IGC call for proposals

Country priorities

September 2023
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Bangladesh

Background

The growth story of Bangladesh is well known. Constant GDP growth at more than 6%, impressive enrolment rate at schools, rising agricultural production and a thriving global textiles hub put Bangladesh in a path towards rapid development. With a young population to support productivity growth in the coming decades, Bangladesh’s future looked prosperous. However, the coronavirus pandemic derailed the country’s growth journey. The country’s efforts to limit deaths from the virus and getting people vaccinated was moderately successful but the pause in economic activities in the country and most of its trading partners proved costly for the people.

Bangladesh’s bid to reinvigorate the economy after the pandemic disruption was severely affected by the invasion of Ukraine. The consequent global supply chain disruption, high energy prices and inflation in EU and the US- the largest buyers of Bangladesh’s export items- have caused severe economic strain. Since May 2022, the value of local currency has depreciated by almost 25% against the US$ making imports much costlier in an import dependent country. The electricity sector is dependent on costly government subsidies on the back of global energy price rises and high-capacity payments to producers. All this is underpinned by long-term challenges such as a changing and unpredictable climate, slow pace of job creation, lack of growth in high-productivity sectors and the government's inability to raise enough revenue utilising an effective and progressive tax policy.

Research priority overview

This document is based on consultations with government officials from different agencies including Bangladesh Investment Development Authority (BIDA), Ministry of Power, Energy and Mineral Resources (MoPEMR), Local Government Division and Bangladesh Bureau of Statistics. Government planning documents such as the 8th Five Year Plan and Perspective Plan have also been consulted.

I. Energy and environment

Bangladesh has set itself a target to generate 40% of electricity from clean sources by 2041. However, renewable electricity capacity is currently at only 4.5%. Scarcity of land to establish solar plants has been cited as a key reason behind stagnant growth in the sector. MoPEMR has focused on alternate deployment strategies such as solar agrivoltaics, rooftops and irrigation pumps. The ministry is interested in research studying the economic feasibility of these renewables. In general, the cost of electricity in the country is an issue and it is widely believed that efficient management of electricity market can drive down costs. The government also provides subsidised electricity based on usage, but the impact of such subsidies on household spending pattern has not been studied.

Affordable and safe Electric Vehicles are important to Bangladesh as EVs can reduce energy consumption and are environment friendly. Apart from the large threat of climate change, the country suffers from one of world’s highest level of air pollution. The cost of pollution abatement and willingness to pay for cleaner air are topic of interest to policymakers. Amidst all these challenges, the country also needs to focus on decoupling economic growth and environmental degradation.

The IGC has compiled a dataset documenting hourly electricity production in Bangladesh by different fuels (coal, gas, liquid fuel, renewables) from April 2015 till July 2023. We are also working with another dataset which will contain daily peak electricity production by individual power plants from 2015 to July 2023. To access these datasets and discuss potential use cases, please reach out to economists_bangladesh@theigc.org.
II. Cities

Currently 40% of Bangladeshis reside in urban areas with the number projected to grow rapidly in the next two decades. Well-designed cities can spur productivity, but urbanisation also brings complex challenges to developing countries. Cities in Bangladesh will also have to take in a major share of the country’s climate refugees from the coastal belt where livelihoods are being lost to rising salinity levels.

One common challenge across most of Bangladesh’s small and large cities is the inability of the city corporations to raise enough revenue. This makes them dependent on central government transfers to run themselves. Property tax is a highly contested issue with citizens deeming it as unfair due to low quality of services.

In terms of services, the city corporations are struggling with solid waste management. Capital city Dhaka is rapidly running out of landfill capacity while other cities are grappling with similar issues. The government deems waste-to-electricity generation as a potential gamechanger, but segregation habits of citizens and high moisture content of waste threatens the viability of the proposed solution. Behavioural habits are a point of concern in other areas such as tackling the massive outbursts of dengue fever in the city. This year more than 800 people died from the disease. Raising awareness among citizens to not keep stagnant water in their property is a key part in tackling the issue since Aedes mosquitoes- the ones who cause the fever- use stagnant water as breeding grounds. However, awareness campaigns and limited fines have not been able to change such behaviour.

Dhaka city has recently witnessed new transport infrastructures such. How the capital city’s newly developed transport infrastructure is impacting the traffic congestion is an important policy question. Dhaka has one of world’s worst congestion problems and policymakers have sanctioned expensive infrastructures to solve the issue. However, the impact of these infrastructures remains unstudied to some extent.

III. Firms

Even though Bangladesh’s textiles industry is a global behemoth, lack of export diversification means the country is overly dependent on this sector to earn foreign currency. Moreover, mass production of readymade garments is a low value sector and virtually none of the country’s exporting firms have a presence in more lucrative designing or retailing sectors. Firms need to get involved in high-productivity sectors. Foreign investment can help in achieving technological knowhow to do that. However, attracting foreign investment and ensuring that they diffuse technological knowhow, integrate local firms in their supply chains and generate jobs for local populace needs careful planning at the policy level. Pace of job creation has been a long-standing issue. Close to 2 million youth enter the job market every year. There is a dire need to formulate policies which will develop market-oriented, high productivity skills which will make youth employable not only in local firms but also in labour markets abroad. Remittance sent by workers in the middle east and Europe are a big source of foreign currency, but Bangladeshis are mostly involved in low-value work in these places.

Firms need to invest significantly in developing green supply chains. As mentioned previously, decoupling economic growth and environmental degradation is quite relevant to Bangladesh as a climate vulnerable country. European Union’s Carbon Border Adjustment Mechanism and increasing environmental awareness of global brands makes it imperative for firms to be more environment friendly in their production processes. Impending LDC graduation and subsequent loss of preferential tariffs is another issue to take into cognizance.

IV. State effectiveness

Bangladesh has one of the lowest tax-to-GDP ratios in the world. So far, the government has relied on loans from internal and external sources to finance development and operational expenditures. However, this cannot be sustained in the long run. Increasing revenue collection through use of technology, efficient administration and voluntary compliance is an immediate priority. The political economy of taxation, specifically the political settlement around this needs to be studied in detail.
In general, better governance of the financial sector is a must-do for Bangladesh. The banking sector is reeling from non-performing loans hindering their ability to finance credible projects. Illicit financing flows are rampant, and it is thought widely that a large portion of remittance by Bangladeshi workers are sent through informal channels facilitating money laundering.

Last but not the least, effective policies in fighting climate change are a must for Bangladesh. The country is already grappling with rising salinity which is impacting cropping patterns and livelihoods. Research on facilitating climate adaptation can help government prepare better for the upcoming challenges.
Research priorities 2023-24

This note presents IGC Ethiopia’s research priorities along thematic areas. The broad areas of research interest from policy perspective are set out in the country strategy note. The research outreach and breadth has widened over the years in each of the thematic areas. The Ethiopian economy has undergone several changes over the past few years. It underwent a period of reform during 2019 and was hit by three major shocks, COVID-19, the conflict in the norther part of the country, and external economic/political pressure notably from the EU and USA. In line with this, the macroeconomic situation remains fragile. However, recently, a Fund team has visited as has the World Bank President, and there is a chance that agreement with the multilateral institutions can be agreed in September/October 2023. While the Tigrayan peace accord seems to be holding, the country has since entered a new wave of conflict as the Amhara militia has largely resisted being absorbed into the military, leading to clashes between federal forces and local fighters since April 2023. On August 4, the Prime Minister declared a six-month state of emergency in the Amhara region. Economy and security are mainly affected in that region and beyond. Research support needs to be provided in this context, informing ongoing reform measures and understanding the impact of shocks on the economy.

I. Firms and trade

Under the firms and trade space IGC Ethiopia has had industrialisation and urbanisation as a nexus with particular attention to industrial parks in Ethiopia. There are clusters of research projects attempting to understand productivity, industrial policy and labour availability and various issues related to that. Furthermore, issues related to reliability of infrastructure, regulation, taxation, and management practices continued. Over the coming year our research priority in this area includes:

- Informing the new Industrial policy.
- Local content and linkages across industries.
- Enhancing productivity in the Informal Sector.
- Understanding informal/SMSE strategy.
- Agro-processing value chains and challenges they face.
- Understanding efficacy of investment promotion policies particularly for recent reforms.
- Understanding the effects of innovation and technology on the economy and options to enhance impact of ICT expansion.
- The role of ICT oriented data in research on upcoming policy priorities
- Technology uptake and Artisanal Gold Mining.
- In general, firms and trade space will support industrial policy with particular emphasis on linkages across industries as well as resilience to shocks.

II. Cities

Under this thematic area the IGC will maintain its strong engagement and research cluster in the urban labour market space. In collaboration with the Ministry of Labour and Skills and as part of the Jobs Policy Advisory Council we have been conducting major research projects on various pillars identified by the Ministry. These include large scale internship and apprenticeship programmes, prospects for rural jobs, fiscal incentives for employment, informal sector employment. This is in addition to various experimental studies to understand school-to-work transition and labour productivity in industrial parks. In addition to this cluster of research urbanisation and housing has been another important research strand. Furthermore, within sustainable growth framework, the country team is also expanding into other high policy priority and understudied areas as urban
agriculture and solid waste management. We have already approved SPFs in these areas with the plan for CB9 for deeper research. For the coming year our research priority will continue in this line. Particularly,

- Measuring skills mismatch in urban labour markets.
- Firms demand for skills.
- Migration, both overseas and domestic.
- Efficacy of unemployment insurance.
- Construction materials and resilience of other urban services for sustainable urbanisation.
- Continuing research work on property taxes as a source of municipal revenue.
- Productivity, land use, and welfare implications of urban agriculture.
- Solid waste management (e.g., collection, segregation, transportation recycle/reuse, private sector involvement, and landfill related issues).

III. Governance and state effectiveness

This thematic area has been growing recently with renewed policymaker appetite on the micro foundations of macroeconomic management. Since 2019 there has been close engagement with policymakers on exchange rate policy and inflation. Given major macroeconomic reforms and shocks, demand for evidence continues. For example, IGC-Ethiopia is supporting the government on the country’s newest venture into Capital Market. With GoE’s renewed focus on recovery and resilience to shocks, Micro of Macro, Migration and Jobs clusters research expected to remain in high demand in 2023/24. While the recent engagement with IMF and WB gives the country some optimism for breakthrough, macro situation including the critical shortage of Forex reserve remains fragile. Also, given GoE’s effort to narrow the huge current account deficit, there is keen interest by the macro leadership on such key export items as coffee. In line with this, IGC-Ethiopia’s ongoing works on coffee research fits well within GoE’s likely external adjustment focus. In addition to this strand, civil service productivity and bureaucratic capacity have been areas of research interest. For the coming year we intend to continue supporting in these lines. Particularly,

- Analysing bureaucratic capacity to implement reforms.
- Understanding macroeconomic effects and options to mitigate impact of external global shocks such as Ukraine-Russia crisis as well as conflict-related and climate-related shocks.
- Informing government’s programmes aimed at further opening strategic sectors.
- Understanding distributional effects of inflation in Ethiopia.
- Make inroads on social protection in face of shocks.
- Conflicts and land-sensitive migration research.
- Structure and performance of Ethiopia’s Coffee Export Sector.
- Commodity exchanges and coffee value chain.
- Understanding the capital market in Ethiopia.
- More generally informing strategy to address fragility and sustainability challenges.

IV. Energy and environment

This thematic area, similar to state effectiveness has been growing recently with newly established engagement with the Ministry of Planning and Development (MoPD) who is currently leading the ‘Climate & Environment Desk’ of Ethiopia, and the Ministry of Mines and a new strategy to engage in climate research. The Ethiopia country team has consistently been in contact with the high-level officials at the two ministerial offices. In line with that, priorities IGC may focus on include Climate Finance, Urban resilience, Urban agriculture, and Climate variability. Similarly, in 2021, a preliminary study on artisanal gold miners garnered policymaker attention. The findings of the project led to a larger study with surveys not financed by IGC but analytically supported. Besides, amid the rapid urbanisation and population growth, there is growing demand for energy. According to the latest World Bank report, only 54% of Ethiopia’s population has access to electricity (which is almost exclusively hydro). Electricity coverage is substantially lower for rural society (i.e., approximately
most of whom are off grid. Given transition to renewable energy sources (i.e., hydropower, wind, and solar) will take time in Ethiopia, the country is still relying on biomass (firewood and charcoal) for energy. Ethiopia is the most biomass dependent country in the world (more than 92% of its population). In the coming year we intend to broaden this engagement and develop new research projects related to energy, urban resilience, climate financing and agricultural sustainability. Particularly,

- Support analytical work on artisanal miners in Ethiopia.
- Focus on urban resilience: urban agriculture & solid waste management (both mentioned under cities thematic area) are also high on policy agenda of the country.
- Expand work on relevance and implications of ‘Climate Finance’.
- Managing expansion of electricity access including pricing.
- Examining the sustainability, efficiency, and reliability of the biomass sector.
- Grid and off grid renewable energy sources and private sector participation
- Agricultural resilience to climate variability building on climate information services. For example, as a follow up to the ‘Can climate and weather services enhance Ethiopian farmers’ resilience to climate change?’, we will also be focusing on the dissemination modalities of climate and weather services.
**Ghana**

**Brief country context**
The Ghanaian economy experienced severe macroeconomic instability between July 2022 and March 2023. This was characterised by a sharp depreciation of the Ghanaian currency (the Cedi) as well as sharp rises in general prices (inflation rose to 54 percent in December 2022) and resulted in high interest rates following the raising of the central bank policy rate. The macroeconomic shocks were precipitated by a debt sustainability crises and severe financing difficulties to cover the large fiscal imbalance. Following the government’s debt restructuring efforts and the commencement of 3-year IMF programme, there has been relative stability in the macroeconomic economic situation in Ghana. General activity in the rest of the economy has remained strong in the period though economic activity is expected to slow down with overall Real GDP Growth rate of 1.5 percent for the year, down from an earlier projection of 2.8 percent. In addition to the issues of macroeconomic instability, there are other key structural constraints to sustainable and inclusive growth and development in Ghana. The IGC-Ghana Country Programme is keen to support research teams working in collaboration with policymakers in Ghana to answer questions around:

**Firms** – Firm productivity; Access to markets and market efficiency; Trade and trade facilitation; Labour market issues; Formalisation of businesses

**State** – Value for money and efficiency in government spending; Taxation and revenue mobilisation; Civil Service productivity

**Cities** – Housing; Flooding; Traffic congestion; Waste management; City governance

**Energy** – Electricity; Mining governance; Climate change and adaptation

The policy environment in Ghana is generally welcoming and policy stakeholders are open to research collaborations with IGC researchers. The IGC-Ghana team have strong relationships with several key government institutions where the IGC is known and respected as an independent producer of academic knowledge that informs policy. However, given that national political elections will come off in December 2024, high level policy makers will be less accessible during the campaign period.

**Research priorities for 2023 – 2025**

I. **Firms, productivity, and trade**

1. Research projects that focus on formalising the informal sector, including
   (i) Improving business registrations.
   (ii) Reducing operational informality.
   (iii) Improving enrolments on the public pension scheme for informal sector workers.

2. Studies aimed at supporting the growth and productivity of businesses, including:
   (i) The role of management practices.
   (ii) Access to and the role of markets.
   (iii) Updating and expanding the enterprise map of Ghana.

3. Studies that focus on transforming the labour market and making it more efficient, including
   (i) Improve job allocation and job matching.
   (ii) Promote formal recruitment and flexible working hours.

4. Studies that are focus on international trade and FDI, including:
   (i) The capacity for implementing the African Continental Free Trade Agreement (CFTA)
   (ii) Strategies for increasing access to international markets and global value chains.
   (iii) The management of challenges that accompany the free movement of people and goods within the ECOWAS region.
II. State effectiveness and economic governance

1. Studies that focus on improving value for money and making government spending more efficient, including
   (i) Reducing leakages and wastage in public procurement.
   (ii) Improving the capacity for undertaking and obtaining value for money for public projects.

2. Studies that focus on improving taxation/revenue mobilisation, including
   (i) Using innovative ways to broaden the tax net.
   (ii) Improving tax morale and reducing tax burdens.

3. Studies that focus on improving public service delivery as well as Civil service productivity:
   (i) Improving productivity in the civil service.
   (ii) Bridging the gap between policy and implementation.
   (iii) Making state institutions (like the Police, Parliament, etc) more effective.

4. Studies that focus on how structural transformation of the economy can be achieved, including:
   (i) Understanding the role of technology and digitisation in transforming the economy.
   (ii) The provision of safety net for the poor and vulnerable.

III. Cities and infrastructure

1. Studies that contribute to addressing the peculiar challenges in cities, including
   (i) Sanitation and waste management.
   (ii) Public transport provision and traffic congestion.
   (iii) Housing and informal settlements.
   (iv) Flooding.

2. Studies that deal with issues related to urban governance. These will include studies that contribute to:
   (i) Improving management and governance of local governments (MMDAs).
   (ii) Finding innovative sources for financing urban infrastructure projects.
   (iii) Improving the governance of large urban areas in the context of highly decentralised local governments.
   (iv) Improving planning and spatial planning for human settlements.

IV. Energy, environment, and sustainability

1. Studies that focus on improving distribution, usage and electricity regulation, including
   (i) The usefulness and appropriateness of the life-line tariff.
   (ii) Improving utility regulation and tariff negotiations.
   (iii) Strategies to reduce unmetered use of electricity.
   (iv) Disincentives for inefficient use.
   (v) Energy management practices.

2. Studies that focus on increasing the use of clean energy and reducing pollution
   (i) Increasing household adoption of LPG for cooking.
   (ii) Scaling up waste-to-energy innovations.

3. Studies that aim to improve the governance and manage of natural resources
   (i) Reducing the negative effects of Artisanal mining.

4. Studies that use long-run rainfall and temperature data in Ghana to examine climate change questions:
   (i) To what extent can sub-seasonal precipitation models be leveraged to help farmers adapt in the face of extreme events?
Background
This note outlines IGC Jordan’s initial research priorities in thematic areas and provides a list of potential research questions. Projects that expand the evidence base or identify actionable policy recommendations in these areas are particularly encouraged. However, proposals on topics other than the ones described below will also be considered.

I. Jobs and labour markets

- **Labour market participation, fragmentation and frictions** – Given low participation and high unemployment rates in Jordan’s labour market, particularly among women and youth, what opportunities exist to support inclusive and sustainable job creation in Jordan, recognising the importance of de facto as well as de jure barriers inhibiting female participation? What is the impact of labour market fragmentation on job creation on productivity? What strategies can effectively tackle labour market frictions and fragmentation to improve matching between workers and firms? What approaches could help shape social norms in ways that promote female labour force participation? Given how low service quality and high costs of the public transportation system constrains economic activity and labour market participation, especially for women, how can these services become better integrated, more reliable, and affordable? What would be the most effective professional training programmes for youth? What is the appropriate role for ‘hard’ and ‘soft’ skills in such programmes?

- **Labour market policy and regulation** – What has been the impact of key government policies and measures (e.g., the Jordan Compact, flexible working hours, nurseries) on labour market outcomes (e.g., participation, income for both Jordanians and non-Jordanians)?

- **High-skill sectors and jobs** – What policies are needed to support greater and inclusive growth in high-skill finance and business service sectors (especially for Jordanians), that is currently undermined by restrictions on high-skilled foreign workers but has significant potential? What is the role for investment in public education compared to alternative strategies?

II. Firms, trade, and investment

- **Productivity, growth and entrepreneurship** – What are the key constraints for firm productivity and growth, and how do these differ between SME’s and large firms? What specific constraints are faced by female-led firms and what strategies are helpful for overcoming these constraints? What prevents firms from hiring a greater share of female workers as part of their workforce and what could be effective incentives to change this trend? How can barriers to competition within national markets be effectively tackled?

- **Spatial distribution of firms** – What is the spatial location of firms, networks, and agglomeration? What is the impact of different types of clustering: co-location versus sharing skills, credit or marketing, for example?

- **Goods and service exports** – What strategies could effectively increase exports of goods and services, in terms of both volumes and value addition, including into new markets? How can regional trade routes be rebuilt and support Jordan’s trade products in regional markets? How can Jordan maximise its ICT sector potential, particularly with regards to attracting more DFI, better integrating into international value chains, and more effectively supplying regional markets? What is the potential of the service sector, including exports, and remote work to improve female employment?
- **Foreign Direct Investment** – What opportunities exist to raise investment, particularly from GCC countries? How can the resilience of investment be improved, given close links to regional oil producers and efforts towards accelerating decarbonisation? Is there evidence of knowledge spillovers between foreign and local firms?

- **Development Zones and Free Zones** – What has been the impact and key externalities of development and free zones, particularly Aqaba, in the local economy, with a focus on innovation, skills, job creation, urbanization, FDI, or integration in global and regional value chains? How have zones affected manufacturing exports, both in terms of quality and quantity? What strategies could be deployed to better leverage zone’s economic potential?

- **Trade policy** – What has been the impact of the preferential trade agreements (QIZs and the garment sector; the Jordan Compact) on production and exports? How can Jordanian firms better leverage the potential of existing free trade agreements for their exports, value chain integration, employment, specialisation, and other key outcomes?

### III. Energy access, cost, and sustainability

- **Energy access** – Although Jordan’s energy consumption has increased over the last decade, it has declined since 2015 on a per capita basis, likely driven by high costs and declining household income. What has been the impact of increasing off-grid generation on the grid and how can tariff policies help manage the increasing VRE generation, including time of use tariffs? What opportunities exist to increase access to reliable energy to support growth and employment? What co-investments can promote economic activity? Should fast-growing areas be prioritised to maximise benefits in terms of jobs and economic activity? What is the economic impact of increased access?

- **Sustainability** – How can government support a shift to sustainable sources of energy (including through exports of renewable energy)? What fuel pricing policies should be adopted? What are the socio-economic impacts of water scarcity? What drives the demand and willingness to pay for water services and how can compliance/payment be strengthened? What policies are needed to support the development of sustainable solutions to source, manage, distribute water, especially for productive uses? What is the role for water tariff reform, in light of losses and the interaction with electricity costs?

### IV. Productive and sustainable urbanisation

- **Productive capabilities** – There is a large gap in productive capabilities between Amman and other cities. How can we enable better matching between local productive capabilities and needs of global companies to support broader investment in Jordan? Could changes to land ownership help drive increasing productivity, especially in agriculture?

- **Public finance** – What are effective strategies for Amman to raise the financing required to support its development in a financially sustainable way? What is the potential for own-source revenue mobilisation in Jordanian municipalities?

- **Public transport** – What is the impact of Amman Bus Rapid Transit and the (under-construction) Zarqa-Amman BRT? What is the economic activity loss due congestion in Amman? What are the gendered mobility differences in access to public transport? What are the mobility patterns of commuters within and between major cities? How can increased investment in public transport best be financed? What are the challenges to electrifying public transport, and links to variable renewable energy?
• **Urban service delivery** – What are the key challenges in urban service delivery? How can GAM effectively engage the private sector and attract investment in urban waste management activities?

• **Air pollution** – What are the principal causes and socio-economic impacts of air pollution in Amman? What is the contribution in terms of greenhouse gas emissions of urban service delivery and investment in Amman?

V. **Public sector reform**

• **Public sector organisation and productivity**: How can the design of screening mechanisms for civil servants be improved? How can performance be effectively incentivised? How can bureaucrats at the top of the hierarchy be better selected, incentivised, and monitored? How can women in the public sector be empowered? How can these and other reforms be carried across the security sector to improve effectiveness and productivity?

• **Public sector service delivery**: How can targeting and efficiency in public spending be improved?
Mozambique

The goal of the IGC Mozambique research programme is to support the government in addressing its main inclusive growth challenges, focusing on four keys transformation areas: increasing agricultural productivity and strengthening small and medium enterprises; addressing the fragile political and economic environment through conflict resolution and appropriate management of natural resources; designing policies that respond to the challenges of urbanization in the context of structural transformation; and supporting policy initiatives that enhance adaptation to climate change and help manage the aftermath of economically disruptive climatic events.

First, we seek to understand the growth potential of small-scale family farms, and small and medium firms. We will focus on how to reduce barriers that prevent family farms from shifting to commercial farming in key crops (maize, soy, sesame); and reduce climate change vulnerability through improvements in agricultural risk management. We will also focus on how to improve firm productivity by strengthening worker qualifications such as through vocational training and apprenticeships.

Second, our research will focus on policy improvements in the resource-rich, conflict-prone northern region of Mozambique, where an Islamist uprising has been active in recent years. Special attention will be given to the role of the media, youth sensitisation, integration of refugees, and economic opportunities such as the promotion of employment policies, including specific vocational training actions for young people.

Third, we seek to better understand what policy interventions can help Mozambique cope with the challenges imposed by urbanisation (including added pressure on urban public services and on urban labour markets from climate-related migration) and vulnerability to climatic shocks. This is in relation to the increasingly frequent and intense cyclones affecting central and northern Mozambique and the substantial pressure the government is facing for better prevention to minimise the effects of future natural calamities.

On urbanisation, the programme is interested in exploring climate related spatial vulnerabilities in the future related to urban planning, migration, and the spatial organisation of cities, among others. We also intend to support research on how municipal governance can provide essential services through improving tax policy and increasing tax enforcement, including the possibility of creating property taxation schemes. The link from taxation to expanding land titles will also be explored.

On vulnerability to climatic shocks, special attention will be given to community mobilisation for protection against damage from climatic events. This will include environmental education and capacity building of local leaders in terms of land use planning and the orderly occupation of the territory so as to avoid, among others, informal settlements in flood risk areas.

I. Firms, trade, and productivity

The main themes of research under firms, trade, and productivity are:

- Firm capabilities: entrepreneurship, management practices, training programmes; Technology adoption, innovation, and quality upgrading; Access to finance, and access barriers to domestic and imported inputs.
- Markets: value chains, Firm-to-firm relationships, intermediaries, Access to markets; Market power and competition policy.
- International trade: Export promotion, Domestic trade policy and regional trade arrangements.
Some research questions under firms, trade, and productivity for Mozambique:

- What types of entrepreneurship training programmes are cost-efficient? Can these programmes be scaled?
- What barriers prevent firms from adopting improved technologies? Which policy measures are most effective in reducing these barriers?
- How can firms and farmers adapt to climate change? How to reduce farmers’ climate change vulnerability through improvements in agricultural insurance schemes?

II. State effectiveness

The main themes of research under state effectiveness are:

- Fragility and economic development: Escaping extreme fragility; Inclusive institutions (political selection and state accountability); Conflict-prevention; New challenges of fragility (populism and economic integration of refugees).
- Poverty, labour markets, and inclusive growth policies: Adaptation to climate change; inclusive labour market policies.
- State revenue and effective state policies: Tax revenues (tax compliance and tax policy); Natural resource management and other sources of state revenues.
- How to increase state capacity: the digitalisation of core administrative data to facilitate the management of state finances and overall public service delivery; improved people management, including performance evaluation systems.

Some research questions under state effectiveness for Mozambique:

- What conflict prevention measures are more effective in Mozambique’s most fragile areas such as Cabo Delgado province?
- What is the economic impact of refugees on host communities? What policies facilitate their economic integration?
- What measures are most effective for improving tax compliance by individuals and firms? Under what conditions are tax incentives efficient?

III. Cities

The main themes of research under cities are:

- Migrants’ integration in urban areas: integration of rural migrants and internally displaced individuals from the different conflict zones in the country.
- Housing and Urban public services: Low-cost housing, urban design, climate change resilience and property rights.
- Municipal Finance: Tax policy and compliance; Property taxation schemes to increase municipal revenue.
- Urban land: Land ownership and Urban planning

Some research questions under cities for Mozambique are:

- How can rural migrants and displaced individuals can best be integrated into cities?
- What is the effect of land use regulations?
- How can municipalities and local governments raise resources, enhance tax enforcement and compliance?

IV. Energy and environment

The main themes of research under energy and environment are:

- Global externalities from climate change.
• Policy initiatives to improve resilience in the face of climate changes and climate-related natural calamities.

Some research questions under Energy and Environment for Mozambique are:
• What is the impact of information, the active participation of local communities, and the capacity building of local leaders on the resilience of households to disaster shocks?
• What are the risks imposed by climate change and deforestation on hydro generation in river basins (with a focus on the Zambezi River)?

V. Annex: Data sources that may be of interest to researchers

<table>
<thead>
<tr>
<th>Title of dataset</th>
<th>Source</th>
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<tbody>
<tr>
<td>Informal Sector Survey 2021</td>
<td>National Institute of Statistics Mozambique</td>
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<tr>
<td>Demographic Health Survey 2022, 2020, 2015</td>
<td>National Institute of Statistics Mozambique or DHS website</td>
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<tr>
<td>Integrated Agriculture Survey 2022*, 2020, 2015</td>
<td>Ministry of Agriculture and rural development</td>
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<tr>
<td>COVID-19 Impact on Firms Survey 2021</td>
<td>National Institute of Statistics Mozambique</td>
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<tr>
<td>Economic Climate and Business Confidence Survey</td>
<td>National Institute of Statistics Mozambique</td>
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<tr>
<td>Enterprise Survey 2007 2018</td>
<td>World Bank</td>
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<tr>
<td>Micro-Enterprise Survey 2007 2018</td>
<td>World Bank</td>
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<tr>
<td>University Student Transition to the Labour Market Baseline Survey and 6 Rounds</td>
<td>Centre for Economic and Management studies, UEM</td>
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<tr>
<td>TVET student Transition to the Labour Market – Baseline Survey, follow-up ongoing</td>
<td>Centre for Economic and Management studies, UEM</td>
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<tr>
<td>Survey of Mozambican Manufacturing Firms 2012, 2017 and 2022 (panel)</td>
<td>Centre for Economic and Management studies, UEM</td>
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<td>Monthly Accommodation and Catering Survey (Tourism sector) 2017-2019</td>
<td>National Institute of Statistics Mozambique</td>
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<td>Artisanal Miners Census 2021</td>
<td>National Institute of Statistics Mozambique</td>
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<td>Macroeconomic accounts</td>
<td>Ministry of Economy and Finance; available at National Institute of Statistics Mozambique web site</td>
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<td>Banking Sector Survey – Multiple Years</td>
<td>KPMG</td>
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<td>Top 100 Firms – Multiple Years</td>
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<td>Financial Sector Indicators Multiple Years</td>
<td>Central Bank of Mozambique</td>
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<td>WB Micro datasets on Rural Mozambique, Irrigation, Cashew, Farm Schools</td>
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I. State effectiveness

Research ideas under this theme should aim to assist the government in its efforts to stabilise the economy through structural reforms and support to low-income strata and women via effective delivery of social protection and municipal and social services, as well as through governance reforms. Priority areas include:

- Informing and enhancing pro-growth and productivity-increasing reforms
- Strengthening federal, provincial, and local government's capacity to raise revenue efficiently, especially in urban areas.
- Building state capacity of provincial and local governments to deliver effective social and municipal services, including in urban areas.
- Strengthening accountability and responsiveness of social and municipal service providers to low-income groups and women.
- Focusing on electoral reforms, improving voter turnouts, studying voter behaviours, particularly considering upcoming general elections, and increasing politicians' accountability/responsiveness to constituents.
- Focusing on power sector reforms and sustainability.
- **Climate Change and State Effectiveness**
  - Strengthening the effectiveness of Government’s response to climate change catastrophes.
  - Making the most vulnerable segment of the population resilient to the effects of climate change.

II. Firms, trade, and productivity

Research ideas under this theme should be closely aligned to government priorities such as the promotion of exports, agriculture, manufacturing and SMEs sectors, and use of digitisation and technology amongst others. IGC research would like to focus on:

- Improving agricultural and livestock productivity through skills, support services, market linkages and reforms across the value chain by improving market efficiency and reducing price wedges along the marketing chain.
- Evaluating mechanisms to improve management practices across firms and understanding barriers preventing adoption of technology, particularly for SMEs.
- Supporting export-oriented industries, such as garments, light engineering, pharmaceuticals and agri-processing.
- Supporting start-ups, digital markets and e-commerce and how to improve uptake of technology, access to financing and access to markets.
- Focus on women enterprises and using technology to improve their access to markets.
- **Climate change and firms**
  - Firms reaction and adaptation to climate shocks.
  - Environmentally friendly business models.
  - Crop diversification to build resilience of agricultural systems in the face of climate change.
  - Incentivising and supporting small farmers to adopt and scale up climate-adaptive practices in their agricultural systems.
  - Integrating climate information and decision support systems into agricultural practices to enhance climate change adaptation and resilience.
  - Barriers and opportunities for small-scale farmers to access fair markets and receive equitable returns for their produce.
III. Cities:

Research under this theme should support the government's on-going efforts to overhaul the system of local governance and financing of cities. Specific priority areas include:

- Facilitating provision of services within and across city jurisdictions.
- Improving urban services (particularly water supply, sanitation and solid waste management) to enhance citizen/firm productivity and satisfaction and also address some of the challenges of climate change.
- Overcoming barriers to women’s mobility in cities.
- Improving understanding of how urban centres contribute and adapt to climate change.
- Making urban/public spaces women-friendly
- Promoting vibrant land markets and improving land management.
- Improving revenue mobilisation including reforms in property tax.
- Engaging with elected local governments to improve their capabilities and management.

Cities & Climate change:

- Climate change and frequency and intensity of urban flooding, heatwaves and air pollution
- Integrating nature-based solutions, such as green infrastructure and urban forests, into urban planning to reduce the impact of climate-induced changes.
- Advanced urban modelling techniques, such as remote sensing, GIS, and climate models to understand and simulate the impacts of climate change under different scenarios.

IV. Energy and environment

Access to reliable energy, ensuring the sector’s financial viability, and reducing negative externalities such as increased pollution and environmental degradation, are crucial for sustainable economic growth. Moreover, the country team also plans to develop a broader framework of policy engagement that builds on evidence around climate change to be supplemented by policy work and research focused on actively engaging with relevant counterparts to influence policy and impact around the following sub-themes:

- Reducing power sector losses and understanding the role of behavioural- and technology-based interventions in curtailing sector losses.
- Increasing share of renewable energy in the overall fuel mix via innovative financing models and business models, policy frameworks and regulatory mechanisms & advancements in technology?
- Setting up a wholesale energy market in Pakistan to make the power sector more efficient and affordable?
- How can fiscal policy support the deployment of clean energy technologies and infrastructure and encourage the use of cleaner fuels in remote communities?
- Developing mechanisms for regular monitoring (of air and water quality) and enforcement.
- Studying impact of fuel prices on energy use and ways to mitigate its adverse impact on the economy and undertake demand management.
- Introducing or improving targeted energy subsidies to the poor and refining/improving existing subsidies to exporters, agriculture etc.
- Analysing land-use change and impact of forestry, investments in nature-based solutions.

Energy, environment and climate change

- Fiscal policies and incentives to promote a transition to a low-carbon energy sector.
- Interaction of weather patterns with other climate-related hazards, such as heatwaves and air pollution, and their cumulative impacts on human health and wellbeing
- Impact of climate change on spatial and temporal patterns of air pollution in Pakistan.
- Barriers and challenges in achieving universal access to affordable and reliable energy.
Cross-cutting themes

- Socio-economic disparities in exposure and vulnerability to the impact of climate change, and equity-focused strategies to address these disparities?
- Spatial vulnerabilities across and within cities along various dimensions (such as temperature, susceptibility to flooding, and concentration of PM2.5) to inform policy response.
- Impacts of food inflation on vulnerable populations and their ability to adapt to climate change.
- Market mechanisms, price stabilisation policies, and social safety nets in controlling food inflation and ensuring affordable food access.
- Strengthening safety nets and social protection during periods of low growth, macroeconomic adjustments and rising inflation, including studying the role of targeted subsidies.
- Management practices and technologies to address changing water availability.
Rwanda

I. Improve domestic resource mobilisation through better tax policy and administration

The government recently approved and started implementing the new Medium Term Revenue Strategy (MTRS), we anticipate a research pipeline around this. Specifically:

- Explore how proposed excise reforms affect revenue and consumption patterns.
- Investigate how the Government’s CIT reform could impact investment competitiveness.
- Review current incentives in the tax system that encourage SME growth. and assess the potential welfare impacts on consumers and labour and the impact on the performance of SMEs.
- Continue research on property tax implementation and its management.
- Municipal finance and governance
- Analyse infrastructure financing models for large commercial and residential developments.

II. Prioritise efficient public spending

IGC Rwanda would like to do more work on public expenditure analysis, specifically on social security and education, as well as work on the structuring and implementation of PPPs.

Relevant research areas

- Review the government’s public investment strategy to ensure sustainability and coherence with priorities outlined under NST1 and Vision 2050.
- Analyse strategies for the effective implementation and management of PPPs, particularly in the transport, energy, and health sectors.
- Review the social security system, (i.e. pensions and health provision) and how to improve its efficiency.
- undertake a study on weather information systems and agricultural productivity,
- Explore ways of more effective data utilisation, including new data sources as transaction-level data from mobile money accounts.

III. Competition and the role of government regulation

Competition, both domestic and cross border, is vital for improving firm level productivity. However, government regulation usually aimed at supporting a subset of sectors or firms can negatively affect competition. IGC would like to explore, where possible, the implications of policies on firm level competition and elevate this discussion within government

Relevant research areas

- Constraints to competition for domestic firms, particularly the constraints faced from government regulations around labour and production standards.
- Assess the impact of SOEs on the competitiveness of existing firms and its impact on the entry of new firms.
- Assess current coordination, implementation, and monitoring systems in place to manage industry and firm-level government incentives and interventions.
- Analyse the impact of government procurement on firm level productivity.

IV. Support export growth and diversification and further deepen regional and continental integration
Here the focus is on studies to understand the current challenges to export growth and strategic diversification of supply chains. Additionally, highlighting international best practices on improving export growth best suited for Rwanda and taking opportunity on involvement in AfCFTA and DRCs acceptance in EAC.

**Relevant research areas**

- Non-tariff barriers (NTBs) Rwandan traders face in accessing markets in African RECs, and NTB to export growth.
- Macroeconomic impacts of the AfCFTA in Rwanda’s context.
- Analysis of the cost adjustments stemming from the implementation of the AfCFTA.
- Legal and regulatory review of Rwandan trade, investment, and competition laws. What changes are needed to prepare Rwanda for the AfCFTA?
- Assess the impact of industrial parks and special economic zones in supporting export-oriented firms.
- Analyse policy issues underpinning ongoing discussions on deepening EAC integration: review of the common external tariff, expansion of EAC membership, increase financial integration, and efforts to coordinate monetary and exchange rate policy considering the stated objective of an eventual monetary union.
- Examine policy levers to promote the development of regional value chains in line with the EAC’s industrialisation policy and how Rwanda can leverage RVCs for stronger industrial and export growth.
- Analyse the role of cross-border intra-industry competition, especially in differentiated products, to boost productivity growth.

**V. Improve firm and farm productivity through new policies and programmes**

**Relevant research areas**

- Innovation, technology, and management for firm growth
  - Assess the impact of technology upgrading and technical assistance programmes on the productivity of agro-processing and mining firms.
  - Research government policies needed to strengthen the innovation ecosystem in Rwanda.
  - Provide guidance on creating a data infrastructure around innovation, technology, and firm-level management practices.
- Industrial policy and structural transformation
  - Examine policy options to improve the efficiency of the services sector and its consequences for growth of the manufacturing sector.
  - Explore the most cost-effective enabling factors to attract reputable junior mining firms into mineral exploration and extraction.
- Inter-firm interactions and linkages
  - Research best practices around designing policy to encouraging backward and forward linkages among firms.

**VI. Boost agricultural productivity**

Increasing productivity of commercial agriculture remains a priority for the Government. We would like to focus on other high-value added and export-oriented sectors- Horticulture is a sector with enormous growth potential but faces challenges around productivity, quality, and logistics.

**Relevant research areas**

- Measure the returns to investment in agriculture infrastructure in terms of profitability and assess the most suitable institutional arrangements for their sustainability.
- Analyse the impacts of prevailing market arrangements on exchange between agricultural
agents.

- Explore the viability of technology-enabled systems to integrate producers, traders, processors into agricultural value chains.
- Understand the constraints to and impact of access to financial services (insurance, credit, equity investment) on enterprises and producers.
- Understand the cost effectiveness of technology-mediated agricultural extension services.

VII. Design labour market policies to boost firm productivity

We hope to work on sectoral skills gaps, labour policies for foreign workers and education policy.

**Relevant research areas**

- Exploit datasets on the Rwandan labour market- identifying employment opportunities, supply and demand of skills by sector.

VIII. Prepare Rwanda for climate adaptation and mitigation (Climate change and environment).

We have a three-pronged strategy: 1) Integrating climate resilience into national growth strategies, 2) identifying sector-specific economic analysis of policies that will promote adaptation and mitigation and 3) incorporating climate concerns into on-going projects and interactions with government.

**Relevant research areas**

- Investigate how rural drought affects urban food prices, income, jobs and rural-urban migration
- Examine the inclusiveness of adaptation measures using innovative spatial data sources.
- Understand whether low-carbon urban paths are inclusive and integrate mitigation measures if there is risk of affecting disproportionally urban poor or vulnerable communities.
- Explore the urbanisation, migration and climate adaptation nexus
- Explore necessary infrastructure investments and regulatory changes to enable the growth of the e-mobility sector.
- Analyse what affects demand for grid electricity and whether complimentary access to grants can increase electricity consumption and economic growth.
- Financing mechanisms for climate action
- Distributional impacts of climate policies
- Economic implications of transitioning to renewable energy
I. Governance

- How to assure that the most qualified individuals enter into politics and take office?
- How to enhance the performance of government officials (politicians and bureaucrats)?
- How to increase the effectiveness of public services and make them more accessible to people?
- How to support the government in the development of a more progressive tax strategy?
- How can the government raise domestic tax revenue while widening the tax base and reducing individual firms’ tax costs?
- How can the government establish a transparent and functioning framework for carbon credits and carbon markets?

II. Firms

- How to increase productivity of agricultural firms?
- How to stimulate the adoption of new technologies/practices to increase the productivity of land?
- Can improved firm management increase productivity in agricultural firms and help reduce food insecurity?
- What are the consequences of increased market integration of small agricultural firms on welfare redistribution?
- How do political insecurity and instability affect the growth and operations of private sector?

III. Energy

The previous administration has called access to energy “An imperative for any meaningful development and poverty reduction”. In the past 5 years, Sierra Leone has embarked into the construction of over 100 community solar power plants across all districts. These solar power plants are called mini-grids, and with the support from developing partners, approximately 100 more of these mini-grids are going to be built in the next five years.

In addition, the Millennium Challenge Corporation is investing over 600 million USD to increase generation and distribution capacity, and FCDO, World Bank and USAID are going to power over 1000 school and health clinics.

Despite the planned and past investment, the return to investment in electrification on economic development have been questioned in recent economic literature.

The CT has been active on the energy agenda, conducting evaluations of past investments and studying what model can make electrification work for economic development.

What transpires is clear: increased access to energy alone is not going to yield the expected returns.

- How to cost-effectively promote the shift from fossil to renewable energy in SMEs?
- What complementarities between renewable energy (electricity) and health are cost-effective at increasing health outcomes and the Return On Investment in the energy infrastructure?
- What complementarities between renewable energy (electricity) and education are cost-effective at increasing educational outcomes and the Return On Investment in the energy infrastructure?
- What is the impact of power outages on health outcomes at health facilities?
- How to stimulate investments in larger scale infrastructures for the production of renewable energy?
- How to increase the financial viability of investments in larger scale infrastructures for the
production of renewable energy?
- What is the impact of larger scale infrastructures for the production of renewable energy on welfare/economic growth?
- How to stimulate the productive use of energy in rural firms?
- How to create accountability for energy reliability?

IV. Cities:
- How to increase revenue mobilisation in local councils?
- How to increase compliance for property tax?
- What are the drivers of successful reforms at local councils?
- How to promote the performance of local council staff and improve the performance of local councils?

V. Green growth:
The team intends to understand what the drivers of change in land use on the edge of forest/protected areas and urban deforestation are and test the effectiveness of policies intending to reduce deforestation/increase re-forestation.

VI. Fragility
The team recently completed a fragility and resilient assessment of Manu River Union member states (Cote d'Ivoire, Guinea, Liberia and Sierra Leone). Some of the key drivers of the persistence of fragility despite several interventions have been identified and potential new pathways to promote resilience proposed. The team now intends to understand how improved coordination of partner activities and interventions staff the dynamics of fragility and promote resilience.
I. Taxation:

- Tax progressiveness: There is a need to understand the progressiveness of VAT expenditures, and to also examine the impact of revenue incidence of tax collection across firms of various sizes in various sectors of the economy.
- Tax incentives: Further work needs to be done to determine whether Uganda's tax incentives achieve their intended objectives.
- Revenue leakages: This research will focus on identifying transfer mispricing among multinational companies in Uganda that trade with related parties in other countries.
- Corporate income tax (CIT) regime: This research is aimed at identifying what it is in Uganda's CIT regime that means collections are so low by Sub-Saharan Africa standards. Is there a disconnect between tax administration and tax policy?
- Enhancing tax compliance: This cluster of work will study the effectiveness of digital solutions (such as electronic fiscal receipting and invoicing solution (EFRIS), digital tax stamps (DTS), etc) in enhancing compliance with taxation.

II. Public investment

- Efficiency of public investments in Uganda: this project will examine the effectiveness of various type of public investments, identifying recommendations for reforms that could improve efficiency. The project will also quantify the returns to public investments and what needs to be done to maximise these returns.
- Operations and maintenance (O&M) for public investments in Uganda: This research will identify the operations and maintenance (O&M) requirements of various types of public investments in Uganda.

III. Trade and firm productivity

- Informal clusters and firm networks: This research will investigate the role of informal clusters and firm networks in helping small firms overcome market imperfections and increase productivity.
- Supplier development programme (SDP): This research will identify constraints that large firms face in sourcing locally produced inputs. It also aims to underscore the role of matching large suppliers with small domestic producers to enhance firm productivity (and possibly boost exports).
- Parish Development Model (PDM) SACCOs: The PDM was launched in 2022 to facilitate the transition of households in the subsistence economy to the modern monetary economy. The goal of this research project is to explore the effectiveness of existing SACCOs vs newly created SACCOs as part of PDM programme.
- Cross-department collaboration: Work with URA, MoFPED, UIA and UFZA to collaborate data and create an investment tracking tool that utilises these data.
- Impact of industrial parks and free zones: This research will analyse the effectiveness of industrial parks and free zones with the view to offering policy recommendations for reform.
- Skills mismatch: What can policymakers do to address the mismatch between workers’ skills and skills demanded by firms? How effective are training and apprenticeship programmes aimed at reducing the gap between skills possessed by workers and what the firms require?
• Agricultural Credit Facility (ACF): What is the impact of Agricultural Credit Facility (ACF)? The ACF is a government initiative aimed at facilitating credit flow to the agricultural sector in Uganda at lower interest rates. Despite the benefits associated with this facility, uptake has been low. It is, therefore, paramount to first understand the constraints to credit access both on the demand and supply sides, and to explore the impact of the facility on agricultural productivity in Uganda.

IV. Cities

• Property taxes: This research will look at the extent to which property tax compliance strategies work.
• Urbanisation and pollution: Projects looking at how to most effectively upgrade roads to improve urban accessibility. This research will also examine what needs to be done to decongest cities and reducing urban pollution in Uganda.
• Housing: What are the constraints to in Uganda? What can policymakers do to efficiently expand access to housing?

V. Energy

• Pollution and tourism: Uganda will start producing crude oil in 2025 and is already working on setting up the infrastructure geared towards achieving this goal. Given that Uganda is also a popular tourists destination, more analysis is required to understand the interplay between fossil fuel production and tourism.
Zambia

The following outlines research priorities for the IGC Zambia based on programme objectives, policy demand, and recognised growth issues in Zambia.

I. Improving the effectiveness of the public sector:

IGC is keen on expanding its portfolio of work to improve our understanding of how the public sector can better deliver services such as health, education, and infrastructure. These include research questions seeking to respond to the following:

- How can decentralisation outcomes be improved? What is the role of traditional leaders in local governance, especially with district governments and the implementation of the Constituency Development Funds? How accountable is local governance to local needs, and how can it improve?
- How can public sector workers be motivated to deliver public services efficiently? How can public sector worker performance be better managed?
- How can public procurement processes be improved? What is the trade-off between granting greater procurement autonomy to sub-national governments and establishing leakage-reducing policies?
- How can the use of data be improved across the government?

II. Mining and natural resource governance:

Mining is a significant growth driver in Zambia, with further ambitious output goals set by the government. Research questions seeking to respond to the following:

- How can the linkage between the mining sector and the broader economy be improved? How can localisation efforts be promoted?
- How will the shifting demand for minerals due to the global energy transition impact Zambia’s mining potential?
- What are the local social, economic, and environmental impacts of the mining sector in Zambia?

III. Agricultural productivity and structural transformation:

Most Zambian livelihoods are tied to agriculture; however, productivity levels are low despite significant public investment. IGC seeks to build an active research portfolio in this area, including research questions seeking to respond to the following:

- How can agricultural productivity in Zambia be improved? What is the role of land ownership, skills, technology, information, and financing?
- How can government intervention in the agriculture sector be improved (particularly the role of FISP and FRA)?
- How can competition be improved in the agriculture market?
- How can Zambia tap into regional agriculture trade more effectively?
- What are the climate change adaptation strategies for the agriculture sector? Including, but not limited to, financial products, new technologies, mobility, and government policies.1
- What are the migration patterns between rural and urban areas? Is there a role for seasonal migration? How can the labour market prospectus be improved?

IV. Agricultural productivity and structural transformation:

1 https://voxdev.org/sites/default/files/Climate_Adaptation_Issue_1.pdf
Zambia has high levels of inequality, including closely tied to space. Previous IGC research has shown that growth in Zambia has disproportionally benefited the richest.\(^2\) Expanding upon that, IGC seeks research questions related to:

- How are the growth and inequality trends? Including over space.
- What is the impact of existing social protection programmes in Zambia (such as the Social Cash Transfer Programme)? Can data-driven targeting improve outcomes?
- How do vulnerable households respond to shocks?
- How can place-based and local economic development policies be designed for the poorest regions (Western, Northern, Muchinga, and Luapula provinces)?
- Given the changing economic geography of the mining sector, how can the Copperbelt region's economy evolve?
- What are the urbanisation trends in Zambia? How is that impacting poverty levels?
- How can urban labour markets work better (skills mismatch, migration, etc.)?

V. Industrialisation, trade, and firms:

IGC is keen on improving its portfolio on how Zambian firms can grow, trade, and employ more people. In particular, how to trade and industrial policy can be a particularly conducive tool to this end. IGC seeks research questions related to:

- What constraints do firms (especially SMEs) face in growing and tapping new national, regional and global value chains?
- How can Zambia position itself to benefit from implementing the African Continental Free Trade Agreement?
- How have FDI flows changed over the years, and how can Zambia improve FDI flows and its spillovers? Is there evidence of knowledge spillovers between foreign and local firms?
- What drives the success of industrial parks and special economic zones? How can Zambia set an effective industrial policy?
- What barriers do young people and women face in accessing jobs? Can training and matching interventions help improve job matching? What are the mobility barriers?