



International
Growth Centre

International Growth Centre
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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. More information on the Research Programme can be found below and on the IGC website:

www.theigc.org/research-themes/

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. Please note that the priorities for country programmes mostly reflect broad areas of policy importance to the country, and thus often represent a starting point for a discussion between researchers, country leadership teams and policymakers in order to identify feasible researchable questions. More information on the Country Programmes can be found below and on the IGC website: www.theigc.org/countries/

Given the overlapping aims of the Research and Country Programmes, many proposals may be eligible for funding from either programme. In addition, projects based in our partner countries tend to have considerably more policy impact, since the project becomes part of the country programme and policy engagement is fully supported by the country team. Researchers seeking support from the Research Programme are therefore strongly encouraged to discuss their proposals with the relevant country team before submission.

DIRECTED BY



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IGC Research Programme: General Thematic Priorities

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

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

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?

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 countries 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)

IGC Country Programme: Country-Specific Priorities

1. Bangladesh:

The main focus areas for the Bangladesh office 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
- Firm Capabilities
 - i. Skill Development
 - ii. Scaling up of micro and small enterprises through technology, marketing and credit support

2. Ethiopia:

The main focus areas for the Ethiopia office are:

- Industrial Development
 - i. The role and management of industrial zones
 - ii. Private sector development and constraints
 - iii. Technical and Vocational Education and Training (TVET)
 - iv. Agro-processing firms: how to promote competitiveness in this sector
 - v. Informal sector: pathways through which informal firms might move to formality
- Agricultural Development
 - i. Impacts of the Universal Rural Road Access Programme (URRAP)
- Cities
 - i. Urban policy in rapidly growing urban settlements
 - ii. Urban-rural links, transport costs and structural change
 - iii. Agglomeration: are Ethiopia's cities generating the kinds of agglomeration externalities the literature suggests, or are they instead 'consumption cities'? How do agglomeration benefits vary across industry sector?

When submitting the completed Ethiopia-focused project proposal forms to igc.research@lse.ac.uk, please copy in Yared Seid (yared.seid@theigc.org), Miska Daredia (miska.daredia@theigc.org) and Michelle Jacob (michelle.jacob@theigc.org).

3. Ghana:

The main focus areas for the Ghana office are:

- Building Effective Cities for Economic Growth
- Energy
 - i. Power
 - ii. Natural resource revenue management
- State Effectiveness
 - i. Macroeconomic Stability
 - ii. Taxation (particularly in the informal sector)
- Debt Sustainability in Ghana

4. India Bihar

The India Bihar office would like to consider any interesting proposal relevant to Bihar's growth and development but priority will be given to the following:

- Urbanisation (Infrastructure and Migration)
- Industrialization
- Human Capital
- Governance and Political Economy
- Economic Growth and the Environment
- Firm capabilities (including challenges of the Informal Sector)
- Challenges of Bihar Agriculture

5. India Central

The main priority areas for the India Central office 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.

- Firms
 - i. Finance
 - ii. Infrastructure
 - iii. Human resources
 - iv. Governance
- Energy
 - i. Finance
 - ii. Infrastructure
 - iii. Governance
 - iv. Environment
- Cities
 - i. Finance

- ii. Infrastructure
- iii. Governance
- iv. Environment
- v. Human resources
- vi. Sanitation and water management
- State Capability
 - i. Macroeconomic policy
 - ii. Financial sector policy
 - iii. Governance
 - iv. Human development
 - v. Infrastructure
 - vi. Public sector programme management
 - vii. Sanitation and water management

6. Liberia

The Liberia office 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, it is 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.

7. Mozambique:

The main focus areas for the Mozambique office 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

8. Myanmar:

The main focus areas for the Myanmar office are:

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

- Natural resource management and revenue mobilisation (addressing issues of deforestation, minerals and energy resources management)
- Fiscal decentralization/local governance/accountability mechanisms
- Civil service reform: Recruiting better civil servants (including teachers)
- Privatization of state owned firms: Processes to foster true changes in ownership, management practices and the regulation of service delivery
- Infrastructure: Improving community level infrastructure, with a focus on energy and the framework for rural development
- Access to credit: Private sector led strategies to increase access to finance, besides microfinance initiatives, e.g. mobile banking
- Agriculture: increasing productivity in the sector, addressing labour shortages and low internal migration rates

9. Pakistan

The main focus areas for the Pakistan office are:

- Macroeconomics and the financial sector
- State capabilities
- Firm capabilities
- Urbanization and infrastructure development
- Energy

10. Rwanda:

The main focus areas for the Rwanda office 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?

11. Sierra Leone

The Sierra Leone office 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. It is also interested in research with a sub-regional focus on planning and policies in the Ebola-hit countries.

12. South Sudan:

The main focus areas for the South Sudan office are:

- Financing Strategies
- Debt Management
- Responding to Crisis
- Stimulating Economic Diversification

13. Tanzania

The main focus areas for the Tanzania office 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.

14. Uganda:

The Uganda office welcomes suggestions for high quality projects in any IGC Research Pillar, and especially encourages proposals for Cities and Energy.

Specific ideas include:

- Cities:

Kampala Capital City Authority (KCCA) is a revamped government authority which is eager to manage Kampala's burgeoning urbanisation as effectively as possible, and has achieved some great successes thus far. However, the city faces some large and protracted problems. KCCA is very open to research and we are enthusiastic about possible collaborations. The most important issue areas for KCCA are:

 - i. Ensuring Kampala is able to generate employment, especially in an inclusive manner. With the up-coming presence of an extractive oil sector in the country, their concern extends beyond employment creation to ensuring Kampala avoids being a consumption city similar to Luanda (of which there are already some trends).
 - ii. Improving the urban housing stock and slum-upgrading. Enhancing efficient delivery of health and education services in the urban context
 - iii. The efficient urban management and governance in the context of rapid growth
 - iv. Resolving traffic congestion and enhancing urban mobility
 - v. Financing the City: responsible for large portions of its own budget, the Authority is eager to raise funding in improved and more efficient ways from Kampala's urban context.
- Energy:
 - i. Regional and domestic energy infrastructure investments
 - ii. Productivity increases from rural electrification
 - iii. Electricity as a value chain upgrader
 - iv. Willingness to pay for improvement of on-grid electricity reliability
 - v. Does Uganda underinvest in energy efficiency measures?
 - vi. Improvements of electricity markets: how to reduce theft, improve pricing (for consumption but also connection)
- Firms:
 - i. The integration of service sectors in the East African Community, especially as it pertains to Uganda

- ii. Inclusive Growth. Unequal growth and benefit across the population remains a concern for government.
- State capabilities:
 - i. East African Monetary Union's requirements for the convergence in the tax policies of members, with special reference to tax competition for intra-regional investment.
 - ii. How to increase education and learning outcomes in Uganda
 - iii. How to raise productivity and innovation in the agricultural sector in Uganda
 - iv. Mismatches between job creation and the size of the labour force (especially with regards to young workers)

15. Zambia

The main focus areas for the Zambia office are:

- Urbanisation
 - i. Policies, programmes and innovations to tackle congestion in Lusaka and other rapidly growing cities in Zambia
 - ii. Cities, growth and urban housing policy (e.g., urban land tenure policy, slums, water & sanitation, electricity, crime and health)
 - iii. Gains from urban growth (e.g., good contagion from urban growth such as small industrial firms/clusters, performance of Multi-Facility Economic Zones).
- Industrial Development & Growth
 - i. Industrial clusters and cluster based growth (e.g. gains from industrial clusters concentration/agglomeration).
 - ii. Firm competitiveness and productivity enhancement (e.g. how to enhance regional competitiveness of Zambian-based agro-processing firms).
 - iii. Tradable sector development and competitiveness (e.g. financing for industrial development).
 - iv. Supply and value chain evaluation of local and regional industries.
- State Capabilities & Macroeconomics
 - i. Public service productivity measurement and enhancement
 - ii. Workers and firm productivity enhancement
 - iii. Domestic Resource Mobilisation
 - iv. Road and other transport infrastructure investments and impacts on growth
 - v. Social protection and inclusive growth.
 - vi. Financial sector development and competitiveness (e.g. interest rates spreads).