



**Modeling Policy and Impact Analysis (MPIA)
and
Poverty Monitoring, Measurement and Analysis (PMMA)
Research Networks**

Activity Report for Phase 1: October 1, 2002 – September 30, 2004

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Centre Interuniversitaire sur le Risque,
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ACRONYMS

ABCDE	Annual Bank Conference on Development Economics
ADB	Asian Development Bank
AERC	African Economic Research Consortium
AKIEBS	Angelo King Institute for Economic and Business Studies (De la Salle University, Philippines)
CARE	Centre d'Analyse et de Recherches en Économie (Université Pasteur, France)
CBMS	Community-Based Monitoring Systems (PEP subnetwork)
CD	Consultation and Dissemination
CGE	Computable General Equilibrium
CIRPEE	Centre Interuniversitaire sur le Risque, les Politiques Économiques et l'Emploi (Université Laval, Canada)
CREFA	Centre de recherche en économie et finance appliquées
CREFÉ	Centre de recherche sur l'emploi et les fluctuations économiques
DAD	Distribution Analysis/Analyse Distributive
DFID	Department For International Development (Government of the United Kingdom)
ECOMOD	Economic Modeling Network
EPIAM	Exante Poverty Impact Assessment of Macroeconomic Policies
ERN	Economic research network (part of Social Sciences Research Network (SSRN)).
EURODAD	European Network on Debt and Development
FAO	Food and Agricultural Organization (United Nations)
GAMS	General Algebraic Modeling System
GDN	Global Development Network
GTAP	Global Trade Analysis Project
IDRC	International Development Research Centre
IFPRI	International Food Policy Research Institute
ISEAS	Institute for South-East Asian Studies
JMA	Journées de Microéconomie Appliquée
MIMAP	Micro Impacts of Macro and Adjustment Policies (IDRC)
MPIA	Modeling Policy and Impact Analysis research network (PEP subnetwork)
NEUDC	North-Eastern Universities Development Conference
OECD	Organization for Economic Cooperation and Development
PEP	Poverty and Economic Policy research network
PIDS	Philippines Institute of Development Studies
PMMA	Poverty Monitoring, Measurement and Analysis research network (PEP subnetwork)
PSIA	Poverty and Social Impact Analysis
SARPN	South African Regional Poverty Network
SISERA	Secretariat for Institutional Support for Economic Research in Africa
UNDP	United Nations Development Programme
UNECA	United Nations Economic Conference for Africa
UNESCO	United Nations Education, Science and Communications Organisation.
UQAM	Université du Québec à Montréal
WIDER	World Institute for Development Economics Research

1. Overview

This report presents the activities undertaken during the first phase (October 1st 2002 – September 30th 2004) of the Poverty and Economic Policy (PEP) research network for the two subnetworks that are managed directly by the Centre Interuniversitaire sur le Risque, les Politiques Économiques et l'Emploi (CIRPÉE): that is, the Poverty Monitoring, Measurement and Analysis (PMMA) and Modeling and Policy Impact Analysis (MPIA) networks. As the PEP network is run jointly with the Angelo King Institute for Economic and Business Studies (AKIEBS), which manages the Community-Based Monitoring Systems (CBMS) network, the report also covers a number of PEP-wide activities undertaken jointly with AKIEBS. The PEP network is funded by the International Development Research Centre (IDRC).

This first phase of activity has involved a substantial investment in the establishment of administrative mechanisms that will make the management burden much lighter for the PEP-CIRPÉE office and future devolution partners: a user-fed PEP web site with a sophisticated Intranet project management system, a grants manual, templates for PEP letters and contracts, mailing lists, publicity instruments, meeting checklists, etc. In addition, a series of strategy papers was prepared: devolution, consultation/dissemination, resource expansion. An inaugural MPIA-PMMA meeting was organized in Manila (February 2003), followed by the second and third PEP general meetings in Hanoi (November 2003) and Dakar (June 2004), respectively.

A total of over 300 proposals have been received, of which 46 were selected for presentation at one of the above meetings and 27 have been approved for financing (a few others are pending approval). In addition, full technical support has been provided and training material developed for MPIA and PMMA researchers involved in all Micro Impacts of Macro and Adjustment Policies (MIMAP) national projects and PEP projects. Finally, numerous study visits, two field visits and participation in several international conferences have been organized since the launch of the PEP network.

This phase also saw the creation of CIRPÉE (www.cirpee.org), which was formed by the merger of Laval University's Centre de recherche en économie et finance appliquées (CREFA) and the Université du Québec à Montréal's (UQAM) Centre de recherche sur l'emploi et les fluctuations économiques (CREFÉ).

Before presenting the activities of the PEP-CIRPÉE project office, we review the objectives of the PEP network.

2. Summary of PEP objectives

An overriding goal of economic development is to improve the welfare of the most deprived in our world. Widespread poverty, often extreme poverty, constitutes damning evidence of the importance to further such development. The ultimate goal of the Poverty and Economic Policy (PEP) network is to assist developing countries to reduce poverty through better macroeconomic policies and micro-level interventions. Specific objectives are to:

- Improve the monitoring and measurement of poverty.
- Better understand the causes and consequences of poverty.
- Propose alternative/accompanying policies to reduce poverty.
- Develop new concepts and methodologies through fundamental research.

- Develop local research (and training) capacity in these areas.
- Generate research of high international standards.

In order to pursue these objectives, PEP applies a strategy with the following main components:

- Bring together and encourage interaction and collaboration within a critical mass of researchers working on common issues.
- Develop new research methodologies, training material and recommended reading lists.
- Encourage comparative analyses across countries and teams.
- Provide systematic and focused training and technical assistance.
- Increase the visibility of both the networks and of their researchers, through support to consultation and dissemination activities with national and international policy analysts and stake holders.
- Interact and share knowledge with the other PEP and MIMAP networks and projects, and with related national and international initiatives.

The PEP network is composed of three tightly linked networks. The Community-Based Monitoring Systems (CBMS) network designs and pilots community based monitoring and local development systems of poverty in its multidimensional sense. The Poverty Monitoring, Measurement and Analysis (PMMA) network develops and applies tools to monitor, measure and analyze a wide range of poverty issues. The Modeling and Policy Impact Analysis (MPIA) network uses economy-wide models and analysis as a "laboratory" to draw the links between specific macro-economic policies and shocks and their impacts on poverty. This report covers the activities of the PMMA and MPIA networks.

The **PMMA** network seeks to develop high-quality national and comparative research, capacity, and new concepts and methodologies in measuring, monitoring and analyzing poverty. In particular, this network focuses thematically on, inter alia:

- Public spending and its impact on poverty and equity;
- Multidimensional poverty analysis
- The impact of macroeconomic poverty reduction policies;
- Micro modeling of the labor market;
- Intra-household allocation of well-being;
- Poverty dynamics; and
- Reliability of poverty and equity analysis.

The **MPIA** network aims to develop high-quality national and comparative research, capacity, and new concepts and methodologies in the modeling and assessment of the impacts of macroeconomic policies and shocks on poverty and equity at the household and intra-household levels. Thematically, this network focuses on – in rough order of priority and non-exclusively – the poverty impacts of:

- The level and composition of public spending, particularly on health and education.
- Changes in sectoral conditions and policies, notably in agriculture and textiles & garments given their important role as a source of income for the poor.
- Different growth patterns and policies, notably through the accumulation and possibilities to profitably invest human capital (education and training) and physical capital, as well as technological change.
- Globalization (e.g. trade liberalization, technology diffusion, labor migration and remittances, foreign investment, etc);

- Poverty alleviation policies/policy sets.
- Labor market conditions and policies.

3. Presentation of the PEP-CIRPÉE team and the PEP steering committees

The PEP-CIRPÉE project office is headed by the **co-director** (John Cockburn) and the MPIA and PMMA **network leaders** (Professors Bernard Decaluwé and Jean-Yves Duclos). John Cockburn works on a three-quarter to full-time basis to oversee all aspects of the office. He was named professor in Laval University's economics department beginning in June 2003. The network leaders allocate the equivalent of one working day per week and a share of their discretionary time to provide scientific guidance to their respective networks. A number of **research professionals** (generally with PhDs completed or close to completion) work on a part-time basis, primarily to provide technical support for PEP researchers, to develop training material and to conduct fundamental research related to PEP themes (Nabil Annabi, Abdelkrim Araar, Dorothée Boccanfuso and Ismaël Fofana). Background information (CVs, publications, etc) on members of the PEP-CIRPÉE project office are available on the PEP web site: www.pep-net.org, "research groups", "MPIA" or "PMMA", "resource persons.

Four **graduate students** have also worked on a part-time basis for the project (Marie-Hélène Cloutier, Ismaël Fofana (before becoming a research professional), Emmanuel Nduruhirwe and Olivier Paré), especially in providing technical support to MPIA and PMMA researchers, developing training material and conducting fundamental or applied research related to MPIA and PMMA priority themes. In April 2003, Ismaël completed his M.A. degree (Economics) on the Computable General Equilibrium (CGE) modeling of gender work issues in Nepal and has subsequently begun working as a research professional for this project. Marie-Hélène Cloutier is working on the CGE modeling of education in Vietnam, whereas Olivier Paré and Emmanuel Nduruhirwe are working on poverty targeting and child poverty issues. A new student, Nitesh Sahay of India, joined the team in August 2004 to pursue a PhD program at Laval University with a thesis on CGE modeling of health issues in India. Note that the majority of research professionals and students involved in CIRPÉE's support activities are originally from developing countries.

The PEP-CIRPÉE office has an **administrative team** led by Sonia Moreau (who works almost full-time for the project to coordinate the administrative and secretarial aspects), Jane O'Brien (part-time to aid in administrative and secretarial aspects), Gaétane Marcoux (part-time; focusing on project finances) and Johanne Perron (part-time to help with Internet and documentary issues). Two computer specialists (Carl Fortin and Simon Pichette) also worked on a part-time basis to assist in developing the PEP web site, internet-based services to PEP researchers, internet-dissemination of PEP research and new or updated software (e.g. our Distribution Analysis/Analyse Distributive (DAD) software). Ndeye Lika Aidara, who led the local organization team for the Dakar meeting, was hired by CIRPÉE in July 2004 to establish an African PEP office to provide administrative and secretarial support for PEP's African teams and for the network as a whole.

In addition, **Louis-Marie Asselin** works on a consulting basis to provide comments and support on PMMA research proposals and reports, and participate in the development of PMMA training material. We also substantially expanded our use of **outside (Southern) researchers** during this first phase in order to conduct training activities and to prepare comments on proposals and reports. It should also be noted that a team from the **University of Western Ontario** – John Whalley, Shunming Zhang, Madanmohan Ghosh and Manish Pandey – provide ongoing technical support to a number of MPIA national project teams, notably in Vietnam

(Nguyen van Chan) and Sri Lanka (Jeevika Weerahewa). Members of this team have participated in each PEP meeting.

The PEP network also benefits from the guidance of **steering committees** for each component network, which are then brought together to form the overall PEP steering committee. Each committee is composed of at least one Asian member, one African member and one IDRC representative. As stipulated in the PEP proposal, these committees were constituted early in the project and had their first meetings early in 2003:

- Community-Based Monitoring Systems (CBMS) steering committee: Louis-Marie Asselin, Poncilano S. Intal Jr., Martha Melesse, Celia Reyes, Momar Sylla
- Modeling and Policy Impact Analysis (MPIA) steering committee: Touhami Abdelkhalek, Ramon Clarete, Bernard Decaluwé, Marzia Fontana, Randy Spence.
- Poverty Monitoring, Measurement and Analysis (PMMA) steering committee: Jean-Yves Duclos, Elias Ayuk, Swapna Mukhopadhyay, Chris Scott, Cosme Vodonou

The PEP steering committee normally convenes only at PEP meetings. In the interim, an **executive committee** composed of the two PEP co-directors (one of which is also the CBMS network leader), the MPIA and PMMA network leaders and the IDRC contact person (Randy Spence) deals with all strategic issues that arise.

Finally, the PEP-CIRPÉE project office makes use of a number of **outside resource persons**, particularly to present papers, provide comments and participate in discussions at PEP meetings: Sami Bibi (Tunisia), Maurizio Bussolo (World Bank), Boniface Essama-Nsaah (World Bank), Hans Lofgren (International Food Policy Research Institute (IFPRI)), Paul Makdissi (Canada), Christophe Muller (Barcelona), Martin Rama (World Bank), Waly Wane (World Bank), Jeffrey Round (Sussex), etc.

4. Strategies

To ensure the long-term growth, autonomy and impact of the PEP network, a number of strategy papers are to be developed in the course of this project: consultation and dissemination; devolution; resource expansion; integration; monitoring and evaluation. These strategy papers are prepared jointly with the AKIEBS office, as they relate to the overall PEP network. They are to be revised on an ongoing basis.

The **consultation and dissemination (CD) strategy** goes beyond the requested strategy for diffusing research results to encompass all aspects of the PEP network's two-way interaction with policy makers, academia and civil society. It provides, among others, a menu of CD activities that researchers are invited to consider in developing their own CD strategies for their PEP projects. A draft version of this strategy was circulated to the PEP executive committee, a number of senior PEP researchers and the IDRC-MIMAP team. Their comments and suggestions were integrated into a revised version of this strategy that was approved by the PEP steering committee at the November 2003 PEP general meeting. It has been posted on the PEP web site and distributed to all PEP researchers. It was listed in a recent edition of the ELDIS Poverty Reporter (June 3, 2004), which is circulated to researchers and policy makers internationally.

A **strategy for devolution** was circulated to the PEP executive committee, a number of senior PEP researchers and the IDRC-MIMAP team. Their comments and suggestions were

integrated into a revised version of this strategy that was approved by the PEP steering committee at the November 2003 PEP general meeting. It was subsequently posted on the PEP web site and distributed to all PEP researchers. Many aspects of the devolution process have already been initiated: preparation of self-sustaining management tools, implication of Southern researchers in scientific support activities, etc.

A draft **resource expansion** was developed by the PEP executive committee and circulated to the IDRC-MIMAP team for discussion. When reactions from the latter have been received, it will be revised, finalized and circulated. A copy of the strategy is available

A **monitoring/evaluation** strategy still remains to be prepared. In addition, we will prepare a strategy for ensuring optimal **interaction** between the PEP networks and with other MIMAP, IDRC and related networks.

5. Grants awarded

Over 300 **proposals** have been submitted to the PEP network in the course of this first phase. An initial call for MPIA and PMMA proposals was widely publicized on October 31st, 2002, in preparation for the February 2003 PMMA/MPIA interim meeting. It has subsequently been rendered ongoing with periodic disseminations. The call for proposals includes detailed information on the PEP network, MPIA and PMMA network themes and objectives, proposal submission guidelines and other related information (see “call for proposals” on PEP web site: www.pep-net.org). Candidates are asked to prepare an initial proposal presenting the research questions, key references, scientific contribution, methodology, data sources, dissemination strategy, capacity building component and ethical/gender issues of the proposed research project, as well as the composition and relevant training and experience of the research team (with CVs and sample publications to be included separately). The call for proposals is circulated through the combination of various existing CIRPÉE, MIMAP and IDRC mailing lists, as well as mailing lists from the African Economic Research Consortium (AERC), the Global Development Network (GDN), participants at the Asian Development Foundation meeting, members of ISEAS (Institute for South-East Asian Studies) and SISERA (West Africa). These addresses were gathered into a single PEP distribution list. The proposal was also posted on the web sites and bulletins of the IDRC and a number of international organizations: e.g. ERN, GDN, Inomics, Eldis, IFPRI, GAMS, GTAP, ECOMOD and the South African Regional Poverty Network (SARPN). In addition, the call for proposals was mailed directly to economics departments and associations identified throughout the developing world. All proposals and related comments and letters can be consulted by PEP steering committee members on the PEP intranet web site.

The selection process was completed by the MPIA-PMMA network leaders, in consultation with the PEP co-director for the MPIA-PMMA networks. A set of selection criteria was developed for this purpose. Twelve PEP proposals were awarded **new proposal travel grants** to present their proposal at the Manila meeting, of which six were awarded \$CAN 20,000 **research grants** (Table 1). A further 18 PEP proposals were presented and discussed at the PEP general meeting in Hanoi, of which 13 have been awarded research grants. Fourteen PEP proposals were selected for presentation in the 3rd PEP general meeting in Dakar, including three proposals in the context of the PEP-Gender Network's Gender Challenge Fund, of which eight have been awarded research grants and three are under revision. A large number of proposals submitted to PEP are also currently under revision in preparation for the next PEP general meeting (June 2005).

Table 1: Presentations at PEP meetings (number accepted during or following meetings in parentheses)

	Manila (Feb. 2003)	Hanoi (Nov. 2003)	Dakar (June 2004)
PMMA			
- new proposals	6 (4)	9 (6)	8 (5) ¹
- interim reports	0 (0)	3 (3)	5 (5)
- final reports	0 (0)	0 (0)	1 (1)
- national projects	10	11	14
- invited papers	0	1	3
Total	16	24	31
MPIA			
- new proposals	6 (2)	9 (7)	6 (3)
- interim reports	0 (0)	2 (2)	4 (4)
- final reports	0 (0)	0 (0)	2 (2)
- national projects	4	5	5
- invited papers	1	6	4
Total	11	22	21

In addition, the MPIA network provided two **special grants** of \$3000 each. The first was provided to a Cameroonian researcher for the preparation of a presentation on the application of a World Bank poverty model at the Hanoi meetings. The second was provided to a Tunisian researcher to develop a particularly elaborate proposal on CGE microsimulation model of agricultural issues, also for presentation at the Hanoi meetings.

Several **study visit grants** were awarded to MPIA and PMMA researchers to finance two- to eight-week stays at Laval University and, in one case, to attend the Ecomod CGE modeling training workshop: Cissé Fatou, Joseph Cabral, Mbaye Diene, Caesar Cororaton, Margaret Mabagu, Souleymane Sadio Diallo, Christian Emini, Erwin Corong. A description of the study visit grants is provided in the PEP grants manual, which is posted on the PEP web site. These grants have been publicized through PEP Talk.

International conference grants were awarded to Épiphane Adjovi and Caesar Cororaton to make presentations at an Organisation for Economic Cooperation and Development (OECD) conference ("Seminar/Policy Dialogue on How Are Globalisation and Poverty Interacting and What Can Governments Do About It?") and a conference of the Exante Poverty Impact Assessment of Macroeconomic Policies (EPIAM) network. Grants were also provided to three PEP researchers – Touhami Abdelkhalek, Abdoulaye Diagne and Samuel Kabore – to present papers at an Association d'Universités Francophones (AUF) conference in Marrakech that was co-organized by the PEP network. International conference grants were also provided to Caesar Cororaton and Selim Raihan to make presentations at the North-Eastern Universities Development (NEUDC) conference. Note also that several PEP researchers have participated in international conferences with outside funding: Caesar Cororaton, Christian Emini and Selim Raihad.

¹ Two more proposals are currently under revision.

6. Meetings and workshops

An **interim MPIA-PMMA meeting** was held in Manila from February 22 to 25, 2003. The program, proceedings, list of participants and other information are all available on the PEP web site (www.pep-net.org, "meetings and workshops", "Joint MPIA-PMMA interim meeting"). Local organization was executed by the Philippines Institute of Development Studies (PIDS). The meeting included the presentation of 12 research proposals, 2 presentations by resource persons (John Cockburn and John Whalley), 11 presentations by MIMAP national project members, a presentation of the PEP web site, a day of individual meetings between researchers and resource persons, as well as subnetwork and PEP steering committee meetings. Researcher presentations were generally for a period of one hour including 20 minutes of presentations, 20 minutes of discussion by designated commentators (usually one resource person and one researcher) and 20 minutes of general discussion. Full simultaneous translation services were provided for all French-language presentations. PIDS prepared a checklist of procedures for the local organization of PEP meetings for use in future meetings.

The second **PEP general meeting** was held in Hanoi from November 4 to 8, 2003. It included 18 new PEP proposals, 17 national project presentations (proposals and reports), 14 CBMS presentations, four interim PEP reports and five presentations by resource persons/invited speakers (Martin Rama, Luc Savard, Boniface Essama-Nsaah, Arsène Nkama, Hans Lofgren). Subnetwork and PEP steering committee meetings were also held and training sessions on DAD software and labour market modeling were conducted.

The third **PEP general meeting** was organized in Dakar (Senegal) from June 16th to 20th. This meeting was officially opened by the President of Senegal and benefited from enormous media coverage. It included a total of 130 participants and 50 presentations including 13 new proposals, eight interim reports, four final reports, 18 national project papers and seven invited papers. All presentations benefited from simultaneous French-English and English-French translations. Time was also provided for individual meetings with resource persons and steering committee meetings.

The third PEP general meeting was preceded by a five-day **advanced training workshop** organized by the MPIA and PMMA networks in Dakar (June 10th to 14th). The workshop included plenary one-day sessions on poverty analysis/DAD software and gender issues (conducted by the MIMAP gender network). It also included three days of parallel PMMA and MPIA sessions. The PMMA training sessions dealt with public spending, poverty targeting, case studies, discrete choice and panel data models. The MPIA sessions covered dynamic/growth analysis, gender modeling and an advanced social accounting matrix clinic. Several researchers participated in conducting the workshop: Christian Emini, Selim Raihan, Damien Mededji, Lucas Ronconi, Souleymane Sikirou, Touhami Abdelkhalek, Gaye Daffé, Johannes Tabi and Abdoulaye Zonon.

In addition, the CIRPÉE component of the PEP network was officially launched at Laval University on November 13th, 2002, in a **ceremony** attended by the university president (recteur), Sylvain Dufour of IDRC and a number of other university and IDRC officials. Follow up articles were published in Laval University's campus newspaper "Le fil des événements".

7. Training and technical support

The PEP-CIRPÉE project office provides a wide variety of **training and technical support** activities to all MPIA and PMMA researchers, whether they are financed directly by the PEP network or through a MIMAP national project. These activities include: written comments, participation in PEP meetings, development of new methodologies, preparation of training material, recommended reading lists, training activities, field and study visits, ongoing (email) distance support.

A Cameroonian researcher, Christian Emini, was contracted to conduct a ten-day **training and applied workshop** in Burkina Faso with MPIA researchers from the Burkina Faso national project and modellers from Mali and Niger who had unsuccessfully submitted proposals to the PEP network. The goal of the visit was to help these teams to construct social accounting matrices, which form the basis for CGE modeling. In the case of Mali and Niger, this was seen as a prerequisite for resubmitting a proposal to the PEP network. A workshop report is available on request. The use of Cameroonian researcher is part of our efforts to decentralize and devolve the project office's training and technical support activities.

Written comments, often very detailed in nature, are provided quickly on all documents (proposals, interim reports, final reports) submitted to the MPIA and PMMA network. These comments, which cover all aspects of the document (objectives, methodology, presentation, etc.) are posted on the PEP intranet web site and associated with the specific document. While most of these comments were prepared by core members of the PEP-CIRPÉE project office, PEP researchers are increasingly being asked to participate as a first stage toward the devolution process.

Direct technical support is provided through field visits, study visits and ongoing distance (email) support. **Field visits** were conducted by Dorothee Boccanfuso to Benin, Burkina Faso, Morocco and Niger. During her visits to Benin, Burkina Faso and Morocco, she met with members of the national project teams for presentations and detailed discussions of their research projects. She also made presentations of the PEP network to local researchers and institutions (e.g. economics departments and research centres, local offices of the World Bank and UNDP). Finally, these visits provided an occasion to present the PEP web site to national project team members. Similar activities were also conducted by her on an ongoing basis in her home base of Senegal. The visit to Niger, where there are no current PEP or MIMAP projects, aimed to present the PEP network to local researchers and institutions with a view to encouraging the submission of new proposals. Field visit reports are available on request.

In cases where researchers need more prolonged support, **study visits** at Laval University or other institutions are appropriate. A full account of PEP study visits is provided in section 5 above in the "study visit grants" section. It should be noted that the University of Western Ontario has also organized study visits for MPIA researchers including Nguyen van Chan and Jeevika Weerahewa.

The PEP-CIRPÉE project office provides **ongoing distance (email) support** to all MIMAP and PEP teams in order to respond to difficulties they encounter in their research process. The number of such email exchanges that have occurred since the beginning of the project is uncountable.

The MPIA and PMMA networks have both identified challenging new poverty research areas among their priority themes. To accompany researchers in this process and develop their

research capacities, substantial effort has been devoted to fundamental research activities and the preparation of related training material.

In the MPIA network, **fundamental research** has continued on microsimulation techniques, CGE-based poverty analysis, gender work issues, the labor market, growth and poverty, education choice and the agricultural sector. Microsimulation research has focused primarily on systematizing procedures for reconciling household survey and national accounts data and SAM balancing techniques for this core methodology to link macro policies to poverty outcomes. The use of various functional forms to capture income distribution within household categories in CGE-based poverty analysis was the object of several papers, one of which was presented at a WIDER conference in June 2003. Research on gender work issues – an important aspect of the policy-poverty relationship – has culminated in the preparation of two research papers on the methodology and application of the techniques developed, one of which was presented at the Manila interim MPIA-PMMA meeting and will appear in a forthcoming book to be published by Routledge. A number of articles based on PEP-CIRPÉE fundamental research will be submitted for publication in leading academic journals in the coming months. Research on education issues is focusing on analyzing the education response to variations in the skilled wage gap, initially in a static framework, but eventually extended to a dynamic endogenous growth framework. This research underscores the fundamental role of access to human capital in combating poverty. Sequential dynamic modeling of the links between growth and poverty, which was presented in both the Dakar workshop and meeting, constitutes perhaps the most exciting recent development. Research on agricultural modeling is only beginning and is focusing on better adapted techniques for modeling this sector in recognition of the predominantly rural nature of poverty.

In the PMMA network, **fundamental research** has focused on multidimensional poverty techniques, public spending and upgrading DAD software. A paper on multidimensional poverty comparisons has been revised. It investigates how to make poverty comparisons using multidimensional indicators of well-being, showing in particular how to check whether the comparisons are robust to aggregation procedures and to the choice of multidimensional poverty lines. Another paper on the use of simple graphical methods to identify poverty-reducing marginal reforms of transfer programs has also been revised. This paper uses curves that display cumulative program benefits weighted by powers of poverty gaps, curves that can serve to verify whether the assessment of marginal program reforms is sensitive to the choice of poverty lines and poverty measures as well as to differences across programs in revenue sources and incentive effects. Work on polarization and well-being has also evolved. A book entitled “Poverty and Equity: Measurement, Policy and Estimation with *DAD*” is also being prepared, and is relatively well advanced.

This fundamental research is of use only to the extent that it is converted into **training material** for MPIA and PMMA researchers (see “Research groups”, “MPIA” or “PMMA”, “training material” or “recommended readings”, on the PEP web site). This training material serves as a support for MPIA and PMMA training activities and as reference material for researchers. Generally, these take the form of thematic recommended reading lists, training documents and software. This material is all posted on the publicly accessible PEP internet web site. In the PMMA network, **recommended readings** were prepared for the following topics: Decomposing inequality, equivalence scales, gender, measuring inequality, measuring poverty, measuring social welfare, multidimensional poverty analysis, normative analysis, polarisation, public policy and poverty, poverty dynamics, growth and poverty, income redistribution and fiscal policy, statistical inference, subjective poverty, poverty and targeting, and measuring well-being. In

addition, a large number of PMMA **training documents** have been developed and posted on the web site concerning, among other subjects, poverty dynamics, multidimensional poverty and advanced poverty analysis. This material has been developed both by members of the PEP-CIRPÉE project office and PEP or MIMAP researchers, as part of the devolution process. Furthermore, a new version of the popular DAD **software** has been prepared with a number of important improvements (see www.mimap.ecn.ulaval.ca)

In the MPIA network, **recommended readings** lists, often with hyperlinks to downloadable PDF versions of specific papers, have been developed and posted on the PEP web site covering basic CGE modeling techniques, applications to trade liberalization and poverty analysis (including microsimulation techniques) and the modeling of the labor market (including gender work issues). A list of recommended readings in CGE modeling of the agricultural sector will be posted shortly. **Training documents** are structured into the following topics: Core training manuals on CGE modeling, poverty analysis in CGE models, microsimulations, labour market issues, gender issues, SAM balancing and other issues. New material has been developed for all but the first topics during this phase.

8. Management activities

Substantial effort in this first phase has been devoted to administrative issues. At the core of the PEP-CIRPÉE project office's administrative strategy is the preparation of a **Intranet management database** that tracks all administrative steps and information pertaining to all MPIA and PMMA projects. This database required a substantial design and programming investment and features an automatic interface with the PEP intranet web site, ensuring that it is updated automatically. This tool has already begun to lighten the administrative load of the project (with a view to future devolution), while ensuring efficient management.

Templates of **contracts** for various PEP grants (travel grants for meeting participants; research grants; study visit grants; etc.) and **form letters** (meeting invitation letters for steering committee members, resource persons, MIMAP and PEP researchers, observers, etc.) have been developed. In addition to facilitating current project office activities, these templates will be helpful to the future devolved project office.

A PEP **distribution list** with full addresses has also been prepared. This list is automatically updated with new registrations on the PEP web site. Individuals who are registered on the PEP web site can (and should!) update their contact information directly on the PEP web site and this information is automatically integrated into the PEP web site.

Procedures for transferring funds to participants have been established. Also procedures for the preparation of PEP meetings have been written up for both the PEP project office and the local organizers.

A **Grants Procedure Manual** outlining the nature, application procedure and selection criteria for all MPIA and PMMA grants has been prepared in close consultation with the IDRC. This manual was presented to and approved by the PEP steering committee at the February 2003 interim MPIA-PMMA meeting. It is posted on the main page of the PEP web site and a French-language version will be available in the coming weeks. Announcements of the various grants will be added to the PEP web site and presented in the next edition of PEP Talk.

The PEP **steering committees** have been created and all members appointed (see section 3 above). In addition, an ever-growing pool of PEP **resource persons** has been established.

The network has been publicized through the wide distribution of the call for proposals and PEP Talk (see section 5). In addition, a draft PEP **brochure** was prepared by Dorothee Boccanfuso and subsequently revised by Jane O'Brien and John Cockburn. This brochure has been posted on the PEP web site and distributed at all PEP meetings. Dorothee has also prepared a French-language **powerpoint presentation** of the PEP network, which she presented during her field visits. In the course of this first phase a PEP logo (see beginning of this document) was created by Dorothee with subsequent revision by the PEP-CIRPÉE administrative team.

A PEP **monitoring and evaluation strategy** was to have been prepared during this first phase. The PEP co-directors and the MPIA network leader have met with IDRC staff to discuss this issue. Time constraints have led to delays in the preparation of this strategy, which should be available early in the second phase. Members of the PEP-CIRPÉE project office also met with the MIMAP evaluation team. Cielito Habito visited Laval University, where he had meetings with John Cockburn, Bernard Decaluwé and Jean-Yves Duclos. Dominique Njinkeu met with Dorothee Boccanfuso both in Senegal and in Paris. In response to a request from Dominique, Dorothee prepared a detailed description of publications and participation in MIMAP and PEP training activities by all members of three African MIMAP national projects (Benin, Burkina Faso and Senegal).

A draft PEP **resource expansion** strategy has been circulated to IDRC-MIMAP staff. Discussions have been held with Minori Goto and Kafui Dansou of IDRC's partnerships branch. For the moment, we are focusing our resource expansion activities on establishing links with various multilateral and bilateral institutions with a view to exploring possible funding or collaboration. Email discussions were held with the UNDP facility on the possibility of establishing a Cambodian mini-MIMAP program of poverty analysis and modeling. Unfortunately, staff changes at SURF have put this on their "backburner". Through the intermediation of the Nepalese MPIA researcher Prakash Sapkota, Bernard Decaluwé visited the FAO office in Rome where he presented the PEP network and initiated discussion on possible collaboration in both modeling and poverty analysis. Two FAO staff members have subsequently accepted our invitation for them to participate in the Hanoi PEP general meeting to pursue these discussions. Parallel projects, involving PEP researchers, have begun with the World Bank on "Poverty, Benefit Incidence, and PSIA in West/Central Africa" and on "Trade Liberalization and Poverty in Africa". The MPIA-Laval team is also working with two PEP researchers from South Africa on a UNECA-funded gender modeling project that is to serve as a pilot for a larger five-country study that will, in principle, be fed through the PEP network. In response to a message from UNESCO's Institute of Statistics, John Cockburn met with three of their staff in the company of Anyck Dauphin and Minori Goto of IDRC to discuss possible collaboration. There have been some exchanges with representatives of CIDA and the Young Lives network concerning an eventual child poverty initiative. John Cockburn and Dorothee Boccanfuso both participated in a joint IDRC-Asian Development Bank (ADB) conference in Manila (October 29-30, 2003) where John presented PEP's modeling activities. John Cockburn and Caesar Cororaton will join Randy Spence in presenting the MIMAP and PEP networks at a conference that is jointly organized by the International Food Policy Research Institute (IFPRI) and a consortium of civil society organizations: the European Network on Debt and Development (EURODAD), the New Rules for Global Finance Coalition, and Oxfam International. Several donor representatives have participated in PEP's various meetings.

9. Web site

A permanent **PEP web site** is now up and running at www.pep-net.org. It integrates all three PEP networks (CBMS, MPIA and PMMA) and features both Internet (public) and Intranet (restricted access) components. The internet component provides public information on PEP research projects, information on PEP workshops and meetings, as well as a wide variety of research resources (bibliographic search tools, downloadable documents, training material, recommended readings, links, software, etc.) for PEP and other researchers from developing and developed countries alike. The web site also supports **discussion fora** for the different PEP networks with full archiving. The **Intranet** component is designed to gather, organize, store and circulate the latest information on all PEP and MIMAP national projects. It provides a central location where team members, steering committee members and resource persons can post reports, comments and messages. The PEP web site is designed to complement and link closely with the MIMAP web site (www.mimap.org). The site is designed to develop organically with contributions from all members. It features a direct interface with our Access management database to ensure that all information in both the web site and the Access database are up to date. The intranet web site and Access interface aim to substantially lighten the project office's administrative load, as they ensure that researchers themselves are responsible for keeping the project office informed of changes in project information and new outputs. Over 500 people are currently registered on the PEP web site, which has accumulated over 45,000 "hits" since a counter was installed in the Spring of 2003.

10. Consultation and Dissemination

Jean-Yves Duclos, Dorothee Boccanfuso and IDRC's Luc Savard submitted a proposal for a special issue of the **Revue d'Économie du Développement** devoted to PMMA research, which has been favourably received. Final versions of 11 articles are to be submitted shortly to an internal editorial committee of this journal.

The MPIA component of the PEP-CIRPÉE project office is preparing a **collective volume of MPIA research** on the impacts of trade liberalization on poverty in Africa and Asia. This volume brings together and compares MPIA research in Bangladesh, Benin, India, Nepal, Pakistan, Philippines, Senegal and Vietnam. It also features a review of the literature and a chapter on parametrizing CGE models. Substantial effort has been devoted to carefully reviewing each country model and ensuring comparability between models. A draft version of the synthesis chapter was presented at a joint IDRC-ADB meeting in Manila. It is expected that the book will be finished early in 2005.

The first two PEP **working papers** have been published and several others are under preparation. All PEP final reports are first submitted to an external evaluator. A revised version of the paper, if accepted, is then sent to an editor for final corrections. The working paper series is posted on the PEP internet web site. A list of new working papers will be including in future editions of the PEP newsbulletin "PEP Talk", which is distributed widely. The working paper series is also registered with all the major bibliographic databases and bulletins.

Three issues of a PEP **newsbulletin** – "PEP Talk" – have been distributed in the course of the first phase through our extensive distribution list. This bulletin is also posted on the PEP web site. PEP Talk ("Info-PEP" in its French-language version) provides information on all new

developments in the PEP network. In future editions, PEP researchers will be solicited to prepare articles on their research findings.

Four MPIA researchers (two financed by PEP and two financed by the UK's Department for International Development (DFID)), as well as the MPIA network leader and the PEP MPIA-PMMA co-director were invited by the **OECD** to present their MPIA/DFID research in a meeting of international experts entitled "Seminar/Policy Dialogue on How Are Globalisation and Poverty Interacting and What Can Governments Do About It?". The meeting was organized by Maurizio Bussolo, who has participated as a resource person in past MPIA interim meetings. Participants included top researchers in the field including François Bourguignon, David Tarr, Jeffrey Round, Neil McCulloch and Ali Bayar (ECOMOD). Several papers from this conference, including two MPIA papers, will be published in a forthcoming book: *Globalization and Poverty: Channels and Policies*.

A proposal was submitted to present MPIA and PMMA research at **WIDER's** May 2003 conference on "Inequality, Poverty and Human Well-being". Unfortunately, due to an overwhelming number of submissions (600, for 40 spots), the conference organizers were unable to accept the proposal. Dorothée Boccanfuso and Bernard Decaluwé were invited to present their paper on functional forms for income distribution in CGE-based poverty analysis (with Luc Savard). They also attended a round table discussion on microsimulation techniques. A CD-Rom of papers presented at this conference was prepared by Dorothée and distributed to the African MIMAP teams (except Ghana).

Several past or current MPIA researchers and Ismaël Fofana of the MPIA project office participated in the **meeting of MIMAP's gender network** in Bangkok (January 15-17). The meeting included a large session on gender modeling. Through discussions with the director of this network, it has been agreed to collaborate in supporting researchers' interest in gender modeling issues. Details of the collaborative mechanism will be discussed at the PEP general meeting in Hanoi.

Ismaël Fofana was hosted at the **International Food Policy Research Institute (IFPRI)** for one month in order to work on gender modeling, SAM balancing and microsimulation issues. He also spent a month in his home country of **Guinée-Conakry**, where he devoted some time to fostering the establishment of a local modeling team with a view to having them submit a proposal to the MPIA network. Marie-Hélène Cloutier will visit the **Institute of Economics** in Hanoi for a period of one month to conduct and present her research on education modeling. Dorothée Boccanfuso participated in several conferences: **WIDER (see above)**, Annual Bank Conference on Development Economics (**ABCDE-Europe**) and Journées de Microéconomie Appliquée (**JMA**). John Cockburn and Caesar Cororaton will present the MPIA network's modeling techniques and research agenda at an October 2003 meeting of the Exante Poverty Impact Assessment of Macroeconomic Policies (**EPIAM**) group hosted by IFPRI.

Three PEP researchers – Caesar Cororaton, Christian Emini and Selim Raihan – were specially invited to present their papers at a June 2004 **GTAP** conference in Washington, with funding from the **World Bank**. These papers were also presented at the prestigious North-Eastern Universities Development Conference (**NEUDC**), which CIRPÉE hosted in Montreal. One PEP researcher – François Cabral – was also invited to present a seminar at the Centre d'Analyse et de Recherches en Economie (**CARE**), Université Pasteur, France.

PEP co-organized an **Association d'Universités francophones (AUF)** conference in Marrakech at which several MPIA and PMMA researchers presented papers. A book and a

special issue in the *Revue d'Économie du Développement* are expected to be based on presentations from this conference.

Finally, a number of publications over the course of this first phase by the PEP project office (and Luc Savard) derive more or less directly from research activities pursued in the context of this project and our preceding technical support work for the MIMAP project:

- Boccanfuso, Dorothée, Bernard Decaluwé et Luc Savard (2003), "Poverty, Income Distribution and CGE Modeling: Does the Functional Form of Distribution Matter?", CIRPÉE, cahier no 03-32.
- Boccanfuso, D., F. Cabral, F. Cissé, A. Diagne et L. Savard (2003), "Pauvreté et distribution de revenus au Sénégal: une approche par la modélisation en équilibre général calculable micro-simulé", CIRPÉE, cahier no 03-33
- Duclos, Jean-Yves, Paul Makdissi (2003), "Restricted and Unrestricted Dominance for Welfare, Inequality and Poverty Orderings", Journal of Public Economic Theory.
- Duclos, Jean-Yves, Paul Makdissi, Quentin Wodon (2003), "Poverty-Reducing Tax Reforms with Heterogeneous Agents", Journal of Public Economic Theory .
- Duclos, Jean-Yves, Sami Bibi (2003), "Equity and Policy Effectiveness with Imperfect Targeting", Cahier de recherche du CIRPÉE, cahier no 03-35 .
- Duclos, Jean-Yves, Paul Makdissi, Quentin Wodon (2003), "Poverty-Efficient Transfer Programs: the Role of Targeting and Allocation Rules", CIRPÉE, cahier no 03-05 .
- Duclos, Jean-Yves, Sami Bibi (2003), "Decomposing Poverty Changes into Vertical and Horizontal Components", CIRPÉE, cahier no 03-12 .
- Duclos, Jean-Yves, Paul Makdissi, Quentin Wodon (2003), "Poverty-Reducing Tax Reforms with Heterogeneous Agents", CIRPÉE, cahier no 03-13 .
- Duclos, Jean-Yves, Damien Echevin (2003), "Bi-Polarization Comparisons", CIRPÉE, cahier no 03-41 .
- Duclos, Jean-Yves; Araar Abdelkrim (2003) Poverty and Equity: Measurement, Policy and Estimation with DAD, mimeo, Université Laval.
- Ray, Debraj, Jean-Yves Duclos, Joan Esteban (2003), "Polarization: Concepts, Measurement, Estimation", CIRPÉE, cahier no 03-01.
- Sahn, David, Jean-Yves Duclos, S. Younger (2003), "Robust Multidimensional Poverty Comparisons", CIRPÉE, cahier no 03-04.
- Savard, Luc (2003), "Poverty and Income Distribution in a CGE-Household Micro-Simulation Model: Top-Down/Bottom Up Approach", CIRPÉE, cahier no 03-43
- Diagne, A., D. Boccanfuso et D.G. Barry (2003), "La rentabilité de l'investissement dans l'éducation au Sénégal", CIRPÉE, cahier no 03-45.

11. Related activities

In response to a request from the **World Bank** (Quentin Wodon), members of the PEP-CIRPÉE team have accepted to coordinate two multi-country poverty studies in French-speaking Africa (Benin, Burkina Faso, Cameroon and Senegal) that are directly related to MPIA and PMMA research and which involve a number of MPIA and PMMA researchers. The first study will look at some microeconomic aspects of poverty. The second study involves CGE-based microsimulation analysis of the impacts of trade liberalization on poverty in these countries. The project will run until late-2004.

Similarly MPIA researchers and Laval support staff have been associated with another World Bank initiative. Thomas Hertel, from the Global Trade Analysis Project (GTAP) network

and Purdue University, and Will Martin, from the World Bank, have invited MPIA researchers and resource persons to contribute to a Conference (The Hague in December 2004) and to produce a book to be published by Oxford University Press on the poverty impacts of the Doha Agenda. The purpose of the project “**Putting Development Back into the Doha Agenda: Poverty Impacts of WTO Agreement**” is to identify ways in which the negotiations might be given a stronger development orientation and be more focussed on successful poverty reduction in poor countries. This will involve making recommendations on specific trade reform options, including identifying approaches that will bring down tariffs on products of particular interest to developing countries. It will also involve recommendations on complementary development policy reforms that will allow developing countries to take greater advantage of the opportunities created by trade and will assess the longer run productivity impacts of these changes. Three MPIA teams - from Bangladesh, Cameroon and the Philippines - will contribute to this project in collaboration with MPIA resource persons.

Three teams of researchers (from Benin, Burkina Faso and Cameroon) were twinned to CIRPÉE by the **AERC in Nairobi, Kenya**, to carry out a collaborative research project on Poverty, Labor Markets and Income Distribution. Two of the teams are visiting Laval in the Fall 2003. They intend to use that stay to further their work on the analysis of poverty changes and poverty dynamics.

Dorothee Boccanfuso and Touhami Abdelkhalek conducted two ten-day **training workshops in Mauritania**: one on poverty analysis (with two Moroccan MIMAP researchers) and one on computable general equilibrium modeling. These two training activities largely were based on material developed in the MIMAP and PEP networks.