



Pakistan: Supporting Private Sector Development and Export Growth through Evidence-Based Policy Formulation

Project Name	Supporting Private Sector Development and Export Growth through Evidence-Based Policy Formulation				
Project Number	55351-001				
Country / Economy	Pakistan				
Project Status	Approved				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td>TA 6973-PAK: Supporting Private Sector Development and Export Growth through Evidence-Based Policy Formulation</td> <td></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 500,000.00</td> </tr> </table>	TA 6973-PAK: Supporting Private Sector Development and Export Growth through Evidence-Based Policy Formulation		Technical Assistance Special Fund	US\$ 500,000.00
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Technical Assistance Special Fund	US\$ 500,000.00				
Strategic Agendas	Inclusive economic growth Regional integration				
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Private sector development				
Sector / Subsector	Industry and trade / Industry and trade sector development				
Gender Equity and Mainstreaming	Some gender elements				
Description	<p>The proposed knowledge support technical assistance (TA) will enhance evidence-based policy formulations for private sector development and export promotion, capacity building for economic modeling, and support for the knowledge hub to accelerate sustainable economic reforms. The TA will prepare analytical studies and briefs focusing on innovative technology and new businesses for policy formulations, including e-commerce. For capacity building, the TA will provide training for applying complex and/or advanced analytical techniques such as Computable General Equilibrium models, guiding policy formulation. The TA will identify reputable academic institutions, think tanks, and research centers as a national knowledge hub for the last sub-component. The TA will connect knowledge hubs to international think tanks like Central Asia Regional Economic Cooperation Institute and Asian Development Bank Institute and support conferences and knowledge dissemination activities.</p>				
Project Rationale and Linkage to Country/Regional Strategy	<p>Policymaking is a multidimensional exercise that involves dealing with varying degrees of uncertainty and complexity. The first step towards adequately addressing the multifaceted challenges beset private sector development and export growth in Pakistan is sound policy formulation. Pakistan's public institutions often do not have the adequate capacity to formulate evidence-based policymaking. It is critical to conduct quantitative and qualitative analyses of own and other country's data to make informed decisions. By appropriately applying evidence from real-world situations, efficient and effective policy solutions accelerate growth in the private sector and boost exports. This TA will offer that evidence through various knowledge products, including analytical and diagnostic studies, research papers, and policy briefs, focusing on innovative technology and e-commerce. This TA will also provide capacity building to relevant stakeholders to formulate evidence-based policymaking. The Government of Pakistan is actively seeking assistance for an e-commerce strategy through an action plan. The knowledge products generated through this TA will help support that strategy to promote the private sector development and support export-led growth.</p> <p>Low, almost stagnant growth in exports poses a significant development challenge for Pakistan. This trend continued even during the recent period of sharp currency depreciation started in 2019. Food and textiles remain Pakistan's key exports, but they continue to suffer from declining external demand, low value-addition, poor trade facilitation, and higher competition from other countries. Pakistan lags in export competitiveness, resulting in a continual loss of market share. Therefore, evidence-based policy formulation for export sectors that aims to enhance exports' value-addition, increase diversification, and pave the way for more robust export-led growth is critical to ensuring sustainable economic growth in the country.</p> <p>Human capital quality and performance closely link with public sector organizations' ability, capacity, and performance for effective policy formulation and implementation. The role of public sector employees in offering key inputs in policy formulation and ensuring successful implementation is instrumental. This underscores the need for public officials' continuous training and capacity development to fill knowledge and/or skills gaps that may develop over time. Under the current diverse and rapidly changing environment, policymakers in the public sector must continually learn and acquire new skills, tools, and methodologies that enable them to effectively deliver solutions to complex problems. This TA will support this objective by offering training on applying complex and/or advanced analytical techniques that bolster the formation of well-informed, evidence-based policy solutions.</p> <p>Another important objective of this TA is to support knowledge creation and sharing among policymakers to introduce new and innovative technology in the space for small- and medium-sized enterprises and public-private partnerships. New technology, like e-commerce and e-business, is expected to enhance female labor participation. TA will also promote linking various academic institutions, think tanks, and research organizations. Knowledge hub, the knowledge-sharing platform across crucial players in the policymaking apparatus, will have a robust multiplier effect for sharing knowledge and best practices among policy experts and professionals in the public and private sectors. It will render problem-solving experiences reusable and enable the application of valuable knowledge and skills in similar situations. Moreover, a knowledge hub will facilitate speedier and better decision-making, diminish the loss of important knowledge, and boost innovation, creativity, and growth. Adopting a collaborative approach will expand contributions from multiple stakeholders in identifying effective and t</p>				
Impact	Trade deficit reduced and private sector development promoted				
Project Outcome					
Description of Outcome	Formulation of evidence-based economic policies for private sector development and export promotion supported				
Progress Toward Outcome					
Implementation Progress					

Description of Project Outputs Roadmap for strategic knowledge and capacity needs for evidence-based policy formulation generated
 Knowledge products for evidence-based policy formulations for private sector-led export promotion presented
 Training on capacity building for economic modeling provided
 International conferences on sustainable development, export promotion, and regional cooperation supported by the identified knowledge hubs

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location Nation-wide

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible ADB Officer Taniguchi, Kiyoshi
 Responsible ADB Department Central and West Asia Department
 Responsible ADB Division Pakistan Resident Mission
 Executing Agencies Ministry of Commerce

Timetable

Concept Clearance 03 May 2022
 Fact Finding 23 May 2022 to 31 May 2022
 MRM -
 Approval 18 Oct 2022
 Last Review Mission -
 Last PDS Update 21 Oct 2022

TA 6973-PAK

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
500,000.00	0.00	0.00	0.00	0.00	0.00	500,000.00	-	0.00

Project Page <https://www.adb.org/projects/55351-001/main>

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