



2015/2016

# Annual Report

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# Foreword

Our eighth year of operation was most eventful and challenging.

One of the key highlights of the year was the reconstitution of CSEA's Board of Trustees (BOT), which significantly strengthened the Centre's organizational structure. In this regard, the Centre's BOT was expanded to include Dr. Ngozi Okonjo-Iweala (Chairperson), Dr. Menachem Katz, Dr. Nwanze Okidegbe, Mr. Bonaventure Mbida-Essama and Ms. Zouera Youssoufou. The board set up two committees: Resource Mobilization and Programmes, and Finance and Administration, with clearly defined responsibilities. The Board has strengthened and deepened its support to CSEA, particularly in Resource Mobilization and Research Quality.

During the year, CSEA also recruited additional staff to consolidate its expertise in the areas of Trade, Investment and Growth (TIG), Macroeconomic Management (MEM), and Public Financial Management and Governance (PFMG). In the coming years, these efforts will significantly consolidate the Centre's reputation as a leading think tank in Nigeria and Africa. The research team has produced high-quality research papers which are at various levels of publication.

Going forward, CSEA is set to explore new research areas, including Agricultural Development and Gender. This will further strengthen the Centre's ability to inform policymaking in Nigeria, and Africa at large. The Centre is developing the capacity of its research staff to conduct research along these thematic areas.

In the past year, CSEA made demonstrable progress in research communication. The Centre has strengthened and expanded its periodic publications/reports through dissemination of the Nigeria Economic Report, (a bi-annual economic review) and the Nigeria Economic Update which is a weekly publication that highlights notable activities across critical sectors of the economy. Similarly, the Centre deepened its existing policy linkages with policymakers, and also established new ones.

Furthermore, the Centre's upgraded website and social media platforms have strengthened its ability to effectively disseminate its research outputs, including working papers, project reports, and policy briefs. The Centre organized seminars while its staff members also participated in several international workshops, seminars, and conferences.

Building on our progress, we are optimistic that CSEA would continue to play a key role in providing timely, rigorous and evidence-based research aimed at informing government's economic policies.

Thank you.

**Dr. Chukwuka Onyekwena**  
Acting Executive Director

# 1 . Background

The Centre for the Study of the Economies of Africa (CSEA) is a non-profit think tank that conducts independent, high quality applied research on economic policy issues in Nigeria and the rest of Africa. Its core objective is to enhance development outcomes in Nigeria and Africa through evidence-based research. CSEA informs, influences and enriches policy formulation by communicating its research outputs in clear and accessible language to policy-makers.

CSEA was founded in 2007 by Dr. Ngozi Okonjo-Iweala, former Managing Director of the World Bank and former Coordinating Minister for the Economy and Honourable Minister of Finance in Nigeria. CSEA is located in Abuja, Nigeria, and aims to serve as a Centre for applied policy research in Nigeria and the rest of Africa. The location of the Centre in Abuja is strategic and provides close proximity to government agencies in the Nigerian capital. In addition, Abuja's central location within Nigeria enables CSEA to serve as a forum for policy dialogue by stakeholders from the government, National Assembly, private sector, civil society and the media.

CSEA has a strong reputation in thematic research areas such as trade, evidence-based budgeting, public finance, macroeconomic analysis, governance and oil revenue management. CSEA has expanded and deepened its work on key areas of activity by developing capacity to analyze the inclusiveness of growth with a view to accelerating job creation and enterprise development, to unearth the key drivers and enablers of economic transformation; to measure and analyze poverty and its alleviation strategies, to examine policy options in terms of efficiency and effectiveness of government interventions and other related issues to the National Assembly, as well as to policy-makers, the media and civil society.

To build capacity in the area of communication, CSEA has developed a user-friendly and interactive website, to broaden the reach of its research output dissemination and user experience. Similarly, CSEA has established linkages with other organizations and key players, particularly through collaborations and partnerships. This approach has improved the Centre's ability to communicate its research outputs more widely, and across various stakeholders in Nigeria, and Africa.

## 2 . Work Progress

CSEA's broad research areas are elaborated in its 2012-2016 Strategic Plan: Macroeconomic Management (MEM); Public Financial Management and Governance (PFMG); Natural Resources Energy and the Environment (NREE); Trade, Investment and Growth (TIG); Program Evaluation, Poverty Measurement and Analysis (PEPMA); Global Economic Governance (GEG); and Education, Health and Population Dynamics (EHPD).

### A. Macroeconomic Management (MEM)

The macroeconomic management research area aims at conducting technical analyses on key macroeconomic issues, including budget and the macroeconomy, fiscal and monetary policies, debt management, deregulation and government reforms and public private partnership. The research produced under this thematic area include:

#### **Nigeria Economic Review (First half report 2015)**

The **Nigeria Economic Review**, a biannual publication of CSEA, provides a concise overview of key aspects of the Nigerian economy. It is an attempt to track the developments in the relevant aspects of the economy over a six-month period, and provide valuable insights into the potential drivers of the trends and their implications. The areas of focus include; Macroeconomic Indicators, Energy sector performance, and Real sector performance.

In this edition, the report presents some analysis of significant economic events in the Nigerian economy and provides an outlook on what economic and industry policymakers should expect in the second half of 2015. Some areas highlighted include; The Real Gross Domestic Product (GDP) growth in Nigeria which continued to decelerate in 2015H1, with a growth rate of 2.4 percent in the 2015Q2. Non-oil sector however, remained the driver of growth, in contrast to oil-GDP which witnessed a significant negative growth. The report also includes a 'Special Feature Article Section', which provides deeper insights into a contemporary issue within the period.

#### **Nigerian Economic Update**

The **Nigerian Economic Update** is a weekly publication and a snapshot of recent activities in major aspects of the Economy. The report monitors trends, changes and growth in key aspects of economy. So far, the publication has highlighted the activities in areas such as Energy, Oil and gas, External reserve, Inflation, Stock Market, Exchange rate, Economic Growth and Development, as well as Unemployment.

### B. Public Financial Management and Governance (PFMG)

Good governance is vital to achieving sound economic performance. Accordingly, strengthening public financial management is an important means of realizing this objective, especially through promoting effective delivery of government services as well as ensuring accountability and transparency in public administration. The PFMG research area focuses on budgeting processes and strategies, fiscal decentralization, cost of governance, public performance measurement, cost-benefit and effectiveness analysis of government programs and revenue forecasting techniques.

The research output in the PFMG area consisted of a Discussion Paper on Budget Performance in Nigeria:

### **Contemporary Issues on Budgeting and Budget Performance in Nigeria**

The paper examined the challenges of effective budgeting and how it affects policymaking in Nigeria. The paper identified the late passage and implementation of Nigeria's budget, long term development planning, lack of continuity in government, high cost of governance, weak public financial management as the bane of an effective budgeting system. As part of its recommendations, the paper suggested the imperative for the government to restructure governance and promote institutional mechanisms targeted at ensuring transparency and accountability in the budgeting process.

### **C. Natural Resources, Energy and the Environment (NREE)**

Natural resource wealth can be harnessed to drive economic growth and development. However, many resource-rich countries in Africa have grappled with the so-called 'natural resource curse'; characterised by slow economic growth, resource-driven conflict, deindustrialization and the entrenchment of *rentier* states. The Natural Resources, Energy and the Environment (NREE) research area examines critical issues in the areas of natural resource governance, agricultural policy, energy efficiency and geopolitics, environmental management and climate change.

### **D. Trade, Investment and Growth**

The Trade, Investment and Growth (TIG) research area examines regional integration and intra-regional trade in Africa, with emphasis on their effects on inclusive growth and poverty reduction. It also investigates the determinants and impacts of FDI in Africa and tracks the economic competitiveness of countries in the region. Research produced under this area includes:

#### **Trade and Foreign Direct Investment nexus in West Africa: Does Export Category Matter?"**

The paper examined the effect of inward FDI in West Africa on exports to EU countries. It investigates, from a host country perspective, the impact of FDI on different export categories: primary, intermediate, and final goods. Contrary to previous studies where multinationals are usually engaged in downstream production in the host country, this study presents a "commodity-proximity" model where multinational presence in upstream activities in resource-abundant host countries can stimulate the export of primary and/or intermediate goods to source countries where downstream activities take place. Results from a theoretically augmented gravity model shows that the effect of FDI in host country's export differs across export categories. Multinational presence in the ECOWAS region is associated with an increase in exports of primary goods, a decrease in exports of intermediate goods, and has no effect on final goods. The paper suggests that in order to achieve export diversification and commodity based industrialization, ECOWAS members should align their investment promotion priorities with their industrialization policies. More FDI should be encouraged in sectors that are vital to industrialization aspirations.

#### **Export Commodity Prices and Long-Run Growth of Primary Commodities-Based African Economies**

While there exists a link between primary commodity export prices and economic performance, many African economies are primary commodities export biased, often in few primary commodities. This study seeks to investigate the impact of primary commodity prices on the long run growth of Sub-Sahara African (SSA) economies. Specifically, it seeks to: analyse the impact of oil and non-oil (agriculture and non-oil

mineral resources) commodity prices on growth dynamics of African economies; and examine the impact of primary commodity prices across the SSA countries based on the level of diversification in the primary commodities exports. The study suggests African countries should intensify efforts at mobilizing domestic resources and diversify their economies.

## **E. Education, Health and Population Dynamics**

The Education, Health and Population Dynamics (EHPD) program is the anchor of CSEA's activities in the areas of human capital development, labor markets and urbanization. EHPD comprises five research components that focus on the following policy issues; Learning Achievement, Returns to Education and Training, Youth Unemployment and Job Creation, Urbanization and Maternal and Child Health.

## **F. Program Evaluation, Poverty Measurement and Analysis (PEPMA)**

Africa has been witnessing a fast-paced economic growth since the last decade. Yet the continent is facing many development challenges, ranging from poor education and health outcomes to gender disparity, youth unemployment and rising rate of poverty. Many countries and development agencies are responding to these challenges through several interventions, programs and policies. The PEPMA program evaluates the effectiveness of various programs, policies and projects aimed at addressing these development challenges. Broadly, the PEPMA program cuts across impact evaluation of government and development programs, poverty measurement and reduction strategies, growth pro-poorness and poverty, gender disparity, social inclusion and inequality. More specifically, PEPMA comprises two main elements: Program evaluation, and Poverty Measurement and Analysis.

## **G. Global Economic Governance**

As the world becomes increasingly globalized, global economic governance has become a key aspect of economic and political debates. Various policy decisions which were previously deliberated within national governments are now taking global dimensions. Also, the growing interconnectivity of financial markets implies that shocks in specific countries would result in repercussions across the globe. Thus, this points to the need for effective participation of countries in the process of rule-setting in global markets and institutions. The GEG research area seeks to analyze the changing institutional context for global economic governance and the implications for African countries.

CSEA staff research articles were also published in the journal *SAIS Review of International Affairs*. These include:

- i) Exploring Domestic Financing Options for Post-2015 Development Agenda in selected Sub-Saharan African countries
- ii) The MDGs Financing Framework and its Implications for the Post-2015 Development Agenda: An African Perspective.



### 3 . O r g a n i s a t i o n a l D e v e l o p m e n t

CSEA has taken important steps to enhance its organisational performance. These steps are in the areas of management, equipment, finance, Resource Mobilisation and Capacity Building.

In the area of management, CSEA has an addition of five new members to its Board of Trustees. The new members join an eight member board that oversees and support CSEA achieve its mission to enhance development outcomes and policy making in Africa and Nigeria by providing evidence-based research for policymakers. The present Board members are:

- i) Dr. Ngozi Okonjo-Iweala - Chairperson
- ii) Dr. Menachem Katz - Chair , Resource Mobilization and Programmes Committee
- iii) Dr. Nwanze Okidegbe – Member, Resource Mobilization and Programmes Committee
- iv) Dr. Bright Okogu – Member, Resource Mobilization and Programmes Committee
- v) Ms. Zouera Youssoufou – Member, Resource Mobilization and Programmes Committee
- vi) Mr. Bonaventure Mbida-Essama - Chair, Finance and Administration Committee
- vii) Ms. Jane Ebong – Member, Finance and Administration Committee
- viii) Barr. Etigwe Uwa (SAN) – Member, Finance and Administration Committee

Also, Dr. Chukwuka Onyekwena was appointed as the Acting Executive Director of CSEA following the appointment of Dr. Eberechukwu Uneze as an Executive Director of Asset Management Corporation of Nigeria (AMCON) by President Muhammadu Buhari.

As part of efforts to strengthen capacity building of staff, CSEA participated in a series of training organized by the West Africa Civil Society Institute (WASCI), in Accra, Ghana between 12<sup>th</sup> -15<sup>th</sup> May 2015 and 18<sup>th</sup> - 21<sup>st</sup> May 2015. The trainings include: Financial Management and Grants Reporting training workshop which was designed to strengthen the financial management, accountability as well as resource management and reporting skills of programme and finance officers. Similarly the Resource Mobilisation and Proposal Writing training workshop provided a platform for participants to identify the current gap in resources for sustainable programme intervention and understand the diverse sources and methods to mobilise resources.

CSEA also participated in an in-house IT Capacity Building and Appreciation workshop. The workshop encompassed Data Visualization and Infographic design training as well as Illustration application program (CorelDraw). The workshop aimed to equip communication and research staff on essential knowledge and skills to adapt, using various innovative methods and software to improve the presentation and dissemination of research outputs and publications.

CSEA strengthened its Resource Mobilisation strategy. The Centre moved to diversify its funding sources, attracting project-tied funds from the Rockefeller Foundation, Central Bank of Nigeria and Bill and Melinda Gates Foundation. Furthermore, CSEA intends to develop and implement an operational business model in the form of an "Economic Intelligence Unit" to ensure that the Centre is able to acquire significant funding opportunities.



In the year under review, CSEA also recruited one research assistant, three research associates, and a senior research fellow to enhance the ability of the Centre to carry out timely and rigorous work in all its seven research areas.

In terms of equipment, four (4) computer laptops were purchased for new staff. In addition, the internet connection was improved while befitting furniture and standard work-stations were procured for staff use. To ensure that the Centre continued to function properly and experience smooth operational activities, a system has been put in place to ensure that all utilities are paid in a timely manner. This was further maintained in the year under review.

## 4 . Policy Linkages, Research Communication and Outreach

CSEA has continued to build on the progress made in policy linkages, communications and outreach. CSEA staff participated in several policy seminars, workshops and conferences. These include:

	<b>Event</b>	<b>Theme</b>	<b>Date/Venue</b>
<b>i</b>	Resource Mobilization and Proposal Writing Workshop	Resource Mobilization and Proposal Writing for Civil Society Organisations	12-15 May, 2015, Accra, Ghana
<b>ii</b>	Financial Management Training Workshop	Financial Management and Grants Reporting Training	18-21 May, 2015, Accra, Ghana
<b>iii</b>	World Economic Forum on Africa	Then and Now: Reimagining Africa's Future	3 - 5 June, 2015, Cape Town, South Africa
<b>iv</b>	Training workshop on Impact Evaluation	Impact Evaluation for Evidence-Based Policy in Development	June 8-19, 2015, Norwich, United Kingdom
<b>v</b>	6 <sup>th</sup> Annual Conference on Regional Integration in Africa (ACRIA 6)	Investment and Competitiveness in Africa	July 1-2, 2015, Lagos, Nigeria
<b>vi</b>	Strengthening Capacity for Gender Analysis in sub-Saharan African Countries	Strengthening Capacities for Gender Analysis in Africa.	July 6-9, 2015, Kampala, Uganda
<b>vii</b>	Regional Workshop of the West Africa Think Tank Initiative (WATTI) Network	Strengthening West African Policy Research and Advocacy	September 14-16, 2015, Accra, Ghana

viii	International Conference on Agriculture in West Africa	Financing the Regional Offensive for a Sustainable and Sustained Revitalization of Rice Production in West Africa	November 17-19, 2015, Dakar, Senegal
ix	2 <sup>nd</sup> Technical Workshop on Straightening Capacities in Gender Analysis for the Sub-Saharan African Countries	Straightening Capacities in Gender Analysis for the Sub-Saharan African Countries	December 7-10 2015, Dakar, Senegal

CSEA co-hosted a conference on 'Improving rice self-sufficiency policies in West Africa: Challenges and opportunities' with the Initiative Prospective Agricole et Rurale (IPAR, Senegal) and the Centre Ivoirien de Recherches Economiques et Sociales (CIRES, Ivory Coast) on January 12- 14, 2016 in Dakar, Senegal. The event provided a platform for policymakers (representatives of Ministries of agriculture), practitioners (state agencies, projects and programs), the private sector, regional entities (ECOWAS, ROPPA), think tanks and donors to share views on the different policies and strategies of rice self-sufficiency, to deepen their understanding of the challenges and opportunities, and to lay the foundations of a collective reflection on ways to better implement these policies within West Africa. The conference also provided an opportunity to identify knowledge gaps that would be the basis for future collaborative research. This initiative will thus contribute to strengthening the research capacities of the think tanks and improve their policy linkages within the West Africa region.

CSEA also contributed to the **2015 Africa Progress Report** which was launched at the World Economic Forum on June 3-5, 2015 in Cape Town, South Africa. The report titled '**Power, People, and Planet**' examines the steps to a ten-fold increase in power generation to provide all Africans with access to electricity by 2030. This move is an attempt to reduce poverty and inequality, boost growth, and provide the climate leadership that is missing at the international level.

In the year under review, CSEA staff also granted press interviews to some media outlets on key burning issues affecting the Nigerian Economy. CSEA contributed to a report by Morgan Winsor of the International Business Times, titled 'Nigeria's Education Crisis: Boko Haram Targeting Schools, Teachers, Students Is Devastating Africa's Largest Economy'. Similarly, the Centre granted an interview to Sophia Adengo of the CCTV on 'Millennium Development Goals and the Nigeria's Economy'.

CSEA's upgraded website and social media platforms now serve as an effective tool to enhance the Centre's communication and outreach activities. The Centre's research and policy papers, including its widely circulated Quarterly Newsletters have been placed on its website. In addition, CSEA's facilitated training on Data Visualization and IT Application for communication staff has enhanced the quality of activities presented on the website. The Centre's upgraded website which features policy-oriented research publications and reports as well as data visualizations and infographics on selected reports, provides a user-friendly and an enhanced navigation experience.

CSEA prepared and disseminated Economic Report and Updates, Discussion Paper and Working Papers (as discussed above), including:

	Publication Title	Publication Type	Date of Publication
i	Trade and Foreign Direct Investment nexus in West Africa: Does Export Category Matter?"	Working Paper	August 2015
ii	Nigeria Economic Review(First half report 2015)	Macroeconomic Report	September 2015
iii	Contemporary Issues on Budgeting and Budget Performance in Nigeria	Discussion Paper	October 2015
iv	Nigeria Economic Updates	Macroeconomic Updates (Maiden Edition)	December 2015
vi	Export Commodity Prices and Long-Run Growth of Primary Commodities-Based African Economies	Working Paper	December 2015

## Research Seminars

The overall purpose of these seminars is to elicit an informed debate on relevant economic issues to Nigeria and the African continent more broadly between CSEA and its Network. The seminars target various stakeholders, including but not restricted to policymakers, members of the academia and research community as well as donor agencies. In the year under review, the seminar paper was presented by Dr. Richard Wike of the Pew Research Centre, Washington DC, titled 'Public Opinion and Development in Africa: A new Survey'.

## Networks and Outreach

CSEA has continued to build collaborative partnerships and working relationships with other research organizations and development partners to help broaden the scope of its operations. Within Nigeria, the Centre has worked with the Federal Ministry of Finance and with the CBN; CSEA also has a working relationship with the Nigeria Economic Summit Group (NESG) and the African Development Bank (AfDB). The Centre has deepened its relationship with the South African Institute for International Affairs (SAIIA) and the University of Pretoria and is continuing collaboration with them on global economic governance issues pertaining to Africa. The Centre is continuing to cultivate its relationship with the IDRC and with GDN and R4D, and is working to broaden its outreach to other institutions overseas.

## 5. Future Directions

CSEA intends to pursue the seven main research areas in the medium-term, while maintaining the flexibility to pursue emerging economic policy issues in Nigeria and Africa. The research agenda going forward:

### **Specific studies to be conducted in MEM:**

Macroeconomic and Sectoral implications of the Federal Budget, to be conducted annually  
Examining the Dynamics of the Operating Environment of Banks in Nigeria  
The Role of Non-oil Taxation in an Oil Based Economy

### **Specific studies to be conducted under PFMG**

Governance Indicators for Sub-national Governments in Nigeria

### **Specific studies to be conducted under PEPMA:**

The Effect of Financial Development on Poverty and Remittances in Sub-Saharan Africa

### **Specific studies to be conducted under TIG:**

Nigeria-South Africa Bilateral Trade: Exploring New Trade Opportunities  
China-Africa trade: New insights from Decision Support Model

### **Specific studies to be conducted under GEG**

The BRICS Development Bank and Global Economic Governance: An African Perspective

### **Specific studies to be conducted under NREE**

Transnational Natural Resource Governance Initiatives and Africa's Extractive Sector  
Green Economy in Africa: Concerns and Way Forward

## 6 . A c k n o w l e d g e m e n t s

We would like to acknowledge the following organisations who have contributed towards making CSEA the foremost research organisation it is today. Our hard work would not have been rewarding without donors such as the IDRC – whom through its TTI grant makes it possible for us to act independently and objectively.

And to all organisations, state agencies and CSOs who have made our work and data collection feasible, we are immensely grateful.

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