IGC Research Priorities

The IGC funds its research through both the Research and the Country Programmes. This is a comprehensive call for proposals which encompasses both programmes. The Research Programme is primarily focused on the production of cutting-edge and policy-relevant academic research that goes towards informing effective policymaking in developing countries. The Country Programme is focused on tailoring top-quality research with the specific policy needs of the IGC's partner countries. While funding decisions will be made centrally, projects can be funded by either the Country or the Research Programme. The IGC runs this call on a six-monthly basis.

The IGC Research Programme focuses on four main themes which are essential to economic growth: (i) State Effectiveness, (ii) Firm Capabilities, (iii) Cities, and (iv) Energy. These themes encompass many different related topics and the IGC would encourage you to review the IGC Evidence Papers for any theme(s) that your potential research project falls under to see where the IGC's specific research interest lie.

Each of the IGC's 15 country programmes also has their unique research and policy agendas informed by the specific demands from government within the country. As a result, each country programme has specific priorities for this call as well. These typically fall within the four thematic areas of the IGC. As a result, the IGC would also urge you to review the country specific priorities of each of the countries that you are intending to conduct your proposed research (where applicable) when formulating your proposals.

1 IGC Research Programme: General Thematic Priorities

1.1 State Effectiveness

The IGC continues to welcome proposals on all aspects of the State Effectiveness Programme. Broadly, these include:

i. Public Finance
ii. Public Sector Organisation
iii. Political Accountability
iv. Aggregation of Social Preferences
v. Conflict

1.2 Firm Capabilities

While the IGC continues to welcome proposals on all aspects of the Firm Capabilities Programme, the IGC is particularly interested in proposals on the following topics:

i. Measurement of Firm Productivity
ii. Causes of productivity differences across firms and countries
iii. Barriers to efficient resource allocation in developing countries
iv. Impact of trade on firm productivity and barriers to exporting
v. Determinants of growth of SMEs

1.3 Cities

The IGC continues to welcome all proposals for studies on Cities in the developing world. Proposals on all relevant topics are still in high demand, but the IGC is especially interested in the following topics:

i. How can developing cities promote the clustering of economic activities to become drivers of economic growth?

ii. How can developing cities establish affordable and effective housing markets?

iii. What are the barriers to the necessary infrastructure investments necessary to make these cities work?

1.4 Energy

The IGC Energy Programme continues to focus on rural electrification, improving the quality of service, energy efficiency, and pollution and climate change. All four of these areas remain key topics of interest, but the IGC would be especially interested in proposals on the following topics:

i. How can energy efficient investments be encouraged in developing countries?

ii. What are the current sources and effects of increased pollution levels in developing counties and how can these be reduced and/or prevented?

iii. What are the potential effects of future climate change and how prepared are developing country populations to deal with them? (With an emphasis on specific countries/population groups)

2 IGC Country Programme: Country-Specific Priorities

2.1 Bangladesh:

The main focus areas for Bangladesh are:

- Sustainable urbanization:

i. Innovative ideas to address congestion and pollution in Dhaka and growing secondary cities

ii. Strategies to attract private sector investment (e.g. Public Private Partnerships, FDI, debt financing, etc.) in new transport modes and clustering of settlements to maximize agglomeration effects

iii. Management of urban waste (58% of urban waste generated is currently uncollected) (iv) Improving the economic livelihoods for the urban ultra-poor: Rapid urbanization and rural urban migration has increased urban poverty and, arguably, inequality

- Energy and power:

i. Optimal power pricing, demand management and creating a market in which power can be traded diurnally and across regions within the country, to improve load management

ii. Stronger management practices; introducing competition in power transmission and distribution

2.2 Ethiopia:

The main focus areas for Ethiopia are:

i. Industrial Development

ii. Agricultural Development

iii. Cities

iv. Domestic Savings and Policies

*Please see the appended IGC Ethiopia Call for Proposals Document for further details on each focus area.

2.3 Ghana:

The main focus areas for Ghana are:

- Macroeconomic Stability

i. Understanding and overcoming the constraints to tax revenue mobilisation in Ghana

ii. Measuring in informality and the tax gap in Ghana

iii. Understanding the causes and impacts of exchange rate volatility in Ghana

iv. Debt sustainability and growth in Ghana

v. Understanding the determinants of expenditure growth

- Human Capital (Education, Labour and Health)

i. Understanding the constraints to school performance and educational outcomes (teacher absenteeism, infrastructure, etc)

ii. Understanding unemployment and job market behaviour in Ghana

iii. Inclusive growth diagnostics studies focusing on opportunities for growth that leads to employment creation

iv. The dynamics of poverty and the distribution of income and expenditure

- Governance, Accountability and the Political Economy

i. Measuring the efficiency of public sector investments in Ghana

ii. Culture and corruption

iii. Evaluating public sector management practice

iv. Fiscal decentralisation – the distribution of public goods via district assemblies and local elections

- Natural Resource Management and the Environment- Agriculture

i. Transforming small scale mining and tackling the issue of illegal mining in Ghana.

ii. Understanding the constraints to large scale agriculture and agri-business in Ghana

iii. The agricultural research system and the development of new technologies for agriculture in Ghana

- Private Sector Development

i. Understanding the informality trap and the potential for the missing middle

ii. Impact of government support programmes to boost private sector performance (tax incentive, trade barriers, finance programmes, etc)

- Building effective cities for sustainable growth

i. Urban infrastructure (water and sanitation, transportation),

ii. Property rights and housing development

iii. Urban unemployment, the informal sector and structural transformation

iv. Crime and economic activity

2.4 Mozambique:

The main focus areas for Mozambique are:

- Enabling the Productive Sector:

i. Firm competitiveness

ii. Developing and strengthening supply chains

iii. Financial Inclusion

- Managing Resource Revenue

i. Institutional arrangements

- Providing Public Services

i. Access to services

ii. Education, vocational training and job preparedness

2.5 Uganda:

The main focus areas for Uganda are:

- Employment:

i. Mismatches between job creation and the size of the labour force (especially with regards to young workers)

- Cities:

i. Projects on the Land Sector and dealing with the availability of land, both in rural and urban areas

- Energy:

i. Regional and domestic energy infrastructure investments

- Firms:

i. The integration of service sectors in the East African Community, especially as it pertains to Uganda and the landlocked countries of the EAC

ii. Are there policies to promote manufacturing and the intra-regional trade of manufacturers that Uganda could adopt and advance in the EAC?

iii. How to raise productivity and innovation in the agricultural sector in Uganda

- Cities:

i. Creating a sufficient supply of affordable housing

- State capabilities:

i. East African Monetary Union's requirements for the convergence in the tax policies of members. Of particular interest are the effects of competing tax regimes on intra-regional investment

2.6 South Sudan:

The main focus areas for South Sudan are:

i. Responding to crisis

ii. Managing the natural resource endowment for growth

iii. Borrowing strategies and increasing taxation efforts/compliance

iv. Vocational training and human capital: Skilling/re-skilling the labour force/ex-combatants

2.7 Rwanda:

The main focus areas for Rwanda are:

- Urbanization:

i. What level of affordability for housing in Rwanda is consistent with available savings? How can financing schemes for these houses be designed for low-income individuals?

ii. Studies on the interrelationship between anticipated urban planning for transport and housing, land use plans, building regulations, and affordability that will shape labour and housing markets over the next decade

iii. The Government has removed large tracts of urban slum dwellings and provided alternative locations on the periphery of selected urban zones, together with some investment in related infrastructure. What have been the economic consequences of this programme?

- State capabilities:

i. How can civil servants be enabled and incentivised to improve education quality in Rwanda? And how can this progress be effectively tracked?

ii. How can the tax administration be designed to encourage small and medium-scale enterprises to formalize and broaden the tax base?

- Trade and transaction costs:

i. How do barriers to trade within the EAC cause market inefficiencies and how can the costs of this trade be reduced?

ii. How can GPS Trucking data be used to determine what is driving the costs of transport and trade for land-locked Rwanda?

- Financial Sector:

i. The BNR has under consideration a number of policies that may further the expansion of financial access. What are the merits of these potential interventions in the banking sector and what are the implications of changes in formal savings and related behaviours on the money multiplier and monetary transmission more broadly?

ii. Financial inclusion and mobile money

iii. What are the policy steps that the government needs to take to make Rwanda a financial hub in the region?

2.8 Tanzania

The main focus areas for Tanzania are:

- **State Effectiveness:**

i. Improving revenue mobilisation; aid effectiveness; public service delivery

ii. Infrastructure investment and operation (roads, power and ports)

iii. Governance and accountability

iv. Macroeconomic policy issues

- **Firm capabilities:**

i. Agriculture: determinants of farm productivity, barriers to moving to commercial agriculture

ii. Industrial development in Tanzania: Firm-level analysis of the industrial sector (e.g. studies on employment, investment, productivity, agglomeration, etc.); special economic zones; industrial policy and government-business coordination

iii. SME sector: Issues in financing, productivity, employment, skills and training

iv. Local content: Value-chain analysis of various industrial sectors and their potential contributions to the supply chains of multinational gas companies

v. Trade and regional integration

- **Cities:**

i. Urbanisation and employment generation

ii. Infrastructure and economic geography: Impact on labour demand and supply; firm location

iii. Service delivery

- **Energy mix and pricing:**

i. How to price energy today given the prospects of falling future marginal costs with development of onshore gas fields and large-bore pipeline

- **Economic management of natural gas**

i. Global and national prospects and risks; comparative studies

ii. Macroeconomic management, contracting and tax policies

iii. Growth strategies and local content

iv. Political economy and governance.

2.9 Myanmar:

The main focus areas for Myanmar are:

i. Tax reform of tax structure and incentives: Both economic distortions and compliance incentives

ii. Natural resource management and revenue mobilisation (addressing issues of deforestation, minerals and energy resources management)

iii. Fiscal decentralization/local governance/accountability mechanisms

iv. Civil service reform: Recruiting better civil servants (including teachers)

v. Privatization of state owned firms: Processes to foster true changes in ownership, management practices and the regulation of service delivery

vi. Infrastructure: Improving community level infrastructure, with a focus on energy and the framework for rural development

vii. Access to credit: Private sector led strategies to increase access to finance, besides microfinance initiatives, e.g. mobile banking

viii. Agriculture: increasing productivity in the sector, addressing labour shortages and low internal migration rates

2.10 Pakistan

The main focus areas for Pakistan are:

i. Macroeconomics and the financial sector

ii. State capabilities

iii. Firm capabilities

iv. Urbanization and infrastructure development

v. Energy

2.11 India Bihar

The main focus areas for IGC Bihar are:

- **State Capabilities:**

Proposals related to the following broad sub-themes of state capabilities are invited:

i. ·Governance and Political Economy

ii. ·Economic Growth and the Environment

iii. ·Human Capital

Primary research focus for this theme is studying the role of Local Self Governance Bodies in formulation of Tax Policies and Compliance. The taxes that the Bihar Government can levy are few in number and relate only to activities that fall under the domain of the state. In such areas, choosing tax rates, improving collection and ensuring better delivery of public services etc. will all help empower the state and improve its capabilities. Involvement of Local Self Governance bodies is crucial and we encourage projects that investigate how the involvement of Municipalities, Panchayati Raj Institutions etc. build State Capabilities.

- **Cities:**

Proposals related to the following sub themes are invited

i. ·Role of tax policy in building productive cities

ii. ·Urbanisation (Infrastructure and Migration)

Primary research focus here is to study how productive urban clusters develop and what make them attractive as investment hubs. Given that Bihar does not have many cities, the burdening of existing cities has created many problems, which are hindering growth. Projects that evaluate ideal tax laws, optimal infrastructure provisions and resource allocation etc. to facilitate balanced urbanisation are encouraged.

- **Firms:**

Proposals related to Industrialization and Land Policy are invited.

Bihar remains one of India's least industrialized states, and analysis of specific industries, the constraints to their growth, and what policy can do to help facilitate their rapid development, are all very important research questions. Specifically, an analysis of the food processing industry (which is currently one of the most productive industrial clusters in the state) might be useful in drawing lessons for other industries in the state.

- **Energy:**

Proposals related to rural electrification and the role of policy in improving electricity access in rural areas are invited.

2.12 Zambia

i. The decomposition of the poverty elasticity and distributional impact of growth in Zambia.

ii. The Political Economy of Growth in Zambia

iii. The growth and distributional impacts of Zambia's public investments in infrastructure (roads, rail, water and sanitation, energy and telecommunications)

iv. Social cash transfers, wellbeing and growth implications

v. The informal sector and Zambia's economic growth.

vi. Management quality and productivity in manufacturing firms in Zambia.

vii. Water, Health and Economic Productivity.

viii. Competition in the banking sector in Zambia

Urbanisation Research Programme: specific research projects ***(interest including, but not limited to, these research questions within a Cities agenda. We are building a portfolio of Cities projects, and are interested in new researcher ideas as well that can feed into the Zambian National Urban Plan):***

ix. Upgrading Urban Slums: should resettled individuals be provided with payments over time or vouchers rather than single lump sum or a house?

x. Electronic permitting and crime: Evaluate whether the switch to electronic permitting by the National Construction Council reduced bribery and corruption.

xi. Water and electricity provision:

   a. Examine whether cross-subsidization of water rates reduces the water utility's willingness to serve lower income neighbourhoods (supply-side).
   b. Other demand-side or supply-side questions with respect to water and electricity provision.

xii. Evaluate the impact of water service interruptions within the municipal water network on local health, academic, and economic outcomes.

xiii. Innovation spread in dense marketplaces: the contagion of mobile banking among micro-entrepreneurs

xiv. Urban congestion: Explore possibilities for experimental tolls (congestion pricing) on the inner ring road of Lusaka

xv. Vocational skills training: Evaluate the impact of the National Construction Council's training programme for builders using a randomized trial.

xvi. Building local government capacity: Evaluate pilot programs to improve personnel available for local governments, including recruitment and summer programs for advanced students.

xvii. Taxation: Implement and evaluate a pilot program using a land value tax rather than current property taxation schemes.

xviii. Optimal strategies for waste removal.

xix. Urban crime and safety

2.13 Sierra Leone

IGC Sierra Leone welcomes all proposals involving original research on the economic implications of the Ebola crisis, with a particular focus on post-crisis rebuilding. This includes such topics as trust in institutions, public service delivery, private sector regeneration, the supply of basic goods, and other related issues. We are also interested in research with a sub-regional focus on planning and policies in the Ebola-hit countries.

2.14 Liberia

IGC Liberia welcomes all proposals relating to the economic implications of the Ebola crisis – whether losses in confidence, breakdowns in formal governance systems, impacts on markets or panic or other topics – that bring to bear original economic research on an aspect of the crisis. Additionally, we are working with the Government of Liberia to think about economic recovery once Ebola is under control, and we would welcome proposals under our key research areas – natural resource management, strengthening state capabilities, macroeconomic management to empower the private sector, and urbanization – to whatever extent they can be supported under the current environment.

2.15 India Central

The main priority areas for IGC Central are intended to fill existing research gaps and address related policy questions. Submissions that deal with the thematic areas and sub-topics outlined below will be given priority. However, the list in below is not exhaustive. Other proposals that fall within the IGC's four thematic research areas (state effectiveness, firm capabilities, cities, and energy), particularly those that will extend the frontier of knowledge and contribute to policymaking in India, will also be considered.

i. Firms
    a. Finance
    b. Infrastructure
    c. Human resources
    d. Governance

ii. Energy
    a. Finance
    b. Infrastructure
    c. Governance
    d. Environment

iii. Cities
    a. Finance
    b. Infrastructure
    c. Governance
    d. Environment
    e. Human resources

iv. State Capability
    a. Macroeconomic policy
    b. Finance
    c. Governance
    d. Human development
    e. Infrastructure
    f. Public sector programme management