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PROBLEM STATEMENT

Limited demand for and use of evidence by policymakers

Constraints to improving demand and use of evidence
  Are there any capacity gaps?
  Are there any coordination issues?
PROBLEM STATEMENT

Can SEDI help?

SEDI offers an opportunity to examine in detail these constraints & their underpinning assumptions; and to design, pilot & test possible approaches to reducing or overcoming them.
POLITICAL ECONOMY OF STABILIZATION & (ECONOMIC) GROWTH

Building blocks of economic development policy

- What does the constitution say?
METHODOLOGY

• Policy and evidence narratives: literature review
• Media content analysis
• Interviews with political leadership, civil service, donors, intermediaries in the economic space
• BCURE – past evidence use experiments
• Focus group meetings with FBR, Finance Division, Planning Division and Ministry of Commerce
POLITICAL ECONOMY OF STABILIZATION & (ECONOMIC) GROWTH

Who ‘decides’ policy?

- Council of Common Interests
- National Economic Council
- National Development Council

Who ‘implements’ policy?

- Economic Coordination Committee
Institutional priorities and the rules of the game

- Ministry of Finance - Public finance management
- Ministry of Planning, Development & Reform - Public sector development programme
- Federal Board of Revenue - Tax reform
- Ministry of Commerce - Trade promotion reforms
PFM — MINISTRY OF FINANCE

To streamline federal budget preparations as per best practice

To limit supplementary grants and restriction on movement of public money into scheduled banks' accounts

To fully reveal to the parliament any tax exemptions

To strengthen rules regarding supplementary budgets, reappropriation of budgets, and surrender of savings
New tariff policy – removing anti-export bias
Strengthen uptake of bilateral FTAs
TDAP - Boosting trade diplomacy
Improve efficiency of export development fund
E-commerce policy
Reform of Transit Trade
Pakistan Raises Revenue (PRR) Initiative

- Continued effort to expand active taxpayers list
- Facilitating tax payer compliance
- Strengthen customs clearance

Pakistan Regulatory Modernization Initiative

Reimagining FBR’s administration – National Tax Authority
WHAT THEY SAY ABOUT EVIDENCE-USE (OR LACK OF)?

Capacity building programmes are available

Past evidence is usually accessible

Context- and time-relevant evidence difficult to fetch
WHAT THEY SAY ABOUT EVIDENCE-USE (OR LACK OF)?

Issues:

Policy making *not necessarily* based on evidence (e.g. import substitution)

Usually internal resources and time do not allow for evidence-use in policy making (e.g. politically motivated initiatives)

Full-time capacity to collect, manage, and filter evidence is missing (e.g. outsource evidence creation and management; firefighting for evidence)
# EVIDENCE ECO-SYSTEM IN ECONOMIC POLICY SPACE

How is evidence defined?

What are building blocks of evidence?

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Data</th>
<th>Information</th>
<th>Intelligence</th>
<th>Decision support systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of finance</td>
<td>Yes</td>
<td>Yes</td>
<td>partial</td>
<td>Partial</td>
</tr>
<tr>
<td>Ministry of Planning, Development &amp; Reform</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Partial</td>
</tr>
<tr>
<td>Ministry of Commerce</td>
<td>Yes</td>
<td>Yes</td>
<td>partial</td>
<td>Partial</td>
</tr>
<tr>
<td>Federal Board of Revenue</td>
<td>Yes</td>
<td>Yes</td>
<td>partial</td>
<td>Partial</td>
</tr>
</tbody>
</table>

Some examples:
- Statistical evidence
- Stakeholder discussions
- Policy (impact) Evaluations
ORGANIZATIONAL ASSESSMENT

Ministry of Commerce

- Trade Development Authority of Pakistan
- Pakistan Institute of Trade & Development
ORGANIZATIONAL ASSESSMENT – MINISTRY OF COMMERCE

Authority
- Endorsement by senior-leadership and buy-in on evidence-use is strong

Acceptance
- The team at the ministry is open to ideas and willing to address their gaps

Ability
- Operational level leadership exists at the Ministry and both attached departments
## HOW IS GENDER AND INCLUSION EMBEDDED?

<table>
<thead>
<tr>
<th>Organization</th>
<th>Gender</th>
<th>Inclusion</th>
<th>Plans to address gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Finance</td>
<td>Gender-responsive budgeting</td>
<td>No widely shared understanding</td>
<td>No own-initiatives to help improve this understanding and embed in functioning of groups could help policy the organisation were found in this regard. formulation</td>
</tr>
<tr>
<td>Ministry of Planning, Development &amp; Reform</td>
<td>No specific mechanisms to address gender considerations in evidence-use were found</td>
<td>Literature to package a development project for out ways to address gaps.</td>
<td>The Centre for SDGs at the Ministry is finding out ways to address gaps.</td>
</tr>
<tr>
<td>Ministry of Commerce</td>
<td>Wish to prepare a think piece on 'gender and trade' and how trade policy in Pakistan and organizational set up at ministry could be more responsive.</td>
<td>The Ministry often procures information around improving understanding around ‘women in trade’ and delivery systems for small and increase women’s participation in export-medium enterprises. The ministry has intent to improve understanding around ‘women in trade’ and increase women’s participation in export-oriented businesses.</td>
<td>The ministry has intent to improve understanding around ‘women in trade’ and increase women’s participation in export-oriented businesses.</td>
</tr>
<tr>
<td>Federal Board of Revenue</td>
<td>No recent intervention was cited</td>
<td>There is an intent to see evidence which informs about how burden of understanding or procure evidence which informs about how burden of understanding or procure evidence.</td>
<td>No specific plans to improve such understanding or procure evidence.</td>
</tr>
</tbody>
</table>
ALIGNMENT WITH OTHER PROGRAMMES

Sub-National Governance Programme -II (SNG-II)
Pakistan Economic Corridors Programme (PECP)

Revenue Mobilisation, Investment and Trade (ReMIT) Programme
Pakistan Goes Global
Pakistan Raises Revenue
CONCLUSION

All three reform areas – PFM, trade and tax carry immense importance for the future macroeconomic stability and inclusive growth in Pakistan.

The team however sees a relatively stronger ownership by the government to grow Pakistan’s exports of goods and services.

Seeking proposals to address stagnancy in exports.

The proposed effort is closely linked to government’s Pakistan Regulatory Modernization Initiative.