



Development is a tricky business. With each success comes a new wave of challenges. Great strides have been made toward getting all children enrolled in primary school, but the next problem to tackle—getting them to actually learn—is much more complex. Many countries have introduced enlightened regulatory policies to protect health while improving environmental sustainability—but aligning incentives to achieve compliance is difficult. *Designing policies to meet the next wave of development aims will require a smart approach, but what will that entail?*

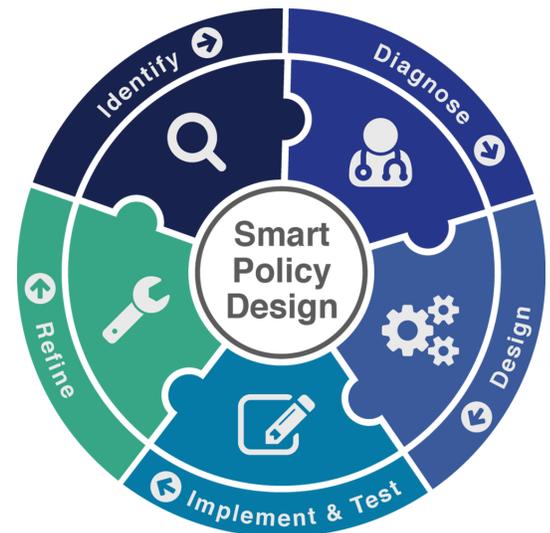
EPoD's Approach: Smart Policy Design

Evidence for Policy Design is a network of researchers and in-country partners working at Harvard and across the world to optimize public policy and improve the lives of poor. We practice—and work to promote—a *problem-driven, collaborative* approach, where policymakers and researchers come together, employing their collective expertise to design, test and refine solutions. In each of our policy-research engagements, we follow the five steps of *Smart Policy Design*:

- ◇ **Identify** pressing policy problems
- ◇ **Diagnose** underlying causes
- ◇ **Design** high-potential and feasible policy solutions
- ◇ **Implement & Test** solutions with rigorous evaluation
- ◇ **Refine** those solutions based on continuous monitoring and feedback

Each of these stages incorporates both economic theory and rigorous evidence. In all our work, we strive to make evidence accessible to policymakers—through dialogue, training, support for innovation, and interactive tools employing data visualization.

Recent innovations—like the spread of cheap mobile technology across poor populations and the advent of big data—are creating a base of real-time evidence that is unprecedented in size and scope. Possibilities for empowerment through new knowledge abound. But knowledge, even when it is relevant to policy, is not enough. At EPoD, we not only produce research, we also build mechanisms that enable policymakers to refine and implement smart policy.



Innovations and Impact

Third party audit system for industry-level pollution inspection, redesigned to eliminate conflict of interest in Gujarat, India

- ⇒ 80% decrease in falsified reports by auditors and a decrease in pollution by .21 standard deviations with new system
- ⇒ Recommendations being integrated into audit system by state regulator, also applicable in other sectors such as finance

Report cards on school quality disseminated to households in rural Pakistan

- ⇒ Increased enrollment by 4.5% and test scores by .11 standard deviations, decreased school fees by 17%
- ⇒ Spurs competition among schools to increase quality and lower cost

Mobile money salary payments for public sector employees in Afghanistan

- ⇒ Cost savings of more than 50% per employee per month for the firm and financial gains for the mobile provider.
- ⇒ Scaled immediately to pay Afghan police, teachers and some other public sector workers

Improved targeting of public welfare programs in Indonesia

- ⇒ Reduced the inclusion of ineligible richer households, and increased the inclusion of poorer beneficiaries.
- ⇒ Targeting was improved by using self-targeting, rather than automatic targeting, of benefits.

