Poverty and Economic Policy (PEP) Research Network

“An international network of researchers in developing countries with the expertise, resources and reputation to contribute to and influence national and international academic and policy debates on poverty”

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From the PEP Co-Directors

PEP has made huge strides over the last year in pursuing its vision of a world in which researchers living and working in developing countries have both the skills and reputation to participate centrally in and influence national and international academic and policy debates on poverty issues. Our support strategy seeks to remove the many obstacles that developing country researchers encounter in the research process, whether this be in terms of obtaining funding, accessing recent literature, interacting with other specialists, using recent and powerful software, gaining visibility both nationally and internationally, or receiving ongoing training and scientific support.

Helping us pursue this vision, PEP now has active regional offices in Asia (Manila), Africa (Dakar) and Latin America (Peru) developing their own research, training and dissemination activities, and supporting ongoing and new PEP-wide activities in their regions.

In addition to PEP’s original three programs - CBMS, MPIA and PMMA - we are also happy to welcome two new programs this year: The Policy Impact Evaluation Research Initiative (PIERI) and the PEP-OPHI Human Development and Capabilities Initiative. Finally, this year also marks the arrival of two new core donors - The Canadian International Development Agency (CIDA) and the Australian Agency for International Development (AusAID) - which join our first champions, the International Development Research Centre.

We hope you enjoy reading this annual report, which strives to capture and convey all these new and exciting developments!

Celia M. Reyes

John Cockburn
Overview

The Poverty and Economic Policy (PEP) Research Network brings together and provides scientific and financial support to teams of developing country researchers working to reduce poverty. Launched jointly by the Angelo King Institute in the Philippines and Universite Laval in Canada in 2002, the PEP Network traces its origins to a program funded in the early nineties by the International Development Research Centre (IDRC-Canada) which examined the micro impacts of macroeconomic and adjustment policies. PEP receives funding from IDRC, the Canadian International Development Agency (CIDA) and the Australian Agency for International Development (AusAID).

The PEP Network’s vision is to become an international network of researchers in developing countries who have the expertise, resources and reputation to participate in and contribute to national and international debates on economic policies related to poverty. Its programs and activities all intend to:

- Better understand the causes and consequences of poverty
- Propose pro-poor policies and programs
- Improve the measurement and monitoring of poverty
- Strengthen local research capacity on poverty issues
- Develop new concepts and techniques for poverty analysis

In general, PEP envisions the following outputs and outcomes:

- Improved 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 and national levels;
- Enhanced capacity of developing country researchers and practitioners in the modeling, measurement, analysis, and monitoring of poverty;
- Better poverty analysis and policy recommendations which are more responsive to emerging issues of development;
- Wider dissemination and greater policy influence of PEP-supported initiatives; and
- Enhanced collaboration among development researchers, experts, policymakers, and other stakeholders in achieving poverty reduction and related development agenda at the national and international level through its joint research initiatives.

The PEP Research Network is composed of three closely-linked constituent networks:

- Community-Based Monitoring System (CBMS) designs and pilots multi-dimensional, community based monitoring and local development systems of poverty.
- Modeling and Policy Impact Analysis (MPIA) uses economy-wide models and analysis as a “laboratory” to identify and analyze the relationships between specific policies and shocks and their impacts on poverty.
- Poverty Monitoring, Measurement and Analysis (PMMA) develops and applies analytical tools to monitor, measure and analyze a wide range of poverty issues.
Origins

The origins of the PEP Network go back to the Micro Impacts of Macroeconomics and Adjustment Policies (MIMAP) program, which was launched by the International Development Research Centre (IDRC) in 1990 in the Philippines. The program aimed to improve capacities of researchers in developing countries in measuring and analyzing the poverty impacts of macroeconomic and structural adjustment policies. The MIMAP program was subsequently extended to other countries in Asia, and then to Africa. As activities and needs grew, the MIMAP program turned into an international network enabling researchers, policy makers, non-governmental organizations, and international experts to interact.

The experience gained over the years prompted the network to group most of its activities into three areas. Research-based development and application of tools to monitor and measure poverty, as well as to analyze a wide range of issues related to poverty, were the focus of the Poverty Monitoring, Measurement and Analysis or PMMA sub-network. Other researchers, who designed simulation models to analyze the impacts of macroeconomic policies on poverty, came together in the Modeling and Policy Impact Analysis or MPIA sub-network. Finally, researchers who supported the crafting of poverty monitoring systems at the community level formed the Community-Based Monitoring Systems sub-network, commonly called CBMS.

In 2002, as a step toward transferring the leadership and management of these activities to developing countries, the IDRC conferred the management of the three sub-networks to a partnership consisting of an institution from the South and another one from the North. Thus, the Angelo King Institute (AKI), at De La Salle University in the Philippines, and the Inter-University Centre on Risk, Economic Policies and Employment (CIRPÉE), at Laval University in Canada, officially launched the Poverty and Economic Policy (PEP) Research Network. Consolidation facilitates communication among them, promotes scientific exchanges and simplifies the organization of specialized activities among these three sub-networks.

In pursuing the goal of devolving leadership of the PEP Network to individuals and institutions in the South, an important part of the activities originally conducted in Canada have since been transferred to a new office located with the Consortium for Economic and Social Research (CRES) in Dakar, Senegal. The opening of the PEP’s Latin America Office at the Grupo de Analisis para el Desarrollo (GRADE) this year marked another milestone in the continuing devolution effort.
Generating High-Quality, Policy-Relevant Research

Research Grants

The PEP Research Network’s basic activity is to provide financial and scientific support to policy-relevant and methodologically rigorous studies by local researchers on the causes of and remedies to poverty in their countries. This research is predominantly of an applied nature, although conceptual and methodological research also plays an important role where necessary. Research funded by the Network focuses primarily on a limited number of themes.

Research Themes

- Community-based poverty data collection
- New CBMS methodologies and instruments
- Identifying the poor through CBMS
- Program impact evaluation
- CBMS for local governance
- CBMS for gender-responsive budgeting
- CBSM for localizing the MDGs
- Growth and Poverty
  - Public Spending
  - Gender
  - Poverty and Globalization
- Multidimensional poverty
  - Public Spending
  - Poverty Dynamics
  - Policy Impact Evaluation
  - Capabilities and Human Development

Research Grants Manual

The PEP Network has formulated separate grants manuals for the MPIA, PMMA and CBMS research grants. These manuals provide the Network’s policies for the solicitation, acceptance or execution, and administration of grants.

Grant applications are accepted at any time. Thus the call for proposals is posted permanently on the PEP website and publicized periodically in various fora. Research teams may submit proposals directly using the PEP website: www.pep-net.org.
Research Grants Awarded
2002-Present
Since its inception, the PEP Research Network has awarded over one hundred research grants to research teams in Africa, Asia, and Latin America. These teams have examined a wide range of issues related to the development of policies to better combat poverty in their respective countries.
For 2007-2008, the PEP-CBMS Network was able to provide technical assistance to develop proposals for CBMS work in about 16 countries across Asia, Africa, and Latin America. This was undertaken through the review process of the proposals submitted to the CBMS Network for grant funding.

During the same period, 7 projects were completed while 3 projects are still ongoing.

### Completed Projects

<table>
<thead>
<tr>
<th>Title</th>
<th>Leader</th>
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<tr>
<td>CountryCommunity-Based Monitoring System in Lao PDR</td>
<td>National Statistical Centre</td>
<td>Lao PDR</td>
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<tr>
<td>Developing a Regular Local Poverty Monitoring System (LLPMS) in Bangladesh Phase 3 &amp; 4</td>
<td>Bangladesh Academy for Rural Development</td>
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<tr>
<td>Community-Based Monitoring System (CBMS) Benin-Project Phase 2</td>
<td>Cellule d' Analyse de Politique Economique (CAPE)</td>
<td>Benin</td>
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<tr>
<td>Implementation of a CBMS in Tanzania</td>
<td>Dodoma Municipal Council</td>
<td>Tanzania</td>
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<tr>
<td>Working Towards a Nation-wide Commune-Based Poverty Monitoring System (CBPMS) in Cambodia-Phase 2</td>
<td>National Institute of Statistics</td>
<td>Cambodia</td>
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<tr>
<td>Improvement and Implementation of the CBPMS in Viet Nam</td>
<td>Socioeconomic Development Center</td>
<td>Viet Nam</td>
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<tr>
<td>Community-Based Monitoring System for Poverty Reduction, Sustainable Development and Sanitation in Lusaka, Province of Zambia</td>
<td>Zambia Research and Development Centre</td>
<td>Zambia</td>
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### Ongoing Projects

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<tr>
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<td>A Local Poverty Monitoring System for Tana River District</td>
<td>African Institute for Health and Development</td>
<td>Kenya</td>
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<tr>
<td>The Implementation of Community-Based Monitoring System in the City of Pekalongan, Indonesia</td>
<td>SMERU Research Institute</td>
<td>Indonesia</td>
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<tr>
<td>Developing and Enhancing Further the CBMS Methodologies and Applications to Adequately Respond to Emerging Challenges in Policymaking and Program Formulation at the Global and Country Levels</td>
<td>DLSU Angelo King Institute for Economic and Business Studies</td>
<td>Philippines</td>
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Due to PEP’s limited funding, proposals are carefully evaluated based on the project’s technical feasibility and potential for institutionalization. Only the proposal from the SMERU Research Institute was able to pass the rigid screening process during the project period. On the other hand, proponents from Benin and Nigeria have been invited to present their proposals in the forthcoming 7th PEP Network General Meeting in December.
Eleven projects of the PMMA sub-network have been completed this year while 13 more are still ongoing.

### Completed Projects

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<tr>
<th>Title</th>
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<tr>
<td>Will school level decision making improve access to better education for the poor in Sri Lanka?</td>
<td>Nisha Arunatilake</td>
<td>Sri Lanka</td>
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<tr>
<td>Analyse Multidimensionnelle de la Pauvreté en Tunisie entre 1988 et 2001 par une Approche Non-Monétaire</td>
<td>Mohamed Ayadi</td>
<td>Tunisia</td>
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<tr>
<td>Business Development services for female microfinance clients in Peru: a randomized impact evaluation</td>
<td>Martin Valdivia</td>
<td>Peru</td>
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<tr>
<td>Investissements agricoles et dynamique de la pauvreté en milieu rural Ivoirien</td>
<td>Arsene Kouadio</td>
<td>Cote d’Ivoire</td>
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<tr>
<td>Poverty Targeting and Impact of the National Micro-Credit Program in Vietnam</td>
<td>Cuong Nguyen Viet</td>
<td>Vietnam</td>
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<tr>
<td>An estimation of the willingness to pay for community healthcare risk-sharing prepayment scheme in rural Nigeria</td>
<td>John Ataguba</td>
<td>Nigeria</td>
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<tr>
<td>Effects of Education on Wage Inequality in Urban China: 1988-2003</td>
<td>Xiahoua Li</td>
<td>China</td>
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<td>Do the Poorest among the Poor Benefit Less from Active Labor Market Programs? Evidence from PROJOVEN</td>
<td>Miguel Jaramillo</td>
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<tr>
<td>Analysis of impact of remittance on poverty and inequality in Nigeria</td>
<td>Chukwuone Nnaemeka</td>
<td>Nigeria</td>
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<tr>
<td>Dynamique de la pauvreté au Bénin: Approche par le processus Markovien</td>
<td>Assogba HODONOU</td>
<td>Benin</td>
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<tr>
<td>Family allowances and child school attendance. An ex-ante evaluation of alternative schemes in Uruguay</td>
<td>Andrea Vigorito</td>
<td>Uruguay</td>
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<tr>
<td>Free Primary Education in Kenya: An Impact Evaluation Using Propensity Score Methods</td>
<td>John Olwande</td>
<td>Kenya</td>
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<tr>
<td>Connecting rural communities for development: An impact evaluation of a rural roads program in Peru</td>
<td>Martin Valdivia</td>
<td>Peru</td>
</tr>
<tr>
<td>The Dynamic Change of Wage Gap between Urban Residents and Rural Migrants in Chinese Cities</td>
<td>Dandan Zhang</td>
<td>China</td>
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</table>
Meanwhile, for the MPIA sub-network, five projects have been completed while 20 are still ongoing.

### Completed Projects

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<td>Agricultural Trade Liberalization and Poverty in Tunisia: Micro-simulation in a general equilibrium framework</td>
<td>Mohamed Chemingui</td>
<td>Tunisia</td>
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<tr>
<td>The Impact of Fiscal Policy on Indonesian Macroeconomic Performance, Agricultural Sector and Poverty Incidences</td>
<td>Rina Oktaviani</td>
<td>Indonesia</td>
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<tr>
<td>Urban Informal Sector and Poverty - Effects of Trade Reform and Capital Mobility in India?</td>
<td>Sugata Marjit</td>
<td>India</td>
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<tr>
<td>Tax reform, income distribution and poverty in Brazil: An applied general equilibrium analysis</td>
<td>Joaquim Bento Filho</td>
<td>Brazil</td>
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<td>Optimal Policy Design for MDG Achievement: The Peruvian Case</td>
<td>Gustavo Yamada</td>
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<td>Trade liberalization, labour allocation and gender inequality: The case of Vietnam</td>
<td>Quang - Thanh Ngo</td>
<td>Viet Nam</td>
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<tr>
<td>Agricultural trade liberalization, productivity growth and poverty alleviation: A dynamic general equilibrium analysis</td>
<td>Nadia Belhaj hassine</td>
<td>Tunisia</td>
</tr>
<tr>
<td>The impacts of income transfer programs on income distribution and poverty in Brazil: An integrated microsimulation and computable general equilibrium analysis</td>
<td>Samir Cury</td>
<td>Brazil</td>
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<tr>
<td>Taxation Reforms: A CGE-Microsimulation Analysis for Pakistan</td>
<td>Vaqar Ahmed</td>
<td>Pakistan</td>
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<tr>
<td>Assessing the impact of the 2006 Tax Reform on poverty and inequality in Uruguay</td>
<td>Cecilia Llambí</td>
<td>Uruguay</td>
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<tr>
<td>Poverty Impact of Economic Policies in Argentina: A Dynamic CGE-Microsimulation Analysis</td>
<td>Martín Cicowiez</td>
<td>Argentina</td>
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Joint Research Initiatives

1. **Policy Impact and Evaluation Research Initiative (PIERI)**
   Over 100 proposals were received of which nine projects have been selected. The first meeting was held in Quebec City (June 9-13, 2008). Meanwhile a one-day training session will be conducted during the 7th PEP General Meeting in the Philippines in December 2008.

2. **Oxford Poverty and Human Development Initiative (OPHI)**
   At least 20 proposals were received by the network after it advertised a call for proposals on analyzing poverty in the multidimensional context using the capabilities approach. Seven of the proponents have been invited to present their proposals at the 7th PEP General Meeting. Moreover, a one-day training session will be held during the same event which will delve on the methodological and practical aspects of policy impact evaluation research and will include application sessions using STATA.

### Title | Leader | Country
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Impacts of public spending in education sector on growth and poverty reduction in Vietnam: A dynamic general equilibrium analysis | Lan Huong Pham | Viet Nam
Fiscal Policy, Regional Disparity and Poverty in China: A General Equilibrium Approach | Li Wang | China
Dépenses publiques, croissance et pauvreté régionales en Tunisie: Une microsimulation séquentielle | Mongi Boughzala | Tunisia
The Impact of WTO Accession on Poverty and Inequality in Ethiopia: An Investigation of a CGE Micro-Simulation Analysis | Dejene Aredo | Ethiopia
National Development for and from the Regions: A Philippine Regional CGE for Impact Analysis | Roehlano Briones | Philippines
Stratégie sectorielle, Pauvreté et Vulnérabilité : cas du Togo | Akoété Ega AGBODJI | Togo
Poverty Impacts of Increased Openness and Fiscal Policies in a dollarized economy: A CGE-Micro Approach for Ecuador | Sara Wong | Ecuador
Trade Openness and Gender in Uruguay. A CGE Analysis. | Maria Inés Terra Ortiz | Uruguay
Growth, Trade Liberalization, and Poverty in the Philippines: An Integrated Sequential Dynamic CGE Microsimulation Analysis | Angelo Taningco | Philippines
Social Security Reform in Argentina: Impact on Poverty, Income Inequality and Vulnerability | Maria Laura Alzua | Argentina
Modelling Gender aspects of Policy Reforms in Bangladesh: A Study in a Sequential Dynamic CGE Framework | Selim Raihan | Bangladesh
Ouverture commerciale, et Pauvreté en Côte d'Ivoire: Analyse à l'aide d'un modèle EGC Micro simulé | Souleymane Sadio Diallo | Cote D'Ivoire
A CGE Approach To Modeling Health | Nitesh Sahay | India
Décomposition des effets des politiques économiques et des chocs exogènes sur l'évolution de la pauvreté et de la distribution au Cameroun : Une analyse en équilibre général micro-simulé avec double-calibration | Christian Arnault Emini | Cameroon
Improving Poverty Monitoring Methodology in Viet Nam

Vu Tuan Anh has been working as a researcher at the Viet Nam Institute of Economics for more than 30 years now. Since 1993 he has served as deputy director of the Socio-Economic Development Centre – a non-governmental research and consulting institution. His studies relate to various development issues in low-income Asian countries, particularly Viet Nam. He is author, co-author and editor of dozens of monographs and research papers on Viet Nam’s development, published in Viet Nam, Canada, Japan and elsewhere.

Vu Tuan Anh has participated in the MIMAP and PEP networks since 1996 when he began to study poverty monitoring problems in Viet Nam’s rural areas. Beginning with a participatory approach to poverty surveys, Viet Nam’s poverty monitoring research project has continually improved monitoring methodology and has become one of the longest running CBMS teams in the PEP Network. As project leader, Vu Tuan Anh has made efforts to extend cooperation with various partners at the national and local levels in Viet Nam in order to implement CBMS in poverty reduction projects and national programs, as well as local development management systems.

Analyzing the Poverty Impacts of Public Policy in South Africa

Ramos Mabugu obtained a Ph.D. degree in Economics from Gothenburg University, Sweden. He has taught and supervised at the postgraduate level at the University of Zimbabwe (1996-2002) and University of Pretoria in South Africa (2003-2006). While at Pretoria University, Ramos was instrumental in setting up a collaborative environmental economics M.Sc. and Ph.D. training program, served as consultant for many organisations, and external examiner for several universities.

In 2006 Ramos joined the Financial and Fiscal Commission of South Africa, a statutory body that makes recommendations and gives advice to organs of state at the national, provincial and local levels on financial and fiscal matters. He manages the Macroeconomics and Public Finance Unit and is tasked with the development of ‘state of the art’ macroeconomic frameworks used to assess the necessary macro-micro links of public policy in order to better understand that issues of poverty, equity, growth and macro dynamics. He has published in international and local journals as well as contributed chapters to peer reviewed books and conference proceedings.

Ramos was the leader of a PEP Network project for South Africa, visited Laval University in 2005, and was a plenary session speaker at the PEP General Meeting in Sri Lanka and a discussant at the June 2007 policy conference on MDGs co-organized by PEP in Peru. Most of Ramos’ economic modelling work is on the application of computable general equilibrium (CGE) models to Zimbabwe and South Africa. In collaboration with Margaret Chitiga and funded by PEP grants, Ramos has pioneered one of the first applications of CGE microsimulation (static and dynamic) techniques in these countries. Recently, papers based on these pioneering works funded by PEP have been published by the Journal of Development Studies and the Journal of African Economies.
The PEP Research Network has enabled CRES to become more visible, both at the national and international levels, particularly through PEP website and references to CRES as a partner institution in PEP’s communications, publications and promotional material.

Various joint initiatives with PEP Africa enabled CRES to strengthen its prominence with national, subregional and international institutions: these include the first PEP training school, the PEP Africa strategic meeting, a subregional capacity-building workshop, a policy seminar on modeling the gender impacts of macro policies, PEP general meetings, and other activities.

PEP and the IDRC have also helped CRES to strengthen its managerial and institutional capacities. A top management consultant firm (Deloitte) was hired to regularly audit the accounts of CRES and support the drafting of its strategic plan 2008-2011. Deloitte has also assisted CRES in establishing a new organizational structure and a new management set-up to optimize all essential areas in achieving its tasks.

Building on these foundations, CRES is striving to ramp up the activities of its PEP Africa office in the fields of research, training, and policy dialogue throughout Africa.

Developing Capacities of Researchers in Developing Countries

Scientific support

Pre-grant award

The scientific support provided by the Network starts even before the project proposals submitted by researchers are selected for funding. Network leaders work with proponents in ensuring that that their study’s scientific contributions, policy relevance, integration with PEP’s thematic focus as well as the feasibility and suitability of the methodology are adequately articulated. Moreover, potential grantees are also invited to attend a PEP General Meeting where they interact with its existing network members and pool of resource persons as well as obtain the necessary tools for developing a more competitive proposal.

Training workshops

Over the course of its first five years, PEP has focused its efforts on organizing advanced training seminars during PEP general meetings. These seminars are usually on a wide variety of micro poverty analysis techniques such as poverty measurement, robustness analysis, poverty profiling, multidimensional poverty analysis, public spending and benefit-incidence analysis, policy impact evaluation, and poverty dynamics.

Senior PEP researchers and other resource persons from the Global South play a major role in designing and conducting these workshops. To the extent possible, PEP also supports and facilitates the participation of its researchers in related training programs offered by other organizations such as the World Bank Institute, since these programs can further improve the capacities of PEP researchers in analyzing poverty and in responding to information demands of their partners within their countries.
In order to reduce travel costs, advanced training is generally organized over a period of one to three days, and included as part of annual and interim meetings. While network resource persons have the responsibility to organize and conduct most of these training activities, senior researchers are increasingly called upon to do this work instead. Researchers and resource persons are also occasionally invited to present seminars on their outside research activities in areas of interest to the network in general. To reduce financial and organizational costs and reduce travel time for all involved, training activities are generally held in conjunction with the biannual meetings, either as workshops before or after the meetings, or as special sessions during the meetings themselves.

**PEP School**

The PEP School offers training programs on techniques and tools for analyzing poverty and economic policy. It includes distance learning, training workshops, and technical support components. Training is offered on poverty monitoring, measurement and analysis on one hand, and on modelling the impacts of macroeconomic policies and shocks, on the other hand. The PEP School is an annual 16-week training program organized by the PEP network in partnership with Southern institutions. Scientific expertise is provided by PEP resource persons. The training aims to:

- Enhance local capacity in monitoring, measuring and analyzing poverty;
- Improve the understanding of the poverty impacts of macroeconomic policy and shocks through training in the theoretical foundations and empirical implementation of such policy analysis;
- Contribute to the design of effective national growth and poverty reduction strategies.

The "Consortium pour la Recherche Économique et Sociale" (CRES) in Dakar, Senegal, has taken the lead in establishing this initiative in Africa in collaboration with other African institutions. In particular, CRES launched the first edition of the PEP School on the theme “modelling the micro impacts of macroeconomic policies and shocks” in October 2007.

**Modelling the micro impacts of macroeconomic policies and shocks**

PEP’s African office and the Consortium pour la recherche économique et sociale (CRES, Senegal) organized the first edition of the PEP School on modelling the micro impacts of macroeconomic policies and shocks.

The workshop was held at CRES’ offices in Dakar, Senegal from April 23 to May 3, 2008. The workshop was conducted by Professor André Martens (Université de Montréal, Canada) and assisted by François Cabral and Fatou Cissé of CRES, with the participation of Anne-Sophie Robillard (DIAL, France).

It was composed of lectures and hands-on computer sessions. A total of 15 participants from West and Central Africa attended the workshop, which they deemed a great success, with the main complaint being that the 10-day workshop was not long enough.

As a result of the event’s success, PEP is looking at conducting similar activities that will delve on topics such as impact evaluation, poverty measurement and micro-economic policy analysis, and others.
Personal Mentoring by Highly-Respected Resource Persons

Intensive scientific support to PEP researchers is also done through a PEP mentorship program wherein one resource person is appointed as the supervisor for the entire duration of each research project. Researchers initially get to work one-on-one with their supervisors at least for one day during the PEP General Meeting. Afterwards, discussion is maintained through web-based email fora. In particular, the PEP website has an innovative Intranet section for sharing documents and comments between researchers and resource persons.

Study Visits

Electronic communication constitutes a powerful tool for providing technical support to researchers in Asia, Africa and Latin America. However, it also imposes limits on the depth and complexity of issues that can be discussed and resolved. More in-depth discussions are possible with resource persons during meetings. In some cases however, longer periods are required to allow researchers to explore complex issues and methodologies with ongoing support or even direct collaboration with resource persons. One attractive mechanism to allow this type of interaction takes the form of study visits of three to four weeks by PEP researchers to CIRPÉE, UWO, Warwick or other major research centers. With resource persons and first-rate computer and documentary facilities at hand, PEP researchers are able to discuss in detail the various technical and conceptual issues they face in the course of their research.

This year, PEP funded the study visits of nine researchers to Laval University in Canada and Michigan University and Yale University in the United States of America (USA).

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Dates</th>
<th>Host Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ana Pacheco</td>
<td>January 15 to Feb. 9</td>
<td>Laval University</td>
</tr>
<tr>
<td>Alaya Ouarme</td>
<td>April 1st to April 27</td>
<td>Laval University</td>
</tr>
<tr>
<td>Taiwo Awoyemi</td>
<td>April 4 to April 27</td>
<td>Laval University</td>
</tr>
<tr>
<td>Andrea Vigorito</td>
<td>April 9 to April 30</td>
<td>Laval University</td>
</tr>
<tr>
<td>Li Wang</td>
<td>May 3rd to May 23</td>
<td>Laval University</td>
</tr>
<tr>
<td>Cecilia Llambi</td>
<td>May 16 to June 7</td>
<td>Laval University</td>
</tr>
<tr>
<td>Nadia Belhajhassine</td>
<td>July 12 to August 1st</td>
<td>Laval University</td>
</tr>
<tr>
<td>Assogba Hodonou</td>
<td>May 2 to June 1st</td>
<td>Michigan University, USA</td>
</tr>
<tr>
<td>Paola Vargas</td>
<td>May 15 to May 30</td>
<td>Yale University, USA</td>
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</tbody>
</table>

Field Visits

Another mechanism for providing more in-depth technical support and undertaking collaborative research takes the form of field visits by resource persons to PEP countries. These one-week field visits can resolve a large number of issues that would otherwise cause significant delays and lead to discouragement among local researchers. Where needs are identified in several countries, a field tour can be organized in order to minimize costs. In contrast to study visits by PEP researchers, all members of local teams can easily benefit from field visits. Also, some policymakers may be invited to these field visits.

"The study visit changed completely the focus of my interim report and the relevance of the different aspects involved in further steps needed to complete our final report. It helped me and the research team as a whole to deepen the interpretation of the results we were obtaining. Besides I was able to interact with the network advisory team in a way that is not possible by email. I would like to remark here that the availability of host researchers was extraordinary, and this is not common. I think study visits are a very important feature of this network that really improves the final research results."

- Andrea Vigorito -
Tools for Poverty Analysis

1. Software

Apart from weak institutional infrastructure, poor funding and the absence of a critical mass of researchers to form a viable research community, researchers in developing countries also have to contend with the rapid spread of computationally-intense research as well as continuous innovations in research methods. In response to this, the PEP Research Network has developed tools that researchers can use in poverty analysis. For instance, the PMMA sub-network has developed the DAD (Distributive Analysis / Analyse Distributive) software and DASP (Distributive Analysis Stata Package) to facilitate the analysis and the comparisons of wellbeing in ways that are ethically and statistically robust. Both assist in estimating the most popular statistics (indices, curves) used for the analysis of poverty, inequality, social welfare, and equity. They also provide standard errors and confidence intervals that take full account of survey design.

DAD is a stand-alone software that does not require any other commercial software purchase. It is also very user-friendly. Meanwhile, DASP makes use of the power and the flexibility of the (commercial) STATA software, which has become a very popular tool to transform and process data in the last two decades.

Both can be downloaded from the PEP website.

In the case of the CBMS sub-network which works with local government units in designing and implementing community-based poverty monitoring systems, the CBMS Team in the Philippines is continually enhancing its data processing system which include the CBMS Data Encoding System, Statistics Simulator (StatSim) and the Natural Resources Database.

The CSPro-based (Census and Survey Processing) CBMS encoding system converts survey data into electronic data. It produces text files (ASCII) described by data dictionaries, which adds flexibility to the output data. This feature facilitates the interface between the CBMS data and other database systems and statistical software.

The CBMS-NRDB on the other hand, is capable of creating and storing spatial (shapefiles) and non-spatial (texts and numbers) data, and generating maps, reports and graphs ideal for presentation and analysis of poverty attributes in the community. This has significantly addressed the need for a simple yet powerful geographically-oriented database that is also free of charge.

Meanwhile, the data presented through poverty maps using the CBMS-NRDB are processed using the CBMS StatSim which has been developed to address the particular need of local government units (LGUs) to harness outputs from the CBMS Database such as custom tables, reports, case lists and queries. The StatSim is an integral component of the CBMS Processing System which simulates simple computations and tabulations usually done through statistical software or other tabulation applications, and also exports indicators and statistics for use in dissemination such as tables and maps.

The StatSim has been developed further to address emerging user needs for additional analyses especially in identifying the poor. Some techniques and methodologies have been incorporated for the use of LGUs in poverty analysis such as the CBMS Composite Index and Proxy Means Test Model. The StatSim has been further revised this year to generate outputs pertaining to some of the MDG indicators. These software are provided for free to CBMS-implementing LGUs.
2. **CGE Modeling**

Majority of MPIA researchers have adopted different versions of a CGE model first presented in Decaluwe-Martens-Savard (2001). This pedagogical model is not always well designed to be applied to a particular country. Part of our effort this year has been devoted to extending and standardizing this model to create a PEP model that facilitates the work of young researchers wishing to develop their own model for their respective countries. A dynamic version of this model has also been developed.

Growth and Poverty have become an important part of the discussion in the international research community. What are the main engines of Growth? Productivity gains? Physical accumulation of assets? Human capital accumulation? Trade liberalization? All these elements are intrinsically linked, and fundamental research conducted in the MPIA program has sought to understand their interrelationships. Particular attention has been devoted to exploring how these engines of growth differ in terms of their impact on poverty and the participation of the poor.

Globalisation and the interdependence of markets are more and more on the agenda. Several sophisticated models of the global economy exist and a number of researchers are using them (GTAP, Mirage, etc). The PEP Research Network contributes to this effort by developing a small world model that allows researchers to understand the basic components of such a model. A flexible modeling instrument based on the PEP standard model will be very useful in understanding the impacts or consequences of the recent food and energy crises on a poor country, for example.

**PEP Web Resources**

The Worldwide Web and in particular, the PEP website (www.pep-net.org) continues to serve as a platform not only for efficient management of PEP-funded projects but also for the seamless interaction between researchers and resource persons. In addition, it tries to address the imbalance in access of to up-to-date information and scholarly literature through a good number of mechanisms.

First, the IDRC provides all PEP researchers with access to several online literature search tools and electronic journal databases. Second, resource persons and member researchers prepare literature reviews and lists of recommended readings on emerging issues. These lists are posted and continuously updated on the PEP website, including links to the articles themselves where possible. CD-ROMs containing all literature reviews and recommended readings available on the PEP website are distributed to all participants at each PEP meeting. Resource persons and other researchers also prepare and distribute articles of interest to specific researchers.

In addition, the PEP website provides members services such as regular events updates within and outside PEP such as upcoming conferences, workshops, jobs, and grant opportunities.
There are many barriers to increasing the visibility of developing country researchers and their outputs at the global level. These may range from the high cost of publication and distribution to prejudice against research coming from developing countries.

To address this problem, the PEP Research Network works with researchers in outlining a strong dissemination strategy.

Conferences
More generally, a PEP ‘closing the loop’ strategy has been developed to cover dissemination activities at both the national and international levels. Important dissemination activities are undertaken at the national level, such as national dissemination conferences to present final research reports to a wide range of policy makers, academics, civil institutions, and the interested public. These conferences play a crucial role in ensuring that research results feed into the policy making process. These occasions are also used to expose planned future research activities with a view to informing and receiving input from national stakeholders. Researchers are also encouraged to seek other, less formal, mechanisms to inform and receive input from policy makers at all stages of their research (proposal, interim and final reports). The network also provides assistance in terms of travel grants so that researchers can present their research findings in regional and international conferences.

National Policy Conferences

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Conferences</th>
<th>Dates</th>
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</thead>
<tbody>
<tr>
<td>Maria Laura Alzua</td>
<td>First Meeting of the Impact Evaluation Network (IEN)”, Latin American and Caribbean Economic Association (LACEA) annual conference Universidad de los Andes Bogotá, Colombia</td>
<td>October 3, 2007</td>
</tr>
<tr>
<td>Saibal Kar and Sugata Marjit</td>
<td>Issues in Growth and Poverty, Calcutta, India, (organized in collaboration with the Center for Studies in Social Sciences-Calcutta (CSSSC) and the World Bank)</td>
<td>December 19-20, 2007</td>
</tr>
<tr>
<td>Juan F. Castro, Gustavo Yamada and Martín Valdivia</td>
<td>Towards MDG Achievement Universidad del Pacífico, Peru</td>
<td>March 26, 2008</td>
</tr>
<tr>
<td>Luc Nembot Ndeffo, Christian Arnault Emim, Bernadette Kamgnia, Paul Ningaye, Borel Anicet Foko Tagne, Johannes Tabi Atemkeng</td>
<td>Diagnosis And Strategies For Poverty Reduction In Cameroon Arican Regional Centre for Labor Management (CRADAT), Cameroon</td>
<td>March 28, 2008</td>
</tr>
<tr>
<td>Mohammed Chemingui</td>
<td>Liberalization of agricultural trade in Tunisia: Micro simulations in a general equilibrium framework Institut Supérieur Agronomique de Chott Meriem, Tunisia</td>
<td>May 23, 2008</td>
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## International Conferences

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Conferences</th>
<th>Dates</th>
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<tbody>
<tr>
<td>Martin Valdivia</td>
<td>1st meeting of the Impact Evaluation Network in Bogota, Colombia</td>
<td>October 3 2007</td>
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<tr>
<td>Miguel Jaramillo</td>
<td>1st meeting of the Impact Evaluation Network in Bogota, Colombia</td>
<td>October 3 2007</td>
</tr>
<tr>
<td>Maria Laura Alzua</td>
<td>1st meeting of the Impact Evaluation Network in Bogota, Colombia</td>
<td>October 3 2007</td>
</tr>
<tr>
<td>Jane Mariara</td>
<td>International Conference on &quot;Rethinking Poverty: Making Policies that Work for Children&quot;, UNICEF-Graduate Program in International Affairs (GPIA) in New York, USA</td>
<td>April 21-23, 2008</td>
</tr>
<tr>
<td>Marisa Bucheli</td>
<td>3rd IZA/World Bank Conference on Employment and Development in Rabat, Morocco</td>
<td>May 5-6, 2008</td>
</tr>
<tr>
<td>Maria Laura Alzua</td>
<td>International Conference on Policy Impact Evaluation, in Vancouver, Canada</td>
<td>June 5-9 2008</td>
</tr>
<tr>
<td>Selim Raihan</td>
<td>GTAP’s Eleventh Annual Conference on Global Economic Analysis in Helsinki, Finland</td>
<td>June 12-14, 2008</td>
</tr>
<tr>
<td>Christian Emini</td>
<td>GTAP’s Eleventh Annual Conference on Global Economic Analysis in Helsinki, Finland</td>
<td>June 12-14, 2008</td>
</tr>
<tr>
<td>Nadia BelhajHassine</td>
<td>GTAP’s Eleventh Annual Conference on Global Economic Analysis in Helsinki, Finland</td>
<td>June 12-14, 2008</td>
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<tr>
<td>Chokri Thabet</td>
<td>European Association of Agricultural Economics in Ghent, Belgium</td>
<td>August 26-29 2008</td>
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</table>
Researchers and resource persons (in cases of collaborative or fundamental research undertaken within the network) are encouraged and supported in their efforts to publish articles, newsletters, and policy briefs based on their research both nationally and internationally.

This year, the PEP Network published 5 books.

**Trade and Poverty in the Developing World (John Cockburn and Paolo Giordano, editors)**

After almost thirty years of trade reform, the reductions in overall poverty are not as significant as initially expected. Although several factors beyond trade policy appear to have contributed to this divergence, it is also true that the links between trade openness and poverty are not well understood, thus making trade-induced pro-poor public policies particularly difficult to design and implement. The papers presented in this book make a significant contribution to understanding this phenomenon. They are drawn from a policy forum organized by PEP research network and the Inter-American Development Bank (IDB) that brought together leading researchers and important stakeholders from around the world to debate the links between trade and poverty. The selected papers push back the frontiers of knowledge in the trade and poverty policy debate while also addressing its central methodological and conceptual issues.

**Reaching the MDGs: An International Perspective (John Cockburn and Martin Valdivia, editors)**

The MDG movement has been intensifying since the UN Millennium Summit of 2001 when 147 heads of state endorsed this international effort and committed to foster progress in all eight MDGs. However, seven years from the deadline of 2015, there is consensus that progress has been limited, notably in the case of the poorer countries with the worst initial conditions. Thus, much of the recent discussion focuses on the search for a proper assessment of the challenges ahead and the identification of clear action paths to overcome political, institutional, and economic constraints that have limited progress so far, especially in poorer countries. The papers in this volume were selected among those presented at an international researcher stakeholder forum organized by the Grupo de Análisis para el Desarrollo (GRADE) in collaboration with PEP, the Universidad del Pacifico and the Network on Inequality and Poverty (NIP). Situated at the midpoint of the MDG process, the meeting was set at an ideal time to assess the progress in the MDGs and the challenges ahead.

**Trade Liberalization and Poverty: A CGE Analysis of the 1990s Experience in Africa and Asia (John Cockburn, Bernard Decaluwé and Véronique Robichaud, editors)**

Increased trade – whether it is the result of unilateral liberalization or bilateral, regional and global trade agreements – is increasingly accepted as key to economic growth and eventually, prosperity. Yet, simultaneously, grave concerns are expressed with respect to the immediate impacts, particularly among the poor. This book gathers together the results of studies by teams of researchers in eight African and Asian countries who jointly examined the poverty impacts of the trade policies adopted throughout the 1990s in their respective countries. By adopting a common methodology and closely working together, with the support of a team of international experts, it became possible to carefully compare and contrast the findings in this wide range of countries to discover important similarities and differences, and several surprising results, concerning this important issue that can guide future trade reforms.
The CBMS subnetwork also published the proceedings of the 6th CBMS Network Meeting held in Lima, Peru last year and the 5th Philippine National Conference on CBMS held on January 2008. Electronic copies of the abovementioned books are freely available on the PEP website.

Scaling Up Poverty Reduction Initiatives and Improving Local Governance through CBMS
Proceedings of the 2007 CBMS Network Meeting

This volume is a compilation of papers and presentations delivered on June 11-16, 2007 in Lima, Peru for the 2007 CBMS Network Meeting. The meeting brought together over 200 participants representing various stakeholders from different country partners involved in the implementation and scaling up of CBMS.

With the theme “Scaling up Poverty Reduction Initiatives and Improving Local Governance through CBMS”, the conference was attended by researchers and policymakers from Bangladesh, Benin, Cambodia, Ghana, Indonesia, Kenya, Lao PDR, Peru, the Philippines, Senegal, Sri Lanka, Tanzania, and Vietnam.

The conference did not just underscore the importance of CBMS for planning, designing and implementing programs that would address poverty issues, but also discussed the possibilities of institutionalizing CBMS in the involved countries. Awareness on CBMS’ use on gender responsiveness and welfare advancement was also promoted.

Monitoring the Achievement of the Millennium Development Goals (MDGs) Using CBMS
Proceedings of the 2008 National Conference on CBMS

The task of systematically measuring, monitoring and reporting on the progress achieved in localizing the MDGs provided a good backdrop to this year’s 5th National CBMS Conference which was held on January 30 to February 1, 2008 at the Centennial Hall of the Manila Hotel.

Under the theme “Monitoring the Achievement of the Millennium Development Goals (MDGs) Using CBMS”, the Conference tackled the following MDG-related issues: health service delivery using CBMS; utilization of CBMS data repositories; local level planning and budgeting; program targeting and impact monitoring; implementing regional development strategies; and, improving local governance and accountability through CBMS.

The PEP Research Network maintains two periodic bulletins which serve as important vehicles to keep the network’s stakeholders informed of its recent and upcoming activities: the PEP Talk, a biannual newsletter of the PEP Network; and CBMS Network Updates which is the quarterly newsletter of the CBMS Network. Both are also available on the PEP website.
One important institutional dissemination mechanism is the working paper series. This can be used to disseminate results of research undertaken by PEP researchers and resource persons. Decisions on the publication of working papers can be made by the relevant project director and network leader, with periodic reviews of the selection criteria by the steering committee. By publishing these papers, the Network aims to contribute to advancing knowledge on economic matters, particularly economic and poverty analysis. Working papers are also available on the PEP website.

Working Papers - 2008

**MPIA**

- **Gustavo Yamada, Juan F. Castro, Arlette Beltrán, María A. Cárdenas**
  Educational Attainment, Growth and Poverty Reduction within the MDG Framework: Simulations and Costing for the Peruvian Case

- **Mohamed Abdelbasset Chemingui, Chokri THABET**
  Agricultural Trade Liberalization and Poverty in Tunisia: Micro-simulation in a General Equilibrium Framework

- **Prakash Raj Sapkota, John Cockburn**
  Trade Liberalization and Poverty in Nepal: An Applied General Equilibrium Analysis

**PMMA**

- **Jane Kabubo-Mariara, Margaret M. Karienyeh and Francis K. Mwangi**

- **Jose Galdo, Miguel Jaramillo and Veronica Montalva**
  Household Wealth and Heterogeneous Impacts of a Market-Based Training Program: The Case of PROJOVEN in Peru

- **Dileni Gunawardena, Darshi Abeyrathna, Amalie Ellagala, Kamani Rajakaruna and Shobana Rajendran**
  Glass Ceilings, Sticky Floors or Sticky Doors? A Quantile Regression Approach to Exploring Gender Wage Gaps in Sri Lanka

- **Damien Mededji**
  Dynamique de la pauvreté urbaine au Bénin: une analyse en termes d’entrées et sorties

- **Arsène Kouadio, Vincent Monsan, Mamadou GBongue**
  Réformes de politique agricole et dynamique de la pauvreté alimentaire en Côte d’Ivoire
  Agricultural Policy Reforms and Food Poverty Dynamics in Côte d’Ivoire

- **Bernadette Kangnia Dia, Simon Leunkeu Wangun, Christophe Tatsinkou and Josephine Afor**
  Bénéfices acquis et ciblage des pauvres dans les dépenses publiques de santé et d’éducation au Cameroun

- **Xiaohua Li, Yaohui Zhao, Lili LU**

- **John E Ataguba, Hyacinth E Ichoku, William M. Fonta**
  Estimating the willingness to pay for community healthcare insurance in rural Nigeria

- **Verónica Frisancho, Dean Karlan, Martin Valdivia**
  Business Training for Microfinance Clients: How it Matters and for Whom?

- **Nisha Arunatilake, Priyanka Jayawardena**
  Will Formula-Based Funding and Decentralized Management Improve School Level Resources in Sri Lanka?
The PEP research network promotes the participation of developing country researchers in national and international academic and policy debates on poverty issues. One of the key mechanisms to disseminate PEP-funded research is through publications in international journals. To support and encourage researchers to publish the results of their PEP-funded research, PEP provides a package of financial and scientific support through the process of submission, revision and publication in reputed economic journals.

### Published


- Ronconi, Lucas (2008), *Poverty and Employability Effects of Workfare Programs in Argentina*, Economia, Issue 17 (Fall 2008), Vol. 9, N. 1

Influencing and Improving Policy-making and Reducing Poverty at the National, Regional and International Levels

PEP researchers generally engage policy makers and other potential research users from the initial conception of their project right through to final results dissemination and follow-up activities. The publication of policy briefs and, in particular, the organization of PEP-subsidized national policy conferences are particularly important tools for encouraging this interaction. In many cases, this leads to follow up activities, as in the case of a PEP-supported study on agricultural trade liberalization in Tunisia, led by Mohamed Chemingui. During a national policy conference that brought together leading Tunisian personalities (Ministry Of Labour and Professional Training, African Development Bank, National Centre for Agricultural Studies, etc.), the team was asked to conduct additional simulations of the impacts of various policy responses to the food crisis on the State budget and poverty, to be done jointly with teams at the Ministries of Trade and of Agriculture.

PEP Policy Briefs: Bridging the Research-Policy Gap

PEP Policy Briefs are short papers that emphasize the key policy lessons from the research done by PEP researchers. They are primarily designed to stimulate informed debate about the research subject as well as facilitate evidence-based policymaking. Each brief provides the findings of a PEP-funded study, highlighting their policy implications and/or recommendations.

Topics covered during the reference period include an evaluation of Peru’s PROJOVEN program, agricultural policy reforms and poverty dynamics in Cote d’Ivoire, and poverty targeting and impact of the micro-credit program operated by the Viet Nam Bank for Social Policies, among others.
Policy Conferences

Policy conferences serve as venues for a continuous and active exchange of information between PEP researchers and policymakers. These occasions facilitate the exchange of views and information on topics as well as continuous elaboration and improvement of sets of tools that are of utmost importance for policy making.

Mobilizing Resources for PEP Researchers

Resource Expansion

In order to carry out the abovementioned activities, the PEP Management is continuously identifying resource mobilization opportunities.

Relative to this, the network is developing a set of partnerships with other donors drawing on established strengths and experiences.

For example, PEP continues to interact regularly with other institutions involved in poverty issues throughout the world. These institutions include the African Economic Research Consortium (AERC), Asian Development Bank, Economic Research Forum (ERF), Global Trade Analysis Project (GTAP), Impact Evaluation Network (IEN), the Inter-American Development Bank, International Food Policy Research Initiative (IFPRI), Save the Children Fund (SCF), and the United Nations Development Programme (UNDP), among others.
More specifically, the PEP Regional Office in Asia was able to mobilize additional resources (aside from those provided by IDRC and CIDA) for CBMS initiatives through the various contributions of its national, local, and international partners. To date, selected donor agencies and other development partners at the national and local levels are collaborating with the Network in some of its related activities.

For instance, expansion of CBMS work in the Philippines is supported by fund contributions coming from budgets of local government units, donor-assisted national government and non-government initiatives (e.g. CBMS initiatives of NAPC, DILG and SRTC, LMP and SWP), and regional project initiatives (e.g. NEDA 4B, DILG Region 8). In particular, LGU support funds (which are funds directly managed by the LGUs) cover the direct cost of CBMS implementation in their localities. The cost includes expenses for workshop meals and reproduction of training materials during capacity building workshops, reproduction of survey forms, and honoraria for community enumerators and data processors. Donor-assisted (e.g. UNDP, EC and WB) national and non-government initiatives, on the other hand, provide support in terms of funding the travel cost of CBMS trainers for the conduct of workshops at the local level. Meanwhile, UNDP and PEF have provided funds for development grant projects identified and designed through the use of CBMS data/findings.

Conference grants (for participation in CBMS National Conferences) and training workshop fund support grants have been provided through collaboration with World Bank (through its programs with the Department of Health and with the DILG respectively), United Nations Population Fund (UNFPA, through its DILG-assisted programs), and European Commission (through its program with the Social Watch Philippines). UNDP-Manila has also recently committed support for the session on the use of CBMS for localizing the MDGs in the forthcoming PEP Network Meeting this December.

Additional funding for CBMS applications on gender-responsive planning and budgeting have also been mobilized, with the pilot project (initially done in the Philippines) supported by the IDRC. Meanwhile, a forthcoming CBMS Network-UNIFEM collaboration on a CBMS-GRB project in Peru shall be presented in the December 2008 PEP Network Meeting in Manila.

Joint Research Initiatives

Joint research initiatives are undertaken by PEP and its partners to provide financial and scientific support to teams of developing country researchers studying specific, poverty-related themes. Scientific leadership is ensured by a coordinating committee of experts from both developing and developed countries.

Once funding is obtained to launch a new JRI, teams are selected through PEP’s widely publicized open and competitive call for proposals. Selected teams receive a core research grant of CAN$ 20,000 plus funding to attend two PEP general meetings (to present their proposal and final report), participate in a 3- to 4-week study visit in the foreign institution of their choice, present their results in an international conference, organize a policy conference in their country, and publish a working paper and journal article.

1. **Policy Impact Evaluation Research Initiative (PIERI)**

The Policy Impact Evaluation Research Initiative (PIERI) provides financial and scientific support to evaluating programs that seek to foster human capital investment in rural areas. This year, over 100 proposals were received, with nine selections.
### Updates

Following the first PIERI meeting which was held June 9-13, 2008 in Quebec City (Canada), six evaluation projects that cover a wide array of interventions in various countries were selected for full funding. Two Asian projects (Vietnam and China) were considered for partial funding to further develop and improve their proposals. AusAID offered additional funding to help support these two projects, as an extension of the agreement between PEP and the Australian aid agency. PEP is also currently trying to find support for a separate Asian-PIERI and Latin American-PIERI.

PIERI projects will involve data collection and the implementation of an original intervention in Kenya/Uganda, Senegal, Egypt, Uruguay, Brazil, and Argentina. Three out of the six are experimental projects, i.e. these projects conduct a randomized experiment. The other three are non-experimental projects, i.e. the projects use econometric modeling to assess program impacts. In practical terms, a major difference between the two project types is that experimental projects require data collection (usually a baseline before the intervention and one or two follow-up) whereas non-experimental projects are required to use existing sources of information.

<table>
<thead>
<tr>
<th>Project</th>
<th>Title</th>
<th>Leader</th>
<th>country</th>
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<tbody>
<tr>
<td>PIERI-11283</td>
<td>Improving School Quality in East Africa: Randomized Evaluation of Policies to Create Local Accountability under Free Primary Education in Kenya and Uganda</td>
<td>Germano Mwabu</td>
<td>Kenya</td>
</tr>
<tr>
<td>PIERI-11213</td>
<td>Does training voucher help increase income of redundant workers of restructured state's owned enterprises in Vietnam?</td>
<td>Lan Anh Vu</td>
<td>Viet Nam</td>
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<tr>
<td>PIERI-11229</td>
<td>Évaluation de l'impact des programmes de cantines scolaires et de déparasitage des écoles primaires rurales au Sénégal</td>
<td>Abdoulaye Diagne</td>
<td>Senegal</td>
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<tr>
<td>PIERI-11239</td>
<td>An impact evaluation of PANES</td>
<td>Veronica Amarante</td>
<td>Uruguay</td>
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<tr>
<td>PIERI-11242</td>
<td>Estimating Participation and Spill-over Effects in Conditional Cash Transfer Programs</td>
<td>Fabio Soares</td>
<td>Brazil</td>
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<tr>
<td>PIERI-11243</td>
<td>Assessing the impact of Argentina's Ley Federal de Educación on educational and labor outcomes</td>
<td>Leonardo Gasparini</td>
<td>Argentina</td>
</tr>
<tr>
<td>PIERI-11204</td>
<td>Effect of Sexuality and Procreation Education on Health and Poverty Reduction of Girls in Rural China - The Case study in Gansu Province, China</td>
<td>Wei Qu</td>
<td>China</td>
</tr>
</tbody>
</table>
The Kenya/Uganda project aims to conduct research on similar questions (improvement of local accountability) but in different countries (Kenya and Uganda) and sectors (education, health). On the other hand, the Senegal team aims to provide a rigorous assessment of a long-lived program of school meals implemented by the WFO. The project also evaluates a de-worming intervention in a similar schooling environment. The design will identify which program (de-worming or school meals) is the most efficient way of improving children’s education, and if there are complementarities in providing both programs simultaneously. Meanwhile, the Egypt intervention targets a disadvantaged population of rural adolescent girls caught between childhood and adulthood. The project aims at evaluating an intervention that provides non-formal second-chance education to disadvantaged out-of-school rural girls.

Furthermore, the Uruguay program aims to assess a social safety net program while the Argentina project is concerned with the evaluation of a compulsory education law. Finally, the Brazil team will revisit the question of the effectiveness of conditional cash transfers in various countries by identifying the effect of the conditionality from the income effect and evaluating possible spillover effects.

2. PEP-OPHI

In collaboration with the Oxford Poverty and Human Development Initiative (OPHI; www.ophi.org.uk), PEP has advertised a call for proposals on analyzing poverty in the multidimensional context of the capabilities approach. Out of nearly 20 proposals submitted and after one round of revisions, seven teams have been invited to present their proposals at PEP’s 7th general meeting. Five of these teams will receive full financial and scientific support from both PEP and OPHI to carry out their research. Sabina Alkire (director of OPHI) and Jean-Yves Duclos (PMMA program leader) share the lead in this initiative, which builds on the extensive work of OPHI on implementing Sen’s capabilities approach in developing countries and of the PEP network on multidimensional poverty analysis. A one-day training workshop will be conducted by Sabina and her colleague Emma Samman as part of the 7th general meeting activities in December 2008.

Research under this initiative will deal with two main themes:

- **Missing dimensions.** The objective of human development is to expand the freedoms that people value and have reason to value, enabling people to live more fulfilled lives and to flourish. Data on people’s
freedoms is needed to guide and evaluate development actions. More such data already exists than in any previous generation. Research teams are invited to undertake empirical analysis of data on the five ‘missing’ dimensions of human development that often matter to poor people: employment, empowerment, physical safety, the ability to go about without shame, and psychological and subjective well-being.

Identification and Multidimensional Poverty. The move to a multidimensional approach to poverty creates an enormous but familiar problem: how can one compare the capability (or functioning) sets? Focal questions include: (i) how do we compare the same person’s well-being in capability space at two points in time or in different situations, (ii) how do we compare the capability sets (or functioning sets) of two different people, and (iii) how do we compare the capabilities of two different groups of people? Research teams are invited to critically examine identification techniques and weigh options for multidimensional poverty measures.

Updates

The Network has received twenty submissions since it issued a call for proposals. Seven of the proponents have been invited to present their proposals at the PEP General Meeting in December this year. A one-day training session on “Implementing the Sen Capabilities Approach in Developing Countries” will be conducted during the same occasion.

Governance
Steering Committees

CBMS
- Nanak Kakwani
- Momar Balle Sylla
- Celia M. Reyes
- Ponciano S. Intal, Jr.

MPIA
- Bernard Decaluwé
- Ramon Clarete
- Touhami Abdelkhalek
- Marzia Fontana

PMMA
- Jean-Yves Duclos
- Pramila Krishnan
- Swapna Mukhopadyay
- Cosme Vodonou
PEP Regional Offices

PEP Africa
The opening of the PEP African Office in 2005 in Dakar was an important step in the devolution of PEP activities to developing country individuals and institutions. In October 2007, the PEP Africa office was moved to the Consortium pour la Recherche Economique et Sociale (CRES), under the leadership of Abdoulaye Diagne, director of CRES. The African office has undertaken extensive activities since its creation, among these:

- Assumption of responsibility for all disbursements to PMMA and MPIA researchers since October 2007. It also manages all administrative aspects of the PMMA, MPIA and OPHI programs from the initial proposal submissions to the publication of working papers and other dissemination activities. In the process, PEP Africa manages the logistics and funding for study visits, participation in international conferences, and the organization of PEP general meetings.
- Conduct of the first strategy meeting of PEP Africa from February 11th to 13th 2008. This meeting aimed to be a framework for exchanges between prominent African members of the network in drafting a plan for the strategic development of PEP in Africa.
- Launch of the PEP School in collaboration with CRES. The first training workshop was held in Dakar from April 23rd to May 3rd, 2008. The PEP School training focuses on strengthening capacity in the quantitative analysis of poverty and economic policies. It includes three complementary modules: distance learning, training workshops, and distance follow-up support. Efforts are now under way to extend and institutionalize such training across Africa.
- Organization of a workshop, led by PEP Africa’s Director and held last August 6 2008 in Dakar, on the establishment of a sub-regional program of capacity building in poverty analysis. This program focuses on (i) improving the effectiveness of development strategies and policies, highlighting decision-making in economic policy, and (ii) contributing to strengthen the synergy between policy makers and researchers in the sub-region. More specifically, it aims to strengthen the capacity of government officials and West African researchers on techniques and tools of analysis for development questions.

PEP Asia
Activities of the PEP Regional Office in Asia are being implemented and managed by the PEP-CBMS Network Coordinating Team based at the De La Salle University.

The PEP, through its Regional Office in Asia, continued to provide technical support to its local and international partners in developing and applying CBMS methodology. Technical assistance provided include refinement of CBMS instruments and corresponding training modules to incorporate recent developments and requirements in policy-making and program implementation, conduct of capacity-building workshops, and maintenance and updating of the CBMS database for data-users.

The Asia Office has also continued to support the development, pilot testing/implementation, and institutionalization of local poverty monitoring systems in developing countries in Asia and Africa. This is made possible through the CBMS Research Grants Program. Program management entailed the review of the technical and financial viability of new project proposals submitted to the CBMS Network, provision of technical assistance and guidance to grant recipients in report writing, and review of research outputs of grantees.

The Asia Office also continued to support the development of the CBMS data repository for the Network. The CBMS database from different country projects funded by the PEP-CBMS Network is continuously being updated following completion of CBMS research projects funded by PEP.

The Asia Office supports the organization and conduct of conferences as a mechanism to link up poverty analysts and researchers with policy-makers, program implementers and other stakeholders to discuss emerging development issues and share good practices in poverty monitoring, analysis, and program implementation across developing countries.
The Asia Office was also able to produce various PEP publications during the period, and facilitated the documentation and dissemination of project findings. It also continues to manage and update the content of CBMS section of the PEP website in collaboration with its research partners from Laval University in Canada.

The development and implementation of a resource mobilization strategy is part of the Asia Office’s work program. Over the years, it has been able to mobilize additional resources (aside from those provided by IDRC and CIDA) for CBMS initiatives through various contributions of its national, local and international partners.

PEP Latin America
The Latin American office of PEP was established in October 2007. The first few months were dedicated to defining the roles and responsibilities of the LA office director, Martin Valdivia, and the host institution, Grupo de Analisis para el Desarrollo (GRADE), which has eventually led to a formal agreement. The key mandate of the office is to promote PEP and develop new joint research (and training) initiatives (JRIs) in the region in close coordination with PEP’s management. To this end, PEP has provided a small budget for the director’s time and, as well as important mechanisms to help foster potential JRIs, in particular travel expenses for the director and the organization of small workshops for those promoting JRIs to consolidate their proposals.

A first activity was partial sponsorship for the formation of the Impact Evaluation Network (IEN) within the main academic association in the region, LACEA. Maria Laura Alzua, a PEP researcher, is a member of the executive committee of the IEN, which had its first meeting in Bogota, Colombia in November 2007 and its second meeting in Rio on November 19, 2008. PEP activities were also promoted at this meeting. Besides the distribution of bulletins, Martin Valdivia will be presenting a paper based on his PEP business training impact evaluation project. Meanwhile, Maria Laura has been put into contact with an important global impact evaluation initiative - 3IE - and she will be attending their next meeting in Egypt where she will be promoting PEP’s current efforts and plans to promote rigorous impact evaluations of policy programs. The strategic importance of this effort can be understood given the description of the following JRIs that PEP LA has been promoting during these first few months.

The LA office has identified and promoted two potential JRIs. The first one seeks to replicate PEP’s PIERI program at the regional level, and discussions are under way with potential donors in this regard. This program will feature
Since a team he led first submitted a research proposal in 2004, Martin Valdivia has become a leading personality in the PEP network. The relationship has been extremely fruitful both for PEP and for Martin. His team’s proposal – for a study on the impact of offering business training to microfinance clients and institutions – was selected for funding following his presentation at the June 2005 PEP general meeting in Colombo (Sri Lanka). On approval of an interim research report, PEP funded a three-week study visit for him at Yale University with Dean Karlan, a leading researcher in policy impact evaluation. The two later co-authored an article based on this research that has been resubmitted to the Review of Economics and Statistics following a request for revision.

Martin also received funding to present this research at the 2006 meetings of the Latin American and Caribbean Economic Association (LACEA) in Mexico, which is the most important research conference in the region. A team he leads is currently completing a second PEP-funded research project on evaluating the impacts of a rural roads program in Peru, which will be presented at the 2008 meeting of the North-East Universities Development Conference (NEUDC) to be held in November 8-9 at Boston University. In the context of these projects, Martin and the PEP Network have worked hard together to foster and consolidate the academic career of several young members of these teams. Several have participated in PEP general meetings, co-authored research papers, and one even participated in a 3-week study visit at Yale University where she was able to interact with several of the top researchers in this field – T. Paul Schultz, Chris Udry, Dean Karlan and Cheryl Doss – as well as Yale graduate students. They have mostly gone on to prestigious careers in government, the Central Bank of Peru, the World Bank and one is now pursuing a PhD at the Department of Economics at Penn State University.

But Martin’s participation in the PEP network has gone well beyond these research grants. First, he led the local team that organized the 2007 PEP General Meeting in Lima, Peru, along with researchers from his own institution, GRADE, as well as the Universidad del Pacifico. He played a leading role in organizing two high visibility international policy conferences – one on the MDGs and the other on the impact of trade on poverty – that featured renowned researchers such as Jere Behrman, Nora Lustig, Robert Vos and Renato Flores, among others. Proceedings of these two conferences will soon be published in two separate books, with Martin as the co-editor of the MDG one. In addition, he is serving as member of the steering committee for PEP’s Policy Impact Evaluation Research Initiative (PIERI), through which he seeks to collaborate in the promotion of rigorous impact evaluations of public programs in favor of human development around the world. Finally, since October 2007, PEP invited Martin to act as director of the new regional office of PEP for Latin America. In this position, he will be able to pursue his efforts to increase the exposure of PEP in the region, while promoting top-level joint research and training initiatives that can offer meaningful opportunities for Latin American researchers.
PEP North America

The activities of the PEP North America Office are implemented by the Centre Interuniversitaire sur le Risque les Politiques Economiques et L’Emploi (CIRPEE) of Universite Laval. While PEP-CIRPEE has taken major steps to devolve PEP direction and network leadership to the African Office, it continues to spearhead key PEP project activities. These include the management of the internet and intranet components of the PEP website which integrates all the three sub-networks, publication of the PEP Talk, a biannual publication of the network, and initiation of a wide variety of dissemination activities. These are done on top of its major contributions in terms of resource expansion and diversification activities (which include a number of joint research initiatives). It also still plays a key role in identifying thematic priorities, evaluating proposals and reports, and coordinating the scientific support and research activities of the MPIA and PMMA sub-networks.
PEP Financial Statement

Financial Statement
October 1, 2007 to September 30, 2008

<table>
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The International Development Research Centre (IDRC) is a Crown corporation created by the Parliament of Canada in 1970 to help developing countries use science and technology to find practical, long-term solutions to the social, economic, and environmental problems they face. Our support is directed toward creating a local research community whose work will build healthier, more equitable, and more prosperous societies.

The Canadian International Development Agency (CIDA) is Canada’s lead agency for development assistance. It has a mandate to support sustainable development in developing countries in order to reduce poverty and to contribute to a more secure, equitable, and prosperous world.

The Australian Agency for International Development (AusAID) is the Australian Government agency responsible for managing Australia’s overseas aid program. The objective of the aid program is to assist developing countries reduce poverty and achieve sustainable development, in line with Australia’s national interest.
PEP Research Network

- High quality policy-relevant research
- Community-level poverty data collection
- Long-term, intensive capacity-building
- Integration of community-level, micro and macro perspectives
- Competitive small grant mechanism
- Scientific leadership and innovation