The Poverty and Economic Policy (PEP) Network promotes the monitoring and measurement of poverty in its multiple dimensions. It also analyzes the causes and consequences of poverty in order to provide an empirical basis for policymakers to design and implement appropriate policies to combat poverty. For a more thorough analysis, the PEP Network supports research on the impact of past and present policies and those considered for the future. PEP researchers expand the frontiers of knowledge by developing new concepts and innovative methodologies to analyze poverty.

In pursuing this vision, the PEP Network provides a sophisticated program of scientific and financial support that systematically removes obstacles to state-of-the-art policy research in developing countries. First, the PEP Network addresses the challenging environment for research in developing countries that often leads the best and brightest local researchers to move to developed countries or pursue careers outside research. While PEP’s grant mechanism addresses the lack of research funding, this is not always enough to convince local experts to pursue research activities in their country. In this regard, the PEP Network innovates through a comprehensive scientific support strategy that ensures access for local researchers to advanced training and intensive mentoring as well as direct interaction with peers from around the world. In order to compensate the lack of research infrastructure in many developing countries, the PEP Network also makes available the documentation and software necessary to come up with the best possible analysis.

Second, in the conduct of pertinent and rigorous research using cutting-edge techniques, the Network also exerts every effort to involve all potential research users—local decisionmakers, international institutions, NGOs, national and international researchers, and other stakeholders—throughout the research process and ensuing dissemination activities and policy debates.

Finally, and perhaps most important, the PEP Network is a permanent tool that enables researchers from the South to better participate and independently define the poverty research agenda and establish their scientific credibility both nationally and internationally.
HIGHLIGHTS AND KEY MILESTONES

8TH PEP RESEARCH NETWORK GENERAL MEETING

A total of 170 researchers and other stakeholders of the Poverty and Economic Policy (PEP) Research Network from at least 50 countries converged in Dakar, Senegal for the 8th PEP Conference held at the Pullman Dakar Teranga Hotel on June 16-18, 2010. The 3-day conference was preceded by a 3-day training workshop and a policy conference, which were held from June 12-14 and June 15, respectively.

The Policy Impact and Evaluation Research Initiative (PIERI) training workshop provided an introduction to policy impact evaluation, highlighting the specificity of the approach compared to qualitative methods and other quantitative methods. The workshop presenters were Habiba Djebbari (PEP, Université Laval, Canada); Martin Valdivia (PEP, Grupo de Análisis para el Desarrollo, Peru); Maria Laura Alzua (Centro de Estudios Distributivos, Laborales y Sociales, Argentina); and Fabio Soares (International Policy Centre for Inclusive Growth, Brazil). The second workshop involved both a presentation of the Distributive Analysis Stata Package, by Abdelkrim Araar and Jean-Yves Duclos (both from PEP, Université Laval, Canada); and a session on Simulating the Distributive Impacts of Growth Strategies, led by Yazid Dissou (Université d’Ottawa, Canada). Meanwhile, Bernard Decaluwé (PEP, Université Laval, Canada); Renato Flores (Fundação Getulio Vargas, Brazil); and David Laborde (International Food Policy Research Institute, United States) facilitated the third workshop in which the results of country studies on the Impacts and Policy Responses to the Global Crisis were presented.
The policy conference titled “After the Crisis: Policies for the Poor in Developing Countries” served as a venue for the presentation of five studies conducted by PEP researchers that monitored and analyzed the impacts of the global economic crisis on developing countries and explored policy options to aid and protect their populations in the recovery process (see summary of key findings on pages 6-7). This was followed by a launching of three books compiling studies by PEP researchers and a Donors Forum where representatives from the United Nations Development Programme (UNDP), United Nations Children’s Fund (UNICEF), Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), and Irish Aid weighed in on policies for the poor during the recovery from the global financial crisis.

Over 60 paper presentations, primarily final research reports and new proposals, were delivered by PEP researchers and resource persons in parallel sessions on June 16-18, 2010. These presentations were on various topics such as public spending, agriculture, privatization, missing dimensions of poverty, and the global financial crisis.

Organized by the PEP-Africa Office, the 8th PEP Conference was supported by the Australian Agency for International Development (AusAID), Canadian International Development Agency (CIDA), International Development Research Centre (IDRC), IFPRI, and UNICEF.

STANDARD PEP COMPUTABLE GENERAL EQUILIBRIUM (CGE) MODELS

Over the last two years, a team of PEP resource persons has worked on developing standard computable general equilibrium (CGE) models for the analysis of the impacts of macroeconomic policies and shocks. PEP is proud to share the results of this project with network members and the modeling community at large. All the documentation as well as the General Algebraic Modeling System (GAMS) code are available free-of-charge on the PEP website.
PEP WEBSITE

With over 7,000 registered members, the PEP website serves not only as an online resource but also as a meeting place for researchers, policymakers, and other stakeholders interested in poverty issues.

To facilitate the promotion of the members of the network and the exchange of information, the website now makes it possible for researchers to post their curriculum vitae—a short biography, their fields of expertise, their contact details, and even their photo. These pieces of information can be searched by website visitors by country, field of expertise, and name.

APPOINTMENT OF JANE KABUBO-MARIARA AS PEP DEPUTY DIRECTOR

Dr. Jane Kabubo-Mariara, associate director and senior lecturer at the School of Economics, University of Nairobi (Kenya), was appointed as the deputy director of the PEP Network during the PEP general meeting. In this newly created position, she assists and reports to the two co-directors of PEP and also provides support to the director of the PEP-Africa Office. Dr. Kabubo-Mariara has a long association with the PEP Network as the leader of two PEP-supported projects, resource person, member of the PEP-Africa ad hoc strategic committee, and co-editor of the book “Child Welfare in Developing Countries.”

1ST POLICY CONFERENCE SPONSORED BY PEP IN THE PEOPLE’S REPUBLIC OF CHINA

Held at the Howard Johnson Paragon Hotel in Beijing, the policy conference was organized by the Institute of Quantitative and Technical Economics of the Chinese Academy of Social Sciences on March 24, 2010. Its main purpose was to allow the presentation of four PEP-funded studies that focused on women’s unemployment durations and the effects of education on earnings inequality in urban China. The CGE model-based simulation of the effects of fiscal and transfer policies on regional disparity and poverty in the People’s Republic of China was also presented.

The results of each project were discussed with policymakers and scholars from the China Ministry of Finance, State Council, Ministry of Labor and Social Security, Chinese Academy of Social Sciences, Beijing Normal University, University of Inner Mongolia, and Ninxia Academy of Social Science. Representatives from IDRC and the University of Western Ontario also participated. The event was also covered by the Chinese media, such as the Xinhua News Agency.
NEW PEP PUBLICATIONS

This year, PEP researchers have published a total of 5 peer-reviewed journal articles, 31 working papers, and 20 policy briefs. In addition, a number of books have also been published. These include the following: (1) Analysis of Multidimensional Poverty: Theory and Case Studies (by Louise Marie-Asselin), (2) Child Welfare in Developing Countries (edited by John Cockburn and Jane Kabubo-Mariara), (3) Trade Liberalization and Poverty in Africa (edited by John Cockburn, Bernard Decaluwe, and Ismael Fofana), and (4) Monitoring the Impacts of Economic Crises Using CBMS (Proceedings of the 2008 CBMS Network Meeting). Meanwhile, the book “Agricultural Price Distortions, Inequality and Poverty” (edited by Kym Anderson, John Cockburn, and Will Martin) contains contributions from several PEP researchers and resource persons. The IDRC also published a book “Fighting Poverty with Facts: Community-Based Monitoring Systems” by Celia Reyes and Evan Due.
SURVEY OF PEP CONSTITUENTS

In October 2009, the PEP Network, together with eight other transnational social change networks, worked with iScale and Keystone to explore what their respective constituents have to say about their performance and the value that they get from participating in these networks. The findings of the comparative survey indicate that “PEP’s constituents rate the value that they get from PEP as very high compared with other networks in three major areas of satisfaction. PEP is often rated as the best or second best performing network in the group. This suggests that PEP is generally meeting its constituents’ expectations.”
GLOBAL FINANCIAL CRISIS: A LOCAL PERSPECTIVE ON THE IMPACTS ON DEVELOPING COUNTRIES

At the onset of the global financial crisis, there was considerable debate as to the eventual repercussions it might have on the developing countries. Strong voices emerged to suggest that weak integration in the global economy, particularly in the case of Africa, would protect these countries from the worst effects of the crisis. Yet, as the crisis evolved, falling world export demand, foreign direct investment, remittances and, more recently, aid flows inexorably drew these countries into the global slump. Furthermore, weak fiscal situations and lack of access to a severely constrained global credit market denied these countries the most important tools—stimulation spending—that developed countries used to weather the storm.

How much individual countries were affected and how the losses were shared within the population depended, and continue to depend, on the specific global links (particularly trade, investment, remittances, and aid) of the country and the policies put in place to respond to the crisis. The Poverty and Economic Policy (PEP) research network was fortunate to have a large number of well-trained and experienced local researchers throughout the developing world to draw upon to monitor and analyze how the global crisis impacted their respective countries.

A COMMUNITY-LEVEL PERSPECTIVE

The first group of studies took advantage of established community-based monitoring systems (CBMS) to directly observe the impacts of the crisis in specific communities in seven countries—three in Asia (Indonesia, Lao People’s Democratic Republic, and the Philippines) and four in Africa (Kenya, Nigeria, Tanzania, and Zambia). Selected communities in each of these countries serve as poverty observatories or sentinels of the impact of the crisis. Monitoring is being done primarily through the conduct of CBMS surveys that collect household- and community-level data to capture the different dimensions of poverty. Aside from the standard CBMS core indicators, additional indicators are being monitored to specifically determine the impact of the crisis. These indicators, which were identified based on the key transmission channels for each of the participating countries, include indicators for outcome and impact, as well as their coping mechanisms.

The major finding of the study showed that the impact of the crisis was not as large as initially anticipated. However, CBMS results show that specific sectors in the economy were affected and in varying degrees. For instance, some workers in the manufacturing sector, particularly those who export their products, were displaced or experienced reduction in wage or working hours, as in the case of the electronic sector in the Philippines. In Nigeria, the mining industry reported the largest number of job losses. In Tanzania, the most affected workers were those in the mining and in the construction industry, which were among the investment areas that declined as a result of the crisis. Some workers in the tourism industry in Tanzania also suffered a decline in income as the arrival of tourists decreased during the crisis period.

THE CASE OF BOLIVIA

Bolivia has recently experienced an important export commodity price boom that has significantly increased its external revenues. This export boom allowed the country to reverse chronic fiscal and external deficits, and accumulate foreign exchange reserves up to levels that were never experienced before. It was feared that the crisis would hit it hard through reductions in (i) world agricultural and mining export prices, (ii) the world textile demand, and (iii) remittances from abroad. Yet, simulations by a team of the Poverty and Economic Policy (PEP) researchers in Bolivia instead found that these channels would have relatively mild effects on the Bolivian economy, except for the drop in the world export price of mining. The recent boom had furnished Bolivia’s economy with a greater capacity to undertake counter-cyclical policies to withstand the crisis.
THE CASE OF SOUTH AFRICA

In the early stages of the crisis (first 6 months of 2008), a team of South African and international Poverty and Economic Policy (PEP) researchers set to work to anticipate the impacts of the global financial crisis and to prepare the policy responses. As the scope of the crisis was still unclear, two scenarios (moderate and severe crisis) were simulated, with a focus on three channels of impact: (i) a reduction in world export demand, (ii) a drop in both export and import prices, and (iii) a reduction in foreign direct investment. Looking back, it appears that the moderate scenario of the researchers was quite close to what actually took place: exports (excluding gold) decreased by 19.5%, imports fell by 7%, and gross domestic product, investment, and the government deficit all deteriorated—in the short run.

Although domestic economies were not affected as much as initially anticipated primarily because of their weak links to the global financial sector, they were also affected through the remittance transmission channel. For instance, households that were highly dependent on remittances as a source of income were adversely affected as remittances from overseas workers declined. Even some overseas workers in the developed countries were affected through retrenchment or reduced pay, among others. In the Philippines, for instance, some of the overseas Filipino workers (OFWs) who were retrenched or who experienced wage reduction were working in the United States, where the financial crisis started.

In response to the crisis, households adopted various coping strategies. CBMS results show that poor households are more predisposed to change their food consumption pattern, withdraw their children from school, and change their health-seeking behaviors. These coping strategies may be damaging and counter-productive in the medium- and long-run. Governments also implemented programs that could mitigate the impact of the crisis. However, CBMS results confirm that exclusions and leakages remain to be a problem.

ANTICIPATING NATIONAL IMPACTS AND DESIGNING APPROPRIATE RESPONSES

The second group of studies used models of national economies to first, predict the impacts of the crisis, and then explore various policy responses in nine countries in Asia (Bangladesh, Pakistan, and the Philippines), Africa (Senegal and South Africa), and Latin America (Bolivia, Colombia, Ecuador, and Uruguay). The reduction in world demand, and the resulting fall in export volumes and prices, emerged as the principal channel of impact, although results varied substantially from country to country, as the two case studies (see boxes) illustrate.

IMPACTS ON CHILDREN

The third group of studies, commissioned by the United Nations Children’s Fund (UNICEF), was concerned with the possible harmful impacts of the crisis, specifically on children. This study combined modeling of the national economies of three focus countries—Burkina Faso, Cameroon, and Ghana—with detailed micro analysis of the impacts on child poverty, hunger, schooling, and labor. Results show that in the absence of a strong policy response—in these three countries alone—slightly less than a million children will have been drawn into poverty and will suffer from hunger by 2011 as a result of the crisis. School attendance is predicted to decrease and child labor to increase, although these impacts are found to be more moderate with variations of less than 1%, in general.

Policy simulations provide compelling evidence that a targeted cash transfer to poor children would be, by far, the more effective response than a universal food subsidy to counter the deterioration, even if such cash transfer will be, in the end, fully shared with all household members. Such a program, financed by foreign aid amounting to less than 1% of gross domestic product (GDP), would fully offset the negative effects of the crisis on child poverty and nearly completely offset the impacts on child hunger, school attendance, and child labor.
PARTNERSHIPS

The International Development Research Centre (IDRC), provided core funding support (Phases 1 & 2) to PEP so that it can carry out its objective of bringing together and providing scientific and financial support to teams of developing country researchers working to reduce poverty.

Meanwhile, the Canadian International Development Agency (CIDA) came on board in 2008 to provide joint funding with IDRC for PEP Phase 3.

On the other hand, the Australian Agency for International Development (AusAID) provided the PEP network during this report period with $AUS 800,000 in core and program funding. In addition to covering some of PEP’s core costs, this funding also finances 11 of the grants PEP awarded at the June 2010 general meeting. Separately, AusAID also provided funding for a 3-year research initiative on “Simulating the Distributive Impacts of Different Growth Strategies” in developing countries. The related studies adopt a dynamic economy-wide model linked to a household survey-based micro-simulation model to assess the impacts and distributive consequences of different government strategies to stimulate growth. Together with parallel funding for the Policy Impact Evaluation Research Initiative (PIERI), PEP’s study on the Impacts of Financial and Economic Crisis on Developing Countries, the 2008 ARTNeT-PEP Policy Forum: Trade, Investment and Domestic Policy Coherence for Inclusive Growth, and a CBMS Pilot Test of Indicators on Missing Dimensions of Poverty, this brings AusAID’s contribution to PEP’s third phase (2008-2011) of activities to over $AUS 3 million.

In addition to the core funding support from the abovementioned donors, PEP has developed a number of partnerships with other donors in pursuit of its goal to seek greater financial sustainability and possibly, network expansion, through diversification of funders:

• The United Nations Development Programme (UNDP) is supporting a PEP Poverty Monitoring, Measurement, and Analysis (PMMA) initiative to strengthen capacities in Policy and Social Impact Analysis (PSIA) in sub-Saharan Africa,
through a series of designated training programs and support materials offered in classroom and online, and customized to individual country analysis needs. It is envisaged that the capacity strengthening programs, actually based on this UNDP-PEP collaboration, could evolve into a more permanent resource for countries to draw on in designated research and training facilities.

- The **International Initiative in Impact Evaluation (3IE)** is collaborating with PEP in a joint proposal for an Impact Evaluation Capacity Building Initiative. PEP and 3IE jointly seek funding to provide a training and mentoring package for the revision of promising proposals from developing country teams to ensure that policy-relevant and high-quality evaluation studies are led by developing country researchers.

- The **United Nations Development Fund for Women (UNIFEM)** is supporting the Community-Based Monitoring System (CBMS)-Gender Responsive Budgeting (GRB) Research Initiative in Peru. This initiative is an off-shoot of the earlier pilot CBMS-GRB project in the Philippines supported by IDRC. UNIFEM has provided counterpart funding to cover the direct cost of implementation of the project by the CBMS-Peru Team based at the Centro de Estudios y Promoción del Desarrollo (DESCO), a nongovernment organization based in Peru. PEP, on the other hand, extends technical and mentoring support to the CBMS-Peru Team through the CBMS Network Office.

- The **Gender and Diversity Unit of the Inter-American Development Bank (IADB)** has collaborated with the PEP Latin American Office, hosted by GRADE Peru, in a joint call for proposals and funding of research projects that evaluate the impact of promising interventions on teenage pregnancy, using the PEP (PIERI) methodology that includes a capacity development strategy. The initiative provided technical and financial support to two projects, selected through an open competition, that evaluate the effectiveness of alternative interventions to reduce teenage childbearing in Latin America.

- PEP’s Modeling and Policy Impact Analysis (MPIA) program has launched a multi-country research initiative on the impacts of the global economic and financial crisis on developing countries. The program is receiving financial support from AusAID, the **International Food Policy Research Institute (IFPRI)** and PEP. The project includes three Asian countries (Philippines, Bangladesh, and Pakistan); four Latin America countries (Bolivia, Ecuador, Colombia, and Uruguay); and two African countries (Senegal and South Africa). All researchers are either participating in current or have participated in past MPIA projects. Renato Flores, David Laborde (IFPRI), and Bernard Decaluwé are leading this project with support from Helene Maisonnave, Veronique Robichaud, Ismael Fofana, and Martin Cicowiez. Final reports for all projects are currently under evaluation.
• PEP’s African office successfully led a major United Nations Children’s Fund (UNICEF)-commissioned study on the “Impacts of the Global Economic Crisis on Children in West and Central Africa.” Local PEP research teams in Burkina Faso, Cameroon, and Ghana conducted simulations of the impacts of the crisis and potential policy responses on various dimensions of child welfare, including income, calorie intake, school participation, child labor, and access to health services. Results have been presented in conferences in Nairobi, Dakar, London, and Quebec and have been published as PEP and Innocenti Research Centre working papers and policy briefs.

• The Oxford Human Development Initiative (OPHI) is collaborating with the PEP Asia-CBMS Network Office on the pilot test of indicators on the “missing dimensions” of poverty in the context of the CBMS methodology. OPHI also continues to collaborate with PEP in supporting studies in five countries aimed at exploring the implementation of the Sen capabilities approach in a developing country context.

• National and local stakeholders have allocated a significant amount of resources from their respective development funds as part of their contribution to the technical collaboration with the PEP-CBMS Network. Resource contributions allotted by national and local partners (i.e., national and local government units, development partners, and civil society organizations) include funding to cover the direct cost of CBMS implementation in the localities (e.g., workshop meals and materials, printing of questionnaires, field data collection and processing expenses, and computer requirements for database management).
PEP-AFRICA

The PEP Africa Office administers all research projects for the MPIA, PMMA, and PIERI programs. In this context, it manages core research grant disbursements as well as the logistics and funding for study visits, participation in international conferences, national conferences, publication of working papers and policy briefs, and organization of PEP General Meetings in Africa.

Under the leadership of Abdoulaye Diagne, director of Consortium pour la Recherche Economique et Sociale (CRES), and Aissatou Diop, administrator, the PEP Africa Office has undertaken extensive activities this year. This includes the following:

- Administration of all MPIA, PMMA and, beginning in June 2010, PIERI projects, as well as the UNICEF-commissioned study on the impacts of the global crisis on children in West and Central Africa and the UNDP-PEP PSIA initiative to strengthen capacities in Policy and Social Impact Analysis (PSIA). These include:
  - Follow-up on research proposals submitted and on the selection process;
  - Publication of selected proposals and project reports, working papers, policy briefs, and others;
  - Administration of PEP researcher study visits;
  - Assistance to the organization of national policy conferences; and
  - Administration of international conferences and external publication grants.

• Preparation of biannual financial and activity reports to the IDRC.
• Preparation of the PEP Talk in collaboration with the PEP North American Office.

**PEP-ASIA**

Through its PEP Asia-CBMS Network Office, PEP specifically aims to deepen its contribution toward evidence-based policymaking and better-targeted poverty interventions in developing countries through the use of community-based monitoring indicator systems and methodologies. In particular, the PEP-Asia Office does the following:

(a) Administers all CBMS projects.
(b) Collaborates with national researchers in designing community-based poverty monitoring systems that are appropriate to developing countries.
(c) Extends research support to national bodies in developing countries on the use of CBMS methodologies for the design and implementation of more targeted interventions to achieve poverty reduction and other development agenda.
(d) Enhances the capacity of Network researchers to influence poverty reduction initiatives within countries using the CBMS indicator system and methodologies that were earlier developed.
(e) Develops and improves the dataset for poverty analysis and policy-action research.
(f) Fosters technical collaboration of CBMS researchers with MPIA-PMMA researchers through joint research and training workshops.
(g) Mobilizes resources for the scaling up and institutionalization of CBMS.

Among the significant milestones achieved by the Network for this period include: (a) the design and pilot test of local poverty indicators of the impacts of the global financial crisis on poverty in selected CBMS sites in seven countries; (b) development of new projects for the pilot implementation of CBMS in South Africa and Argentina, and its expansion to more sites in Benin and Burkina Faso; (c) development of training modules for the preparation of the first provincial Millennium Development Goals (MDG) reports in the Philippines using CBMS in partnership with the UNDP; and (d) establishment of linkages with UNDP and UNICEF for the development and pilot test of a crisis monitoring system that would facilitate the examination of coping strategies of households during crises and recoveries.
PEP-LATIN AMERICA

The key mandate of the PEP Latin America (LA) Office is to promote PEP and develop new joint research and training initiatives in the region, in close coordination with PEP’s management. The activities of the office are managed by the Grupo de Analisis para el Desarrollo (GRADE). PEP and GRADE agreed on promoting research capacity development in the region by strengthening their capacity to raise research funds and by increasing the academic interaction among them, allowing for some south–south collaboration.

This year’s activities of the PEP-LA office focused on work associated to the PIERI sub-network:

(a) PEP-PIERI-IADB initiative. By July of 2009, the PEP-Latin America Office was able to launch a collaboration with the Gender and Diversity Unit of the Inter-American Development Bank (IADB) to promote research on the reduction of teen pregnancy in Latin America. The project aimed at running a call for proposals to fund research projects that evaluate the impact of promising interventions on teenage pregnancy, using the PEP (PIERI) methodology that includes a capacity development strategy. GRADE, as host of the PEP-LA Office, managed the agreement. Two studies were funded through this initiative:

- “Teenage Pregnancy and Education Expectations in Chile” (Fundación Facultad de Economía y Negocios de la Universidad de Chile).

Final reports were received by early September 2010 and both have already been approved.

(b) Organization of PIERI panel at LACEA.

This year’s Latin American and Caribbean Economic Association (LACEA) conference is going to be held on November 11-13 in Medellin, Colombia. The director of the PEP-LA Office was invited to be part of the Program Committee, and through that...
contact, he negotiated the inclusion of a PEP session at LACEA, with the aim of increasing the exposure of the projects financed by PEP in the region. Thus, three PIERI projects will be presented in the session.

(c) **PEP projects at impact evaluation seminar at GRADE.** This year, GRADE—host of PEP-LA regional office—celebrates its 30 years. For this reason, a set of academic seminars will be held in November 2010 with the objective of discussing the value of research with policymakers and development practitioners, among others. One of the seminars focuses on impact evaluation research titled: “Evaluation as a Tool to Make Social Programs and Policies Work.” This event aims to promote the use of rigorous impact evaluation to improve the design and implementation of social programs and policies among a non-academic audience. This includes policymakers, practitioners, and others, using the work accumulated by GRADE researchers, including that of Martin Valdivia, lead researcher of the following PEP projects:

- “Connecting Rural Communities for Development: An Impact Evaluation of Rural Roads Program in Peru”
- “Business Training for Microfinance Clients: How it Matters and for Whom?” with Veronica Frisancho and Dean Karlan

**d) 3IE Panel Review Meeting.** The Latin America Office director participated in the selection committee for the 3IE’s Open Window 2 (OW2), and attended the Panel Review meeting in January 11-12 in Prague. He used the opportunity to improve ties between 3IE and the PIERI sub-network in coordination with the Management Committee. Contacts with Executive Director Howard White enabled the participation of Marie Gaarder (deputy director, 3IE) in the PEP conference in Dakar, which in turn led to the current collaborations being negotiated with PIERI.

**PEP NORTH AMERICA**

The activities of the PEP North America (NA) Office are implemented by the Centre Interuniversitaire sur le Risque les Politiques Economiques et L’Emploi (CIRPEE) of Universite Laval. While PEP-NA 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, PIERI, and PMMA sub-networks.
MODELING AND POLICY IMPACT ANALYSIS (MPIA)

The MPIA research program uses economy-wide models as a laboratory to simulate macro policies/shocks and their impacts on poverty. MPIA research simulates the impact of shocks and policies on poverty and equity and provides evidence-based results for better-informed policy formulation and program design.

The current priority research themes of MPIA are the poverty impacts of economic growth, public spending (especially health and education), sectoral policies and issues (especially agricultural), poverty reduction policies, labor markets, fiscal reform, and trade policies.

During the period 2009-2010, MPIA researchers around the world have been conducting studies to explore several poverty-related topics in their respective countries. The use of Computable General Equilibrium (CGE) and micro-simulation analysis have especially generated important discoveries regarding the poverty impacts of various policy scenarios for drafting more effective development policies and improving livelihood in each of these countries.

Nine MPIA research projects have also been conducted and/or launched in the context of the PEP Special Research initiatives on the impacts of the global financial crisis on poverty in developing countries with the support and collaboration of AusAID, CIDA, IDRC, IFPRI, and UNICEF.

A. TRAINING, SUPPORT, AND METHODOLOGIES

(a) PEP School

In 2010, the first English version of the PEP school on “Modeling the Micro Impacts of Macroeconomic Policies and Shocks” was hosted by the Fiscal and Financial Commission in Midrand, South Africa. The training was conducted by Veronique Robichaud and Helene Maisonnave. It has been decided that the second version training will be organized in August 2011.

The second French edition of this PEP school was hosted by the CRES in Dakar (Senegal) in December 2009. CRES will likewise host the third edition training in 2010.

(b) New PEP Standard CGE Models

A team of PEP-MPIA resource persons has launched a major project to develop a series of new standard CGE models for the analysis of the impacts of macroeconomic policies and shocks.

Two of these models are now available on the PEP website: the PEP 1-1 (1 country, 1 period—static version) and the PEP 1-t (1 country, multiple (t) periods—recursive dynamic version). These will help researchers develop and adapt to their country of interest standard CGE models. Such models were designed as tools to assist in country-level studies of PEP researchers and the modeling community at large.
B. RESEARCH PROJECTS

Over the year, 12 projects were completed, 5 projects are still ongoing, while 3 new projects were approved.

**COMPLETED PROJECTS**

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<td>Modeling Gender Aspects of Policy Reforms in Bangladesh: A Study in a Sequential Dynamic CGE Framework</td>
<td>Selim Reihan</td>
<td>Bangladesh</td>
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### ONGOING PROJECTS

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<tr>
<th>TITLE</th>
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<tr>
<td>Privatization and Poverty Reduction in Viet Nam—Optimal Choices and its Potential Impacts</td>
<td>Ngoc Q. Pham</td>
<td>Viet Nam</td>
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<tr>
<td>Setting Up the Uniformed Social Security System Under Huge Rural Labour Migration in China: A Quantitative Analysis by SIC-GE Model</td>
<td>Yaxiong Zhang</td>
<td>People’s Republic of China</td>
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<tr>
<td>Poverty Impacts of Agricultural Policy Adjustments in an Open Economy: The Case of Colombia</td>
<td>Ricardo Arguello</td>
<td>Colombia</td>
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<tr>
<td>The Impacts of Income Transfer Programs on Income Distribution and Poverty in Brazil: An Integrated Micro-Simulation and Computable General Equilibrium Analysis</td>
<td>Samir Cury</td>
<td>Brazil</td>
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<tr>
<td>The Impact of WTO Accession on Poverty and Inequality in Ethiopia: An Investigation of a CGE Micro-Simulation Analysis</td>
<td>Dejene Aredo</td>
<td>Ethiopia</td>
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### NEW PROJECTS

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<tr>
<td>Resource Boom, Growth and Poverty in Laos</td>
<td>Phouphet Kyophilavong</td>
<td>Lao People’s Democratic Republic</td>
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<tr>
<td>Alternative Policy Strategy to ADLI for Ethiopia: A Dynamic CGE Framework Analysis</td>
<td>Lulit Mitik</td>
<td>Ethiopia</td>
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<tr>
<td>Impacts of Infrastructure Investment in South Africa: A Dynamic CGE Analysis</td>
<td>Vandudzai Mbanda</td>
<td>South Africa</td>
</tr>
</tbody>
</table>
POVERTY MONITORING, MEASUREMENT, AND ANALYSIS (PMMA)

While the multidimensional and complex nature of poverty is now being widely acknowledged, it also brought about a number of policymaking challenges that the PMMA network is trying to address. These include the following:

• How should priorities for public or government spending be defined?
• Which dimensions are most important and should be prioritized?
• Which populations (region, age group, sex, education, etc.) should be targeted?

The PMMA network strives to provide a fuller characterization of the nature, distribution, causes, and consequences of poverty. In particular, it aims to:

• Develop and apply tools to better monitor, measure, and analyze a wide range of poverty issues;
• Provide funding, training, mentoring, documentation, and software tools to developing country researchers;
• Strengthen capacities for poverty analysis;
• Inform and debate poverty issues with policymakers and other stakeholders; and
• Encourage and support comparative analyses.

PMMA research themes evolve with the policy and research issues identified by developing country researchers and stakeholders. Some examples are as follows: poverty issues relating to gender, public spending, child poverty, labor markets, vulnerability, growth, and others.

A. Training, Support, and Initiatives

Beyond its core activities of providing scientific and technical support to researchers working on PMMA studies all over the world, the PMMA network has launched a training program, implemented with the support and collaboration of the UNDP, to “Strengthen Capacities for Poverty and Social Impact Analysis (PSIA) in Sub-Saharan Africa.” The implementation of the program also contributes significantly to the general development of the PEP schools and support policy-relevant research in developing countries.

B. PMMA Research Projects

For the 2009-2010 period, 7 projects were completed, 3 projects are still ongoing, while 6 new projects were approved.
### COMPLETED PROJECTS

<table>
<thead>
<tr>
<th>TITLE</th>
<th>LEADER</th>
<th>COUNTRY</th>
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<tbody>
<tr>
<td>An Alternative to Composite Indices: Targeting Multidimensional Poverty through the Application of Dimensional Scores on Data from Cameroon</td>
<td>Paul Ningaye</td>
<td>Cameroon</td>
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<tr>
<td>Gender and Poverty Dynamics of Living Conditions in Mali (2001-2006)</td>
<td>Kassim Dabitao</td>
<td>Mali</td>
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<tr>
<td>Dynamics of Poverty, Labor Market and Public Policies in Latin America</td>
<td>Luis Alberto Beccaria</td>
<td>Argentina</td>
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<tr>
<td>Marginal Benefit Incidence Analysis of Public Spending in Nigeria</td>
<td>Reuben Adeolu Alabi</td>
<td>Nigeria</td>
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<tr>
<td>Spatial and Inter-temporal Sources of Poverty, Inequality and Gender Disparities in Cameroon: A Regression-Based Decomposition Analysis</td>
<td>Epo Boniface Ngah</td>
<td>Cameroon</td>
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### ONGOING PROJECTS

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<tr>
<th>TITLE</th>
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<tbody>
<tr>
<td>A Pilot of OPHI’s Internationally Comparable Indicators on Missing Dimensions of Poverty in Urban, Rural and Estate Communities in Sri Lanka</td>
<td>Azra Abdul Cader</td>
<td>Sri Lanka</td>
</tr>
<tr>
<td>Capacities Poverty in Chad: An Exploration of Missing Dimensions in Data in the Capital N’Djamena</td>
<td>Nadjiarabeye Christian Beassoum</td>
<td>Chad</td>
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<tr>
<td>Multidimensional Poverty Under the Capability Framework: The Case of Missing Dimensions, Data and Poverty in Nigeria</td>
<td>John Ataguba</td>
<td>South Africa</td>
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### NEW PROJECTS

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<tr>
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<tbody>
<tr>
<td>Looking for Evidence on Inequality Traps in LAC: Persistent Lack of Opportunities and Social Immobility</td>
<td>Guillermo Cruces</td>
<td>Argentina</td>
</tr>
<tr>
<td>Assessing Local Poverty Alleviation Strategy and Pro-poor Budget</td>
<td>Chitra Septyandrica</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Wage and Income Inequalities Among Chinese Rural-Urban Migrants from 2002 to 2007</td>
<td>Zhong Zhao</td>
<td>People’s Republic of China</td>
</tr>
<tr>
<td>Equivalence Scales, Monetary Poverty Versus the Determinants of Poverty</td>
<td>Jean Claude Nsabimana</td>
<td>Burundi</td>
</tr>
<tr>
<td>Productivity Efficiency of the Non-farm Informal Sector and Reduction of Poverty in Cameroon</td>
<td>Justin Bem</td>
<td>Cameroon</td>
</tr>
</tbody>
</table>
POLICY IMPACT EVALUATION RESEARCH INITIATIVE (PIERI)

The PIERI network aims to (i) promote rigorous policy impact evaluation in developing countries, (ii) inform policy by the dissemination of results to local policymakers and stakeholders, and (iii) build the capacity of researchers in developing countries to conduct impact evaluations.

It adopts a two-pronged approach to policy impact evaluation: experimental and non-experimental. In both cases, a good institutional knowledge of the program is required, specifically on eligibility rules and target population, its objectives, potential unintended effects and affected outcomes, the intervention’s calendar, and the timing of effects.

Launched in 2007 with funding from the AusAID, PIERI offers research grants and scientific support to research teams from developing countries selected through a competitive call for proposals. To date, it has already funded projects in the following countries: Argentina, Brazil, Chile, People’s Republic of China, Colombia, Egypt, Kenya, Senegal, Uganda, and Uruguay.

PEP is currently hoping to expand this initiative in the following three areas:

- Around specific themes such as social protection and child poverty
- To specific regions such as Africa and Latin America
- Toward other innovative capacity-building approaches such as PEP schools, 3IE-PEP collaboration, among others.

A. PIERI Research Projects

For the 2009-2010 period, 1 project has recently been completed, 8 projects are still ongoing, 4 new projects were approved, while 2 more projects are being conducted in the context of a special research initiative.

COMPLETED PROJECT

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<tr>
<th>TITLE</th>
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<th>COUNTRY</th>
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<tbody>
<tr>
<td>Does Training Voucher Help Increase Income of Redundant Workers of Restructured State-Owned Enterprises in Viet Nam?</td>
<td>Lan Anh Vu</td>
<td>Viet Nam</td>
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## ONGOING PROJECTS

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<tbody>
<tr>
<td>Improving School Quality in East Africa: Randomized Evaluation of Policies to Create Local Accountability under Free Primary Education in Uganda</td>
<td>Madina Guloba</td>
<td>Uganda</td>
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<tr>
<td>Improving School Quality in East Africa: Randomized Evaluation of Policies to Create Local Accountability under Free Primary Education in Kenya</td>
<td>Germano Mwabu</td>
<td>Kenya</td>
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<tr>
<td>Impact Evaluation of School Canteens and Deworming Programs in Rural Elementary Schools in Senegal</td>
<td>Abdoulaye Diagne</td>
<td>Senegal</td>
</tr>
<tr>
<td>An Impact Evaluation of PANES</td>
<td>Veronica Amarante</td>
<td>Uruguay</td>
</tr>
<tr>
<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>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>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>People’s Republic of China</td>
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## NEW PROJECTS

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<tbody>
<tr>
<td>The Impacts of &quot;Land of Love, Water Cellar for Mothers&quot;</td>
<td>Liguo Lin</td>
<td>People’s Republic of China</td>
</tr>
<tr>
<td>The Rural Household Income and Poverty Reduction Effects of Priority Forestry Programs in China</td>
<td>Can Liu</td>
<td>People’s Republic of China</td>
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<tr>
<td>The Impact of Tuition Relief Programs in Senior High School on Poor Students in Rural China</td>
<td>Xinxin Chen</td>
<td>People’s Republic of China</td>
</tr>
<tr>
<td>Impact Evaluation of the Brazilian Pension Program Benefício de Prestação Continuada (BPC) on Family Welfare</td>
<td>Ana Lucia Kassouf</td>
<td>Brazil</td>
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</tbody>
</table>
B. Thematic Projects

Finally, a special research initiative to evaluate the effectiveness of alternative interventions to reduce teenage childbearing in Latin America was launched and coordinated by the PEP Latin American Office, hosted by the Grupo de Análisis para el Desarrollo (GRADE) in Peru, with funding from the Inter-American Development Bank (IADB). The initiative funded two PIERI projects that are now near completion:

**PIERI-IADB-GRADE PROJECTS**

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<tbody>
<tr>
<td>Evaluating Policies to Reduce Teenage Childbearing:</td>
<td>Dario Maldonado</td>
<td>Colombia</td>
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<tr>
<td>Policies Reducing Education Costs of Households</td>
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<tr>
<td>Teenage Pregnancy and Educational Expectations</td>
<td>Claudia Martinez</td>
<td>Chile</td>
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**COMMUNITY-BASED MONITORING SYSTEM (CBMS)**

The CBMS is one of the tools developed in the early 1990s to provide policymakers and program implementers with a good information base for tracking the impacts of macroeconomic reforms and various policy shocks. It is an organized way of collecting information at the local level for use of local government units, national government agencies, nongovernment organizations, civil society, and development partner agencies for planning, program implementation and monitoring. It attempts to build and strengthen the capacity of planners and program implementers at the national and local levels for an improved and more transparent system of resource allocation and governance.

A major objective of the CBMS is to assist in poverty reduction. In so doing, there are other corollary benefits achieved like the building of capacities of local government units, increase in gender equity, and generating early warning signs of crisis.

The CBMS program provides research grants to develop, pilot test, and institutionalize a community-based poverty monitoring system in developing countries. Current priority research themes are:

- new CBMS methodologies and instruments,
- poverty diagnosis through CBMS,
- program and project impact analysis,
- use of CBMS for program targeting,
- improvement of local governance through CBMS,
- gender-responsive budgeting, and
- localization of the Millennium Development Goals (MDGs).
C. CBMS Research Projects

For the 2009-2010 period, 10 projects are still ongoing while 2 new projects were approved.

**ONGOING PROJECTS**

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<tr>
<th>TITLE</th>
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<th>COUNTRY</th>
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<tbody>
<tr>
<td><strong>AFRICA</strong></td>
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<tr>
<td>Community-Based Poverty Monitoring System in the Commune of So-Ava and the 13th District of Cotonou</td>
<td>Cellule d'Analyse de Politique Economique</td>
<td>Benin</td>
</tr>
<tr>
<td>Assessing the Impact on Poverty of the Global Financial Crisis Using the CBMS Approach</td>
<td>University of Ouagadougou (In collaboration with UNICEF)</td>
<td>Burkina Faso</td>
</tr>
<tr>
<td>A Local Poverty Monitoring System in Tana River District, Kenya (Phase II)</td>
<td>African Institute for Health and Development</td>
<td>Kenya</td>
</tr>
<tr>
<td>Community-Based Poverty Monitoring System in Nigeria: A Community Participatory Approach</td>
<td>University of Nigeria Nsukka</td>
<td>Nigeria</td>
</tr>
<tr>
<td>Replication and institutionalization of CBMS for Poverty Monitoring in Tanzania</td>
<td>Dodoma Municipal Council</td>
<td>Tanzania</td>
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<tr>
<td>Community-Based Monitoring System for Poverty Reduction, Sustainable Development, Sanitation in Rural Areas in Zambia (Monitoring and Mitigating the Impact of the Global Financial and Economic Crisis)</td>
<td>Zambia Research and Development Centre</td>
<td>Zambia</td>
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<tr>
<td><strong>ASIA</strong></td>
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<tr>
<td>Expansion and Institutionalization of Commune-Based Poverty Monitoring System (CBMS) in Cambodia, Phase III</td>
<td>National Institute of Statistics (NIS)</td>
<td>Cambodia</td>
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<tr>
<td>The Implementation of Community-Based Monitoring System (CBMS) in the City of Pekalongan, Indonesia (GFC Component)</td>
<td>SMERU Research Institute</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Expansion of CBMS Coverage and Monitoring the Impact of the Global Financial and Economic Crisis on Poverty</td>
<td>Lao Department of Statistics, Ministry of Planning and Investment</td>
<td>Lao People’s Democratic Republic</td>
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<tr>
<td>Developing New and Enhancing Existing CBMS Methodologies and Applications to Adequately Respond to Emerging Challenges in Policymaking and Program Formulation at the Global and Country Levels</td>
<td>PEP Asia-CBMS Network Team</td>
<td>Philippines</td>
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</tbody>
</table>
During the project period, the Network also continued to work with the proponent institutions in fine-tuning their proposals. Moreover, a number of proposals have likewise been received during the project period. A full list of these proposals is presented below:

**REVISED PROPOSALS**

**AFRICA**

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<td>University of Ouagadougou</td>
<td>Burkina Faso</td>
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<tr>
<td>Assessing the Impact of the Global Financial Crisis on Poverty Using the CBMS Approach</td>
<td>Institute of Statistical, Social, and Economic Research</td>
<td>Ghana</td>
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**ASIA**

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<tr>
<td>AFRICA</td>
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<tr>
<td>Expansion of CBMS Implementation in Lesotho</td>
<td>Research and Care for Environment (RACE)</td>
<td>Lesotho</td>
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<tr>
<td>Ciblage social et institutionnalisation communautaire de la gestion de la sécurité alimentaire au Niger</td>
<td>Laboratoire d’Etudes et de Recherches sur les dynamiques Sociales et le Développement Local (LASDEL)</td>
<td>Niger</td>
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<tr>
<td>LATIN AMERICA</td>
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<tr>
<td>Implementing Community-Based Multidimensional Poverty Monitoring System in Limpopo Province</td>
<td>Center for Rural Development and Poverty Alleviation, University of Venda</td>
<td>South Africa</td>
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<tr>
<td>Implementation of a Community-Based Poverty Monitoring System in Argentina</td>
<td>Instituto de Economia Universidad Nacional del Centro de la Provincia de Buenos Aires (UNICEN)</td>
<td>Argentina</td>
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</table>
New proposals received in this round are for the development and pilot test of CBMS. Proponents from Argentina, South Africa, and People’s Republic of China, whose proposals made it in the short list, were invited to present during the 8th PEP Network Meeting in Dakar in June 2010. However, out of these proposals, only the project proposals from Argentina and South Africa have been approved for funding as of this date. These proposals have been carefully evaluated and have satisfactorily met the minimum requirements for a successful CBMS implementation.

Meanwhile, PEP has obtained additional support from AusAID to develop and pilot test a CBMS in Oceania. Despite the call for proposals launched through the PEP website, though, there were no responses elicited. The Network had initial discussions with the head of the National Statistics Office (NSO) of Solomon Islands to explore the possibility of a pilot CBMS initiative in the country, subsequently inviting him to participate in the 8th PEP Meeting in Dakar but unfortunately, the NSO head was not able to make it to the event. In recent discussions with AusAID, therefore, a change of project site (possibly East Timor) was thereupon recommended.

Furthermore, discussions between IDRC-Latin America Regional Office and the PEP Asia-CBMS Network for the development of CBMS in Haiti have been initiated during the project period.

Relying mostly on the expertise of its researchers in Modeling and Policy Impact Analysis (MPIA), and with financial support from AusAID, CIDA, IDRC, and IFPRI, PEP is conducting a multi-country research initiative to analyse the impacts of the crisis on developing countries. The analysis is being conducted using macro-micro simulations in order to evaluate the poverty impacts of the crisis and recommend appropriate policy responses for recovery. Some results were presented at the international policy conference held in the midst of the 8th PEP General Meeting in Dakar on June 15, 2010.

The project, launched in 2009, includes three Asian countries (Philippines, Bangladesh, and Pakistan), four Latin American countries (Ecuador, Bolivia, Uruguay, and Colombia) and two African countries (Senegal and South Africa).

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<tr>
<td>Ecuador: Impacts of the Global Economic Crisis</td>
<td>Sara Wong</td>
<td>Ecuador</td>
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<tr>
<td>Effects of the Global Financial and Economic Crisis on the Bolivian</td>
<td>Carlos Gustavo Machic</td>
<td>Bolivia</td>
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<tr>
<td>Economy: A CGE Approach</td>
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<tr>
<td>Global Economic Crisis and the Philippine Economy: A Quantitative</td>
<td>Erwin Corong</td>
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<td>Assessment</td>
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<td>Global Financial Crisis, MDGs and Choices for Pakistan’s Inclusive</td>
<td>Vaqar Ahmed</td>
<td>Pakistan</td>
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<td>Development</td>
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<td>Implications of the Global Economic Crisis for the Bangladesh</td>
<td>Selim Raihan</td>
<td>Bangladesh</td>
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<td>Economy</td>
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<tr>
<td>Assessing the Impact of the Global Financial and Economic Crisis in</td>
<td>Cecilia Llambi</td>
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<td>Developing Countries: The Case of Uruguay</td>
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<tr>
<td>Impact of the International Financial Crisis on the Economy of</td>
<td>Joseph François Cabral</td>
<td>Senegal</td>
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<td>Senegal</td>
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<tr>
<td>The International Economic Crisis and the Colombian Economy</td>
<td>Ricardo Arguello</td>
<td>Colombia</td>
</tr>
<tr>
<td>The Impact of the Economic Crisis in South Africa</td>
<td>Margaret Chitiga</td>
<td>South Africa</td>
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</tbody>
</table>
PEP’s African office successfully led a major UNICEF-commissioned study on the “Impacts of the Global Economic Crisis on Children in West and Central Africa.” Local PEP research teams in Burkina Faso, Cameroon, and Ghana conducted simulations of the impacts of the crisis and potential policy responses on various dimensions of child welfare, including income, calorie intake, school participation, child labor, and access to health services.

This research project is among the first attempts to predict the effects of the global crisis on children who are among the most vulnerable members of the population to economic downturns in developing countries. Several ex-post studies have shown that past economic crises have been especially detrimental to children in various dimensions of their well-being. In addition to increased mortality and malnutrition, economic crisis may have long-term consequences on children as households, for instance, adjust to falling incomes by diminishing spending on education and health. This, in turn, imperils the future development of a country.

As timely data on the monitoring of children’s well-being are not readily available to guide the rapid implementation of policies to protect children, this study developed a predictive model that anticipates the impacts of the current crisis as well as possible policy responses on various dimensions of child welfare in the three abovementioned countries of West and Central Africa.

The following table lists the PEP projects recently completed for this UNICEF-commissioned study:

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Simulating the Impact of the Global Economic Crisis and Policy Responses on Children in West and Central Africa</td>
<td>John Cockburn</td>
<td>West and Central Africa</td>
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<tr>
<td>Impacts of the Global Economic Crisis on Child Poverty and Options for a Policy Response in Cameroon</td>
<td>Christian Arnault Emini</td>
<td>Cameroon</td>
</tr>
<tr>
<td>Simulating the Impact of the Economic Crisis and Policy Responses on Children of West and Central Africa: The Case of Burkina Faso</td>
<td>Samuel Kabore Tambi</td>
<td>Burkina Faso</td>
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</table>

PEP’s Community-Based Monitoring System’s (CBMS) program is supporting a new initiative titled “Monitoring and Mitigating the Impact on Poverty of the Global Financial Crisis.” This project aims to assess the impact of the crisis on the different dimensions of poverty in selected developing countries in Asia and Africa.

Research teams have been conducting CBMS surveys in selected communities—serving as poverty observatories or sentinel sites—from 7 different countries. Based on the key crisis transmission channels identified in each country, a list of indicators has been monitored to track the impacts of the global crisis, in particular at the local and household levels. Each team has prepared a paper analyzing the results in its respective country and highlighting policy recommendations to mitigate the negative effects of the crisis. All the countries’ results are currently being consolidated in order to have an indication on the potential global impact of the crisis as well as to provide suggestions for a coordinated response at the regional or international level.

Results of this study are expected to help policymakers in designing social protection programs as well as in refining program targeting. This initiative was funded by the IDRC, CIDA, and AusAID.

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4. STRENGTHENING CAPACITIES FOR POVERTY AND SOCIAL IMPACT ANALYSIS (PSIA) IN SUB-SAHARAN AFRICA

The UNDP is supporting an initiative for strengthening capacities for poverty and social impact analysis (PSIA) in sub-Saharan Africa. The initiative builds on the ongoing work of the PEP research network, in particular, in developing PEP schools.

It follows from the experiences in strengthening capacities for poverty analysis in Namibia earlier in 2008, which was carried out by the Central Bureau of Statistics in Namibia, UNDP, and Université Laval with support from the UNDP Thematic Trust Fund for Poverty Reduction.

The initiative contributes to strengthened capacities for poverty and social impact analysis and thus enables high-quality ex-ante and ex-post assessments of the impacts of public policies, reforms and interventions on the distribution of welfare. This is achieved through a series of designated training programs and support material offered in classroom format as well as online, and customized to individual country analysis needs. It is envisaged that the capacity strengthening programs could evolve into a more permanent resource for countries to draw on in designated research and training facilities.

The specific objectives of the project are

(a) To enhance the skills of researchers and officials to conduct poverty and social impact assessments using quantitative data and state-of-the-art methods;

(b) To enhance the capacity of data producers to generate quality data and improve access to it;

(c) To raise the interest of policymakers for better-informed policymaking;

(d) To foster national, regional, and international networking in poverty and social impact analysis and policy influence; and

(e) To complement global research initiatives such as the PEP Research Network, which address situations wherein inadequate research capacity often inhibits poorer countries’ researchers to participate.
To date, the following projects have been selected in the context of the UNDP-PEP joint initiative for Policy and Social Impact Analysis (PSIA):

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<td>The Sanitary Development Plan: A Poverty and Social Impact Analysis in Niger</td>
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5. SIMULATING THE DISTRIBUTIVE IMPACTS OF DIFFERENT GROWTH STRATEGIES IN DEVELOPING COUNTRIES

PEP is also leading a research initiative on “Simulating the Distributive Impacts of Different Growth Strategies” in developing countries, funded for 3 years by the AusAID. The related studies resort to an economy-wide model linked to a household survey-based micro-simulation model to assess the wide-ranging impacts and distributive consequences of different government strategies to stimulate growth.

The results of these projects, led by teams of local researchers in Pakistan, the People’s Republic of China, and the Philippines, will provide crucial insights on accompanying policies to allow greater participation by the poor and a tool for researchers and policymakers. The local teams will work in collaboration with an international coordinating team composed of experienced researchers in macro and micro-modeling who will conduct a first application of the model to Benin to illustrate the methodology.
PEP provides a wide range of capacity-building activities and other resources designed to help developing country researchers pursue rigorous, high quality and policy-relevant research on poverty issues. The following sections enumerate some of the major capacity-building activities that PEP initiated during the report period:

**FFC-PEP SCHOOL TRAINING**

*“MODELING THE MICRO IMPACTS OF MACROECONOMIC POLICIES AND SHOCKS”*

**August 9-20, 2010, Midrand, South Africa**

The Financial and Fiscal Commission (FFC) in Midrand, South Africa, successfully organized the first English edition of the PEP school this summer, offering training on techniques and tools for the analysis of poverty and economic policy for researchers in Southern Africa. The 2010 PEP School focused on the theme “Modeling the Micro Impacts of Macroeconomic Policies and Shocks” and was led by Véronique Robichaud, economist at the Department of Economics of Université Laval, and Hélène Maisonnave.

The workshop brought together 20 participants and several resource persons from the PEP Network and FFC at the FFC offices in Midrand. Presentations on the theoretical foundations of computable general equilibrium (CGE) modeling and social accounting matrices (SAM) as well as hands-on exercises on GAMS allowed participants to gain the knowledge and experience required to build their own CGE model by the end of the workshop.

The FFC is an independent and unbiased constitutional advisory institution whose research and recommendation program aims at enhancing the development impact of public resources through the financial and fiscal system in South Africa.

**POVERTY: MEASUREMENT, ANALYSIS, AND POLICY IMPACT**

**June 13, 2010, Dakar, Senegal**

This two-part workshop focused on the following topics: (1) new PEP tools for poverty measurement and analysis, and (2) the distributive impacts of different growth strategies.

During the first part of the session, researchers reviewed the training material, methods and tools recently developed by PEP resource persons and researchers to measure and understand poverty and inequality, including multidimensional poverty, inequality decompositions, and poverty dynamics. This session also presented the contents of the new version (version 2.1) of Distributional Analysis Stata Package (DASP).

Meanwhile, the second part focused on how the various growth strategies discussed in academic and policy circles can be modeled explicitly in a way that captures their global impacts on the domestic economy (factor and product markets, public finances, etc.). Researchers were trained on how to integrate the principal motors of growth and growth policies explicitly into a Computable General Equilibrium modeling framework, drawing inspiration from the macroeconomic literature. The session also addressed briefly how the distributive and gender impacts of such growth policies can be captured in micro-simulation models.
AN INTRODUCTION TO POLICY IMPACT EVALUATION RESEARCH
June 12, 2010, Dakar, Senegal

This workshop was intended to provide an introduction to policy impact evaluation, highlighting the specificity of the approach compared to qualitative methods and other quantitative methods. A lecture on the policy impact evaluation research approach was offered by Habiba Djebbahi consisting of two parts. Part I introduced the approach to the evaluation problem. Part II discussed a simulation study on a hypothetical job training program. Several actual case studies were also discussed.

2ND PEP SCHOOL ON COMPUTABLE GENERAL EQUILIBRIUM (CGE) MODELING
December 9-19, 2009, Dakar, Senegal

The school, which lasted 10 business days, including Saturday, was held at the l’École Nationale d’Administration (ENA), located at the Point E in Dakar, in front of the Lycée Blaise Diagne. A total of 24 participants, economists, statisticians, and agronomist engineers attended.

The school was led by André Martens, professor of economics at Université de Montréal; François Joseph Cabral, master-assistant at University Cheikh Anta Diop (UCAD) and researcher at the CRES; and Hélène Maisonnave, researcher at the Institute for Prospective Technological Studies (IPTS, Spain).

PILOT WORKSHOP ON POVERTY AND SOCIAL ANALYSIS IN SUB-SAHARAN AFRICA
November 23-27, 2009, Uganda

This workshop was co-hosted by Uganda Bureau of Statistics, Economic Policy Research Center, Université Laval and UNDP. Strengthening national capacities for welfare analysis and formulation of inclusive growth policies are key objectives for UNDP and PEP. The specific objectives of the pilot workshop were:

(a) To test a new set of training materials using DASP,

(b) To enhance the skills of researchers and officials in conducting poverty and social impact assessments, which use quantitative data and state-of-the-art methods,

(c) To immediately begin to generate specific country analyses that deal with pressing policy concerns,

(d) To support the building of country teams that can collaborate and strengthen national networks for welfare analysis beyond the duration of the workshop, and

(e) To share experiences among African countries that have made important advancements in the area of poverty analysis.
CONSULTATION AND DISSEMINATION

PEP researchers undertake many steps to ensure that their research findings would have maximum impact on policy. Regular consultation with intended research users, for instance, has become a fixed component of PEP-supported projects, from the initial research design throughout all the stages of execution until the culminating key dissemination activities.

PRESENTATIONS BY PEP RESEARCHERS IN INTERNATIONAL CONFERENCES

More and more PEP researchers are being invited to present their work and findings in international conferences, as follows:

• Three PEP-funded researchers were invited to present and discuss their recent findings at the 44th Annual Conference of the Canadian Economics Association (CEA) held in Quebec City, Canada, on May 28 to 30, 2010:
  - Ana Laura Fernandez
    Dynamics of Poverty, Labor Markets and Public Policies in Latin America
  - Assogba Hodonou
    Poverty Dynamics in Benin: A Markovian Process Approach
  - Sekou Fall Dourouba
    Health and Education Services in Guinea: Distributional Effects of Government Policy

• A special session of the 13th Annual GTAP Conference on Global Economics Analysis “Sustainable and Inclusive Trade for Growth and Development” held from June 9-11, 2010 at the United Nations Conference Center in Bangkok, Thailand, was devoted to presentations of PEP studies on the Impact of the Global Financial Crisis on Poverty in Developing Countries. The case of Pakistan was presented by Vaqar Ahmed, the Bangladesh paper by Selim Raihan, and the case of the Philippines by Erwin Corong.
NATIONAL POLICY CONFERENCES ORGANIZED BY PEP RESEARCHERS

• BRAZIL—Results of the MPIA Project on “The Impacts of Income Transfer Program on Income Distribution and Poverty in Brazil” were disseminated in a policy conference organized by its leader, Samir Cury, at the Fundacao Getulio Vargas (FGV) of the Economic Department of Escola de Administracao de Empresas, in Sao Paulo, Brazil on September 29, 2009. The seminar was attended by more than 100 people coming from NGOs, academic institutions, research entities and the press.

• URUGUAY—On October 2, 2009, Cecilia Llambi organized a national-level policy conference at the Centro de Investigaciones Economicas in Montevideo, Uruguay, for the dissemination of the key findings from the MPIA Project, “Assessing the Impact of the 2007 Tax Reform on Poverty and Inequality in Uruguay.” As the study was the first analysis of the specific effects of this important policy shock on the Uruguayan economy, the policy implications and recommendations were actively debated among the participating policymakers, researchers, and experts on tax issues.

• URUGUAY—Another conference was organized in Montevideo on October 27, 2009 by the team of Andrea Vigorito (PMMA project). The event was entitled “Conditional Cash Transfer Programs, Poverty and Inequality in MERCOSUR Countries.” The main purpose was to present the results of the ex-ante evaluation of the government program on family allowances to policymakers from the Department of Social Development, Ministry of Public Education, and the Bank for Social Planning. Two other PEP researchers (Guillermo Cruces and Fabio Veras Soares) were also invited to discuss their own works on recent similar experiences of Argentina, Brazil, and Paraguay.

• ECUADOR—Sara Wong presented the results of the MPIA Project on “Poverty Impacts of Increased Openness and Fiscal Policies in a Dollarized Economy: A CGE Approach for Ecuador” at the Graduate School of Management—Escuela de Postgrado en Administracion de Empresas (ESPAE) in Guayaquil, Ecuador, on November 20, 2009. The event featured a
forum on the policy implications of the study, in which the invited representatives of government agencies actively participated.

• PHILIPPINES—The CBMS Network held its 6th National Conference in Manila, Philippines at the Manila Diamond Hotel on December 9, 2009. The event was organized around the theme “Building Partnerships, Strengthening Capacities and Fostering Responsive and Accountable Governance.” The conference was attended by more than 250 participants, representatives of several national government agencies, local government units, research and academic institutions, international donor agencies, and other development stakeholders. The event also featured a special policy session for the presentation of MPIA and PMMA projects, as follows:

  - “Poverty Impacts of Preferential and Multilateral Trade Liberalization on the Philippines,” presented by Angelo Taningco.

• BENIN—On March 31, 2010, Assogba Hodonou, leader of a PMMA Project, organized a policy conference in Cotonou, Benin to disseminate findings on the “Dynamics of Poverty in Benin from a Markovian Process Approach.” The event benefited from important media coverage. Attending government representatives were also interested in implementing consultancy mechanisms to keep official decisions informed of such important scientific outcomes.

• PEOPLE’S REPUBLIC OF CHINA—The first national policy seminar ever sponsored by PEP in the PRC took place on March 24, 2010 at the Howard Johnson Paragon Hotel in Beijing and was organized by PEP researchers with the support of the Institute of Quantitative and Technical Economics of the Chinese Academy of Social Sciences. The event featured the presentations of the following four PEP-funded studies:

  - “Women’s Unemployment Duration and the Effects of Education on Earnings Inequality in Urban China” (Fenglian Du).
  - “The Causes of Transient Poverty—Implications for Poverty Reduction Policies in Rural China” (Ximing Yue).
WORKING PAPERS

The following papers were also released:

- Simulating the Impacts of the Global Economic Crisis and Policy Responses on Children in West and Central Africa by John Cockburn, Ismael Fofana, Luca Tiberti
- Taxation Reforms: A CGE Microsimulation Analysis for Pakistan by Vaqar Ahmed, Ahsan Abbas, and Saira Ahmed
- Fiscal Policy, Regional Disparity and Poverty in China: A General Equilibrium Approach by Wang Li, Guangbao Zhou, Wenbo Wang, and Xuesong Li
- Agricultural Trade Liberalization, Productivity Growth and Poverty Alleviation: A Dynamic General Equilibrium Analysis by Nadia Belhaj Hassine, Abederrazak el Meddeb, Hanene Ouertani, and Zied Ben Salem
- Family Allowances and Child School Attendance: An Ex-ante Evaluation of Alternative Schemes in Uruguay by Andrea Vigorito, Arim Rodrigo Gioia De Mela, and Veronica Amarante
- Poverty Impacts of Preferential and Multilateral Trade Liberalization on the Philippines: A Computable General Equilibrium Analysis by Angelo Taningco and Rachel Reyes
- Trade Liberalization and Income Distribution in Cote d’Ivoire: A Simulation with a Dynamic General Equilibrium Model by Souleymane Sadio Diallo, Kone Seydou, and Monan Kamagate
- Inequality, Polarization and Poverty in Nigeria by Taiwo Timothy Awoyemi, Isaac Oluwatayo, and Oluwakemi Adewusi
- The Dynamic Change of Wage Gap Between Urban Residents and Rural Migrants in Chinese Cities by Dandan Zhang, Dewen Wang, and Wei Sun
- Analysis of the Impact of Changes in the Price of Rice and Fuel on Poverty in the Philippines by Celia Reyes, Alellie Sobreviñas, Jeremy de Jesus, and Joel Bancolita
- The Impact of the Global Financial Crisis on Poverty in the Philippines by Celia Reyes, Alellie Sobreviñas, and Jeremy de Jesus
- Impacts of Global Financial Crisis and Economic Crisis on Poverty: Lao CBMS Sites by Phonesaly Souksavath
- Monitoring the Impact of the Global Financial Crisis on Poverty in Zambia by Silumbe Richard
- Global Financial Crisis: Impacts, Coping Mechanisms and Implications in Kenya by Mary Amuyunzu-Nyamongo, Alice Sereti Sinkeet, and Gabriel Oguda
- Analysis of the Missing Dimensions of Poverty Data in the Philippines by Celia Reyes, Jeremy de Jesus, Erica Sioson, and Alellie Sobreviñas
• The Implementation of a Community-Based Monitoring System in Kota Pekalongan: Millennium Development Goals and Principal Components Analysis Results by Akhmadi, Asri Yusrina, and Athia Yumna

• CBMS Cambodia: A Tool for Local Development Planning, Budgeting, Targeting and Monitoring the MDGs and Impacts of the Global Financial Crisis by Try Sothearith

• Impact of Hiked Prices of Food and Basic Commodities on Poverty in Cambodia: Empirical Evidence from Five CBMS Villages by Try Sothearith and Sovannarith So

• Effects of Rising Food and Fuel Prices in Rural Households in Ghana: A Case Study of Selected Communities in the Dangme West District Using the CBMS Approach by Felix Ankoma Asante and Cynthia Addoquaye Tagoe

• Poverty Dynamics in Benin: A Markovian Process Approach by Assogba Hodonou, Damien Mededji, Armande Gninanfon, and Asthereve Totin

• Multidimensional Poverty and Social Policies in Benin by Cosme Zinsou Vodounou

• Poverty and Vulnerability in Burkina Faso: A Composite Indicator of Hardcore Poverty by Alaya Ouarme, Idrissa Ouili, and Awa Maty Basse


**NEW EXTERNAL PUBLICATIONS**


**POLICY BRIEFS**

• Fiscal and Other Policies to Combat Regional Disparities and Poverty in China by Li Wang, Xuesong Li, Wenbo Wang, and Guanbao Zhou—September 2010

• Dynamics of Poverty, Public Policies and Labor Markets in Latin America by Luis Beccaria, Ana Laura Fernandez, Roxana Maurizio, Paula Monsalvo, and Mariana Alvare—September 2010


• The Global Economic Crisis and Children: Effects and Policy Options in Ghana by
The Impact of the Global Financial and Economic Crisis on Poverty in the Philippines by Celia Reyes, Alellie Sobreviñas, and Jeremy de Jesus—May 2010

Motives and Giving Norms Behind Remittances: The Case of Filipino Overseas Workers and their Recipient Households by Jessaine Soraya Sugui, Amelyn May Abdon, and Michael Alba—March 2010

Impact Assessment of National and Regional Policies using the Philippine Regional General Equilibrium Model (PRGEM) by Ella Antonio, Roehlano Briones, Grace Borja, Kristine Villarino, and Cielito F. Habito—February 2010

Poverty Impacts of Preferential and Multilateral Trade Liberalization on the Philippines by Rachel Reyes, and Angelo Taningco—February 2010

Policies for Escaping Poverty in Benin by Mèdessè Armande, Gninanfon, Assogba Hodonou, Astherve Houénafa Totin, and Damien Mededji—January 2010

Family Allowances and Child School Attendance. An Ex-ante Evaluation of Alternative Schemes in Uruguay by Gioia De Melo, Veronica Amarante, Andrea Vigorito, and Arim Rodrigo—October 2009


Poverty and Inequality Impacts of the 2007 Tax Reform in Uruguay by Mery Ferrando, Cecilia Llambi, Juan Marcelo Perera, and Silvia Laens—October 2009


Impact of Hiked Prices of Food and Basic Commodities on Poverty in Cambodia: Empirical Evidence from Five CBMS Villages by Try Sothearith and Sovannarith So—January 2009
• Effects of Rising Food and Fuel Prices in Rural Households in Ghana: A Case Study of Selected Communities in the Dangme West District Using the CBMS Approach by Felix Ankomah Asante and Cynthia Addoquaye Tagoe—January 2009

• Analysis of the Impact of Changes in the Price of Rice and Fuel on Poverty in the Philippines by Celia Reyes, Alellie Sobreviñas, Jeremy de Jesus, and Joel Bancolita—January 2009

**BOOKS**

• **Analysis of Multidimensional Poverty: Theory and Case Studies**
  Louise-Marie Asselin

• **Child Welfare in Developing Countries**
  Edited by John Cockburn and Jane Kabubo-Mariara

• **Trade Liberalization and Poverty in Africa**
  Edited by John Cockburn, Bernard Decaluwe, and Ismael Fofana

• **Agriculture Price Distortions, Inequality and Poverty**
  Edited by Kym Anderson, John Cockburn, and Will Martin

• **in_focus: Fighting Poverty with Facts (Community-Based Monitoring Systems)**
  Celia Reyes and Evan Due

**NEWSLETTERS**

• PEP Talk, March and October 2010

• CBMS Network Updates, December 2009, March 2010, June 2010, and September 2010

**CONFERENCE PROCEEDINGS**

Proceedings of the 2008 CBMS Network Meeting, Manila, Philippines
IMPACT

Every year, PEP researchers go through important career milestones that are in no small part due to their experience with PEP in terms of capacity building.

Some went on to win awards such as Epo Boniface Ngah and Francis Baye, who garnered the first African Public Policy Award given by the International Institute for Public Finance (IIFP) for their PEP-supported research project. Veronica Amarante and Andrea Vigorito also received the first Poverty Reduction, Equity and Growth Network (PEGNet) Best Practice Award in 2009 for their PEP research project on family allowances and child school attendance in Uruguay. The award recognized their project for “the quality of cooperation, its direct link between research and policy-making and the quality of the capacity building component which was, in addition, South-South and not, as so often, North-South.”

Several others have been promoted within their institutions, contracted or hired by major international development institutions to further the use of their expertise.

Meanwhile, PEP has scored a major success in scaling up, through external funding, the implementation and use of CBMS in countries where the system has been developed and piloted. The current roll out/expansion of CBMS initiatives in selected countries are supported by resource contributions by national and local government units and development partner agencies. For instance, CBMS projects in Indonesia, Tanzania, Cambodia, and Kenya have obtained counterpart resource funding from their local partners in CBMS sites to cover costs of data collection (e.g., printing of forms, supplies, and human resource). In the Philippines, from 2001 to the present, the total contributions of national and local partners for the adoption of the CBMS methodology has reached P165.5 million, 81 percent of which were allotted by local government units from their own development funds to cover the direct cost of CBMS implementation in their localities. On the other hand, ongoing CBMS projects in Peru and Burkina Faso are being partially supported by UNIFEM (in the case of Peru) and UNICEF (in the case of Burkina Faso), respectively.

Beyond the achievements in capacity building, however, the most salient aspect of PEP’s impact is the influence of its research outcomes on policy and, subsequently, on the socioeconomic well-being of populations in developing countries.
Although the impact of research findings on policy orientation is difficult to assess clearly, researchers have occasionally collected—through their consultation and dissemination activities—some testimony on how research users value their input, both on the scientific and local-based perspectives.

Here are a few testimonies that attest to such impact:

**TESTIMONY OF IMPACT**


“During the seminar, both the GTZ (German agency for international development) and the World Bank representatives showed a particular interest in the presentations of the PEP research projects. They both noted that the themes and analytical methodologies of the projects were quite on target with their current preoccupations. A team of three PEP researchers were thus offered a contract of consultancy for the conduct of a study in the context of a multidonor study on “Shared Growth and Spatial Considerations in Cameroon.” The results from this study were included in the World Bank Report titled “Cameroon: Budget Policies for Growth and Development.” The report was officially presented in Yaoundé by the vice president of the World Bank.”

“Teaching Entrepreneurship: Impact of Business Training for Microfinance Clients and Institutions (Peru)”

“With the encouraging results [of the study], FINCA confidently expanded the business training program to control groups and it has become a regular feature of the services they offer to their clients.

But the implications have started to go beyond that as the results of this study have been presented at several academic and policy meetings within Peru and around the world. Reports have recently been received indicating that many Peruvian microfinance institutions have started to insert a business training component into their services.
NGOs such as PRISMA and ADRA are already doing it or planning to do it in the near future. MIBANCO, a large regulated microfinance bank associated with Acción International, is likewise now offering business training to their clients in Peru. The same with Banco de Crédito, the largest commercial bank in the country. At the international level, authors have been contacted by researchers who are partnering with microfinance institutions in Mexico and India and who are also involved in trying to combine business training with the regular microfinance services they offer to their clients. These new cases will be important.”

“Trade Openness, Gender and Equity in Uruguay”

“In fact, the three participants of the roundtable made commitments to include the policy recommendations suggested by Inés Terra and Paola Azar in their respective working agendas and expressed [their pleasure in the usefulness of the policy briefs] to find the policy briefs extremely useful for doing so. A participant pointed out that it is very important for them to have this type of research because they provide inputs to their design of policies. She expressed her determination to take into account the main conclusions of the projects in designing the Women Agenda which includes policy recommendations to the future government, especially during this electoral year.

A government representative said that the government is currently working on the National Strategy 2030, a long-term economic planning for Uruguay, in which the gender approach is still missing. He considered very interesting and easy to implement most of the policy recommendations, and agreed that it is necessary to promote skilled female employment, especially in the technology sector.”
“Household Wealth and Heterogeneous Impacts of Market-Based Training Program: The Case of PROJOVEN in Peru”

“The Labor Ministry indicated that they are working on a National Youth Employment Plan and will carefully consider the lessons from PROJoven. In fact, the authors of the study have been invited to the presentation of a draft version of such plan next week. The conference showed that there is a demand for research evidence among policymakers, at least in the vocational training field. Further, policymakers are willing to engage in dialogue with researchers if the issues addressed match their policymaking needs. In the case of donor agencies such as CIDA, timing was critical for their interest in the study as they are now designing an intervention precisely in the area of vocational training. They were very pleased with the discussion. They thought it was very useful for them.”

“Will Formula-Based Funding and Decentralized Management Improve School Level Resources in Sri Lanka”

“Based on the experience of this PEP project, Nisha Arunatilake and Priyanka Jayawardena were commissioned to do a study on the ‘equity in the delivery of education services in Sri Lanka’ as part of a regional study by the Asian Development Bank (ADB) on the ‘equity in the delivery of public services in selected developing member countries.’

Nisha Arunatilake presented the results of this study at a regional meeting at the ADB headquarters in Manila, Philippines in April 2010. Aside from regional-level policymakers, researchers, and ADB officials, this meeting was also attended by several policymakers from the Ministry of Education. It was encouraging to see that the findings of our PEP study were keenly studied by project implementers. A decision was made at the end of this meeting to conduct a national workshop on the ‘equity in the delivery of public services’ sponsored by ADB.”

Excerpt from MPIA-10255 – National Conference Report 2006

“Trade Openness and Integration to MERCOSUR: Effects on Labour Markets and Poverty”

“One last issue the discussants pointed out was the need to organize more conferences like this one that allow the exchange among academics, policymakers and lobbyists. The representatives of the government complained about the shortage of technicians working in government agencies who provide analysis and data that serve as inputs for policy design. The academics, on their part, complained about the problem of getting reliable data. The conclusion was then that academics and policymakers should work together in this issue.”

Dr. Jacqueline Badcock
United Nations in the Philippines Resident Coordinator and UNDP-Philippines Resident Representative

“By preparing provincial reports, LGUs are provided vital information on the status of the MDGs in their areas of influence. These reports are important sources of information for planning, resource allocation and priority setting that LGUs are tasked under their mandate of effective local governance. Likewise, in the course of the preparation of the reports, the capacity of LGUs to collect, monitor and use data for decisionmaking has been greatly enhanced. The reports also show how far the Community-Based Monitoring System (CBMS) that UNDP has supported can go in terms of its use.”
IDRC recognizes CBMS as one with Lasting Impacts

The International Development Research Centre (IDRC) has identified the Community-Based Monitoring System (CBMS) as one of the numerous research projects it has funded over a period of 40 years that has had lasting impacts.

Launched as part of IDRC’s 40th anniversary celebrations in 2010, the Lasting Impacts project features 12 thematic websites (one theme per month) highlighting how IDRC-funded research has improved lives in developing countries.

The CBMS is the lead story for the February website issue that featured the theme: Informed Policies. In the story, IDRC recognizes that sound policies foster progress and that the starting point is accurate information and engaged communities.

“Communities in the Philippines are enjoying benefits made possible by accurate, current information about their living conditions: job training programs for the youth; new water and sanitation facilities; small loans for family businesses; schools for teen drop-outs; daycare centers; footbridges to connect isolated villages to roads and markets; telemedicine programs; school food programs; subsidized health care. These are just a few of the concrete measures taken to improve lives in thousands of villages, municipalities, and provinces in the Philippines. The goal: reduce poverty. The means: provide the most needed services to the neediest families. But how do you determine what and whom to prioritize? A community-based poverty monitoring system (CBMS) provides the answers," noted the website.
CBMS Network wins participants’ choice award in UNDP’s Regional Capacity Development Learning Week

The PEP Asia-CBMS Network Team participated and won the participants’ choice award for Capacity Development (CD) Achiever in the annual CD Learning Week of the United Nations Development Programme (UNDP) held on May 24-26, 2010 in Manila, Philippines.

The annually celebrated CD Learning Week convenes members of the regional community of CD practitioners and experts, government representatives, policymakers, members of the civil society, and donor organizations. Its objective is to provide an opportunity for each participating group/country to showcase its capacity development innovations, knowledge, and results emerging from its project/initiative through a ‘market’ environment. Participants are normally given a space to visually display materials that illustrate their project/initiative and are asked to prepare a brief 5-minute presentation/pitch.

This year’s theme is “Reducing Poverty; Delivering Services,” which builds on the UNDP’s “Capacity is Development” campaign. The recently concluded event featured three distinct yet interrelated segments: Practice Meets Policy segment, which exposed practitioners, project developers, leaders, managers, and implementers of CD interventions from governments, UNDP and other partners to a selected initiative in the Philippines that has demonstrated successes and offers lessons on poverty reduction such as the Community-Based Monitoring System (CBMS); CD Talk segment, which featured a panel discussion and a CD Talk on transformational change; and Policy Dialogue segment, which served as a venue for presenting and discussing strategies, effective design and implementation of poverty reduction and service delivery initiatives.

The event was spearheaded by the UNDP Asia Pacific Regional Office.
The PEP Research Network is governed by a management committee composed of all regional and program directors and the president of the PEP program committee. The PEP co-directors are responsible for the daily management of PEP activities, in particular, for ensuring that all PEP activities have been assigned and are being implemented on schedule. Program directors for each PEP program are responsible for the scientific leadership of their respective programs. Regional directors and regional offices are responsible for developing new activities in their respective regions and providing support to existing program activities in their region. Program committees for each PEP program jointly form the PEP Program Committee and provide scientific advice to program directors in the development and implementation of the activities of their respective programs as well as provide recommendations to the program directors in the selection of proposals for funding and the approval of final research reports.

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# FINANCIAL STATEMENT

## FINANCIAL YEAR ENDING SEPTEMBER 30

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<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
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<tr>
<td><strong>Revenues</strong></td>
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<td><strong>Balance</strong></td>
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<td>$1,139,882</td>
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</table>
Poverty and Economic Policy (PEP) Research Network

- High quality, policy-relevant research
- Long-term intensive capacity building
- Integration of micro and macro perspectives
- Scientific leadership and innovation
We would like to express our gratitude to our donors who have made our work possible:

AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT
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.

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY
The Canadian International Development Agency (CIDA) is Canada’s lead agency for development assistance. CIDA’s aim is to: manage Canada’s support and resources effectively and accountably to achieve meaningful, sustainable results and engage in policy development in Canada and internationally, enabling Canada’s effort to realize its development objectives.

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE
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. IDRC’s support is directed toward creating a local research community whose work will build healthier, more equitable, and more prosperous societies.
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