

IGC call for proposals

Country priorities

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IGC Country Offices

Bangladesh

Background

Bangladesh's economic resilience and sustainable growth hinge on addressing export diversification beyond the garment sector, promoting sustainable practices amidst climate goals, and leveraging the demographic dividend through technology and capital. Key research areas include barriers to nascent exporting sectors, enhancing SEZ effectiveness, and ensuring equitable benefits for female migrants. Moreover, optimizing tax policies, improving urban infrastructure efficiency, and advancing renewable energy uptake are crucial for sustainable development amidst resource constraints. These multifaceted challenges necessitate evidence-based policies to foster inclusive and environmentally sustainable economic growth in Bangladesh.

I. Firms, trade, and productivity

Bangladesh's export portfolio is concentrated in ready-made garments and apparel industry, and while it has contributed significantly to driving the economy for over the last two decades, it has exposed the country to external shocks. Export diversification has been a policy priority for some time, but transformative change is absent. Many large exporters have made a remarkable shift to greener alternatives in areas of waste management and renewables, but the country's climate adaptation goals demand radical change. The upcoming graduation from Least Developed Country (LDC) status in 2026 requires that these questions be answered sooner rather than later. Tied to the private sector's contribution to the economy is the quality and quantity of jobs. Unemployment among university graduates is higher than ever, whereas the elusive demographic dividend is always around the corner. The primary question is how Bangladesh can use its abundant young population coupled with its limited mix of technology, capital and natural resources to de-risk its trade strategy, to create resilient, inclusive and quality jobs.

- What barriers do firms face in nascent exporting sectors? What impedes firms from becoming successful born-to-exports (BTEs)? What policy changes can help them break into the global market?
- Does infrastructure investment and special economic zone (SEZ) translate to sustainable growth? What obstructs exporting firms to use the full potential of SEZs?
- Can high-value, high-skilled migrant workers allow Bangladesh to make sustainable gains from the demographic dividend?
- Are female migrant workers able to avail the same benefits and opportunities as their male counterparts?
- How to increase the labour force participation of people from marginalised groups? What policies can result in jobs for people with disabilities?
- Can a carbon emission trading scheme be viable in Bangladesh? What are the trade-offs between the generation of carbon emissions and job growth across different sectors?
- What approaches can be used to identify SMEs that may benefit from formalization? How can research provide guidance to develop firm formalization mechanism?

II. State effectiveness

Despite impressive growth figures in recent years, Bangladesh faces severe resource constraints hindering the development of public services and payment of import bills. Leveraging FDI can potentially increase the flow of foreign currency in the short run and increase productivity and exports in the medium to long run. Domestically, the state needs to increase revenue collection as it suffers from one of the lowest tax-to-GDP ratios in the world. Around 2/3rd of the revenue comes from trade taxes due to import dependency and tariff barriers in place. This high-tariff regime is unsustainable and thus the state needs to focus more on direct taxes by expanding the tax base.

- Which industries have the potential to attract FDI? Which sectors will make the most of FDI by generating jobs and increasing exports while not contributing excessively to carbon emissions?
- What is the role of tax exemption in fostering productivity and employment growth in Bangladesh?
- How to expand the tax net and ensure tax filings by eligible citizens and how to utilize information from the tax filings?
- How can reforms in tax administration including merging of different departments (i.e.- income tax and customs), automation, and data management help in increasing revenue collection?
- What is the role of VAT in increasing revenue collection? Can Electronic Fiscal Devices (EFDs) or Sales Data Controllers (SDCs) play a role in implementing VAT?
- How can local government institutions (city corporations, municipalities) mobilize revenue to bear operation and development costs? How can property taxes be utilized to generate revenue for these institutions?

III. Cities

High population density, traffic congestion, air pollution, and deficiencies in essential services are hallmarks of Bangladeshi cities. Simultaneously, the urban population will increase in the coming years on the back of structural transformation and climate change. Significant investments have been made in recent years to upgrade transport infrastructure and solve long-standing issues like solid waste management and water logging in major cities like Dhaka and Chittagong. However, their efficiency and efficacy in alleviating the problems are yet to be determined. Last but not the least, natural resource depletion such as the over-extraction of water from ground aquifers calls for research on water conservation.

- What are the effects of transport infrastructure on different facets of urban life including mobility, pollution, environment, jobs, property prices, etc.?
- What is the willingness-to-pay for proper waste and sewage collection services among urban households? How to ensure waste segregation in households and proper waste transfer by primary waste collectors?
- How to reduce the overconsumption of water in cities and industrial hubs? Can adequate pricing or behavioural change communication bring about lasting change?
- What kind of skills will be required of rural-to-urban migrants to succeed in increasing income and quality of life after migrating to cities?
- What role will secondary cities play in housing new migrants?
- What is the economic case for waste recycling vis-à-vis waste incineration for waste-to-energy plants in Bangladesh?

IV. Energy and environment

The energy sector in Bangladesh suffers from a host of issues including overcapacity, weak transmission and distribution infrastructure, non-competitive power purchase agreements, rapid growth of coal, and low uptake of solar energy. Alternative deployment of renewables through rooftop solar or solar irrigation is crucial for Bangladesh to reduce dependency on fossil fuels. Environmental pollution has been a major issue in Bangladesh for some time and is set to get worse as the country pursues a manufacturing-led growth path. Understanding the capacity of the state to tackle pollution and citizens' willingness to contribute to developing pollution-free resources such as clean air and water is crucial. Use of frontier technologies such as remote sensing may aid in identifying pollution sources and the extent of pollution and natural resource depletion in different areas.

- What are the barriers to increasing uptake of renewable energy including solar parks, rooftop solar and solar irrigation pumps?
- How can integration of new technologies such as battery storage or electric vehicles induce new challenges and how to deal with them?
- What role may grid modernization play in reducing cost and facilitating net metering for grid-integrated small-scale solar?
- How do buying choices of distribution companies affect the financial and environmental costs of electricity production and how can a competitive market alleviate this problem?

- How to decouple growth and environmental degradation in the context of Bangladesh?
- How environmental regulation enforcement can be assisted by utilizing new technologies or data sources?

Ethiopia

Background

The research outreach and breadth have 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 but was hit by major shocks, COVID-19, and the conflict in the northern part of the country. In line with this, the macroeconomic situation remains fragile. However, there is a chance that an agreement with the multilateral institutions can be reached in July/August 2024. Economic stabilisation measures of tightening fiscal and monetary policy have lowered inflation at the end of June 2024. While the Tigrayan peace accord seems to be holding, other conflicts also continue to destabilize the economy including in the Amhara and Oromia regions. Research support needs to be provided in this context, informing ongoing reform measures and understanding the impact of shocks on the economy.

I. Firms, trade, and productivity

Under the firms and trade space, IGC Ethiopia has given particular attention to industrial parks. In line with a policy shift, the focus will extend beyond IPs, but trade will remain a focus. Over the coming year, our research priorities in this area include:

- Informing the new Industrial policy.
- Local content and linkages across industries, notably trade-related.
- Enhancing productivity in the Informal and MSME sectors.
- Understanding the efficacy of investment promotion policies including services sector reforms.
- Firm upgrading and policies to promote innovation and technology.
- Use of ICT-related data in research to guide policy priorities.
- Agro-processing value chains and challenges they face.
- Structure and performance of Ethiopia's Coffee Export Sector including value addition and climate resilience.

II. State effectiveness

This thematic area has had strong engagement including on exchange rate policy and inflation. Given major macroeconomic reforms and shocks, demand for evidence continues. Demand has expanded on the country's newest venture into Capital Markets. 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:

- Analysing bureaucratic capacity to implement reforms.
- Understanding macroeconomic effects for resilience to external, conflict and climate shocks.
- Understanding distributional and supply side factors of inflation in Ethiopia.
- Implications of the changing nature of shocks for the design of social protection, including job-displacement insurance and rural safety net
- Understanding the potential for capital market development in Ethiopia.
- More generally informing strategy to address fragility and sustainability challenges.
- Exchange rate policy and distributional impacts
- Enhancing tax revenue by expanding the tax base particularly new sectors (digital economy)

III. 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 including school-to-work transition, skills, and migration. Furthermore, the country team is expanding into other high-priority and understudied areas linked to sustainable growth. For the coming year, our research priorities will continue in this line. Particularly:

- Firms demand for skills.
- Migration, overseas, returning migrants and domestic.
- Impact of shocks on jobs
- Housing notably informal and formal settlement clearance and resilience of other urban services for sustainable urbanisation.
- Property values link to green initiatives and property taxes as a source of municipal revenue.
- Solid waste management (e.g., collection, segregation, transportation recycle/reuse, private sector involvement, and landfill-related issues).
- Role of towns and small cities in labour market transition

IV. Energy and environment

This thematic area 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 Ethiopian Electric Utility (EEU). Access to electricity in Ethiopia is among the lowest in the world (50% of the population). More than 90% of Ethiopia's population still relies on biomass for energy. In the coming year, we intend to broaden engagement and develop new research projects related to energy.

- Analysing the impact of smart meters and other technologies for enhancing revenue in the power sector.
- Evaluating the impacts of expanding electricity access on households and firms.
- Reforming electricity tariffs, including incentives for shifting consumption away from peak periods.
- The economic costs of electricity outages on industrial performance and pollution.
- Market barriers and macroeconomic constraints for the diffusion of solar electricity by the private sector, both grid and off-grid.
- Examining the sustainability, efficiency, and reliability of the biomass sector.
- Agricultural resilience to climate variability building on climate information services.

Ghana

Background

IGC-Ghana aims to promote inclusive and sustainable economic growth as well as structural transformation in Ghana through policy relevant research. In addition to issues that clearly fall under each of the four IGC themes below, IGC-Ghana is keen to pursue cross-cutting issues around gender, sustainability, and climate change.

I. Firms, trade, and productivity

The research priorities for Firms in Ghana are centred on three main sub-themes under which there are specific issues or questions:

- Improving firm capabilities, productivity, and resilience to shocks
 - Identifying and tackling constraints to firm optimal performance.
 - Understanding firm behaviour and response to policies.
 - Understanding and enhancing determinants of firm growth, longevity, and resilience to shocks.
 - Exploring mitigation strategies for agricultural production in the light of climate change
- Reducing informality in firm operations, in labour markets and in agricultural commodities

markets

- How can policy makers promote and help firms to operate more formally/less informally?
- Improving post-harvest management, market access and price-stability for agricultural commodities
- Unlocking access to international markets
 - Identifying and lowering barriers to exporting or foreign market entry for goods and services
 - Understanding and enhancing the drivers of Ghana's recent success globally services exports (IMF balance of payment datasets shows that Ghana is the most important exporter of Business services in Africa).
 - Understanding the impact of and how firms are responding to the African Continental Free Trade Agreement

II. State effectiveness

The IGC State Effectiveness programme in Ghana will focus on:

- Improving state capacity to raise more revenues reasonably
- Improving efficiency and impact of government spending
 - Reducing wastage and leakages in state procurements/projects
 - Improving the productivity and effectiveness of the civil service
 - Making state institutions more effective
- Understanding the importance of and improving Civil Registers (Identity, birth, death) as well as public ICT infrastructures to enhance structural transformation
 - Improving the registration of deaths on the national death register
 - Understanding how the state can better provide safety nets for the poor and vulnerable
- Improving the management of natural resources
 - Reducing the negative environmental impacts of small-scale mining
 - Improving the management of forestry resources

III. Cities

The Cities programme in Ghana focuses on enhancing the productive capacity of cities for business and making them suitable places to live and prosper. The research priorities focus on:

- Improving urban governance
 - Waste and flood management
 - Mobility and traffic congestion
 - Housing and land markets
 - Spatial planning
 - Security and safety
 - Providing resilient infrastructure and reducing flooding
- Improving local government revenues and property tax collection
 - Understanding and lowering barriers to scaling-up technology for property tax collection
 - Identifying interventions that can enhance property tax moral and compliance

IV. Energy and environment

Ghana has one of the highest levels of access to electricity in Sub-Saharan Africa. However, the large losses (technical and commercial) in the electricity distribution systems over a long period of time have led to huge debts in the sector, high costs of electricity for consumers, and unreliable power supply. The IGC-Ghana programme therefore aims to prioritize research on:

- Improving access to reliable, affordable and renewable electricity
 - Understanding consumer (households/firms) behaviour with respect to electricity pricing and conservation
 - Strengthening utility regulation and tariff negotiations to promote reliability

- Understanding and reducing electricity losses
 - Understanding the sources of the losses in the sector
 - Evaluating strategies to reduce unmetered use of electricity
- Identifying and tackling constraints to household/firm adoption of renewable energy sources
 - Understanding why households and businesses are slow to adopt solar
 - Understanding why households and business are slow to adopt waste-to-energy innovations
 - Analysing the extent and patterns of climate change in Ghana

Jordan

Background

Here we outline IGC Jordan's research priorities and potential research questions, aligned with key Government of Jordan strategy documents, including the Economic Modernisation Vision (EMV), the Public Sector Modernisation Vision (PSMV), the National Water Strategy (2023-2040), and the Financial Sustainability Roadmap (FSR), as well as World Bank's Jordan Country Climate Development Report (CCDR). These questions were developed through consultations with key policy and development partners, including the Ministry of Planning and International Cooperation (MoPIC) and the Ministry of Water and Irrigation (MWI). Projects expanding the evidence base or identifying actionable policy recommendations in these areas are encouraged, though proposals on other topics will also be considered.

I. Firms, trade, and productivity

According to its EMV, Jordan must transition to a high-productivity, private sector-led economic model to generate high-quality jobs and promote firm-level growth. The government faces pressing questions about the persistent stagnation in labour force participation and employment rates, particularly for women and youth, despite ongoing reforms (female labour force participation at 14%, youth unemployment at 45%, and female unemployment at 79%). The private sector is dominated by micro, small, and medium enterprises which make up 98.5% of registered businesses and employ 60% of formal workers but contribute less than 30% to GDP and under 10% to exports due to limited access to finance, outdated regulations, a lack of skilled workers, and reliance on traditional practices.

- Labour Markets
 - What opportunities and policies can support inclusive and sustainable job creation for Jordanian women and youth (especially in high-skill finance and business service sectors)?
 - What barriers do firms face in hiring women and youth, and how can we improve matching between workers and firms?
 - What has been the impact of key government policies (e.g., Jordan Compact, flexible working hours, nurseries) on labour market outcomes for both Jordanians and non-Jordanians?
- SMEs Productivity and Growth
 - What are the main constraints to productivity and growth among SMEs?
 - How can barriers to competition within domestic markets be effectively tackled?
- FDI, Exports, and Trade
 - What strategies can effectively increase the volume and value of Jordanian exports? How can Jordanian firms better leverage the potential of existing free trade agreements for their exports, value chain integration, employment, and specialization?
 - What are the key factors attracting FDI to Jordan, particularly from GCC countries? How have Special Economic Zones (SEZ) impacted local economies, and what strategies can enhance their effectiveness?
 - What is Jordan's potential to become an international hub for ICT services?

II. State effectiveness

While refugees are traditionally viewed through political and humanitarian lenses, integrating them into Jordan's economy is essential for sustained economic growth. Jordan hosts over 1.3 million refugees, ranking sixth globally, highlighting the urgency of fostering their inclusion in society and the labour market. This necessity is amplified by global trends of dwindling cash transfers, leaving Jordan vulnerable to aid cuts. Therefore, evidence-based research is crucial in reframing refugees as valuable yet underutilized economic assets rather than mere recipients of humanitarian assistance.

- Labor Market Integration of Refugees:
 - What are the socio-economic impacts of integrating refugees into Jordan's labour market, especially with the increasing risk of declining international aid?
 - What effective economic integration strategies exist for refugees in Jordan? How can policies be designed to support the sustainable employment of refugees?

III. Cities

Jordan's urban population is set to grow by 15% by 2030, with Amman generating 60% of GDP, hosting 40% of the population, and providing 55% of employment. However, inefficient urbanization hinders Jordan and its capital from reaping the benefits of agglomeration. This inefficiency strains infrastructure, services, and job access, encroaches on agricultural land, and increases GHG emissions, especially from transport. With only 16 green building projects certified over the last decade, there is a clear need to promote green building standards. Additionally, 78% of Amman's spatial growth occurs through leapfrogging, worsening congestion, service strain, costs, and emissions. Transportation infrastructure is a critical issue, impacting inclusive and sustainable economic growth. Less than half of Amman's residents can access services within walking distance, and only 18% of jobs are reachable within an hour via public transport and walking.

- Green growth and infrastructure:
 - How can green infrastructure reduce climate change risks (floods, rising temperatures) in cities? What strategies can increase the adoption of green building standards?
 - How does green infrastructure impact job creation and private sector growth?
- Transportation:
 - How can accessibility, connectivity, and affordability in the transport sector be improved to enhance labour force participation and employment, especially for women, and reduce economic frictions?
- Urban emissions and sustainability:
 - What are the main sources of urban emissions in Jordan, and how can they be reduced? What policies can promote sustainable urban development and minimise environmental impact?

IV. Energy and environment

Jordan, the world's second most water-scarce country, faces severe water challenges including groundwater depletion, transboundary conflicts, external water dependency, and governance reforms. Climate change is expected to reduce freshwater resources by 15% by 2040, worsening the situation and creating significant financing needs for adaptation. The heavily subsidized water sector (especially for residential use) also poses a rising fiscal risk. Key pressing questions facing the government include 1) addressing fiscal risks by achieving full cost recovery for water and wastewater services, 2) reducing Non-Revenue Water (NRW), where over half of drinking water is lost to illegal use, vandalism, and leakage, and 3) improving water use and management especially in agriculture, the largest and least economically efficient water user, also prone to water theft.

- Water Use and Management:
 - How can households be encouraged to manage and save water more efficiently? What role do social norms and beliefs play in shaping their behaviours?
 - What strategies can reduce NRW and mitigate the socio-economic impacts of water

scarcity?

- Climate Change and Climate-resilient Strategies in Agriculture:
 - What are the short to long-term impacts of climate change in Jordan, and how can they be mitigated?
 - How can the uptake of climate-smart, water-saving technologies and productive crops among farmers be increased? How can farmers adapt to current and future climate change risks, and how do behavioural changes contribute to successful climate adaptation strategies?
- Water Pricing and Tariffs:
 - What are the socio-economic impacts of the recent water tariff reform? How does it affect willingness to pay?
 - How can pricing strategies be optimized to ensure equitable access to utilities while maintaining financial sustainability?

Mozambique

Background

The goal of the IGC Mozambique research programme is to support the government in addressing its main inclusive growth challenges, focusing on four key 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. Below are outlined our research priorities for each of the IGC research topics including broader research themes for each topic.

I. Firms, trade, and productivity

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

- 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.
- Health and productivity: impact of healthcare access on labour productivity; health-related barriers to firm growth.
- Education and skills: role of vocational training in enhancing firm capabilities; impact of educational initiatives on firm performance.

II. State effectiveness

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 sensitization, integration of refugees, and economic opportunities such as the promotion of employment policies, including specific vocational training actions for young people. The main themes of research under state effectiveness include:

- 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 digitalization of core administrative data to facilitate the management of state finances and overall public service delivery; improved people management, including performance evaluation systems.
- Health services: role of health policies and laws in enhancing state stability; impact of health interventions on state effectiveness.
- Educational policies: effect of educational reforms and laws on state capacity; role of education in fostering inclusive institutions.

III. Cities

We seek to better understand what policy interventions can help Mozambique cope with the challenges imposed by urbanization stemming from rural economic migrants (often related to climate pressures) and internally displace people due to conflict. This urbanization induces pressure on urban public services and on urban labour markets. It is also an opportunity for structural change in the Mozambican economy. 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. The main themes of research under cities include:

- 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.
- Health in urban areas: impact of urban health services on economic productivity; role of healthcare in urban planning.
- Educational infrastructure: influence of educational facilities on urban development; integration of education services in urban planning.

IV. Energy and environment

Special attention will be given to community mobilization 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 to avoid, among others, informal settlements in flood risk areas. 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 minimize the effects of future natural calamities. The main themes of research under energy and environment include:

- Global externalities from climate change.
- Policy initiatives to improve resilience in the face of climate changes and climate-related natural calamities.
- Sustainable energy: implementation of sustainable energy solutions.
- Community engagement: role of community engagement in environmental conservation.
- Health and environment: impact of environmental policies on public health; health benefits of reducing environmental pollution.
- Educational programs: role of environmental education in promoting sustainability; impact of education on community resilience to climate change.

Background

Pakistan has witnessed a two-year period of political instability since 2022 which has weakened state institutions and has led to democratic backsliding. The new government has negotiated a new Extended Fund Facility (EFF) program with the IMF. The structural reforms supported by this EFF will remain focused on strengthening revenue, right-sizing public expenditure with improved service delivery, and reducing the size of the federal government. The IGC Pakistan team is looking to support structural reforms informed by rigorous academic research.

I. Firms, trade, and productivity

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

- Evaluating mechanisms to improve management practices across firms and understanding barriers preventing adoption of technology particularly for SMEs.
- Improving agricultural and livestock productivity through support services, market linkages, and reforms across the value chain. Potential for the usage of financial instruments such as credit and insurance in the agriculture sector.
- Supporting value-added exports and export-oriented industries, such as garments, light engineering, pharmaceuticals, agri-processing, sports goods, and leather products. Evaluating how tariff structures and NTMs affect exports
- Supporting e-commerce, start-ups, and digital markets through improved uptake of technology, access to financing, and global markets.
- Women's entrepreneurship and improving their access to markets
- Strategising a new industrial policy approach: identifying sectors with the greatest potential for exports and the type of policy interventions they need to thrive.
- Climate change and firms
 - Greening trade policy - Identify opportunities for tariff reduction on environmental goods to make exports more competitive
 - Firm adaptation to climate shocks
 - 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
 - Reducing industrial emissions in manufacturing sectors through the adoption of cleaner technologies, improved waste management, and better incentives.
 - Market mechanisms, price stabilisation policies, and social safety nets in controlling food inflation and ensuring affordable food access.

II. 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 taxes efficiently, especially in urban areas. This includes progressive taxation with real estate and agriculture being included in the tax net.
- 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 strengthening the electoral process, especially considering the aftermath of the February general elections which have increased instability
- Analysing socio-economic disparities in exposure and vulnerability to the impact of climate change, and equity-focused strategies to address these disparities
- 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.
- Climate change and state effectiveness
 - Strengthening the effectiveness of the Government's response to climate change catastrophes.
 - Improving climate resilience for vulnerable communities as well as for crops and livestock

III. Cities

Research under this theme should support the government's ongoing efforts to strengthen local governments and municipal finance. Specific priority areas include:

- 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 by improving public transport design
- 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 through property tax reforms
- Cities and 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.
 - Spatial vulnerabilities across and within cities along various dimensions (such as temperature, susceptibility to flooding, and concentration of PM2.5).

IV. Energy and environment

Increasing energy demand and improving energy access while reducing environmental degradation is essential for sustainable economic growth. The country team has developed a broad 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 societal interventions in curtailing sector losses.
- Ending the single-buyer model and contributing to a wholesale energy market in Pakistan for efficient power usage and distribution
- Developing mechanisms for regular monitoring and enforcement of air and water quality.
- Exploring the role and feasibility of setting up Emissions Trading Systems (ETS) along with mechanisms for emissions monitoring in collaboration with local authorities.
- Exploring how energy tariff design can be optimised to align with marginal costs while enhancing revenue stability and affordability for consumers
- Improving subsidy targeting for both industries and domestic consumers
- Independent Power Producer contracts and the pitfalls of the single-buyer model.
- Energy, environment, and climate change:

- Fiscal policies and incentives to promote a transition to a low-carbon energy sector.
- Impact of air pollution on health outcomes in Pakistan's urban areas
- Promoting the percentage of renewable energy in Pakistan's power sector, given the existing contractual commitments to fossil fuels
- Implementing energy conservation measures within Pakistan, particularly through introducing energy-efficient technology
- Exploring how international climate finance can help reduce the burden of coal-powered plants
- Impacts of food inflation on vulnerable populations and their ability to adapt to climate change.

Rwanda

Background

Rwanda aims to achieve sustainable economic growth by diversifying exports, improving firm and farm productivity, and deepening regional integration. Key research areas include addressing non-tariff barriers, enhancing value chains, leveraging technology, boosting agricultural productivity, and analysing labour markets. Additionally, studies on tax compliance, public spending efficiency, social protection, competition, urban planning, and climate adaptation are essential. This research will support Rwanda's goals of economic diversification, infrastructure development, human capital improvement, private sector growth, environmental sustainability, and regional trade expansion, contributing to its Vision 2050 objectives.

I. Firms, trade, and productivity

The priorities here are research that can support export growth and diversification and further deepen regional and continental integration, improve firm and farm productivity through new policies and programs, boost agricultural productivity, and analyse labour markets.

- Opportunities and challenges in the context of regional integration:
 - Non-tariff barriers (NTBs) traders face in accessing markets in RECs.
 - The cost adjustments stemming from the implementation of RECs.
 - Policy levers to promote the development of regional value chains and how Rwanda can leverage RVCs for stronger industrial and export growth.
- Value chain integration and diversification of (export) industries:
 - The impact of climate change on Rwanda's domestic economy and international trade.
 - Policies (and barriers) to domestic value chain integration, upgrading and product diversification.
 - Existing and emerging comparative advantage in services and manufacturing towards productive value chains, structural transformation, and employment growth
- Innovation, technology, and management for firm growth:
 - The impact of technology upgrading and technical assistance programs on productivity and exporting.
 - Analysis of employment dynamics in the context of Rwanda's policy agenda.
- Industrial policy and structural transformation:
 - Climate-related policies to improve mitigation, adaptation, and the exploitation of emerging green opportunities
 - The impact of industrial parks and special economic zones in supporting export-oriented firms.
 - Best practices around designing policy to encourage backward and forward linkages among firms.
- Boost agricultural productivity
 - Questions around market power, integration, and resilience of the agricultural value chain.
 - Analysis of opportunities to minimize post-harvest loss

- Analysis of the role of cooperatives to mitigate market imperfections and increase scale and productivity gains
- Explore the viability of technology-enabled systems to integrate producers, traders, processors into agricultural value chains and increase agricultural productivity
- Analysis of policies to mitigate GHG emissions and incentivize adaptation to climate change
- Understand the constraints to and impact of access to financial services (insurance, credit, equity investment) on enterprises and producers.
- Analysis of the role of land rental and sales markets towards tenure security and investment incentives.
- Analysis of the trade-off between the development of export-oriented high-value agriculture and domestic food production.
- The mechanisms and impact of the flow of catalytic capital from capital providers to agricultural SMEs to improve livelihoods and environmental performance.
- Labour Markets
 - Understanding factors contributing to youth unemployment and the effectiveness of programs for enhancing youth employment and entrepreneurship.
 - Exploring the extent of skills mismatches in the labour market and how training programs can align with market demands.
 - Identifying wider market system constraints and opportunities for labour market participation, including understanding the roles of informal and cultural norms, such as gender attitudes, and determining the supporting services, that enable individuals to find steady work.
 - The role of secondary cities in facilitating the transition from agricultural to non-agricultural employment.

II. State effectiveness

The Rwanda CT's priorities for state are focussed on compliance and policy of tax revenues and the government regulation's effect on competition for new and existing firms.

- Tax Revenues (Compliance & Policy)
 - Exploring innovative ways to increase the tax net and studying the implementation of property tax.
 - Researching the extent and causes of tax evasion and effective strategies for combating it. Additionally, we want to investigate whether increasing the cost of non-compliance relative to the cost of compliance improves tax compliance.
 - Assessing the efficiency and effectiveness of sector-specific spending and spending on public infrastructure. We are also interested in understanding the redistributive effects of different forms of public spending and the main trade-offs for the use of Public-Private Partnerships (PPPs).
 - Social protection: researching the general equilibrium effects of social protection, exploring adaptive social protection's role in reducing long-term vulnerability to climate effects, and identifying effective ways of targeting poverty reduction programs and scaling effective targeting methods.
- Competition and the role of government regulation
 - 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.

III. Cities

The most pressing matters for Rwanda CT relating to urbanisation are decongestion, availability of affordable housing, and disaster management.

- Decongesting cities through better urban transport systems and planning
 - Looking at effective urban transport strategies to reduce congestion or sustainable transport systems in Rwandan cities.
 - Scaling of e-mobility and complementary investments
- Housing: new strategies for affordable public investment
 - What innovative approaches can be used to increase the availability of affordable housing in Rwandan cities?
 - What are the best ways to increase investment in affordable housing through public private partnerships?
- Rural-urban migration, urban infrastructure and services
- Urban resilience and disaster management
- Improving skills in local construction industry
- Sustainable urban planning practices for secondary cities.

IV. Energy and environment

The Rwanda CT wishes to encourage research on the inclusivity of adaptation measures and the financing and distributional impacts of climate mitigation strategies. There is also a heavy emphasis on questions relating to energy markets and productivity.

- Prepare Rwanda for climate adaptation and mitigation
 - 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 disproportionately urban poor or vulnerable communities.
 - Explore the urbanisation, migration, and climate adaptation nexus
 - Financing mechanisms for climate action
 - Distributional impacts of climate policies
- Energy
 - Analyse what affects demand for grid electricity and whether complimentary access to grants can increase electricity consumption and economic growth.
 - How do distributed energy markets work and how do they raise productivity and inclusive growth?
 - What are the sources of productive or agglomerative gains that come from using modern energy at scale?
 - How do distributed energy systems interact with on-grid systems in developing countries?
 - What is the effect of greater renewable energy penetration on reliability, generating costs and consumer benefits from energy access?
 - What are the distributional effects of energy access, tariffs, subsidies, and government interventions in energy markets?
 - What are the economic implications of transitioning to renewable energy?

Sierra Leone

Background

The current priorities for Sierra Leone include strengthening political and public administration mechanisms to improve governance, enhancing firm productivity and market efficiency, and expanding access to renewable energy. Additionally, there is a focus on supporting decentralization to improve local governance and fiscal management. Research efforts are aimed at addressing these areas by investigating the selection of officeholders, public spending efficiency, agricultural productivity, fintech impacts, clean energy access, and local council performance.

I. Firms, trade, and productivity

The Sierra Leone economy is small, open, largely undiversified, and vulnerable to both internal and external shocks. Generally, firms operate with low productivity and trade between neighbouring countries (including sub-Saharan African countries) is low as the countries major trading partners are China, Europe, and USA. Government has prioritised strengthening the role of trade and private sector development as a vehicle to increase firms' productivity, promote diversification, infrastructural development, and economic competitiveness of the country. To support the government effort, we intend to commission studies on the following:

- Assess the impact of adopting innovative and sustainable practices geared towards increasing production and productivity of key agricultural products.
- What are the market inefficiencies that export promotion efforts must address to boost export?
- assess the impact of fintech on financial inclusion.
- 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 the private sector?

II. State effectiveness

Over the past decade has been characterised by the erosion of social capital, national and social cohesion, and trust in state institutions in Sierra Leone. In combination with the highly contested election in 2023, the political impasse following the general elections, and other external factors, culminated in an alleged attempted coup in November 2023. Presently, state institutions are weak, and government continue to face severe fiscal challenges which constrain them from providing basic services. We encourage studies that adopt the "fragility" framework to analyse the interaction between institutional, political, and business environments. We also welcome Political Economy Analysis of sectors that are identified as priority areas of reform (e.g., public sector reform, fiscal management, natural resource management, decentralisation, conflict resolution) in order to provide politically informed advice on the feasibility of specific aspects of economic policies. Therefore, we intend to support policymakers to tackle the root causes of some of these challenges by commissioning studies that seeks to investigate and analyse the following:

- What are the most effective mechanisms political parties and the public administration can use to identify and select the best suited individuals to take office?
- How do these mechanisms affect performance in office?
- How can efficiency in public spending be improved?
- How to increase the effectiveness of public services and make them more accessible to people?
- How can the government raise domestic tax revenue while widening the tax base and reducing individual firms' tax costs?

III. Cities

In 2020, a new Decentralisation Policy was adopted and in 2022 government enacted the new Local Government Act, empowering Local Governments (District and Municipalities) to oversee the provision of basic services in selected areas (e.g. health, sanitation, agriculture, basic education, etc) to their communities. The decentralisation of responsibilities is to be accompanied with a policy for fiscal decentralisation, which is currently being developed and it is expected to empower local government to design and adopt policies that will increase their own source revenue. To strengthen the decentralisation process, we intend to commission studies/clusters of work intending to:

- Identify the institutional and political constraints inhibiting efficient property tax administration
- Test the effectiveness of technical solutions intended to improve tax administration, while

- understanding the political factors preventing their adoption
- Identify strategies to increase the effectiveness and socio-political sustainability of enforcement efforts to strengthen property tax collection, and the potential impact of those efforts on broader state building processes
- Assess the impact of different strategies geared towards effectively maintaining a clean environment
- How to promote the performance of local council staff and improve the performance of local councils

IV. Energy and environment

Sierra Leone continue to face severe energy crisis. The electricity provided through the national grid is unreliable, and the energy mix in the system is largely from fossil sources. With support from development partners, the Government of Sierra Leone (GoSL) is expanding access to renewable energy in rural areas through the installation of solar-mini grids that are expected to directly benefit individuals, health clinics, schools, and businesses. Private sector operators have been developing financing options to make different solar electricity solutions affordable and accessible to people and businesses across the country through an extensive network of agents and shops. We intend to commission studies that seeks to:

- Understand the complementarities between expansion in the energy infrastructure and other infrastructures on economic development.
- Develop and test financially viable strategies for the promotion of universal access to clean energy for different segments of the population and different uses.
- Assess strategies to foster social accountability to improve the reliability of energy.
- Assess the impact of power outages on health outcomes at health facilities.
- Stimulate investments in larger scale infrastructures for the production of renewable energy and increase the sustainability of the investment.

Uganda

Background

Uganda aims to increase incomes tenfold by 2040, transitioning from a \$50 billion to a \$500 billion economy through structural transformation. Key to achieving this shift sustainably is enhancing productivity and skill intensity across sectors like agri-SMEs. Critical challenges also include domestic revenue mobilization, urban accessibility and mobility, and natural resource management.

I. Firms, trade, and productivity

Uganda can only achieve its structural transformation goals by progressively shifting from low productivity and labour-intensive activities to high productivity and skill-intensive activities. At the micro level, this implies improving jobs, wages and productivity of firms to support rapid economic growth and rising incomes. However, challenges such as financial constraints, skills gaps, limited access to export markets, climate threats affecting productivity and employment patterns of firms across various sectors compounded by limited adaptation and mitigation measures, and technological impediments dampen firms' growth. In line with government structural transformation priorities, our firm's agenda encircles the following key policy areas:

- Firms and farms:
 - Improve the matching of workers to jobs and close skill gaps in the labour market.
 - Promoting exports and value addition through raising productivity of firms and farms.
 - Climate change and firms and farms productivity, new technologies and ways climate change will affect comparative advantage.
 - Productivity constraints and identify possible policy levers to help firms and farms overcome such constraints.

- Informalities and firm growth.
- The mechanisms and impact of the flow of catalytic capital from capital providers to agricultural SMEs to improve livelihoods and environmental performance.
- Trade and industrial policy:
 - Illustrate the advantage of economic openness in the face of contemporary protectionist pressures.
 - Examine new sources of exports, including services and revitalizing the tourism sector post pandemic.
 - Explore pivotal contribution of services to various sectors such as manufacturing and trade.
 - Identifying factors preventing firms from taking advantage of regional trading opportunities in the EAC and AfCFTA.
 - Policy response to the changing environmental regulations of trading partners.

II. State effectiveness

Uganda urgently needs to ramp up domestic revenues to finance sustainable growth and development. More importantly, the country needs to address inefficiencies in public investment to ensure that resources are put to the best use possible. Given these gaps, our research agenda in this space include:

- Domestic revenue mobilization
 - Increase tax revenues through efficient tax administration and compliance
 - Role of technology in tax administration and compliance
 - Enhancing formalization to increase the tax base
- Public spending
 - Addressing inefficiencies in public investment
 - Role of PPPs in addressing the infrastructure gap in Uganda
 - Estimation of operations and management (O&M) needs of public investment

III. Cities

Urbanization in Uganda has been marked by rapid growth and transformation over recent decades. Kampala, as the capital city, serves as the primary hub of economic activity, administrative functions, and cultural diversity, generating nearly 60% of the country's GDP. Its population has surged, driven by rural-urban migration and natural population growth, leading to significant urban sprawl and the emergence of informal settlements. The city, like other secondary centres, faces numerous challenges, including inadequate infrastructure, housing shortages, traffic congestion, and environmental degradation. Despite these issues, Kampala plays a pivotal role as focal point for commerce, education, and healthcare, attracting investments and offering employment opportunities that contribute to its dynamic urban landscape. Aligning with the government's broader policy priorities, the research agenda focuses on:

- Urban accessibility and mobility
 - Spatial distribution of transportation infrastructure and accessibility.
 - Integration of informal transport modes (bodas, informal minibuses) into the formal urban transport network in Kampala.
 - Impact of land use zoning policies on travel patterns.
- Waste management and pollution
 - Informal waste disposal practices (open burning, illegal dumping).
 - Community engagement and behavior change interventions for promoting sustainable waste management.
- Urban planning
 - Informal settlements and urban growth.
 - Spatial planning and land use management.

IV. Energy and environment

Uganda is highly vulnerable to the impacts of climate change due to its dependence on rain-fed agriculture, limited adaptive capacity, and inadequate infrastructure. Understanding its impacts across multiple economic sectors is essential for developing effective adaptation and mitigation strategies that promote sustainable and green growth within the country. Efforts to transition towards cleaner energy sources and improve energy efficiency are pivotal for reducing environmental degradation and enhancing energy security. Our research priorities in this portfolio are:

- Natural resource management to accelerate green growth
 - Scaling up community-based initiatives for sustainable resource use.
 - Trade-off between mining activities and agricultural productivity.
 - Role of private sector partnerships in advancing sustainable natural resource management.
- Green energy
 - Renewable energy integration.
 - Community initiatives and grassroots sustainability.
 - Policy frameworks and incentives to attract private sector investments in green energy.
 - Changing cooking technologies to replace wood fuel and charcoal for preserving forests and reducing pollution.
- Agriculture and climate resilience
 - Climate-smart agriculture.
 - Forestry and biodiversity conservation.
 - Addressing conflicts between agricultural expansion and conservation.

Zambia

Background

IGC's work in Zambia focuses mining, industrial policy, public sector capacity, renewable energy, and water management. Demand for evidence-based policy has grown significantly, expanding partnerships with the Delivery Unit, Ministry of Finance, and the Bank of Zambia, among others. IGC also aims to make a consolidated attempt to improve the use of existing government data for better policy decisions across policy areas, including by identifying gaps in data quality, undertaking research on how this gap can be narrowed, and strengthening a constituency of demand for data across the Zambian government through demonstrating use cases of where data can support policy decisions.

I. Firms, trade, and productivity

IGC aims to expand research across a variety of dimensions in infrastructure, firms, and finance. Included is the critical issue of access to finance, identified as the foremost business environment obstacle by 31% of Zambian firms. Further work can explore labour market frictions, value addition, the role of SEZs, energy access, and management practises.

- Industrial growth and expansion
 - What is the optimal allocation of resources for maximizing industrial growth?
 - How effective are current investment incentives in attracting industrial investment?
 - What barriers hinder attracting more domestic and foreign investment?
 - How can investment incentives be enhanced to better support industrial growth?
- Export trends
 - What are the current trends in Zambia's manufacturing exports?
 - What opportunities exist for diversifying Zambia's export portfolio?
- Market access
 - How can Zambia expand its markets for manufactured goods?
 - How can Zambia facilitate market access and technology adoption?

- What are the key success factors and challenges for MFEZs and industrial parks in Zambia and how can challenges facing these zones be addressed?
- Agri-SME
 - What mechanisms impact the flow of catalytic capital from capital providers to agricultural SMEs to improve livelihoods and environmental performance?

II. State effectiveness

IGC aims to broaden research on constraints to capacity, inefficiency, and productivity in Zambia's public sector. This includes focusing on: (1) mining related policies (2) decentralization (3) talent development and performance management (4) procurement management. Potential research questions are as follows:

- Mining policies
 - How effective are mining's current local content policies in maximizing local value capture?
 - How can backward and forward linkages of mining be promoted to strengthen local economic integration?
 - Which policies can amplify mining's positive impacts on local economies?
 - How can ESG frameworks be effectively implemented in Zambia's mining sector?
- Decentralization and local governance
 - What mechanisms can be employed to enhance collaboration between traditional leaders and district governments?
 - How can the implementation of the Constituency Development Fund be improved to better reflect local priorities?
 - What measures are currently in place for accountability, and how can they be enhanced to improve decentralization outcomes in Zambia?
- Talent development and performance management
 - What are the main factors that motivate and demotivate public sector workers in Zambia?
 - How can performance management systems be redesigned to better support incentives for workers and align with public service goals?
 - How does professional development and training contribute to improving performance among public sector workers, and how can these initiatives be enhanced?
- Procurement management
 - How does sub-national procurement autonomy influence the efficiency and effectiveness of service delivery?
 - What policy interventions are effective in reducing leakage and corruption in procurement processes?

III. Cities

Specific to urban areas, IGC aims to improve understanding of urban institutions and build environment in shaping firm growth, especially for women and new entrants to the market. More broadly, IGC Zambia is also interested in scaling up research which aims to transform cities from sites of overcrowding and congestion into engines of national growth and prosperity.

- How does infrastructure development impact industrialization in Zambia?
- What are the trade-offs between investing in industrial zones and road networks?
- How do MFEZs and industrial parks contribute to industrial and economic development?

IV. Energy and environment

Expanding electricity generation and access is a critical input to delivering sustainable economic growth. Currently, Zambia's electricity access is facing several challenges, including reliability, quality, and supply capacity. This is compounded by high cost for on-grid expansion due to low population density, heavy dependence on hydropower, and concerns on the sector's financial sustainability. Mining is a key area in which we wish to encourage more research as well as a 'green

industrialisation' strategy that extends beyond mining.

- Energy
 - What is the potential for expanding solar, wind, and hydropower in Zambia?
 - What are the technical and economic barriers to renewable energy development?
 - How do current energy pricing policies and subsidies impact energy affordability?
 - How do energy pricing policies affect investment decisions in the sector?
 - What are the key opportunities to enhance energy efficiency across sectors?
 - How effective are current energy efficiency programs and incentives in reducing consumption?
- Water management
 - How does climate change impact water availability and quality in Zambia?
 - What strategies ensure sustainable water management amid climate variability?
 - How can rainwater harvesting, and water-efficient technologies be promoted?
- Climate risks
 - What are Zambia's significant climate-related disaster risks? How effective are current early warning systems and disaster preparedness plans?
 - What strategies can improve resilience to floods, droughts, and other climate-related disasters?
 - What better financial products, climate resilient crops and agricultural techniques can help farmers to manage shocks?
 - What do evaluations of government programmes in the agricultural space, in collaboration with relevant ministries, tell us about their efficacy?
- Mining
 - What are the economic contributions of Artisanal and Small-Scale Mining (ASM) to Zambia's economy?
 - What are the mining sector's spillover effects on other sectors in Zambia?
 - How does mining contribute to rural development and poverty reduction?
 - What are the environmental and socio-economic impacts of mining activities in Zambia?
 - What are the opportunities for value addition in Zambia's mining sector? How can the policy framework be enhanced to support value addition?
 - What is the projected demand for copper and other minerals amid the global energy transition?

Ongoing IGC Engagement Countries

India

Background

Our focus on India is sustainable growth. How can India's economic growth be maximised while minimising the generation of environmental externalities? India, rightfully, has ambitious growth targets, with an aim to become a developed country by 2047. Despite India's recent progress towards this goal, there has been a worsening environmental crisis. India has some of the worst air in the world, affecting daily lives, the cognitive development of children, and raising mortality rates for the elderly. Scarce ground water is being rapidly depleted while sanitation issues abound. Behind these local issues lies the global challenge of climate change which is disrupting monsoon cycles, causing glacial melt and devastating flooding, and amplifying heatwaves that devastate crops and harm individuals. These environmental externalities are now so large that they are likely affecting India's own prospects for growth. Therefore, to chart a path for sustainable growth in India, we need to

consider how all aspects of the economy – from firms to cities to governments – should play a role.

The sets of questions on sustainable growth in India are vast. We list some priorities below. However, these are not exhaustive; if research proposals fit squarely in the sustainable growth bucket, we remain interested.

I. Firms, trade and productivity

For firms, we emphasise projects that look at investments that can raise firm productivity and lower externalities. This includes understanding the effects of various environmental policies on firms.

- Identify constraints to technological advancements in firms, especially with respect to green innovation.
- Measuring the cost pass-through to consumers and the supply chain impacts of domestic or international environmental regulations.
- Understanding how exposure to climate shocks varies by firm size and what adaptation strategies firms pursue.
- Compare the effectiveness of demand-side vs. innovation/production-side subsidies in promoting green sectors.
- Analyse the impact of rising average trade tariffs on industries like transportation, electronics, plastics, and textiles, focusing on environmental implications, innovation diffusion, and technology transfer
- What will be the implications of the EU's carbon border adjustment mechanism (CBAM) for Indian industries?
- What will be the economic impact of the EU Deforestation Regulation (EUDR)?
- What will be the implications of the EU's carbon border adjustment mechanism (CBAM) for Indian industries?
- Evaluate the role of large firms in protecting employees against extreme weather events, including labour absorption and upskilling.
- Temperature and other climate impacts on the informal sector.

II. State effectiveness

Because the nature of environmental externalities involves a market failure, there is a key role for the state to be involved in facilitating sustainable growth.

- How does political representation affect environmental outcomes? Does a politician's identity or background matter?
- What is the role of information in engendering support for green issues and holding politicians accountable?
- Redesigning social protection for climate change: piloting risk insurance against heat, climate migration, cash transfers, etc
- Role of non-state actors in climate adaptation, conservation, and disaster relief: e.g. Gurudwara committees against crop burning, early-warning systems, etc.
- How should public finance systems be designed to facilitate a greater flow of transfers to those affected by climate shocks?
- What institutions are needed to help attract climate finance?
- What is the role for a carbon tax or other similar instruments?
- Early warning systems and other mechanisms to limit the impact of extreme weather events

III. Cities

Cities, done right, can be havens for climate resilience. Done poorly, they can amplify vulnerabilities for those in poverty.

- Public services offered in urban areas mediating the effect of climate shocks, e.g. does better housing mediate the effect of heat on labour supply?
- Seasonal and permanent climate migrants

- Balancing supply and skills mismatch of seasonal labour with industry demand for more permanent labour
- Potential to match based on time horizon of migrants' vs time horizon of industry, rather than matching on skills as everyone is effectively unskilled.
- Transportation policies to reduce externalities
 - EV infrastructure, subsidies for procurement of hybrid/EV buses, etc.
 - Expansions in road quality and infrastructure, especially outcomes associated with green infrastructure
 - Public transportation interventions
- Disaster preparedness (e.g. flooding) of cities
- Housing interventions that help shield those in poverty from extreme heat. More broadly, interventions that assist in urban cooling.

IV. Energy and environment

This theme emphasises how India can source the energy to power its growth and how it can best preserve its threatened natural assets.

- Food-energy-water nexus (i.e. agriculture, power, groundwater depletion)
- Design and evaluation of policy instruments and regulation for reducing environmental externalities, e.g. creating pollution markets or incentives for reducing crop burning
- Measuring the impacts of damaging ecosystems and biodiversity and how to value and protect this element of natural endowments
- Policies to support the integration of renewable electricity and storage onto the grid.
- The role of energy markets in the diffusion of renewables, including evaluations of contract designs for power purchase agreements (PPAs).
- Interventions aimed at enhancing the fiscal health of the power sector, such as those that seek to reduce electricity theft
- Payments for Ecosystem Services (PES) and other incentives to reduce crop burning and deforestation.

Tanzania

Background

Tanzania's real GDP growth was 5.2% in 2023 with low and stable inflation. Although Tanzania's economy has remained resilient despite being buffeted by multiple shocks, growth has not been inclusive enough. According to the World Bank, the impact of economic growth on poverty reduction is near zero. Tanzania is particularly susceptible to climate shocks, making resilience to climate change crucial.

I. Tax for growth

Through conversations with Tanzanian policymakers, and based on workstreams currently underway, the following topics and questions might be most relevant to the Tanzanian context:

- Tax Enforcement, Compliance, and Morale
 - Have taxpayer registration drives been successful in broadening the tax base and improving Tanzania's tax-to-GDP ratio?
 - Does digitisation and e-filing have any effect on voluntary compliance by individuals and firms?
- Service-led Development
 - How can tax policies be structured to promote growth in Tanzania's service industry?
 - What tax policy reforms are necessary to attract investment and enhance productivity in the service industry in Tanzania?
- Creating Jobs

- What tax policies are most effective in encouraging businesses to create sustainable employment opportunities in Tanzania?
- What impact do tax policies for foreign direct investment and industrial sectors have on job creation in Tanzania?
- Informality
 - How can tax policy reforms incentivize the formalization of informal businesses without compromising their viability?
 - What role does simplifying tax regulations play in reducing informality and promoting formal employment?
- Digital Taxes
 - How might digital taxes affect the growth and innovation of Tanzania's digital economy?
- Elasticity of Mobile Money Use to Introduction of a Mobile Money Levy
 - How does the introduction of a mobile money levy affect the demand for mobile money services in Tanzania?

Yemen

Background

Since the Houthis captured Sanaa, the Internationally Recognized Government (IRG) of Yemen has had to relocate its whole administration to Aden. SFi has been working in partnership with the Executive Bureau (EB) for the Acceleration of Aid Absorption on expanding the capacity in both the electricity sector and the agriculture and fisheries sector. Previous work on the electricity sector has provided an overview of the challenges facing the sector, explored models for private sector engagement, and more recently delved into the detailed models for electricity provision in the Governorate of Taiz. Previous work on the agriculture and fisheries sector has reviewed the institutional capacity of the Ministry of Agriculture, Irrigation, and Fisheries and proposed potential avenues for reform.

I. State Fragility

The following are examples of the research questions that would address the most pressing concerns:

- How can public-private partnerships be used effectively to increase private sector investment in the fisheries sector, with a practical application to the aquaculture sector?
- How can an effective implementation strategy be developed for electricity provision in the Governorate of Taiz, taking into consideration political economy dynamics and brokering challenges?
- What are the critical factors, including practicalities, potential blockages, and blind spots that must be identified and navigated through the implementation process?