



COMPETITIVENESS SUPPORT FUND

Linking Finance to Innovation and Competitiveness
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NATIONAL POLICY PLATFORM FOR ECONOMIC GROWTH

2008



ACTION PLAN FOR FIRST PHASE (to June 2009)

1. INTRODUCTION

*The Government of Pakistan (GOP) is facing an unprecedented economic crisis. A means of assimilating the information that it needs to run the economy is required. There exist in Pakistan various institutions and individuals that are capable of assisting the GOP. This Action Plan (for a first phase of 8 months), based on a Concept Paper prepared by CSF (see Appendix 1), aims at bringing organizations such as LUMS, PIDE, the Institute of Public Policy and Institute of Business Administration into a **learning and networking dialogue** with GOP and the private sector in a so-called “**Triple Helix**” partnership.*

2. PURPOSE AND GOALS

a. Purposes of a National Policy Platform for Economic Growth

The **purposes** of the Platform are specifically to (a) promote a policy dialogue, networking and learning process between academia, the private sector and government, (b) encourage applied economic research and (c) facilitate economic policy and decision making in the public and private sectors at the highest level and to include women.

b. Goals

The **goals** of the Platform are (a) to engender a **dialogue** with the policy-makers in public and private sectors especially including women in this dialogue (b) to develop a **learning platform** and begin the process of fact and analysis-based economic policy formulation within participating institutions. An **overarching goal** is to provide the projects within the Empowering Pakistan Program with a high-level policy “umbrella” or network based on access to the decision makers and thought leaders.

3. PROPOSED APPROACH

The proposed approach is action-oriented. A “**National Policy Platform for Economic Growth**” (NPPEG) a kind of “**Competitiveness Council**” will pro-actively develop a policy dialogue between the relevant academic institutions in Pakistan concerned with the economy

and the private and public stakeholders. The Triple Helix-based Platform would be active in disseminating the research to all the stakeholders and to civil society (especially women's groups) via the media.

The Platform will be supported by a **Secretariat** provided by CSF which would coordinate its activities, organize meetings, develop dedicated networking software (based on social networking models available) and work with the institutions.

The Secretariat would in particular develop a “**consortium**” including relevant national institutions. The following international institutions would be invited to participate and exchange their views. They would include The Competitiveness Institute (TCI) and the World Economic Forum as well as US-based institutions.

Internationally respected experts would be invited to participate fully in the dialogue and networking process. Furthermore, a mechanism would be developed to allow the tangible output of the participating institutions (e.g., reports, papers) to reach the right people in both public and private sectors.

A particular effort will be made to include and encourage research and dialogue into policies concerning women. The Fatima Jinnah Women's University at Rawalpindi will be included in the Platform as well as other respected female-oriented institutions.

4. ACTION PLAN - TASKS AND ACTIVITIES

Task 1: Mobilization of Platform Secretariat – 10 days¹ in November 2008

The first task will be to establish the Secretariat within CSF. Activities will include establishing separate financial and management systems to deal with the extra work and to undertake the tasks and activities which are outlined below.

Task 2: Initiation of Policy Dialogue and Networking with the Institutions – 15 days in November-December 2008

¹ “Days” are calendar work days of elapsed time, not person days. Clearly when tasks overlap more than one person is involved.

Building on CSF's current dialogue with eight of the major line ministries of the GOP and with the academic institutions such as the Institute of Public Policy, this task will scope out the main policy formulation needs of the economy and establish processes for the Platform.

Activities will include meetings with all the stakeholders (including the Pakistan Business Council, Federation of Pakistan Chambers of Commerce and Industry together with potential overseas investors), a Platform "kick-off" or start-up workshop (likely to be held in early December) and preparation of the outline scope of work and organization of the Platform based on the needs of the economy and the stakeholders.

Task 3: Assessment and Selection of the Participating Institutions (PIs) – 22 days in November-December 2008

This task will include a detailed assessment of the academic institutions likely to participate in the network. While not aimed to exclude any institutions, the objective will be to select those most capable of making an immediate contribution to economic policy formulation and also benefiting for the capacity building.

Activities will include development of an agreed selection criteria and process for including the institutions, an assessment of the work programs and achievements of the institutions and interviews with leading academic staff and institution managers. There will be a workshop held to facilitate this process of selection. The outcome will be a set of institutions to be immediately included in the Platform and an understanding of what needs to be done with other institutions not immediately qualified.

Task 4: Establishment of a Network Software and Procedure – 28 days in November-December 2008

This task will lay the technical foundation for the network. It will require the mobilization of computing resources and expert IT staff.

The principal activity will be the development of the networking software and the development of a portal/website that can service the Platform.

Task 5: Building the Network and eliciting Tangible Output – 127 days from January to June 2009

This task will form the on-going core work of the Platform. It will build on the initial policy dialogue and the requirements of the stakeholders to implement an agreed program of research and policy formulation activity.

Activities will include the preparation of research studies and reports, meetings, workshops and seminars. These documents, findings, recommendations will constitute the tangible output of the network. Additional specific activities will provide support for the USAID's Economic Growth Program.

Task 6: Dissemination of Tangible Outputs – 107 days from February to June 2008⁹ ✓

In part the tangible outputs of the platform will be disseminated by the network itself and its attendant software. However, there will need to be a specific media-based dissemination task so that the output reaches a wider audience and includes all interested elements of civil society. This will require a pro-active approach to interaction with the media (similar to CSF's existing Communications Outreach program). Dissemination activities will include media events and workshops.

Task 7: Development of Institutional Plans for "Think Tanks" – 162 days from January 2008⁹ to June 2009 ✓

The participating institutions and other aspiring institutions will be assisted by recognized international experts to develop policy "think tanks"

Activities will include the provision of Technical Assistance and consultancy via the Secretariat and the training of selected individuals at both home and overseas (US) locations. The approach will be on a "Global Development Alliance (GDA) type basis with the institutions providing their share of the resources required.

Task 8: Monitoring and Evaluation – 172 days from January 2008⁹ to June 2009 ✓

M&E is seen as a fundamental management tool of the proposed Platform. This is an on-going task that will commence on Day 1 with the development of a detailed Work Plan and targeted outputs. Note that this M&E process is focused on the Platform, it is NOT intended to be a M&E function for the entire Empowering Pakistan Program.

5. TIMING

The Action Plan would commence on 1st November and in its initial phase would continue until end June 2009, a total of 8 months. At that point the outcomes of the Platform activities would be evaluated and necessary changes made. Because this initiative is based on learning, dialogue and policy-formulation it must be considered as a long-term effort. Therefore, the Action Plan described above is in the nature of an initial phase.

The following chart indicates the timing of the principle tasks as defined above.

TASK AND TIMING CHART

ID	Task Name	Start	Finish	Duration	2008		2009							
					Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
1	Task 1: Mobilization of Platform Secretariat	11/3/2008	11/14/2008	10d	■									
2	Task 2: Initiation of Policy Dialogue with GOP	11/10/2008	11/28/2008	15d	■									
3	Task 3: Assessment and Selection of the Participating Institutions	11/17/2008	12/17/2008	23d		■								
4	Task 4: Establishment of a Network Software and Procedure	11/10/2008	12/17/2008	28d		■								
5	Task 5: Building the Network and eliciting Tangible Output	1/5/2009	6/30/2009	127d				■	■	■	■	■	■	■
6	Task 6: Dissemination of Tangible Outputs	2/2/2009	6/30/2009	107d					■	■	■	■	■	■
7	Task 7: Capacity Building and associated Training	11/17/2008	6/30/2009	162d					■	■	■	■	■	■
8	Task 8: Monitoring and Evaluation	11/3/2008	6/30/2009	172d					■	■	■	■	■	■

APPENDIX 1

CONCEPT PAPER

1. INTRODUCTION

The Government of Pakistan (GOP) is facing an unprecedented economic crisis. In order to attempt to tackle this circumstance the GOP has set up or is in process of setting up various entities that will reflect on and assist it with developing the appropriate policies. In May 2008 the Prime Minister constituted an Economic Advisory Council (EAC) with eight sub-committees to provide independent advice to the Prime Minister and the Government on the formulation of economic policies and reforms agenda. The EAC is chaired by the newly appointed Advisor on Finance, Mr. Shaukat Tareen². In July 2008 the Prime Minister further constituted a Daily Economy Monitoring Committee (DEMC) under the chairmanship of Finance Minister to address the day-to-day issues of the economy. The Planning Commission has established a group aimed at developing another Macro-economic Stabilization Plan.

The Government is trying to find a way of assimilating the information that it needs to run the economy. However given the dire situation which threatens the economic growth of Pakistan a radical approach is needed.

2. RATIONALE

It is impossible for any single entity or institution to develop a capacity to be involved in the substance of the entire domain of the government. Policy research and formulation has to be undertaken in a disaggregated way by a number of institutions in academia and civil society as well as government.

There exist in Pakistan various institutions and individuals that are capable of assisting the GOP, however few academic institutions have the incentive, the organization or the qualified staff to act as effective contributors to the process of government. But without the involvement of civil society, especially knowledgeable persons, the GOP will not be able to understand the complexity of the problem facing it. It is therefore essential to bring organizations such as LUMS, PIDE, the Institute of Public Policy and Institute of Business Administration into a

² Mr. Tareen is *de facto* Minister of Finance but since he is not an MNA he is designated "Advisor"

dialogue under formal arrangements. It will also be important to clarify the GOP's own network and process of decision-making based on common knowledge.

3. PROPOSED APPROACH

The USAID in Pakistan has already proposed a “think tank” concept that could be applied to the situation described above. What is required is an effort to build a dialogue with academia, government and the private sector and to strengthen the capacity of the Pakistani institutions and think-tanks to carry out applied research and economic and policy analyses. These institutions would then be in a position to engage in the necessary dialogue with the GOP and other stakeholders especially in the private sector. It is important that women be fully included in this process to ensure that female-oriented policies are developed.

This idea has been extended in a paper kindly submitted by Professor Shahid Javed Burki entitled “National Economic Forum”; in this valuable paper, it is proposed that a platform be developed for discussion and dialogue on the reform agenda in which “fast track” research can be undertaken on key economic and social issues of immediate importance for policy formulation. Such a platform would have concomitant support from international experts, academics and institutions on a global scale.

*It is suggested that rather than function in a limited way as a “Forum” (which implies a less action-oriented approach) the Platform (perhaps named “**National Policy Platform for Economic Growth**” - NPPEG) could pro-actively build the capacity of the several relevant institutions in Pakistan concerned with the economy. The Platform would be active in disseminating the research to all the stakeholders and to civil society via the media.*

The Platform would be supported by CSF as a Secretariat which would coordinate its activities, organize meetings, develop dedicated networking software (based on social networking models available such as LinkedIn.com) and work with the institutions. The Secretariat would in particular develop links with US-based institutions along the lines of CSF's Innovative Journalism Program (IJP) with Stanford University. Such institutions could include the relevant institutions in the USA as well as the Competitiveness Institute (TCI) and the World Economic Forum. Based on the successful IJP approach selected persons would be sent to the USA for 3 to 6 months training in specific issues related to the economy of Pakistan. Similarly internationally respected local experts such as Professor Burki and others would be invited to participate fully in the capacity building process of the local institutions. Furthermore, a

mechanism would be developed to allow the tangible output of the participating institutions (e.g., reports, papers) to reach the right people in the GOP.

4. OUTCOME

If the above-described approach is adopted by the USAID Mission, it is felt that there will be a number of positive outcomes. These are:

- a. **The Platform will develop a public-private policy dialogue at the highest level of the GOP**, incorporating the proposed entities mentioned in the Introduction, including the EAC and its eight sub-committees. It is important to note that CSF is already providing secretariat services to the EAC Sub-committees on Agriculture and Food Security as well as other public-private activities,
- b. **GOP** will operate in the context of a knowledge-base that is generally agreed by economic analysts and economic decision-makers. In this case there will be a coherent and consensus-based approach to the management of the economy,
- c. **The Platform will disseminate the research** through various activities including roundtables, workshops, seminars, and the media
- d. **The USAID Mission** will be able to support its Economic Growth Program initiatives on the ground by a high-level connection with policy-makers in the public and private sectors. It is well understood that the Empowerment projects will work at the grass roots level, but a link with the top level of government will facilitate their success; a similar logic applies to the proposed Agricultural Development Project now being designed which has a high level of policy intervention.
- e. **Individual members** of the proposed Think Tank Network will receive training in the USA. It can be mentioned that one of the candidates in the forthcoming US election has noted explicitly that when foreigners come into close contact with Americans their opinions change to a favorable outlook on the USA and its policies.

Summary: A **CSF Secretariat for a National Policy Platform for Economic Growth** is proposed with the **purpose** of facilitating economic policy and decision making at the highest levels of the public and private sectors. The CSF Secretariat would coordinate a “Think Tank Network” approach to include relevant academic and private sector institutions with agencies of the GOP.

The **goal** of the Platform supported by CSF would be to develop a network and learning platform based on the Triple Helix of academia-government and the private sector.

The **approach** would be through a network of participating institutions, roundtable meetings and social networking software to be developed by CSF. Training would be undertaken in cooperation with world-class institutions based in the USA or through the services of visiting experts. The CSF Secretariat would also coordinate and channel the tangible output of the Platform to the decision-makers.

Outcomes would be positive both for the GOP with better and more coherent policies and for the USG (USAID) which would be able to (a) facilitate its own Economic Growth Projects.

Private sector agencies having current on-going activities with CSF are:

- Pakistan Business Council (PBC)
- Overseas Investors Chamber of Commerce & Industry (OICCI)
- Federation of Pakistan Chamber of Commerce & Industry (FPCCI)

CSF's flagship publication is the State of Pakistan's Competitiveness Report. The 2007 document made a major impression on policy-makers and the new report to be published June/July 2008 builds on that achievement. As a result, the idea of competitiveness is enshrined in GOP policy.

Sector-wise CSF has covered industrial/manufacturing, rural and service sectors. Noteworthy achievements have been in the area of policy relating to the duty structure for motorcycles, Special Economic Zones and quality of food exports (in particular fish). CSF has on-going work in other sectors such as gems and jewelry, marble and granite, furniture, pharmaceuticals via its matching grants window. It provides secretariat services to the Task Force on Horticulture Competitiveness and Finance and is working in the livestock sector.

It will be apparent that for each of the proposed Empowerment projects, CSF has undertaken work specifically related to them. *In summary* these are as follows:

a. Economic Policy and Think Tanks

- CSF has prepared an Action Plan for a National Policy Platform
- CSF has been actively involved with 8 line ministries in a range of policy formulations and interventions.

b. Jobs

- CSF has used job creation and workforce development as key aspects of its matching grant window. In particular this has focused on the role of women.
- CSF has an active collaboration with the HEC and NAVTEC.
- CSF's Business Incubator and Venture Capital Windows will create jobs.

c. Firms

- CSF's core activity has been the improvement of productivity in a number of key sectors.
- CSF has worked closely with the Board of Investment on an Investment Strategy for Pakistan
- The base document for this work has been the State of Pakistan's Competitiveness Report (2007 and 2008)
- CSF has undertaken the Executive Opinion Survey for the World Economic Forum
- CSF's Matching Grants Window has been directed at improving competitiveness and innovation
- CSF's Business Incubator and Venture Capital Windows are also directed at improving investment

d. Energy Policy Program

- CSF has proposed work on alternative energy in its Annual Work plan for 2008
- CSF has submitted policy issues and recommendations to the USAID Mission

e. Agricultural Design Project

- The agricultural sector has formed a primary element in CSF's sector approach to competitiveness.
- Work has covered all sectors of agriculture, food and fisheries
- CSF is currently providing key support for the ADP design team(s)

f. Trade

- CSF has prepared a detailed study of SEZs
- CSF has prepared a Summary for approval by the Prime Minister covering SEZ legislation
- CSF has worked with the FATA Secretariat and the USAID Livelihood projects on trade with Afghanistan
- CSF has cooperated closely with key GoP export and trade agencies (PHDEB, TDAP, Ministry of Commerce)
- CSF's work on the motorcycle industry has been trade oriented
- Work with the BOI also has an impact on trade issues
- CSF has worked on the National Trade Corridor Improvement Project

CSF'S FUTURE MANDATE FOR SUPPORT FOR THE EPP

USAID can take advantage of CSF's experience to assist the EPP.

CSF's key contribution to new projects under the EPP can be:

a. Policy Formulation and Implementation

CSF will implement the **Economic and Think Tank Project** via the proposed National Policy Platform for Economic Growth. It is proposed that CSF operate the Secretariat that can support the various network initiatives.

CSF will assist all the EPP projects with access to the GOP via continued policy assistance in key sectors or problem areas of the economy.

b. Business Environment (Jobs and Firms)

CSF will continue to analyze the state of Pakistan's competitiveness as a benchmark for the work of the projects. In this respect it will continue to undertake sector studies via its TA window (e.g., as proposed in its annual Work Plan 2008-09)

CSF will support the EPJ and EPF projects via its Executive Opinion Survey.

c. Food and Agriculture

The ADP is likely to have a significant policy component. This activity is referenced above under (a), however CSF will take a leading role in the forthcoming Agriculture Project relating to policy formulation and implementation at the federal and provincial level.

CSF will specifically undertake sector studies in Biotechnology (GM crops) and Edible Oils as approved in the Annual Work Plan.

d. International Aspects and Trade

CSF will have the responsibility for work related to Special Economic Zones including ROZs.

CSF will integrate the work of the BOI into the EPP projects and include the Investment Strategy as an overall umbrella for the work of the projects.

CSF will take a lead role in developing Global Development Alliance projects to (a) encourage US investment in Pakistan and (b) to promote exports.

e. Communications and media outreach

CSF has a specialist skill in this area. It will provide a general oversight of communications and media outreach for the projects including organizing training for these areas.