

AFRICAN INSTITUTE FOR
APPLIED ECONOMICS

Promoting evidence-based decision making



Activity Report 2006

Review of 2005 and Prospects for 2006

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REVIEW OF 2005 AND PROSPECTS FOR 2006

The year 2005 was highly engaging and instructive. The Institute recorded significant developments in several areas including research, policy advocacy, networking and capacity building. The demand for the Institute's products and services increased during the year, underscoring growing confidence in the Institute. This was evident in the selection of the Institute to perform facilitation and supervision role in the benchmarking of the State Economic Empowerment and Development Strategies (SEEDS), by the National Planning Commission, with support from international development partners. Besides, many Associate Fellows continued to provide technical assistance and critical analyses to the formulation, implementation and monitoring of SEEDS and Local Economic Empowerment and Development Strategies (LEEDS), throughout the country. Today, the Institute and its Associate Fellows constitute perhaps the largest single provider of technical assistance to Nigeria's economic reform programmes at federal, state and local government levels.

The Institute also recorded remarkable progress in evidence-based policy advocacy. The Better Business Initiative (BBI and Enugu Forum remain the principal vehicles of delivering evidence-based advocacy. The year witnessed the epic BBI National Stakeholders Forum on *Removing Bottlenecks to Business in Nigeria*. The Forum rallied government ministries, departments and agencies, private sector and civil society and international development agencies to examine the *Policy Agenda Papers* from the five BBI thematic workgroups. The Forum prioritized the Policy Agenda and recommended reform measures in agriculture, small and medium enterprises, infrastructure, institutional and regulatory framework, trade and macroeconomic policy. Also, the collaborative radio programme on COSMO FM contributed to increased public awareness and enlightenment, and informed debates on social and economic developments, as evidenced by feedback from listeners and participants.

During the year, the Institute published seven papers under the Enugu Forum Policy Paper Series and one paper under the AIAE Policy Briefs. This is significant landmark given that these were the maiden publications in both Series. Important strides were recorded in institutional collaboration as the Institute entered into a collaborative arrangement (subcontract) from DAI for participation in the implementation of the USAID NIGERIA REFORMS project (2005-2008). Crucial progress was recorded on the AIAE FLAGSHIP project - *Business Environment and Competitiveness across Nigerian States* (BECANS). Significant buy-in was elicited from critical stakeholders and collaborators in private sector, civil society and universities, through the signing of Memoranda of Understanding.

The activities and achievements of 2005 have revealed lessons regarding opportunities and challenges in 2006 and beyond. One key challenge is capacity building to enhance the institutional, infrastructure, and human resources and capabilities of the Institute. This requires upgrading the Information Technology facilities, improving communication, information flow and greater institutional networking. AIAE flagship BECANS project needs to be taken to implementation stages. Thematic research workgroups should be reinvigorated in order to reposition them as engine of research and producer of cutting-edge knowledge. BBI policy agenda items need to be taken forward through more focused and targeted advocacy.

The prospects for 2006 are bright. AIAE has great niche to impact research and policymaking in Nigeria. But, realizing the niche requires strategic programming, effective networking, institutional strengthening and greater support from Associate Fellows, stakeholders and partners.

Prof. Eric Eboh
Executive Director

1.0 INTRODUCTION

1.1 Identity

The African Institute for Applied Economics [AIAE], incorporated by Guarantee in Nigeria in 2000, is a not-for-profit and non-partisan organization devoted to economic policy research. The Institute facilitates policy advocacy, training, networking and provides consulting services.

1.2 Vision

The Institute envisions a Renascent Africa that is democratic, prosperous and a major player in the global economy.

1.3 Mission

The Institute aspires to provide leadership in helping Nigeria and Africa think through the emerging economic renaissance. The Institute's mission is to promote evidence-based decision making.

1.4 Methods & Approaches

- Responsive and proactive research- critical economic and allied research to extend the frontiers of knowledge as well as provide evidence for informed policymaking.
- Facilitating links and dialogue between policymakers and key stakeholders including private sector and civil society.
- Convening expert forums on key economic and development questions.
- National and International Networking and Collaboration
- Consulting services - policy and institutional reforms, training and capacity building

1.5 Programme Areas

There are five programme areas, as follows.

1. Trade, Regional Integration and Competitiveness (TRIC)
 - Survey and comparative analysis of productivity and competitiveness highlighted by regular Competitiveness and Sustainability Report.
 - Research into technological innovations, products and services shaping the new economy.
 - National and sub-regional trade, de-regulation and competition policies.
 - Analysis of proposals for policy coordination and harmonization in ECOWAS.
 - Options for effective integration of Africa into the global economy.
2. Macroeconomic Analysis, Modeling and Forecasting (MAMF)
 - Exchange rate regimes and policies promoting economic diversification and international competitiveness.
 - Macroeconomic stabilization and growth
 - Development and adaptation of empirical models for policy analysis and forecasting.



3. Public Sector Economics and Management (PSEM)
 - Fiscal federalism and the rationalization of fiscal structures.
 - Taxation and incentives.
 - Debt and budgetary policies.
 - Divestment of public enterprises.
 - Public investment policy.
4. Poverty, Income Distribution and the Labour Market (PIDLAM); and
 - Bottom-up perspectives on constraints to broad-based growth.
 - Decentralization and efficiency of public service delivery systems.
 - Poverty traps, vulnerability and coping mechanisms of the poor to risks and shocks.
 - Education, health and gender issues.
 - Evaluating market and non-market approaches to poverty reduction.
 - Wage determination, labour market distortions and productiveness.
5. Agriculture and Rural Development (AGRUD).
 - Policy and institutional reforms.
 - Technology generation, transfer and use.
 - Agribusiness and micro-enterprise development.
 - Food security, poverty and rural livelihoods.
 - Agricultural trade and commercialization.

2.0 STRUCTURE & ORGANISATION

2.1 Board of Directors

The Institute has a Board of Directors. The members include: Dr. (Mrs.) Ngozi Okonjo-Iweala (Nigeria's Minister of Finance); Mallam Nasir El-Rufai, (Nigeria's Minister of Federal Capital Territory [FCT]); Prof. Charles C. Soludo (Governor, Central Bank of Nigeria); Dr. Brian Wilson, (Former Director, Aga Khan Foundation, and Fellow of Trinity College, Dublin); Prof. A.H. Ekpo (Vice-Chancellor, University of Uyo, Nigeria); Dr. Ralph C. Bryant, (Senior Fellow, The Brookings Institution, Washington, DC); Prof. G.F. Mbanefoh (Former Vice-Chancellor, University of Nigeria, Nsukka); Ms. Jan Piercy (former American Executive Director at the World Bank); Mr. Jeffrey C. Fine, Canadian (founding Executive Director, African Economic Research Consortium, Nairobi); Prof. Paul Collier (Oxford University and Research Director, World Bank); Prof. Joseph Stiglitz (2001 Nobel prize winner in Economics and Columbia University), and Prof. Eric C. Eboh, the Executive Director.

2.2 Management

© **Staff:** The Institute is headed by the Executive Director. Other staff positions include the Finance Manager, Administrative Coordinator, Corporate Affairs Manager, Confidential Secretary/Administrative Assistant, Programme Coordinators, Research Associates, Research Assistants, a Librarian, an Administrative/Finance Assistant, Office Clerk/Assistant, a Security Officer and a Janitor.

© ***Associate Fellows:*** Much of the substantive work of the Institute is carried out through a network of experts within and outside of Nigeria affiliated to the Institute as Associate Fellows. Currently, the Institute has one hundred and ten (110) Associate Fellows each with at least a Masters Degree in Economics, Social Sciences and related Disciplines.

3.0 ACTIVITIES AND ACHIEVEMENTS

3.1 Research and Consultancy

- 1. Renewable Natural Resources and Sustainable Economic Growth in Nigeria.*** This study examined the contributions of renewable natural resources to growth, poverty reduction and estimates the costs of resource degradation to the economy. The findings are designed to inform and invigorate policy debate for promoting the sustainability of renewable natural resources and harnessing their growth and poverty-reducing potentials on a sustainable basis. According to the study, poor management and degradation of forests, land and rangelands inflicts an estimated annual cost up to 6% of GDP (using 2003 values).
- 2. Study of Resource Mobilization for the ECOWAS Bank for Investment and Development (EBID).*** The project was aimed at developing options and critical analysis for strengthening the operations, activities, performance and impact of the ECOWAS Bank for Investment and Development (EBID) in development financing, resource mobilization and regional integration. The project developed proposals and ideas to contribute to the implementation of the policies and medium- and long-term financial plans in the medium.
- 3. Technical Assistance to House of Representatives Committee on Agriculture:*** This project involved the provision of critical analysis, technical support and scientific advisory for evidence-based decision making by the House Committee on Agriculture. Topics covered include the Land Use Act 1978, Fertilizer and Inputs Policy, Agribusiness and Market Development, Laws and Bottlenecks affecting Private Sector Investments in Agriculture.
- 4. Mission on Identification and Programming of Pipeline Projects in ECOWAS Anglophone Member States:*** This project was aimed at identifying, for the attention of the ECOWAS Bank for Investment and Development (EBID) Group, the strategic and priority projects for promoting regional integration, economic growth and private sector development in the ECOWAS sub-region. It involved the study of needs for investment and development at national and regional levels towards defining intervention strategies and operational framework for the EBID Group.



- 5. Does Subsidy Removal Hurt the Poor?** The study examined the effects of the removal of petroleum subsidies on poverty in Nigeria. It was undertaken under the auspices of USAID-supported Strategies and Analysis for Growth and Access (SAGA) research competition, administered by Secretariat for Institutional Support for Economic Research in Africa (SISERA). The study utilized Computable General Equilibrium Micro-simulation Analysis to analyse and explore the effects of the subsidy removal on the poor.
- 6. Management and Supervision of the SEEDS Benchmarking exercise in Nigeria.** The project involved the facilitation, management and supervision of data collection, collation and analysis as well as quality control in the assessment and benchmarking of the implementation of the States' Economic Empowerment and Development Strategies (SEEDS) by 35 state governments and the FCT. The four areas of benchmarking were: policy, budget and fiscal management, service delivery, and communication and transparency. The SEEDS benchmarking exercise was an unprecedented initiative to measure, analyse and monitor progress towards economic and institutional reforms, good governance and accountability at the state level. AIAE's pioneering role in the SEEDS benchmarking project constitutes a significant contribution to promoting economic reforms and good governance in Nigeria.
- 7. Nigerian Manufacturing Enterprises Survey.** AIAE collaborated with United Nations Industrial Development Organization (UNIDO), The Federal Ministry of Industry and the Center for the Study of African Economies (CSAE), University of Oxford, UK. The survey started in November 2004 but was completed in February 2005.
- 8. Sub-Saharan African Foreign Direct Investors Perception Survey.** The Institute participated in this survey, under the auspices of the United Nations Industrial Development Organization (UNIDO), Vienna, Austria. The Institute covered the South-East and South-South geopolitical zone of Nigeria from June to September 2005.
- 9. Study of the Incidence and Effect of Multiple Taxation in Nigeria.** The Institute participated in the DFID- supported British Council project on incidence and effects of multiple taxation in Nigerian states. The project ascertains the forms and extent of multiple taxation in Nigeria by investigating Lagos, Kano and Abia States as case study. It evaluates the effect of multiple taxation on business start-ups, current businesses and growth prospects.
- 10. Trade Policy, Gender and the Livelihoods of the Poor in Nigeria.** This study provided background paper for the Nigeria Trade Network, with support from Oxfam GB and UNIFEM. It evaluates Government of Nigeria trade policy (and particularly the 2002 trade policy document) and the extent to which it facilitates or hinders poverty reduction in the country. It examines the state of poverty and the poor in the country and evaluates the



provisions of the current trade policy document, their synergy and consistency with the National Economic Empowerment and Development Strategy (NEEDS), some pro-poor programmes of the Central Government and Nigeria's regional and international trade obligations. The study is an evaluation of the state of affairs in trade, a review of its theoretical and empirical relationship with poverty and gender imbalance in Nigeria. It adopted a survey of stakeholders in many sectors of the Nigerian economy to guide its conclusions on this nature of this link in practice.

11. Impact of Common External Tariff and Economic Partnership Agreements on Agriculture in Nigeria. This study examined the potential impact of the proposed extension of the UEMOA common external tariff (CET) and negotiation of an Economic partnership agreement with the European Union on agriculture and rural livelihoods in Nigeria. It uses a combination of qualitative and quantitative assessment of the impacts of trade liberalization to estimate the possible impacts of the proposed RTA and EPA on agriculture and food production in the country. It focuses on three crops considered important from both the literature and interaction with stakeholders and assesses possible direction and size of changes in production in these crops arising from the implementation of a CET and/or EPA. The study was carried out on the auspices of Oxfam GB.

12. Barriers to Tariff Harmonization in ECOWAS: Evidence from Nigeria and Republic of Benin. This study was undertaken as part of the West and Central African Partner Institutions Research Network (WECAPREN) of the Secretariat for Institutional Support for Economic Research in Africa (SISERA). The research evaluated the implications of differential costs of doing business at the ports in Nigeria and Benin Republic, particularly in light of the proposed ECOWAS Common External Tariff. The premise here is that efficiency variation in port services has the tendency to raise the costs associated with CET and increase the pressure on policymakers from port users and other stakeholders to slow down the rate of integration. In addition, trade facilitation especially port reforms is considered inevitable in ensuring increased capacity of economies to carry the costs of CET. Using structured questionnaire, the study examines different aspects of ports activities and reforms and their relative impacts on the implementation of CET.

13. Budget Analyses and Reviews. The Institute's Associate Fellows carried out budget reviews and analyses on request. They include the study on the Nigerian Federal Education Budget Performance (2000-2005), carried out for the Commonwealth Education Fund, Abuja; the analysis of Federal Government Budgets and Expenditure on HIV/AIDS done for Action Aid International Nigeria, Abuja. Others are: analysis of Nigeria Health Sector Budget Allocation and Expenditure (1999-2005), also on request by Action Aid International Nigeria, Abuja. Another review relates to tracking progress toward the Abuja Target - examining whether African states Allocating 15% of their Annual Budgets for Health. This was a multi-country analysis done for the Action Aid HIV & AIDS Campaign and IDASAAids Budget Unit South Africa.



- 14. Evaluation of the Rice Alliance Project.** This project was done via subcontract from USAID MARKETS Implementing Contractor - Chemonics International Inc. The project was aimed at examining the modalities, performance, strengths and weaknesses of the Rice Alliance project, in order to derive lessons and insights for the design and operations of USAID MARKETS.
- 15. Opinion Survey of Regulatory Transparency and Effectiveness of the Nigerian Communications Commission (NCC).** The project assesses the regulatory transparency and effectiveness of the NCC from the viewpoints of the various stakeholders in the telecommunication industry. It is a nation-wide opinion survey on all telecommunication stakeholders - service providers, market participants and consumers.
- 16. Business Environment and Competitiveness across States (BECANS).** This project recorded remarkable progress during the year. Some significant developments include the signing of Memoranda of Understanding (MOU) with key private sector and civil society organizations that are critical to effective implementation of the project. Progress was also recorded in the continued review and analysis of literature and information towards the development of sound methodology, instruments and operational modalities for the project.
- 17. African Economic Research Consortium (AERC) Research:** During the year, Associate Fellows completed research under the African Economic Research Consortium. The papers include *ECOWAS Common External Tariff: Competitiveness of Lagos and Cotonu Ports*; and *Diversification, Product Mix and Risk Return Benefits of the Nigerian Banking System: A Portfolio Model Analysis*.

3.2 Conferences, Workshops and Seminars

1. Stakeholder Workshop on the Sustainability of Renewable Natural Resources and Economic Growth in Enugu, 20 June 2005. This workshop provided forum to disseminate the research findings and elicit feedback from state government ministries, departments and agencies, private sector and civil society groups in the state.
2. Stakeholder Workshop on the Sustainability of Renewable Natural Resources and Economic Growth in Nigeria, held in Abuja, 22 June 2005. This workshop provided forum to disseminate the research findings and to obtain feedback from federal government ministries, departments and agencies, private sector and civil society groups as well as international development agencies. It also served as a platform for public-private dialogue on ways and options for mitigating unsustainable management and use of renewable natural resources and the social and economic consequences.

3. Better Business Initiative (BBI) epic Stakeholders Forum on Removing Bottlenecks to Business in Nigeria. This workshop rallied the government, private sector and civil society at the highest levels, to consider, prioritize and fine-tune the policy agenda developed by the working groups of the Better Business Initiative. The policy agenda were prepared based on research evidence and critical analysis of the bottlenecks to business and investments in agriculture, small and medium enterprises, infrastructure. Other policy agenda related to trade and macroeconomic policy and institutional and legal framework.
4. Enugu Forum Policy Seminar Series. This Policy Forum serves as an important advocacy organ of the Institute. It is devoted to debating and recommending policy options and strategies based on research analysis and evidence. It serves to bridge the gap between researchers and policy makers and to improve interaction and communication among stakeholders for the overall goal of promoting sound policies, good governance and national development. During the year, six seminars were held under the Enugu Forum series. Topics covered by the Series during the year are:
 - a. Agricultural Inputs Policies: Relevance and Impact;
 - b. Investing in Nigeria Capital Market, Institutions Traded Securities and Prospects;
 - c. Valuing Natural Resources for Policy Agenda: Economics, Ethics and Social Psychology;
 - d. Technological Challenges of Cassava Commercialization and Industrialization in Nigeria;
 - e. Policy Challenges for Microfinance design and practice; and
 - f. Millennium Development Goals and the South-Eastern Nigeria: challenges and Opportunities.

4.0 NETWORKING & OUTREACH (Affiliations):

During the year, AIAE intensified its national and international networking and outreach programs with partner and collaborating institutions, both within and outside the country.

4.1 National Networks

Enugu Forum

Enugu Forum is a civic platform, created and run by the Institute, for evidence-based policy advocacy. The purpose is to debate, propose and advocate policy options based on concrete evidence and sound analysis. It brings together diverse stakeholders including government officials, private sector operators, civil society groups, independent think-tanks, academics and NGOs to exchange views and examine critical social and economic issues affecting the country. It seeks to promote stakeholder interaction and shared

understanding of policy alternatives. The primary objective is to create and sustain a platform for promoting the interactions among researchers, professionals and policy makers, thereby enhancing the links between research and policy making process. Its members include non-governmental organizations (NGOs), private sector organizations (PSOs), business associations, religious (faith-based) organizations, professionals, academics and researchers, businesspeople and government technocrats. It is supervised by a Steering Committee and managed by a Coordinating Committee hosted by the Institute.

Better Business Initiative

The Better Business Initiative (BBI) is a network of Nigerian leading private sector and civil society organisations devoted to evidence-based advocacy for policy and institutional reforms towards a better business environment and investment climate. The goal is to promote the growth and competitiveness of non-oil private sector as a means of ensuring broad-based growth, reducing poverty, enhancing employment and sustainable development. AIAE serves as the coordinating institution of the BBI. Other institutions which host working groups of the Better Business Initiative include the Nigerian Economic Summit Group (NESG), Human Rights and Law Services (HURILAWS), Manufacturers Association of Nigeria (MAN) and Lagos Business School (Enterprise Development Services). Based on the relevance and impact of its programmes, the BBI has grown to become a leading private sector alliance for business environment and investment climate reforms in Nigeria.

Budget Transparency Network

This is a network of civic organisations and advocacy groups aimed at promoting budget transparency and fiscal accountability in Nigeria. AIAE is a pioneer member of this network, with a position in the Steering Committee.

4.2 International Networks and Affiliations

- 1. Secretariat for Institutional Support for Economic Research (SISERA) Partner Institutions Programme.** AIAE is a member of the network of institutions supported by SISERA. During the year, AIAE participated in the SISERA research programme under the USAID-supported Strategies and Analysis for Growth and Access (SAGA) project.
- 2. African Economic Research Consortium (AERC) Research Programme.** AIAE Associate Fellows are active participants in the research programme of the AERC, Nairobi, Kenya. The Institute also receives institutional support in the form of book grants from AERC. During the year, AIAE moved closer to forging an institutional partnership with AERC for collaboration in research-cum-policy networking.

3. USAID REFORMS project - Collaboration with Development Alternatives Inc. U.S.

During the year, AIAE entered into a subcontract with Development Alternatives Inc. for participation in the implementation of the USAID NIGERIA REFORMS project, 2005-2008.

5.0 CAPACITY BUILDING

5.1 Training Courses and Seminars Attended by AIAE Staff and/or Associate Fellows.

Both staff and Associate Fellows of the Institute participated in several training programmes, at the national and international levels. Some of these include:

- Budgeting and Financial Management in the Public Sector, Duke University, US, 16 July -4 August 2005.
- Stakeholders' Validation Workshop and Consultation on the National Trade Policy and Livelihoods of the poor, organized by Oxfam GB and Nigeria Trade Network, 21-22 April, 2005.
- Financial Programming and Policies Workshop organized by the West African Institute for Financial and Economic Management, and the International Monetary Fund, IMF in Accra, Ghana, 4-15 July 2005.
- SEEDS Benchmarking Training for both Monitors and Assessors in Enugu (AIAE) and Abuja (UN House) organized by the Institute in association with the UNDP, DFID, and the European Commission - 30-31 May 2005 (Enugu) and 2-4 June 2005 (Abuja). The training was aimed at providing SEEDS benchmarking assessors, supervisors and the supervising/oversight firm with skills, knowledge and ideas to perform their complementary roles in the benchmarking project.
- Training on Advocacy organized by the Centre for International Private Enterprise (CIPE), USA for member Institutions of the Better Business Initiative (BBI), held in Otta, 15-17 June 2005. The Advocacy Academy equipped participants with strong advocacy skills to work through local coalitions to influence local and national legislative, regulatory, and fiscal agendas. It was aimed at assisting the BBI working groups to move from the research phase of their work to the advocacy and outreach phase.
- Gender, Macroeconomics and International Economics, University of Utah, Salt Lake City, US, May 27-June 13, 2005.
- Poverty and Economic Policy Workshop, Sri Lanka, June 9-18, 2005.
- National Assembly Scrutiny on Economic Partnership Agreements and Common External Tariff organized by Oxfam GB and Nigeria Trade Network and held at NASS Complex, 17 August 2005.

- IMF World Economic Outlook in Africa organized by the International Monetary Fund with facilitation from the Money Market Association of Nigeria (MMAN) and the Nigeria Institute for International Affairs, NIIA Lagos, 10 October 2005.
- Macro-Modeling for Forecasting and Policy Analysis organized by West African Institute for Financial and Economic Management, Lagos, 10 October -4 November 2005.
- National Agro-Forestry Education Training (NAFT), University of Agriculture, Abeokuta, 26 October 2005.
- Macroeconomic Constraints and Policy Alternatives in Developing Countries, held at Muttukadu, Chennai, India, from 23-26 January 2006; and International Conference on Post Liberalisation Constraints on Macroeconomic Policies, held at Muttukadu, Chennai, India, from 27-29 January 2006. Both workshops were organized by International Development of Economics Associates (IDEAs).

6.0 PUBLICATIONS

During the year, efforts intensified to produce papers for publication in the following series:

AIAE Research Paper Series

AIAE Research Paper Series presents technical research results from work done by the Institute and/or its Affiliate scientists and researchers. The purpose is to disseminate research and analyses that informs policy debate and choices. It is directed to a professional audience and readership among economists, social scientists in government, business as well as in universities, research institutes and international development agencies. Before acceptance for publication, the Papers are subjected to rigorous independent technical reviews to assure scientific quality. AIAE Research Paper Series seeks to engender high quality scientific and intellectual discourse on key development questions, and hence, enhance strategic understanding of policy and programmatic options.

AIAE Policy Brief Series

This Series publishes short, soft and general-interest papers. The objective is to provide rapid and easily comprehensible policy- and development-oriented discussions. Policy Briefs are targeted at a wide audience comprising policy makers, policy advisors, bureaucrats, non-governmental organizations, academic community, civil society groups and international development partners. Policy Briefs seek to identify practical development challenges and options for solving them. The year witnessed the publication of the maiden edition of AIAE Policy Brief Series. The paper is entitled “Unlocking the Potentials of Agriculture and Forestry for Growth and Poverty Reduction”.

Enugu Forum Policy Paper Series

Enugu Forum Policy Paper Series publishes the proceedings and outcomes of workshops, conferences, seminars or public lectures held by the Enugu Forum. The Series provides documentation of the topical presentations, debate, comments and perhaps consensus at the Forum. It is intended to disseminate the Forum's intellectual discourse to a wider audience. The essence is to stimulate broader policy debate and promote multi-perspective dialogue on policy options. Enugu Forum Policy Papers constitute an advocacy instrument to canvass alternative development solutions and policy roadmaps, and hence promote appropriate policy responses to development questions. The Series also draws attention of government, private sector and civil society to salient dimensions of contemporary development challenges in Nigeria. During the year, seven papers were published in the series

7.0 THE LIBRARY

AIAE library seeks to provide up-to-date relevant literature for learning, teaching, training and research. The library obtained additional four hundred and sixty two (462) collections in the forms of books, journals, periodicals and electronic literature. Collections come from purchases and donations. Additional seventeen (17) users registered in the library during the year. With the increasing number of diversity of users, there is greater pressure for up-to-date and high quality literature and library materials. The year witnessed some important steps to upgrade and modernize the library. The library manual was developed to improve communication and ease use of the library. Some progress was recorded in library automation. Still, upgrading the library towards a resource centre remains a major challenge.

8.0 IMPACT OF PROGRAMMES AND ACTIVITIES

- 1. Government's Economic Reforms Influenced:** During the year, AIAE and its Associate Fellows continued to provide critical technical assistance to the reform policies of government at all levels. During 2005, the Institute actively engaged and collaborated with relevant federal and state government bodies - the National Planning Commission, the State Planning Commissions, international development partners, the National Assembly, and other stakeholders in the private sector and civil society groups to promote policy reforms. Besides, AIAE Associate Fellows have been influencing the policy reforms in the country through participation in monitoring and measuring progress of the National Economic Empowerment and Development Strategy (NEEDS), State Economic Empowerment and Development Strategies (SEEDS) and Local Economic Empowerment and Development Strategies (LEEDS).



- 2. Policymaking supported with Research Evidence and Critical Analysis:** Many research conclusions and policy advisory by the Institute have contributed critical insights for government economic policies and sector strategies. The technical assistance to the House of Representatives Committee on Agriculture enhanced the quality of the Committee's deliberations and provided evidence-based technical analysis which informed its oversight and legislative decisions on the agricultural sector.
- 3. Economic Literacy and Informed Policy Debates promoted:** AIAE has actively contributed to public discourse in economic and related matters. The Institute's collaborative weekly phone-in and live discussion radio programme on Cosmo FM has promoted economic literacy, citizen enlightenment and policy advocacy on a number of development issues. It has also contributed to citizen participation towards promoting good social and economic governance. The programme continues to receive wide acceptance and growing demand among civil society, as evidenced by the feedback from listeners and participants.
- 4. Private Sector and Civil Society Advocacy Capacity and Effectiveness promoted:** AIAE impacted on the private sector mainly through the Better Business Initiative (BBI) network. The Institute connects with private sector organizations such as the Manufacturers Association of Nigeria (MAN), Nigerian Economic Summit Group, National Association of Small-Scale Industrialists (NASSI), National Association of Chambers of Commerce, Industry, Mines and Agriculture (NACIMMA) and others to engage in evidence-based policy advocacy on economic reforms and private sector competitiveness in Nigeria.
- 5. Increased Impact of Enugu Forum:** There is growing demand for and interest in Enugu Forum Policy Seminars. During the year, the Forum featured high quality topical debates and policy discourse facilitated by Speakers and Resource Persons drawn from local and overseas institutions. Due to growing number of participants, the venue of the Enugu Forum Seminar has shifted from its former meeting place to a larger conference hall. During the year, an epic Enugu Forum Symposium was held. It focused on "Millennium Development Goals: Challenges for the South-East Nigeria". The Symposium rallied the governments of the southeastern states to appraise their progress towards the MDGs, appreciate the challenges ahead and consider ways to confront those challenges through budgetary, fiscal and policy strategies.
- 6. Government-civil society dialogue enhanced:** AIAE initiated and facilitated several forums for civic engagement with government on economic, social and development issues affecting the country. Such forums are in high demand by both government and civil society, as mechanism to promote shared understanding of alternative viewpoints and reduce information gaps, conflict and suspicion between government and civil society.

9.0 NEW ASSOCIATE FELLOWS

A total number of forty (40) new Associate Fellows were admitted into the Institute, during the year.

10.0 NEW APPOINTMENTS OF ASSOCIATE FELLOWS

During the year, some Associate Fellows passed through competitive selection processes to be appointed into new higher positions. They include:

Name	New Appointment
Asogwa, Robert (Dr.)	Policy Advisor, Budget Support to the National Assembly, Policy Analysis and Research Project.
Eneh, Quindaline (Mrs.)	Special Assistant to the Economic Adviser to the President/Chief Executive of the National Planning Commission
Ibe, Chidiebere (Mr.)	Component 3 Team Leader, USAID REFORMS, Abuja
Obiechina, Chukwuemeka (Mr.)	Economist, Monetary Policy Department, Central Bank of Nigeria, Abuja
Ogujiuba, Kanayo (Mr.)	Deputy Chief of Party and Leader, Component 1, USAID REFORMS, Abuja
Ohuche, Friday (Mr.)	Senior Economist, Monetary Policy Department, Central Bank of Nigeria, Abuja
Oji, Kalu O. Dr.	Senior Economist, Monetary Policy Department, Central Bank of Nigeria, Abuja
Udejaja, Elias (Dr.)	Senior Economist, Monetary Policy Department, Central Bank of Nigeria, Abuja
Ukeje, Stanley (Mr.)	Principal Economist, Monetary Policy Department, Central Bank of Nigeria, Abuja

11.0 AIAE WEBSITE

The Institute's website was refurbished during the year. The website - www.aiae-nigeria.org - was re-commissioned to become more elaborate, interactive and updated with the Institute's programmes, activities and progress.

12.0 MAJOR CHALLENGES IN 2006

Many challenges flow from our experiences in programming and operations in 2005. In order to keep pace with the growing demand for the Institute's research products and consultancy services, and in view of the mission of the Institute, several imperatives deserve attention in the coming year. They include:

1. Capacity building - institutional, infrastructure and human resources:
 - a. There is need to upgrade the Institute's Information Technology (IT) facilities to improve communication, feedback and interaction with our stakeholders including Associate Fellows, research institutes, universities, government agencies, private sector, civil society and international development agencies. The Institute's internet connectivity needs to be improved to allow for better information dissemination and management.
 - b. During the coming year, it will be necessary to publish an AIAE Newsletter on a periodic basis. This will improve information flow to our stakeholders and improve regular documentation of the Institute's programmes and activities. The Newsletter will give visibility to developments around Associate Fellows of the Institute.
 - c. Institutional networking with local, regional and international research centres and universities needs to be improved as a means to boost the research capacities and resources of the Institute. Deeper networking and collaboration will be explored with key regional and international knowledge centres in order to broaden possibilities and opportunities for the Institute's research programmes.
 - d. There is a large scope for a Peer Learning Seminar series to serve as an efficient and effective means of promoting rapid learning and acquisition of conceptual and analytical skills by Associate Fellows of the Institute. The Peer Learning Series should aim at addressing identified methodological and analytical capacity gaps and other capacity needs arising from the Institute's research experiences.
2. Experiences over the years have revealed the imperative of data bank at the Institute, for the purpose of building the research resources and capabilities of the Institute. Hence, in 2006, the Institute will work to develop a data bank that can be updated, expanded and improved over time. This data bank will collate, process, synthesise, store and supply social, economic and human development indicators about Nigeria at the federal, state and local government levels. It will be a ready and easily accessible means of data and statistics for research and consultancy work of the Institute.



3. The Institute's requires strategic programming based on flagship research and advocacy. Towards this goal, the *Business Environment and Competitiveness across Nigerian States* (BECANS) project will be taken forward to implementation stages. By this project, AIAE will produce annual business environment profiles and competitiveness reports across Nigerian states. The report will serve to promote civic awareness and evidence-based advocacy by private sector groups as well as serve as monitoring tool for policy and institutional reforms at the state level. The BECANS project integrates research, survey and advocacy, and hence, serves as a major vehicle for actualizing organic links between the research and advocacy.
4. It is imperative to reinvigorate the thematic research workgroups as the vehicle to produce cutting edge knowledge, achieve peer networking and generate critical research products. Participation in activities and programmes of the thematic workgroups needs be enhanced. This entails better coordination and support for the workgroups in work planning, target setting, research networking, programme facilitation, logistics and fund-raising. Closer monitoring, supervision and oversight of the thematic workgroups is necessary to streamline efforts and ensure steady progress and high quality of outputs.
5. Regarding policy advocacy through networking, there is large scope to prioritise and concretise the policy agenda of the Better Business Initiative. The policy agenda identified at the National Stakeholders Forum on Removing Bottlenecks to Business in Nigeria should be taken forward through focused, deepened and systematic analysis and advocacy by BBI working groups and collaborating organizations. It is crucial to devise innovative strategies and techniques to constructively and effectively engage and dialogue with the policy makers and elicit their continued interest and buy-in for the policy agenda.
6. During 2006, it will be helpful to streamline affiliations to the Institute. This will require the rationalization of Associate Fellows and reclassifying them in order to provide incentives and motivation for greater participation in the Institute. Objective criteria and indicators need to be designed to categorize Associate Fellows based on regular appraisal.