source of data used in this study is the 2004-2005 survey, conducted in three phases.

Poverty remains a pervasive problem in the Democratic Republic of Congo (DRC). The rate of household poverty at the national level is about 70 percent. The spatial distribution of this phenomenon shows that the rural areas recorded a poverty rate of 72 percent against 59 percent for the urban areas. On the other hand, poverty distribution by provinces also shows some disparity. Poverty rate for Bandundu and Equateur provinces is about 90 percent, against a rate of 50 percent for Kasai Province and the capital city, Kinshasa.

Poverty measures with regard to the demographic, social, and occupational characteristics of household heads show that poverty is particularly

pronounced among larger households. As for gender, the results show that the level of poverty is not dependant on the sex of the household head. It also emerges that the socioeconomic category and the level of education of the household head are strongly correlated, i.e. a higher level of education implies lower incidence of poverty.

The findings from the study on poverty profiles and its determinants in the DRC, provide valuable input into policy design and implementation, both by the Bank and the national government. The study particularly guides Bank intervention in RMC's through: (i) Better targeting of poor populations in rural and urban areas; (ii) strengthening the result-based approach in Country Strategy Paper (CSP) preparation; (iii) strengthening economic and sector work; (iv) better understanding of the dynamics of poverty, and (v) better targeting of the Bank's intervention to alleviate poverty.

3.1.4 Smallholder Agriculture in East Africa: Trends, Constraints, and Opportunities

Task managers

Adeleke Salami, Zuzana Brixiova
& Justus Kabyemera

Project duration



November 2007 to February 2010

Smallholder agriculture continues to play a key role in African agriculture. Given its importance, this study investigates trends, constraints and opportunities of this sub-sector in East Africa through case studies of Kenya, Ethiopia, Uganda and Tanzania. Even though in these agriculture-based economies smallholder farming accounts for a majority of agricultural production and employment, its contributions to the region's growth rates has remained limited.

At the national level, weak institutions, limited access to markets and credit as well as an inadequate infrastructure have constrained productivity growth of smallholder farming. The study underscores that given the numerous constraints faced by agriculture, including market failures, sustained agricultural growth cannot be achieved by markets alone. The Governments have a key role to play in revitalizing smallholder farming and transforming it from the subsistence to commercial agriculture. They need to create enabling environment conducive for agriculture in general, and smallholders specifically, which requires stepping up the budgetary allocations to agriculture in line with the Maputo Agreement. This would enhance implementation of policy and regulatory improvements, development of infrastructure, environmental protection, and property rights. Governments also need to ensure that the ministries of agriculture are performance driven. The input and output markets also cannot be completely left to the private sector, the government can facilitate their functioning, including by information dissemination. Moreover, policymakers should ease smallholders' access to land, support training to enhance their skills, encourage technology adoption and innovation, and remove obstacles to trade. At the regional level, international trade barriers need to be addressed. Expansion of commercial agriculture is a key for raising agricultural productivity and long term growth.

The study was conducted in partnership with the Agriculture and Agro-Industry Department (OSAN) and Mr. Abiodun Falusi, consultant from the Department of Agricultural Economics of the University of Ibadan (Nigeria) under the guidance of Mr. A.B. Kamara, Manager, EDRE.¹ A brief description of outputs and outcomes was published in the April 2009 edition of the Bank's Development Research Brief. A more detailed report has been submitted for publication in the Bank's Working Paper Series. The study provided input for the preparation of the Bank's Agriculture Sector Strategy 2010 – 2014. In addition, the output of the study is expected to provide background information that will guide the RMCs' future agricultural operations to better address constraints faced by farmers in their efforts to increase productivity and incomes.

3.1.5 Migration, Remittances, and Development in Sub-Saharan Africa

Task manager
Abebe Shimeles

Project duration
2007 to 2010



Remittances can reduce the extent and severity of poverty at the household level, and increase the national income in developing countries. Remittances can also increase household expenditure in areas with a high developmental value, such as education, health, and small and medium enterprises. At the same time, migration can produce undesired effects, such as brain drain and overvaluation of currencies due to large inflows that may adversely affect export performance.

In collaboration with the World Bank and with financial assistance from a number of donors including the British Department for International Development (DFID), Swedish International Development Cooperation Agency (SIDA), Canadian International Development Agency (CIDA), International Fund for Agricultural Development (IFAD), and the French Agency for Development (AFD), the African Development Bank has undertaken a comprehensive study on migration and remittances in Africa.

The key objective of the study is to strengthen the knowledge of migration and remittances for development in sub-Saharan Africa, and the skills base of policy makers, researchers, banks, financial institutions, and donor agencies to better manage migration and ensure cheaper, safer remittances. Briefly, the study is aimed at leveraging the use of remittances for development.

The project focuses on 10 selected Africa states and two large destination countries outside Africa. They are Burkina Faso, Cape Verde, Ethiopia, Kenya, Lesotho, Nigeria, Somalia, South Africa, Tanzania, and Uganda, and UK and US respectively. These countries are selected on the basis of their usefulness in illustrating the range of migration experiences in Africa. Included are some of the poorer and some of the relatively richer countries in sub-Saharan Africa; stable countries and others that have suffered internal and external conflicts; and countries that serve as destinations for migrants from other African countries but are sources of migrants to Europe and America. Others included are both source and destination countries for African migrants. Some have shifted from principally destination to source countries over time.

Key deliverables of the project include the following:

- i. Four regional consultation meetings involving researchers, governments, and international organisations, to discuss and share views on the findings of the study.
- ii. A flagship publication on Migration and Remittances for Development in sub-Saharan Africa. The book and its proposed tools (e.g. remittance survey instruments) would be useful reference texts for: (i) A strengthened inter-country migration research network; and (ii) government statisticians, researchers, state and commercial banks, and policy makers.
- iii. Four regional capacity-building workshops (East, West, Central, and Southern Africa) with African and other governments, international partners, donor community, and other expert agencies.
- vi. A strengthened virtual inter-country migration and remittance research network.

3.1.6 Growth Diagnostics in West Africa

Task Manager
Peter Walkenhorst

Project Duration
August 2009 – July 2010



High and sustained economic growth is crucial for poverty alleviation and the achievement of the Millennium Development Goals (MDGs). Given the scarcity of financial resources and restricted institutional power, as well as limited political capital, low-income countries in Africa have insufficient capacity to carry out wholesale reforms. Too often, countries have endorsed overly ambitious strategies that are costly to implement. Poverty reduction and development strategies should strive to be more selective and targeted at interventions that promise the highest possible returns.

In this context, the Growth Diagnostic (GD) approach emphasises the need to set strategic priorities. Pioneered by Ricardo Hausmann, Andrés Velasco, and Dani Rodrik (Harvard 2005), the GD method offers an analytical tool for identifying the “binding constraints”.

The objective of this study is to contextualise and apply the GD framework in selected West African economies. While the tool is generally applied at the country level, this project attempts to complement the national diagnostic with a more regional or spatial optic. In addition, the project aims to transfer know-how and develop local capacity so that the knowledge instrument may be institutionalised.

The outcome of the Growth Diagnostic research will generate evidence on binding constraints in West Africa, thereby constituting a useful input for the formulation of development strategies, including Poverty Reduction Strategy Papers (PRSPs). Underpinning the PRSP process with rigorous diagnostic techniques will render national strategies more evidence-based and results-oriented. In addition, strengthening diagnosis at the identification stage will enable the AfDB and other donors to improve quality-at-entry and achieve greater aid effectiveness. The project is generously supported by the Government of Japan through its Japan Policy and Human Resources Development Grant (JPHRDG).

3.1.7 Growth and Aid Effectiveness in Fragile and Post-Conflict Countries

Task Manager
Victor Davies

Project Duration
August 2009 – May 2011



Aid plays a vital role in fragile states. It fills the often large gap between fiscal revenues and spending needs. Thus, it is instrumental in maintaining basic social services. In countries emerging from violent conflict, aid also finances critical peace-building activities like disarmament, demobilisation and reintegration programmes for former combatants, rehabilitation of refugees, and reconstruction.

However, questions have been raised about the long-term impact of aid in poor countries. Development partners have pursued a wide range of policies and practices in fragile states whose relative efficacy remains a matter of speculation.

There is little knowledge about what works and what does not. For instance: What type of aid suits fragile states? Is budgetary support appropriate in the face of weak institutions for accountability and transparency? In what circumstances has aid been effectively used? What lessons can we learn for the sake of future aid programmes and policies?

The objective of the study is to investigate aid management practices in fragile states with a view to identifying best practices and increasing knowledge about aid effectiveness in weak institutional environments. The project will involve the development of a cross-country dataset, and the preparation of thematic papers and country case assessments. The dataset will be used in the other components of the project to undertake detailed statistical analyses on the role of aid in fragile states. An econometric analysis of the relationship between growth and aid in fragile states will be undertaken.

The study will inform the Bank's strategy for engagement in fragile states. Thus, Bank operations will benefit directly from it. Governments, development partners, practitioners, and academics will also gain insights from the analysis. The ultimate beneficiaries are people living in fragile states. The study is designed to address issues affecting their welfare.

The outputs of the project will include working papers, journal articles, and an edited book. A dissemination conference is also planned. The working papers will be available online and distributed in regional member countries and other stakeholders. It is also expected that papers drawing on the project will be presented at various conferences. The study is being conducted in collaboration with Fragile States Department (OSFU).

3.2 Focus Area II: Enhancing the Competitiveness and Productivity of African Economies

In general, the competitiveness of an economy has a positive relationship with the degree of efficiency and productivity. Increased competitiveness also serves as a positive signal to external investors of the business environment. It is thus integral to the Bank's policy to generate knowledge on what stimulates competitiveness in Africa, giving close attention to regional disparities and constraints resulting from diverging physical, social, and political circumstances.

In 2009, EDRE continued with studies started in 2008. The studies served as critical inputs into the African Competitiveness Report. In this context, EDRE's work under the competitiveness and productivity pillar during the year comprised country case studies in Botswana, Mauritius, Namibia, Tunisia, and an investment climate assessment of Mauritius. The study also involved analysis of the impact of high oil prices on African economies, and an assessment of the status of Africa's oil and gas resources. EDRE's work further entailed development of a model for assessing the impact of high oil prices on net oil importing and exporting countries, and development of operational modalities for an African Petroleum Fund. More activities under this pillar also included the Additionality and Development Outcome Assessment of the Bank's Private Sector Operations, assessment of the performance of mining industry in Africa, analysis of education and employment in Malawi, the development of a Tariff Reform Impact Simulation Tool (TRIST), and a comprehensive analysis of Africa's development challenges and trends – the Vision 2050 Study.

3.2.1 Country Case Studies on Competitiveness

- j) Enhancing the Competitiveness of Four African Economies: Botswana, Mauritius, Namibia, and Tunisia

Task manager:
Peter Ondiege

Project Duration:
June 2008 – April 2009



The competitiveness of most African countries lags behind other regions. This constrains their ability to cope with external shocks. Indeed, the challenge of the continent has been exacerbated by the 2007-2009 global financial and economic crisis. This leaves a clear role for the Bank to assist Africa in addressing these challenges and to sustain the growth momentum through policy support and capacity building. Given the critical role that knowledge plays in promoting dynamic and sustained economic growth, the study aims to promote knowledge generation and dissemination as part of the process of enriching policy formation and implementation.

The study analyses recent economic performance and competitiveness in the economies of Botswana, Mauritius, Namibia, and Tunisia, as well as the main issues and challenges that are impacting competitiveness of these economies. It seeks to provide a better understanding of key determinants of economic growth and prosperity that help assess whether these countries will continue on a sustained growth path, or even accelerate the growth experienced in the last decade.

The study was concluded in early 2009. Its findings have been disseminated through a Study Report, a chapter in the 2009 ACR, press briefs and a conference paper. The ACR was launched at the World Economic Forum (WEF) summit for Africa in Cape Town, June 2009, and subsequently presented to Bank staff in Tunis and to World Bank staff in Washington, DC. The study provides a platform for dialogue between business, government, donors, and civil society in exploring ways to overcome constraints to increased competitiveness. It highlights best practices that can be emulated by other African countries.

The study shows that there are three key determinants of competitiveness, namely good governance, transparency in public institutions, and political feasibility of reforms. The main challenges facing these countries are recovery from the global economic crisis, quality of their human capital and diversification of their economies.

Good governance and strong and visionary leadership through formal institutions and informal rules greatly contributed to the success of the four countries. Social consensus was promoted and strengthened over time. For example, political contestability and effective institutions governing private property have always existed in Botswana. These institutions protected the property rights of investors, and provided political stability. Mauritius and Namibia share strong and transparent public institutions, as well as independence of the judiciary, though not at the same level or in the same form as in the three other countries. Tunisia's institutions are some of its major competitive advantages. They are fairly transparent and stable.

Public governance has also played an important role. The four countries benefited from good governance compared to most other African countries. This is particularly true in the areas of security, political and economic stability, and corruption. Important public goods (competent and honest bureaucracy, public safety, law and order, health and sanitary standards) are aptly provided in the four countries. Infrastructure is fairly good,

although more has to be done at this level to enhance competitiveness. Botswana ranks highly worldwide in the efficiency of government spending. It has succeeded to manage its development based on natural resources, while many other African countries got trapped into the so-called "resource curse". In Namibia, the long run dynamic growth was supported by prudent and efficient fiscal policy that help maintain a budget surplus and minimise external borrowing. Tunisia also managed its public spending efficiently.

These four countries have paid strong attention to the political feasibility of reforms. Political leaders were concerned by both the preservation of the social consensus and the promotion of economic reforms. Accordingly, the transformation of these economies started with a preference given to marginal changes. The speed of the liberalisation adopted in these countries was that of "gradualism" instead of "shock therapy". This strategy worked because of the quality of institutions, and both the ability and credibility of governments to commit over the long run.

Like others, these countries have been affected by the 2007-2009 global economic crisis. Their growth outlook has deteriorated and their macroeconomic balances worsened. The crisis has underscored the relative vulnerability of the four small open economies, which are highly reliant on a few key products that either face acute competition on world markets (e.g. textile) or whose prices are highly correlated with the global economic situation (diamond). There is a critical role for export diversification in reinforcing resilience to external shocks for these countries to enhance their competitiveness in the long run. Stiffer international competition calls for these countries to improve their business environment and to deepen policy reforms.

All the same, there is need for these countries to increase the quality of their human resources to further their competitiveness. Given their current development and the global economic environment, human capital will be a key condition for these countries to enhance firm productivity, upgrade

technologies, and develop high-value-added services. In this respect, higher education and training should address labour market needs. All the four countries would gain in having greater flexibility in the labour market. However, such flexibility needs to preserve the social compact that prevented them from experiencing violence, crime, and corruption.

The four countries should also address the diversification of their economies. This would require new efforts to develop the productive base in the context of a global economic slowdown and acute competition from other emerging economies. There is need to improve their competitiveness by a combination of strategies at national and regional levels, notably: increasing investments in infrastructure to promote regional trade and integration; improving the employability of the labour factor by raising the quality of training, matching training supply to needs, deregulating the labour market without endangering social stability; and facilitate access to bank financing.

The work on competitiveness is a collaborative venture by the African Development Bank, the World Bank and the World Economic Forum.

i) Mauritius Investment Climate Assessment 2009

Task manager:
Peter Ondiege

Duration:
Feb 2009 – Dec 2009

Mauritius has transformed itself from a mono-crop economy, where sugar accounted for over 95 percent of its export earnings, to a strong and diversified economy in which the services sector accounted for 72.5 percent of Gross Domestic Product (GDP) in 2008. This robust performance is a result of sound economic governance, strong partnerships between the private and public sectors, and preferential access to export markets in textiles and sugar. The reforms undertaken since 2006 have sparked growth, set the economy back on track,

and advanced the country's transition from an economy based on preferential trade arrangements to an economy that competes at the global level.

Today, Mauritius is among the most successful economies in Africa. The country can market itself as a "business-friendly" destination, with bold and comprehensive government reforms that focus on making business procedures simple, transparent, and rule-based. The reforms have paid off. The World Economic Forum ranks Mauritius as 57th among 133 countries in 2009–2010 in the global competitiveness index. This places the country only behind South Africa in Africa. The 2010 World Bank Doing Business report rates it among the top African countries. In fact, its rank has moved up from 24th to 17th place, making it one of the top 20 countries for doing business globally.

The overall objective of the Mauritius Investment Climate Assessment (ICA) is to evaluate the investment climate in all its operational dimensions. The analysis of the data enables us to link business environment constraints to firm-level costs and productivity measures. The ICA provides a crucial diagnostic of the business environment to the Government of Mauritius. The assessment was undertaken in collaboration with the World Bank and the African Development Bank's Southern Africa Regional Department (ORSA). The study uses a robust methodology that draws on a representative sample of 484 formal firms and 120 informal establishments. The sample covers SMEs and large firms in both manufacturing and services. Weights were used in the analysis of the data to ensure full representativeness of the results.

Improved competitiveness and economic diversification require that existing products be improved and that new sectors be discovered. For Mauritius to truly compete globally and expand its economy, it must find niche markets, establish links among sectors, and increase the knowledge component of products. To achieve these objectives, Mauritian firms will have to increase technology absorption and innovation. This will depend on trade flows, labour mobility, and foreign direct investment.

It also demands a good investment climate, skills, and domestic research and development (R&D). Mauritian firms are hampered in their efforts to compete by several constraints, including a poorly skilled labour force (especially for exporting firms), infrastructure deficiencies, and the difficulties in accessing finance, which has been exacerbated by the global financial crisis.

These constraints vary by firm type. A larger share of SMEs, domestic firms, and non-exporters believe finance to be a binding constraint more than do large exporters and foreign owned firms. These latter firms flag the lack of skilled labour as a key constraint. Infrastructure bottlenecks are more of a problem for SMEs, while most exporting firms found access to finance the biggest obstacle, followed by shortages in skilled labour and transport infrastructure bottlenecks. Thirty-three percent of these same exporting firms cited skilled labour shortages as a constraint, but only 19 percent of non-exporting firms found this to be a problem. The trend is the same for foreign owned firms, with 38 percent of them citing skilled labour shortage as a major concern. This is expected. Large exporters and foreign owned firms require a larger share of skilled labour force as compared to smaller, domestic, or non-exporting firms.

To address these constraints, the study suggests the following policy options:

Support exports

- Establish programmes that target firm entering new export markets or exporting new products in existing markets.
- Design programmes tailored to very small firms to help them become suppliers of larger exporting firms. Support in these programmes should be for a share of the estimated expenditures, significant enough to encourage applications but not so large so as to encourage free riding.

Improve private sector R&D and industry research collaboration

- Fund a campaign of quality improvement and provide

incentives, including tax exemptions, prizes, and study visits to facilities and institutions overseas.

- Raise awareness on quality needs, systems, and techniques, based on detailed analysis of enterprise practices and gaps, benchmarked against international standards. Within this framework, the infrastructure of metrology, standards, testing and quality should be improved, ensuring that industries have access to accredited facilities for testing, certification, and calibration.
- Make use of a matching grant scheme for innovation. With such a scheme, firms are still required to finance a share of the R&D project from their own resources. This ensures that firms have a stake and share the risk.

Upgrade skills and human resources

- Mauritius needs to introduce new measures to increase the scale and quality of its workforce. The country needs a long-term view that would ensure a broad base for skills development. A more comprehensive lower secondary school could cater for students with different learning abilities, and would provide all students at the primary level a meaningful education that prepares them to contribute to economic development.
- Invest in science and engineering education to strengthen the Mauritian technical workforce.
- Collaborate with overseas universities (e.g., in the United Kingdom and Australia) as an additional strategy for human resource development.

Expand access to finance

- Extend the coverage of the Credit Information Bureaus to other financial intermediaries, and lower the reporting threshold to improve the quality of information available regarding small borrowers.
- Rationalise and review the subsidised lending programmes to achieve better and more sustainable results.
- Provide financial literacy training, especially to SMEs, in order to build their capacity to develop and present bankable proposals. Provide support to SMEs to keep better accounts.

- Design and implement partial risk guarantees and other financial products aimed at reducing the risk associated with existing collateral, and supporting the banking system in better measures of risk assessment (based more on cash flows rather than on fixed assets).
- Establish a national Business Plan Competition to identify the best business proposals for start-ups. This programme would use both conventional methods, as well as a more innovative approach, including personalised mentoring by professionals, ideally from the Mauritian diaspora.

3.2.2 Tariff Reform Impact Simulation Tool

Task Manager
Iza Lejárraga

Project Duration
June 2009–ongoing



With the proliferation of regional and bilateral agreements, as well as domestic unilateral reforms, African countries face an increasingly complex trading environment. Indeed, the negotiations of Economic Partnership Agreements (EPAs) and the Doha Development Agenda (DDA), among a plethora of other overlapping trade accords, are rapidly changing the economic landscape. In this context, the ability to understand the benefits and costs of various trade policy scenarios is essential for decision-making, both in the government and in the private sector.

This project addresses this need by using the Tariff Reform Impact Simulation Tool (TRIST) to equip countries with an adequate understanding of the economic impact of trade policy reforms. The TRIST

is a simple excel-based tool that was developed by the World Bank to simulate the short-term impacts of tariff reform on key variables of interest, including fiscal revenue, imports, protection, domestic output, and employment. Its flexibility and level of detail allows the tool to be customised to each country in order to answer a range of policy-relevant questions.

The AfDB partnered with the World Bank to provide technical assistance to the Government of Nigeria on the use of TRIST, to inform their EPAs negotiations. In particular, the AfDB participated in the adaptation of TRIST to the Nigerian context, and in the presentation of the tool to Nigerian counterparts during a hands-on capacity building event in Abuja. Other countries have expressed interest in the TRIST tool. Hence, the World Bank and AfDB are engaging in dialogue with RECs to disseminate the TRIST tool in the region. It is expected that this effort will enhance the preparedness of African countries to assess the impact of trade liberalisation reforms and devise effective trade policies and adjustment mechanisms.

3.2.3 Additionality and Development Outcome Assessment of the Bank's Private Sector Operations.

Task managers
Désiré Vencatachellum & Marco Stampini.

Project duration
October 2008 - ongoing.



Following an increase in private sector operations from UA41 million in 2000 to UA903 million in 2008 within the bank, the Board of Directors mandated ECON to design and implement a framework for

assessing ex-ante, the value added and the development outcomes of Private Sector Operations. The ex-ante ADOA framework is the result of this request. Following a pilot phase of one year (October 2008 –September 2009), a revised framework was introduced from September 2009, which marks the institutionalisation of ADOA.

For each private sector operation processed by the Bank, ADOA issues rating notes addressing the following questions:

(1) What does the Bank bring to the operation as a development financial institution that commercial lenders cannot or are not willing to bring to that operation? An important extension to this question is: To what extent does the Bank's involvement incentivise or catalyse participation in a deal by private sector players?

(2) What are the expected development outcomes of the operation?

In addition to the ratings, ADOA aims to produce knowledge related to private sector development. ADOA rating notes inform the decisions taken by Country Teams, Operations Committee and Board of Directors. The generation of knowledge can help increase the development outcomes of the Bank's private sector operations.

Since the inception of ADOA (October 2008 to December 2009), ECON has received requests to participate in the Project Appraisal Team for 100 Private Sector Operations (PSOs), of which 32 had ADOA ratings issued for consideration by the Board in its final approval of the operation.

Two main outcomes were achieved:

(1) ADOA has proven to be a decision tool that has contributed to mainstreaming results-based decision-making for private sector operations, and will lead to institutional memory building.

(2) ADOA led to the systematic definition of expected development outcomes measured by quantitative and time-bound targets. This will facilitate the tracking, monitoring, and ex-post

evaluations of all private sector operations, and comparability across operations.

The ADOA framework draws largely from economic development theory and practice. Development outcomes are assessed along the following dimensions: Effects on households, effects on governments, gender and social effects, environmental quality and sustainability, private sector development, infrastructure development, and effects on macroeconomic resilience.

Additionality is assessed along the following dimensions: Financial additionality, political risk mitigation, and improved development outcomes.

The ADOA framework was disseminated outside the Bank during missions to the headquarters of the International Finance Corporation and of DEG (Deutsche Investitions und Entwicklungsgesellschaft mbH). Inside the Bank, dissemination relies on seminars for colleagues working in departments participating in the project appraisal teams of the Bank's private sector operations. All Board level ADOA notes are posted on the Bank's data management systems, DARMS, and are accessible to all Bank staff.

With the institutionalisation of ADOA, ECON is called upon to undertake expanded analysis of private sector development constraints and opportunities in Africa. This goes beyond impact assessment of the Bank's intervention in the private sector. Such analysis will provide valuable benchmarks for assessing the expected outcomes of PSOs, thus informing policy at the Bank level as well as at the country level.

3.2.4 The Performance of the Mining Sector in Africa

Task Manager

John C. Anyanwu and Barasa Murefu

Project duration

2009 – Ongoing



Mining contributes to economic development in many ways, including FDI, employment, foreign exchange earnings, energy sources, local socio-economic development, technology and innovation, and development of related sectors and competent institutions. As African economies have faced difficulties in other economic sectors, notably agriculture, attention has been directed to the role of mineral wealth and how this could offer a unique window of opportunity for African states to extract better terms from natural resources exploitation, and promote growth and poverty alleviation across the continent.

Analysis and evaluation of the performance of the mining industry in the continent and its socio-economic and political situation will be conducted through three country case studies (Zambia, DRC and Botswana) with the intention to put forward recommendations as to how mineral rich countries can capitalise on their mining industry to advance sustainable economic and social development.

In collaboration with relevant in-country research institutions, and in consultation with national and regional mining bodies and international mining companies in RMCs, the Bank seeks to fulfill the following: (i) Identify and analyse the key factors affecting mining in African countries; (ii) investigate and document the impact of mining activities on

the environment and local communities through case studies; (iii) identify and present the principal elements of the legal and fiscal regimes governing mining operations in African countries; (iv) compile a database of the trend of mining taxes, royalties and fees flowing to African mining countries; (v) make a comparison with developments in the mining sector in other regions of the world; (vi) identify the weaknesses in the African legal and fiscal regimes governing mining, and propose remedies; (vii) make policy recommendations on how to address the negative factors impacting on mining in Africa as well as how to harness the continent's mineral wealth for sustainable development in Africa; and (viii) suggest remaining issues and areas for further research.

Knowledge and policy implications resulting from the case studies will be disseminated to African and International institutions, as well as among the governments of mineral-producing countries and RECs in Africa. The evidence will also empower governments vis-à-vis other stakeholders, such as mineral-bearing communities, human rights organisations, and international mining companies, notably in contract negotiations and re-negotiations.

3.2.5 Education and Employment in Malawi

Task Manager

Vincent Castel

Project Duration

March 2009 – October 2009



In the context of changing macroeconomic structures, in addition to an increasing role for industrial and tertiary production, accompanied by a rapidly growing

labour force, it is extremely important to look at the relationship between education and employment to identify potential skills gap and incentives needed for African countries to satisfy their labour needs. As part of its sector specific studies (Economic and sector work), AfDB has concluded a study on education and employment in Malawi to identify potential skills gap and the incentives necessary to satisfy the country's labour demands.

The objective of this study is to provide deep analysis on private sector development in Malawi and labour skills. It acts as the Bank's response to concerns over skills gaps and a commissioning from the CSP Mid-Term Review (MTR) Report of 2008.

The analysis is based on micro-data from the Integrated Household Survey (HIS-2) conducted by the National Statistical Office of Malawi between March 2004 and March 2005. Relative to the existing work, this research activity is new in several respects. First, it adopts a three-dimensional approach, covering: 1) Equality in access to schooling; 2) relationship between educational achievements and labour market status, and; 3) relationship between labour market outcomes and income. Second, when analysing the returns to education for wage employees, it controls for selection into wage employment through a Heckman model. Third, it exploits household income data to analyse the monetary returns to different forms of wage and self-employment.

The study indicates that there is need for broad-based reform in the education sector to support Malawi's growing labour market, and to facilitate economic diversification. The country skills profile, employment patterns, and labour market participation mirrors an education system that has very low enrollments for higher education, and that registers sharp gender disparities. This study also highlights that returns to university education are high and grow exponentially, compared to low and linear growth for returns to primary and secondary education levels. Furthermore, it highlights that key gender disparities in the labour market disappear with the attainment of higher education.

Malawi is one of the poorest countries in the world in terms of human development. It ranks 112th in adult literacy and 131st in primary, secondary, and tertiary gross enrolment rates. Unemployment is also problematic, consequent to downsizing of companies, restructuring of services, and an incremental rural-urban migration rate. Most affected are the youth (15-24 years). It is therefore essential that a clear and precise understanding of the relationships between employment and education are understood, as this could have substantial development benefits for the country.

Agriculture remains one of the key sectors in the economy. It accounts for a one-third of the country's GDP, 90 percent of export revenues and 90 percent employing of the rural workforce. The mining and service sectors are emerging as key drivers of future growth in Malawi. The analysis also shows that the demand for skilled workers and higher education is increasing to meet the demand generated by the expanding manufacturing and services sector.

The findings are used to discuss policy options to increase and expand equitable access to higher education, and to establish a labour market information system. The results are published in a June 2009 research report titled "Skills for Private Sector Development - Country: Malawi". A companion working paper based on this topic is forthcoming.

3.2.6 Africa Vision 2050

Task Manager:
Nooman Rebei

Project Duration:
2008 to November 2010



Africa Vision 2050 is a joint project between AfDB and the Agence Française de Développement. It aims to provide a comprehensive analysis of the continent in the following fields: Population trends; economic challenges and trends; climate change; natural resources, and; African integration. The project will provide prospects for the continent by 2050. It will aid in reducing uncertainties, help to anticipate changes, and explore the possibilities and prospects for Africa by determining the possible paths, defining the constraints, and identifying likely scenarios.

Observations will be used to forecast long-run evolution of the economic situation of African countries with respect to different aspects, and gain an insight into AfDB's position in pushing policy or investments where needed to respond to trends. It will also provide policy recommendations at national, regional, and international level.

The study will cover the following issues: (i) Human drivers of change (demographic change, burden of disease, and conflict); (ii) physical drivers of change (climate change, land and water, and natural resources); and (iii) global drivers of change (structural change in global markets, structural change in production, and the rules of the game).

Africa Vision 2050 was initiated to respond to the need to provide a "tool" for thought leadership. The aim of the study is for its findings and deliverables to be used as a platform for bringing stakeholders and policy makers together to discuss the role of development business for tomorrow's constrained but sustainable world.

The review meeting was held in October 2009. The results from the analysis and observations will be disseminated during seminars and annual meetings, and through a book.

3.3 Focus Area III: Improving the Quality of Institutions and Economic Management

The state of government and institutions has a heavy bearing on the final outcomes of any development effort within a nation. It is therefore imperative that the Bank engages in generating knowledge in this area in order to guide capacity building and other interventions that improve the quality of institutions.

Under this Pillar, the Bank undertakes research to improve policy environment and good governance on the continent. In 2009, EDRE undertook an examination of the formula for the Performance Based Resource Allocation (PBA) to investigate whether resource allocation takes into account country circumstances, especially for countries facing special challenges including high vulnerability.

3.3.1 Improvement of the Formula for Performance Based Allocation

Project team:

Désiré Vencatachellum and Zuzana Brixiova.

Project duration:

2008 to 2011.



Multilateral Development Banks use a PBA formula to allocate most of their concessional resources. This formula is based on the assumption that aid is more effective in countries with good economic policies and governance. Consequently, it implies that good governance should carry a high weight in aid allocation to recipient countries. However, the empirical finding underpinning this model of aid allocation has been challenged in a number of studies. Although the

intrinsic values of good governance is not in dispute, it has been shown that economic vulnerability with regard to external shocks is equally (if not more) as pertinent as the quality of economic policy and governance for aid effectiveness. Indeed, in countries exposed to external shocks or structural handicaps, aid can help prevent stagnation. While recognising the crucial roles of good economic policies and governance, there is room to amend the formula to include the specificities of Africa.

The PBA study investigates the extent to which an amended performance-based allocation formula, including a vulnerability index, can be used to allocate the AfDB resources set aside for fragile states. The study was conducted in 2009. It critically examined these issues to propose a framework of how economic vulnerability could be used to amend the performance based allocation formula¹.

The framework for debating the inclusion of a vulnerability index in the PBA formula was developed in 2009. This formed the basis for discussions about the opportunities and challenges of reforming the PBA. Going forward, it is expected that the debate around the PBA of concessional funds will continue and will involve a dialogue with other Multilateral Development Banks. A software will also be developed to make it possible to investigate the extent to which the allocations obtained with the modified formula would be sensitive to changes in the parameters of the underlying aid allocation hypotheses.

The study was carried out in partnership with Operational resources and Policies Department ORPC, the Fragile State Unit, and the CERDI (Université de Clermont-Ferrand).

¹ See 'Accounting for Vulnerability of African Countries in Performance Based Aid Allocation', African Development Bank Working Paper No. 103, October 2009.

3.4 Emerging Issues

3.4.1 China-Africa Research Initiative

Task Manager:
Richard Schiere

Project Duration:
March 2009 – Sept 2010



The expansion of China's trade and investment interests in Africa offers additional development opportunities for African economies. This is particularly welcome in the wake of the 2008 financial crisis and the subsequent economic downturn, which had a severe effect on growth prospects of African countries.

Chinese engagement in Africa is generally well received. It provides a different development model based on commercial relationships. However, China's involvement in Africa is sometimes perceived as driven by the need of this country to secure resources and commodities for the expansion of the manufacturing sector. The increased commercial activities of Chinese companies have also led to a wide range of effects, such as labour migration, and have triggered a broad debate on the international aid architecture.

The objective of the study is to generate knowledge and build capacity on how Africa can most benefit from China's strong economic engagement. The knowledge and recommendations generated from the China-Africa research initiative will directly feed into existing initiatives of the Bank Group, which are: (i) The two Memorandums of Understanding (EXIM-Bank as well as China Development Bank) and; (ii) the tripartite collaboration between China,

African Development Bank Group and the Infrastructure Consortium for Africa (ICA). This research initiative is financially supported by the DFID Trust Fund.

China is an emerging development partner for RMCs, and will have an impact on the overall aid architecture. This research initiative will highlight the impact of China-Africa relations in trade, manufacturing competition, sectoral allocation, aid effectiveness, African integration, and the impact on the global aid architecture

The direct partners in this initiative are: (i) Centre for Chinese Studies (CCS) of Stellenbosch University; (ii) Centre d'Etudes et de Recherches sur le Développement International (CERDI); (iii) American University's School of International Service, in Washington D.C.; (iv) Université de Paris; and (v) Institute of Development Studies, University of Sussex. This initiative has also provided opportunities to network with the China-DAC Group as well as the International Poverty Research Centre in China (IPRCC).

This research initiative has a policy component and research component. The policy component will focus on the main policy publication, titled, "China as an emerging development partner for Africa". The research component will dedicate a special issue of the African Development Review dedicated to China-Africa partnership.

The policy oriented publication will focus on the impact of China on Africa. It will cover a wide range of issues, such as trade, manufacturing competition, sectoral allocation, aid effectiveness, African integration, and the impact of the partnership on the global aid architecture.

The special issue of the African Development Review on China-Africa will enable wide dissemination of knowledge on Africa-China economic relationships in universities and government institutions in the continent and around the world. This will contribute to building capacity with policymakers as well as sensitising the next

generation of leaders, who are currently students at universities. The seminar is scheduled for 25-26 March 2010. Dissemination will occur through five regional workshops as well as a seminar hosted in China, and will be organised in collaboration with host governments, African institutions and think tanks.

3.4.2 Knowledge and Capacity Building on China-Africa Development Cooperation Issues

Task Manager:
Richard Schiere

Project Duration:
October 2009 – January 2011



China is in the middle of debate on how to strengthen its development cooperation relationship with Africa. In the past, the engagement was focused on trade and investment relations. More recently, China is shifting its development cooperation from a narrow focus of fostering trade and investment relations, to include a broad range of African development challenges. This was also emphasised at the 2009 Forum on China–Africa Cooperation (FOCAC), in which China not only pledged US dollar (USD) 10 billion in concessional loans to Africa, but also highlighted the need to support Africa in attaining the MDGs, addressing climate change, and supporting challenges in the area of food security, energy security and epidemic diseases. China has also pledged to increase support to the private sector by expanding the zero tariffs treatment to 95 percent of the products from African Least Developed Countries (LDC), as well as to provide USD 1 billion loans to Small and Medium Size Enterprises (SME).

These commitments demonstrate that China is seeking not only to foster investment and trade relations but also to address frontier development cooperation issues, such as climate change, and food and energy security. The country is also interested in promoting non-reciprocal trade relations similar to African Growth and Opportunity Act (AGOA) of the US, and “Everything but Arms Agreement” of the European Union.

3.4.3 Monitoring Food Prices

Task manager:
Albert Mafusire.

Project duration:
2008 – 2009



The study on the food crisis started in late 2008 with a comprehensive analysis to give directions for the Bank’s operational response. The work continued through 2009, since the management needed to be updated on developments regarding the food crisis. EDRE led research into the effects of the food crisis in African countries, using a combination of quantitative and qualitative analytical methods.

The main objectives of the work were: (i) To monitor the impact of the crisis on African countries; (ii) contribute to the development of the Bank strategic

response to the crisis; and (iii) provide information for management decisions and dialogue with Regional Member Countries.

In mid 2009, a Board Information Note and a Working Paper were completed. The main findings show a temporary but differentiated decline in the food price index from its peak in December 2008. This trend was reversed in January 2009. Overall, food was being traded at levels two times more expensive in January 2009 than in December 2006. Furthermore, food price developments in Africa have been disparate. In particular, the fall in cereal prices observed on international markets has not been reflected in a uniform fall in prices of cereals in all African countries. The financial crisis has placed additional demands on governments and the development partners, and has the potential to frustrate planned responses to the food crisis.

Notwithstanding the emerging challenges, the following policy lessons are noted:

- Policy reforms that improve the macroeconomic situation and competitiveness in production enhance a country's resilience to external shocks.
- In the long-term, ensuring food security and increased participation by the poor in income generating activities are critical in creating conditions for Africa's economic and social development. The agricultural sector remains important in this process.
- African countries need to strike a balance between increased demand for bio-fuels crop production and food security through appropriate market mechanisms.
- Despite the primacy of the market in responding to shifts in consumption, governments still have a critical role, especially in implementing measures that cushion their citizens against external and natural shocks, with a view to minimising their cereal import dependency.
- A regional approach to food security is essential to address disparities in national food prices.
- Better and increased coordination of development partners' responses to crises facing Africa will improve the effectiveness and credibility of interventions.

3.4.4 Oil Prices and Impact on African Economies

i) Oil and Gas Status in Africa

Task manager:
John C. Anyanwu

Project duration:
2006 - 2009



The study focuses on a comprehensive review and analysis of the oil and gas status in Africa. It outlines the status of Africa's considerable oil and gas resources, highlighting the prospect of finding even more. Through country examples and with an African focus but a global perspective, the study underscores the specific challenges and constraints facing the continent in the exploitation and use of its oil and gas resources. The results have been published in a book, and present a dual perspective – that the resources can be used strategically to accelerate growth for both net oil exporters and net oil importers on the continent. It is also designed to give a framework of coherent future visions to assist African governments and oil and gas industry operators in their decision making. The roles of AfDB and AU are analysed, considering their differing but complementary mandates geared towards the development of the continent. The book includes recommendations on the future directions and actions for maximising the benefits of Africa's oil and gas resources.

Oil is central to the economic growth and fiscal situations of an increasing number of countries. However, for many of them, the resource curse syndrome, oil price volatility, oil-related social and

political conflicts, and poor oil revenue management, have largely eroded the significant gains from higher but volatile export revenues. Experience has shown that oil and gas-rich African countries have not fully exploited the true (potential) benefits of their significant oil wealth, indicating that endowment with oil and gas resources comes with opportunities but also with substantial risks. Therefore, oil and gas-rich countries will continue to face a great managerial challenge to avoid the resource curse syndrome.

Recent evidence has shown that, if properly managed and invested, oil revenues can have significant long-run impact on Africa's development. Such a scenario is contingent upon the fulfillment of critical conditions, chiefly improving governance and transparency, reducing corruption, and strengthening the macroeconomic framework.

Apart from discussing these important issues of the management of revenues from oil and gas in Africa, the study also outlines the prospects of increasing regional cooperation and establishing an African Petroleum Fund, principally to promote African solidarity, to develop oil and gas infrastructure, and to assist African countries in balance of payments problems due to high oil prices. The study provides updated and highly valuable data and analysis. It is hoped that the results of the study will provide input for informed action by decision makers and stakeholders in the continent and elsewhere.

The study's output is contained in a book published in 2009 by the Oxford University Press for the African Development Bank and the African Union. The book is titled "Oil and Gas in Africa". It was launched at the Second Conference of African Ministers Responsible for Hydrocarbons, held in Addis Ababa on December 11, 2009, and presented to the Bank's Network of Economists.

ii) African Petroleum Fund: Operational Modalities and Policy Document on the African Petroleum Fund

Task manager:
John C. Anyanwu.

Project duration:
2006 - ongoing.

Against the context of rising and volatile oil prices in the international market, the Sixth General Assembly of the African Union, held in Khartoum on January 24, 2006, adopted a decision, directing the AU Commission to convene a meeting of experts to consider the proposal for the establishment of a Fund within AU to mitigate the effects of the increase in oil prices on African Countries.

Consequently, AfDB and the AU agreed to jointly undertake a number of studies not only to inform the proposed Fund, but also to develop the Operational Modalities of such a Fund. The purpose of the African Petroleum Fund (APF) Operational Modalities and the Policy Document is to develop rules and procedures that will guide the operations of the proposed APF. The Fund itself is primarily intended to mitigate the balance of payments effects of the increase in oil prices on the financially poor African countries. It is also envisaged that the Fund will support other activities, including studies in cooperation or integration-driven petroleum initiatives, mitigation of the environmental impact of oil and gas exploitation in producing countries, and technical assistance in building competent capacity in the sector.

The findings of the studies were presented at an experts meeting in Addis Ababa in November 2006, and at the First Conference of the African Ministers of Hydrocarbon in Cairo, in December, the same year. Following the recommendations of the African Ministers of Hydrocarbons, the Heads of States Summit meeting in Addis Ababa between 29th and 30th January 2007 requested the Bank to host the APF. The Bank accepted in principle, pending the mobilisation of the take-off funds.

The APF documents' validation workshops were held in Addis Ababa from December 10 to 12, 2008; in Cotonou from April 23 to 24, 2009 for the Northern and Western Regions of Africa, and again in Addis Ababa from September 28 to 29, 2009 for the Southern, Central, and Eastern African Regions.

The African Ministers Responsible for Hydrocarbons (oil and gas) meeting in Addis Ababa, Ethiopia on December 11, 2009, on the occasion of the Second AU Conference of African Ministers Responsible for Hydrocarbons, validated the documents and adopted the strategy and road map for the operationalisation of the APF. The Ministers' declaration asked the AU Commission to take appropriate measures, with all concerned parties, to implement as soon as possible, the activities mentioned in the strategy and road map.

3.4.5 Global Financial Crisis and its Impact on African Economies

i) *Policy Dialogue and Analytical Support to C-10 Activities*

Task Managers:
Zuzana Brixiova and Albert Mafusire

Duration:



2008 – ongoing

Following the Ministerial Meeting in Tunis in November 2008, it became clear that the financial crisis would potentially have a devastating effect on the global economy. This called upon AfDB to take a lead role in responding to the impact of the crisis. This required general knowledge on the causes of

the crisis, its transmission channels, and the impact. In this context, EDRE became a critical anchor in ECON for undertaking analysis to guide the Bank's strategic response, as well as to support the activities of the Committee of Ten (C-10) African Finance Ministers and Central Bank Governors. The C-10's mandate is to: (i) Take stock of the impact of the global financial and economic crisis on African economies; (ii) make a case for governance reform in the multilateral international economic institutions for enhanced African participation, and; (iii) identify the priority issues for Africa and agreeing on inputs for G-20.

In 2009, EDRE played a crucial role in analysing and preparing policy documents that guided C-10 deliberations at the following meetings: (i) January in Cape Town, South Africa; (ii) March in Dar-es-Salaam, Tanzania, and; (iii) July in Abuja, Nigeria. The Department also led the organisation of the Bank's workshop on the Financial Crisis in April 2009 in Tunis, and the African Economic Conference held in Addis Ababa in November under the theme "Fostering Development in an Era of Economic and Financial Crises".

The study on the global financial crisis focused on its causes, impact channels, and the extent of the impact on African countries. It informed the responses to minimise the negative effects. By drawing parallels to previous external shocks, the analyses helped in making policy recommendations that not only addressed the prevailing crisis, but also provide suggestions for strategies to build resilient African economies. The forward-looking aspect of the analysis challenges the policymaker to think outside the box.

The Development Research Department actively disseminated knowledge generated in this area, within the Bank and externally. Knowledge outputs include the Financial Crisis Briefs, Working Papers, the FCMG Weekly Report and Development Research Briefs, which are disseminated widely in print and electronic forms.

ii) Financial Crisis Monitoring Group
Weekly Reports

Task Managers:

Gil Seong Kang, Kim Hee-Sik
and Albert Mafusire

Duration: November 2008 – ongoing

The global financial meltdown had devastating effects on most African economies. It called for the Bank and RMCs to take timely and appropriate counter-cyclical measures to weather the crisis. To reinforce its lead role of providing guidance to Africa's efforts on minimising the impacts of the global financial and economic crisis, the Bank set up the Financial Crisis Monitoring Group (FCMG) in November 2008. As part of its mandate, the FCMG is primarily responsible for monitoring the impact of the crisis, highlighting policy responses by RMCs and assessing their implications. This process entails the preparation of a weekly report on the performance in key financial and macroeconomic indicators of different countries and different country groups.

Given the valuable information that the FCMG weekly report provides, it serves as a reference document for the Bank's Senior Management, Country and Regional Operations Departments, Sector Operations Departments, and Finance Complex. The report primarily analyses the performance of the following indicators:

- Currencies
- Stock Markets
- Commodity Prices
- The Real Sector
- The Government Sector
- Official Development Assistance (ODA)
- Foreign Direct Investment (FDI)
- African Countries in Focus.

The Report is produced by EDRE and ESTA. It is cleared by the Chair of the FCMG, Vice- President for Infrastructure, Private Sector Operations, and Regional Integration.

It is compiled using data and statistics provided by ESTA as well as spot information from various sources, such as governments, development institutions, research institutions, and global media reporters. A total of 52 weekly reports were produced in 2009.

Major developments of the financial crisis and responses of the RMCs can be summarised as follows:

- After depreciating sharply in 2008, African currencies substantially recovered their values in 2009. However, most currencies still remain substantially weaker against the US dollar than before the crisis.
- African stock markets showed mixed performance. Stock markets in Tunisia, South Africa, and Mauritius recorded more rapid rallies than the major stock markets in the world. In particular, the stock market in Tunisia largely maintained its growth momentum throughout the crisis period. On the other hand, those in Cote d'Ivoire and Nigeria registered substantial losses over the year.
- Commodity markets gradually recovered as the global recession bottomed out. However, prices of the major commodities of the continent, such as crude oil and copper, are still below their pre-crisis levels.
- Adverse impacts of the crisis have deepened, even though some encouraging signs have recently emerged around some mineral and agricultural exports. Most sectors have been hit by the prolonged global recession, especially mining, manufacturing and tourism. Fiscal revenues and foreign capital inflows were seriously affected by the crisis, limiting governments' ability to respond adequately to the crisis.
- African governments have adopted a wide range of policy measures in response to the adverse impacts of the financial crisis and the subsequent economic recession. The measures included

counter-cyclical macroeconomic policies, such as fiscal stimulus packages and interest rate cuts, tax reforms to strengthen domestic resource mobilisation, subsidies to targeted sectors, capital and exchange controls, and introduction of new regulations to the banking sector.

3.5 Flagship Publications

3.5.1 African Economic Outlook

i) African Economic Outlook 2009/2010

Task manager

Alex Mubiru

The African Economic Outlook (AEO) is a joint publication of the AfDB, the OECD's Development Center, and the UN Economic Commission for Africa in collaboration with several research institutions across the continent. The publication is partly funded by the European Commission. Covering some 50 countries across the continent (including, for the first time, Comoros, Guinea-Bissau, and São Tomé and Príncipe in the 2009/2010 edition), the AEO provides high quality economic analysis and comparative statistics on economic, social, and governance related developments in African economies, and offers an evaluation of short-term prospects. Now in its ninth year, the AEO has become a widely recognised, authoritative annual report on the performance of African economies. It has increasingly achieved its objective of broadening the knowledge base on African economies (and societies), while offering valuable support to decision makers in African and OECD countries, in the public, private, and non-profit sectors. These include aid practitioners, investors, and government officials – people who need reliable up-to-date information on economic, social, and political developments.



The AEO includes an overview chapter, a series of country notes, a statistical annex covering a wide spectrum of economic, social, and political data, short-term macroeconomic forecasts and a synthesis of economic prospects for the entire continent. Since the 2002/03 edition, the AEO has focused on multi-disciplinary themes. The 2009/10 edition examines the issue of public resource mobilisation. This is a timely topic, not only given the prevailing global economic downturn, but also several other pre-crisis structural issues across the continent.

The average tax-to-GDP ratio in sub-Saharan Africa increased from less than 15 percent of GDP in 1980 to more than 18 percent in 2005. But virtually the entire increase in tax revenue in the region came from natural resource taxes, such as income from production sharing, royalties, and corporate income tax on oil and mining companies. Non-resource-related revenue increased by less than one percent of GDP over 25 years. Even in resource-rich countries, non-resource-related revenue has essentially been stagnant. Also, in many of Africa's low-income oil importers, domestic revenue mobilisation has not kept pace with rising public spending. As a result, a growing share of current spending is financed by aid.

Whereas it is appropriate for low-income countries to finance a rising share of their recurrent outlays from aid, given that they have pressing needs at this stage of their development, and that increasing expenditures for infrastructure and human development would only promote growth over time, policymakers in these countries still need to take into account a number of other considerations for several reasons:

- First, aid-financed projects give rise to additional spending, such as on operations and maintenance, which will need to be covered at least partly, if not wholly, from domestic resources.
- Second, strengthened revenue mobilisation contributes to economic stability, particularly in countries dependent on external financial flows.

- Third, expanding domestic revenue could also help Africa address the challenges arising from globalisation.
- Fourth, greater reliance on domestic revenues reduces the risk of Dutch disease, which occurs when the exchange rate appreciates as a result of capital inflows, making the country's exports less competitive.
- Fifth, taxation increases incentives for public participation in the political process and creates pressure for more accountability, better governance, and improved efficiency of government spending.
- Sixth, domestic revenue mobilisation can help strengthen fiscal institutions. Stable and predictable revenue facilitates medium-term fiscal planning, which can help ensure that resources are allocated to priority sectors and that these allocations are effectively translated into outcomes.

The 2009/10 edition of the AEO considers all these issues, especially as it takes stock of progress made, the challenges, and possible new directions for public resource mobilisation in Africa in the wake of the economic crisis. The AEO 2008/2009 edition, published under the theme "Innovation and ICT", was launched in Dakar, Senegal at the Bank's Annual Meetings in May 2009. It was presented by EDRE's professionals at 26 dissemination events in RMCs and at seven events in non-RMCs (See annex 5). A similar dissemination agenda is planned for the 2009/2010 edition, as the budget permits.

ii) A New Model for the African Economic Outlook

Task Manager:
Nooman Rebei

Project Duration:
Sept 2009 – Oct 2010

Currently, the AEO model uses an open-economy macroeconomic model to produce estimates and forecasts of the main macroeconomic variables for each country. It is used for short-term projections and policy simulations for African countries. While

the model has the advantage of being concise and easy to solve, it has a number of important shortcomings that need to be addressed.

In partnership with OECD and UNECA, the Bank (EDRE and ESTA) plans to build a new model. The construction of the revised AEO model would allow for short to medium-term forecasts (up to three years) of key macroeconomic variables, including GDP and its components, as well as inflation. It is critical that the model be built in a standardised way that allows cross-country comparisons. It is also imperative to base the model on a consistent theoretical structure, and to make use of parsimonious data. The new model should be easily scalable, and contain a user-friendly interface.

Given the structure of African countries, the model will be designed for open economies and be based upon appropriate behavioral equations. The latter is very important for understanding the intuition behind the forecasts generated by the model and ensuring consistency. Furthermore, different structural aspects have to be reflected in the model, including the following:

- Gross domestic product as determined from the production and expenditure sides.
- Real GDP growth rate
- Sectoral aspects: Main export sectors should be well identified
- Government: Government finance should be explicitly modelled through the specification of revenues and expenditures
- Components of the balance of payments
- The relationship with the rest of the world through the impact of: (i) Foreign demand; (ii) world prices of imported goods and commodities; (iii) exchange rate fluctuations; (iv) Official Development Assistance (ODA) and remittances, and; (v) Foreign Direct Investment (FDI).

After the completion of the model construction and calibration, ECON and its collaborators intend to train focal teams at the partner institutions working on the AEO.

3.5.2 African Development Report 2010

Task Manager:
Tonia Kandiero

The African Development Report, one of the flagship publications prepared by the AfDB, focuses on themes that address critical development challenges faced by the continent. The 2010 edition specifically focuses on "Ports, Logistics and Trade in Africa", given the need for the continent to increase efficiency and harness opportunities from trade.



Trade is an important component for placing the continent on a higher growth trajectory, which is a prerequisite for accelerating the progress towards meeting the MDGs by 2015. Through a comprehensive analysis of infrastructure bottlenecks, in particular in ports and related logistics, the knowledge obtained in this particular area can be used to guide policymakers and investments of the Bank and other stakeholders in activities that aim to boost trade.

Against this backdrop, the African Development Report 2010 focuses on ports and logistics and their implications for trade in Africa. It examines the state and efficiency of port infrastructure, the regulatory framework, the associated costs, and their place on transit and transport corridors. These areas have remained a vacuum in the discussions on trade facilitation. The report aims to contribute to the debate on strategies to improve connectivity of African countries to regional and global markets, with the ultimate objective to boost trade and the economic development process.

On the whole, the ADR 2010 provides some of the insights on ports and related logistics, with a view to guiding Bank interventions in both public and private sector. The theme aligns well with the Bank's medium term strategy, especially in the areas of infrastructure investment and the role of regional integration and private sector development. The Report highlights some key messages for Africa

as follows:

- Trade in Africa is still marginalised and infrastructure is one of the key instruments to reverse this situation;
- The quantity and quality of port infrastructure needs a critical assessment;
- Investments in ports and related logistics are high, requiring heavy capital from both private and public sources;
- Privatisation of ports needs a clear vision in order to ensure optimal results;
- Close coordination between all institutions (port institutions, customs, transport ministers, labour unions, etc) is important;
- There is need to address gaps in terms of quality of infrastructure in other transport modes (i.e. rail) and soft infrastructure (i.e. customs, IT); and
- There are opportunities for more Bank investments (public and private) and knowledge sharing activities.

The report is organised in five chapters. Chapter 1 is dedicated to trade in Africa. It isolates infrastructure as one of the key constraints to trade, contributing to high transport costs. The chapter also pre-emptly the discussion on the importance of ports as one of the key sectors in infrastructure that is important for the facilitation of trade in Africa. To get a better understanding of what is happening in the port sector, Chapter 2 reviews port infrastructure and performance in Africa. Based on the discussion, the chapter presents some key observations that can be used to fill the knowledge gaps in this area and to inform policies. Chapter 3 focuses on institutional and regulatory framework, which is recognised as an integral part of port development and performance. Chapter 4 highlights the point that ports alone are not enough to move goods from producers to markets. Other modes of transport, such as roads, railways, and inland waterways, as well as dry ports, are critical. The chapter also touches on essential soft infrastructure issues, such as customs procedures in the context of border posts, and road safety. Chapter 5 presents outcomes from consultations with other departments in AfDB, which are working in sectors related to the theme. It then draws some key

recommendations for the Bank interventions in the port sector.

3.5.3 African Development Review

Task manager:
John C. Anyanwu.

African Development Review is a professional journal devoted to the study and analysis of development policy in Africa. Published three times a year for the African Development Bank, the Review emphasises policy relevance of research findings, rather than purely theoretical and quantitative issues. The scope and objectives of the periodical can be found in the outside back cover of the review as well as the Bank's website.



The Publisher's report of April 2009 provides key performance indicators of the Journal's circulation and readership as summarised below:

Circulation

- (a) A growth of four institutional subscriptions for the Journal in 2008, representing an "excellent renewal rate of 105 percent". According to the report, "African Development Review therefore renewed above the target 96 percent and above the social science divisional average of 97 percent. This is an extremely positive performance and compares favourably with the 2007 renewal rate of 96 percent".
- (b) Over 2,200 institutions worldwide offered access to the latest articles from the ADRev in 2008 through the Wiley-Blackwell sales programme to library consortia, with more offering access to back volumes through databases.
- (c) New deals signed by the Publishers consortia sales team to widen access to the Journal in 2008 include consortia sales agreements with, amongst others, a consortium of 53 libraries in Argentina and a group of 24 libraries in Chile.
- (d) The Journal was available (free or at a very low

cost) in over 2,000 libraries in developing countries.

Readership

- (a) Total readership of online articles in ADRev increased by 15 percent in 2008, increasing readership via Blackwell Synergy, Wiley InterScience and other online hosts to 23,609 article downloads, compared with 20,484 in 2007.
- (b) Institutional readership: The United Nations University made the highest use of ADRev during 2008.
- (c) Top article: The article downloaded most during 2008 was: "Introduction: Globalisation-Poverty Channels and Case Studies from Sub-Saharan Africa", by Machiko Nissanke and Erik Thorbecke. It was accessed 965 times.
- (d) Registrations for e-mail alerts: The number of people who signed-up to receive e-alerts for the Journal rose by nine percent in 2008.

In 2009, three issues of the Journal were published (Vol. 21, No.1, Vol. 21, No.2, and Vol. 21, No.3). It is worth noting that Vol. 21, No. 2 was a special issue on the 2007 African Economic Conference on "Opportunities and Challenges of Development for Africa in the Global Arena".

Starting from 2010, the number of issues per annum will be five instead of the current three. These will include three regular issues, one special issue on the annual African Economic Conference, and another devoted to an important emerging theme.

In addition, from January 1, 2010, article submissions to the Journal are done online through the ScholarOne Manuscript Central at: <http://mc.manuscriptcentral.com/adrev>. A brief on the procedure for submission of papers for publication in the ADRev is contained in Annex 6.

3.5.4 African Competitiveness Report 2009

Task manager:
Peter Ondiege

The Africa Competitiveness Report 2009 is jointly produced by the African Development Bank, World Economic Forum, and the World Bank. The report takes stock of African competitiveness, and finds that financial development and free trade are critical for riding out the crisis, while improvements to infrastructure, health, education, and governance (institutions) remain the medium-term keys to increased competitiveness. The 2009 ACR thus underscores the importance of these factors as key to promoting Africa's competitiveness and productivity. Most importantly, African governments need to incorporate competitiveness more broadly and effectively into their national development strategies. It is therefore important that any intervention be brought together within a comprehensive strategy on competitiveness rather than being a series of ad hoc interventions.



The goal of the ACR series is to place the performance of countries in the region into an international context. The report is a useful tool for African policy makers, the business community, and the international donor community. It is grounded on rigorous analytical work. Based on lessons of experience, it brings in recommendations on how to address arising issues. The data and information for the analysis is derived from official country level databases; the African Development Bank's databases and relevant publications and studies; and the African Economic Outlook. Other key data and information sources are World Economic Forum's Global Competitiveness Report, the World Bank's Doing Business reports, and Investment Climate Assessment documents.

Productivity levels determine a country's ability to sustain high level of income. It is also a central factor

in determining returns to investment. In turn, the returns to investment play a key role in explaining the growth potential of any given economy. Therefore, for African economies to be competitive globally, they need to make concerted efforts to formulate and implement comprehensive national policies that address the underlying weaknesses while harnessing the potential of the economies at both national and regional levels.

The determinants of an economy's productivity and therefore its competitiveness are many and complex, and are usually not mutually exclusive. The competitive landscape of economies is determined by a combination of factors, policies, and institutions that need to be critically examined. The report examines structures and performance of some of the Africa economies, the key drivers of productivity and competitiveness, and major investment constraints facing businesses. The analysis is based on the World Economic Forum's main competitiveness methodology – the Global Competitiveness Index (GCI).

The GCI is based on 12 pillars of competitiveness, providing a comprehensive picture of the competitiveness landscape in countries around the world at all stages of development. The pillars are: Institutions, Infrastructure, Macroeconomic Stability, Health and Primary Education, Higher Education and Training, Goods Market Efficiency, Labour Market Efficiency, Financial Market Sophistication, Technological Readiness, Market Size, Business Sophistication, and Innovation. The report compares African countries' performances in the various areas, among each other, and also places them into an international context, using relevant regional and country-level comparators from around the world. By highlighting the strengths and weaknesses of the region and individual economies compared with other economies from around the world, policymakers, business leaders and other stakeholders will be offered a useful diagnostic for the formulation of improved economic policies and institutional reforms.

The report notes that limited access to financial services is a major obstacle for African enterprises,

but underdeveloped infrastructure, limited health care and educational services, and poor institutional frameworks, also make African countries less competitive in the global marketplace. The report also points to a number of success stories in the region that highlight steps countries can take to improve the business environment.

Further, the report presents an integrated vision of the policy challenges African nations face as they build a foundation for sustainable growth and prosperity. It highlights two short-term and three longer term policy areas for improving the competitiveness of African economies. The two short-term themes are:

- 1) Increasing access to finance through market-enabling policies: Africa’s financial systems have been deepening and broadening in recent years, but the current global crisis threatens to reverse this trend and undermine recent progress. It is now even more important to upgrade the necessary frameworks for sound, efficient, and inclusive financial market.
- 2) Keeping markets open to trade: Protectionist forces are emerging in response to the global economic crisis, yet, such measures will further reduce demand and restrict growth. Africa’s leaders must resist domestic political pressures to erect trade barriers that would make the region’s recovery even more difficult.

The three longer term themes are:

- 1) Infrastructure remains one of the top constraints to businesses in Africa. Energy and transportation are among the main bottlenecks to productivity growth and competitiveness in Africa. Investment in upgrading infrastructure would both place Africa on a higher growth trajectory as well as serve as a fiscal stimulus at a critical time.
- 2) Inefficient basic education and health care systems constrain Africa’s productive potential. This is perhaps the most urgent area in need of attention. Unless educational and health care systems are upgraded in Africa, firms will continue to be constrained in their

movement up the value chain. Economic development will subsequently be hindered.

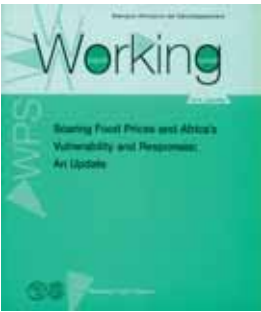
3) Improvement in governance and emergence of visionary leadership are needed. Strong and transparent institutional environments have contributed to the success of Africa’s most competitive economies. Much has been done in recent years to improve these structures, yet in many parts of the region, institutions need to be more business-friendly to foster competitiveness. This is particularly important at present when the current global economic crisis threatens to induce reversals in governance reform

3.6 Other Publications

3.6.1 Working Papers Series 2008/09

Task Managers:
Adeleke Salami and Ahmed Moumni

Duration:
2007 – ongoing



The Working Paper Series (WPS) disseminates the findings of work in progress, preliminary research results, and development experience and lessons. They are published to encourage the exchange of ideas and innovative thinking among researchers, development practitioners, policymakers, and donors. The WPS has been published since 1983. Its old name was Economic Research Working Papers (ERWP), which was changed in 2007 to reflect its broader coverage. Since inception, 103 papers have been published under the series. Authors of the WPS are encouraged to further develop their ideas and findings in their papers for submission to refereed journals, including the Bank’s journal, the African Development Review.

EDRE recorded a satisfactory performance regarding publication of WPS in 2009. The department produced eight WPS, recording 100 percent achievement. Conscious of the prevailing economic

realities, six of the eight WPS (about 75 percent) produced in 2009 were devoted to issues relating to the global financial and economic crisis. They cover issues such as the impact of the economic crisis across sectors and countries in Africa; strategies for preserving the foundations of long-term growth; challenges, opportunities and policy responses; policy reforms in the post-financial crisis era; domestic resource mobilisation in Africa; and the global economic crisis and African manufacturing. The other topic covered under the WPS related to food prices and Africa’s vulnerability and responses. The paper reviews trends in food prices on the continent and explores the regional and country level variations of food prices in the continent. The WPS covered issues regarding the performance based aid allocation (PBA) formula, critically examining the extent to which the current PBA formula could take into account country specific and fundamental features of African countries.

In all these papers, policy implications are drawn while recommendations are suggested. Submissions for the publication of articles in the WPS are welcome from all professionals in the Bank. A brief on the procedure for submission of papers for publication in the WPS is contained in Annex 7. The WPS are available in printed copies, CDs, and online on the Bank’s website.

3.6.2 Policy Briefs on the Financial Crisis

Task Managers:
Albert Mafusire and Adeleke Salami

Duration:
2008 – ongoing

The Policy Briefs on the Financial Crisis (PBFC) are produced by the Chief Economist Complex, with contribution from other AfDB departments. The PBFC are intended to present analyses of experiences and lessons emerging from the financial crisis, so as to encourage policy debate that guides the search for



sustainable solutions.

In 2009, EDRE produced 13 Financial Crisis Briefs, covering various issues. A list is provided in Annex Table 3

3.6.3 Development Research Briefs

Task manager:
Adeleke Salami
Duration:
2009 – ongoing



The Development Research Briefs highlight recent research work of the Bank, or summaries of recent development issues relevant to Africa. The target audience for the Development Research Briefs includes policy makers, politicians, and development practitioners, who cannot be reached through journal articles and other Bank publications. The focus in all the Briefs is on policy implications and suggestions for policy interventions at the national and regional levels.

In 2009, 12 Development Research Briefs were produced. They are listed in Annex Table 3

4 Knowledge Dissemination and Research Networking

4.1 Partnership, Collaboration and Networking

This department actively pursues partnerships with other sections within the Bank, research institutions, and networks, as well as other development partners in order to leverage knowledge and research capacity and to advance knowledge generation and dissemination. These collaborative efforts include the joint production of research reports, as well as the joint organisation of major knowledge forums. The main collaborative initiatives are listed below:

- African Economic Outlook, a joint production with the OECD Development Center and the United Nations Economic Commission for Africa (UNECA);
- African Competitiveness Report, prepared in collaboration with the World Bank and the World Economic Forum;
- African Economic Conference, jointly organised with UNECA;
- Migration and Remittances study, undertaken collaboratively with the World Bank;
- Africa Vision 2050 study, a joint venture with Agence Française de Développement ;
- Joint session and luncheon at the annual meetings of the American Economic Association with the African Finance and Economic Association. Agreement reached in 2009, and first event held in January 2010.

4.2 African Economic Conference 2009

Task managers:
Albert Mafusire and Audrey Chouchane

Project Duration:
2006 - Ongoing



The Bank has been called to be more than an aid conduit, and become an effective development finance institution that caters for the integral needs of its RMCs. It is also mandated to provide policy advice. In this respect, the Bank emphasises the critical role that knowledge plays in the transformation of African economies, and promotes sustainable development and poverty reduction. Innovation and creativity, which in themselves are products of accrued knowledge, should also influence the strategic orientation of the Bank's operational activities. The African Economic Conference (AEC) is in line with the Bank's Knowledge Management and Development Strategy (KMDS) 2008-2012.

The Bank launched the AEC in November 2006. Since 2007, the Conference has been jointly organised by the Bank and the United Nations Economic Commission for Africa (UNECA) as a forum for sharing knowledge and policy dialogue on Africa's development challenges.

The theme for 2009 was "Fostering Development in an Era of Financial and Economic Crises". More than 300 distinguished researchers, development practitioners and policy makers attended this event in Addis Ababa, Ethiopia from November 11 to 13.

The AEC provides a forum to challenge economists to think outside the box. It is for this very reason that there is growing interest in the event. Other organisations (including those from the private sector) and some countries now want to get involved in the sponsorship of the Conference. Given the important discussions and recommendations from the AEC, it is imperative that an effective dissemination strategy is developed. In this context, outputs from the AEC, namely AEC Report, Special Issue of the African Development Review, and Conference Proceedings, will be produced in a timely manner and distributed widely in RMCs.

4.3 Monthly Seminar Series

Task manager:
Nooman Rebei

Duration:
2007 – Ongoing

In 2009, the monthly Seminar Series diversified to include presentation by visiting scholars and organisations. This did not only strengthen the partnerships and relationships with other key development institutions, but also provided an additional platform for knowledge creation and dissemination.

The Seminar Series has provided an opportunity for discussion on key policy and research instruments vital to Africa's continued development. Issues discussed have been both regionally focused and broad-based. A list of issues covered is provided in Annex Table 8.

4 CONCLUSION

In 2009, EDRE took on new challenges, even as it delivered effectively on its core mandate. The additional roles included institutionalising the ADOA framework and providing analytical responses to the global financial and economic crisis.

Going forward, the Department will reinforce the visibility and impacts of its flagship publications, and deepen its analytical work on emerging issues, such as China-Africa, to generate pertinent knowledge on how Africa can maximise benefits from China's emerging market status. It will also continue to raise the profile of the debate on Africa's development, anchoring discussions on the platform of the African Economic Conference and internal Bank seminars. EDRE will further strengthen the activities of the Additionality and Development Outcomes Assessment of Private Sector Operations, to ensure that such operations achieve

development results without crowding out commercial investors. Having reinforced its position as a reliable source of timely and valuable analysis on contemporary African development issues, EDRE intends to consolidate this position in the coming years.

While these successes have significantly raised the Bank's profile as a knowledge institution, they would never have been accomplished without the invaluable contributions and effective collaboration of all other departments in the complex and within the Bank. It is in this context that EDRE continues to solicit their collaboration and support, given the cross-cutting nature of research, and given that analytical work is only valuable if it subsequently finds application in operational work. With the collective efforts of all of us, we are more than convinced that much more will be achieved in 2010



Annex 1

Current Staff of the Research Department

RESEARCH DEPARTMENT	
Directorate	
1. Léonce Ndikumana	Director
2. John C. Anyanwu	Lead Economist
3. Rhoda Bangurah	Team Assistant
4. Abiana Nelson	Administrative Assistant
5. Hela Zaghouni	Secretary/STS
6. Nejma Lazlem	Secretary/STS
ADOA	
7. Désiré Vencatachellum	Lead Economist
8. Marco Stampini	Principal Research Economist
9. Issa Faye	Principal Research Economist
10. Emelly Mutambatsere	Senior Research Economist
11. Thouraya Triki	Senior Research Economist
12. Audrey Vergnes	Young Professional
13. Sebastien Delahaye	Young Professional
14. Subha Nagarajan (rotation to OPSM, October 2009)	Young Professional
Research Division	
15. Abdul B. Kamara	Manager
16. Ines Hajri	Secretary
17. Peter Ondiege	Chief Research Economist
18. Hassan Aly	Chief Research Economist
19. Zuzana Brixiova	Principal Research Economist
20. Gil Seong Kang	Principal Research Economist/Technical Assistant
21. Audrey Verdier-Chouchane	Principal Research Economist
22. Adeleke Salami	Research Economist
23. Albert Mafusire	Research Economist
24. Murefu Barasa	Young Professional
25. Vincent Castel (rotation to ORNA, October 2009)	Young Professional
26. Nizar Jouini	Research Assistant/STS
Research Partnerships Division	
27. Peter Walkenhorst	Manager
28. Josiane M. Koné-Petangui	Secretary
29. Barfour Osei (on leave since march 2009)	Chief Research Economist
30. Abebe Shimeles	Principal Research Economist
31. Alex M. Mubiru	Principal Research Economist
32. Tonia Kandiero (transferred to OIVP, Nov 2000)	Principal Research Economist
33. Hee-Sik Kim	Principal Research Economist/Technical Assistant
34. Rasheed Oyaromade (left the Bank Nov 2009)	Senior Research Economist
35. Victor Davies	Senior Research Economist
36. Ahmed Moumni	Research Economist
37. Nooman Rebei	Research Economist
38. Iza Lejárraga	Young Professional
39. Imen Chorfi	Research Assistant/STS

Annex 2

Table of Studies

Title of the study	Task managers	Starting year	Expected year of Completion
Completed in 2009			
African Petroleum Fund: Operational Modalities & Policy Document on the African Petroleum Fund	John Anyanwu	2006	2009
Enhancing the Competitiveness of Four African Economies: Botswana, Mauritius, Namibia and Tunisia	Peter Ondiege	Mar-08	April-09
Improvement of the Formula for Performance Based Allocation (PBA)	Désiré Vencatachellum	Mar-08	Dec-09
Mauritius Investment Climate Assessment (ICA) 2009	Peter Ondiege	Apr-08	Dec-09
Oil and Gas Status in Africa	John Anyanwu	2006	2009
Poverty Analysis in Democratic Republic of Congo	Ahmed Moummi	Mar-08	Apr-09
Ongoing Studies			
Mining in Africa	John Anyanwu/ Barasa Murefu	2009	Ongoing
Additionality and Development Outcome Assessment of the African Development Bank's Private Sector Operations	Désiré Vencatachellum & Marco Stampini	Jan-08	Ongoing
African Economic Outlook (AEO) 2009/2010	Alex Mubiru		
African Vision	Nooman Rebei	2008	May-10
Development Aid and Access to Water and Sanitation in Sub-Saharan Africa	Marco Stampini & Adeleke Salami	Sep-08	March – 2010
Financial Crisis Weekly Report	Gil Seong Kang	Jan -09	
Food Prices	Albert Mafusire	Jan-08	Ongoing
Smallholder Agriculture in Africa's Changing Economy: The Case Study of East Africa	Adeleke Salami, John Anyanwu & Justus Kabyemera	Nov-07	Mar-10
Growth and Aid Effectiveness in Fragile and Post-Conflict Countries	Victor Davies	Aug-09	May-11
Growth Diagnostics	Iza Lejárraga	Aug-09	Jul-10
Growth, Poverty and Inequality in Selected African Middle Income Countries	Audrey Verdier-Chouchane	Sep-08	Jan-10
Migration, Remittances and Development in Sub-Saharan Africa	Abebe Shimeles	2007	2010
Tariff Reform Impact Simulation Tool (TRIST)	Iza Lejárraga	Jun-09	Ongoing
Publications			
African Competitiveness Report (ACR) 2009	Peter Ondiege	2008	2009
African Development Report 2010	Tonia Kandiero	2009	2010
African Development Review	John Anyanwu	Continuing	Continuing
African Economic Outlook (AEO) 2009/2010	Alex Mubiru	2009	2010
Development Research Brief	Adeleke Salami	Continuing	Continuing
Working Paper Series	Adeleke Salami	Continuing	Continuing
Policy Briefs on the Financial Crisis	Adeleke Salami	Continuing	Continuing

Annex 3

EDRE Publications in 2009

SN	Books	Issue No
1	African Competitiveness Report	
2	African Economic Outlook	
3	African Development Review (3 issues)	
4	African Development Report	
5	AEC Proceedings 2007	
6	AEC Report 2008	
7	Oil and Gas	
8	Debt Relief	
SN	Working papers	Issue No
1	Impact of the Global Financial and Economic Crisis on Africa	96
2	Soaring Food Prices and Africa's Vulnerability and Responses: An Update	97
3	Africa and the Global Economic Crisis: Strategies for Preserving the Foundations of Long Term Growth	98
4	Capital Flows and Capital Account Liberalisation in the Post-Financial-Crisis Era: Challenges, Opportunities and Policy Responses	99
5	Financial Sector Policy Reforms in the Post Financial Crisis Era: Africa Focus	100
6	The Global Financial Crisis and Domestic Resource Mobilisation in Africa	101
7	Seizing the Day? The Global Economic Crisis and African Manufacturing	102
8	Accounting for Vulnerability of African Countries in Performance Based Aid Allocation	103
SN	Development Research Briefs	Issue No
1	How do the Poor in Africa Fare in the Era of Global Economic Slowdown	1
2	Foreign Investments in Africa's Agriculture Land	2
3	Smallholder Agriculture in Africa's Changing Economy : Case Studies	3
4	Impact of Global Financial Crisis on Remittances Flows to Africa	4
5	Global Economic Slowdown and Poverty in Africa	5
6	Computations of Development Financing Gaps: Some Conceptual and Empirical Issues	6
7	Growth, Poverty and Inequality in Selected African Middle Income Countries	7
8	The G20 in Africa: Issues and Concerns	8
9	Development Aid and Access to Water and Sanitation	9
10	Infrastructure Investment in Africa	10
11	Impact of the Financial and Economic Crisis on China's Trade, Aid and Capital Inflows to Africa	11
12	Accounting for Vulnerability of African Countries in Performance Based Aid Allocation	12

SN	Policy Briefs on the Financial Crisis	Issue No
1	Impact of the Financial Crisis on African Economies – An Interim Assessment, January 2009	1
2	Preventing a Credit Crunch in Africa: The Role of Financial Regulation, January 2009	2
3	Africa's Voice, Representation and Effective Participation, January 2009	3
4	Trade, Investment and Domestic Resource Mobilisation, January 2009	4
5	Commodities, Export Subsidies and African Trade during the Slump, February 2009	5
6	What the G20 Can Do On Trade That Can Benefit Africa, February 2009	6
7	An Update on the Impact of the Financial Crisis on African Economies, 2009	7
8	Impact of the Financial Crisis on African Economies-Sustaining Growth and Poverty Reduction 2009	8
9	The Global Financial Crisis and Fragile States in Africa, September 2009	9
10	The Financial Crisis, Trade and Regional Integration in Africa, September 2009	10
11	The Financial Crisis and Decades of Reforms: Options for Africa's Future, September 2009	11
12	The Financial Crisis and Access to Financing, September 2009	12
13	Africa and Financial Crisis: An Agenda for Action, September 2009	13

Annex 4

Publications and Conference Presentations by EDRE staff

Title of Published Paper	Year*	Authors	Journal/Book/ Conference Title
Published Articles			
Measuring and Explaining the Efficiencies of the UAE Banking Sector	2009	Aly, H., AlShamsi, F., and Al-Bassioni, Y.	Applied Economics
Health Expenditures and Health Outcomes in Africa	2009	Anyanwu, J. C. and Erhijakpor, A. E. O.	African Development Review, 21(2) pp 400-433.
International Remittances and Economic Growth in Africa	2009	Anyanwu, J. C. and Erhijakpor, A. E. O.	Global Development Studies, 5(3-4) Winter 2008 – Summer 2009.
Education Expenditures and School Enrolment in Africa: Illustrations from Nigeria and other SANE Countries.	2009	Anyanwu, J. C. and Erhijakpor, A. E. O.	Nigerian Economic Society, Nigeria's Development in Time Perspective: Past, Present and Future, Selected Papers for the 2007 Annual Conference, pp. 261 -294
International Journal on Governmental Financial Management	2009	Anyanwu, J. C. and Erhijakpor, A. E. O.	Nigeria's Economic Competitiveness in the African Context, IX (2) pp. 98-118.
Managing Oil Revenues in Africa: The Nigerian Case	2009	Anyanwu, J. C. and Erhijakpor, A. E. O.	Nigerian Journal of Securities and Finance, 14 (2) pp 61-92.
Econometric Analysis of Foreign Reserves and Some Macroeconomic Variables in Nigeria (1970–2007)	2009	Salami A., Olokoyo, F. O. and Osabuohien E. S.C.	African Development Review 21(3) pp 454-475
Skill shortages and labour market outcomes in Central Europe	2009	Brixiova, Z., Li, W., and Yousef, T.	Economic Systems, Elsevier, Vol. 33(1), pp 45-59
Asymmetric Information and Adverse Selection in Mauritian Slave Auctions	2009	Vencatachellum, D. Dionne G. and St-Amour P.	Review of Economic Studies, 76(4) pp 1269-1295.
R&D Delegation in a Duopoly with Spillovers	2009	Vencatachellum, D and Versaevl B.	B.E. Journal of Economic Analysis & Policy (Contributions), 9(1), Art. 55.
<i>Quelques Aspects de la pauvreté monétaire en RDC.</i>	2009	Moumami A.	Revue Marocaine d'Economie et de Gestion. Vol.1 pp140-161
A Review of Trade Policy in South Africa	2009	Kandiero, T	African Journal of Economic Policy, 15, pp 147-179
Financing Post-Conflict Recovery in Africa: The Role of International Development Assistance	2009	Mlambo, M. K. and Kamara, A.B. and Nyende M	Journal of African Economies, Vol 18 Supplement 1 pp i53-i76
No Education, No Good Jobs? Evidence on the Relationship between Education and Labour Market Segmentation	2009	Stampini, M. and Pages, C.	Journal of Comparative Economics, 37(3) pp 387-401.
Opening up Pandora's Box: The effect of gender targeting and conditionality on household spending behaviour in Mexico's Progress program?	2009	Stampini, M., Handa, S., Peterman, A., and Davis, B.	World Development, 37(6) pp 1129-1142.

Does off-farm labour release farming credit constraints? Evidence from longitudinal data for Vietnam	2009	Stampini, M. and Davies, B.	Agricultural Economics, 40 pp 177-188.	
Labour Mobility during Transition: Evidence from Georgia	2009	Stampini, M. and Bernabè, S.	The Economics of Transition, 17(2) pp 377-409.	
Joining Panel Data with Cross-Sections for Efficiency Gains	2009	Stampini, M. and Bruno, R.	Giornale degli Economisti, 68(2) pp 149-173	
Conference Presentations	Year*	Authors	Journal/Book/Conference Title	Place, e.g. UK
Why do African resource-rich countries tax less than resource-scarce countries? Distorted incentives or capacity constraints?	2009 (November)	Ndikumana, L and Abderrahim, K	2009 African Economic Conference	Addis Ababa, Ethiopia
On Determinants of SME Start ups in Ethiopia: Which Incentives Matter?	2009 (November)	Brixiova, Z.	2009 African Economic Conference	Addis Ababa, Ethiopia
Institutions, Start-ups and Productivity during Transition	2009 (September)	Brixiova, Z. and Egert, B.	UNU-WIDER Conference on Reflections on 20 Years since the Fall of the Berlin Wall (Helsinki)	Helsinki, Finland
Institutions, Start-Ups and Productivity during Transition	2009 (August)	Brixiova, Z	68th Conference of the International Institute for Public Finance on Public Policy and Development	Cape Town, South. Africa
Sustaining African Access to Finance in the Context of Financial Crisis	2009 (March)	Kamara, A. B.	Conference on The Financial Crisis and G20 Summitry: Decoding African Positions at the South African Institute of International Affairs	Johannesburg, South. Africa
Empirical Assessment of the Impact of Financial Crisis on Africa's Economic Growth	2009 (Sept)	Anyanwu, J. C. and Erhijakpor, A. E. O	2009 Annual (50th – Golden Jubilee) Conference of the Nigerian Economic Society on "Policy Effectiveness and Structural Transformation of Nigeria in a Global Economy in Crisis"	Abuja, Nigeria
Alluvial Diamonds: A New Resource Curse Theory	2009 (March)	Davies, V.	Centre for the Study of African Economies Conference on Economic Development in Africa	Oxford, UK
Alluvial Diamonds: A New Resource Curse Theory	2009 (May)	Davies, V.	6th Midwest International Economic Development Conference, University of Minnesota, Minnesota,	Minnesota, USA
Community-based health insurance schemes in Rwanda: Evidence based on household surveys	2009 (Nov)	Shimeles A.	Development Economics, University of Goteborg, Sweden & 2009 African Economic Conference (AEC)	Gothenburg, Sweden and Addis Ababa, Ethiopia
Demand for health services in Ethiopia: Evidence based on large welfare monitoring surveys	2009 (Nov)	Shimeles A.	2009 African Economic Conference	Addis Ababa, Ethiopia
Growth and poverty reduction in Africa: Which way for pro-poor growth	2009 (Nov)	Shimeles A.	2009 African Economic Conference (AEC)	Addis Ababa, Ethiopia
The impact of the crisis on Africa: AfDB's effective response - A keynote speech	2009 (Nov)	Hassan, A. Y.	"Global Crisis - African Challenges: Business in Africa against the Backdrop of the Crises"	Accra, Ghana

"Microeconomics, Liberalisation, Regulation, and Incentives" -Session's chair	2009 (Nov)	Hassan, A. Y.	16th annual conference of ERF (Economic Research Forum) entitled "Shocks, Vulnerability, and Therapy"	Cairo-Egypt
Crise économique et financière, quel rôle pour les institutions de développement, le cas de la Banque Africaine de Développement	2009 (Oct)	A. Moummi	Coloqne Internationale sur «Crise financière internationale et enjeux de développement», Facultés D'Economie de Marakech, Maroc	Marakech, Maroc
Beyond the Financial Crisis: Critical Factors. Binding Economic Growth. A Survey of African Growth Diagnostics	2009 (Nov)	Lejárraga I.	2009 African Economic Conference (AEC)	Addis Ababa, Ethiopia
Seminars and Workshops	Year*	Authors	Journal/Book/Conference Title	Place, e.g.UK
The Appropriate Institutional Framework for Mitigating the Financial Crisis in Africa	2009 (May)	Anyanwu, J. C.	Economic Community of West Africa States (ECOWAS) Seminar on "Financial Crisis: Implications for Economic Growth in ECOWAS"	Cotonou, Benin Republic
Comparing Absolute and Relative Pro-Poor Growth with an Application to Four African Countries	2009	Verdier-Chouchane, A., Bibi, S., and Duclos, J.	Workshop on Multidimensional Poverty and "Pro-poor" Growth in the MENA Countries,	Nice, France
Africa and the International Economic Crisis: Effects and Responses from the African Development Bank	2009 (June)	Anyanwu, J. C. and Lejárraga, I.	Seminar on "Peace and Security in Sub-Saharan Africa: Challenges and Responses"	Gran Canarias, Las Palmas, Spain
Estonia and Euro Adoption,	2009 (July)	Brixiova, Z and M. Morgan and A. Wörgötter	Workshop on Monetary Policies in Central and Eastern Europe, organised by the Institute for Eastern European Studies	Tutzing, Germany
Estonia and Euro Adoption: How to Offset the Incomplete Business Cycle Synchronisation with EMU?	2009 (September)	Brixiova, Z., Morgan, M., and Wörgötter, A.	Workshop on Pilgrims to the Euro Zone: Romania and Other New EU Members (Brasov)	Brasov, Romania
Technology, Productivity Growth, and Economic Development at Senior Policy Seminar on Economic Policies for Growth in the Aftermath of the Global Downturn.	2009 (September)	Brixiova, Z	African Development Bank, Joint Africa Institute and World Bank Institute	Accra , Ghana
Comparing absolute and relative pro-poor growth, with an application to four African Countries.	2009	Verdier-Chouchane, A.	Multidimensional Poverty and Pro-Poor Growth in the MENA Countries	Nice, France
Economic Perspectives in Tunisia.	2009	Verdier-Chouchane, A.	AEO Dissemination Workshop	Tunis, Tunisia
Institutional Responses to the Global Financial Crisis: The African Development Bank.	2009 (Feb)	Kamara, A. B.	ILO Meeting of Experts in Preparation for the '1st African Decent Work Symposium	Addis Ababa, Ethiopia
Global Financial Crisis and Africa: Responses, Lessons Learnt and Way Forward.	2009 (August)	Kamara, A. B.	Caucus Meeting of the African Governors of the World Bank and the International Monetary Fund (IMF)	Freetown, Sierra Leone
Building and Sharing Knowledge at the African Development Bank.	2009 (August)	Kamara, A. B.	Presentation to the YPs, visiting delegations of the Islamic Development Bank, and Inter-American Development Bank	Tunis Tunisia
Food Security in the Face of the Financial and Economic Crisis: AfDB's Analysis and Responses	2009 (Sept)	Kamara, A. B.	The SADC, World Bank and AfDB Workshop on Food Security	Lilongwe, Malawi.
Working Papers	Year*	Authors	Journal/Book/Conference Title	Place, e.g.UK
Potential Gains from Capital Flight Repatriation for Sub-Saharan African Countries.	2009	Fofack H. and Ndikumana, L.	Policy Research Working Paper 5024, Washington DC: The World Bank	

Estonia and Euro Adoption: Small Country Challenges of Joining EMU.	2009	Brixiova, Z., Morgan, M., and Wörgötter, A.	Working Paper No. 728. OECD Economics Department	
Soaring Food Prices and Africa's Vulnerability and Responses: An Update	2009	Kamara, A. B., Mafusire, A., Castel, V., Kurweil, M., Vencatachellum, D. and Pla, L.	Working Paper No. 97 African Development Bank	
Capital Flows, Household Debt and the Boom-bust Cycle in Estonia	2009	Brixiova, Z., L. Vartia and A. Wörgötter	OECD Economics Department Working Paper No. 700	
Labour Market Flexibility in Estonia: What More Can Be Done?	2009	Brixiova, Z.	OECD Economics Department Working Paper No. 696	
Does Human Capital Protect Workers against Exogenous Shocks? South Africa in the 2008-2009 Crisis.	2009	Leung R., M. Stampini and D. Vencatachellum	IZA Discussion Paper No. 4608	
Breaking into New Markets, Raising Quality, and Improving Services: Neglected Avenues for Export Diversification.	2009	Walkenhorst P. and Brenton P.	PREM Note No. 143. Poverty Reduction and Economic Management Network. Washington DC: The World Bank,	
Assessing the Economic Impacts of an Economic Partnership Agreement on Nigeria.	2009	Walkenhorst, P., Andriamananjara S., Brenton, P., and Jan Erik von Uexküll	Policy Research Working Paper No. 4920. Washington DC: The World Bank	
Implications of World Trade Organisation (WTO) Disciplines for Special Economic Zones in Developing Countries.	2009	Walkenhorst, P. and Creskoff S.	Policy Research Working Paper No. 4892. Washington DC: The World Bank	
Achieving WTO Compliance for Special Economic Zones in Developing Countries.	2009	Walkenhorst, P. and Creskoff, S.	PREM Note No. 134. Poverty Reduction and Economic Management Network. Washington DC: The World Bank	
Avenues for Export Diversification: Issues for Low-Income Countries.	2009	Walkenhorst P., Brenton, P. and Newfarmer, R.	Commission on Growth and Development Working Paper No. 47. Washington DC: The World Bank	
Policy Briefs	Year*	Authors	Journal/Book/Conference Title	Place, e.g. UK
The Financial Crisis, Trade and Decades of Reform: Options for the Future.	2009	Anyanwu, J.C. and A. B. Kamara	Policy Briefs on the Financial Crisis, No. 11/2009 African Development Bank	
Foreign Investments in Africa's Agricultural Land: Implications for Rural Sector Development and Poverty Reduction. Development Research Brief, No. 5/2009 African Development Bank.	2009	Castel, V. and A.B. Kamara	Development Research Brief	
The Financial Crisis and Fragile States.	2009	Davies, V. and A.B. Kamara	Policy Briefs on the Financial Crisis, No. 9/2009 African Development Bank	
Commodities, Export Subsidies and African Trade During the Slump.	2009	Kandiero T., Kamara, A. B. and Ndikumana, L.	Policy Briefs on the Global Financial Crisis, No. 5/2009 African Development Bank	
The Financial Crisis, Trade and Regional Integration in Africa.	2009	Mafusire, A., Kandiero T and A.B. Kamara	Policy Briefs on the Financial Crisis, No. 10/2009 African Development Bank	
The Financial Crisis and Access to Financing	2009	Mafusire, A.	Policy Briefs on the Financial Crisis, No. 12/2009 African Development Bank	
Africa and the Financial Crisis: An Agenda for Action.	2009	Verdier-Chouchane, A.	Policy Briefs on the Financial Crisis, No. 13/2009 African Development Bank	

Books and Chapters in Books	Year*	Authors	Journal/Book/ Conference Title	Place, e.g.UK
Public-Private Partnerships in the Nigerian Energy Sector: Banks' Roles and Lessons of Experience, pp 75 -122	2009	Anyanwu, J. C.	Joint Ventures, Mergers and Acquisitions and Capital Flow (James B. T. and Lawrence R. P. Eds.)	New York
The Impact of Road Infrastructure on Poverty Reduction in Africa	2009	Anyanwu, J. C. and Erhijakpor, A. E. O.	Poverty in Africa, (Beasley, T. W. ed.)	New York
China's Development Challenges: Economic Vulnerability and Public sector Reform	2009	Schiere, R.		Routledge
Commodities, Export Subsidies and African Trade during the Slump	2009	Ndikumana, L., Kamara, A.B. and Kandiero, T.	The Collapse of Trade, Murky Protectionism and the Crisis: Recommendation for G20	UK: CEPR, AVoxEU.org Publication
Supporting the World Trade Organisation Negotiations: Looking Beyond Market Access	2009	Ndikumana, L., and Kandiero, T.	The great trade collapse: Causes, Consequences and Prospects (ed. by Baldwin, R.)	UK: CEPR, AVoxEU.org Publication
Fostering Productive Diversification through Tourism.	2009	Walkenhorst P. and Lejarraga, I.	In Breaking Into New Markets: Emerging Lessons for Export Diversification, Ed. Newfarmer, Shaw and Walkenhorst.	Washington, DC: World Bank.
Enhancing Competitiveness in Four African Economies: The Case of Botswana, Mauritius, Namibia and Tunisia , published by the World Economic Forum	2009	Vencatachellum,D., Ndikumana, L., Ondiege, P. and Plane P.	The Africa Competitiveness Report 2009	The World Bank and the African Development Bank
Corruption and growth in African countries: Exploring the Investment Channel	2009	Ndikumana, L. and Balamoune, M.	Africa's Development Challenges and Opportunities in the Global Arena: Proceedings of the 2007 African Economic Conference, AfDB and UNECA	Paris: Economica for AfDB and UNECA
Reserves Accumulation in African Countries: Sources, Motivations, and Effects	2009	Ndikumana, L., and Elhiraika, A.	Africa's Development Challenges and Opportunities in the Global Arena: Proceedings of the 2007 African Economic Conference, AfDB and UNECA	Paris: Economica for AfDB and UNECA
Revisiting Development Finance Institutions for the Purpose of Accelerating African Economic Development	2009	Ndikumana, L.	Proceedings of the 2006 African Economic Conference., AfDB and UNECA,	Kenya, Nairobi, AERC for AfDB
Breaking into New Markets: Emerging Lessons for Export Diversification	2009	Newfarmer, R. Shaw W. and Walkenhorst P. (editors)		Washington DC: The World Bank
Nigeria	2009	Walkenhorst, P.	Anderson K. and Masters W. (editors), Distortions to Agricultural Incentives in Africa. pp. 241-261.	Washington DC: The World Bank
Special Economic Zones and Economic Diversification: Some Evidence from South Asia	2009	Aggarwal, A., Hoppe M and Walkenhorst, P.	Newfarmer, R., Shaw, W. and Walkenhorst P. (editors), Breaking into New Markets: Emerging Lessons for Export Diversification. pp. 223-235.	Washington DC: The World Bank
Breaking into New Markets: Overview	2009	Paul Brenton, Richard Newfarmer, William Shaw and Peter Walkenhorst,	Newfarmer, R. Shaw, W. and Walkenhorst P. (editors), Breaking into New Markets: Emerging Lessons for Export Diversification. pp. 1-35.	Washington DC: The World Bank

Annex 5

Dissemination Missions Undertaken by EDRE in 2009

Activity	Country visited	
African Development Report	Liberia, Lesotho, Belgium, Sierra Leone, France and UK	
African Economic Outlook	RMCs: Angola, Benin, Burkina Faso, Burundi, Cameroon, Egypt, Gabon, Ghana, Kenya, Lesotho, Liberia, Mali, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, Sierra Leone, South Africa, Tanzania, Tunisia, Uganda, Zambia. Non-RMCs: UK, France, Spain, Germany, Switzerland, Italy and USA	
Africa Competitiveness Report	Mauritius, Paris	
Workshop and studies	Additionality and Development Outcome Assessment	UK
	Global Financial Crisis	Belgium, Cote D' Ivoire, Germany and UK
	Asset Stripping	South Africa
	African Petroleum Fund	Benin, Ethiopia
	Hydrocarbon	Ethiopia
	Water and Sanitation	Kenya and Burkina Faso
	Investment Climate Assessment	Mauritius
	Growth Diagnostic	Austria
	Tariff Reform Impact Simulation Tool	Nigeria
	Africa Vision 2050	France
	Knowledge Management in Africa	Senegal
	Alluvial Diamond	USA and UK
	Forum for Future	Morocco
	Insurance Summit	Rwanda
	Global Sovereign Fund	UK
	Project Financing	UK
	Climate Change	Denmark
	Needs Assessment	Kenya
	Trade Reform and Negotiation	Egypt
	Pro-poor Growth	France
Remittances and Migration	Uganda and USA	
Diaspora and Development	USA	
Aid for Trade	Switzerland and Nigeria	
Trade Facilitation	Ethiopia	
African Forum	France	
Country Strategic Papers	Mauritius	

Annex 6

African Development Review - Author Guidelines

Information for Contributors

The African Development Review is interested in publishing papers, research notes and book reviews on development issues in Africa. The journal focuses on quality policy-oriented papers. Articles submitted should not be under consideration elsewhere. Manuscripts will be sent anonymously to at least two referees.

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- No more than three levels of headings should be used. Footnotes are to be avoided and should take the form of endnotes listed prior to the references. The Harvard style of referencing is used (author's name and date of publication bracketed in the text) and all works cited should be listed alphabetically by the author after the main body of the text, style as follows:

Bosrup, E. (1981), "Populations and Technological Change", University of Chicago Press, Chicago, USA.

Cohen, J. (1980), "Land Tenure and Rural Development in Africa", in *Agricultural Development in Africa*, R. Bates and M. Lofchie (eds), Praeger, New York, USA.

Nissanke, M. and Thorbecke, E. (2008), "Introduction: Globalization-Poverty Channels and Case Studies from Sub-Saharan Africa", *African Development Review*, Vol. 20, No.1, April, 1-19.

Venables, A. J. (2009), "Rethinking Growth in a Globalizing World: an Economic Geography Lens", *African Development Review*, Vol. 21, No.2, September, 331-351.

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Annex 7

African Development Bank Working Paper Series – Author Guidelines Rules and Guidelines for Authors

Introduction

The Working Paper Series (WPS) are coordinated by the Development Research Department of the African Development Bank. The WPS disseminates the findings of work in progress, preliminary research results, and development experience and lessons, including those from Bank operations, to encourage the exchange of ideas and innovative thinking among researchers, development practitioners, policymakers, and donors. The findings, interpretations, and conclusions expressed in the Bank's WPS are entirely those of the author(s) and do not necessarily represent the views of the African Development Bank, its Board of Directors, or the countries they represent.

The WPS is one of the principal channels of disseminating the Bank's knowledge products. The publication of Working Papers is open to all professionals in the African Development Bank as long as the topic of the paper is relevant to Africa's development and its quality measures up to the standard of the Working Paper Series.

The submissions to be considered should be as follows:

- High quality work in progress analysing critical issues relating to Africa's economic and social development;
- Analysis of experiences of single countries, or comparisons between countries with specific lessons on development policy choices; and
- Analysis that extends the development knowledge based on operational experiences in Africa.

Coordination

The WPS is coordinated by the Development Research Department.

Editorial Committee

The Editorial Committee is made up of Bank staff.

Guidelines for Paper Submission

Draft papers for the Working Paper Series should be submitted electronically (as MS Word documents) to the Coordinators; papers should be single-spaced throughout and be within the range of 8 000 to 10 000 words. Draft papers with more than 10 000 words will be returned without comments. There are neither submission fees nor page charges.

The first page of the draft papers need to include (a) the paper's title, (b) the author's name, title, current address, telephone, fax numbers, and e-mail address, and (c) an abstract of no more than 150 words in English and French, the keywords and JEL classification. Papers may be submitted in either English or French. Abstracts should be in both French and English. No more than three levels of headings should be used.

Style of references

The reference style needs to follow the following examples:

- References to journal articles: Lucas, Robert E. Jr. (1988) 'On the Mechanics of Economic Development', *Journal of Monetary Economics*, Vol. 22, No. 1, pp. 3-42.
- References to articles in books: Bourguignon, Francois and Luiz A. Pereira da Silva (2003) 'Conclusion: Where to Go from Here?', in François Bourguignon and Luiz A. Pereira da Silva (eds) *The Impact of Economic Policies on Poverty and Income Distribution: Evaluation Techniques and Tools*, Washington, D.C. and New York: World Bank and Oxford University Press: 339-50.
- References to monographs/books: Taylor, Lance (2004) *Reconstructing Macroeconomics*, Cambridge: Harvard University Press.
- References to unpublished items: Rodrik, Dani (2004) 'Rethinking Growth Policies in the Developing World', Draft of the Luca d'Agliano Lecture delivered on October 8, 2004, in Torino, Italy. Note: if possible, include website where the paper is available.

Review Process

The processing of the WPS is structured with a view to expedite the dissemination of research and operationally relevant knowledge. The processing involves the following steps:

- Draft working papers should be submitted to the WPS Coordinators (Mr. Adeleke Salami and Mr. Ahmed Moumni) using the following e-mails: a.salami@afdb.org and a.moumni@afdb.org with a copy to the Chair of the Editorial Committee Mr. Abdul B. Kamara on a.b.kamara@afdb.org.
- The WPS Coordinators will make an initial assessment to ensure the draft papers meet the requirements as set out above.
- The draft papers shall be submitted to two peer reviewers. The comments will be sent back to the author/s for revision of the papers as needed.
- The revised paper will be presented to the Network of Economists in the Bank's Seminar Series.
- The author/s shall revise the paper to reflect comments from the seminar and submit the final manuscript to the Chair of the Editorial Committee who will review the final paper and clear before forwarding to the Director of the Development Research Department.
- The Director will clear the draft paper and forward to the Chief Economist for final clearance and publication.

Credits and Disclaimers

Authorship – Experts (Bank staff or external experts) who have contributed substantially to the paper shall be listed as authors on the front page of the paper. The Chair of the Editorial Committee, in collaboration with Management of the originating Department/Unit, shall ascertain that adequate credit is duly given to all those who contributed to the study.

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Annex 8

Monthly Knowledge Seminars

Date	Theme	Presenter(s)	Affiliation(s)	Host
22-Jan	Multidimensional poverty dominance: Statistical inference and an application to West Africa	Prof. Jean-Yves Duclos	Université Laval (Canada)	EDRE
30-Jan	The Logistics Performance Indicator	Jean-François Arvis	World Bank	EDRE
10-Feb	The New Foreign Aid Promise	Prof. Sylvain Dessy	Université Laval (Canada)	EDRE
05-Mar	Making Finance Work for Africa: The role of Governments in a Global World	Prof. Thorsten Beck	Tilburg University	EDRE
16-Mar	Enhancing Competitiveness in Four African Economies: Botswana, Mauritius, Namibia and Tunisia.	Prof. Patrick Plane	Université Clermont Ferrand	EDRE
24-Mar	Employment and the macroeconomic framework in Madagascar	Prof. Léonce Ndikumana	African Development Bank	EDRE
27-Mar	China-Africa Research Initiative	Désiré Vencatachellum	African Development Bank	EDRE
15-Apr	WDR 2009 «Reshaping Economic Geography».	Indermit Gill	World Bank	EDRE, OSHD.1
29-Apr	European Bank for Reconstruction and Development's (EBRD's) Transition Report	Simon Commander	EBRD (UK)	EDRE
10-Jun	Growth Diagnostics	Iza Lejárraga	African Development Bank	EDRE
23-Jun	Financial globalisation: Global imbalances and regional challenges	Ekkehard Ernst	International Institute for Labor Studies	EDRE
27-Aug	The Political Economy of Government Auditing: Financial Governance and the Rule of Law in Latin America and Beyond	Carlos Santiso	African Development Bank	EDRE, OSGE.1
08-Sep	IT and Knowledge Management	Alain Nkoyock	UN Nigeria	EDRE
02-Oct	ADR (on ports)	Tonia Kandiero	African Development Bank	EDRE
19-Oct	Oil and Gas	Prof. John Anyanwu	African Development Bank	EDRE
29-Oct	Computations of development financing gap: Some conceptual and empirical issues	Prof. Léonce Ndikumana, Abebe Shimeles, and Noman Rebei	African Development Bank	EDRE
05-Nov	The Financial Crisis in Nigeria	Ebrima Faal	African Development Bank	EDRE, OREB

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