

# IGC call for proposals

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## Country priorities

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DIRECTED BY



FUNDED BY



## Countries

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## Background

With the intensity of COVID19 pandemic waning, economic activity in Bangladesh has been picking up pace with some early indications of converging towards pre-pandemic trend growth trajectory. Provisionally, real GDP growth is estimated to be 7.25 percent in the ongoing 2021-22 fiscal year (FY22); real GDP growth recovered to 6.9 percent in FY21 after decelerating to 3.4 percent in FY20.

Expansionary macroeconomic policy support, stimulus packages and upturn in the global economy may have contributed to the quick and stable recovery that Bangladesh has witnessed so far. However surge in global commodity prices poses risk on macroeconomic stability and growth prospects in the short run; similarly evidence informed policy support would be necessary to deepen economic resiliency and promote inclusive, equitable and sustainable economic prosperity in the medium to long term.

## Research priorities

In order to support government of Bangladesh to develop evidence informed economic policies in the post pandemic recovery period, the IGC Bangladesh country programme conducted scoping activities to appraise emerging policy needs and identify knowledge gaps that can be addressed through rigorous research. These scoping and research needs assessment are further prioritized based on in-depth review of policy documents and strategy papers as well as from the feedback received through consultations with key ministries of the Government of Bangladesh.

Additionally, the country programme has conducted 'political economy of research implementation' and explored feasibility issues like data availability and access, potential of research partnership, capacity building opportunities etc. to narrow down issues where potential for research collaboration /co-generation appears to be high. The research priorities outlined below overlap with the ongoing initiative 'Transformative Economic Policy Programme' (TEPP) which aims to support transformative economic policy to deliver inclusive, green and resilient economic recovery from COVID-19 in Bangladesh. The research priorities are well aligned with the strategic priorities of the 8th Five-Year Plan (8FYP) and are key areas where IGC aims to support research in Bangladesh.

## Support from IGC Bangladesh

Applicants are requested to contact country team for proposal development including engagement with relevant stakeholders; to enhance salience to policy and thereby impact potential; assistance and advice on access to survey data sets particularly from Bangladesh Bureau of Statistics and administrative data when applicable.

## I. Energy and environment

### Transforming Energy:

Bangladesh has made impressive strides in expanding electricity access. However, there are significant concerns about the quality of electricity and reliance on fossil fuels. There are considerable inefficiencies in the power sector and grid, including high losses, low plant efficiency, erratic supply, and blackouts, meaning that the system is often unable to meet the level of demand. Significant overcapacity in power generation, low administered price of energy is exerting fiscal pressure on the government.

Based on recent consultation with Ministry of Power, Energy and Mineral Resources and consideration of the country's recent developments in the sector, some emerging areas of research needs include: understanding the impact of grid expansion including the utility of solar home systems and other forms of distributed generation in the backdrop of universal grid coverage, use of technologies such as prepaid metering to minimize losses and demand side management. Other priority areas include incentivising the adoption of renewable energy through measures including net metering, tariff restructuring, removal of subsidies in fossil fuels, etc...

### **Decarbonising Structural Transformation:**

Structural transformation is usually accompanied by large increases in carbon emissions from industrial production. In Bangladesh, with rapid economic growth and structural change emissions will undoubtedly increase. Therefore it is important that environmental externalities from production are minimized whilst encouraging growth in less carbon-intensive sectors where possible.

To support a low carbon structural transformation of the Bangladeshi economy, more research is needed to understand the some of the following issues: what trade-offs exists between carbon emissions and job growth in Bangladesh; identification of high growth and labour intensive sectors which has low carbon intensity, how can employment in such sectors be promoted through education, training and skills development programmes; how can green financial products be developed to incentive green technology adoption; how can firms be motivated to invest in green technology; what role can SEZs play in spurring low carbon intensity industrialization.

## **II. Firms, trade, and productivity**

Strong growth in job creation was a key driver for poverty reduction in Bangladesh. There has been a slowdown, however, in job growth in recent years, and the COVID-19 pandemic has further exacerbated pre-existing concerns about stalling poverty reduction.

To set up the research agenda on inclusive and resilient job creation, the IGC has commissioned the [white paper](#) -‘Resilient jobs to support Bangladesh’s economic development and equity,’ which analyses recent trends in Bangladesh’s labour market and proposes direction for research to address knowledge gaps in the context of employment generation in Bangladesh. The board areas interest involves providing support on the following fronts through analysis and research evidence (a) accelerate the pace of job creation & upgrade job quality (b) facilitate labour market participation & employment for all Bangladeshis and (c) generate resiliency in jobs that remain vulnerable to shocks. Please refer to the white paper for detailed discussion on the research directions and issues of interest.

Based on recent consultation with the Bangladesh Investment Development Authority (BIDA)- the apex investment promotion body in the country, research on ways to improve the business climate, regulatory environment to attract and retain investment, and addressing infrastructure gaps to reduce the cost of doing business, would be particularly insightful for policy formulation to promote firm growth, trade and employment generation. BIDA has initiated a series of reforms in all the above areas and captures wealth of administrative data from its operational activities including the one stop service (OSS) platform for investors.

BIDA is keen on receiving evidence informed inputs in its policy formulation and support research collaboration. Some example of research questions include (but not an exhaustive list): evaluation of interventions like entrepreneurship training programmes, review of the OSS system and ways to improve the investor relationship with new and legacy investors; profile and firm growth trends of BIDA approved investments etc.

Through this call, IGC Bangladesh aims to support research co-generation with BIDA. We request researchers to connect with us who have interest in this area, and we will provide assistance in the form of matchmaking and outreach opportunities with BIDA so that research proposals can be developed collaboratively.

## **III. Cities**

### **Sustainable Urbanisation:**

Unplanned and rapid pace of urbanization and industrialization are affecting the potential of big and small cities of Bangladesh from transforming into high productivity growth centres. Climate change has resulted in urban push migration and poses a considerable pressure on much strained city infrastructure. The rapid rise air and water pollution in recent years is a major concern for health and wellbeing in urban areas.

Broad areas of research interest include – decongestion, addressing the impact of pollution and improvement in urban service provision and infrastructure. Example of research questions include understanding the economic / environmental costs and bottlenecks of public transportation, ways to reduce congestion in urban areas, incentivization of electric vehicle use, do pollution have an impact on firm's location and performance, can households and firms be motivated to pay for better air quality through defensive investments; ways to promote development of flood-resistant infrastructure in urban areas, urban housing and coping with climate change induced migration, ways to improve urban services by investigating willingness to pay for better waste management etc.

#### **Rural Resilience:**

In Bangladesh, the majority of the population continues to reside in rural areas. Rural economy mainly dependent on agriculture face frequent income shocks from natural disasters and climate change. Adaptation is a strong policy priority of the Government of Bangladesh, and this may range across changing agricultural practices, better protection against hazards, early-warning systems, and better social protection and insurance. Key areas of research interest include understanding climate change induced migration, ways to promote adaption locally, risk mitigation and improve coping mechanism for rural households, what role can technology play to enhance resiliency to climate change shocks etc.

### **IV. State effectiveness**

#### **Property Tax:**

Local Government Institutions (LGIs) in Bangladesh are financially constrained and dependent on resource transfer from the central government. Modernizing property tax system can provide the much-needed fiscal autonomy to LGIs and property taxes could be a significant revenue source for provision of public services that can improve the liveability and sustainability of Bangladesh's highly congested cities.

The government recognizes this in the 8th Five-Year Plan (8FYP) and wants to design a system following those found in upper-middle income countries. At an initial stage, the government has pointed out lack of political will, property valuation and tax administration as significant challenges. And key research interests include ways to bring improvements in property valuation and how it may impact revenue; insights on willingness to pay; ways to promote tax compliance; understanding areas where tax governance is weak and reforms that can improve tax administration and its efficiency etc.

# Ethiopia

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## Research priorities 2022-23

This note presents IGC Ethiopia's research priorities along thematic areas. The broad areas of research interest from policy perspective is set out in the country strategy note. The research outreach and breadth has widened over the years in each of the thematic areas. The Ethiopian economy has undergone several changes over the past few years. It underwent a period of reform during 2019 and was hit by two major shocks, COVID-19 and the conflict in the northern part of the country. Research support needs to be provided in this context, informing ongoing reform measures and understanding the impact of shocks on the economy.

### I. Firms and trade

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

- Informing the new Industrial policy
- Local content and linkages across industries
- Enhancing productivity in the Informal Sector
- Agro-processing value chains and challenges they face
- Understanding efficacy of investment promotion policies particularly for recent reforms
- Understanding the effects of innovation and technology on the economy and options to enhance impact of ICT expansion
- In general, firms and trade space will support industrial policy with particular emphasis on linkages across industries as well as resilience to shocks.

### II. Cities

Under this thematic area the IGC will maintain its strong engagement and research cluster in the urban labour market space. In collaboration with the Ministry of Labour and Skills and as part of the Jobs Policy Advisory Council we have been conducting major research projects on various pillars of identified by the Ministry. These include, large scale internship and apprenticeship programs, prospects for rural jobs, fiscal incentives for employment, informal sector employment. This is in addition to various experimental studies to understand school-to-work transition and labour productivity in industrial parks. In addition to this cluster of research urbanization and housing has been another important research strand. For the coming year our research priority will continue in this line. Particularly,

- Measuring skills mismatch in urban labour markets
- Migration, both overseas and domestic
- Efficacy of unemployment insurance
- Construction materials and resilience of other urban services for sustainable urbanization.
- Continuing research work on property taxes as a source of municipal revenue

### III. Governance and state effectiveness

This thematic area has been growing recently with renewed policymaker appetite on the micro

foundations of macroeconomic management. Since 2019 there has been close engagement with policymakers on exchange rate policy and inflation. Given major macroeconomic reforms and shocks, demand for evidence continues. In addition to this strand, civil service productivity and bureaucratic capacity have been areas of research interest. For the coming year we intend to continue supporting in these lines. Particularly,

- Analysing bureaucratic capacity to implement reforms
- Understanding macroeconomic effects and options to mitigate impact of external global shocks such as Ukraine-Russia crisis as well as conflict-related and climate-related shocks
- Informing government's programs aimed at further opening up of strategic sectors
- Understanding distributional effects of inflation in Ethiopia
- More generally informing strategy to address fragility and sustainability challenges.

#### **IV. Energy and environment**

This thematic area, similar to state effectiveness has been growing recently with newly established engagement with Ministry of Mines and a new strategy to engage in climate research. In 2021, a preliminary study on artisanal gold miners garnered policymaker attention. The findings of the project led to a larger study with surveys not financed by IGC but analytically supported. In the coming year we intend to broaden this engagement and develop new research projects related to climate financing and agricultural sustainability. Particularly,

- Support analytical work on artisanal miners in Ethiopia
- Managing expansion of electricity access including pricing.
- Agricultural resilience to climate variability building on climate information services.

# Ghana

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## Brief country context

Economic growth in Ghana recovered strongly in 2021 following the pandemic slowdown in 2020. However, the medium-term recovery is under threat from high fiscal imbalances, a huge debt burden and price instability. In addition to the issues of macroeconomic instability, there are other key structural constraints to sustainable and inclusive growth and development in Ghana. The IGC-Ghana Country Programme is keen to support research teams working in collaboration with policymakers in Ghana to answer questions around:

- **Firms** – Firm productivity; Access to markets and market efficiency; Trade and trade facilitation; Labour market issues; Formalisation of businesses
- **State** – Value for money and efficiency in government spending; Taxation and revenue mobilization; Civil Service productivity
- **Cities** – Housing; Flooding; Traffic congestion; Waste management; City governance
- **Energy** – Electricity pricing; Electricity distribution losses; Mining governance; other sustainability questions. The policy environment in Ghana is generally welcoming and policy stakeholders are open to research collaborations with IGC researchers. The IGC-Ghana team have strong relationships with several key government institutions where the IGC is known and respected as an independent producer of academic knowledge that informs policy.

## Research priorities for 2022 – 2024

### I. Firms, productivity, and trade

Research projects that focus on formalising the informal sector, including

- Improving business registrations
- Reducing operational informality
- Improving enrolments on the public pension scheme for informal sector workers

Studies aimed at supporting the growth and productivity of businesses, including

- The role of management practices
- Access to and the role of markets
- Updating and expanding the enterprise map of Ghana

Studies that focus on transforming the labour market and making it more efficient, including

- Improve job allocation and job matching
- Improve skills and the quality of human capital
- Promote formal recruitment and flexible working hours

Studies that focus on international trade and FDI, including

- The capacity for implementing the African Continental Free Trade Agreement (CFTA)
- Strategies for increasing access to international markets and global value chains
- Policies for increasing FDI and maximising spill overs from FDI
- The management of challenges that accompany the free-movement of people and goods within the ECOWAS region

### II. State effectiveness and economic governance

Studies that focus on improving value for money and making government spending more efficient, including

- Reducing leakages and wastage in public procurement
- Improving the capacity for undertaking and obtaining value for money for public projects



Studies that focus on improving taxation/revenue mobilisation, including

- Using innovative ways to broaden the tax net
- Improving tax morale and reducing tax burdens
- Studies that focus on improving public service delivery as well as Civil service productivity:
- Improving productivity in the civil service
- Bridging the gap between policy and implementation
- Making state institutions (like the Police, Parliament, etc) more effective

Studies that focus on how structural transformation of the economy can be achieved, including

- Understanding the role of technology and digitization in transforming the economy
- The provision of safety net for the poor and vulnerable

### **III. Cities and infrastructure**

Studies that contribute to addressing the peculiar challenges in cities, including

- Sanitation and waste management
- Public transport provision and traffic congestion
- Housing and informal settlements
- Flooding

Studies that deal with issues related to urban governance. These will include studies that contribute to:

- Improving management and governance of local governments (MMDAs)
- Finding innovative sources for financing urban infrastructure projects
- Improving the governance of large urban areas in the context of highly decentralised local governments
- Improving planning and spatial planning for human settlements

### **IV. Energy, environment, and sustainability**

Studies that contribute to improving both the electricity tariff structure and tariff recovery, including

- Exploring the effect and differences between residential and non-residential tariffs
- The usefulness and appropriateness of the life-line tariff
- Improving utility regulation and tariff negotiations

Studies that focus on improving reducing losses in the power sector, including

- Strategies to reduce unmetered use of electricity
- Disincentives for inefficient use
- Energy management practices

Studies aimed at increasing use of clean energy (especially for cooking) and reducing pollution:

- Increasing household adoption of LPG for cooking
- Scaling up waste-to-energy innovations

Studies that aim to improve natural resource governance and manage the environmental impacts natural resource exploitation,

- Improving mining governance and regulation
- Reducing the negative effects of Artisanal mining

This note outlines IGC Jordan's initial research priorities in thematic areas and provides a list of potential research questions. Projects that expand the evidence base or identify actionable policy recommendations in these areas are particularly encouraged. However, proposals on topics other than the ones described below will also be considered.

## I. Jobs and labour markets

- **Labour market participation, fragmentation and frictions** – Given low participation and high unemployment rates in Jordan's labour market, particularly among women and youth, what opportunities exist to support inclusive job creation in Jordan, recognising the importance of de facto as well as de jure barriers inhibiting female participation? What is the impact of labour market fragmentation on job creation on productivity? What strategies can effectively tackle labour market frictions and fragmentation to improve matching between workers and firms? Given how low service quality and high costs of the public transportation system constrains economic activity and labour market participation, especially for women, how can these services become better integrated, more reliable, and affordable? What would be the most effective professional training programmes for youth? What is the appropriate role for 'hard' and 'soft' skills in such programmes?
- **Labour market policy and regulation** – What has been the of the Jordan Compact on labour market outcomes (e.g., participation, income) for Syrian refugees and non-Syrian migrants? How have the QIZs and garment sector policy affected the employment outcomes of migrants and Jordanians? What are microeconomic and macroeconomic effects of these and other labour market restrictions, including the drivers of informality?
- **High-skill sectors and jobs** – What policies are needed to support greater and inclusive growth in high-skill finance and business service sectors (especially for Jordanians), that is currently undermined by restrictions on high-skilled foreign workers but has significant potential? What is the role for investment in public education compared to alternative strategies?

## II. Firms, trade, and investment

- **Productivity, growth and entrepreneurship**: What are the key constraints for firm productivity and growth, and how do these differ between SME's and large firms? What specific constraints are faced by female-led firms and what strategies are helpful for overcoming these constraints?
- **Spatial distribution of firms**: What is the spatial location of firms, networks, and agglomeration? What is the impact of different types of clustering: co-location versus sharing skills, credit or marketing, for example?
- **Goods and service exports** – What strategies could effectively increase exports of goods and services, in terms of both volumes and value addition, including into new markets? What efforts could support the recovery of the tourism sector following its collapse during the pandemic? How can regional trade routes be rebuilt and support Jordan's trade products in regional markets? How can Jordan maximise its ICT sector potential, particularly with regards to attracting more DFI, better integrating into international value chains, and more effectively supplying regional markets?
- **Foreign Direct Investment** – What opportunities exist to raise investment, particularly from GCC countries? How can the resilience of investment be improved, given close links to regional oil producers and efforts towards accelerating decarbonisation? Is there evidence of knowledge spillovers between foreign and local firms?
- **Development Zones and Free Zones** – What has been the impact and key externalities of development and free zones in the local economy, with a focus on innovation, skills, job creation,

urbanisation, FDI, or integration in global and regional value chains? How have zones affected manufacturing exports, both in terms of quality and quantity? What strategies could be deployed to better leverage zone's economic potential?

- **Trade policy** – What has been the impact of the preferential trade agreements (QIZs and the garment sector; the Jordan Compact) on production and exports?

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

- **Energy access** – Although Jordan's energy consumption has increased over the last decade, it has declined since 2015 on a per capita basis, likely driven by high costs and declining household income. What has been the impact of increasing off-grid generation on the grid and how can tariffs help manage the increasing VRE generation, including time of use tariffs? What opportunities exist to increase access to reliable energy to support growth and employment? What co-investments can promote economic activity? Should fast growing areas be prioritised to maximise benefits in terms of jobs and economic activity? What is the economic impact of increased access?
- **Energy costs** – High electricity costs and long-term high tariff arrangements are making Jordan's economy uncompetitive and limiting its shift to renewable energy technologies. What opportunities exist to reduce energy costs? What is the impact of tariffs on firms' productivity?
- **Sustainability** – How can government support a shift to sustainable sources of energy (including through exports of renewable energy)? What fuel pricing policies should be adopted? What are the impacts of water scarcity? What policies are needed to support the development of sustainable solutions to source, manage, distribute water, especially for productive uses? What is the role for water tariff reform, in light of losses and the interaction with electricity costs?

### IV. Productive and sustainable urbanisation

- **Productive capabilities** – There is a large gap in productive capabilities between Amman and other cities. How can we enable better matching between local productive capabilities and needs of global companies to support broader investment in Jordan? Could changes to land ownership help drive increasing productivity, especially in agriculture?
- **Public transport** – What is the impact of Amman Bus Rapid Transit and the (under-construction) Zarqa-Amman BRT? What is the economic activity loss due congestion in Amman? What are the gendered mobility differences in access to public transport? What are the mobility patterns of commuters within and between major cities? How can increased investment in public transport best be financed? What are the challenges to electrifying public transport, and links to variable renewable energy?
- **Urban service delivery** – What is the variation between neighbourhoods in major cities, and between cities, on access to urban service delivery?
- **Land and property tax** – What are the key constraints to urban land and property taxation? What is the revenue potential and incidence of urban land and property taxation in Amman?
- **Free Zones and cities** – How can Zarqa maximize its economic potential? What is the evidence of knowledge transfers in Zarqa?
- **Firm clusters and spillovers** – What are the local constraints to firms' growth and productivity? Where and how do firms cluster in Amman? Is there evidence of knowledge spill over between foreign and local firms, such as within the ICT clusters in Amman, Aqaba, and Irbid?
- **Air pollution** – What are the principal causes and socio-economic impacts of air pollution in Amman?

## V. Public sector reform

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

# Liberia & Sierra Leone

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## I. Governance

- How to identify and encourage high quality and high integrity citizens to become aspirants in the upcoming 2023 elections?
- How to support political parties in “screening” high quality candidates in the upcoming 2023 elections?
- How to increase representation of political candidates in the upcoming 2023 elections?
- How to increase participation of female citizens in the upcoming 2023 elections?
- What is the effect of wide tax reforms on political preferences and political participation?

## II. Firms

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

## III. Energy

- How to stimulate investments in larger scale infrastructures for the production of renewable energy?
- How to increase the financial viability of investments in larger scale infrastructures for the production of renewable energy?
- What is the impact of in larger scale infrastructures for the production of renewable energy on welfare/economic growth?
- How to stimulate the productive use of energy in rural firms?

## IV. Cities:

- How to increase revenue mobilization in local councils?
- How to increase voluntary compliance for property tax?

## V. Green growth:

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

## Fragility

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

# Mozambique

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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 support urbanization in the context of structural transformation; and supporting policy initiatives that enhance adaptation to climate change and manage the aftermath of economically disruptive climate events

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

Second, our research will focus on how redistribution strategies and information on natural resource management shapes conflict, looking at the specific case of the emergence of Islamic extremism in northern Mozambique. Special attention will be given to the role of the media, youth sensitization, and economic opportunities such as the promotion of employment policies, including work on evaluating specific vocational training actions for young people in the Northern provinces of Mozambique.

Third, we seek to better understand what policy interventions can help Mozambique cope with the challenges imposed by rapid urbanization and vulnerability to climate shocks, pressure on public services and employment. Special attention will be given to community environmental education and capacity building of local leaders in terms of land use planning and the orderly occupation of the territory so as to avoid, among others, informal settlements in flood risk areas. It will also be important to evaluate different socio-economic integration programs for rural migrants and displaced people from the different conflict zones to maximise productive externalities. Finally, we intend to examine how municipal governance can provide essential services through increasing tax enforcement and improving tax policy, including the possibility of creating property taxation schemes.

Fourth, we intend to work in research related to adaptation to climate change and managing the aftermath of economically disruptive climate events. 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.

## I. Firms, trade, and productivity

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

- Firm capabilities: entrepreneurship, management practices, training programmes; Technology adoption, innovation, and quality upgrading; Access to finance, material inputs, and other inputs.
- Markets: value chains, Firm-to-firm relationships, intermediaries, Access to markets; Market power and competition policy.
- International trade: Export promotion, Trade policy.
- Some research questions under firms, trade, and productivity for Mozambique:
- What types of entrepreneurship training programmes are cost-efficient? Can these programmes be scaled?
- What barriers prevent firms from adopting technology? Which policy measures are most effective in reducing these barriers?

- How can firms and farmers adapt to climate change? How to reduce farmers' climate change vulnerability through improvements in agricultural insurance schemes?

## II. State effectiveness

The main themes of research under state effectiveness are:

- Fragility and economic development: Escaping extreme fragility; Inclusive institutions (political selection and state accountability); 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.
- Some research questions under state effectiveness for Mozambique:
- What conflict prevention measures are more effective in Mozambique's most fragile areas such as Cabo Delgado province?
- What is the economic impact of refugees on host communities? What policies facilitate their economic integration?
- What measures are most effective for improving tax compliance by individuals and firms? Under what conditions are tax incentives efficient?

## III. Cities

The main themes of research under cities are:

- Integrate Migrants in the city: Integrate rural migrants and internally displaced individuals from the different conflict zones in the country.
- Housing and Urban public services: Low-cost housing, urban design, climate change resilience and property rights,
- Municipal Finance: Tax policy and compliance; Property taxation schemes to increase municipal revenue
- Urban land: Land ownership and Urban planning
- Some research questions under cities for Mozambique are:
- How can rural migrants and displaced individuals can best be integrated into cities?
- What is the effect of land use regulations?
- How can municipalities and local governments raise resources, enhance tax enforcement and compliance?

## IV. Energy and environment

The main themes of research under energy and environment are:

- Global externalities from climate change
- Policy initiatives to improve resilience in the face of climate changes and climate-related natural calamities
- Some research questions under Energy and Environment for Mozambique are:
- What is the impact of information on the resilience of households to disaster shocks?
- What are the risks imposed by climate change on hydro generation in river basins (with a focus on the Zambezi River)?

# Pakistan

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## I. State Effectiveness:

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

Priority areas include:

- Informing and enhancing pro-growth and productivity-increasing reforms
- Strengthening federal, provincial, and local governments' capacity to raise revenue efficiently, especially in urban areas
- Building state capacity of provincial and local governments to deliver effective social and municipal services, including in urban areas
- Strengthening accountability and responsiveness of social and municipal service providers to low-income groups and women
- Focusing on electoral reforms, improving voter turnouts, studying voter behaviours particularly in light of upcoming general elections and increasing politicians' accountability/responsiveness to constituents
- Focusing on power sector reforms and sustainability

## II. Firms, trade, and productivity:

Research ideas under this theme should be closely aligned to government priorities such as promotion of exports, agriculture, manufacturing and SMEs sectors, and use of digitisation and technology amongst others.

IGC research would like to focus on:

- Improving agricultural and livestock productivity through skills, support services, market linkages and reforms across the value chain by improving market efficiency and reducing price wedges along the marketing chain
- Evaluating mechanisms to improve management practices across firms and understanding barriers preventing adoption of technology, particularly for SMEs
- Supporting export-oriented industries, such as garments, light engineering, pharmaceuticals and agri-processing
- Supporting start-ups, digital markets and e-commerce and how to improve uptake of technology, access to financing and access to markets.
- Focus on women enterprises and using technology to improve their access to markets.

## III. Cities:

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

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



## IV. Energy and environment:

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

- Reducing power sector losses and understanding the role of behavioural- and technology-based interventions in curtailing sector losses
- Increasing share of renewable energy in the overall fuel mix and encouraging uptake of net metering
- Encouraging use of cleaner fuels in remote communities
- Developing mechanisms for regular monitoring (of air and water quality) and enforcement.
- Studying the impact of fuel prices on energy use and ways to mitigate its adverse impact on the economy and undertake demand management.
- Introducing or improving targeted energy subsidies to the poor and refining/improving existing subsidies to exporters, agriculture etc.
- Analysing land-use change and impact of forestry, investments in nature-based solutions

### Climate change as a cross cutting theme

- Food insecurity: Addressing food insecurity by promoting climate smart inputs and management practices in agriculture, mitigating impact of recurrent heatwaves and droughts and managing the rising food inflation by reducing market inefficiencies, supply bottlenecks etc.
- Water resource management: Improving water resource management by studying the role of technology in developing high efficiency irrigation systems, drought mitigation, sanitation management and policies to improve efficient use of water and ensuring provision of clean drinking water
- Air quality: Addressing worsening air pollution by focusing on disincentivizing harmful practices (industrial and vehicular emissions, crop burning etc), studying impact on health and productivity and improving quality, provision and access to data
- Vulnerability to climate change: Measuring and addressing vulnerability to climate change especially of low-income households and traditionally disadvantaged groups (such as gender, disabled and youth) and rising inequalities and its impact on health and productivity.

### Balancing growth as a cross cutting theme

- Inclusivity and gender across research in different thematic areas
- Strengthening safety nets and social protection during periods of low growth, macroeconomic adjustments and rising inflation, including studying the role of targeted subsidies.

## I. Improve revenue collections through better tax policy and administration

Our strong demand-led approach means our government counterparts are eager for and receptive to IGC insights and support. With the new Medium Term revenue strategy (MTRS)), IGC's support on programs to raise tax compliance particularly for VAT would be critical. We anticipate a research pipeline around implementing the Governments' MTRS. The center piece of our support would be a study on the government's proposed VAT rebate program. We also plan to work on SME taxation, a crucial area for the competitiveness of Rwanda's domestic enterprises. Research on municipal finance is also of interest.

### Relevant research areas

- Assess the impact on revenue mobilization of the Government's planned VAT rebate program. Research ways to further increase VAT compliance through innovative interventions designed to leverage consumer incentives.
- The Government has proposed excise reforms for several products (alcohol, motor vehicles among others). Explore how these reforms affect revenue and consumption patterns.
- Investigate how the Government's CIT reform to introduce a lower tax rate for firms could impact investment competitiveness.
- Review incentives built into the current tax system to encourage the growth of SMEs and assess the potential welfare impacts on consumers and labour and the impact on the performance of SMEs.
- Continue to research the implementation of the property tax and suggest ways to improve management by the local and central government.
- Support the government in assess its mining fiscal regime to ensure that it balances investment attractiveness with revenue mobilization.
- Municipal finance and governance
- Identify and understand alternative revenue sources for municipal authorities.
- Analyse infrastructure financing models for large commercial and residential developments as well as integrated neighbourhood financing models.
- Review and conduct analysis underpinning policy around Public Private Partnerships for urban infrastructure.

## II. Prioritize efficient public spending

IGC Rwanda would like to do more work on public expenditure analysis as well as work on the structuring and implementation of PPPs. On public service delivery, social security and education are two critical areas we plan to engage in. The Rwanda Social Security Board is an important economic actor. Through its pension fund, it actively supports the commercial banking and real estate sectors and on the social side, the medical scheme for formal workers is vital to ensuring access to healthcare but also poses a risk to the financial sustainability of the fund. Low and inefficient investment in education will constrain the growth potential of the Rwandan economy. IGC would like to be an important partner in supporting the government as it works on improving the management of these two key issues areas.

### Relevant research areas

- Review the government's public investment strategy to ensure sustainability and coherence with economic development priorities outlined under NST1 and Vision 2050.
- Analyze strategies for the effective implementation and management of PPPs, particularly in the transport, energy, and health sectors.
- The social security system, spanning pensions and health provision, requires a systemic view to define options to improve efficiency.

### III. Competition and the role of government regulation

Competition, both domestic and cross border, is vital for improving firm level productivity. However, government regulation usually aimed at supporting a subset of sectors or firms can negatively affect competition. IGC would like to explore, where possible, the implications of policies on firm level competition and elevate this discussion within government. The Rwandan Government would like to understand the impacts of VAT exemptions, exemptions under the East African Common External Tariff and tax incentives on the ability of firms to effectively compete. Our future work on AfCFTA will also look at competition dynamics. Finally, State Owned Enterprises play an important role in the Rwandan economy. Historically, they have been used to channel government investment into strategic sectors and continue to dominate as a monopoly or exist alongside a growing private sector which has implications for the competitiveness of domestic enterprises.

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

### IV. Support export growth and diversification and further deepen regional and continental integration

Research in this area will include diagnostic studies to understand the current challenges to export growth; with the pandemic and the ongoing crises in Eastern Europe, research into strategic diversification of supply chains and export markets would be crucial. Export survival is a topic that is immediately relevant and a look at the sectoral dynamics of export survival might give government some more clarity on sources of export growth. IGC would also like to highlight international best practice on improving export growth as needed with the understanding that any recommendations must be tailored to the Rwandan context. Another area for research will cover the effectiveness of current facilitative policies for export growth- trade financing initiatives and special economic zones.

Furthermore, Rwanda's participation in the African Continental Free Trade Area (AfCFTA) and DRC's recent acceptance into the East African Community opens up opportunities for Rwanda to increase and diversify its export base. We have already provided support for an analytical piece on the AfCFTA with plans for follow on research. We also see opportunities to contribute to the nexus of trade and climate change policy.

#### Relevant research areas

- A study looking at non-tariff barriers (NTBs) Rwandan traders face in accessing markets in African RECs other than the EAC.
- CGE modelling of the macroeconomic impacts of the AfCFTA- possible impacts on jobs, exports, incomes, FDI flows etc. UNECA and WBG CGE modelling presents aggregate findings. More is needed on the Rwandan context.
- Analysis of the cost adjustments stemming from the implementation of the AfCFTA. Should Rwanda invest in an adjustment program for sectors negatively affected? How might the government structure such an adjustment program?
- Legal and regulatory review of Rwandan trade, investment, and competition laws. What changes are needed to prepare Rwanda for the AfCFTA?
- Assess the impact of industrial parks and special economic zones in supporting export-oriented firms.
- Generate insights into how Rwanda can raise the value addition of traditional and non-traditional exports.

- Assess impact of non-tariff barriers (NTBs) on Rwandan export growth and suggest policies to mitigate the impact on firms.
- Analyze employment potential inherent in structural transformation to suggest ways to accelerate the process and create jobs.
- Analyse policy issues underpinning ongoing discussions on deepening EAC integration: review of the common external tariff, expansion of EAC membership, increase financial integration, and efforts to coordinate monetary and exchange rate policy in light of the stated objective of an eventual monetary union.
- Examine policy levers to promote the development of regional value chains in line with the EAC's Industrialization policy and how Rwanda can leverage RVCs for stronger industrial and export growth.
- Analyze the role of cross-border intra-industry competition, especially in differentiated products, to boost productivity growth.

## V. Improve firm and farm productivity through new policies and programs

The Firms portfolio and particularly our most immediate work to develop and evaluate pilot supplier development programs to connect anchor firms to domestic supplier programs has the potential to shape the government's policies and programs around firm linkages (ongoing study by Bassi and Bergquist). Rwanda scores low on innovation measures and for the most part, Rwanda goods at low levels of complexity. In 2013, the first publication year of the Global Innovation Index, Rwanda ranked 112 out of 142 economies. In 2019, Rwanda ranked 94 out of 129 economies but saw its GII score drop although it was the highest ranked country in the set of low-income economies. The 2019 GII ranking reveals that creative outputs, human capital and research, and knowledge and technology outputs are low ranking areas. Performance on "input" rank was far higher than for "outputs" rank (123), which might suggest a problem in resource allocation and/or efficiency. There are international lessons to draw from and in addition to our ongoing study for Rwanda that could provide insights into detailed program interventions with the potential for impact.

### Relevant research areas

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

## VI. Boost agricultural productivity

Increasing productivity of commercial agriculture remains a priority for the Government. Over the years, we have produced a series of research outputs on the coffee sector. We would like to focus on other high-value added and export-oriented sectors- Horticulture (fruits, vegetables and cut flowers) is a sector with enormous growth potential but persistent challenges around productivity, quality, and logistics. Rwanda's national airline provides cargo space for export to the EU and the UAE; however, cargo is limited and costly. Even with direct cargo access to larger markets, standards and certification hurdles mean Rwanda exporters are often time unable to fulfil orders. We hope to explore several questions in this area. How can the government streamline supply chains for horticulture products- from farms to buyers using cost effective cool and cold chain technologies? 2. Can the government provide more support for standards and quality certification? 3. Are there

regional opportunities for exporters? - the DRC is already a major market with the potential for more product diversification.

### **Relevant research areas**

- Institutions and infrastructure for agricultural market development
  - Measure the returns to investment in agriculture infrastructure in terms of profitability and assess the most suitable institutional arrangements for their sustainability
  - Analyze the impacts of prevailing market arrangements on exchange between agricultural agents.
  - Explore the viability of technology-enabled systems to integrate producers, traders, processors into agricultural value chains.
  - Understand the constraints to and impact of access to financial services (insurance, credit, equity investment) on enterprises and producers.
  - Understand the cost effectiveness of technology-mediated agricultural extension services.

## **VII. Design labour market policies to boost firm productivity**

Exploiting existing datasets on labour market dynamics to inform labour policy and implementation. Our main counterpart is the Rwanda Development Board, Chief Skills Office- this unit oversaw the drafting and launch of Rwanda's National Skills Development and Employment strategy. We hope to work on sectoral skills gaps, labour policies for foreign workers and education policy (teacher placement and training) together with the Ministry of Education. Our education work would build on previous research by former Lead Academic, Andy Zeitlin.

### **Relevant research areas**

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

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

We have a three-pronged strategy: 1) Integrating climate resilience into national growth strategies 2) Identifying sector-specific economic analysis of policies that will promote adaptation and mitigation and 3) Incorporating climate concerns into on-going projects and interactions with government. We plan to continue work on electric mobility and would be open to generating interest within government for any studies or projects on renewable energy, an area we have not managed to build out over the years. Furthermore, on energy, support for a review of energy PPPs could be helpful to the government as it thinks of ways to deliver low-cost power to firms and households.

### **Relevant research areas (from draft Rwanda Climate and Development Report (World Bank))**

- Investigate how rural drought affects urban food prices, income, jobs and rural-urban migration
- Examine the inclusiveness of adaptation measures using innovative spatial data sources.
- Identify housing built in areas at risk of landslides.
- 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 feasibility of centralized anaerobic digestion of organic waste and landfill gas utilization due to the potential early research indicates they may have to reduce GHG emissions

## Annex: Data sources that may be of interest to researchers

Title of dataset	Source
Rwanda FinScope Survey 2020, Financial Inclusion in Rwanda	National Institute of Statistics Rwanda
Comprehensive Food Security and Vulnerability Analysis	National Institute of Statistics Rwanda
Rwanda Labour Force Survey	National Institute of Statistics Rwanda
Rwanda Seasonal Agriculture Survey	National Institute of Statistics Rwanda
Agricultural Household Survey	National Institute of Statistics Rwanda
Integrated Household Living Conditions Survey 2001/2, 2005/6, 2010/11, 2013/14, 2016/17.	National Institute of Statistics Rwanda
Health Administrative Data Progress Assessment	National Institute of Statistics Rwanda
Enterprise Survey	World Bank
Micro-Enterprise Survey	World Bank
Electronic Billing Machine data from VAT receipts (confidential)	Rwanda Revenue Authority
Building footprint and height data for Kigali (2009, 2015, 2018)	International Growth Centre
Building footprint data for 5 secondary cities	International Growth Centre
Building footprint data for Musanze	World Bank
Mobile phone data	MTN
General Census of Population and Housing 2002, 2012	National Institute of Statistics Rwanda
Macroeconomic accounts	Ministry of Finance and Economic Planning; available at National Institute of Statistics Rwanda web site
Establishment Census 2010, 2011, 2017, 2019	National Institute of Statistics Rwanda
Electronic data warehouse for bank and non-bank financial transactions (confidential)	Central Bank of Rwanda
Informal cross border trade (confidential daily census)	Central Bank of Rwanda
Formal trade (transaction level customs data)	Rwandan Revenue Authority
Firm level tax and administrative data: VAT, CIT, PAYE (confidential)	Rwanda Revenue Authority
Investor registration data (confidential)	Rwanda Development Board

# Uganda

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## I. Trade and firm productivity:

- Trade and productivity. Openness to trade has been associated with productivity growth. Questions concerning the role of exports in promoting learning, technological upgrading merit further exploration - as do policies that are effective in promoting exports. Similarly, more analysis of the role of imports in promoting competition, technological adoption, and productivity growth merit further research.
- Regional integration, regional trade agreements and growth. Agreements, particularly in Africa, have yet to produce the degree of trade integration and productivity growth that have occurred in East Asia. Studying policies that can promote deeper integration and remove obstacles to regional trade, as well as the role of trade agreements in promoting further integration merit analysis.
- Formalization, quality upgrading, and access to markets. Questions of interest concern how to incentivize and facilitate the formalization of micro and small enterprises, including questions around tax compliance. There is also a need for more research on the challenges related to upgrading of inputs, outputs and production process, and how to help firms tap into new domestic and foreign markets.
- Skill gaps and labour market policies. Questions of interest concern skill gaps in the labour market, especially with regards to skill-intensive manufacturing and services sectors. Research on which labour market policies can be most successful in filling skill gaps would be useful, with a focus on both training policies as well as labour market matching policies.
- Industrial parks and urban planning. An area of interest concerns the role of urban planning in fostering firm productivity and reducing congestion in cities, with a special interest in the role of infrastructure investments such as industrial parks.

## II. Taxation

- Estimating a firm's total tax burden. There is a need to understand the total tax burden of firms once corporate income tax, excise duty, custom duty, VAT, PAYE and social security contributions are taken into account. Using these estimations, there is then a need to understand the size of this tax burden across the turnover distribution.
- Relationship between auditing and compliance. This research question will involve an experiment to test the impact of auditing on the tax compliance on firms.
- Investigating investment trends in Uganda and abroad. There is a desire among policymakers in Uganda to understand the extent to which governments across the globe have moved away from tax incentives as the main instrument of promoting investment. Policymakers also want to understand whether local investors are less likely to benefit from a statutory tax incentive compared to foreign investors and, if so, why this is the case.

## III. Public investment

- Comparing the effectiveness of public investment projects in Uganda. Using the Integrated Bank of Projects (IBP) database, identify the characteristics of public investment projects in Uganda which impact upon the likelihood of the project actually being executed and its eventual effectiveness – e.g. whether a project is donor or government funded, the sector of the project or the budget allocated?

## IV. Climate change

- The impact of carbon border adjustment mechanisms on Uganda. With carbon border adjustment mechanisms (CBAM) being considered in advanced economies, one research idea

is to simulate the impact of changes in climate trade policy in advanced economies on Ugandan exporters.

- Quantifying the long-run macroeconomic costs of climate change in Uganda. This project would ideally use macroeconomic modelling tools to quantify the macro-costs of climate change through the following channels – a drop in agricultural productivity, rising pollution levels curtailing labour productivity via deteriorations in health, a hit to exports as trading partners implement CBAM, and the additional fiscal costs associated with building climate-resilient infrastructure.
- Increase microinsurance uptake among farmers across Uganda. There is a need to understand the variation in the uptake of microinsurance – a key tool for farmers to adapt to climate change – across different regions of Uganda. An experiment will provide a tool to answer this question.
- Reducing urban pollution and congestion. Research at the intersection of environmental economics and urban economics on the impact of pollution and congestion on households and firms, and on viable paths to reduce urban pollution and congestion would be welcome.

## V. Macroeconomics

- Estimating the size of the output gap: The current challenging environment for monetary policymaking has necessitated a demand from the Bank of Uganda to estimate the size of the native output gap in Uganda.



# Zambia

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This note outlines IGC Zambia's initial research priorities in IGC's four thematic areas and provides a list of potential research questions. Projects that expand the evidence base or identify actionable policy recommendations in these areas are particularly encouraged. However, proposals on topics other than the ones described below will also be considered.

## I. Firms, trade, and productivity

- **Trade:** What is the potential for Zambia to trade as part of the ACFTA? What supply chains is Zambia best suited to tap? What are the key drivers of and constraints on internal trade?
- **Productivity, growth and entrepreneurship:** What are the key constraints for firm productivity and growth, and how do these differ between SME's and large firms? What specific constraints are faced by female-led firms and what strategies are helpful for overcoming these constraints?
- **Spatial distribution of firms:** What is the spatial location of firms, networks, and agglomeration? What is the impact of different types of clustering: co-location versus sharing skills, credit or marketing, for example?
- **Jobs and the labour market:** What are the key constraints to youth employment? What is the magnitude of search costs for skilled workers? How can the supply of skilled labour be increased - for example, is the secondary school curriculum appropriate for the skills needed in the job market? How can the school to work transition be facilitated?
- **Natural resource sector:** How do mining firms access supply chains? What is a feasible local content mining strategy? How can Zambia tap into the ESG supply chains and what would be the benefits?

## II. State effectiveness

- **Tax policy and compliance:** How can Zambia's low (12%) tax to GDP ratio be improved, taking into account considerations of efficiency and equity? What is the incidence of different tax instruments in Zambia? What measures are most effective for improving tax compliance by individuals and firms in Zambia? Are current tax incentives efficient and effective? How can public service delivery be linked with local taxation?
- **Natural resource management:** How can Zambia maximise the broad economic benefits of the planned expansion in mining? What is the most effective governance structure for natural resource revenues? How can the expansion be harnessed to build other sectors and diversify production and exports? How can Zambia build ESG supply chains? How can Zambia take advantage of the EV transition? What is the potential to formalise the ASM sector in Zambia?
- **Public sector organisation and effectiveness:** What are the key factors holding back public sector productivity? How large are the complementarities in the provision of different types of public services and infrastructure, and how can development policy be designed to leverage these synergies? How can the design of screening mechanisms for bureaucrats be improved? How can bureaucrats at the top of the hierarchy be better selected, incentivised, and monitored?
- **Resource allocation:** Are public resources effectively allocated across people and space? How can public services, for example in health, education and agricultural extension, be extended effectively into rural areas?
- **Decentralisation:** What opportunities are being created by the CDF reforms for increased public sector effectiveness and accountability? What are the key challenges of the reforms? What other complementary decentralisation reforms should be considered? Is there sufficient human capital at each level of government to execute their assigned tasks? How representative are the officials at each level of government (including representation of women and marginalized groups) and how responsive to local needs?
- **Procurement:** Building on earlier efforts to improve the legal framework, the government now seeks to reduce leakage and increase efficiency. What are the key challenges and constraints

in public procurement? Should there be more autonomy in procurement systems? If so, what type of management structures give more autonomy while maintaining oversight? How can current systems be adapted to support the decentralisation of spending through the CDF reforms?

- **Data management and integration:** Many government bodies collect and hold administrative data on related issues, but databases are not linked and do not communicate with each other. To what extent could the linking of databases allow for cross-validation, assessment of data quality monitoring of reporting behavior, guiding audit programs, enabling better integrated planning, etc., thereby also attracting more donor funding?
- **Governance and Decentralisation:** How can sub-national governance outcomes be improved? What is the role of traditional leaders in local governance, especially with district governments and the implementation of the Constituency Development Funds? How accountable is local governance to local needs?

### III. Cities

- **Health and sanitation services:** What are the social benefits of sanitation and health services and how do they vary across population groups? How can these services be better provided?
- **Municipal finance:** What revenue potential do property taxes have in major Zambian cities? What different valuation methods can be considered? What are the key constraints to tax compliance?
- **Governance:** How can municipal governance be improved? What is the role of traditional leaders? Is there significant leakage in public procurement?
- **Urban planning:** What is the urban expansion trajectory in major Zambian cities? What are the constraints to local urban planning? What is the housing shortfall in Zambian cities? What are the key determinants to housing cost?
- **Firms and entrepreneurship:** Which local constraints on firms — such as a lack of skills, access to input and output markets, burdensome regulations or limited energy access — constrain labour demand and contribute to high unemployment amongst the young and vulnerable population?

### IV. Energy and environment

- **Energy generation and sustainability:** How can the significant electricity generation requirements linked to mining sector expansion best be managed to contribute to economic development more broadly and to the aim of decarbonising the energy sector? What are the implications of the vulnerability of hydropower to climate shocks? How should outages be managed to avoid the vicious circle of unreliable supply leading to non-payment and unreliable revenue streams?
- **Energy access:** With less than a third of the population with electricity access, what is the potential for grid, under-grid and off-grid, and of other strategies like prepaid metering, in promoting access to reliable and sustainable energy and supporting growth and employment? What local co-investments can promote economic activity? Should fast growing areas be prioritised to maximise benefits in terms of jobs and economic activity? What is the economic impact of increased access?