



CENTRE FOR RESEARCH ON
FINANCIAL MARKETS AND POLICY®

CALL FOR PAPERS

Theme: Banking Beyond Covid-19: Risk Assessment, Balance Sheet Adjustments and Exploring Options and Pathways to a Strong and Sustainable Economic Recovery

The Kenya Bankers Association Centre for Research on Financial Markets and Policy® invites researchers to submit proposals for papers to be presented at its 10th Annual Kenya Bankers Association Banking Research Conference scheduled for September 2021. This year's Conference theme is: *"Banking Beyond Covid-19: Risk Assessment, Balance Sheet Adjustments and Exploring Options and Pathways to a Strong and Sustainable Economic Recovery"*.

The conference will revisit the finance-economic growth nexus highlighting the important role the banking sector will continue to play in the economy, particularly following the adverse effects of COVID-19 pandemic. It will provide a forum to discuss the short, medium, and longer-term effects of the pandemic on the economy at both aggregate and sectoral levels with the aim of enriching understanding of the real economy and financial sector interactions; risk assessment and its mitigation in an environment of extreme uncertainty associated with the pandemic; and a review of the economic policy and banking sector response to the effects of the pandemic.

In light of the above, the conference seeks to attract and showcase high-quality analytical work on any or a combination of the following three critical areas.

- **One**, examining the effects of the pandemic on traditional views about risk and its assessment at the sector and aggregate level. Analytical work on this front should clearly articulate whether the pandemic has introduced new risks or exacerbated existing ones or both, risk contagion and assessment of the implication of these risks on funding sectoral economic activities. Underpinning this is a need to examine and establish the necessary and sufficient conditions for increased bank lending, including the role of risk-based pricing under extreme uncertainty and establishing the optimal mix and thresholds of measures such as asset quality, bank capital and loan supply. Also, papers on the evolution of lending and risk assessment by other regulated and non-regulated entities that seek to describe their substitutability with bank loans or lack thereof, can be considered;
- **Two**, analysing the impact of the pandemic on the banking sector, focusing on the triggered adjustments in bank balance-sheet structures. Analytical work on this front should cover adjustments on banking sector asset portfolios, trade-offs between profit and liquidity at bank and industry levels, and innovations that emerged with the pandemic. Here, papers will be seeking to assess the effects of these developments on the banking sector's capacity to steer a strong and sustainable economic recovery, while also espousing any new opportunities and developments presented by the pandemic; and
- **Three**, analysing the economic effect of the pandemic at both aggregate and sectoral level, to unravel the possible and potential channels for /pathways to a quick recovery. This includes identifying the necessary and sufficient policy and market conditions for credit growth. Ideally, revisiting the finance-growth nexus but in an environment of extreme uncertainty. In this regard, papers to be considered are those that spotlight the optimal mix between monetary and fiscal policy and their effectiveness, and sectoral interlinkages. While the ultimate

goal of papers here should inform the identification of the optimal pathways and channels to a strong and sustainable economic recovery, those that characterise shifts in business cycles are also welcome.

The Conference's emphasis will be on high-quality research on the theme motivated above in Kenya's context, with a clear balance between theory and application, and policy and/or business relevance of the research findings.

An honorarium will be paid for each paper selected for the Conference. Further, all conference papers will be reviewed for possible publication in the KBA Centre for Research on Financial Markets and Policy® Working Paper Series (<http://www.kba.co.ke/research-center/working-paper-series>).

Requirements

Researchers should submit a written research proposal to the KBA. All proposals should be strongly aligned to the above motivated theme of *"Banking Beyond Covid-19: Risk Assessment, Balance Sheet Adjustments and Exploring Options and Pathways to a Strong and Sustainable Economic Recovery"*.

1. Each proposal **should not be more than five pages** and should include:
 - The motivation of the study
 - Key hypotheses to be tested
 - Research methodology
2. The research area can focus on either one of the areas outlined in the call or bring out dimensions of linkages to other areas in the theme line.
3. The proposal should include a **300 - 500-word abstract**.
4. A **brief biography of the researcher/ research team**, including their professional qualifications and research experience. The biography should **not be more than two pages**.

Key Dates 2021

9 th April 2021	Deadline to submit research proposal
8 th May 2021	Selection of research papers and notification of authors
16 th July 2021	The full research papers completed by the authors and submitted to KBA Centre for Research on Financial Markets and Policy®
August 2021	Technical Review Workshop
September	10 th Annual KBA Banking Research Conference

Submission

Researchers responding to this call can submit their research proposals by sending an email as indicated below:

Email: research@kba.co.ke

To the Attention of: The Director, KBA Centre for Research on Financial Markets and Policy

Email Caption: Annual Research Conference 2021