

**THE MICRO IMPACTS OF MACROECONOMIC AND ADJUSTMENT POLICIES
(MIMAP) PI**

PROSPECTUS 2000 - 2005

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Executive Summary

Executive Summary

In the 1970s, economic stabilization and structural adjustment program came to the fore as the answer to severe economic problems facing many developing countries. Policies such as reductions in public expenditures, currency devaluation, and trade and financial sector liberalization were introduced to change the structure of a country's economy and improve its long-term economic outlook. As experience with such programs accumulated, concern grew for softening the impact of adjustment policies on society's more vulnerable groups.

These concerns have increased over time, and the list of causal factors has expanded. Financial shocks, together with the deflationary policies used to stabilize them, have had major negative impacts on equity and poverty, especially in Latin America and Asia. And the impacts of globalization are taking many forms, more broadly than international trade, including investment, technology transfer and the information and e-commerce revolutions. Protests at Seattle and Prague show the intensity of concerns over the negative impacts of globalization.

Research in this field gained prominence following publication of UNICEF's "Adjustment with a Human Face" program in 1987 and 1988 (Cornia *et al.*). This was followed by the World Bank's pair of exercises, *Living Standards Measurement Survey*, and *Social Dimensions of Adjustment*, and the OECD Development Centre's landmark project on *Adjustment and Equity*. Together and separately these endeavours achieved considerable progress in evaluating the social dimensions of adjustment policies and understanding the micro-macro linkages. However, they suffer from a number of weaknesses, due to limited involvement by developing country researchers and policy-makers and the one-off nature of the exercises.

IDRC's support of research in this area began with the introduction of the MIMAP program (Micro Impact of Macroeconomic and Adjustment Policies) in the Philippines in 1990. Development of this project coincided with the priorities of the Ramos government, and senior government officials were significant participants in the project from the beginning. The program was designed to assist in the development and implementation of more equitable, sustainable and efficient policies, through research on the diverse and often unintended or unexpected impacts of adjustment on poor people.

The MIMAP initiative expanded geographically from this base. Similar programs were initiated in six additional countries in Asia between 1990 and 1996, and five countries in West Africa between 1998 and 2000. In addition, Thematic Networks have been initiated in the 1997-2000 period in the fields of gender, health, environment, labour, micro finance, and the gender dimensions of public budgets.

The key operating principles of MIMAP projects have been the development of policy analysis and welfare tracking capabilities which take into account the following:

- adaptation of project objectives and design to local needs;

- special attention to national capacity building;
- data collection at a disaggregated level;
- rigorous policy analysis;
- a sense of ownership and belonging by national authorities and a wider policy-oriented constituency;
- emphasis on continuity beyond the life of a given "project".

IDRC's emphasis on sustainable capacity building in developing countries is especially suited to approaching social development and adjustment issues effectively. After a decade of building, the MIMAP Program Initiative, and the MIMAP Network, currently includes just over 40 teams engaged in the following components:

- projects in thirteen Asian and West African countries, which build and use capacity for:
 - poverty measurement, monitoring and analysis, using survey and related tools, aimed at frequent, rapid poverty assessment;
 - participatory, community-based poverty monitoring systems, and their use in local planning and development programs; and
 - assessment of the household-level impacts of macroeconomic policies and shocks through economic modelling and policy impact analysis, also including sector- or issue-focussed studies;
- thematic networks that develop knowledge and tools in cross-cutting areas including gender, health, environment, labour and micro finance;
- comparative studies that involve MIMAP country projects in the analysis of issues of common interest, including the impacts of trade liberalization on poverty; and
- training, technical support and program advice by national and international scholars and experts, website development, publications and Network conferences.

During the 1997-2000 period, many lessons were learned in the development of MIMAP, and external circumstances changed substantially. In particular:

- Internally, the MIMAP Network matured, and developed concerted training, technical support and comparative research activities involving many project teams.
- The demand for MIMAP methodologies and technologies was rising quite dramatically - particularly in Africa - in the context of the International Monetary Fund/World Bank Heavily Indebted Poor Country (HIPC) and Poverty Reduction Strategy Papers (PRSP) agendas, and much renewed donor support for poverty reduction strategies and programs.
- While MIMAP activities have been successful at developing research teams and a knowledge base, several key institutions involved in MIMAP national and thematic projects faltered or failed in 1999-2000, causing serious re-thinking on institutional capacity building.
- MIMAP had a substantial budget setback in the IDRC spending freeze of February/March 2000; this contributed to eliminating the possibility of an external secretariat - quite possibly a good thing in retrospect - and strongly stimulated greater efficiency, focus and resource expansion.

These factors have led to several responses and new directions for MIMAP in the year 2000 and, projected, over the next 5 years, notably:

- greater attention to capacity building for individuals and teams, and less for institutions;
- smaller projects at the country-level, and more Network-level research, training, and dissemination;
- more attention and resources devoted to the development and use of leading-edge methods, including user-friendly technology and software, in monitoring and modelling activities;
- focus on integrating methods and tools from thematic networks into country projects, and on integrating monitoring and modelling data and activities;
- greater priority to the piloting of community-based monitoring and local development mechanisms, as much as can be undertaken with IDRC resources and resource expansion;
- more consistent and continuous training and technical support at the Network level;
- more high-quality outputs, and broader website and 'hard-copy' dissemination - books, articles, comparative studies, training materials, tools, data bases, contacts, references and internet links;
- some shift of activity from Asia to Africa, where donor resources for poverty reduction are more concentrated (in line with a concerted resource expansion activity by partners and IDRC);
- a distributed and federated network coordination and support operation, rather than an external secretariat as previously envisaged; and
- focus on 'country-level impacts' through research supporting national policy and poverty reduction strategy and program processes.

Correspondingly, MIMAP's objectives have shifted somewhat from Phase I, with a more explicit aim at poverty reduction, and attention to poverty reduction programs at national and local levels, as well as improved macro-level policy. The ***General Objective*** of the Micro Impact of Macroeconomic and Adjustment Policies PI is ***to assist developing countries to analyze and create alternate policies and programs that achieve the goals of economic stabilization and adjustment while reducing poverty and softening impacts on vulnerable groups.***

The ***Specific Objectives*** of the PI are to:

1. Enhance the research capacity of developing countries to analyze the impact of macroeconomic policies on their citizens;
2. Provide new instruments for policy and program design and analysis, by developing rigorous analytical tools and poverty monitoring systems;
3. Assist the development of community-based monitoring and local development mechanisms;
4. Strengthen the ability of policy-makers to negotiate with international players, such as the banks and other multilateral and bilateral organizations;
5. Bring together researchers, politicians, government officials, and NGOs in policy dialogue at the national and regional levels; and
6. Promote the exchange of research knowledge, tools, results and policy dialogue among countries, institutions and donors.

In terms of methodologies and technologies, MIMAP has also evolved significantly. From the outset, MIMAP projects have included:

- *modelling exercises* that make rigorous macro-micro links and generate empirical policy-based results;
- data gathering exercises that go beyond conventional income or consumption based *welfare indicators*; and
- a series of special or *focus studies* that serve the dual purpose of dealing with MIMAP issues not amenable to modelling and widening the constituency of MIMAP within the policy-oriented community.

For the modelling methodologies, three leading-edge developments are in progress:

1. One is to incorporate (even large) household survey data sets into the model's structure and calibration. This enables a much richer picture to be drawn of policy impacts. It matters a great deal to the design of policy, and more so to the design of sector and local poverty alleviation measures, to be able to identify which groups have substantial negative impacts - and why.
2. A second is to incorporate gender dimensions into modelling in innovative ways. In this area, MIMAP is supporting further development and application of a modelling approach which includes women's reproductive or family work, as well as paid labour. The results are quite revolutionary in concept - giving reasonable values for family activities, and clarifying the tradeoffs which can be life-and-death issues for poor women.
3. A third, which also promises important results in terms of gender equity, is in *intra-household* modelling, and its incorporation in general equilibrium models. Households have always been a basic unit of analysis in economics, but household members have different preferences, roles and decisions, wherein lie many of the gender issues. New methods offer quite powerful insight into differing roles and poverty of household members.

In the monitoring work, two newer approaches are currently becoming very important in MIMAP:

1. *Community-based monitoring and local development mechanisms* are needed to catalyse and inform a whole set of poverty reduction efforts which are missed by national and sectoral policies, and can only be accomplished by very micro-level interventions. These mechanisms also reinforce transparency and accountability of local governments. Over the 1997-2000 period, community-based monitoring mechanisms have been supported in the Philippines, Vietnam, Nepal and Laos, together with their use in local planning and poverty reduction programs. Recently, this has been the most visibly successful face of MIMAP, and support for further pilots is planned, to the maximum extent of resource availability.
2. *Including gender in monitoring systems*. The MIMAP Gender Network, in its first phase, has collected conventional indicators wherever possible by gender, and developed recommended

methodology for national poverty monitoring systems. It has also developed a set of non-conventional indicators of stress, violence and mental health - which are the familiar companions of a substantial share of poor women, and which can provide important (often leading indicators) in many circumstances such as conflict or peace-building or the impacts of different forms of globalization. MIMAP plans to apply these methods widely as widely and quickly as can be managed.

A range of important additional methods and perspectives are being developed in other thematic network projects, as elaborated in chapter IV.

The basic elements of MIMAP's program of work and budget over the next 3 years are quite predictable, in the sense that the renewal and completion of existing national projects and thematic networks will need virtually all of the resources available from IDRC and committed from other donors. Qualitatively, however, MIMAP faces strong challenges and opportunities, notably:

- improving the quality and technical support for all national and thematic projects;
- consolidating improved methodologies and practices, and extending their use to all MIMAP activities;
- expanding intra-IDRC, donor, Canadian and other partnerships and resources; and
- achieving broad dissemination, and impacts at local, national and international levels.

MIMAP's evaluation plan, which concludes this Prospectus, has been re-drafted to assist in the key learning processes needed to achieve these objectives, and to underpin the assessment of results and impacts.

LIST OF ACRONYMS

CBNRM	Community Based Natural Resource Management
CECI	Centre canadien d'Etude et de Coopération Internationale
CGE	Computable General Equilibrium
CIDA	Canadian International Development Agency
CREFA	Centre de Recherches en Économie et Finance Appliquées, Université Laval
CSPF	Corporate Strategy and Program Framework
DFID	Department for International Development (United Kingdom)
EARO	Regional Office for Eastern Africa
EEPSEA	Economy and Environment Program for South East Asia
GDI	Gender Development Index
GIS	Geographical Information Systems
HDI	Human Development Index
HIPC ¹	Heavily Indebted Poor Countries
IMF	International Monetary Fund
IDRC	International Development Research Centre
LSMS	Living Standards Measurement Survey
MERO	Regional Office for the Middle East and North Africa
MIMAP	Micro Impacts of Macroeconomic and Adjustment Policies
NGO	Non-governmental Organization
OECD	Organization for Economic Co-operation and Development
PAN	Pan Networking
PBDO	Partnership and Business Development Office (IDRC)
PI	Program Initiative
PRSP ²	Poverty Reduction Strategy Paper
ROSA	Regional Office for Southern Africa
SDA	Social Dimensions of Adjustment
SDC	Swiss Development Corporation
SISERA	Secretariat for Institutional Strengthening and Economic Research in Africa
SME	Small and medium sized enterprise
TEC	Trade Employment and Competitiveness
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Fund for Women
VEEM	Vietnam Economic and Environmental Management

¹HIPC is the name given to the major international debt-relief effort initiated by the World Bank and International Monetary Fund in 1996.

²Debt relief under HIPC, and concessional lending by the World Bank, have become conditional since 1999 on countries completing a poverty reduction strategy paper.

A. 1990-1997: Before the First Prospectus Period

Economic stabilization and structural adjustment programs came to the fore in the late 1970s and early 1980s as mechanisms to address severe economic imbalances in many developing countries. These imbalances included mounting fiscal deficits, growing levels of foreign indebtedness, chronic trade imbalances, and high rates of inflation, which contributed to slow and declining rates of growth in the “lost development decade” which the 1980s were to become. Standard packages of stabilization and structural adjustment policies were applied in virtually every developing country of the world at one time or another to bring some of these imbalances under control and change the structure of the economy to improve its long-term economic outlook. Basic features included tightening of monetary policy, the reduction of government expenditures, currency devaluation, and trade liberalization. The IMF, the World Bank and economists generally, argued for getting the fundamentals right, and there was little opportunity for fine-tuning these policies in times of economic crisis.

Opposition to structural adjustment has always been widespread, due to the costs involved for vulnerable groups, and political imperatives of various types, and there has always been some concern for softening the impact of these policies on certain classes of society. These concerns gained added respectability and prominence following publication of UNICEF’s “Adjustment with a Human Face” program in 1987 and 1988 (Cornia *et al.*). Although nominally about the negative impacts of such policies on children, these studies were remarkably wide ranging in their analysis of different social sectors and policies affected by structural adjustment programs. The geographical breadth of these studies, which included Botswana, Brazil, Chile, Ghana, Jamaica, Peru, the Philippines, South Korea, Sri Lanka and Zimbabwe, was equally impressive.

By the time of these studies, the need for getting the economic fundamentals right was increasingly accepted everywhere, and the nature of the debate began to change, away from being “for” or “against” structural adjustment, to more sophisticated analyses concerning the desirability of fine-tuning adjustment and macroeconomic policies for various purposes. Although macroeconomic policies are best used for macroeconomic purposes, the very power of these policy instruments to affect everyone’s lives made them the subject of increasing scrutiny.

Increasing attention was also being paid to issues of poverty-alleviation and human development, as reflected in two other sets of studies worth mentioning here. The first of these consists of two World Bank programmes: its Living Standards Measurement Surveys (LSMS); and its work on Social Dimensions of Adjustment. The aims of these two programs are the collection and dissemination of disaggregated statistics on poverty and the study of micro-macro interactions for use in policy analysis. The second is the OECD Development Centre's "Adjustment and Equity"

series of studies in seven developing countries.³ The countries selected for study (Chile, Côte d'Ivoire, Ecuador, Ghana, Indonesia, Malaysia and Morocco) represent a range of development levels and stabilization/adjustment policy experiences. These path-breaking studies are remarkable for the rigour which characterizes the analysis of micro-macro linkages under study.

Together and separately these endeavours achieved considerable progress in evaluating the social dimensions of adjustment policies and understanding the micro-macro linkages. However, they suffer from a number of procedural weaknesses, due to limited involvement by developing country researchers and policy-makers and the one-off nature of the exercises.

As a case in point, the OECD project is a very good example of the rigorous and credible analysis that is needed to assess the effects of adjustment policies on various segments of the economy, but the country case studies were conducted for the most part by non-nationals, and were evidently a "one-off" exercise.

The UNICEF work is less "one-off" to the extent that the organization is committed to examining issues pertaining to the welfare of children and other vulnerable groups on a long-term basis, but on balance, this research was stronger at drawing attention to the general issue than it was at proposing alternatives for specific situations in individual countries.

Finally, it is not clear how much "buy in" there is among developing country governments into the LSMS and SDA exercises. There has been considerable frustration at the public inaccessibility of the statistics gathered by these exercises. And little has been done to build indigenous capacity for research and policy analysis. LSMS is also a discrete (often one-off), rather than continuous, effort to monitor the various impacts of adjustment policies.

IDRC's support of research in this area began with the introduction of the MIMAP program (Micro Impact of Macroeconomic and Adjustment Policies)⁴ in the Philippines in 1989. Development of this project coincided with the priorities of the Ramos government, and senior government officials were significant participants in the project from the beginning. The program was designed to assist in the development and implementation of more equitable, sustainable and efficient policies, through research on the diverse and often unintended or unexpected impacts of adjustment on poor people.

The MIMAP initiative expanded geographically from this base. Similar programs were initiated in Bangladesh, India, Nepal and Vietnam between 1990 and 1996, and several new programs were designed for 1997 and beyond.

³ See Bourguignon and Morrisson (1992) for the overview and Demery and Demery (1992), de Janvry, Sadoulet and Fargeix (1991), Meller (1992), Morrisson (1991), Roe and Schneider (1992), Schneider (1992) and Thorbecke (1992) for the seven country studies.

⁴ The program is described in the MIMAP Concept Paper, Medhora (1996).

The key operating principles of MIMAP projects have been the development of policy analysis and welfare tracking capabilities which take into account the following:

- adaptation of project objectives and design to local needs;
- special attention to national capacity building;
- data collection at a disaggregated level;
- rigorous policy analysis;
- a sense of ownership and belonging by national authorities and a wider policy-oriented constituency;
- emphasis on continuity beyond the life of a given "project".

Although MIMAP projects have started "small" and taken time and resources to reach the implementation stage for all or most of these ideals to be met, this has to date constituted a sustainable way to treat the problem in the long run.

Project content is conditioned by variations in circumstances and demands but MIMAP projects have certain features in common. These include an interdisciplinary approach, and the following project components:

- assessment of macroeconomic policies in responding to forces of structural change;
- provision of an ongoing, or dynamic, picture of policy impacts on well-being at the micro level;
- dissemination to a wide range of institutions involved in the national policy dialogue;
- participation in the refinement or redesign of macroeconomic policies to achieve an optimal mix of economic, environmental and social objectives; and
- identification of ways to continue the process of capacity building and consensus building within a country and region through policy, research and program implementation.

B: 1997-2000: The First Prospectus Period

The 1997-2000 Prospectus period has been assessed by all reviewers as a successful period for the MIMAP PI. It has also been considered as a transition period, with the transitions accelerating in 1999-2000. Many factors have been changing, including the following.

- Internally, the MIMAP Network matured, and developed concerted training, technical support and comparative research activities involving many project teams.
- An external secretariat was being planned during 1999, to devolve most of the network support and coordination functions to the strongest MIMAP partner(s), and aid in resource expansion.
- The demand for MIMAP methodologies and technologies was rising quite dramatically - particularly in Africa - in the context of the International Monetary Fund/World Bank Heavily Indebted Poor Country (HIPC) and Poverty Reduction Strategy Papers (PRSP) agendas, and much renewed donor support for poverty reduction strategies and programs.
- Specific HIPC/PRSP related initiatives being presently developed, notably a large joint initiative planned with CIDA (discussed below), are expected to further shift MIMAP directions and

resources as they emerge.

- While MIMAP activities have been successful at developing research teams and a knowledge base, several key institutions involved in MIMAP national and thematic projects faltered or failed in 1999-2000, causing serious re-thinking on institutional capacity building.
- MIMAP had a budget setback of \$2 million in the IDRC spending freeze of February/March 2000; this contributed to eliminating the possibility of an external secretariat - quite possibly a good thing in retrospect - and strongly stimulated greater efficiency, focus and resource expansion.

MIMAP learned a lot and changed a lot in the 1997-2000 Prospectus period, particularly the last year when external conditions were also changing substantially. While MIMAP research has resulted in a richer understanding of the nature of poverty and the links between macro-level policies and poverty, many lessons have been learned from the recent evaluations and reviews, and from assessment of external forces at work. The main lessons and responses are as follows.

Lesson: IDRC support is not by itself sufficient to ensure the health of Southern partner institutions, and needs to focus more on individuals and teams (rather than institutions) and on essential support for carefully designed country/thematic and comparative research agendas. Broader support for institutions is possible only with substantial co-financing, which several of the country projects do have. At the same time, institutions are the homes of individuals and teams, so care is needed in the selection of institutions, and in providing key support.

Response: Consultation on the issue with the entire MIMAP Network, and a shift in strategy toward a combination of smaller and better-focussed projects, more network activities, and considerably more active resource expansion.

Lesson: Comparative research, together with training and technical support at the Network level, are quite efficient and effective ways of enhancing capacity, quality and visibility.

Response: Such activities have become an important part of the MIMAP PI, with a significant growth this fiscal year. Teams and institutions also need support, and the balance between country/thematic projects, and Network-level activities is being struck experimentally. The network-only approach - where for example the Environment and Economy Program for Southeast Asia (EEPSEA) is an effective model - is a possibility for MIMAP, particularly where institutions can get substantial funding from other donors.

Lesson: In the present context of renewed international support for poverty reduction, it is important for MIMAP to focus on its methodologies/technologies of advantage, and stay on the leading edge. In this regard, there are two specific lessons of note.

Lesson: It is essential now to integrate gender analysis methods - from the MIMAP Gender network and other sources - into all projects, and disseminate them more broadly as well. The same applies for the best methods and results from the other MIMAP thematic networks, especially those on health, the environment, micro finance, and gender-budgets (ie. analysis of impacts of public budgets by gender).

Response: These areas of integration are being pursued via sessions at Network meetings (such as the September 2000 meeting in Palawan, Philippines), extensive dissemination on a new MIMAP Network Website (and other means), and concerted encouragement from IDRC and resource persons providing technical support to the MIMAP teams.

Lesson: Recent developments in economic modelling enable the incorporation of large household survey data sets directly into the models. This, and directly analysing/modelling intra-household behaviour enables much more detailed assessment of policy impacts on poorer groups. For example, the impacts of trade liberalization on different types of poor households and groups can now be realistically compared. This enables the development of more finely-tuned policies and poverty reduction programs.

Response: MIMAP and *Université Laval* are among a few leaders at developing easily applied analytical tools. Applications are being developed in all monitoring activities, and in the stronger modelling groups - in Philippines, India, Pakistan, Vietnam, Ghana, Benin and perhaps Senegal - and are advocated generally in the Network and international fora. These efforts, with others, also serve to link the monitoring and modelling activities within countries more closely and continuously.

Lesson: Community-based monitoring and local development mechanisms are needed to catalyse and inform a whole set of poverty reduction efforts which are missed by national and sectoral policies, and can only be accomplished by very micro-level interventions. These mechanisms also reinforce transparency and accountability of local governments, and - as evident in the Asian Crisis - provide an important element of early-warning, and thus can inform the design of social safety nets.

Response: Although MIMAP has been quite macro-oriented, in Phase I, community-based monitoring systems have been developed and piloted in the Philippines, Nepal and Vietnam. These are visible and appealing, and there is considerable interest among countries and donors in further development of such monitoring approaches and applications. MIMAP is supporting existing and new efforts wherever possible (eg. Bangladesh, Benin) but mainly via pilot support, and technical assistance and 'training of trainers' by the few experienced country project teams.

Lesson: Technical support and training can be more effective if more continuous, rationalized and transparent (Box 4). In Phase I, these functions were provided by the Program Advisory Group, and by MIMAP's main technical support groups at *Université Laval* and University of Western Ontario. The first MIMAP Training and Technical Support project was implemented in 1998-2000 to begin the rationalization.

Response: The Training and Technical Support project was successful in terms of ongoing distance (email) support, and providing basic training to all project teams in monitoring and modelling methods through 2-3 week sessions in Canada and Asia. The project and these activities will continue, with more support now on the 'training of trainers,' advanced training, dissemination of training modules on MIMAP websites, and support for partners in developing further domestic training activities for researchers and stakeholders. It is also very important to the network that training and technical support are coming increasingly from project leaders and network coordinators, more experienced researchers, and broad knowledge sharing within and outside

MIMAP.

Lesson: Outputs, products and their dissemination need more concerted attention. The first external evaluation pointed to the need for more high-quality and peer-reviewed outputs. Subsequent evaluation and experience have also pointed to working paper publication and website development for purposes of MIMAP's reach and impact, and for resource expansion.

Response: A first set of books and journal articles is under preparation. On website development, IDRC and MIMAP partners currently have 8 MIMAP websites. Plans, facilities and resources are in place to develop a new MIMAP Network website in the second half of 2000, which will link to existing sites, and serve both as a repository for, and interface linking to, the following: MIMAP outputs, training materials, tools, data, project documents, information on MIMAP partners, contact details, links and MIMAP-related reference materials. The MIMAP Network website will be based on technology and design features that enable all partners to easily contribute inputs to the site and directly manage sections of the site on their projects.

Lesson: In an environment of growing demand for MIMAP skills, tools and capacities (and constrained IDRC resources), resource expansion needs strategic and consistent attention by MIMAP Network partners and IDRC. In addition, if the renewed international attention and support for poverty reduction is to produce an impact, broader partnerships and knowledge-sharing among donors and Southern partners is needed.

Response: A more concerted set of resource expansion activities has been discussed across the Network, and is taking shape. Project partners are under pressure from scarce resources to seek parallel and co-funding. Initial successes have been realized, particularly in Africa, where donor resources are much more concentrated. There, MIMAP and Regional Office team members are actively engaged with donors, and involved in the organization and delivery of "Poverty Reduction Strategy Papers" (PRSP) training courses with the World Bank, IDRC's SISERA secretariat and many African MIMAP partners which benefit as trainers and trainees. Key donors are invited to Network meetings, where the meeting agenda and materials will highlight capacities and outputs. IDRC's Partnership and Business Development Office (PBDO) has been active in planning and carrying out MIMAP's resource expansion activities, and MIMAP partners are now all aware of the capabilities of the PBDO, and our willingness to support their own resource expansion activities.

In addition, a joint CIDA-IDRC Growth and Poverty Reduction Facility is being planned, after initial discussion between Presidents and Vice Presidents. This Facility would be substantial and broader than MIMAP and would relate to the HIPC/PRSP process. However, it is expected to involve MIMAP personnel and partners, provide benefits to MIMAP partners, and both necessitate and enable some increase in IDRC/Facility human resources with MIMAP-related skills.

Lesson: Network support and coordination functions are important, and there are different ways of carrying them out. The principal functions are leadership, organization of comparative Network-level studies and activities, organization of Network meetings, organization of training sessions, website development and dissemination, facilitating communication and interaction among teams, and both policy advocacy and resource expansion at the international level. IDRC has performed the bulk of these functions through most of MIMAP's history. Plans were made in 1999

to devolve most such functions to our longest-standing partner, in the Philippines, with small nodes in South Asia and West Africa. Four factors prevented this from happening: the difficulty for Network members to agree on where internal leadership and coordination should come from; the faltering, but later stabilization, of the Philippine partner institution; the inadvisability of creating a secretariat-like structure with any substantial fixed overhead costs, and ultimately the loss of the necessary funding in the IDRC spending freeze of February/March 2000.

Response: Network-wide discussion on the issue has been undertaken and the practice of sharing these functions among Network members has been continued, along with some experimentation with different approaches. Many members are hosting and arranging training sessions and will be managing their website material. The MIMAP-Philippines project, led by Dr. Celia Reyes, is the ‘senior partner’ in the MIMAP Network, and is prominent in arranging Network meetings, in website development, and in international resource expansion. The Canadian technical support partners are playing a role of intellectual leadership in comparative studies, and providing the training materials and services. This distributed or federated approach appears to be efficient in terms of costs. This arrangement leaves IDRC with the bulk of the overall network coordination, funding, funds management, and initiative in resource expansion. Consequently, there will be much less devolution of the network management than had been planned in 1999. While viable, the IDRC role seriously stretches the 2.0 professional person years and 1.0 support person years devoted to MIMAP.

Lesson: Within the MIMAP country projects, impacts of research have been generally strong, but have varied in quality. Strength of impacts appears to depend on the nature and strengths of the recipient institution(s), the governance structure of the project, attention to ‘vertical networks’ of stakeholders within countries, training (in the broad sense) of larger domestic research and policy communities, broader governance conditions within countries and other factors.

Response: The MIMAP PI team is devoting more concerted attention to all these factors in evaluation activities and in the design of new projects and phases. At the same time, as MIMAP moves away from large country projects and toward network activities, it will be less able to ensure broader training and networking within member countries. National policy impact will become more the responsibility of domestic partners (Box 6), with IDRC-MIMAP playing a more strategic and technical support role in project design, implementation and resource expansion. In this respect, a Network-level comparative study on the factors enhancing policy and program impact is under discussion.

II MIMAP OBJECTIVES

From the above considerations, the MIMAP objectives are changed somewhat from Phase I, with a more explicit aim at poverty reduction, and attention to poverty reduction programs at national and local levels, as well as improved macro-level policy.

The *General Objective* of the Micro Impact of Macroeconomic and Adjustment Policies PI is *to*

assist developing countries to analyze and create alternate policies and programs that achieve the goals of economic stabilization and adjustment while reducing poverty and softening impacts on vulnerable groups.

The *Specific Objectives* of the PI are to:

1. Enhance the research capacity of developing countries to analyze the impact of macroeconomic policies on their citizens;
2. Provide new instruments for policy and program design and analysis, by developing rigorous analytical tools and poverty monitoring systems;
3. Assist the development of community-based monitoring and local development mechanisms;
4. Strengthen the ability of policy-makers to negotiate with international players, such as the banks and other multilateral and bilateral organizations;
5. Bring together researchers, politicians, government officials, and NGOs in policy dialogue at the national and regional levels; and
6. Promote the exchange of research knowledge, tools, results and policy dialogue among countries, institutions and donors.

III BASIC PROGRAM AND NICHE

The main changes in the direction and focus of the MIMAP PI are sketched in I.B. above. By mid-2000, the MIMAP Network developed and consolidated into a form that currently includes just over 40 teams engaged in the following components:

- projects in thirteen Asian and West African countries, which build and use capacity for:
 - poverty measurement, monitoring and analysis, using survey and related tools, aimed at frequent, rapid poverty assessment;
 - participatory, community-based poverty monitoring systems, and their use in local planning and development programs; and
 - assessment of the household-level impacts of macroeconomic policies and shocks through economic modelling and policy impact analysis, also including sector- or issue-focussed studies;
- thematic networks that develop knowledge and tools in cross-cutting areas including gender, health, environment, labour and micro finance;
- comparative studies that involve MIMAP country projects in the analysis of issues of common interest, including the impacts of trade liberalization on poverty; and
- training, technical support and program advice by national and international scholars and experts, website development, publications and Network conferences.

Compared to the 1997-2000 period, MIMAP's current niche is in focussing more heavily on these key capacities (above) for poverty reduction, on their application in poverty reductions, strategies and programs, in developing more potent and easily applied 'technologies', and in broad

information sharing and dissemination at the network, national and international levels.

Compared to the 1997-2000 period, the present and intended program involve:

- greater attention to capacity building for individuals and teams, and less for institutions;
- smaller projects at the country-level, and more Network-level research, training, and dissemination;
- more attention and resources devoted to the development and use of leading-edge methods, including user-friendly technology and software, in monitoring and modelling activities;
- focus on integrating methods and tools from thematic networks into country projects, and on integrating monitoring and modelling data and activities;
- greater priority to the piloting of community-based monitoring and local development mechanisms, as much as can be undertaken with IDRC resources and resource expansion;
- more consistent and continuous training and technical support at the Network level;
- more high-quality outputs, and broader website and ‘hard-copy’ dissemination - books, articles, comparative studies, training materials, tools, data bases, contacts, references and internet links;
- some shift of activity from Asia to Africa, where donor resources for poverty reduction are more concentrated (in line with a concerted resource expansion activity by partners and IDRC);
- a distributed and federated network coordination and support operation, rather than an external secretariat as previously envisaged; and
- focus on ‘country-level impacts’ through research supporting national policy and poverty reduction strategy and program processes.

IV METHODOLOGIES AND IMPLEMENTATION

Several methodological approaches are being used by MIMAP teams to link macroeconomic policies and microeconomic impacts, and each is being continually improved or refined. These include:

A. Computable general equilibrium modelling (CGE)

CGE models (some prefer the term ‘numerical simulation’) are used to estimate the impacts of macroeconomic shocks or policy changes on key economic sectors and household or social groups, including all the ‘feedback’ effects among sectors and groups. Some leading modelers and theorists advocate small models, designed for each kind of policy simulation, while others prefer somewhat larger and more dis-aggregated models, incorporating more historical data. MIMAP teams have primarily used the latter to date.

Strengths and weaknesses are well known; developed countries use these models, typically in finance/planning and trade/industry ministries, and they provide valuable insight when used well. They are increasingly easy to build, but need good economic skill to use well, and some high-end theoretical skill or backup is required. These factors argue for teams within countries, and good regular technical support on demand.

There are a few ‘leading edge’ areas of this technology in which MIMAP is actively engaged:

1. One is to incorporate (even large) household survey data sets into the model’s structure and calibration. This enables a much richer picture to be drawn of policy impacts. For example, trade liberalization affects different groups of poor households differently - some positive and some negative - and to different degrees. It matters a great deal to the design of policy, and more so to the design of sector and local poverty alleviation measures, to be able to identify which groups have substantial negative impacts - and why. The MIMAP support team at Laval University has developed the basic methodology and software, and MIMAP intends to develop 3 or more country applications in the 2000-2001 period.
2. A second is to incorporate gender dimensions into modelling in innovative ways. In this area, MIMAP is supporting further development and application of a modelling approach which includes all of women’s (daily) time and activities; the 24 hours of each day including reproductive and family work, eating/sleeping, and leisure as well as the ‘labour’ traditionally counted in terms of numbers employed. The results are quite revolutionary in concept - giving reasonable values for non-labour activities, and clarifying the tradeoffs which can be life-and-death issues for poor women.
3. A third, which also promises important results in terms of gender equity, is in intra-household modelling, and its possible incorporation in general equilibrium models. The time-honoured practice in economics, that households are decision-makers that maximize their collective ‘utility,’ given their resources, is in practice incorrect. Household members have different preferences, roles and decisions wherein lie many of the gender issues. Many approaches have been developed to analyzing and modelling intra-household behaviour over the past two decades. But all - notably bargaining models - have proved hard to apply empirically, as micro information needs are very large. New methods, if applicable in developing countries as well as developed, offer quite powerful insight on household collective preferences *and* sharing rules. Two of the MIMAP teams are pursuing these approaches with the aim of developing pilot applications.

B. Poverty Monitoring

Defining, measuring and monitoring poverty - using systems which are multi-indicator, frequent, rapidly processed, and thus either small-sample or community-based or both - have been the second central element of MIMAP national projects. MIMAP teams have either enhanced national survey efforts, or conducted surveys if necessary.⁵ Poverty is not only economic and not one-dimensional. Poor groups have different characteristics, and MIMAP teams have developed a core set of

⁵ MIMAP surveys also often supplement internationally supported initiatives such as the World Bank’s living standards monitoring surveys (LSMS), typically done to date on five-year intervals, with an economic focus, and by foreign consultants.

indicators; the Philippine system for example includes:

Survival:

- | | |
|--------------------|---|
| Health | 1. Infant mortality rate |
| | 2. Child mortality rate |
| Nutrition | 3. Prevalence of acute and chronic malnutrition |
| Water & Sanitation | 4. Proportion of households with sanitary toilet facilities |
| | 5. Proportion of households with access to safe water |

Security:

- | | |
|---------------|--|
| Shelter | 6. Proportion of households in makeshift housing |
| Peace & Order | 7. Crime incidence |
| | 8. Incidence of armed encounters |

Enabling:

- | | |
|----------------------------|--|
| Income & Livelihood | 9. Proportion of households with income greater than the poverty threshold |
| | 10. Employment |
| | 11. Underemployment |
| Basic Education & Literacy | 12. Elementary enrolment |
| | 13. Secondary enrolment |
| | 14. Basic literacy |
| | 15. Proportion of households involved in at least one community organization |
| Political Participation | 16. Proportion of households who participated in formal electoral processes |

The development of poverty profiles, on a quite common set of indicators across countries, has been a focus in 2000 of the monetary groups, at the Network level, and earlier these efforts provided inputs to the World Bank for the 2000 World Development Report on poverty. It appears likely, and desirable, that countries (including developed) have regular and updated profiles of poverty available, so MIMAP's focus on these multi-indicator systems will continue.

Two newer monitoring approaches are currently becoming very important in MIMAP:

1. *Community-based monitoring and local development mechanisms* (as above) are needed to catalyse and inform a whole set of poverty reduction efforts which are missed by national and sectoral policies, and can only be accomplished by very micro-level interventions. These mechanisms differ by country, but involve monitoring of poverty and indicators by communities, and the use of that information - for resource allocation and development activity - by the communities or local governments, district, provincial and (limited) national governments. These mechanisms also reinforce transparency and accountability of local governments, and - as evident in the Asian Crisis - provide an important element of early-warning, and thus can inform the design of social safety nets.

In the 1997-2000 period, community based monitoring systems were initiated in the Philippines, Vietnam, Nepal and Laos. The most complete and successful to date is in Palawan, Philippines where the Provincial Government, local governments and barangays implemented the monitoring system, but asked and received help from the MIMAP Director, Dr. Celia Reyes, perhaps MIMAP's longest and strongest partner. MIMAP teams have been more directly involved in funding and implementing the pilots in Vietnam and Nepal. Each is different, particularly on account of different local government structures. Each involves training of enumerators, regular multi-indicator survey of community status and needs, and the process for presenting and using the information at community, 'district,' 'provincial' and in some cases national levels

A degree of political will at the provincial or national level appears required to enable commencing, but the mechanism can strengthen local transparency, government and resource allocation quite quickly. Related initiatives are supported from other entry points - notably social policy and community-based natural resource management - and more collaboration is planned. Implementing a community based monitoring system is not highly expensive - being included for example in the provincial and local government budgets in Palawan - but MIMAP can pilot only a few on its limited resources. Community based monitoring and local development systems have emerged as the most visibly successful component of MIMAP in the past 1-2 years, and MIMAP plans to mobilize resources, from other donors and governments, to expand coverage to the maximum degree possible.

2. *Including gender in monitoring systems.* The MIMAP Gender Network, in its first phase, has collected conventional indicators wherever possible by gender, and developed recommended methodology for national poverty monitoring systems. It has also developed a set of non-conventional indicators of stress, violence and mental health - which are the familiar companions of a substantial share of poor women, and which can provide important (often leading indicators) in many circumstances such as conflict or peace-building or the impacts of different forms of globalization (trade, investment, technology, information and communications). It is MIMAP's plan to disseminate these methods widely, and work for their incorporation into all MIMAP-supported monitoring activities as quickly as can be managed.

C. Partial-equilibrium and multi-level analyses

From the outset in 1990, special studies - along with modelling and monitoring activities - have been a part of MIMAP's country projects. Special studies have been used in these projects to develop material and inputs for the modelling and monitoring work; for example studies on monetary policy, prices, debt management, trade policy, social accounting matrix components. But more often, special studies have delved in greater depth into issues and sectors. The principal areas across all the national projects have been:

- gender, youth employment and child labour, demographic and fertility transitions, ethnic and regional development;

- environment, labour and employment, social security, health, education, agriculture and food security, rural non-agricultural activity;
- public expenditure - including gender impacts, micro credit, other sectors including industry, transport energy, informal sector.

Six of these have emerged, in the first Prospectus period, in the form of Thematic Network projects. A brief review of their methodology and status follows.

1. *Gender Network*. Some of the elements of the Gender Network's activities are outlined above. The network is active in 5 countries of South Asia - India, Pakistan, Bangladesh, Nepal and Sri Lanka - and has both country and regional activities:

A Profile of Current Activities under the Gender Network, Phase I

Country Component	Regional Component
<ul style="list-style-type: none"> • Preparation of country reports on gender indicators under economic reforms. • Review of violence against women • Surveys in the households of women workers in export processing zones. • Case Studies. 	<ul style="list-style-type: none"> • A review of the psycho-social and cultural aspects of gender based stress and violence. • The links between high measured Gender Development Index (GDI) and the 'status of women' : A case study of Kerala • Impact of trade liberalization on female employment in South Asia • A review of existing gender models • Estimating a CGE model using gender-disaggregated data

It is likely that Phase 2 work will concentrate on: integrating conventional and non-conventional gender indicators into national poverty monitoring systems; on the CGE, household and intra-household modeling work outlined above, and on refining and applying the Gender Development Index (GDI)⁶.

2. *Health*. The influences of adjustment on health systems are at times complex and subject to multiple interrelationships. Considerable effort was invested by the project in formulating a framework to conceptualise the direct and indirect influences of adjustment and sector reforms

⁶The GDI is based on the same three variables as the Human Development Index, i.e., life expectancy, educational attainment and income, each variable adjusted for gender discrepancies and combined using equal weights.

on the supply of, and demand for health care, and ultimately on the quality, utilisation and accessibility of health services. The framework has two distinguishing features, which informed the methodology and analysis:

Two mechanisms of effects : (1) Supply side. Modifications in the regulation, organisation, and financing of health care systems are expected to affect the availability, price, and quality of health services. (2) Demand side. Modifications in economic climate of communities are expected to affect employment, resources availability, and consumption as well as health inputs such as nutrition, education, and risk exposure. These in turn are expected to modify health needs, ability to pay, perceptions of the price, of accessibility and of quality of health services. Ultimately, utilisation of health services effects will be influenced by the simultaneous changes in both supply and demand.

Three levels of effects : (1) Macro-level: the effects of macroeconomic adjustment policies (including health sector reform) on the health care sector, and on the economic environment of communities (2) Meso-level: the effects of the macro-level changes on the supply of health services and on households influencing their demand on health care ; (3) Micro-level: the effects of all these modifications on the utilisation of health care by individuals who believe they need care.

In terms of methodology, the project is a "multiple-case-multiple level study", each of the eight countries⁷ representing a case. It is also a multiple-level study because there are three levels of observation and analysis (macro, meso, and micro) conducted at national, regional and local levels. All countries share a similar methodology. The design is both cross-sectional and retrospective (past 15 years) combining quantitative analysis of primary and secondary sources of data with qualitative analysis at different levels. The largest methodological tool is the set of household questionnaires consisting of four modules, which gathers information of the household unit, individual household members (women and children in particular) and their access and quality of health care services.

There are five steps to the analysis:

- Analysis of the main features of the Structural Adjustment Program in the country;
- Analysis of the main structural features of the health care system;
- Assessment of the main community features;
- Assessment of the outcomes of accessibility, utilisation, and quality of services in the health care system; and
- Integral analysis of the relationships between macroeconomic adjustment programs, community conditions, health care system structure, and the response variables.

⁷Mexico, Colombia, Thailand, India, Zimbabwe, Kenya, Uganda, Burkina Faso

For each country team, the challenge to data analysis is in the integration of the multiple types and levels of data to address the hypotheses. There is no recipe but rather a general iterative process. It is also noteworthy that data analysis pays special attention to the effects of adjustment programs and health system reform on specific sub-groups, due to the concern about greater potential for negative effects on women and children. Consequently, gender considerations have been incorporated throughout the planning, design and analysis of the project. The project provides a particular focus on understanding the impact that adjustment programs and health system reforms have had on the intra-household allocation of resources, women's work burden (monitoring women's time), and barriers women face in accessing health services.

The country studies and integrative analysis will be completed and published in 2001. At this stage, subsequent work is envisaged to focus on i) means to improve the access of poor households and individuals to quality health care, ii) means to optimize sectoral health spending (public and private - on health care, preventive measures, clean water supply, education - in different regions and areas etc) to achieve best health outcomes, and iii) integrating important findings into national monitoring, modeling and policy development mechanisms.

3. *Environment*. Intended initially as a multi-country network, the Environment project became a network of activities and specialists in the Philippines, interacting with the rest of the MIMAP network. The principal activities and methodologies are:

- Development of Environmental Impact Multipliers;
- Development of a Framework for Analysis and Model Building: The Impact of Macroeconomic and Adjustment Policies on the Environment: A Literature Review and a Framework for Analysis and Model Building;
- Case Studies;
 - Government Devolution and Municipal Water and Sanitation Services Privatisation: Implications on the Environment and the Poor in Metro Manila;
 - Environmental Impact of Trade Liberalization and Exchange Rate Depreciation: The Case for the Water Sector;
 - The Environmental Impact of Macroeconomic and Adjustment Policies: Land Use and Household Welfare Comparisons in Camarines Sur;
 - Environmental Impact of Macroeconomic and Sectoral Policies at the Micro Level: Case Study of Palawan Province;
- Policy Advocacy: technical workshops and networking;
- Data Base Management, notably Geographical Information Systems (GIS) data bases which enable the presentation of poverty monitoring data, and its relationship to environmental and natural resource problem areas.

The Environment project is almost completed, and thought is needed as to where future priorities lie. Including natural resource and pollutant stocks and flows in economic (eg CGE) models has proved difficult, conceptually and empirically. Improving poverty monitoring systems, with key (local) natural resource and environmental indicators, is one important direction. Another is

extending the use of GIS data, piloted in Palawan, for presentation of information to communities and decision-makers, in the context of community-based monitoring systems.

4. *Labour and Adjustment*. This is a four-country network study; Cambodia, Vietnam, Thailand and Laos. It describes the main features and macroeconomic role of labour markets in the four countries, and examines the links between labour markets and growth and poverty as well as the role of labour markets in channelling the impacts of the Asian crisis. The studies use existing data where possible, but will also rely heavily on original data collection through surveys. The project is being undertaken through collaboration between the seven research institutions comprising the Development Analysis Network in the four countries. This represents a substantial effort in regional networking and mutual provision of technical assistance. It builds on a previous project supported by IDRC, involving the same institutions, which addressed the impact of the Asian crisis on the economy as a whole. For most of the participating countries, this is the first systematic exercise in collecting and analyzing data relating to labour markets, thus introducing the labour market as both a research and a policy issue.

The collaborative approach also facilitates a relatively rare study of links between labour markets in different countries via migration. Given the importance of the labour market at both the macroeconomic and local levels, the project will ultimately contribute to better macroeconomic management and improved community living standards. At the first meeting of the network, members decided to add a gender component, which is to run concurrently with the main project, and is directed at enabling the country teams to integrate gender into the main report of each country, as well as the synthesis paper. The approach of the Component is technical and economic, placing priority on teaching data analysis to use the existing socio-economic databases of each country to derive new data on both men and women in the labour market. This network began in late 1999, so that future directions are not yet clear, though discussion has taken place on comparative modelling studies on labour markets and adjustment issues across the MIMAP network.

5. *Micro Finance*. Micro finance has emerged as a key issue in poverty reduction - both in MIMAP country projects and more broadly in development thinking and action. That the absence of financial services represents a symptom of poverty for communities can be seen by the substitute mechanisms implemented by these communities themselves. These substitutes, often informal, appear in all of the three groups of financial products (insurance, savings and credit). In insurance, communities develop alternative schemes that intend to emulate sophisticated insurance products available in "developed" financial markets; savings and credit intermediaries are created at community level that substitute for the lack of access to the "formal" financial markets. These intermediaries include financial cooperatives, other mutual intermediaries (e.g. mutual and community banks) and less formal approaches such as the ubiquitous "tontines" and savings circles. In a very general sense we will call these institutions Community Oriented Financial Intermediaries.

Even focussing on credit availability only, there are strategic options for poverty eradication

policies based on the use of credit. The two major ones are:

- providing financing directly to poor individuals (a strategy used by many non-government organizations NGO), or
- providing financing to business and entrepreneurs capable of generating the employment that will provide income to the poor.

The problems involved in both strategies are not the same. Since the nature of the risks taken in both forms of intermediation is different, their operation rules also differ. While there seems to be a reasonable agreement that NGO have been able to address successfully the first form of financing the poor, there is much less understanding on the issues related to the latter form of financing.

The Micro Finance Network thus has a research program that focuses on three key ideas:

- that the strategy of poverty alleviation can be based on the promotion of *small and medium sized enterprises (SME)*, specifically rural farm and non-farm;
- That one particularly interesting strategy to promote SME is providing financing to these enterprises using *market based* solutions that are not dependent on public or private subsidies.
- That to make this alternative possible, it is necessary to create *the legal, regulatory and supervisory framework* that will facilitate a sustainable growth of these market-based type of financial intermediaries.

This new Network is also supported by the other donors, and the major components are:

Subject	Research topic
<i>Poverty alleviation through SME financing: efficiency and test</i>	<ol style="list-style-type: none"> 1. A literature review 2. Development of a model of household behaviour 3. Development of survey and statistical testing methodology
<i>Corporate governance and organization of financial cooperative systems</i>	<ol style="list-style-type: none"> 1. Theory of hierarchies and federated network systems 2. Institutional information gathering, compilation. 3. Comparative performance evaluation 4. Articulation of “model” of regulation and supervision structures and legal framework.
<i>Delegated Monitoring</i>	<ol style="list-style-type: none"> 1. Institutional information gathering and compilation 2. Comparative performance evaluation 3. Articulation of “model” of regulation and supervision structures and legal framework.

<i>Financing and Capital Standards</i>	<ol style="list-style-type: none"> 1. Theoretical modelling of financial cooperatives and the role of Capital in controlling moral hazard and agency costs. 2. Test of the effect of capital standards on moral hazard and agency costs. 3. Capital standards and schemes - information gathering and compilation 4. Articulation of “model” of capital standards for market based community-oriented financial intermediaries.
<i>Financial contracts and agency costs resolution</i>	<ol style="list-style-type: none"> 1. Design of contracts for agency conflicts control 2. Contract design, norms of business conduct and control of agency costs and moral hazard.

The partners in the Network are: Benin, Canada, Colombia, Morocco and the Philippines. The Network project commenced in mid-2000, so that future directions, beyond the first phase, are not yet clear.

6. *Gender Budgets*. The Commonwealth Secretariat and the United Nations Fund for Women (UNIFEM) have supported work throughout the 1990s on assessing the impacts of public expenditure on Women. Individual studies, and ongoing practice, has been developed in at least a dozen developing countries, and both methodologies and training materials developed. Following a meeting of donors and practitioners in early 2000, MIMAP is supporting further work along with principal funding and research partners, with emphasis from the MIMAP side on:
- applying the present and new MIMAP modelling and monitoring methodologies to assessment of public spending in different key sectors - notably education, health and social protection;
 - developing methodology to assess the impacts, by gender of revenue raising mechanisms - taxes, user charges, borrowing;
 - integrating the gender-budgets work with the broader work of engendering macroeconomic policy; and
 - website development for widespread dissemination and knowledge sharing.

MIMAP will provide some funding, but the bulk of the financing has been committed in mid-200 by the Government of Belgium, principally to UNIFEM. Unlike the other Thematic Networks above, this is thus one in which the MIMAP PI, and country teams, participate and contribute, but do not manage.

Beyond the current six thematic networks, MIMAP would like to expand its work on improved provision of public services, particularly in the areas of education and social security or protection, but this will require and expansion of financial and human resources through partnerships and co-funding.

D. Comparative Studies across the Network

These have been initiated in the 1999-2000 period, do not involve different methodologies from those above, but are worth noting because their results and impacts are targeted at international as well as national levels. The first two examples are modelling analyses of the impacts of trade liberalization and poverty (6 countries) and comparative poverty profiles (9 countries), with publications and dissemination in 2001. The poverty profiles may be refined and repeated annually. Other topics are being discussed by monitoring and modelling groups, and it is planned to have two or more studies in progress at any point in time, with a 1-2 year cycle.

V MIMAP AND THE CORPORATE STRATEGY AND PROGRAM FRAMEWORK (CSPF) 2000-2005

From a global perspective, this Prospectus was being developed in parallel with, and has been fully moulded by the Foundations, Guiding Principles and Program Complements of the Corporate Strategy and Program Framework, 2000-2005. In more concrete terms, the MIMAP is one of IDRC's two PIs which respond directly to the CSPF component on Managing Globalization to Promote Equity, under the Social and Economic Equity Program Area. The role of MIMAP is further clarified in the regional components of the CSPF, in the regions in which MIMAP is most active:

Asia: "There is need for continued or greater priority to distributional and poverty impacts of macroeconomic and adjustment measures, particularly in terms of policies which are being and will be adopted to restore economic growth. IDRC will support research in the area of poverty alleviation and economic/trade adjustment policy, with greater emphasis on country specific analysis, new inequality trends, desegregated approaches, intra-household and gender allocation, alternative forms of redistribution and institutions managing redistribution. We will address strategic areas of social services provision in this context."

Middle East and North Africa: IDRC will support research to help countries in the region to take advantage of opportunities to increase the competitiveness of their economies within the international trading system and to alleviate the negative impacts of industrial restructuring.

A. Multidisciplinarity and Gender

By design, MIMAP is concentrating on macroeconomic policies and adjustment. However, the focus studies and thematic networks, in particular, are leading to growing interaction with other disciplines and professionals. MIMAP now addresses in substantial ways - through its projects and through less formal partnerships and connections - issues of environmental management, social services provision, governance, and finance. The representatives of the current 40 MIMAP teams, who met in the Philippines in mid-2000, included a much wider range of disciplinary specializations, and a considerably more advanced view of multidisciplinary research, than has been the case in the past.

It is expected and intended that the degree of multidisciplinarity will continue to increase. The

current Poverty Reduction Strategy and Comprehensive Development Frameworks, being pursued globally, underscore the need for greater multidisciplinary, and more substantial partnerships as well. The World Bank's 'Poverty Reduction Strategy Source Book, for example, covers:

<u>I Core Techniques</u>	Human Development	<u>III Cross Cutting Issues</u>
Organizing Participatory Processes	Social Protection	Governance
Poverty Data and Measurement	Health	Community-driven Development
Monitoring and Evaluation	Education	Gender
Public Spending	Private Sector and Infrastructure	Environment
	Energy	Trade
<u>II Macro and Sectoral Approaches</u>	Urban	Statistical Capacity Building
Macroeconomic Issues	Transport	
Rural Poverty	Water	
	Micro, Small, and Medium Enterprises	

As indicated in previous sections, MIMAP is involved in most of these areas, and is working to link and integrate the work across them.

Gender issues have become a major focus in this Prospectus period. The impact of macroeconomic policy on the various groups, sub-groups, sectors and sub-sectors that constitute society and the economy, is the leitmotif of the MIMAP approach. As mentioned before, MIMAP seeks to provide information on micro impacts in their several facets, including that of gender. A gender perspective is therefore intrinsic to MIMAP. To understand the differential impacts of policy on different groups, the PI is promoting the development of appropriate modelling techniques and socio-economic indicators. The aim is to achieve a degree of disaggregation allowing researchers to assess and monitor impacts on specific groups, including those differentiated by gender.

At the country-project level, there have been many focus studies on gender issues, and the most advanced teams have begun to put gender dimensions and measures into monitoring and modelling mechanisms. As elaborated above, the GenderNetwork has produced important results, methods and best practices for monitoring and modelling, and all of the MIMAP teams have been exposed to this work through dissemination of results and the MIMAP Network meeting in mid-2000. New Developments in modelling methodologies, also outlined above, also increase the power for gender analysis. The challenge for this prospectus period will be to ensure the spread of best gender-analysis methods across the activities of MIMAP. As well as to develop these methods further. The Gender-Budget Network further links MIMAP to a set of methods in public expenditure analysis. MIMAP has come a long way over the past 3 years, in terms of incorporating gender specifically, but has a longer way to go to extend best methods to all its activities.

B. Collaboration with Other IDRC Activities

Within IDRC, MIMAP maintains a close relationship in its projects and activities with the Trade, Employment and Competitiveness (TEC) PI. Like MIMAP, TEC is also motivated by globalization and related policy changes and shocks, but its focus is more on economic activity and employment, rather than the poverty and equity issues of MIMAP. MIMAP continues to work closely with:

- the Asia Development Research Forum on its economic and financial governance agenda;
- EEPSEA on economy-environment tools and training;
- VEEM (Vietnam Economic and Environmental Management) on trade policy and its impacts;

- PAN (Pan Networking) on innovative website development;
- SISERA (Secretariat for Institutional Strengthening and Economic Research in Africa) on training in West Africa related to countries' poverty reduction strategies.

Discussion is relatively advanced on a coordinated project with CBNRM (Community Based Natural Resource Management), on community-level monitoring and development, provisionally in central Vietnam where both PIs are active.

Emerging partnerships on growth and poverty reduction, with other donors and recipients, are also stimulating the development of collaboration among several PIs on poverty reduction policy and programs. MIMAP aims to work more closely with Small Enterprises and Livelihoods, TEC and others on aspects of value-chain analyses. MIMAP has become more involved in several aspects of governance and public services provision, including local monitoring and development mechanisms, sectoral policies and public expenditure programs, gender assessment of public budgets, and monitoring of the impacts of policies and programs on the poor. Many of these capacities may contribute and link to the Centre's Governance initiative as it develops.

C. Canadian Partnerships

MIMAP has a few major Canadian institutional partnerships, and many smaller ones involving individuals in MIMAP projects. The major ones are with:

- The Centre de Recherches en Économie et Finance Appliquées (CREFA), Université Laval, is the largest source of regular technical support and training for MIMAP's modelling activities. Dr. Bernard Decaluwé heads the team at CREFA.
- The Centre canadien d'Etude et de Coopération Internationale (CECI) is the principal source of technical support and training for the monitoring work of MIMAP. Dr. Louis-Marie Asselin heads the team at CECI.
- The Department of Economics, University of Western Ontario, provides substantial support to the modelling activities; the team is headed by Dr. John Whalley.
- The Faculty of Medicine, Université de Montréal, provides the coordination and technical support for the MAP-Health network, under the leadership of Dr. Slim Haddad.

These relations are expected to continue and deepen, although the technical support and training being provided by senior researchers in the MIMAP teams, and in other institutions in the South, is certainly on the rapid increase.

D. Closing the Loop, Dissemination and Networking

MIMAP's main areas of work on knowledge-intensive activities and 'closing the loop' are:

- Network meetings with comparative analysis of key topics (eg. trade liberalization and poverty, and the development of poverty profiles); findings will be presented to national policy makers;
- policy recommendations (on macro-level policies, sectoral policies, and poverty reduction programs), presented to policy makers in all MIMAP countries, directly or via national steering

- committees which include decision makers;
- results of community-based monitoring mechanisms used by local governments and communities in Philippines, Nepal and Vietnam (Box 7) in policy and resource allocation decisions;
- participation of MIMAP and TEC PI Team Leaders in a recent Gender-Budgets workshop - drawing together previous work for the attention of donors (initially Commonwealth Secretariat, UNDP, UNIFEM, IDRC) and subsequently policy makers (eg. Commonwealth Finance Ministers);
- books by Bernard Decaluwé (Université Laval) and colleagues on modelling tools and analytical results; books and articles by other MIMAP Network members on key research results;
- a MIMAP Network website - assembling the knowledge base and what has been learned - outputs, tools, training materials, databases, references, contacts, related/linked sites;
- the MIMAP Brochure, which highlights the MIMAP experience for partnership purposes, and a forthcoming article in Reports;
- designing and implementing PRSP courses for the World Bank Institute, for the direct and rapid attention of national policy makers;
- collaboration of the Network members with the World Bank in preparation of the World Development Report (2000) on poverty;
- joint projects, including DFID support to MIMAP partners for a project on trade and poverty in South Asia, which is explicitly part of the preparation of a White Paper on International Development by the Department for International Development (DFID), United Kingdom.

Overall, MIMAP has consistently brought research results and policy/program recommendations to the attention of national policy makers, donors and international organizations. MIMAP has had more observable impact in some countries than in others, and is moving necessarily further downstream in response to PRSP-related demands.

In the present environment of resource constraints, and concerted donor action on poverty reduction, outputs, products and their dissemination are a very high priority. A first set of books and journal articles is under preparation. On website development, IDRC and MIMAP partners currently have 8 MIMAP websites. Plans, facilities and resources are in place to develop a new MIMAP Network website in the second half of 2000, which will link to existing sites, and serve both as a repository for, and interface linking to, the following: MIMAP outputs, training materials, tools, data, project documents, information on MIMAP partners, contact details, links and MIMAP-related reference materials. The MIMAP Network website will be based on technology and design features that enable all partners to easily contribute inputs to the site and directly manage sections of the site on their projects.

E. Partnerships and Resource Expansion

MIMAP's Principal resource expansion efforts, at this point, are:

- starting the projects with CIDA co-funding in Africa (Senegal, Ghana), and pursuing/completing

- arrangements with CIDA and other donors for Benin, Burkina Faso, Morocco;
- possible development, with CIDA, of a Canadian Growth and Poverty Reduction Facility;
- exploring further collaboration with the World Bank Institute, SISERA and others in PRSP training activities;
- exploring other poverty-reduction-related partnership opportunities in Africa;
- completing co-funding arrangements with Norway for Bangladesh;
- developing the parallel-funding program on Gender-Budgets with the United Nations Fund for the Development of Women (UNIFEM) and the Commonwealth Secretariat;
- engaging additional donors in MIMAP Network activities, starting with the September 2000 MIMAP Network Meeting; and
- renewing/expanding past and recently developed partnerships (Swiss Development Corporation, CIDA-Asia, the United Kingdom's Department for International Development); and
- developing new partnerships and co-funding relationships with the Asian Development Bank and Japan International Cooperation Agency.

The range of types of MIMAP partnerships is also growing. Co-funding and parallel funding relationships with other donors remain central. In addition, large multilateral and bilateral donors are increasingly funding MIMAP teams directly, under the umbrella of their poverty reduction assistance programs. Linkages and knowledge exchange are also mushrooming, to the extent that the IDRC MIMAP team has a quite partial picture of all of the connections and exchanges going on. This is a desirable and inevitable aspect of the information and communications revolution, and casts IDRC into a learning - as much as programme management - mode.

Given the (often strong) interest and "buy in" of the national governments concerned, the PI will look at the possibility of a more systematic support to MIMAP from them (as they already do in Bangladesh and the Philippines). This sort of parallel support is important for impact with decision makers, sustainability of capacities built, and also for the resources it frees up at the IDRC end for other MIMAP activities.

The following table shows the projects active in MIMAP in the first Prospectus period, 1997-2000, with IDRC and other-donor financing indicated. Given scarce IDRC resources, efforts at resource expansion will be still more important in 2000-2005. As mentioned, however, some considerable funding for MIMAP teams will go directly to them, and the MIMAP PI will increasingly become a component of broader international poverty reduction efforts.

MIMAP Projects: 1997-2000*	Year	IDRC Funding	Co-funding	Partners
National Projects				
Ghana	2000	328,000	675,000	CIDA
Benin and Burkina Faso	1997	493,000		
Morocco	1998	205,000		
Senega	2000	196,000	398,000	CIDA
Pakistan	1998	249,000		
Philippines	1998	188,000		
Laos	1997	254,000		

Vietnam Policy	1998	337,000		
Vietnam Poverty	1998	226,000		
Bangladesh	1995	350,000	850,000	CIDA
India	1999	309,000		
Sri Lanka	1998	184,000		
Nepal	1999	300,000		
Sub-total		3,619,000	1,923,000	
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Network Support				
Training & Technical Support	1998	493,000		
Network Meetings	1998	94,000		
Training Meetings	1999	150,000		
Program Advisory Group	1996	316,000		
Evaluation and Partnerships	1999	71,000		
Website, Communications	2000	55,000		
Sub-total		1,179,000		
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Thematic Networks				
Labour-Adjustment	1999	239,000		
Environment	1997	571,000		
Gender	1998	489,000		
Engendering Budgets	2000	50,000		UNIFEM, Commonwealth
Microfinance	2000	456,000	177,000 **	DFID-U.K.
Health	1996	495,000	500,000	Swiss Development Corporation
Trade Liberalization & Pov.	2000	0	427,976 ***	DFID-U.K.
Sub-total		2,300,000	1,104,976	
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Total		7,098,000	3,027,976	

* Projects active in the first Prospectus period, funding in Canadian dollars

** Parallel funding

*** Parallel funding, IDRC contributions come from Network Support projects

VI PROGRAM OF WORK AND BUDGET

A. Activities and Funding

The main areas of project development are:

- developing subsequent phases for most of the 13 country projects,⁸ in collaboration with other donors wherever possible (projects will be smaller if they rely solely on IDRC resources);
- developing second phases for two or more of the existing thematic networks (Gender, Health, Environment, Labour) and for the new thematic projects on Gender-Budgets and Microfinance;
- projects and research support activities covering the principal Network-level activities - training and technical support, training workshops, Network meetings, connectivity and website development.

⁸ Bangladesh, Benin, Burkina Faso, Ghana, India, Laos, Morocco, Nepal, Pakistan, Philippines, Senegal, Sri Lanka, Vietnam

The pipeline for MIMAP is much more predictable than for most PIs, due to the continuity of national and thematic network projects in terms of next phases. A rough projection of MIMAP's next three-year pipeline can thus be made, and is included on the following table. It indicates the expectation that the nature and structure of MIMAP will change, as network-level activities increase, and national project components become increasingly funded by governments and other donors.

MIMAP Projects and Pipeline by Project Type (IDRC Funding \$ 000)

	95-98	1999	2000	2001	2002	2003
Ghana		328			300	
Benin	247		158		150	
Burkina Faso	247		150		150	
Maroc	205		200		200	
Senegal		196			300	
Pakistan	249		250		250	
Philippines	188	148	125	125		
Lao	254			100		
Vietnam Poverty	226			225		
Bangladesh	350		300			300
India	309			300		
Trade/Fisc Vietnam	337			300		
Sri Lanka	184			200		
Nepal	1093		300			300
Natl. Projects Total	3888	672	1483	1250	1350	600
Secretariat/ An Mtg	72	22	142	150	150	150
Network Research		150		350	600	900
Training & Tech Supt	493		524		400	300
Program Advisory	316			150		100
Eval/Partnerships		71		70		70
MIMAP Websites			50	80	100	100
Network Research/Supt.	881	243	716	800	1250	1620
Labour		239	25			200
Environment	571			150		
Gender	489			350		250
Gender Budgets		56		150	150	
Microfinance			470		200	
Health	1595	60	120	300		200
Thematic Networks	2655	355	615	950	350	650
Totals	7424	1280	2814	3000	2950	2870

The regional distribution of the present 4-5 year pipeline, in terms of IDRC resources, is approximately 20% Africa (WARO, and Morocco in the MERO region), 30% Asia and 50% multi-

regional. Multi-regional projects include four of the six thematic networks, and all of the Network-level activities. While the relative share of the latter is large and increasing, some activities such as training or Network meetings will later be regionally allocated (ie. regional meetings will be held in Africa and Asia). Given the initial and probable build-up of resource expansion in Africa, it is expected that total project funding - including parallel and co-funding - will be significantly more Africa-oriented than in the past. A reasonable projection is 40% Africa, 30% Asia, and 30% multi-regional. Some MIMAP activities may develop in the EARO and ROSA regions, in the context of larger partnerships and co-funding possibilities.

B. Human Resources

The three-year Work Plan is based on the human resources currently available within the PI team. The total professional staff complement however, of 2 person years shared by 5 people, is quite thin for the work plan envisaged, and care will be needed to avoid further reduction or discontinuity in those involved. Ideally, an additional person would be added, on a half-time basis or more.

VII OUTPUTS, EVALUATION AND ACCOUNTABILITY

At the technical and policy levels, to date MIMAP has generated a series of working papers, technical papers and policy papers. Those for Bangladesh, India, Philippines, Nepal and Pakistan, were listed in the previous Prospectus, and all will soon be on the MIMAP websites. The list is very long. Each of the MIMAP senior projects has a working paper or a discussion paper series that are distributed to policy-makers and other interested parties in several countries. These publications will continue and indeed expand, as the number of outputs and the MIMAP circle widens.

MIMAP newsletters are produced by the Bangladesh, India and Philippines projects and widely disseminated nationally and internationally to governments, researchers, NGOs and donor agencies. Journal articles are now emerging from several teams. Books are in progress on methodology and comparative research subjects, and each of the Thematic Networks is expected to produce a book.

MIMAP has a well-established tradition of involving decision-makers in regular workshops and conferences to discuss program design, ongoing work and project results. In the Philippines, for instance, the overall direction of the project is guided by a Policy Advisory Council, consisting of senior persons from government, the academic and NGOs communities. Similar mechanisms exist in other national MIMAP national projects..

In addition to the policy analyses referred to above, the primary data and indicators of well-being at the community level that have been generated in the three senior MIMAP countries are currently available, and will soon be available on the MIMAP Network website.

At the capacity building level, the more experienced teams are now involved in transferring the poverty monitoring and modelling technologies, the Philippines being the most advanced. In other

teams, the emphasis is very much on the improvement of the capacity of researchers and decision makers to analyze policies using modern economic tools and techniques.

In order to determine the extent to which the goals of the PI are being met, the team will regularly monitor the PI and its components. In addition, an evaluation plan has been prepared in broad outline, and will be elaborated and refined in consultation with IDRC's Evaluation Unit. Its primary aims are to learn from experience in key elements of the PI's activities, and to demonstrate results.

EVALUATION PLAN

EVALUATION ISSUES	WHO WILL USE EVALUATION, HOW, & WHEN?	QUESTIONS TO BE ANSWERED	WHO WILL CONDUCT & MANAGE THE EVALUATION?	DATE (START & FINISH)	COST
- <u>comparative policy impacts</u> among MIMAP projects, and their contributing factors	- MIMAP members, policy makers, donors and other researchers; in project design and in policy institution and process strengthening	- what factors condition success? (research and policy institutions/links, policy participation and process, project design, dissemination, others?)	- MIMAP teams, with technical support from Network initiatives; managed by MIMAP-Philippines with advice/support from IDRC, other donors		
- <u>integration of knowledge</u> from modeling, monitoring, focus studies, thematic networks	- MIMAP members, IDRC, other research initiatives with similar challenges	- from a fairly small sample of each, to what extent has their knowledge become integrated into practice? contributing and constraining factors?	- external evaluator, IDRC-MIMAP management		
- <u>national policy impact</u> in Africa	- MIMAP Africa teams in project design and management, IDRC, other donors and partners	- from a sample of the new Africa country projects, what have been impacts on poverty reduction policies and programs? channels of impact? lessons?	- external evaluator respected in West Africa, managed by IDRC-MIMAP		
- <u>Growth and Poverty Reduction Facility</u> partnership experience/lessons	- MIMAP Teams, IDRC, CIDA, other research, decision-making and donor partners	- how have multi-partner initiatives performed? benefits to MIMAP partners and others? strengths and weaknesses? better designs?	- external evaluators, managed by IDRC/CIDA/Facility		

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