



Poverty and Economic Policy (PEP) Research Network

Strategic Development Plan 2009-2014

December 10, 2009

1 OUR VISION

A global network of developing country researchers with the skills and reputation to participate in and influence national and international policy and research debates on poverty issues.

2 VALUES

- With adequate research conditions and promotion, *developing country researchers can make uniquely valuable contributions* to poverty alleviation in their countries.
- *Local mentoring* is encouraged by supporting teams that bring together senior and junior, male and female, researchers where all contribute substantively to the research process.
- *Ownership* of the PEP network by Southern-based individuals and institutions is encouraged in all aspects of PEP's activities.
- PEP promotes not only capacity building but also opportunities for developing country researchers with accumulated capacity to contribute meaningfully to the fight against poverty.
- Whether based in the North or the South, *international experts can provide essential support and mentoring* to developing country researchers, notably in applying state of the art research methodologies

3 HISTORY

In 2002, PEP was launched jointly by the Angelo King Institute in the Philippines and Université Laval in Canada. However, its origins date back to a program launched in 1990 by the International Development Research Centre (IDRC) to examine the micro impacts of macroeconomics and adjustment policies. Funding is now provided by IDRC, the Canadian International Development Agency (CIDA) and the Australian Agency for International Development (AusAID).

PEP has over 6000 registered members from all over the world. Since 2002, PEP has established regional offices in Africa (Dakar in 2004) and in Latin America (Lima in 2007), as well as sponsoring the PEP-GTAP South Asian Network of Economic Modeling (Dhaka in 2007). Out of over 1500 research proposals submitted to the PEP Network, 115 projects involving more than 300 researchers from throughout the developing world have been supported. Findings have been presented and discussed with policy makers, other stakeholders and other researchers in PEP-sponsored national policy conferences and in regional and international conferences. In a comprehensive external evaluation of PEP's activities completed in 2008, the evaluators concluded:

“the PEP initiative has been worthwhile in that, in a short space of time, it has achieved many goals and accomplished much of what it originally set out to do. There have been some significant outcomes already from PEP research in the policy areas of global trade agreements and national impact analysis and important initiatives have been taken in poverty monitoring and evaluation. PEP research possesses the unique merit of engaging developing countries more fully in the key official policy decisions affecting their respective economies and the well-being of local citizens. In fulfilling most of its own perceived terms of reference, PEP has done well. It has also acquitted itself in an exemplary manner in accordance with IDRC basic criteria of excellence, proper supervision, effective quality control, strong local participation and the exercise of due diligence”

4 STRUCTURE

PEP currently runs four major research programs, each led by a program director:

- **Poverty Monitoring, Measurement and Analysis (PMMA):** Assists researchers in developing and applying analytical tools to monitor, measure and analyze poverty
- **Community-Based Monitoring System (CBMS):** Helps researchers to develop and institutionalize community-based poverty monitoring systems in developing countries
- **Modeling and Policy Impact Analysis (MPIA):** Supports researchers in constructing and using micro-macro models to study the impacts of macroeconomic shocks and policies on poverty
- **Policy Impact Evaluation Research Initiative (PIERI):** Assists researchers in designing and evaluating policies and interventions to encourage human capital investments.

5 GOVERNANCE

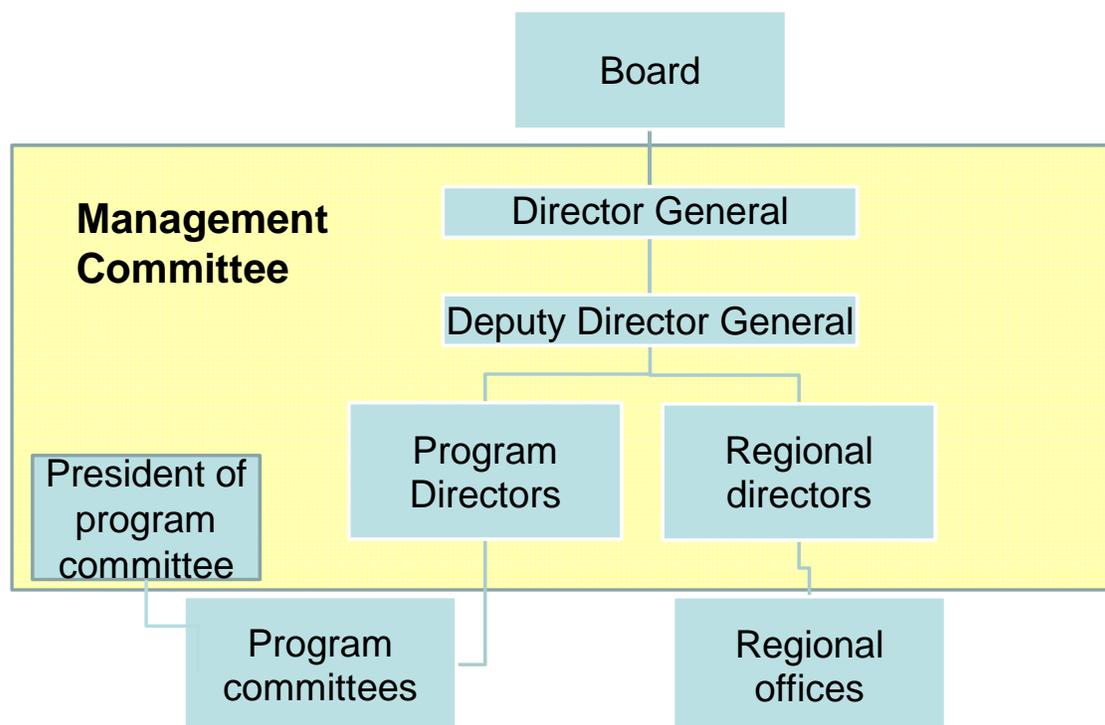
PEP's governance structure is set out in detail in its governance document¹. PEP has four offices located in Manila (Asia), Dakar (Africa), Lima (Latin America) and Quebec City (North America). Under the leadership of its regional director, each office is responsible for PEP activities in the corresponding region as well as for some PEP-wide programs and tasks:

- **Asian office:** Administration and scientific leadership of CBMS program
- **African office:** Administration of MPIA and PMMA programs
- **Latin American office:** no current PEP-wide responsibilities
- **North American office:** Administration and scientific leadership of PIERI program and scientific leadership of MPIA and PMMA programs.

PEP is governed by a **management committee** composed of the director-general, deputy director general and all regional and program directors, as well as the president of the PEP program committee. A **donor consulting group**, composed of PEP's director general and representatives of PEP's major donors, convenes at least twice per year to discuss major strategic issues. A director-general and deputy director-general will be recruited shortly. The **director-general** will bear the final responsibility for the operation and the achievements of the network, as well as for fundraising and representing PEP in international policy and academic circles. The **deputy director general** will be responsible for the daily management of PEP activities in particular for ensuring that all PEP activities have been assigned and are being implemented on schedule. In the interim, these tasks are assumed jointly by the directors of the Asian and North American offices as acting co-directors of the PEP network. **Program directors** for each PEP program are responsible for the scientific leadership of their respective programs. **Regional directors and regional offices** are responsible for developing new activities in their respective regions and providing support to existing program activities in their region. **Program committees** for each PEP program jointly form the PEP Program committee and provide scientific advice to program directors in the development and implementation of the activities of their respective programs, as well as providing recommendations to the program directors in the selection of proposals for funding and the approval of final research reports.

¹ www.pep-net.org/fileadmin/medias/pdf/governance-2009-04-01.pdf

Organigram of the PEP network



6 GOALS

Over the next five years, PEP will pursue goals in all four of its areas of intervention:

- **Capacity building:** Enhance capacity of developing country researchers (both senior and junior, male and female) and practitioners originating from and based in developing countries
- **Research:** Continue to support high quality and policy relevant poverty research
- **Promotion of PEP researchers and PEP-supported research:** At national and international levels, in both policy and research circles
- **Network Development:** Build a network of researchers, experts, policy makers and other stakeholders.

Specific strategies to pursue each of these goals are presented below. A separate document outlines our plan for monitoring and evaluating our progress in this respect.

6.1 Capacity building

For the five-year period covered by this plan, PEP will adopt the following strategies in pursuit of enhanced capacity-building:

- a) Seek funding to increase the number of teams supported to at least 30 per competition (every 18 months).
 - o Promotional material already developed
 - o Strategic aid targeting document already prepared
 - o Recruitment of a highly reputed and well-connected director-general with substantial travel budget to spearhead fundraising efforts.
- b) Increase the participation of teams from the poorest countries in terms of human development and research capacity.
 - o Communicate call for proposals to personal contacts, economics departments and associations in target countries (20% poorest in income terms, countries with less than 3 past PEP projects)
 - o PEP School (see following strategy) for teams from target countries
- c) Organize regular PEP Schools to provide training and proposal development support
 - o Seek funding to organize PEP Schools for teams from target countries, selected through PEP's regular call for proposals, to strengthen their proposals before the final selection.
 - o PEP-Africa will organize stand-alone PEP schools with funding from participants and regional institutions (first edition planned for November 2009).
- d) Develop new training material
 - o Seek funding to systematically develop training material for PEP schools.
 - o MPIA program will develop training material to accompany a standard "PEP model" currently nearing completion (see below).
 - o PIERI program will prepare pages with links to existing training material and recommended readings on impact evaluation.
 - o PMMA program will develop basic training material to provide a basis for a broad micro-economic training program on poverty and policy
 - o CBMS program will develop training modules that will focus on generation of panel data, targeting schemes and preparation of local MDG reports
- e) Continue to encourage the substantive participation of junior and female researchers, mentored by more senior colleagues, within PEP-supported teams.
 - o Continue to include this as an important selection criterion for PEP-supported projects.
- f) Continue to develop new tools, methodologies and techniques for poverty analysis to support PEP researchers.
 - o MPIA will complete work on preparing a "PEP model" for inexperienced developing country researchers. In addition to a core model, it will include modules for dynamic modeling and gender modeling.
 - o PMMA will make at least two major revisions to DAD and DASP distributional analysis software.
 - o CBMS will continue to develop indicators and data collection instruments to measure poverty at the local level, and to monitor the impact of shocks.
 - o PIERI will start preparing application material using simulated data on hypothetical interventions to compare the sensitivity of estimators to various assumptions.
- g) Continue to foster the adoption of these and existing tools, methodologies and techniques by PEP research teams.
 - o Continue to provide training and mentoring to PEP researchers through PEP general meetings (presentation and discussion of proposals and reports, individual sessions with resource persons and peers, advanced training workshops), study visits, ongoing distance support, detailed written comments, etc.

6.2 Research

PEP has established an enviable reputation for generating rigorous, high quality and policy relevant research. The advantage of a series of having projects centered on a unified theme is that it increases the external validity of findings beyond that of a single analysis and makes it possible to contrast and compare results in order to draw out general results and identify country specificities. However, local researchers are provided maximum latitude to identify specific policy issues of particular importance to their country within these themes and, in many cases, projects outside PEP priority themes are nonetheless selected for support. Current priority themes are as follows:

- CBMS
 - New CBMS methodologies and instruments
 - Identifying the poor through CBMS
 - Program and project impact analysis; CBMS for local governance
 - CBMS for gender responsive budgeting
 - CBMS for localizing the Millennium Development Goals
 - Monitoring and Mitigating the Impact on Poverty of the Global Financial and Economic Crisis
- PMMA
 - Multidimensional poverty analysis
 - Public spending and its impact on poverty and equity
 - Intra-household allocation of well-being
 - Growth and poverty dynamics
 - Policy impact analysis
- PIERI
 - Human capital investments in rural areas, notably:
 - Health policies and interventions
 - Education policies and interventions
 - Training policies and interventions
- MPIA
 - Growth and poverty
 - Public spending and poverty
 - Macroeconomy and gender
 - Sectoral (particularly agricultural) policies and shocks

In the 2009-2014 period, the following strategies will be adopted to further enhance the quality and policy relevance of the research we fund:

- a) Continue to provide financial and scientific support for high quality and policy relevant research projects.
 - Continue to select high quality and policy relevant proposals through an open and highly competitive (success rate below ten percent) call for proposals²
 - Provide intensive proposal development support to teams from target countries through PEP schools and distance support.
 - Continue to provide intensive scientific support to PEP-funded teams throughout the research process.

² There are two main reasons for this. First, many of the countries for which such research is most needed do not provide themselves resources for that purpose, and are therefore left isolated and unassisted. Second, broad and competitive research competition is probably the best tool to find, include and assist researchers that would otherwise often be left out of research fora by national and international organizations.

- Continue to use external evaluators to assess PEP working papers
 - Continue to provide intensive support to PEP-funded teams in the preparation of their research results for national and international policy and academic dissemination.
- b) Continue to support research in new areas of poverty analysis identified by PEP researchers and international experts. Some examples of areas recently added or under consideration include: Growth and poverty dynamics, means testing, policy and program impact monitoring and analysis, gender responsive planning and budgeting, monitoring the impact of the global economic crisis, intrahousehold allocation of resources.
- Continue to allow proposals outside PEP priority themes, which are monitored to identify emerging themes as expressed by developing country researchers.
 - Continue to monitor and participate in international policy debates (e.g. the current debate on the impacts of the global economic crisis).
- c) Development of an online CBMS database.
- CBMS data on the different dimensions of poverty will be made available on the PEP website.
 - Data from the CBMS sentinel sites in the participating countries on the impacts of the global financial and economic crisis will be posted online.
- d) The PMMA network has built considerable expertise in the analysis of multidimensional poverty, the impact of public spending, growth and poverty dynamics, and on policy impact analysis. This growing expertise is now being used in many parts of the world by researchers and policy analysts. An important task that remains is to integrate better this expertise. Three promising directions suggest themselves for the medium term
- The first is linking policy impact to multidimensional poverty. Policy impact has indeed traditionally been investigated on single dimensions of well-being.
 - The second is to consider the impact of growth and inequality on multidimensional poverty.
 - The third is to investigate better the links between policy, intrahousehold inequality and multidimensional poverty.
- e) Future research in the MPIA network will certainly be directed to a better understanding of the impacts of the international context on the different engines of growth: trade liberalization, terms of trade deterioration, fluctuation and volatility of international prices in particular for food and agriculture prices as well as energy prices, foreign direct investment, foreign aid and remittances are important factors that will have a considerable impact on economic performance and on the success of program to reduce poverty. The MPIA sub network will certainly maintain its interest in the impact of public expenditures, especially in education, health and infrastructure, and in the MDGs.
- f) PIERI will continue to focus on policy impact evaluation, though the unifying theme for the research is likely to become more focused on specific intervention relevant for a group of countries (as in regional PIERIs) or to foster research on various themes related to poverty.

6.3 Promotion of PEP researchers and PEP-supported research

PEP actively promotes its researchers and the research they conduct in policy and research circles both in their countries and at the international level. To this end, PEP will continue to provide financial and scientific support for PEP researchers to:

- Present their PEP-supported research results in reputable international conferences and at policy conferences organized during PEP general meetings;
- Organize policy conferences at the national level for policy makers, researchers and other relevant stakeholders

- Publish working papers, policy briefs, PEP newsletter (PEP-Talk) articles, journal articles and books.

Additional strategies for this five year phase include:

- a) Contributions by senior PEP researchers³ and resource persons to policy and research debates on current poverty issues.
 - Execute a CBMS initiative on Monitoring and Mitigating the Impact on Poverty of the Global Financial and Economic Crisis⁴
 - Use PEP's "Response fund" budget to commission teams of senior MPIA and PMMA researchers to carry out simulations of the impacts of the current global economic crisis, and policies designed to respond to this crisis, on poverty in developing countries with support and guidance from PEP resource persons⁵.
 - Seek funding to expand the preceding two initiatives.
- b) Exploration of possibilities to establish PEP as an internationally-renowned research centre involving senior PEP researchers from throughout the developing world and resource persons from around the world.
 - Develop PEP-Africa proposal involving PEP researchers and resource persons for a UNICEF initiative on the impact of the economic crisis in West and Central Africa⁶.
 - Through this and other experiences, establish guidelines for PEP to establish itself as international research centre (membership, allocation of funds, internal control mechanisms, promotion, etc.).
- c) Overhaul of PEP's web site
 - Make information on PEP researchers (bios, CVs, publications, photos, etc.) more engaging and accessible (by theme, country, technique, etc.)
 - Make information on PEP-supported research (approved proposals and reports, working papers, policy briefs, articles, etc.) more engaging and accessible (by theme, country, technique, etc.)
 - Make information on the PEP network and its programs more engaging and accessible.
 - Semi-automatically generated and more frequent and regular PEP-Talk newsletters featuring information drawn from the PEP web site (new working papers, new projects, events, etc.)
- d) Fostering new and existing links with other network and related initiatives: Global Trade Analysis Project (GTAP), Impact Evaluation Network (IEN), etc.

6.4 Policy Influence

PEP researchers are strongly assisted and encouraged to interact with policy makers and other stakeholders. To this end, PEP will continue to pursue current strategies:

- Identify policy relevance as a key criterion for the selection of PEP proposals.

³ Senior PEP researchers are those who have participated in a team that has successfully completed at least one PEP-supported research project.

⁴ See www.pep-net.org/NEW-PEP/Group/CBMS/GFCrisis/fincrisismain.htm

⁵ Efforts will be made to focus these studies in many of the same countries as those covered by the CBMS initiative and to foster interaction between the two initiatives.

⁶ It is noteworthy that Unicef sent this call for proposals to nine internationally recognized research centres, of which only PEP-Africa is located in a developing country. The others were located in Canada, the US (2), the UK (2), the Netherlands (2) and Italy.

- Request information on policy lessons and dissemination activities in technical reports submitted with PEP interim and final research reports and every six months thereafter until the dissemination process is completed.
- Provide financial and scientific support in the preparation of working papers, policy briefs, PEP-Talk articles and external publications (journals, book chapters, etc.) based on PEP-supported research.
- Provide subsidy for the organization of an in-country policy conference to present research results to all potential users among policy makers, researchers and other stakeholders.

To enhance PEP's policy influence, a number of strategies will be adopted during this five-year plan:

- a) Evidence of interaction with policy makers and/or stakeholders in proposal design will be explicitly indicated among the evaluation criteria in PEP call for proposals
- b) Encourage and support intensive interaction with potential research users throughout the research process⁷.
- c) Preparation of a policy brief and organization of a national policy conference (a subsidy of \$CAN 2000 is provided by PEP) will become a requirement for the release of the final payment (\$CAN 6000) of PEP research grants.
- d) PEP regional offices will explore mechanisms to increase the policy influence of PEP-supported research through the facilitation of national policy conferences and seeking funding for the organization of regional and sub-regional thematic policy conferences.

6.5 Network Development

PEP has developed rapidly as a network in its short existence. During this period it has:

- Developed efficient and robust management systems including detailed grants manuals, a sophisticated and recently (2008-9) update intranet, comprehensive internal administrative guidelines, etc.
- Established regional offices in Africa, Asia, Latin America and North America
- Gained a worldwide reputation for excellence in research and capacity building

⁷ This is particularly, but not exclusively, true in the case of CBMS and PIERI programs. The success of impact evaluation research very much depends on the relationship with the various stakeholders engaged in the design and implementation of the intervention that is assessed. This relationship does not only involve dissemination of evaluation results at the end of the process, but requires strong links throughout the project life as to ensure that potential users understand and agree on the specific evaluation methods required to provide a rigorous evaluation (e.g. collection of baseline data and randomized control trial may require postponing program implementation) and facilitate, or even engage in researchers operations. This engagement may take various forms, from consulting with researchers on evaluation research areas, to providing data or additional funding. This close collaboration also limits the risk that a project fails to materialize because all areas targeted by an intervention are treated and because program managers and other final users have a good institutional knowledge of the environment in which the intervention operates. This is why a continuous back and forth communication between researchers and final users is encouraged for PIERI projects. In many cases, it is necessary to appoint a specific person from the research team to independently monitor implementation events from the evaluation standpoint and to provide timely communication with implementation agents as a way to prevent unnecessary distortions to the experimental design. PIERI will continue supporting this collaboration by providing letters of support to help initiate the collaboration, by suggesting potential country support persons and by encouraging researchers to plan for some funds in their budget for monitoring and coordination activities.

- Substantially devolved scientific and strategic leadership, and almost completely devolved administrative activities, to Southern institutions and individuals
- Diversified and deepened its financial resources, going from a single donor to three major donors by 2007.

In the course of the coming five years, PEP will pursue its development through a number of specific goals:

- a) Continue to diversify and increase the scale of financial resources to a target annual budget of \$CAN 3 million for PEP's central activities (administration plus a critical mass of competitive grants to be awarded and supported by its four programs), plus additional funding for specific initiatives.
 - Promotional material already developed
 - Strategic aid targeting document already prepared
 - Various proposals for central or specific funding already submitted
 - Recruitment of a highly reputed and well-connected director-general with substantial travel budget to spearhead fundraising efforts.
 - Efforts should be made to limit the amount of "crowding out" of existing sources of funding for developing country researchers.
- b) Finalize PEP governance document based on approved PEP governance strategy
 - Obtain approval of PEP management committee and, if applicable, PEP Board.
 - Publish on PEP web site
- c) Explore the possibility of creating a PEP Board
 - Determine composition, mandate and recruitment procedures
- d) Explore the possibility of establishing PEP as a legal entity.
 - Explore preferred nature of entity: not-for-profit organization, international organization, etc.
 - Explore possible locations for incorporation, primarily among countries currently hosting one of PEP's four regional offices.
 - Explore links with existing host institutions for regional offices.
 - Explore implications in terms of staffing, management and fundraising.
- e) Continue to update and improve management systems.
 - Improved monitoring of PEP projects and administrative tasks through PEP's recently updated Intranet, which is now able to integrate new capabilities on an ongoing basis.
 - Intranet-generated and –distributed automatic response letters to PEP researchers
 - Major revision of PEP internal administrative procedures manual.
- f) Continue to devolve the scientific leadership and support activities of the network to Southern individuals without compromising the quality of these activities.
 - Funneling of new initiatives through regional offices where possible⁸.
 - Residence in a developing country will be an important criterion in the recruitment of new program leaders.
 - Continue to expand the use of Southern-based researchers to provide comments and evaluate PEP proposals, reports and publications, as well as to contribute to PEP training and scientific support activities.

⁸ Discussions are well advanced on new PIERI initiatives for Latin America and Asia, which would be managed by their respective regional offices. PEP school and Unicef initiatives discussed above would be managed by PEP's African office. Other initiatives to be led by regional offices are in various stages of development.

- Increased role for members of PEP program committee in the scientific leadership and support activities of their respective programs
- Mentoring of possible Southern candidates to replace the current program directors at the end of their mandate.
- g) Recruit a director-general with the reputation and contacts to substantially increase PEP funding and visibility.
 - Identify mandate and relationship to other PEP staff and bodies.
 - Determine conditions: location, salary, travel budget, etc.
 - Obtain funding for salary and travel budget
 - Establish recruiting committee
 - Recruit and initiate new director-general
- h) Explore the possibility of establishing Middle East/North Africa (MENA) and European offices.
 - Discuss with senior PEP researchers and resource persons in MENA region.
 - Discuss with potential partners/host institutions
 - Define precise mandate
 - Explore funding sources
- i) Promotion of the PEP network and its researchers in international fora.
 - Continue to update PEP promotional material for distribution in these for a
 - Encourage PEP researchers to submit papers and provide funding for them to participate in key international events.
 - Ensure maximum visibility of PEP by attending researchers and resource persons.

6.6 Latin American office

The Latin American office aims to establish itself as a relevant instrument to assist PEP researchers in the region to develop policy relevant research initiatives, while at the same time contributing to building research capacities among young researchers and in countries with less local research capacities. Although the LA office has only a part-time director for the moment, it also seeks to be a useful resource for other PEP programs in the region. Strategically, the LA office will look to increase the exposure of PEP research by collaborating with other key actors in research such as IADB, UNDP, ECLAC, among others, by ensuring an active presence in key regional academic meetings such as the Latin American and Caribbean Economic Association (LACEA), and by exploring new mechanisms to improve the interaction between the research we support and the policy debate in the region.

6.7 African office

PEP Africa spearheads and coordinates PEP's activities in Africa. Its goal is to help create a critical mass of researchers capable of providing new ideas on economic policy to African decision makers. In order to address the challenges facing African economies, members of PEP Africa will promote useful and relevant research adapted to the concerns of decision makers, and likely to help policy-makers, local authorities and civil society organizations in the formulation and implementation of policies to combat poverty. To materialize its research vision, PEP Africa conducts a variety of activities including: the organization of training programs (PEP School); the execution of commissioned studies; organization of national, regional and Africa-wide policy conferences; and the management of PEP research grants in Africa and abroad.