



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

Activity Report for Year 1 of Phase 2

October 1, 2004 – September 30, 2005

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C · I · R · P · É · E

Centre Interuniversitaire sur le Risque,
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 UNIVERSITÉ
LAVAL

Cité Universitaire
Québec, Canada G1K 7P4

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ACRONYMS

ADB	Asian Development Bank
AERC	African Economic Research Consortium
AKIEBS	Angelo King Institute for Economic and Business Studies (De la Salle University, Philippines)
BNPP	Bank-Netherlands Partnership Program
CBMS	Community-Based Monitoring Systems (PEP subnetwork)
CGE	Computable General Equilibrium
CIRPEE	Centre Interuniversitaire sur le Risque, les Politiques Économiques et l'Emploi (Université Laval, Canada)
DAD	Distribution Analysis/Analyse Distributive
DFID	Department For International Development (Government of the United Kingdom)
ECOMOD	Economic Modeling Network
GAMS	General Algebraic Modeling System
GTAP	Global Trade Analysis Project
IDRC	International Development Research Centre
MIMAP	Micro Impacts of Macro and Adjustment Policies (IDRC)
MPIA	Modeling Policy and Impact Analysis (PEP subnetwork)
PEP	Poverty and Economic Policy research network
PMMA	Poverty Monitoring, Measurement and Analysis (PEP subnetwork)
SISERA	Secretariat for Institutional Support for Economic Research in Africa
UNECA	United Nations Economic Conference for Africa
WTO	World Trade Organization

1. Overview

This report presents the activities undertaken during the first year of the second phase (October 1st 2004 – September 30th 2005) 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 the Modeling and Policy Impact Analysis (MPIA) networks. As PEP is run in collaboration 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). A separate report covers the first phase of the PEP network.

This period was characterized by a number of important developments. First, the second phase proposal was approved by IDRC in December 2004 and the first disbursement to CIRPÉE was made in April 2005. The second phase officially began on October 1st, 2004. Second, the ongoing PEP call for proposals was aggressively advertised in a wide variety of fora in advance of the November 30, 2004 deadline for proposals to be considered for the June 2005 general meeting. As a result, we received more than 150 proposals of which 25 were selected for presentation, generally after one or more revisions, and 17 were selected for funding (three more are currently under revision/evaluation), including four new Gender Challenge Fund proposals (see section 9). Third, CIRPÉE hosted 15 PEP researchers for study visits of two to five weeks to complete their reports for the Colombo meetings. Fourth, 19 final reports were presented at the June 2005 PEP meeting and are currently under revision. Two interim reports were accepted and two more are currently being revised. Fifth, PEP began more substantial dissemination activities including funding the participation of PEP researchers in international conferences, involving PEP researchers in top-level international studies and the publication of PEP working papers.

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 in building research capacity for developing countries to reduce poverty through better macroeconomic policies and micro-level interventions. Specific objectives are to:

- To support applied and high quality research on links between economic policy and poverty as a means to strengthen the capacity of developing countries to understand the causes and consequences of poverty, as well as the welfare implications of macroeconomic policies and poverty reduction programs.
- To improve the monitoring and measurement of poverty in developing countries through the development of new, as well as tailored and sharpened, concepts and methodologies that better capture the nature, extent, and depth of poverty at the local as well as national levels.

- To enhance the capacity of developing country researchers and practitioners in the modeling, measurement, analysis, and monitoring of poverty.
- To offer alternative or accompanying policies to reduce poverty where feasible
- To build a network of researchers, experts, practitioners and policy makers by linking research projects whenever possible to larger on-going development initiatives and through a training, capacity building and mentorship programs.

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 materials and recommended reading lists and make these available to PEP researchers through the PEP website and other means.
- Encourage comparative analyses across countries and teams.
- Provide systematic and focused training and technical assistance.
- Increase the visibility of the networks and researchers through support to consultation and dissemination activities with national and international policy analysts and stakeholders.
- 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.

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;
- Micro modeling of the labor market;
- Intra-household allocation of well-being;
- Gender analysis;
- Poverty dynamics;
- 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 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,
- Government budget consequences of a variety of external shocks or policies,
- 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 basis to oversee all aspects of the office. 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.

In the last few months of this year, major efforts have been made to **devolve PEP direction and network leadership activities to the South** and simultaneously reduce the growing management burden of the PEP co-director and network leaders. The PMMA network has identified two deputy network leaders along thematic grounds; one (Jean-Bosco Ki of Senegal) to supervise research activities on multidimensional poverty analysis in close collaboration with Louis-Marie Asselin, and the other (Sami Bibi of Tunisia) to lead activities on poverty measurement and the impacts of public spending. The MPIA network has opted for a geographic separation of network leadership by hiring Ramon Clarete as deputy network leader for Asia. The co-director has hired long-time collaborator Ismaël Fofana as deputy co-director to assist in the overall management of the PEP network and the establishment and expansion of its African office.

Five **research professionals** – Nabil Annabi, Abdelkrim Araar, Ismaël Fofana, Véronique Robichaud and Nitesh Sahay) – worked 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. Ismaël Fofana moved to Dakar (Senegal) as of September 7th to take over and expand PEP's African office. Nitesh Sahay, who had been pursuing his PhD at Laval University with PEP funding, has temporarily returned to India as of April 1, 2005 to work on a full-time basis as a research professional providing support to MPIA researchers. After three and a half years of excellent service, Nabil Annabi accepted a position with the Ministry of Finance of Quebec as of July 4th, 2005. We were fortunate in being able to hire back Véronique Robichaud, who has a long experience in providing support to MPIA researchers, as a part-time MPIA resource person as of September 1st 2005. Background information (CVs, publications, etc) on all 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** also worked on a part-time basis for the project (Emmanuel Ndoruhirwe, Manon Langevin, Nitesh Sahay and Agnès Zaborré), especially in exploring research on child poverty and health issues. Emmanuel Ndoruhirwe has almost completed his M.A. thesis and accepted a position at Canada's federal Competition Bureau as of May 2005.

The PEP-CIRPÉE office's **administrative team** had quite an unsettling year. It was led by Sonia Moreau who worked full-time for the project to coordinate the administrative and

secretarial aspects, but who left on sick leave in September 2005. She has been replaced by Sylvie Jinchereau. Jane O'Brien worked on a half-time basis on administrative and secretarial aspects and was replaced in May 2005 by Évelyne Joyal. Gaétane Marcoux's salary is paid by Laval University and works on a part-time basis, primarily on the financial aspects of the network. Johanne Perron's salary is also paid by Laval University and works part-time to help with Internet and documentary issues. Laval University also allows PEP members to use the economics department's computer specialist for day-to-day computer support and some more involved activities (e.g. Excel program to manage PEP finances). A computer specialist (Carl Fortin) worked for PEP on a part-time basis, primarily to assist in developing the PEP web site. Ndeye Lika Aidara, who was hired by CIRPÉE in July 2004 to establish an African PEP office, has been on sick leave since March 2005.

A number of **external resource persons** - Louis-Marie Asselin, Sami Bibi, Dorothée Boccanfuso, Christian Emini, Michael Grimm and Jean-Bosco Ki – have been contracted for specific activities, notably in providing support to study visitors and conducting the MPIA and PMMA training seminars preceding the June 2005 PEP General meeting. Several other external resource persons, mostly Southern-based, were involved in evaluating PEP proposals, reports and working papers.

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-delegated representative:

1. **Community-Based Monitoring Systems (CBMS):** Louis-Marie Asselin, Poncilano S. Intal Jr., Martha Melesse, Celia Reyes, Momar Sylla
- **Modeling and Policy Impact Analysis (MPIA):** Touhami Abdelkhalek, Ramon Clarete, Bernard Decaluwé, Marzia Fontana, Randy Spence.
- **Poverty Monitoring, Measurement and Analysis (PMMA):** 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, when required, IDRC's MIMAP team leader (Evan Due), deals with all strategic issues that arise.

4. Main activities

A call for MPIA and PMMA proposals was widely publicized in the fall of 2004 in preparation for the June 2005 PEP general meeting. **Over 150 new proposals** were received from all regions of the developing world. The selection process was completed by the MPIA and PMMA network leaders in consultation with the PEP MPIA-PMMA co-director. A set of selection criteria was developed for this purpose. As the deadline for submitting new proposals was set much earlier this year, we were able to have a large number of proposals evaluated externally and to invite an initial shortlist of teams to revise and resubmit their proposals (based on comments from the external evaluators and members of the CIRPÉE team) before the final decision was taken on their invitation to the June 2005 meeting. 25 teams were then selected to present their proposal at the June 2005 meeting. These teams were allowed to make further revisions of their proposals up to the deadline for reproducing meeting papers. As a result of these multiple revisions and the detailed comments and advice provided throughout the process,

the proposals presented in Colombo were of exceptionally good quality. Indeed, of the 24 teams that were able to attend, **17 were awarded research grants** (see Annex 3), including four new Gender Challenge Fund proposals (see section 9). Three more are currently under final revision and only five were rejected. This procedure will be maintained in the future. In addition, the earlier deadline provided us time to verify much more closely the non-scientific aspects of proposals – gender/age composition of teams, capacity-building component, dissemination strategy, etc. As a result, these components were greatly improved over past rounds. An analysis of the gender and age composition of current MPIA-PMMA projects reveals that 37.4% of researchers in PEP-funded teams are female, 34.3% are aged less than 30 years and 73.7% is aged less than 49 years.

Furthermore, PEP reached its full cruising speed as a record **19 final reports** were presented at the Colombo meetings, as compared to three in June 2004 meeting. All of these final reports are currently being finalized in working paper format. Two interim reports were also approved and two more are currently being revised. Analysis of these reports (and accompanying technical reports; see section 7) indicate that PEP is very successfully attaining its objectives of producing high quality, rigorous and policy-relevant research while simultaneously building research capacity, notably among less-experienced and female researchers.

Sixteen study visit grants were awarded. Fifteen PEP researchers were invited to conduct two- to five-week study visits at CIRPÉE and one researcher chose to conduct her one-month study visit at the University of Toronto. These researchers were all members of teams that had submitted interim reports by the end of November 2004 and judged sufficiently advanced to profit from a study visit. The whole CIRPÉE team was mobilized to work intensively with these researchers on their respective projects. Several seminars were organized, including a presentation by Jean-Bosco Ki to the Laval University Economics department. The greatly expanded use of study visits is a major development this year, which has translated into an overwhelming success. Researchers are provided in-depth one-on-one support over a prolonged period ensuring that they are able to overcome the last obstacles preventing them from completing their final report and at the same time pushing their research much further and directly developing their research capacities.

A major change in the second phase of the PEP network is the shifting of the responsibility of organizing **PEP general meetings** to the AKIEBS team, with the ongoing support of the CIRPÉE team. The 4th PEP general meeting was held in June 2005 in Colombo. This meeting brought together over 150 participants from 40 countries including researchers, resource persons, policy makers and representatives of bilateral and multilateral institutions. These meetings are central to PEP's scientific support, networking, training, dissemination and quality control objectives. The MPIA and PMMA components featured 19 final reports, four interim reports, 24 new proposals and nine presentations by invited speakers. The meeting also featured a joint MPIA-CBMS session on Computable General Equilibrium (CGE) modeling and CBMS data. All papers (and a number of Powerpoints) were made available to meeting participants well prior to the meeting through a public hyperlinked meeting program that is posted on the PEP web site. A CD-Rom containing all meeting and workshop papers, as well as a large portion of the contents of the PEP web site (in particular recommended readings and training material that would be slow and expensive to download) and DAD and GAMS software were distributed on CD-Roms to all meeting participants.

On the occasion of the 4th PEP general meeting, the MPIA and PMMA teams each organized two-day advanced **training workshops** with 35 and 60 participants, respectively. The

MPIA network hired Michael Grimm of Goettingen University to provide training on top-down CGE microsimulation techniques, which is a popular alternative to the integrated CGE microsimulation models generally used in the network. The PMMA training workshop, which was open to both PMMA and CBMS researchers, dealt with policy impact analysis, a new theme to be developed in this network. It was jointly conducted by Sami Bibi, Dorothee Boccanfuso and Habiba Djebbari. The PEP network does not have a budget for organizing separate basic training workshops but, in response to an increasing demand, efforts were made to organize French and English introductory CGE modeling workshops with a focus on poverty analysis in collaboration with IDRC, Sisera and the AERC. For the moment, a single English workshop will be held in November 2005 with the AERC.

The PEP-CIRPÉE project office provided a wide variety of **training and technical support** activities to all MPIA and PMMA researchers. These activities included: written comments, participation in PEP meetings, development of new methodologies, preparation of training material and recommended reading lists, training activities, field and study visits, preparation of technical notes, preparation of customized Stata programs, as well as ongoing (email) distance support. PEP also renewed and expanded the group license it has for GAMS software used by MPIA researchers, as this is the key software program used by CGE modelers.

Written comments, often very detailed in nature, were provided quickly on all documents (proposals, interim reports, final reports, working papers) submitted to the MPIA and PMMA networks. These comments, which cover all aspects of the document (objectives, methodology, presentation, etc.) are posted on the PEP intranet web site and available to all members of the relevant research team, as well as to all members of the PEP steering committee. While many of these comments were prepared by core members of the PEP-CIRPÉE project office, PEP and other Southern researchers were increasingly asked to provide external evaluations in the context of our devolution process.

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 focused on analyzing the poverty impacts of growth, CGE microsimulation techniques, gender modeling and the poverty impacts of public spending (notably on health and education). Work on the poverty impacts of growth took the form of two studies using sequential dynamic models analyzing the growth and poverty effects of trade liberalization (Senegal) and the Doha Round (Bangladesh). Fundamental research on CGE microsimulation techniques dealt in particular with techniques to reconcile household and national account data and applications to five African countries. It was undertaken in the context of a World Bank-funded project led by Quentin Wodon and a UNECA-funded project in South Africa. A paper on education and poverty in Vietnam has been extensively revised with a view to publication and will be the object of training material to be developed in the coming year. Parallel work on health and poverty continues.

In the PMMA network, fundamental research focused on multidimensional poverty techniques, fiscal reforms, targeting, poverty dynamics, chronic and transient poverty, public spending, polarization, and upgrading the DAD software. Two papers on multidimensional poverty comparisons have been revised. They investigate how to make geographical and cross-country poverty comparisons using multidimensional indicators of well-being. A paper on reforming indirect tax and subsidy systems to alleviate poverty is under revision. Work on optimal indicator targeting has started and will aim at estimating indicator scores that most effectively target households for poverty reduction. The development of measurement and

statistical tools for estimating chronic and transient poverty in China has also progressed. The same is true for the estimation of mobility matrices for living standards. Work on polarization and well-being has also evolved – with tools being added to DAD. Another paper on decomposing the Gini index is under preparation. A book entitled “Poverty and Equity: Measurement, Policy and Estimation with *DAD*” is also being finalized, and should be published before the end of 2005.

This fundamental research is of particular use when 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 and has been developed both by members of the PEP-CIRPÉE project office and PEP researchers, as part of the devolution process. In the MPIA network, **recommended readings** were prepared on growth and poverty analysis. In the PMMA network, a new version of the popular DAD **software** was prepared with a number of important improvements and accompanying technical notes and exercises (see www.pep-net.org, "DAD software").

5. Web site

The **PEP web site** (www.pep-net.org) was continually revised and expanded throughout the year. 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 **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. Substantial effort was put into improving the meeting management section of the web site in preparation for the June 2005 meeting. Over 2470 people are currently registered on the PEP web site, which has accumulated over 85,000 “hits” since a counter was installed in the Spring of 2003.

Our webmaster is currently working on two major developments for the PEP web site for the coming year: a webmaster procedures manual for managing the web site and a new look for the web site to make information more easily and attractively accessible.

6. Consultation and Dissemination

Jean-Yves Duclos and Luc Savard (former MIMAP team leader for IDRC and now a professor at the University of Sherbrooke) co-edited a **special issue** of the *Revue d'Économie du Développement* entitled "Analyses de la pauvreté en Afrique" that included five PMMA articles (plus an introduction by Duclos and Savard).

The MPIA component of the PEP-CIRPÉE project office is finalizing a **collective volume of MPIA research** on the impacts of trade liberalization on poverty in Africa and Asia. Véronique Robichaud was hired to help bring this project to conclusion. 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. It is expected that the book will be finished early in 2006.

Four new MPIA **working papers** were published, posted on the PEP web site, distributed at the June 2005 PEP meeting and advertised in the PEP-Talk bulletin:

- Chitiga, Margaret, Tonia Kandiero, Ramos Mabugu, "Computable General Equilibrium Micro-simulation analysis of the Impact of Trade Policies on Poverty in Zimbabwe"
- Annabi, Nabil, Bazlul H. Khondker , Selim Raihan, John Cockburn, Bernard Decaluwe, "Implications of WTO Agreements and Domestic Trade Policy Reforms for Poverty in Bangladesh: Short vs Long Run Impacts"
- Cororaton, Caesar, John Cockburn, Erwin Corong, "Doha Scenarios, Trade reforms and Poverty in the Philippines, A CGE Analysis"
- Emini, Christian Arnault, John Cockburn, Bernard Decaluwe, "The Poverty Impacts of the Doha Round in Cameroon: The Role of Tax Policy"

As the Colombo meeting featured the first full slate of final PMMA and MPIA reports, it is expected that a large number of working papers will be published in the coming year. Indeed, researchers are now required to submit final reports in working paper format with a separate technical appendix in order to speed up the publication process. A \$2000 grant is provided to PEP teams that publish a PEP working paper. All working papers are evaluated externally and professionally edited. French-language working papers are translated and re-edited in English. The working paper series is posted on the PEP internet web site. A list of new working papers is included in the PEP newsbulletin "PEP Talk", which is distributed widely. The working paper series is also registered with all the major bibliographic databases and bulletins (SSRN, REPEC, etc.). Coaching, encouragement and an additional \$2000 grant is provided to PEP teams who publish an **article**, based on their PEP-funded research, in a professional journal inventoried by Econlit. A lot of effort over the next couple of years will be devoted to disseminating the results of PEP research.

A fourth issue of the PEP **newsbulletin** – "PEP Talk" – was distributed in December 2004 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. As PEP Talk features articles by PEP researchers on their research findings, the fast-growing numbers of final reports imply that PEP-Talk will likely be published more frequently (two or three times per year) in the future.

Two **international conference** grants were awarded to Margaret Chitiga, to attend the GTAP conference, and Rina Oktaviani, to participate in the Ecomod conference. Several other PEP researchers attended international conferences on separate funds. Researchers Frikkie Booysen, Jean-Bosco Ki and Paul Ningaye, as well as PEP resource persons Louis-Marie Asselin and Jean-Yves Duclos, all presented papers at the International Conference on the Many Dimensions of Poverty organized by the UNDP's International Poverty Centre in Brasilia (August 29-31, 2005). Margaret Chitiga also presented her research at the African Econometric Society conference in Nairobi (Kenya) in July 2005, where she also distributed PEP brochures. Two PEP resource persons – Jean-Yves Duclos and Nabil Annabi – also made presentations at the annual meeting of the Société canadienne de science économique, contributing to PEP's visibility in Canada, which is the location of both the CIRPÉE office and our donor, the IDRC.

Louis-Marie Asselin presented a paper on Multidimensional Poverty in Vietnam 1993-2002 at the International Conference on Poverty, Social Exclusion and Development: A Statistical Perspective organized by the International Association of Survey Statisticians in Amman, Jordan (Nov. 29 - Dec. 1, 2004). On most of these occasions, PEP brochures were widely distributed. PEP researchers have also presented their research to policy makers, academics and other stakeholders in the context of innumerable seminars, policy briefs, journal articles and other vehicles at the national level.

Finally, a number of **publications** over the course of this year by the PEP project office derive more or less directly from research activities pursued in the context of this project:

- Annabi, N., B. Khondker, S. Raihan, J. Cockburn and B. Decaluwé, "Implications of WTO Agreements and Domestic Trade Policy Reforms for Poverty in Bangladesh: Short vs. Long Run", MPIA Working Paper 2005-02, Poverty and Economic Policy (PEP) Research Network, 2005. [PDF](#) (also forthcoming as a World Bank Policy Research Working Paper)
- Annabi, Nabil, Bazlul Khondker, Selim Raihan, John Cockburn et Bernard Decaluwé (2005), "Implications of WTO Agreements and Domestic Trade Policy Reforms for Poverty in Bangladesh: A Study in a Sequential Dynamic CGE Framework", in Thomas W. Hertel et L. Alan Winters (eds.), Poverty and the WTO: Impacts of the Doha Development Agenda, Palgrave MacMillan (forthcoming).
- Annabi, N., F. Cissé, J. Cockburn and B. Decaluwé, "Trade Liberalisation, Growth and Poverty in Senegal: A Dynamic Microsimulation CGE Model Analysis", CIRPEE Working Paper 05-12, 2005. [PDF](#) (also CEPII Working Paper 2005-07, [PDF](#))
- Annabi, N., Cockburn, J. and Decaluwé, B. (2005c) Growth Effects of Trade Liberalisation and Implications for Poverty. Mimeo, Université Laval.
- Annabi, N., Cockburn, J. and Decaluwé, B. (2004) A Sequential Dynamic CGE Model for Poverty Analysis. Mimeo, Université Laval.
- Araar, Abdelkrim and Jean-Yves Duclos (2005), "An Atkinson-Gini Family of Social Evaluation Functions: Theory and Illustration Using Data from the Luxembourg Income Study" forthcoming in Public Finance.
- Bibi, Sami et Jean-Yves Duclos, « Réformes fiscales et réduction de la pauvreté : application sur des données tunisiennes. », Le Développement Face à la Pauvreté, forthcoming.
- Bibi, Sami and Jean-Yves Duclos (2005), « Decomposing Poverty Changes into Vertical and Horizontal Components », Bulletin of Economic Research 57, no 2, avril, 205-215.
- Cockburn, John (2005), "Trade Liberalisation and Poverty in Nepal: A Computable General Equilibrium Micro Simulation Analysis", in Maurizio Bussolo et Jeffery Round (eds.), Globalization and Poverty: Channels and Policies, Routledge, London (forthcoming)
- Cororaton, C., J. Cockburn and E. Corong, "Doha Scenarios, Trade Reforms, and Poverty in the Philippines: A CGE Analysis", MPIA Working Paper 2005-03, Poverty and Economic Policy (PEP) Research Network, 2005. [PDF](#) (also forthcoming as a World Bank Policy Research Working Paper)
- Cororaton, Caesar B., John Cockburn, and Erwin Corong (2005), "Doha Scenarios, Trade Reforms, and Poverty in the Philippines: A CGE Analysis", in Thomas W. Hertel and L. Alan Winters (eds.), Poverty and the WTO: Impacts of the Doha Development Agenda, Palgrave MacMillan (forthcoming).
- Cororaton, C. and J. Cockburn, "Trade Reform and Poverty in the Philippines: A Computable General Equilibrium Microsimulation Analysis", CIRPEE Working Paper 05-13, 2005. [PDF](#)
- Duclos, Jean-Yves, « Review of 'Growth, Inequality, and Poverty: Prospects for Pro-Poor Economic Development,' edited by Anthony Shorrocks and Rolph van der Hoeven », Economic Development and Cultural Change.

- Duclos, Jean-Yves, D. Sahn et S. Younger, « Robust Multidimensional Poverty Comparisons », *Economic Journal*.
- Duclos, Jean-Yves et Luc Savard (2004), « Introduction à un numéro spécial MIMAP sur les politiques économiques et la pauvreté en Afrique », *Revue d'économie du développement* 12, no 2, juin, 5-8.
- Duclos, Jean-Yves, Paul Makdissi et Quentin Wodon (2005), « Poverty-Efficient Transfer Programs: the Role of Targeting and Allocation Rules », *Journal of Development Economics* 77, no 1, juin, 53-74.
- Emini, Christian Arnault, John Cockburn et Bernard Decaluwé, "The Poverty Impacts of the Doha Round and the Role of Tax Policy: A Case Study for Cameroon", MPIA Working Paper 2005-04, Poverty and Economic Policy (PEP) Research Network, 2005. [PDF](#). (also forthcoming as a World Bank Policy Research Working Paper)
- Emini, Christian Arnault, John Cockburn and Bernard Decaluwé (2005), "The Poverty Impacts of the Doha Round and the Role of Tax Policy: A Case Study for Cameroon", in Thomas W. Hertel et L. Alan Winters (eds.), Poverty and the WTO: Impacts of the Doha Development Agenda, Palgrave MacMillan (forthcoming).
- Fofana, I., J. Cockburn and B. Decaluwé, "Developing Country Superwomen: Impacts of Trade Liberalization on Female Market and Domestic Work", CIRPEE Working Paper 05-19, 2005. [PDF](#)
- Fofana, Ismaël, John Cockburn and Bernard Decaluwé (2005), "Modélisation du Travail des Hommes et des Femmes dans un Modèle D'Équilibre Général Calculable Appliqué au Népal", in Fouzi Mourji, Bernard Decaluwé, Adama Diaw et Patrick Plane, Le Développement Face à la Pauvreté, *Economica* (forthcoming)

The network was publicized, notably through the wide distribution of the call for proposals and PEP Talk (see section **Error! Reference source not found.**). The PEP **brochure** was substantially revised prior to the June 2005 meetings and now fully integrates all three networks. This brochure is posted on the PEP web site and distributed at all PEP meetings. Roughly 50 copies are also provided to all PEP researchers and resource persons attending international conferences for distribution.

7. Management activities

Several significant developments occurred on the management front in the course of this year. First, AKIEBS took on responsibility for organizing all aspects of **PEP general meetings** with the continued support and collaboration of the CIRPÉE (notably in finalizing the list of invitations, managing these invitations through the PEP web site and providing advice on a variety of strategic issues as they arose). This change of responsibilities substantially reduced the management burden for the CIRPÉE team.

Second, efforts began in this year to **consolidate and systematize PEP management procedures**. To this end, work has begun on a PEP manual of procedures (see Annex 1). This tool is seen as essential as a reference to CIRPÉE's management team, a training tool for new staff and an essential part of our devolution effort. The preparation of the manual of procedures also provides us an excellent occasion to evaluate and review the procedures themselves. This effort parallels the preparation of a procedure's manual for the webmaster (see section 5).

Third, substantial effort was also devoted to maintaining and improving the management tools of the intranet section of the PEP web site. In particular, a sophisticated Intranet-based **follow-up mechanism** was put into place to ensure prompt and efficient management. As a

result, there is always a CIRPÉE team member that is responsible for supervising or carrying out a management activity for each PEP proposal, project and working paper. Each member of the team can consult his/her "follow-ups" at any time on the PEP web site and, when it is completed, transfer the responsibility appropriately. All past activities are archived to allow members of the CIRPÉE team to review the history of all projects. The strong returns to past investments in the PEP web site and management tools have become obvious this year in terms of reducing the management burden and improving the efficiency and thoroughness of our management activities. In particular, they were key to allowing us to weather the consecutive losses of three key members of our management team: Ndeye Aidara, Jane O'Brien and, finally, Sonia Moreau (who was the main instigator and driving force for the development of these tools). We feel that these management tools will be essential elements in the successful devolution of PEP management activities to the South.

Fourth, an **African PEP office** was established and equipped by Ndeye Aidara. Mme. Aidara notably took on responsibility for verifying that all newly submitted proposals were complete and for preparing letters to PEP researchers communicating PEP decisions on their proposals and reports. Ms. Aidara came to CIRPÉE for an extended training visit and also went to Manila with Sonia Moreau, of the CIRPÉE office, to work with the AKIEBS secretariat. Unfortunately, Ms. Aidara fell seriously ill in the course of the year and had to go on sick leave. Beginning in early September 2005, Ismaël Fofana, a long-time member of the CIRPÉE resource person team, moved to Dakar to take over and expand PEP's African office. He is currently recruiting an administrative assistant and setting up shop in Dakar. It is hoped that this office will progressively take over many of the administrative tasks currently handled by the CIRPÉE office.

The MPIA-PMMA **Grants Procedure Manual** outlines the nature, application procedure and selection criteria for all MPIA and PMMA grants. It was continuously updated over the course of this year and is slated for a major revision for the coming year.

In the context of PEP's **monitoring and evaluation strategy**, the leaders of all PEP-funded research teams are required to provide a draft technical report with their interim research report and a final technical report with their final research report. The guidelines for technical reports were revised and all technical reports were carefully examined. In particular, this led to an in-depth analysis of the age and sex composition of PEP teams, as well as a cataloguing of comments and recommendations that is posted on the home page of the PEP web site ("What PEP researchers have to say about the PEP network"). Also, researchers are required to identify the three key findings from their research, which will be posted shortly on the PEP web site, as an alternative entry point to PEP working papers and reports for visitors to our web site. The exercise of identifying succinctly key findings has been found to have very salutary effects on PEP researchers. Note also that PEP's CIRPÉE office was audited by an external auditor hired by the IDRC to examine PEP's risk and management procedures.

Efforts were made to increase the **integration of the CIRPÉE and AKIEBS management teams**. Very close collaboration was established in the preparation of the June 2005 PEP general meeting, notably through the shared use of the Intranet conference management tools. Also, two members of the CIRPÉE administrative team – Sonia Moreau and Ndeye Aidara – traveled to Manila to train the AKIEBS team in using the PEP web site, explore potential web site developments and discuss overall management coordination between the two teams.

Finally, there was ongoing interaction with various members of **IDRC** staff concerning both scientific and administrative matters throughout the year. In particular, John Cockburn participated in an IDRC brainstorming in Ottawa on the IDRC's new Globalization, Growth and Poverty initiative.

8. Devolution

The PEP network aggressively pursued its devolution strategy in the course of this year. First, the takeover of the management of PEP meetings by AKIEBS, which translated into a major increase in the share of the PEP budget managed by AKIEBS with respect to the first phase, constituted a substantial devolution of PEP management activities. Second, the establishment of a PEP African office is also expected to lead to a substantial devolution of core administrative tasks. Third, the research professional team has gone from a situation where all five research professionals were based at CIRPÉE to the current situation with four research professionals, of which two are based in developing countries: Nitesh Sahay (India) and Ismaël Fofana (Senegal). Fourth, the creation of Southern-based deputy co-director and deputy network leader positions represents a major devolution of network leadership to the South. Note also that PEP's (written and simultaneous) translation and editing services are entirely handled by Southern-based consultants. Finally, the vast majority of research professionals and students involved in CIRPÉE's support activities are developing country nationals.

9. Resource expansion

PEP's CIRPÉE office has actively pursued a number of **resource expansion and diversification** activities this year.

A PEP **Partner's Luncheon** was organized on the first day of the June 2005 meeting to bring together the large number of partner representatives present at the meeting and introduce them to the PEP network and to discuss possible partnerships. This has led to follow-up discussions with a number of these donors concerning the co-funding of future PEP meetings, the establishment of new PEP subnetworks and other forms of collaboration.

A major development this year is the agreement with the **Global Trade Analysis Project** (GTAP; www.gtap.org) to organize the Fifth PEP General Meeting back-to-back with GTAP's Ninth Annual Conference in Addis Abeba (Ethiopia). GTAP boasts an international consortium of 24 sponsors including the Asian Development Bank, the European Commission, the UN's Food and Agricultural Organization, the Inter-American Development Bank, the World Bank, UNECA and WTO. It has a membership of 4000 researchers and primarily focuses on modeling the impacts of trade policies at national, regional and international scales. This collaboration provides unprecedented visibility to the PEP network.

The PEP Gender **Challenge Fund**, financed in part by the Gender Network, was officially established and led to the funding of five PEP projects this year. This mechanism will serve as an example of one way in which outside donors may get initially involved in the PEP network. Under this mechanism, donors are invited to fund part or all of a challenge fund that finances a number of PEP research grants, management and scientific support activities, and/or fundamental research activities by PEP resource persons on a specific issue that is relevant to MPIA or PMMA themes. Discussions are currently under way with two British research institutes on the possibility of submitting a proposal to DFID (UK) for two new challenge funds.

Another strategy that has met with great success this year is the participation of PEP researchers and resource persons in **related outside projects** (see section 10). Three World Bank-Netherlands Partnership Program (BNPP) projects involving PEP researchers and resource persons were completed this year and a fourth is currently in the final stages of approval. A second phase of a UNECA gender modeling project in South Africa has also been initiated, once again involving both PEP researchers and resource persons. As a result of this collaboration, the UNECA has accepted to take responsibility for organizing the Fifth PEP general meeting, which will be held in Addis Abeba (Ethiopia) in June 2006. While these projects do not qualify as direct funding of the PEP network, they allow senior PEP researchers and PEP resource persons to work together to develop and apply new research that can feed into the PEP network.

10. Related activities

In response to a request from the World Bank (**Quentin Wodon**), members of the PEP-CIRPÉE team have practically completed 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 looked at various microeconomic aspects of poverty. The second study involved CGE-based microsimulation analysis of the impacts of trade liberalization on poverty in these countries.

Similarly MPIA researchers and Laval support staff were associated with another World Bank initiative. **Thomas Hertel**, from the Global Trade Analysis Project (GTAP) network and Purdue University, invited MPIA researchers and resource persons to contribute three chapters in the following major publication: Thomas W. Hertel and L. Alan Winters (eds.), Poverty and the WTO: Impacts of the Doha Development Agenda, New York: Palgrave Macmillan, 2005. In the context of this project, PEP researchers and resource persons participated in an international conference (The Hague, December 2004) that brought together almost all of the leading researchers in the world on macro-poverty links. Christian Emini also participated in a dissemination tour with Tom Hertel to South Africa and Zimbabwe, whereas Nabil Annabi accompanied Tom Hertel on a tour that included presentation at the WTO, the European Commission and the OECD. Each chapter has also appeared as a MPIA working paper and, shortly, as a World Bank Policy Research Working Paper.

A new bid, led by long-time collaborator **Maurizio Bussolo** of the World Bank, for a project on trade, growth, gender and poverty is near approval and would bring together MPIA resource persons and researchers from three African countries and one Latin American country. It is hoped that this project will break ground for future MPIA research on growth and poverty.

PEP resource persons (Bernard Decaluwé, Ismaël Fofana and John Cockburn) are also involved in the second phase of a **UNECA**-funded gender modeling project that involves the use of a gendered integrated CGE microsimulation model to study the impacts of trade liberalization on poverty in South Africa.

Three teams of long-time MIMAP-PEP 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 and Income Distribution. All three projects have now completed draft versions of their final papers.

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Annex 2: List of participants in PEP partners luncheon (Colombo, June 13, 2005)

Name	Designation	Organization
Touhami Abdelkhalek	Professor/PEP Steering Committee Member	INSEA/PEP SC
Nihal Kirthi Atapattu	Senior Development Officer	CIDA-Sri Lanka
Maurizio Bussolo	Senior Economist	World Bank-USA
Vivien Chiam	Partnership and Business Development Manager	IDRC-Regional Office for Southeast and East Asia
Ramon Clarete	Professor/PEP Steering Committee Member	University of Philippines School of Economics/PEP SC
John Cockburn	PEP Co Director	Laval-PEP Network
Caesar Cororaton	Research Fellow	IFPRI-USA
Bernard Decaluwe	MPIA Network Leader	Laval-MPIA Network
Jean Yves Duclos	PMMA Network Leader	Laval-PMMA Network
Evan Due	Senior Program Specialist	IDRC-Regional Office for Southeast and East Asia
Stephen Howes	Lead Economist	World Bank-India
Stephen McGurk	Regional Director	IDRC-Regional Office for Southeast and East Asia
T. Palanivel	Research Programme Coordinator	UNDP Regional Centre-Sri Lanka
Celia Reyes	PEP Co Director and CBMS Network Leader	AKIEBS-PEP Network
Chris Scott	Professor/ President of the PEP Steering Committee	London School of Economics and Political Science/PEP SC
William James Smith	Senior Advisor	IDRC-Canada
Chan Sophal	Poverty Specialist	World Bank-Cambodia
Randy Spence	Director	Economic and Social Development Affiliates
Guntur Sugiyarto	Economist	ADB-Philippines
Anne Sweetser	Social Development Specialist	ADB-Philippines

Annex 3: List of Newly-Selected PEP Research Proposals

1. **Maria Laura Alzua** (Argentina): Social Security Reform in Argentina: Impact on Poverty, Income Inequality and Vulnerability
2. **Nisha Arunatilake** (Sri Lanka): Will school level decision making improve access to better education for the poor in Sri Lanka?
3. **Mohamed Ayadi** (Tunisia): Analyse Multidimensionnelle de la Pauvreté en Tunisie entre 1988 et 2001 par une Approche Non-Monétaire
4. **Fenglian Du** (China): Women's Employment and Industrial Restructuring in China: Investigation Using Urban Household Surveys
5. **Joaquim Bento De Souza Ferreira Filho** (Brazil): Tax reform, income distribution and poverty in Brazil: An applied general equilibrium analysis
6. **Borel Anicet FOKO TAGNE** (Sénégal): Pauvreté et inégalité des conditions de vie au Cameroun: Une approche micro-multidimensionnelle
7. **Dileni Gunewardena** (Sri Lanka): The gender wage gap in Sri Lanka
8. **Boévi Kouglo LAWSON BODY** (Togo): Analyse comparative de l'état de pauvreté et d'inégalité au Togo : une approche multidimensionnelle basée sur l'indice de richesse
9. **Sugata Marjit** (India): Urban Informal Sector and Poverty Effects of Trade Reform in India
10. **Milu Muyanga** (Kenya): Rural Poverty Dynamics in Kenya: A Study of Rural Households Entering and Exiting Poverty
11. **Luc Nembot Ndeffo** (Cameroun): Impact des échelles d'équivalence sur la répartition régionale de la pauvreté au Cameroun: une approche dynamique
12. **Sohila Parvin** (Iran): The Impact of Macroeconomic Policies on Poverty and Income Distribution (The case of Iran)
13. **Selim Raihan** (Bangladesh): Modelling Gender aspects of Policy Reforms in Bangladesh: A Study in a Sequential Dynamic CGE Framework
14. **Manuel Ramirez** (Colombia): Fiscal Adjustment, Income Distribution and Poverty in Colombia
15. **Ajitava Raychaudhuri** (India): Design of a Pro-Poor Value Added Tax (VAT) System in a Federal Economy like India
16. **Martin Valdivia** (Peru): Business Development Services for Female Microfinance Clients in Peru: A Randomized Impact Evaluation
17. **Xiuqing Wang** (China): Measuring Rural Poverty in China: a Case Study Approach