

PI External Reviews: Summary of Report
Micro Impacts of Macroeconomic and
Adjustment Policies (MIMAP)

Report to IDRC Board of Governors
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Summary prepared by Evaluation Unit

PI Aims

1. The **general objective** of the MIMAP 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.
2. As stated in its 2000 Prospectus the **specific objectives** of MIMAP are to:
 - 2.1. Enhance the research capacity of developing countries to analyze the impact of macroeconomic policies on their citizens;
 - 2.2. Provide new instruments for policy and program design and analysis, by developing rigorous analytical tools and poverty monitoring systems;
 - 2.3. Assist the development of community-based monitoring and local development mechanisms;
 - 2.4. Strengthen the ability of policy-makers to negotiate with international players, such as the banks and other multilateral and bilateral organizations;
 - 2.5. Bring together researchers, politicians, government officials, and NGOs in policy dialogue at the national and regional levels; and
 - 2.6. Promote the exchange of research knowledge, tools, results and policy dialogue among countries, institutions and donors.
3. MIMAP was designed to address theoretical, empirical, and practical poverty-related issues which surfaced in the late 1980s in the wake of the aggressive implementation in most developing countries of 'structural adjustment programs'. MIMAP I was launched in 1997 and MIMAP II was approved by the IDRC Board of Governors in 2000.

Review Methodology

4. It was clear from the outset that a technically rigorous assessment of MIMAP in the traditional sense would not be feasible, given that the stated objectives of MIMAP did not lend themselves to quantitative assessment through measurable indicators. This is not a criticism of those objectives or of the way in which they are stated. Our assessment has rather been based on **qualitative considerations**, using internal and external documents as well as *in situ* interviews and observations. We do not consider such a qualitative approach as intrinsically inferior to, or necessarily less rigorous than, a quantitative one. The reviewers also visited the following 'MIMAP' countries: Philippines, India, Burkina Faso, Benin, and Senegal.

Review Findings:

5. Our major overall conclusion is that MIMAP as a whole has been, and still is, a **remarkably successful endeavour**. It has been fully consonant with the

broad mission of IDRC, to the advancement of which it has made significant contributions, and has remained faithful, but not enslaved, to its original goals. Important theoretical and practical results have been generated, and continue to be, in the several Asian and African countries where it has been implemented, bearing fruitfully on the thorny issues it had selected for itself. The very success of the program has underlined the expected and normal tensions which must arise between the pursuit of knowledge and the search for influence, as well as the difficulties inherent in all attempts by scholars at shaping overarching and politically-driven government policies.

Enriched Policy Analysis

6. MIMAP has clearly contributed to **richer policy analysis**, and therefore more **informed policy-making**, in several ways:
 - 6.1. MIMAP has called attention to a **wider set of criteria** by which macroeconomic adjustment policies must be assessed making a concrete contribution to the general trend towards a more holistic and integrative analysis of development.
 - 6.2. MIMAP has provided a **richer information base** on the status of well-being of households. In India, for instance, MIMAP's first major contribution was a nationwide household sample survey that documented the well-being of Indian households; that survey has become a valuable asset to the entire development research community in the country.
 - 6.3. **Empowered local communities** are able to assert a stronger role in defining their development priorities and translating these into actual budgetary allocations. In Palawan province in the Philippines, local officials have acknowledged that the Community-Based Monitoring System (CBMS) made possible by MIMAP has helped depoliticise and strengthen the local government's budget allocation process by providing an objective basis for budget prioritization.
 - 6.4. MIMAP has been highly instrumental in the development and enhancement of **analytical tools and innovative methodologies** that permit a micro-oriented analysis of economy-wide policies. The capability to formulate and enhance Computable General Equilibrium (CGE) models for policy analysis has been a key contribution of MIMAP in most of the countries it serves.
7. MIMAP is better known in Africa for its **poverty measurement work** than for its other major components.
 - 7.1. MIMAP's successful hands-on approach to capacity building has led to a much better understanding of the **nature of poverty and of its**

dynamics, as well as of the relationships between poverty and key human capital determinants such as education, public spending, microfinance and gender. The accumulated knowledge has recently come to include links between poverty and macroeconomic policies and trade liberalization.

- 7.2. It would appear that MIMAP has performed as well as, if not indeed better than, many other **similar programs** active in the three African countries. MIMAP's success flows in very good part from its approach to capacity building, including close mentoring of researchers by MIMAP and Laval University, and oversight at the country level.

Improved National Development Policy Research Capability

8. By initially working with specific key institutions, MIMAP has been notably instrumental in the creation of a **critical mass of development policy researchers** with the capability to analyse the human welfare impacts of economic policies and examine poverty in its multi-dimensional nature within the countries it serves.
9. In Africa, MIMAP has been strongly instrumental in enhancing the **quality** of economic data produced by national statistical departments in the countries where it has been active. However, several informants indicated that existing reports could have been better disseminated. It appears that more importance has been given to the quality of research and to the corresponding capacity building needs, than to **dissemination**, a key objective. This may reflect a **structural problem** in that MIMAP does not appear to have made a clear priority decision between knowledge production and knowledge dissemination.
10. Some of the originally chosen partner institutions (e.g., in Nepal, Philippines, Benin) subsequently experienced **problems**. In Asia these problems were mainly internal to the host institution and forced the discontinuation of MIMAP's support. The lack of MIMAP management team cohesion was also a contributing factor.
11. MIMAP has shifted its support away from institutions and towards researchers, enabling a **wider reach** of support within the research community in MIMAP countries and beyond. This has added to the exchange of knowledge, experiences and methodologies that is starting actively to take place among MIMAP **networks**. This provides a mechanism for a form of "**South-South**" **cooperation** directed at strengthening domestic capacity for development policy research, particularly in the area of poverty monitoring and analysis.
12. Equally, the focus of MIMAP II on individuals has its own corresponding **disadvantages**, including possible loss of continuity and institutional memory,

dissipation of research support (i.e. spreading support more thinly), and loss of complementarities and of economies of scale.

Strengthening the Negotiation Capacity of Countries

13. An explicit objective of MIMAP is to strengthen the **ability of policy-makers to undertake negotiations** with multilateral institutions, bilateral partners, and other public or private financial institutions. This objective aims indirectly to strengthen their negotiating postures by equipping them with sound policy directions and positions to bring to the negotiating table, a clear understanding of their implications, as well as with a fuller understanding of the proposals likely to be put forward by the other sides. There is little basis for judging whether policymakers have in fact become more effective as a result of MIMAP, however, qualitative assessment can rely on what the **beneficiaries** of MIMAP claim as a contribution.

- 13.1. The MIMAP team leader in Bangladesh was the main writer of that country's **Poverty Reduction Strategy Paper** (PRSP). Similarly, officials involved in the Senegalese PRSP preparation acknowledged that the ease with which their program was negotiated and ultimately approved by the boards of the World Bank and the IMF is largely because the data provided by MIMAP had helped them address the main questions raised in the Joint Staff Assessment of country PRSPs. In Senegal, the MIMAP research team is now a bona fide member of the PRSP process and its members are systematically invited to attend PRSP meetings.

- 13.2. The view of donors covering more than one country also provides indications. In Benin and Senegal, World Bank and some bilateral donor officials attributed the **quality** of the country's PRSP to the research produced by MIMAP. Some of the informants and analysts in the donor community had initially been involved in MIMAP and they assert that the capacity received in the program is extremely **useful** to their job.

14. Such direct influence carries **risks** in case of changes in political leadership. It should be possible to establish a **distinction** between providing research input and individuals associated with MIMAP. This distinction could help ensure that both the capacity building and capacity utilization functions of MIMAP are realized at the desired level.

Promoting multi-stakeholder policy dialogue

15. MIMAP's **reach** has steadily widened through the years, thanks to the increasing variety in its **research outputs**. This includes a number of books and monographs; numerous research papers; journal, newspaper and magazine articles; newsletters and policy briefs; conferences and policy

workshops and their published proceedings; Internet websites; and data sets stored in electronic media. These outputs are generally well done and attractively packaged. Its audience and beneficiaries have expanded beyond the academic research community and government policymakers to include civil society (NGOs), the private business sector, and the public at large. In India, regular contributions to the popular publication *Economic and Political Weekly* have brought MIMAP research to the attention of a wide public audience. In the Philippines, regular policy briefs addressed to a popular audience including government policymakers find wide circulation.

16. MIMAP's involvement with the private business sector and NGOs (of the action-oriented kind) appears to have been limited. An even more focused reach towards the NGO community could be warranted as an alternative channel for having MIMAP research exercise greater influence on policy reform and societal change.
17. There is a need to recognize that **civil society** can be a potent channel for exercising **policy influence**. NGOs should be seen by MIMAP as potential important allies and partners in the advocacy for sound research-grounded public policies, and could therefore be more directly addressed by MIMAP's closing-the-loop and dissemination activities.

Focus on poverty impacts of trade and fiscal policies

18. MIMAPs Modeling and Policy Impact Assessment (MPIA) network addresses the direct linkage between macroeconomic adjustment policies and their micro impacts. Current discussions on the World Trade Organization, especially after the breakdown in the WTO Cancun Ministerial Meeting, highlight the continuing significance of this area of inquiry. In particular, this theme directly addresses the lament that **globalization-induced trade liberalization policies** have allegedly led to ever larger **gaps between rich and poor** within and among countries, and even to wider incidence of poverty and environmental problems.
19. **Partial equilibrium household models** and **macro econometric models** are used in the analysis of macroeconomic policies in some country projects (notably in the Philippines and in Viet Nam). However, suggestions have been made for MIMAP to consider a more active pursuit of these approaches, which could widen the scope of macroeconomic policies that MIMAPs research addresses and **enrich analytical insights**.
20. MIMAP can **legitimately confine** its attention to some more prominent or more specific elements of macroeconomic policy and has already made a **signal contribution** by introducing Computational General Equilibrium (CGE) modeling to its host countries. Moreover, trade liberalization and fiscal policies, on which MIMAP 'focus studies' have concentrated, appear to be the main

elements of macroeconomic adjustment policy packages that have common features across most developing countries

Deeper understanding of the phenomenon of poverty

21. The greater part of the research that has **distinguished MIMAP** has not dealt directly with macroeconomic policies, but has sought to examine and explain the phenomenon of poverty. To participate in the PRSP process a country needs a **sound characterization of poverty** as well as of the institutional features that can hinder or foster improvements in well-being. Once an adequate information base is in place, analysis can be done and inform policy.
22. The formulation of PRSPs in Benin, Burkina Faso and Senegal was very problematic as there was neither the data for adequate poverty assessment, nor the analysts capable of working on such data. It has been recognized by all concerned that MIMAP-generated data played a **critical role** in that respect
23. MIMAP has made major contributions to **knowledge and to poverty reduction policies** even without fully tracing the impacts of macroeconomic policies on poverty. This makes the lack of attention to other elements of macroeconomic adjustment policies less of a shortcoming.

Evolution of Objectives and Emphasis

24. MIMAPs greater emphasis appears to have recently shifted towards **policy relevance** and actual **policy impact**, especially given the significant improvement in development research capability that has already been achieved in the MIMAP countries. This brings to the fore the issue of the importance which should be attached to pushing the frontiers of knowledge and of analytical methods.
25. The inevitable and recognized **trade-off or tension** between the legitimate goals of policy relevance on the one hand and of enhancement of **cutting-edge knowledge** on the other is one that will continue to require thoughtful consideration by the MIMAP team, based on recognition of the fact that it has no easy or permanent solution.
26. **Gender issues** have become a major focus for MIMAP II: the Gender Network has produced important results, including **methodologies and best practices** for monitoring and modelling, and all of the MIMAP teams have been exposed to that work; also, new developments in modelling methodologies increase the power for gender analysis.

Networks

27. Another important direction is the programmed reliance on networks *and* the **intention to devolve** the leadership role in administering several MIMAP networks. The existing networks have played an **extensive and positive role** in the rapid development and deepening of MIMAP and in the dissemination of its approaches and conclusions. Networks are now proposed to be assigned a much larger and more central role. The Community Based Monitoring Systems (CBMS) network is in fact already under the leadership of the Angelo King Institute at the De La Salle University in the Philippines.
28. The Poverty and Economic Policy (PEP) network as a whole, and the Modeling and Policy Impact Assessment (MPIA) and Poverty Measurement, Monitoring and Analysis (PPMA) networks are currently being run from Laval University. There is an expressed intention to eventually transfer the responsibility to a suitable developing country partner. Among other things, this move would help provide **improved reach and coverage** of MIMAP and ensure that all appropriate experts in the research community could be brought within the MIMAP circles.
29. A **major effort** will have to be mounted to identify new 'receiving' institutions, bolster and support their credibility and capacity, orchestrate the transfer of management responsibility from Laval University, and ensure continued access to the rich accumulated expertise lodged in both Laval and the University of Western Ontario. Without such support, the effectiveness and survival of the various networks could be compromised.
30. Indeed, the new MIMAP II thrust hinges to a very large extent on the continued development and effective functioning of networks. Such networks can offer valuable opportunities for a successful **reconfiguration of relationships** between foreign experts as 'givers' of funds / knowledge, and aid recipient as 'receivers', driven by rapid advances in global communications, the emergence of Southern institutions with considerable resources to offer, and a consensus in the development world for the need for 'partnership' and 'participation'.

Internal Evaluation Mechanisms

31. MIMAP's earnest appreciation of the need for constant self-evaluation to ensure effective achievement of goals is reflected in its ample provision for **internal evaluation mechanisms**. This includes; regular internal team monitoring and evaluation; an evaluation plan aimed at learning from experience and demonstrating results; and evaluation exercises focused on comparative policy impacts among MIMAP projects, integration of knowledge from modeling, monitoring, focus studies and thematic networks, national policy impacts in Africa, and partnership experience and lessons from the Growth and Poverty Reduction Facility.

32. **Specific evaluation** exercises have been undertaken in recent years, e.g. MIMAP policy impact assessments in the Philippines (Kirit Parikh) and Vietnam (André Saumier), and a program-wide evaluation (Vijay S. Vyas). **Project-level** internal monitoring and evaluation processes have been undertaken in the various MIMAP country projects.

Issues for Consideration

Influencing the Regional and Global Development Research Agenda

33. It is important for MIMAP to influence the development research agenda at the regional and global levels to **extend the use of its research results** in guiding national policies beyond the countries with which it works directly. International development institutions deeply influence national policies through policy-based program loan negotiations and conditionalities, technical assistance provided to governments, and discussions and recommendations in the many policy conferences they sponsor.
34. MIMAP must be **visible** and make its mark in respected **international research forums**. Team members indicate that it has been a conscious decision so far for MIMAP to maintain limited presence in these forums in order to focus on capacity building within its partner research communities. By doing so, MIMAP has missed and may still be missing important opportunities to expand the beneficiary base of the wealth of research it has supported.