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UN-DESA

Summary, next steps, timeline

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Second intensive training workshop on “Strengthening Macro-Micro Modelling Capacities to Assess Development Support Measures and Strategies in Uganda”, Kampala, 11-14 September, 2012

At to this point we have:

- continued with practical demonstrations that help explain the use of ISIM-MAMS (i.e., adding a dataset and generating alternative scenarios)
- completed more practical exercises by means of which policy and shocks simulations are generated
- introduced the microsimulation approach and its application through Stata

Next steps (8-12)

- 8. Elaboration of proposals for policy simulations and notes, and initial implementation of simulations for policy notes**
 - technical team, with support from UN-DESA
- 9. Third intensive training workshop: fine-tuning of policy simulations and notes**
 - UN-DESA, UNDP, technical team
- 10. Elaboration, review and final submission of policy notes**
 - UN-DESA, UNDP, technical team
- 11. Final seminar: presentation and discussion of policy notes, and definition of follow-up steps for maintaining modelling tools, supporting policymaking, and engaging in a policy dialogue.**
 - UN-DESA, UNDP, technical team and policymakers
- 12. Policy dialogues; presentations that provide inputs for decision making, and identification of new demands for policy simulations that are deemed useful by the Government.**
 - technical team (with support from UNDP and UN-DESA?)

Policy notes: what purpose?

- Note to communicate decision makers the main findings of one relevant simulation analysis.
- In addition to the building of capacities, the preparation of the note will serve the purpose of demonstrating the usefulness of the project's modelling tools and the pertinence of the skills just acquired.
- Expected to contribute to a more structured policy dialogue between the technical staff using the modelling tools and decision makers.
- The notes will be presented in a final event to policy-decision makers from participating and related ministries.

Policy notes: where do we start?

- Right after this workshop, elaborate one-page proposal that
 - identifies and justifies the policy issue that will be addressed (individually or in small groups)
 - identifies the simulation or set of simulations that will be generated to address the policy issue
- UN-DESA team provides feedback and supervision: telecommunication, email and next workshop
 - can the issues be adequately addressed with the modelling tools?
 - if yes, practical recommendations on how to implement the simulations and meet minimum technical standards will be provided
 - go ahead and work on the simulations!

Policy notes: how do we continue?

- New workshop to work on and fine-tune the policy simulations and guide follow-up steps
- Notes are elaborated right after the new workshop
- UN-DESA continues supporting the drafting of notes until these are ready for presentation to and discussion with decision makers.
- Dissemination of policy notes?

Policy notes: how to write them?

- Use simple language, avoid jargon, seek to allow a quick grasp of the main message by readers unfamiliar with the modelling tools and short of time.
- Construct them solidly and link them properly with any additional evidence on the topic chosen.
 - This will facilitate inputs from other areas of analysis in ministries and make the policy dialogue more fluid.
- Follow the logic of a decision-making process, which would not necessarily coincide with the logical sequence of the modelling exercise supporting the note.

Policy notes: general guidelines

- Length: up to 2.500 thousand words.
- Objective: a single policy issue should be addressed – through either a single simulation or a set of related simulations.
- Topic: effectiveness and implications of the simulated policy or shock, and the effectiveness of selected measures to neutralize or offset effects.

Policy notes: general content

1. Introduction

- a. Context
- b. Specific policy issue discussed
- c. Relevance of the issue and knowledge gap to fill
 - why is the issue important for the writers' institution?

2. Methods

- a. Identify other techniques/research that may have been used/done to discuss the selected policy issue
- b. Discuss how the economy-wide and micro-simulation modelling tools of the project add rigor to the discussion of the topic (see 1.c).

Policy notes: general content – cont.

3. Model and simulation

- a. Discuss the simulation strategy, its strengths and limitations.
 - Briefly discuss the baseline scenario (i.e., growth rate of the economy, assumptions in regard to the government budget and expenditures, and so on).
 - Refer to the years for which shocks to policy or any exogenous instrument of the model are being implemented to generate the simulation(s) and their magnitude.
- b. Discuss the microsimulations and their role in the overall modelling exercise.
- c. Discuss how the economy-wide model and the microsimulation specifically generate results.

Policy notes: general content – cont.

4. Results

- a. Present and analyse the main results, highlighting the most relevant tables and/or graphs that allow a better grasp of the contribution of the exercise to the understanding of the policy issue or simulated shocks at hand.
- b. The analysis must only touch the areas covered by the model.
 - No statements that cannot be substantiated by the simulation results.
 - State what the model can and cannot evaluate (see 3.a).

Policy notes: general content – cont.

5. Conclusions and Policy Implications

- a. Summarize the main findings of the exercise in light of the analysed results.
- b. Refer back to the introductory statements of the note to discuss some implications that results might have for a broader policy context.
- c. Identify potential venues to deepen the understanding of the policy issue
 - how would future modelling exercises contribute to improve the understanding of the issue?

Initial assessment of proposed policy issues

- We need to improve our understanding of MAMS (and its dataset) to define the policy issue that can be addressed. Let's then get more familiarized with MAMS! See some examples:
 - Student loan schemes (do we have a credit market with specific allocation mechanism in MAMS?)
 - Trade related infrastructure and border markets and transaction costs depend on data availability (do we have trade-related infrastructure and transaction costs identified in the SAM?)
 - Tourism infrastructure: do not have in the data set.
 - We can simulate demand for health services – the model does not specify how health spending is classified. Neither can we simulate changes in private health spending – it is endogenous in MAMS.

Initial assessment of proposed policy issues – cont.

- Social health insurance cannot be modelled as such: yet, one can increase transfers from households to the government (proxy of contributions) and, through the closures and rules, ensure that these transfers are channelled to health spending.
- HIV/AIDS is currently not in the model. Pilot study is under elaboration at the moment to define feasibility to include it.
- Tax efficiency + borrowing simulations can be covered: more thinking of how to account for user fees to finance spending programmes (use of commodity taxes or assume sectors are regulated so their price can be manipulated?)
- Etc.

Resources for the way forward

- **MAMS-training-materials-2012-09-13**: folder that contains:
 - Key bibliography
 - New dataset (Uga0910v2) and ISIM-MAMS exercises
 - Power point presentations
 - ISIM-MAMS
 - Microsimulation Stata code
- Web resources:
 - <http://www.un.org/en/development/desa/policy/capacity/uganda.shtml>
 - http://www.un.org/en/development/desa/policy/capacity/workshops/uganda2_workshop.shtml

Time schedule (deadlines)

| Step | Task | Date |
|----------------|---|-------------------------|
| Step 7 | Workshop 3: policy simulations and analysis, microsimulations training | 11-14 Sept. 2012 |
| Step 8 | Policy notes: <ul style="list-style-type: none">- elaboration of proposals for policy simulations and notes- initial implementation of simulations for policy notes | |
| Step 9 | Workshop 4: fine-tuning of policy simulations and notes | |
| Step 10 | Elaboration, review and final submission of policy notes <ul style="list-style-type: none">- submission of first draft- review by UN-DESA and UNDP- final submission | |

Time schedule (deadlines)

| Step | Task | Date |
|----------------|--|------|
| Step 11 | Final seminar: presentation and discussion of policy notes, follow-up steps, uses to support policymaking, policy dialogue. | |
| Step 12 | Policy dialogues; identification of new demands for policy making | |

- Questions? Comments?

THANK YOU!