

**Center-Commissioned External Review (CCER)  
Poverty, Health and Nutrition Division (PHND)**

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**I. Introduction**

This report presents findings of a one-week Center-Commissioned External Review (CCER) of the Poverty, Health and Nutrition Division (PHND) of the International Food Policy Research Institute. Overall, the review found that the division is making major contributions to global knowledge and informed policy through its high-quality empirical microeconomic, nutrition, program evaluation and other research. While there is scope for improvement and enhancement at the margins, and value in working toward a situation in which more unrestricted resources are available to pursue important research topics, overall the review found that the division is healthy, well managed, and likely to prosper and to continue to make important contributions to research on development in the years to come.

**A. Brief Description of PHND**

The Poverty, Health and Nutrition Division (PHND) of the International Food Policy Research Institute (IFPRI) represents about 15 percent of IFPRI's total activities (measured by 2009 expenditures). It conducts empirical policy research on a set of issues related to poverty, health and nutrition at both the individual and household levels. PHND constitutes a fundamental part of IFPRI's overall contribution to the body of evidence for policymaking, providing analytical insights about how policy and program initiatives related to agriculture, food, nutrition, and broader social development challenges are "felt" at the level of households and individuals.

The division mobilizes financial support from a combination of donor agencies, national governments in middle-income countries, and foundations. That support has increased markedly over the past five years, and is expected to grow still more in the future. Addressing questions that are transdisciplinary in nature, PHND is home to 10 nutritionists, 9 economists, 1 rural sociologist and 2 policy/political scientists at the senior levels, along with research and administrative support. Some staff are posted outside of IFPRI's Washington, DC, headquarters – in Geneva and several developing country research sites.

**B. Objectives and Scope of the CCER**

Paul Glewwe, University of Minnesota, and Ruth Levine, Center for Global Development, conducted an external review of PHND during the period of November 13-19, 2009. The objectives of the review were to:

- assess the relevance and quality of the activities and outputs of the division, and provide supporting evidence for that assessment;
- evaluate the planning and priority-setting process of the programs; and the process used for decisionmaking regarding the phasing in or out of or modification of programs and the creation of new ones;
- assess whether the activities in the Division were shaped and guided by clear objectives;
- assess whether the rationale and lines of logic for arriving at the research agenda are transparent, systematic, and rigorous;
- assess the transparency of the criteria used for making strategic choices and identifying best-bet opportunities and their consistency with those employed by CGIAR in developing its own priorities and strategies; and
- assess the nature and effectiveness of the Division's partnership through review of joint products.

The team thanks the leadership at IFPRI, as well as the many staff and collaborators who generously devoted time to presenting their work, responding to questions and offering insights. This report summarizes the central findings of this brief review and suggests ways to reinforce existing strengths of the program and address challenges.

## **II. Overview of PHND Mandate and Organizational Structure**

The PHND – which until 2009 was named the Food Consumption and Nutrition (FCND) division – currently leads two of IFPRI's research and outreach themes:

- Theme 7: Poverty, Nutrition, and Social Protection
- Theme 8: Diet, Health, and Food Safety

The division's specific role within IFPRI is to lead policy research, communication, and capacity strengthening that will help find solutions to reduce household poverty, and to ensure food, health, and nutrition security among the world's poor. The division is particularly concerned with both protecting and enhancing the investment of poor households in human capital formation as a way to break the intergenerational transmission of poverty. This implies that the division's work focuses on five inter-related topics (the last three of which pertain to human capital):

- poverty
- food security
- health
- nutrition
- education

PHND is currently organized around five research programs, and it also leads the Agriculture and Health Research Platform, a multi-institutional initiative of the CGIAR, in collaboration with several international health institutions. The division has a practice of operating research

programs for finite periods (e.g., five to seven years), closing them after the research and some synthesis work is completed, and initiating new time-bound programs. Table 1 shows the evolution of PHND's research portfolio since 2005:

**Table 1. PHND's research portfolio, 2005 to 2009**

<b>Research Programs/Initiatives</b>	<b>In 2005</b>	<b>In 2009</b>
Pathways from Poverty	X	X (to be closed in 2010)
Large-Scale Interventions to Enhance Human Capital	X	X
Urban Challenges to Food and Nutrition Security	X	Closed in 2005
Diet Quality, Health, and Nutrition	X	X
HIV/AIDS and Food and Nutrition Security	X	X (to be closed in 2010) Gradually being incorporated into Agriculture and Health Research Platform;
Policy Processes in Food Security and Nutrition	X	Closed in 2008
Strengthening Women's Control of Assets for Better Development Outcomes	Gender and intrahousehold aspects of food policy (1993-2002)	X New program on gender and assets launched in 2008
Agriculture and Health Research Platform		Multi-institutional initiative launched in 2006, including several CGIAR centers and health institutions

PHND is led by its division director (Marie Ruel, a nutritionist) and its deputy division director (John Hoddinott, an economist). The remaining staff is composed of the following:

- 6 senior research fellows (four economists, one nutritionist and one rural sociologist)
- 5 research fellows (one economist, three nutritionists and one political economy researcher)
- 9 postdoctoral fellows (3 economists, 4 nutritionists, 1 public policy & 1 public health)
- 7 research assistants/analysts
- 6 administrative staff (including one desktop publishing specialist)

Each of the research sub-themes is led by one or two senior researchers. Most staff work on multiple thematic areas and projects simultaneously.

### **III. Role of the Division within IFPRI and Division-Wide Issues**

#### **A. The Role and Fit of PHND within IFPRI**

IFPRI's overall vision is to undertake research that contributes to its goal of "a world free of hunger and malnutrition." Much of its research focuses on the production and trade of food and other agricultural products, as well as broad environmental concerns, but in the end these aspects of the food system need to be tied to human well being, and this is where PHND focuses its efforts. It is within the work program of PHND that core questions are addressed about the dynamics of poverty across and within households, the food- and nutrition-related challenges and opportunities for programmatic solutions, and the multiple relationships between agricultural development and health. In short, PHND represents the last link in the causal chain between better economic and social policies at the macro level and improved human welfare in the near and long term. Thus PHND has a natural fit within IFPRI's overall mission.

Quoting from the essay prepared for the Center-commissioned External Review: "The division's specific role within IFPRI's strategy is to lead policy research, communication and capacity strengthening that will help find solutions to reduce household poverty, and to ensure food, health and nutrition security among the world's poor. The division is particularly concerned with both protecting and enhancing the investment of poor households in human capital formation as a way to break the inter-generational transmission of poverty."<sup>1</sup>

The work of PHND is recognized among external audiences in the academic and policy communities, as well as among funders, as an important source of high-quality, relevant research on micro-level conditions and policy / program impacts in developing countries. PHND plays a special role in providing empirical research results to inform food, agriculture and social policies in low- and middle-income countries.

Given the focus at the individual and household level, establishing the boundaries is challenging: what social and economic variables are the outcomes of interest, rather than the "controls" or factors that are ignored altogether? Women's empowerment? Labor market participation? Fertility / contraceptive use? Domestic violence? While this has to be considered in the context of specific studies, it is a challenge for PHND overall to determine where it draws the line – and what it might be missing or misinterpreting as a consequence.

The recent movement of PHND to broaden the scope of its research beyond food consumption and nutrition into the more general area of poverty, including human capital and other household assets, may strike some as straying from its mandate. But improvements in human welfare cannot separate some dimensions (food consumption and nutrition) from others (health, education, and poverty more generally). Indeed, human capital has major implications for both child and adult nutrition, and food security more generally.

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<sup>1</sup> IFPRI, 2009. "Ensuring Food, Health, and Nutrition Security among the World's Poor: Essay prepared for the Center-Commissioned External Review of the Poverty, Health and Nutrition Division."

While most key areas in which food is related to poverty, health and nutrition are covered in some way by the current work of the division, two areas of research that are not currently covered by PHND should receive serious consideration. First, given the prominence of gender research in PHND, both in the past but also in the present and in the future, it seems that research on fertility is needed for a more complete analysis of gender issues, as well as broader questions of poverty and health. This would be a sizeable undertaking and presumably would require hiring one or two demographers (or economic demographers) to conduct such research. On the other hand, if a review of the literature and of research undertaken elsewhere indicates that sufficient research is already taking place, PHND may not have to develop this capacity. At a minimum, however, it should develop research ties (possibly including joint research projects) with prominent organizations already conducting research on fertility in developing countries, such as the Population Council. One possible source of funding for this research may be USAID, since the Obama administration is more open to promoting family planning programs than was the Bush administration. Foundation funders also have strong interests in this area.

**Recommendation: PHND staff should thoroughly assess whether it should undertake research on fertility in developing countries as part of its research program, and whether this has implications for recruitment of researchers in the future.**

A second area of research not currently covered by PHND in much depth is the role of the private sector in food delivery in developing countries, going beyond a view of households as recipients of social, health and nutrition programs and embracing an understanding of the ways in which members of poor households behave in their role as consumers / purchasers of food / agricultural products within the marketplace. There are at least two specific examples of this. First, some private companies are developing nutritious (e.g. fortified) food products that they are delivering through commercial channels (e.g. Dannon Yogurt in Bangladesh). Public-private partnerships in the development of food products may be an important opportunity to improve nutrition in developing countries, but fully taking advantage of them requires an understanding of consumer behavior. Second, in many developing countries, including relatively poor ones, supermarkets are rapidly replacing traditional markets as the suppliers of food to both urban and rural households. The implications of this phenomenon for health and nutrition in developing countries remains to be explored.

**Recommendation: PHND should consider conducting a medium size research proposal on the impact of the rise of supermarkets in developing countries on poor (and non-poor) households' health and nutrition. Unless it conflicts with IFPRI policy, large agribusiness and retail corporations in the U.S. (or their affiliated foundations) could be approached as sources of possible funding.**

**Recommendation: PHND should consider ways to use existing and new data collection and analysis opportunities to shed light on households' consumption patterns and engagement with markets, particularly in the fast-growing peri-urban areas.**

In addition to the above suggestions about possible new areas of research, another division-wide issue concerns documenting and disseminating the large number of data sets, especially data collected as part of a household survey, that PHND collects (or oversees the collection of).<sup>2</sup> IFPRI makes its data sets available free of charge for researchers, who can download them from

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<sup>2</sup>The reviewers also had concerns about duplication when PHND conducts multiple data collection efforts in the same country, but discussions with PHND staff made clear that there is ample coordination when this occurs.

IFPRI's website. Yet preparing these data sets for public use entails costs. In addition, it would be useful to set up a user group (or user groups for each survey) that researchers can use to share information about using the surveys, but this would also entail costs since the user group website would need to be organized (e.g. comments submitted should be sorted by topic).

**Recommendation: IFPRI should charge small amounts for downloading data sets from their website, and use the funds to maintain the website and initiate one or more user groups for these surveys. Charges could be reduced or waived for researchers based in developing countries, and perhaps for student researchers.**

A related issue is improving the quality of household surveys, in terms of both questionnaire design and survey implementation. The CCER team did not have time to check the quality of the data, but in some cases graduate students who have used the data have found fairly serious problems in some data sets (though perhaps before the data were made publicly available). A more thorough investigation of the quality of the publicly available IFPRI data sets would be useful to ensure a high level of quality.

**Recommendation: PHND should consider commissioning an external audit of the quality of the data sets that it collects and makes publicly available.**

A final issue regarding data quality concerns the design of the survey questionnaires and their implementation in the field. There are many other organizations that carry out large numbers of household surveys in developing countries, such as the LSMS group at the World Bank, the Demographic and Health Survey (DHS) group at Macro International, the Centre for the Study of African Countries at Oxford, and the Young Lives Project at Oxford, and perhaps also the Poverty Action Lab at MIT. It may be worthwhile to coordinate with these groups to organize a conference where all groups present their latest and most innovative surveys, and maybe even commission an updated book on survey design and implementation in developing countries.

**Recommendation: PHND should contact other organizations that carry out large numbers of household surveys in developing countries to see whether there is interest in organizing a conference where each organization can share their newest, most innovative methods for conducting household surveys. Perhaps papers can be commissioned and that could be published as a conference volume on survey design and implementation.**

## **B. PHND's Strengths, Weaknesses, and Comparative Advantages**

PHND demonstrates impressive strengths:

- A recognized track record of high-quality, policy-relevant research, with “agenda-setting” conceptual and methodological contributions in areas of intrahousehold resource allocation, the dynamic nature of poverty, and program evaluation.
- Access to panel data in several countries, much of it “home grown” through earlier PHND investments.
- Expertise in the integration of qualitative and quantitative research methods.
- Capacity to undertake original data collection in diverse and challenging settings.
- Linkages with other researchers at IFPRI and within the broader system of the Consultative Group for International Agricultural Research (CGIAR).

- Institutional credibility and capacity to communicate research findings to the policy community at the international and national levels.
- Joint work by economists and nutritionists.

These features give PHND a comparative advantage in the production of empirical policy research in a range of poverty- and nutrition-related domains, and particularly for research on topics of relevance to the countries in which panel data sets are available. Moreover, PHND has demonstrated a comparative advantage in the production of rigorous impact evaluations of conditional cash transfer programs in Latin America and middle-income countries in other regions. PHND has a comparative and possibly absolute advantage in research that requires the combined skills and expertise of international nutritionists, microeconomists and qualitative researchers.

While there are no obvious weaknesses in PHND’s ability to undertake the work currently in its portfolio, and evidence that the work done fits squarely within priority research areas, several areas of vulnerability merit leadership attention.

First, given that PHND, and IFPRI as a whole, is dependent on external resources raised largely through competitive processes, several associated challenges have to be managed. These are:

- The temptation to follow the money, at the risk of dilution and distraction. In any predominantly “soft money” organization, there is a risk that following donor interest will lead toward expansion of areas that are neither central to the core mission nor particularly promising in terms of research questions. In the future, one of the “temptations” may be around climate change, where both public and private donor interest is increasing. Given the long-run nature of the climate change problem, it is not immediately evident what the fruitful research agenda for PHND would be, and the division leadership should tread carefully, if at all, into responding to the demand expressed by funders.
- The incentives to overcommit. The need to “cover” the time of staff and uncertainties about future grants or contracts often leads to saying “yes” to more work than can be handled. This can lead to erosion of quality of the work and certainly of quality of life for staff. This risk can be mitigated to some degree by the availability of core resources to fill in gaps in funding, as long as the covered time is used productively to generate new research ideas and proposals, and to publish and otherwise disseminate completed studies. It can also be minimized by encouraging researchers to avoid piecemeal and small projects whenever possible, in favor of longer-term research efforts.

**Recommendation: PHND management should continuously strive to obtain funding that is fully consistent with its mandate, and with its researchers’ understanding of where the valuable knowledge frontiers exist and where PHND has a genuine comparative advantage.**

Second, for PHND to have its intended influence and impact on policies and program design requires that those who are making decisions have timely access to and understand the research findings. Although IFPRI has a strong track record of influence, the whole institution – and PHND as an essential part of it – needs to be aware of and responsive to evolution in how people get and use information. For example, videos, podcasts, communication through social

networking sites and other channels are likely to be of increasing importance, as a complement to the scholarly publications and other written materials. This implies that senior staff members need to continuously acquire and enhance their communication skills, and think creatively about how to reach key audiences. Moreover, it may mean that additional resources for dissemination need to be built into proposals' budgets and that communications professionals within IFPRI be engaged in decisionmaking at the outset about how those resources are deployed.

**Recommendation: PHND management should encourage staff to obtain the greatest policy influence and impact from their work by devoting time to work with professionals to develop a communications strategy for major projects, and then to implement it. This will often require including within the proposal input from and resources for communications and outreach activities. Rather than taking away from the research process, this is likely to pay off with funding renewals.**

### **C. Setting of PHND's Research Agenda**

Any research organization that must obtain a large amount of its funds from organizations that may have a narrow focus (or, even worse, a particular desire regarding the result of the research) faces the tension between what it perceives to be the topics most worthy of research and the research interests of its funding agencies. IFPRI in general, and PHND in particular, has a good track record of selecting the research activities that it thinks are most important for the purpose of bringing about a world free of hunger and malnutrition. This is most easily done with unrestricted funds, but as the proportion of total funds that is restricted increases there will be greater pressure to undertake research that does not fit within PHND's mandate.

Fortunately, both IFPRI as a whole and PHND in particular have more demand for their research services than they can meet, so they are in a position to choose the research projects that are most in line with the overall mandate of IFPRI and PHND. Moreover, PHND has recently obtained funding from donor agencies that specialize in research per se, such as the National Institutes of Health (NIH) and the Rockefeller Foundation. Obtaining funding from such sources has two advantages: i) It reduces pressure on PHND to focus on narrow topics since these agencies are open to persuasion about what type of research is most important for promoting IFPRI's goals; and ii) The competition for funds from these sources is very tough, which sets a higher bar on research proposal quality for the proposals that IFPRI submits.

**Recommendation: PHND should continue to seek research funding from organizations that specialize in funding high quality research, such as the National Institutes of Health and the National Science Foundation.**

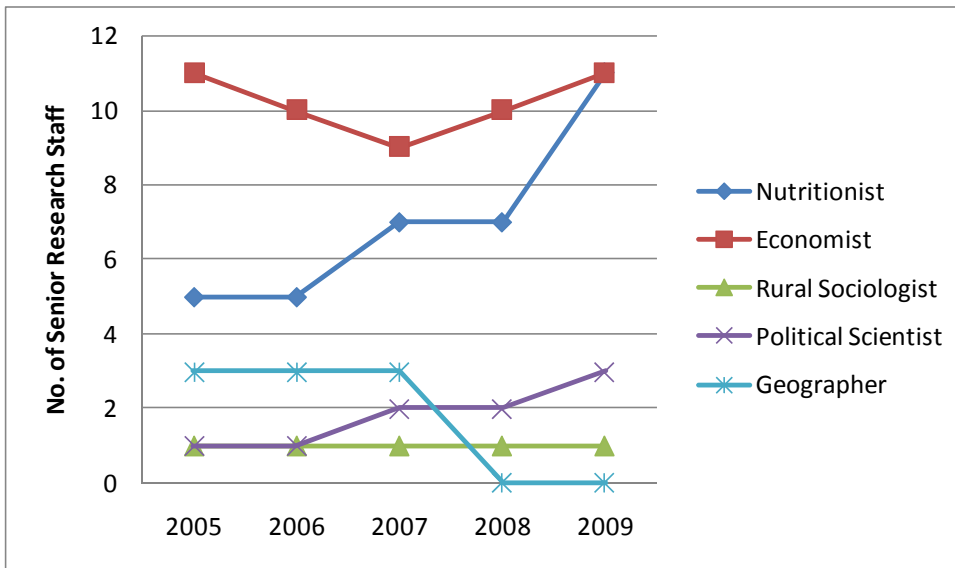
**Recommendation: PHND management should consider establishing an external review panel of renowned researchers who can get comments back quickly (e.g. within 1 week) so that PHND will get as much exposure as possible to a wide variety of viewpoints regarding its research portfolio.**

### **D. Distribution of Resources within PHND**

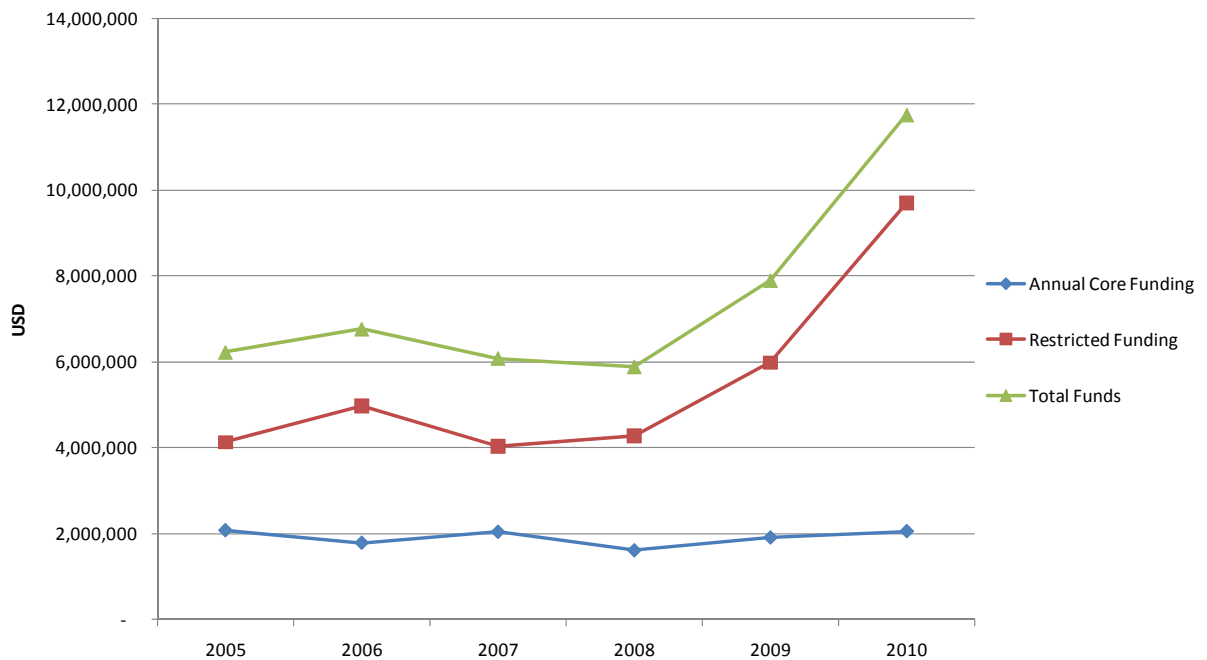
PHND's budget and staff have increased in important ways over the past five years (see Figures, from Essay).



**Figure 1. Numbers of senior staff and disciplinary breakdown, 2005–2009**



**Figure 2. Division budget trends, 2005-2009**



Currently, about 40 percent of PHND’s budget is dedicated to the Diet Quality program; 31 percent to the Human Capital program; and smaller amounts to the other four program areas (Pathways Out of Poverty, HIV/AIDS, Gender and Assets, and Agriculture and Health). Most staff members are assigned to more than one work program, and several staff work overseas.

The significant increase in the volume of resources reflects an overall IFPRI institutional strategy of growth, as well as the increase in demand from public and private donors for policy research on food, nutrition and poverty-related topics. During this period of revenue and expenditure growth, the research outputs have expanded correspondingly. However, the cadre of research assistants and administrative staff have remained relatively constant, as had the absolute level of “core” resources available for filling in funding gaps, making “venture” investments in new research areas, and engaging in the communications and other work that may not be fully funded through restricted funding.

**Recommendation:** PHND leadership should consider ways to “rebalance” the resources for research assistants, given that junior-level staff often make highly cost-effective contributions to the work program. The experiences of “twinning” research assistants in Washington with those in the field seem particularly promising. Potentially, IFPRI could obtain resources for research assistants by applying a standard multiplier within proposals – e.g., 75 percent FTE for an RA for every senior researcher FTE. The same might be done for administrative staff, if the administrative support is now seen as a binding constraint on researcher productivity.

**Recommendation:** Given the potential for those who are stationed outside of headquarters to feel isolated from the Washington team and “conversation,” PHND leadership should seek ways to proactively engage all staff (via video-conferencing and similar technology) in discussions about work-in-progress and division strategy. This might be through more regular in-house seminars or one additional retreat during the year.

**Recommendation:** The availability of core, unrestricted resources is vital for the maintenance of quality, productivity, independence and high staff morale. IFPRI should make every effort to expand the availability of unrestricted funding, allocated in a transparent manner across divisions.

## **E. Internal Incentives and Quality Control**

IFPRI as a whole has an explicit system of incentives, which vary for staff in different positions. PHND must adhere to these incentive guidelines, which is reasonable since those guidelines are well formulated. There are strong incentives to publish research in peer reviewed journals, and there appears to be ample space for rewarding good researchers by promoting them to the next level, e.g. promoting post-docs to research fellow positions and research fellows to senior research fellows.

In addition, PHND staff appears to have sufficient resources to improve their research experience and skills, including:

- Funds to attend academic conferences if they have a paper accepted to present.

- Encouragement to invite top researchers to come to the Division to present a paper and to interact with the researchers.
- Seed funding to start small projects with top researchers outside IFPRI, which should lead to a larger proposal and longer collaboration with those researchers.

While the review team was generally satisfied with the incentive system, it does have some comments on how it could be further improved:

**Recommendation: The incentive system may be too narrow. IFPRI is not just a research institute comparable to a university; it should also contribute to development. Hence, its main objective has to be to stimulate changes in both developing and developed countries that will reduce poverty and malnutrition in developing countries; and incentives should be designed to meet these objectives. Therefore, the criteria for advancement should consider, in addition to refereed publications, the number of research projects, funds raised, policy briefs, and discussion papers written, as well as influence and impact. Of course, it is crucial to emphasize quality of outcome in assessing each criterion.**

**Recommendation: For research fellows and senior research fellows, opportunities should be made for sabbaticals or shorter-term visits to other research institutions, or to policy-oriented institutions, so that they can learn more about others' research, initiate joint research activities, and learn more about policy issues.**

IFPRI has a strong procedure for quality control of any output (i.e., publication or final report produced by IFPRI). IFPRI publications (books, research reports, etc.) go through a Peer Review Committee (PRC), which is chaired by Ramon Lopez (Professor at University of Maryland at College Park) and which in addition has one external member. The PRC will assign the manuscript to one PRC member who will send it to two internal reviewers and two external reviewers. The comments will be then sent to the authors who will respond to the PRC. The PRC may ask for minor or major revisions or may even reject the manuscript. The revised manuscript has to be resubmitted within three months, but the period can be extended. In terms of control of quality of donor reports and process of research, the Division Director will normally assess the research reports before they are sent. Also, he will monitor closely the research process and, if he finds it necessary, can request an external review of the donor report.

On potential problem identified by the review team is that there seems to be “no time” for PHND staff to present either their research proposals or their research papers to other staff in PHND to get constructive comments. Part of the problem is that “everyone is too busy”, and there is also the issue that proposals often have to be submitted fairly quickly (e.g. within one month). This lack of feedback from colleagues could lead to lower quality proposals. An additional benefit of such presentations would be to expose research assistants and post-docs to a wide variety of research proposals.

**Recommendation: PHND should institute regularly scheduled lunch-time seminars at which researchers will present both research proposals and research papers. Lunch should be provided in order to encourage attendance (but researchers who get lunch must attend the seminar!), and such presentations should be required of most or even all research proposals and research papers. Overseas staff could participate via video-conferencing or Skype, and they could also be required to present via such technology.**

## F. How Much Growth is Desirable?

As has been the case for IFPRI as a whole, PHND's budget has shown tremendous growth in the last five years. Its 2010 budget is close to US\$12 million, the highest in the division's history. This is double the amount for the years from 2005 to 2008, which averaged about \$6 million. The division now has several multi-million dollar, multi-year projects.

Virtually all of this growth in funding is due to a very large increase in restricted funding (project-specific funds). In contrast, core unrestricted funding has remained constant from 2005 to 2010, at \$2 million per year. Thus in 2010 core funding will be only 17 percent of the total divisional budget, compared to 33 percent in 2005. The budget allocation by project, presented in Figure 5, reflects the shifting priorities of the division and the phasing out of the "Pathways from Poverty" and the "HIV/AIDs and Food Security" programs. The two largest programs in 2010 are the "Diet Quality, Health, and Nutrition" and the "Large-Scale Human Capital Interventions," which represent 39 and 30 percent of the division's total budget, respectively. It is expected that the "Gender and Assets" program will experience significant growth in 2010 and beyond, as will the Agriculture and Health Platform.

The changes in research priorities, budget allocation, and staffing reflect a combination of demand and supply factors. The demand for PHND work on social protection, food security, and nutrition, and especially its monitoring and evaluation work has rapidly increased. The 2008 food price crisis generated new interest in agriculture, food and nutrition, which could lead to future funding for the Agriculture and Health Research Platform. Interest in the role of women in agriculture and development has also been increasingly recognized in recent years, though major donor support is lagging somewhat (though this may change very soon).

Finally, there are a few trends worth noting: PHND is increasing its presence in South Asia, including posting professional staff there. More generally, PHND is posting professional staff in the countries where it is doing research, so that now about one third of professional staff are posted away from Washington (India, South Africa, Ethiopia, Vietnam and Bangladesh).

**Recommendation: Before growth in staff and budget overtakes the division, management may wish to add one full- or part-time managerial position (another deputy director) with a particular focus on nutrition-centered research. This would relieve some of the managerial responsibilities of the current division director, permitting her to focus on the healthy functioning and future of the division as a whole. Moreover, to back-up the within-division priority-setting and quality control, IFPRI may wish to create a position of Director of Research, as other CGIAR centers have.**

## G. Tensions Regarding Donors, Research Findings, and Perceived Mandate

To date, PHND has been fortunate and strategic in fostering a diversified funding base, which helps to maintain both the appearance and the reality of intellectual independence. This is particularly important in the case of the program evaluations, where funders may be tempted to use their influence to suppress negative findings and/or steer the conclusions in one direction or another.

**Recommendation:** Division management should be encouraged and supported by IFPRI leadership to continue to diversify funding, and to be alert to the possibility of excessive influence of one or more supporters. At all times, the “ground rules” regarding expectations of independence should be made clear to funders and other partners.

**Recommendation:** For the program evaluations, Division management and team leaders should consider a means of signaling the extent to which funding organizations that have commissioned an evaluation have permitted and / or encouraged disclosure of results. For example, descriptions of evaluations could clearly state that the client has waived, at the *beginning* of the project, any clearance process for publication of findings, when that is the case. This would create subtle reputational pressure or encouragement for others to follow suit, and it would also disclose to IFPRI’s audiences when there is a possibility of some type of publication bias (that is, reporting only positive findings).

The results from the large numbers of program evaluations implemented by PHND and organizations outside of IFPRI (e.g. MIT’s Poverty Action Lab), as well as those implemented by individual researchers, are an important public good, especially if they could be collected in a repository of some kind that would organize results by topics and regions in a way that would be accessible to both development organizations and researchers. Yet setting this up would be costly and none of these organizations, including PHND/IFPRI, may have the resources to do this on their own. One agency that could be interested and able to take the lead in this is the newly established International Initiative for Impact Evaluations (3ie), which has just started disbursing large amounts of funds to researchers to undertake program evaluations in developing countries.

**Recommendation:** PHND should contact MIT’s J-PAL, 3ie, the World Bank, and any other organizations that undertake or fund program evaluation research in developing countries do have a meeting to discuss how to set up a comprehensive program evaluation repository. In order to ensure that there is a record of *all* evaluations, not just of successful ones, this would include a registry of *all* evaluations at their inception. The 3ie may be the a suitable candidate to run this, but all organizations that conduct large numbers of evaluations could provide some funding to get this repository established.

PHND staff have become very well versed in many recent econometric and statistical methods for conducting program evaluation research. Yet there is still more to be learned, and there does not seem to be a comprehensive “handbook” that provides a thorough and rigorous presentation of methods of program evaluation.

**Recommendation:** PHND should consider organizing a conference inviting top econometricians, statisticians, and perhaps program evaluation researchers to present papers, especially review papers, of recent developments in program evaluation. The results should be published by IFPRI in the form of an edited volume. The conference and book should include both randomized and non-randomized quantitative methods, as well as qualitative methods.

## IV. Assessment of Specific PHND Research Themes

### A. Pathways from Poverty (Subtheme 7.1)

Research by IFPRI and other researchers in the 1990s, using relatively short-term panel data sets, presented evidence that households appeared to move in and out of poverty, although some of this movement may simply reflect measurement error. In any case, the dynamics of poverty have crucial implications for anti-poverty policies. If households' incomes do not fluctuate very much over time, then some households are "stuck" in "poverty traps," and researchers need to examine why they are "stuck." On the other hand, if incomes fluctuate then policies that reduce income risk, or that provide mechanisms to smooth consumption in the face of income risk, may be much more important. PHND's Pathways from Poverty research program has the general objective to improve understanding of the processes and policies that create or block pathways from poverty, and then use this understanding to assess the impacts of various poverty and malnutrition policies. In principle, these findings can be used to formulate policies and interventions that reduce poverty and improve nutrition in poor countries. The key data source for program is long-term (10 years or longer) panel surveys of households and individuals in six countries: Bangladesh, Ethiopia, Guatemala, the Philippines, South Africa, and Zimbabwe. The program formally began in 2002, and will conclude in 2010. During the first five to six years of the program the focus was on data collection, building on existing surveys. Research findings appeared around the middle of the program, and in the summer of 2009 (i.e. a few months ago) work was begun to synthesize the results.

When evaluating the success of this program one should not expect that data collection in all six countries will lead to consistently high quality data sets. This is a difficult data collection exercise, especially in poor countries where all kinds of problems can occur with any sort of research. Thus PHND is to be commended that research results were obtained from most of these countries, and results that have been published in top general economic journals, as well as top agricultural economics and development economics journals. The results have also received a large amount of very favorable publicity, for example, a full-page story in the *Economist* and citation in a World Bank report on nutrition.

These successes raise the question: Do we now have a good understanding of the dynamics of poverty? While this research program has improved our understanding, there is still much to be learned. Thus it appears premature to close this research program in 2010. Instead, it would seem that this research should be continued, perhaps in collaboration with the World Bank, which is planning to undertake a series of panel household surveys in Sub-Saharan Africa that will focus on agriculture.

**Recommendation: Additional consideration should be given to continuing the program, rather than ending it in 2010. New funds should be sought to continue at least some of these surveys, and the LSMS group at the World Bank should be approached to undertake joint research on better understanding the dynamics of poverty. "Future Plans" refers to "new strategic initiatives in risk management," but it is not clear where these are (seem to be distinct from the women's assets work).**

### B. Large-Scale Human Capital Interventions (Subtheme 7.2)

This research builds on the well respected research that IFPRI has conducted since the mid 1990s on evaluating conditional cash transfer programs (CCTs). (This was the “Targeted Interventions” research program.) This research program has two central objectives:

1. Evaluate social protection interventions that aim to reduce poverty, malnutrition, and vulnerability through promoting investments in human capital;
2. Develop and disseminate best practices in program evaluation.

The main focus here is to connect the human capital research that took center stage in the recently completed CCT research with another set of policies that are known as “social protection”. Yet it is not clear whether these two sets of policies fit well together.

**Recommendation:** The social protection umbrella seems very wide, encompassing almost any policy that could benefit the poor. To avoid spreading staff time and funding resources too thinly, the social protection intervention should focus on the more basic types of interventions (ensuring adequate consumption and enabling poor households to invest in physical and human capital) and put aside for now “transformational” interventions that are very large, country-specific and long-term (institution building and transforming institutions).

**Recommendation:** Serious consideration should be given to separating this research program into two distinct programs, one that evaluates social protection interventions and another, more technical one that focuses on program evaluation methods. The results of the latter should be as applicable to many of PHND’s other programs as it is to the social protection research.

**Recommendation:** Given the accumulated evidence specifically related to CCTs, the researchers should draw out “big picture” policy guidance regarding targeting, size and type of incentives, impact on long term human capital, and cost-effectiveness of different approaches. Findings, inferences and recommendations should be communicated very clearly and directly to the large segments of the policy community who are intrigued by the idea of CCTs but may be unfamiliar with the subtleties of design and implementation, as well as the evidence that will inform decisionmaking about whether CCTs are the best among several possible ways to address human capital and income deficits.

### **C. Strengthening Women’s Control of Assets for Better Development Outcomes (Subtheme 7.3)**

Largely because of the compelling findings from earlier gender research at IFPRI about the heterogeneous and gender-specific preferences and resource allocation within the household, the importance of gender as a variable is well understood throughout most of the IFPRI (and broader CGIAR) work. This has been achieved primarily through the on-going work of the IFPRI Gender Task Force, which engages with researchers throughout the Institute and plays a role in reviewing proposals and publications.

The current line of research, which represents a renewed effort after a period during which there was an IFPRI-wide Gender Task Force but no specific gender program, is attempting to look at the extent to which a gap exists between the assets of men and women, the correlates of and reasons for that gap, and the means of reducing it. The program seeks to “change the policy

narrative,” by moving from income as the only relevant asset to a broader conceptualization, and by focusing on the male-female gap rather than the level of women’s income or other assets.

This research, which takes advantage of the availability of large household survey data sets, is highly relevant, particularly given the current increase in policies and programs that seek to improve women’s status, both in absolute and relative terms. Insights from the nascent program are likely to be of significant interest to many in the development community, both those who self-identify as “gender experts” and those who are focused on specific sectoral areas, such as health, poverty reduction, education and others.

**Recommendation:** This research program should be the focus of intensive fundraising efforts in the coming years, as a number of foundations including the Bill & Melinda Gates Foundation and the William and Flora Hewlett Foundation may engage in specific grantmaking on these issues.

**Recommendation:** To gain the greatest impact from the work, efforts should be made to communicate the research findings within donor governments and low- and middle-income governments, as well as NGOs. A particular focus should be on informing the development activities championed by the U.S. State Department, which has identified improvement in the status of women and girls as a fundamental aim of the Obama Administration.

**Recommendation:** The research team may wish to consider a more explicit focus on the ability to bear children and the ability to control the timing and amount of childbearing as assets. This can be done without going outside of the stated mandate of the Institute or the division, and would contribute to a more comprehensive and policy-relevant picture, particularly for South Asia and Sub-Saharan Africa.

**Recommendation:** Given the stated hope that the research will “change the policy narrative” regarding women’s status and what can be done to improve it, the program would benefit greatly from an explicit discussion and action plan for policy communications and outreach.

#### **D. Diet Quality, Health and Nutrition (Subtheme 8.1a)**

This research program started in 2003, under the name “Diet Quality and Diet Changes of the Poor.” The motivation for it was the recognition that malnutrition is not simply a lack of food and calories, but more generally involved poor dietary quality, including both micronutrient deficiencies and overconsumption of unhealthy foods that contain excessive amounts of saturated fat, sodium, and added sugar. The micronutrients of greatest importance are vitamin A, zinc, iron, and iodine, which are especially important for women during their reproductive years and for infants and young children, who have especially high requirements for growth and development. Healthy diets should also include whole grain cereals, fiber, fruits, and vegetables. Rapid urbanization, income growth (which leads to changes in food preferences), and increasingly sedentary lifestyles can also lead to obesity and chronic diseases observed in mid- and low-income countries. Initially, the program has four specific objectives:

- a) better understand current global (and regional) patterns and changes in diets and dietary quality, and their health consequences;



- b) identify the key “drivers” of dietary changes;
- c) identify effective food policies and food-based interventions that improve dietary quality among the poor and prevent or revert the transition to unhealthy diets;
- d) develop tools to measure dietary quality, and to incorporate them into poverty measures.

The planned work on problems of obesity and chronic diseases (the “nutrition transition”) did not obtain sufficient funding, so this program focuses on low diet quality and micronutrient deficiencies among poor and vulnerable groups. The program is the largest one in PHND, employing 10 senior nutritionists and accounting for 40 percent of PHND’s budget in 2010. Among its most notable accomplishments are:

- In collaboration with WHO and other organizations, it developed a set of simple indicators of child feeding practices that measure the quality of diets of infants and young children, which have been officially endorsed by leading nutrition and health organizations (e.g. WHO).
- It has shifted the nutrition policy debate to focus on prevention of early childhood malnutrition, as opposed to treatment of it, in part because research in Haiti has shown that prevention is more cost-effective than treatment.
- It has developed nutrition interventions that have been shown to reduce childhood micronutrient deficiencies, e.g. “Sprinkles” (powder containing micronutrients that can be applied to home-cooked foods).

This program has been very successful, and its large share of resources PHND resources reflects its success in raising research funds. Its calculation of the cost-effectiveness of different types of interventions is very useful for evaluating the relative merits of different policies. However, given the unique mix of economists and nutritionists in PHND, bringing to bear more economic analysis will attract a wider audience to these issues and convince finance ministers to fund these interventions.

**Recommendation: Cost-benefit calculations should be applied, based on the impact of nutritional interventions (e.g. micronutrient programs) on children’s incomes when they are adults, including the impact of these interventions on education outcomes. Long-term follow up of these interventions, similar to the ongoing INCAP study in Guatemala, is one method to set the stage for cost-benefit analysis.**

#### **E. HIV/AIDS and Food Security (Subtheme 8.1b)**

This subtheme is shifting to a new phase after several years of building a “network of networks” of researchers, practitioners and members of the policy community with an interest in the relationship between HIV/AIDS and food insecurity and malnutrition. There have been notable achievements under the program in terms of publications, conferences and capacity-building, and some demonstrated impact on international organizations’ awareness of the issues and practices (e.g., UNAIDS). The program will soon move out of IFPRI to another institutional home, with different leadership.

While the program addresses important issues, it seems to have not quite “fit” into either the Division or the Institute. That may have been because of some persistent myopia about the bi-directional relationship of HIV/AIDS to agricultural productivity and/or the difference between traditional IFPRI research and the way this program went about setting priorities and communicating findings.

**Recommendation:** Despite some achievements, the experience of this program may offer a cautionary tale for future priority setting. IFPRI may be able to accommodate and appreciate a “new” topic addressed with familiar methods (e.g., looking at gender using microeconomic frameworks and methods in the first round of gender research), or it may be able to find value in using new methods to explore enduring questions (e.g., large-scale random assignment evaluation at the time of PROGRESA). But it may be profoundly challenged to take on simultaneously a new topic and new ways of working.

**Recommendation:** With the shift of the HIV/AIDS program out of IFPRI, management may wish to institute a “light” way of maintaining some awareness of the issue, which affects agriculture and food-related policies and programs in several important countries, particularly in Southern Africa. One option to do this, as for gender, might be to create a Task Force.

#### **F. Agriculture and Health Research Platform (Subtheme 8.1c)**

IFPRI has created the Agriculture and Health Research Platform with the following objectives:

- develop partnerships between the agriculture and health sectors that draw on mutual strengths in filling major knowledge gaps at the interface between agriculture and health;
- build on common ground shared by researchers, policymakers and practitioners;
- develop and adapt methodological tools to link agriculture and health in research, policy and practice; and
- communicate through publications and outreach.

Early activities focused on creating the institutional arrangements, such as an advisory panel and a core group, fund-raising, and conducting the first round of calls for proposals. That call resulted in 133 concept notes, of which three research projects were funded at about \$230,000 per study. The topics are quite specific in nature and, while they are focused at the intersection of agriculture and health, they will likely have a rather narrow audience.

IFPRI in general, and PHND in particular, have great strengths to bring to this topic. The challenge will be to make the “extramural” research that is awarded competitively as strong and policy-relevant as the intramural research that is the basis of IFPRI’s stellar reputation. This will depend on strategic priority-setting, significantly expanded resources, and luck.

**Recommendation:** If management has not already done so, it would be useful to have explicit expectations about both the intellectual contributions and the scale of the platform over the next two years, and then to have the self-discipline to ask the hard questions about achievements at the end of that period. During this start-up phase, caution is advised about the number of collaborations and partnerships and the scope of topics taken on. It

would be better to succeed with a somewhat limited set of partners and topics than fail because of an over-extended mandate and costly processes and relationships.

**Recommendation:** Given the strong relationships that other parts of PHND and other IFPRI Divisions have with institutions that might have an interest in supporting the platform, colleagues should be encouraged by management to share information about and promote the Agriculture and Health Platform. So, for example, when fundamental questions about health-related behaviors arise as the result of the program evaluations, those team members could encourage funders to support the platform as a means to address the questions.

## **VI. Conclusion**

The CCER review team has a very positive view of the research contributions of the PHND and recognizes the thoughtful and effective efforts of the Division's management team. The recommendations offered are generally in the spirit of "keep up the good work," with some suggestions for productive research avenues, enhancement of communication for policy impact, and continued attention to the challenges of maintaining acoherent, shared mission during a period of rapid growth and engagement with diverse funders.

## **Center-Commissioned External Review (CCER)**

### **Market, Trade, and Institutions Division**

Ulrich Koester

David Zilberman

#### **Introduction**

The Center-Commissioned External Review (CCER) took place at the International Food Policy Research Institute (IFPRI) Headquarters in Washington, D.C., from September 21 to 25, 2009. The reviewers benefited highly from the excellent preparation by IFPRI. IFPRI had sent numerous internal documents and publications. Thus, the reviewers had a fairly good understanding of the work of the Division and its output. The one-week work at the Institute allowed the reviewers to get to know the working atmosphere in the Division, the setting of the internal incentive structure, the hiring procedure, and, in particular, details on the individual research projects. The extensive study of the documents and publications prior to the visit had convinced the reviewers that the Division was highly productive. Hence, the reviewers started their work with a strong prejudgment, which was completely supported by the evidence. Consequently, this document is in general less critical. The main purpose is to provide some food for thought concerning future activities. Of course, the reviewers are aware that any suggestions include value judgments and will not necessarily be shared by everyone. Nevertheless, we hope that this report will be of value and may contribute to an even more efficient Division.

#### **Structure and Personnel**

The Markets, Trade, and Institutions Division (MTID) was created in April, 2003. The two former divisions, “Markets and Structural Studies” and “Trade and Macroeconomics,” were merged. According to the new structure, MTID was supposed to link international trade policy questions with research on domestic markets. In addition, the Division has received the explicit task of dealing with institutional problems.

The Division has changed significantly over the last few years. The present Director, Maximo Torero, took office just less than three years ago. He reshaped the Division significantly and gave new directions to the research agenda. Fortunately, he was able to hire new staff. More than 50 percent of the staff (17 staff members) has been hired over the last three years, amounting to a total number of 32 in September, 2009.

The Division has a large team of dedicated personnel (Table 1). There seems to be a strong commitment across the board to research on policy relevance, social significance, and quality and rigor; and most of the economists we met have pride in the work and the organization.

The hierarchy within the organization is well defined, and the staff seems to live well within the institutional structure. We can divide the staff into four groups, with whom we met.

### *Research Assistants*

The research assistants (RAs) trend to have a Master's degree or similar background in development or agricultural economics. They are assigned a variety of jobs—from data collection, literature review, to analysis—and the ones we met were appreciative of the open door policy and mentoring in the organization. They consider the salary low, yet sufficient to maintain a decent lifestyle. One complaint is that there is an implicit “Ph.D.” barrier that limits their access and influence. This limitation is reasonable, but it is important to open opportunities and allow outstanding individuals to reach their potential even without a formal diploma. That said, the RAs are very appreciative of the opportunities they are given and find their stay at IFPRI as an excellent entry to a career in economic research. The time which an RA works at the Institute is officially not limited, but most RAs stay for only two or three years, and the Division encourages the RAs to pursue their Ph.D. Several of the previous RAs are in top economics and agricultural economics departments. The Division and colleges keep contact with these individuals, and some continue to participate in the Division projects. Interviews suggest that they are interested in continuing their relationship with IFPRI, and some consider returning to the Division as a Postdoctoral Fellow. The mentoring program is a very effective way to train future economists from developing countries to obtain research support and build a future pool of Postdoctoral Fellows.

### *Postdoctorate Researchers*

We found that the unit has an impressive group of postdoctorates from leading universities in the United States and Europe. A significant number of postdocs have an economics degree, with a specialty in Development Economics. Several have already published papers in good journals, and they are dedicated and hardworking. The procedure used for recruiting postdocs is crucial for the quality of the whole research staff of the Institute as discussed below.

Maximo Terero developed a new strategy of rebuilding a strong staff. His basic idea is to attract young highly promising postdocs who, after a period of three years, may be promoted to Research Fellows and later to Senior Research Fellows. The great advantage of this strategy is that the uncertainty about the prospective performance of newly hired Research Fellows will be minimized as the three-year period allows testing the qualification and motivation of the potential candidates. However, it is crucial that the incoming postdocs be highly qualified. The procedure chosen by the Director secures that he can select best candidates. The process of hiring postdocs is as follows.

The position is advertised internally and externally as was done in the past. In addition, Maximo started formally advertising in the *AEA Jobs for Economists Newsletter* and continued the IFPRI tradition of using the AAEA facilities for recruiting.

Applications are received via the online application system (SONIC). About 40 candidates are selected based on publications, references, and personal contacts with faculty. In contrast to past hiring procedures, about five Senior Research Fellows attend the Allied Social Sciences Association (ASSA) meetings and interview about 30 to 40 candidates, leading to a short list of 10-15 candidates.

The search committee reviews papers, resumes, references, and recommendations from the team interviewing at the ASSA meetings and ranks the short list, from which candidates are selected

to be interviewed at IFPRI. At IFPRI, candidates present their job market paper and go through several interviews with most of the researchers of the Division. The search committee recommends the final candidate to the Director General. The Director General reviews the candidate's application material and makes the final hiring decision.

This expansion of the pool of potential employees of IFPRI is likely to increase quality and range of expertise. Yet, it is important to rely on multiple sources of new staff to include both economic and agricultural economic graduates, and maybe graduates of schools of public policies, and consider a broad range of Ph.D.-feeding programs from the United States, the EU, and the rest of the world. The Division recognized the importance of building high quality human capital stock. They are willing to raise the pay for postdocs in order to be competitive. In some cases a job candidate who has a University appointment gets a part-time appointment with IFPRI, to allow her to pursue an academic career and a research program in IFPRI as well. In some cases IFPRI establishes a relationship with the advisor of new postdocs to help the postdoc program and increase the capacity at IFPRI. The postdocs, for the most part, are eager for effective mentorship.

The postdocs are assigned to a project and gradually assume responsibilities of their management. They are given some time to publish (in general three months per year with payments from the core budget), and they are not expected to raise funds. The main criterion for promotion to the position of a Research Fellow is publication.

The postdocs like the collegial work environment, the real-world relevance of the work, and the unique data sources and experimental situations they encounter. They appreciate the guidance and mentoring they get with respect to research problems and working in developing countries. However, interviews we had suggest that some of the postdocs would like more intellectual mentorship, and they feel that in some areas in the Division the number of senior staff is too small to provide leadership. Nevertheless, they appreciate the Division's close working relationships with university professors like Carlos Martins-Filho. This exposure to experts has upgraded the capabilities of the postdocs in areas like econometrics and experimental economics. Some of the postdocs do not expect to stay in IFPRI in the long run due to desire to teach and be part of a university and because of the difficulty to maintain the travel-intensive lifestyle that the work in IFPRI requires.

**Recommendation:** The procedure of hiring postdocs has proven to be highly beneficial for the Division and, hence, can serve as a model for the whole Institute. However, one flaw of the project that can lead to negative outcomes is the heavy reliance on U. S. job market outlets and intensive targeting of graduates of U. S. universities. Thus far, despite these biases, the staff is diverse and includes graduates from U. S. universities and many individuals from a diverse academic outside the United States. Yet, attention should be given to maintaining and improving diversity while emphasizing excellence. Even though the ASSA is becoming a global market for economists, emphasis should be made to expand the recruitment process to assure a broad cultural background, which could make the work in developing countries highly effective.

### *Researchers and Senior Researchers*

Researchers seem to be much younger than 10 and 20 years ago. The age effect follows directly from the recruiting procedure. Thus, most researchers have three to five years of experience in economics or related fields. Interviews revealed that researchers are supposed to multi-task and

engage in fundraising for multiple projects/grants; conduct research; collaborate with researchers in developing countries; supervise project performances; write project reports, research reports, discussion papers, policy briefs, and journal articles; and get involved in the policy debate in their countries of research. Most of the researchers are engaged in several projects (up to five and six), and most of the projects in the Division are large and are in the range of US\$ 200,000 - US\$ 300,000.

Most of the researchers are highly motivated and enthusiastic about their work and proud of their projects. They see the Division as a good employer allowing them important and high quality work. They view themselves as applied development economists, and their professional aspirations are consistent in the Division, namely, doing good and relevant research influencing policy and publishing in a top outlet of applied economics and developing economics journals. One complaint is a need for professional support and mentoring that are perhaps available at top universities. However, the major complaint is about travel and workload. This complaint has been repeated across all ranks. Travel takes time and is tiring. There is a need to respond to users and donors, and the time available for research analysis and introspection is limited. Some of the researchers, postdocs, and assistants are working 60 hours of work or more. Most view some of their work to be contributing to their own human capital and future employment opportunities. Nevertheless, the workload is excessive. Lack of sufficient time compromises the quality of research and may prevent some research products to reach the best outlets.

The senior researchers are well experienced in the field. Most of them have well-established records and decent rates of publications in mostly applied economics journals. They have a good rate of recognition based on citation rates (several have H factors of 15 and above, which is very good for applied economists. These H factors are likely to increase with age, so some of the young researchers are doing very well in terms of their citation rates adjusted for their experience. Some of the Visiting Senior Research Fellows (Carlos Martins-Filho and David Orden) are extremely valuable resources of both technical knowledge and strong foundation in subject matter and provide valuable mentorship in the Division. The continuing effort to increase the number of Senior Fellows are very important in addressing the needs of planning better training and mentorship that would allow the Division to meet its research and policy objectives.

#### *Division Director*

The Division Director has a clear vision of the direction of the program and the combination of high quality and impactful research the Division should generate. He is an excellent director because he combines a very strong academic capability with excellent policy sense, entrepreneurship, and inter-personal skills. He has a very good assessment of the capabilities of his team members and potentials. He is well connected and strives wisely to augment the capability of the group and the Division. He has built an environment that is target oriented yet allows individuals to express themselves and reach their potentials. He is well respected and well liked by all members of the Division. However, there is a significant capability gap between the Director and other senior researchers of the Division, and we cannot foresee him being replaced from within if he should leave. We recommend maybe hiring one or two individuals at the senior researcher level to augment these leadership skills within the Division and also to strengthen programmatic capabilities.

## Internal Incentive System and Quality Control

### *Incentive System*

MTID has in place a system of incentives, which is linked to the obligations of their specific position levels.

- *For Postdocs:* The incentives are aligned with their success in journal article publications or IFPRI peer-reviewed publications.
- *For Research and Senior Research Fellows:* The incentives are linked to journal articles and IFPRI externally reviewed publications as well as success in fundraising and the impact of their projects.

All researchers have access to funds for the following purposes:

- Capacity building.
- To attend academic conferences if they have a paper accepted and to present.
- To invite a top researcher to come to the Division to present a paper and to interact with the researchers.
- Seed funding to start small projects with top researchers outside IFPRI, which normally will tend to result in a joint paper and in a proposal so that the collaboration will continue over time.

The Division has a policy of supporting capacity-building activities that help RAs perform their jobs.

**Recommendation:** The incentive system seems somewhat too narrow. IFPRI is not just a research institute comparable to any university institute, but it is supposed to contribute to development. Hence, its main objective has to be to stimulate changes in developing countries or in developed countries, which will be in favor of developing countries, and incentives should be designed to meet these objectives. Therefore, the criteria for advancement should consider, in addition to refereed publications, the number of research projects, funds raised, policy briefs, and discussion papers written as well as influence and impact. Of course, it is crucial to emphasize quality of outcome in assessing each criterion.

### *Procedure for Quality Control*

IFPRI has a strong procedure for quality control of any output (i.e., publication or final report produced by IFPRI). Any publication produced by IFPRI will go through two channels:

If it is a discussion paper, it will be reviewed by the Division Director and by one internal or external reviewer. MTID has for the majority of cases also an external reviewer. In addition, IFPRI has an appointed external editor for discussion papers who will review the discussion paper and the reviews.

IFPRI publications (books, research reports, etc.), will go through a Peer Review Committee (PRC), which is chaired by Ramon Lopez (Professor at University of Maryland at College Park) and which in addition has one external member. The PRC will assign the manuscript to one PRC member who will send it to two internal reviewers and two external reviewers. The comments



will be then sent to the authors who will respond to the PRC. The PRC may ask for minor or major revisions or may even reject the manuscript. The revised manuscript has to be resubmitted within three months, but the period can be extended. In terms of control of quality of donor reports and process of research, the Division Director will normally assess the research reports before they are sent. Also, he will monitor closely the research process and, if he finds it necessary, can request an external review of the donor report.

### **Setting the Research Agenda**

The research agenda of the Division is directly linked to the IFPRI strategy and is relevant to the CGIAR System Priorities. The main criteria in setting the research agenda are to:

- Conform to IFPRI's mission to provide policy solutions that reduce poverty within the thematic priorities of the Division (i.e., global, regional, and national trade agreements and market reforms; agricultural diversification to high-value products; role of institutions and infrastructure in market development; and food and water safety).
- To be innovative and focused on impacts addressing the current emerging issues that affect the dynamics of linking farmers to markets and people to markets. This implies not only looking to the demand side but also looking to the supply side.
- Be based on IFPRI's comparative advantage to produce results applicable to many countries—that is, international or global public goods.

The actual “how to” of setting priorities is not merely demand driven (even though response to demand is crucially important in urgent situations like the food crisis) but is driven by the philosophy not only of defining strategic research projects from the “top down” but also of placing high value on the creative initiatives of the researchers in the Division and their collaborators in developed and specially developing countries in the broad context of priority areas identified from the “bottom up.”

Regarding the regional focus, the Division has tried to diversify across the three priority regions of IFPRI (Latin America, Asia, and Africa). However, if an important policy question and research gap will be identified in a developing country outside those three regions, the Division explores possibilities to pursue such research. For example, the Division may consider conducting research projects in Eastern Europe and expanding its program in Latin America. Regarding subject matter, the Division should continue to expand the range of commodities it investigates to accommodate the activities in which poor farmers exist. That may include tobacco and drugs on one hand and agrotourism, biofuels, and various specialized crops on the other hand.

### **Research Overall**

The Division has been assigned a portfolio of topics that includes both the traditional agricultural markets and trade and more novel topics of infrastructure and institutional design, high-value agriculture, and food and water safety. This diverse portfolio leads to a diverse set of methodologies including Computable General Equilibrium models, econometrics, institutional analysis, mechanism design, and experimental economics. The combination of issues and tools has led to a creative and original research program that resulted in important methodological as well as policy innovation, and led the Division to be a full front of research and important areas

of development and applied economics. The research output of the Division is diverse and includes several highly cited IFPRI reports and policy briefs. Table 2 suggests several IFPRI reports have hundreds of downloads. The Division has also a large number of publications in both leading economics and general economics and applied economics journals. They have been able to publish in top journals, such as *Journal of Econometrics*, *Quarterly Journal of Economics*, and *Economica*, as well as leading field journals like *American Journal of Agricultural Economics*, *World Development*, *Economic Development and Cultural Change*, and *Environmental and Development Journal of Economics*. The quality of the research, represented by the number of citations and file downloads, are well presented in Table 3 below.

The Division has seen an increase in the number of annual publications. In 2008, MTID published more journal articles (33 including 8 forthcoming), research reports (3 including 1 forthcoming), book chapters (36 including 17 forthcoming), discussion papers (25), policy briefs (20), policy reviews (2), and working papers and reports (34 and 1 forthcoming) than at any other year since 2004. This increase in the total number of publications reflects, in part, the growing size of the MTID team. However, it also indicates the increased productivity of individual researchers; on average, the Division published 1.9 journal articles, 2.1 book chapters, 1.5 discussion papers, 1.2 policy briefs, and 1.5 working papers per researcher (Senior Research Fellows, Research Fellows, and Postdoctoral Fellows) in 2008 compared to 1.5, 1.9, 0.8, 0.3, and 0.6, respectively, in 2007. Overall, the average number of publications per researcher was 9.6 in 2008, up from 6.3 in 2007.

IFPRI's priority is external peer-reviewed publications, i.e., IFPRI research reports, books, and journal articles. Moreover, IFPRI sets strong incentives for researchers to publish in top journals in developing economics.

### **Globalization and Market Group**

The purpose of this group is to analyze policy and institutions that manage international trade in food products, emphasizing impacts on the poor. This group has strong emphasis on use of CGE modeling, but it also provides institutional and partial equilibrium analysis of trade issues.

Traditionally, IFPRI's strength has been in CGE analysis. It lost some capacity in this area, and the MTID has established a new CGE capacity during the last five years. This capacity is built on expansion of the Modeling International Relationships in Applied General Equilibrium (MIRAGE) model developed in France. This is a global trade model, and it relies on the Global Trade Analysis Project (GTAP) database, which is partially expanded. The model is more theoretically rigorous than other CGE models and in part less based on unrealistic assumptions. Two main improvements concern the more realistic inclusion of trade preferences and quota rents into the model. Consequently, the results will allow more accurate quantifications of the effects of trade liberalization for specific countries.

One specific study of the group contributed significantly to the policy debate and the recognition that a failure of the Doha Round would not just mean a continuation of the status quo, but a significant loss of present welfare as individual countries might increase applied tariff rates to the bound rates.

While we have reservation about the accuracy of the results and they have to be interpreted with caution given the strong assumptions behind the CGE models, they nevertheless emphasize the importance of completing trade agreements and the perils of the failure of the trade negotiations.

Some of the evidence of the value of the analysis in the global trade negotiation was documented in a report by Joanna Hewitt. One major complaint was that they were not available on time and, as the CGE model is further developed and applied regularly, more emphasis should be given to timely provision of results.

Another application of the model relates to the impacts of U. S. and EU biofuel policies. IFPRI was an active participant on the global debate on the impacts of biofuel on the poor, using the modeling capacity of the Environment and Production Technology Division (EPTD). The MTID model has not been active in the debate thus far, but the MIRAGE model allows us to better understand the indirect land-use effect of biofuel and can lead to more accurate assessment of the overall affect of biofuels. As the debate of biofuel moves forward, there will be a growing premium to this more advanced capacity.

One may question why IFPRI should invest in another CGE model, since there are already many CGE models around. One reason is that models differ in their assumptions and utilizations, and the debate on assumptions allows gaining insights and generates better policies. A second reason is that organizations that control CGE models have different agendas and, without a CGE capacity, IFPRI will be limited in its ability to be an effective participant in policy debate and to provide the perspective of the poor. A third reason relates to some of the actual planned use of the CGE model of IFPRI as an educational and empowering tool for policymakers in developing countries. The idea of bringing the CGE to the field is very powerful. As policy debates are becoming more quantitative and representatives of developing countries are more sophisticated, IFPRI should aim to educate policymakers in developing countries on how to interpret and use CGE results to make positive contributions to the policy debate.

The existence of multiple IFPRI policy analyses to a policy problem like biofuels is another cause for concern, especially if the analyses answer the same question. We urge the MTID and the EPTD to coordinate their activities and have an integrated product that takes advantage of the capabilities of both divisions and allows a better integrated IFPRI policy approach to major policy issues.

Having made some supportive statements concerning the justification to continue work on CGE models at IFPRI, one should, however, take into consideration that heavily inaccurate quantifications of trade effects can harm the reputation of the model builder and also the Institute for which he works. In order to avoid this danger, we recommend the following:

First, so far, the models assume that there is constant employment, which implies that the adjustment process is smooth; hence, countries can easily move on their production possibility curve. However, it is well known that reality differs significantly. Unemployment as the consequence of reduced protection is not only a mere fear of policymakers, but also observed in reality. However, it might well be that this effect materializes more for unilateral liberalization than for multilateral liberalization. Hence, the research results could improve if the compensating effect were elaborated. Moreover, specific country studies should be undertaken to identify how countries could mitigate the adjustment problems and could actually gain, if not in the short run, at least in the medium run. These country studies could also question some other specific assumptions of neoclassical trade theory, which are taken up by the “new new” theories of trade (see World Trade Organization, World Trade Report, 2008).

Second, the models assume that the effects on world welfare can be quantified based on welfare theory. However, welfare economics assumes among others that the marginal utility of income is

the same for all individuals. This is certainly an assumption, which policymakers in developing countries would strongly reject. Hence, it is recommended that the focus be more on country effects and less on world welfare effects. Moreover, the CGE models are based on comparative static analysis and neglect dynamic gains from trade, which may arise from capital flows, transfer of technology, migration, as well as from changes in the attitude and behavior of people. Consequently, more trade could lead to a change in the attitude of people with respect to changes and, thus, trade could be a main vehicle for promotion of development.

The CGE work is a major but not the sole work of trade in the Division. One important area of research is on the impact of domestic and trade policies in developing countries. This work is both quantitative and institutional and provides policymakers in developing countries various ways that policies in the United States and Europe can affect exports of developing countries. One notable study is the research on the impact of phytosanitary regulations in the United States on exports of avocado from Mexico. This study documented that food safety regulations have served as trade barriers and documented that the practices in Mexico are consistent with the U. S. regulations. Thus, this contributed to enabling export of avocado from Mexico to the United States. Another line of work is research on a free trade agreement in Latin America and Africa. The work in Africa documented that reduced trade barriers improved welfare even in a period of rising food crises and contributed to maintaining the emerging free trade agreement in Eastern and Southern Africa. Similarly, the work on CAFTA, the common market in South America, demonstrates against this arrangement. The importance of this work is that they involve workshops and interactions with policymakers in developing countries, which seemed to have an impact on the field.

The globalization and markets program has also the ambitious objective to continue utilizing CGE models to understand the impact of political economic considerations on trade and to study trade under alternative scenarios under climate change. It also aims to explain the work on trade barriers and transaction costs and to study the impact of climate change of trade on poverty agenda through the CGE models. The future plan also considers some case studies on impact of regulations on various countries. Altogether, this is a reasonable program that allows the unit to capitalize on its existing strength. Nevertheless, the research on globalization and market seems to overemphasize use of CGE models and can benefit from expansion of econometrics and other applied research tools. One, in particular, is potential gain from case studies that will investigate in more detail gainers and losers in trade and, most importantly, would reassess from past performance some of the key assumptions that are behind the prescriptive analysis today. In sum, we have several recommendations.

**Recommendation:** (1) IFPRI should have a strong CGE capacity. Otherwise, IFPRI would not be a fully accepted contributor to international trade debate and trade negotiations. There is a worldwide need to improve the understanding of CGE trade models, and IFPRI could enhance the understanding and training in the use of CGE in developing countries. Moreover, IFPRI needs to enhance visibility and have a central role in all trade policy debates to take advantage of its analytic capacity. One approach to enhance the impact of IFPRI is through organizing workshops and other forms of debate both in developed and developing countries. (2) IFPRI CGE modelers need to be careful of the limitations of the modeling capacity and make the users aware of them. There is a need not only to improve the models, but also to complement the models with specific country studies. IFPRI has certainly a comparative advantage in the selection of specific countries and in advising countries how to capture the benefits from trade

liberalization. (3) The present IFPRI team working on CGEs is overworked and cannot accomplish the broader research agenda. A more balanced methodological approach would require including more econometricians and applied economists on the team.

### **Participation in High-Value Agriculture**

It is well known that value-added activities enhanced significantly the income of some farmers. One major question is: How do poor farmers benefit from these value-added activities? Farmers in developing countries have a relative cost advantage in producing high-value crops and other value-added activities, but they suffer from credit and risk concerns. The objective of the research is to assess how small farmers benefit from value-added activities to determine what the barriers are that prevent small farmers from participating in these activities, and how the barriers can be removed. The research mostly includes applied econometric studies that address various questions.

Since frequently value-added agriculture is associated with contract farming, one major issue was the impact of contract farming on smallholders. One study evaluated the impact of contract farming in China and identifies several factors including location, labor availability, and how political connection affected the likelihood of getting access to contract farming. It also showed that contract farming increases earnings. Another study in Ethiopia showed that the production of high-value crops was not associated with the increased price of grains but rather that the production of high-value crops can increase earnings. A study in Laos identifies the barriers to market access related to poverty. A study in Vietnam also demonstrated the increased emphasis in production rather than marketing by extension agents. Other studies estimate consumers' willingness to pay in different food outlets (supermarkets vs. other traditional outlets) and approach traders to investigate their expectations and requirements for high-value agricultural products. The research on contract farming includes several experiments that will be addressed in the discussion on contracts. Some of the studies were published in good agricultural economic outlets, and the results of the research in Vietnam and Laos were communicated to appropriate decision makers.

The work on high-value agriculture is very important and is likely to present many opportunities in the future. The emphasis thus far has been on the impact of understanding the supply side (farmer) of high-value agriculture and providing information to dispel false perception about its impact (high-value agriculture doesn't increase the price of grains). However, the work in high-value agriculture can be expanded in several directions.

First, more work needs to be done on the demand side of high-value agriculture. Some researchers have already investigated the perception and behavior of traders, but this work has to be expanded. It is important to understand the potential bias of high-value agricultural products and their incentives, concerns, and constraints; how they exercise market power; and how they are likely to be involved.

Second, the research on high-value agriculture should emphasize understanding the supply chain in developing countries and how small farmers can fit within the supply chain.

Third, while supermarkets are small players in many countries, their market shares are likely to increase. A program on the impacts of supermarkets where they penetrated and the understanding of how they are likely to affect the small farmers will be of much value.

Fourth, most of the research on supply chains relied on traditional tools of agricultural economics, emphasizing the demand side without much emphasis on the behavior of the various business firms involved. The research should emphasize the tools and approaches that have been taken by scholars of agribusiness. Agribusiness is becoming the major area of emphasis in departments of agricultural economics and business schools. IFPRI can contribute to the expansion of agribusiness in developing countries and how agribusiness can affect the poor.

Fifth, the perspective of high-value agriculture by the Division is rather narrow and includes mostly high-value specialty crops. However, high-value agriculture may include special varieties of grains and meats and also products with a higher hygienic standard. It may integrate farming and processing (think of Parma ham). It may include agrotourism and provision of inputs for recreation. One of the major advantages of IFPRI is its exposure to large value-added opportunities in agriculture, and exposing these opportunities to farmers in developing countries should be prioritized.

**Recommendation:** It is recommended that research on high-value products can be expanded. High-value products present major opportunities for farmers. However, the increased likelihood of marketing high-value products through supermarkets could endanger small farmers if they are not adequately incorporated in the supply chain. Hence, it is also recommended to study supply chain and develop a research program on agribusiness in developing countries.

### **Institutions and Infrastructure for Market Development**

Investments in roads, water projects, and other infrastructure have been perceived as a major activity to enhance market performance and reduce poverty. However, the many barriers to introduction of infrastructure and the implementation of infrastructure projects have a strong impact on the poor. Furthermore, there has been a growing recognition of the complementarity between the infrastructure and the institutions that are associated with them, and the design of institutions has a long-term impact similar to the design of infrastructure. We applaud the Division for establishing a major research program on infrastructure, institutions, and their impacts on market development and the poor. This research effort is applying sophisticated economic tools including mechanism design and dynamic experimental economics.

The research program has several areas of emphasis. First, it investigates the complementarity between various types of infrastructure using econometric analysis; it demonstrates the significant complementarity between investments in communication as well as transportation infrastructure. It further investigates the conditions under which the different types of infrastructure have relative priority and advantage. It also includes another line of research that demonstrates the relevant heterogeneity within the farming community and, therefore, develops priorities for targeting investments and infrastructure (or other activities) taking into account both poverty and potential for improvements. The econometric analysis using a nonparametric econometric is creative, powerful, and likely to produce a large set of publications. The emphasis on heterogeneity is commendable because it shows the different types of infrastructure and differentiates impact according to gender. There are several interesting studies addressing a number of infrastructure issues in various regions of the developing world. This creative line of research is only in its infancy, and in the future there is a potential to investigate how different types of infrastructure affect the age group, how it affects not only profitability and economic

welfare but also health and environmental quality, and how infrastructure development affects processes of migration and population dynamics.

A second line of research on institutional design emphasizes the use of experiments. The experiments are applied to three different types of situation. First, is in contract farming where various incentives are introduced to improve farmer performance as part of their contracts. For example, farmers are being asked to enroll in “frequent milkage,” namely, they get extra credit for continuous supply of milk to certain processors. Another application of contracts is offering farmers improved input choices, including extension, in exchange for delivering higher quality paid at higher prices. One advantage of this experiment is the required cooperation with the enterprises or cooperatives that provide the contracts to farmers, and this experiment triggers a process of adoption (for example, if a dairy continues to behave in a manner triggered by the incentive after the experiment is over, and then others follow suit).

Another set of creative experiments is in weather insurance, where farmers are offered to buy units of insurance contracts that pay according to the weather condition (for example, during droughts). These innovative contracts are simpler than the current contract available to smallholders and are also scalable. Other experiments attempt to investigate the impact of a price scheme on productivity and quality, investigate better mechanism to provide access to credit, and investigate the impact of land titling on behavior and choices. All these studies are based on sound economic principles and involve clever experimental designs. Some contract and experiment studies are already being published, and many of these studies are likely to result in good academic research publications.

By their nature, the experiment has direct impact on the participating parties and, as mentioned before, can lead to adoption of better practices. The MTID provides some examples of impacts on research on institutions and infrastructure. For example, it is suggested that several agencies are using some of the product design mechanism to design rural electrification (see Appendix 1), and the work on titling affected credit management in Peru. The research on institutions and infrastructure is mostly on output markets because the Division perceives that this is a constraint to operate in these areas and not on input markets. However, when it comes to infrastructure, institutions for management of inputs are very important. For example, the recent research on the water project design suggests that such design includes both structural elements (canals made of cement and steel) and design of nonstructural elements (rule and institution allocation of water).

### **Recommendations:**

- a) It is recommended that infrastructure and institutional design projects should target input management issues including water resource management, fertilizer use and management, pest control strategies, and even genetic material selection. These activities may need collaboration with EPTD and other divisions, but institutional and infrastructure activities may have a much stronger impact outside the output markets.
- b) Our conversation with the researcher and postdocs showed the need to augment the analytical and empirical capacity in utilization of experimental economics. It will be important to continue hiring individuals with a strong background in this area and expand the range of collaborators in this field.
- c) Since IFPRI is taking a lead in this area of institutions and contracts, it may be worthwhile to take some visible initiatives, for example, a workshop in experimental economics and

development that will result in publications in journals of economic development, environmental economics, or economics. Such academic enterprises may also expand the range of collaborators in divisions and agencies of research foundations who may be willing to co-sponsor these activities.

- d) Much of the research on contract and infrastructure addresses issues of information in risk, while the knowledge of this issue within the organization is limited. We notice gaps of knowledge in major bodies of research in agricultural and general economics of this area. It will also be important to augment the knowledge in this area, by hiring graduate students, or having a workshop that will build and add skills in risk management and agriculture. Furthermore, since other agricultural research agencies are working on issues of risk management and project design, it may be worthwhile to consider a collaborative effort with these institutions.
- e) The new knowledge that IFPRI accumulates in infrastructure and institutional design should be of critical value to other CGIAR centers. For example, the International Water Management Institute (IWMI) has master products on water project design that can benefit immensely from new knowledge and expertise in experimental economics and the infrastructure design of MTID. The work on introduction of new variety throughout, which is a major emphasis of the CGIAR system, can be enhanced immensely in this experimental economics, thus a growing dialogue with other centers should be a major priority. MTID may consider developing a workshop on application of experimental economics for individuals in CGIAR as well as collaborators in developing countries.

### **Food and Water Safety**

Food and water safety problems and policies are major causes and consequences of poverty, and new institutional design and policy mechanisms are introduced to address these issues. Food and water safety policies may improve the lot of the poor, but sometimes they may cause significant hardship on the well-being of the poor. For example, ring (radius) culling of birds to reduce the risk of Highly Pathogenic Avian Influenza may have some impact (generally very low) on human health but may negatively affect the well-being and nutritional intake of farmers and their customers. The objective of this task is to develop a methodology to assess food and water safety policies and implication for the poor. One of the major accomplishments of this project is the establishment of comprehensive framework to analyze and improve food and water safety design. The framework can aim to determine what works and what doesn't and how to improve food safety regulation. The framework is interdisciplinary using economics as an integrated discipline and incorporating the prospective of various disciplines. This framework is in its infancy and relies on and contributes to a small yet growing body of literature in economics and health sciences on environmental and human health management and economic consequences. The research in this task includes several large projects, one on economics and management of avian flu and the other on Aflatoxin control. These studies are already documenting a significant willingness to pay for food safety in developing countries (people will state that they will pay safer and cleaner water). It also documents a minimal precautionary effort to control avian flu in various countries (perhaps because the risk is small and the efficacy of precautionary measure is small and their cause is high). The project in these tasks uses a variety of sophisticated tools including a risk transmission modeling, experimental econometrics, and epidemiological studies.



This project also emphasizes risk communication and stakeholder education. Early results are promising, and this task is likely to grow and gain market attention as IFPRI may gain a prominence within an important field of research.

### **Recommendation:**

- a) This new task has already been able to capture significant amounts of support, but IFPRI's capacity in this new area is limited and should be augmented. Hiring both senior- and junior-level researchers and establishment of collaborative relationships are very important.
- b) This is one area in which conceptual work that leads to empirical application is of value. By establishing a critical mass to operate in the area of food and water safety, IFPRI may be able to secure funds from environmental and health agency. The interdisciplinary effort element of this task may call for alliances with other organizations that have skills and capacity in areas of environmental quality and health and application in agriculture.
- c) The areas of environmental health and food safety are important to the well-being of the poor in agriculture in developing countries, but may be under-researched by other CGIAR centers. IFPRI may consider contributing to an effort to enhance CGIAR strength to this field. This may allow new opportunities for collaboration with organizations such as the Gates Foundation and the World Health Organization.

### **Conclusion**

The MTID Division is becoming a center of excellence applying the creative methods to provide policy insights and build capacity to research the economics of trade, development, and poverty reduction. The Division's effort combines more traditional analysis of economics of agricultural marketing and trade and their impacts on the poor with investigation of emerging topics like development and potential of high-value agriculture, institutional and infrastructure design for market development, and water and food safety. The Division is applying a diverse arsenal of tools including CGE modeling, econometric techniques, mechanism design, experimental economics, and institutional analysis. The Division has been growing in terms of its budget and area coverage, it increased its research output, and its research is reaching more prominent publication outlets. At the same time, the Division is emphasizing and practicing communication with local decision makers and other constituents in developing countries, and contributing to capacity building.

The Division should be congratulated on its creative personnel policies and its ability to continuously recruit high quality individuals in a competitive academic labor market. The recent recession would provide opportunities to augment the skills and personnel quality of the Division. The Division should also continue with its emphasis on collaborative relationships that offer joint appointment to researchers in universities and other institutions and build intellectual alliance with various universities. The collaboration with other divisions at IFPRI should be strengthened as well with collaborative relationships within the CGIAR. The Division has unique expertise and outlook that can be optimally utilized within the bigger boundaries of IFPRI and CGIAR centers. The experimental and learning-based decision-making frameworks that the Division emphasizes are capabilities which are likely to be adopted widely in the future and should be spread within the CGIAR community and its clients.

The Division upgraded the CGE capacity within IFPRI and is applying it to a new and important major policy problem. It is important to continue and upgrade the modeling capacity and to be transparent about its capacity and limitation. IFPRI should also integrate its partial and general equilibrium global modeling to provide coherent and integrated answers. Better integration of MTID and EPTD activities can yield high dividends to the institution. The institutional and econometric works of trade and market should be augmented, and this is an area of priority for expanded capacity in the econometrics and economics of trade and development. The econometric studies that we learned from the past and case studies that target major problem areas can help IFPRI to obtain dominant prominence in studies on global market and the poor.

The research on high-value agriculture is promising and should have significant potential for further growth. It should be expanded to include all major categories of high-value agriculture and to further investigate the economics of food supply chain and the demand for high-value agriculture by large traders as well as supermarkets. IFPRI can use its high-value agriculture to build its program on agribusiness and development. The research on institutions and infrastructure also yields important products and shows much promise. It shouldn't be restricted on its output, and it can incorporate the research on input markets and institution and management of water and land. MTID has a relative advantage in applying emerging tools of experimental economics to development program and should capitalize on this capacity. The work on food and water safety shows much promise and should be expanded. This area as well as experimental work requires significantly augmenting the human capital based in IFPRI by hiring new junior and senior staff in-house and building a more external collaborative relationship.

The Division has dedicated and capable staff and an outstanding Director. All divisions are overextended in terms of its workload and responsibilities. The fast pace of population and growth may prevent introspection and reduce quality of research publication. As the Division grows, it's a priority to expand its human capital by hiring senior staff that will provide support to the Director and expand mentorship to the junior staff and fill knowledge gaps. The Division should also let the world know its capabilities and achievements by organizing or spearheading global workshops and other events on trade and experimental economics, high-value agriculture, and food and water safety and initiate high visibility publications in these areas (for example, special issues of major journals).

We learned a lot during this review, and we thank the Division and IFPRI for their hospitality, openness, and candor. We really like what we have seen.

## Appendix 1:

### Impact of MTID<sup>1</sup>

#### MTID's Key Outputs and their Recent Impact

The research programs of the Markets Trade and Institutions Division (MTID) have contributed significantly to the debates over key policy issues affecting the poor. First, research carried out under the Globalization and Markets program has received significant media exposure through print, broadcast, and Internet media worldwide, including in the *New York Times*, the *Washington Post*, *Economist*, *Newsweek*, *Agence France-Presse*, and *Voice of America*. In addition, based on an IFPRI position statement on the suspension of Doha Round negotiations in 2006, nearly 80 professional applied economists sent an open letter to heads of governments and trade ministers arguing in favor of the changes in trade rules modeled by IFPRI.<sup>2</sup>

In 2006, an IFPRI researcher was an invited expert to a World Trade Organization (WTO) meeting called “Modeling the Gains from Trade Liberalization” to help explain why various attempts to model the benefits of trade liberalization have produced divergent results.<sup>3</sup>

The uncertainty surrounding the WTO Doha Round negotiations led to another study in 2008, which dealt with the economic implications of a possible failed Doha Round and a subsequent rush into protectionism.<sup>4</sup> The findings from this study generated discussion among WTO officials, think tanks, and academics. Indeed, a WTO official pointed out the “incredible impact that IFPRI study has made! Now, instead of \$9 billion, \$100 billion in GDP, we see quoted ‘potential impact on trade would be \$1 trillion. ... We have been pushing these numbers since they came out.’”<sup>5</sup>

Similarly, the German Marshall Fund commented on the impact of IFPRI's study. It proclaimed IFPRI's policy brief to be a “fabulous piece of work...!” Acknowledging further the impact of the study, it noted the following: “The brief was quotable—and quoted already!”

Second, research carried out under the Participation in High-Value Agricultural Markets program has had an impact at several levels. A number of studies by this program were cited in the 2008 World Bank Development Report in the section on “Opportunities for a new agriculture through diversification” including the drafting of key sections on the definition of high-value agriculture and the reasons it is likely to be pro-poor.

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<sup>1</sup> Information provided by the Division.

<sup>2</sup> The research findings refer to the following study: “Two Opportunities to Deliver on the Doha Development Pledge,” by Antoine Bouet, Simon Mevel, and David Orden, Research Brief No. 6, July, 2006. Please also see the following website for the “Open Letter to Prime and Trade Ministers: Reconsider Your Negotiating Positions for the Doha Round” and link to IFPRI statement: <http://www.staff.ncl.ac.uk/david.harvey/DRHRootFolder/WTOopenletter.html>

<sup>3</sup> Please see “What Can the Poor Expect from Trade Liberalization? Opening the ‘Black Box’ of Trade Modeling,” by Antoine Bouët, 2006, MTID Discussion Paper 93, International Food Policy Research Institute (IFPRI).

<sup>4</sup> Please see “The Potential Cost of a Failed Doha Round,” by see Antoine Bouet and David Laborde, 2008 Issue Brief 56, International Food Policy Research Institute (IFPRI).

<sup>5</sup> Personal communication.

In addition, in 2006, the team conducted an in-depth review of the literature on developing the seed sector in sub-Saharan Africa.<sup>6</sup> This review is being used as an input in the design of a US\$ 150 million program to improve seed systems in the region.

In 2008 a project was aimed to increase the availability of spatial socioeconomic data in quantity and quality in order to facilitate informed policymaking on Lao PDR.<sup>7</sup> The Vice Minister of Planning and Investment endorsed the results and stated that they should be considered equivalent to official poverty estimates. He has furthermore stated that the list of 47 “poor and deserving” districts may need to be revisited in light of these findings. In addition, donors are rethinking their targeting strategies in light of the finding that only a small share of the poor live in these districts.

Another study conducted under this program on cereal availability in Ethiopia was designed to examine alternative explanations for the high price of food, including the possibility that diversification into high-value commodities is to blame. By demonstrating the cash-transfer program is not large enough to have a significant effect on cereal demand, the results may have facilitated the decision to increase the value of the transfers.<sup>8</sup>

Third, the Infrastructure and Institutions for Market Development program carried out two projects that have been adopted as best practices by the World Bank. The first one implemented a detailed analysis of how to prioritize investments in infrastructure projects to diminish the potential negative effects of CAFTA on agriculture in Central America. The project won the AAA award from the World Bank and was presented in its Knowledge Fair. The impact evaluation design implemented in the second project – Ethiopia Energy Access Project – has also been adopted by the World Bank and several multilateral agencies as a best practice on impact evaluation. For example, Millennium Challenge Corporation (MCC) has been promoting a similar methodology of randomized vouchers for households to partially cover the costs of the last mile connection in Tanzania. Similarly, Asian Development Bank (ADB) is starting a new initiative with IFPRI’s MTID to apply a similar method to evaluate the impact of their rural electrification projects.

The infrastructure research also played a crucial role in the development of the “Framework for the Improvement of Rural Infrastructure and Trade-Related Capacities for Market Access (FIMA).” This framework was carried out by the Comprehensive Africa Agriculture Development Programme (CAADP) Pillar II Expert Reference Group led by the Conference of Ministers of Agriculture of West and Central Africa (CMAWCA); MTID’s program plays a central role in the infrastructure component. This framework is currently under implementation and we continue to play an advisory role.

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<sup>6</sup> Please see “Promoting a Strong Seed Sector in Sub-Saharan Africa,” by Nicholas Minot, Policy Brief 6, International Food Policy Research Institute (IFPRI), 2008.

<sup>7</sup> Please visit: [www.laoatlas.net](http://www.laoatlas.net)

<sup>8</sup> Please see “Cereal Price Instability in Ethiopia: An Examination of Sources and Policy Options,” by Shahidur Rashid and Meron Assefa, Second International Conference, August 20-22, 2007, Accra, Ghana 51999, African Association of Agricultural Economists (AAAE).

Two major initiatives on institutions are noteworthy. The first initiative was to develop a rural labor strategy for the FAO, which, upon an intensive review, decided to implement it. The second focused on the development of a scorecard for grants and loans that combines a dimension of risk and poverty. This project was initially funded by the Inter-American Development Bank (IADB), which is now launching a call for proposals to test the scorecard. Through a competitive process, the project will award eligible institutions a maximum contribution per project of US\$ 250,000 to implement individual projects in each of the three beneficiary countries. This project is being implemented with the Regional Unit of Technical Assistance (RUTA), and our role will be to evaluate the impact of the scorecard.

Fourth, the Food and Water Safety program conducted a study on avian influenza compensation in developing countries commissioned by the World Bank for the United Nations System Influenza Coordination (UNSIC) to help with the establishment of new disease control programs using compensation as a mechanism. The recommendations from this study have been endorsed by more than 72 countries around the world as they go forward establishing their own compensation schemes proactively prior to having HPAI outbreaks.<sup>9</sup>

In addition, a study on the impact of potential outbreak of Avian Influenza in Latin America was used by the Inter-American Development Bank (IADB) as an input to define its Regional Action Plan to financially support animal health services in Latin American and Caribbean countries. The study is being used also by IADB to increase awareness about the possible impacts of the disease in the region and the need to invest in animal health services.

A project aimed at identifying technical barriers limiting agricultural trade focused on avocados in Mexico and fresh apples in China. The basic model developed in this research for avocados was utilized by the U.S. Department of Agriculture for the economic analysis in the final regulation opening the U.S. avocado market in 2004. By 2007, avocado exports to the United States from the Uruapan area of the state of Michoacán exceeded \$100 million, bringing substantial employment and income to this part of western Mexico.

## **Food Prices**

MTID has played an important role in the recent debate about the global food prices, both through its research and outreach activities. Its work on the subject has drawn a remarkable level of media attention in 2008. Articles and Op-Ed pieces published in newspapers like the *Wall Street Journal*, the *Financial Times*, the *New York Times*, *Bloomberg*, *Chicago Tribune*, *Sankei Shimbun* (Japan), *Outlook India*, *Business Times* (Malaysia), *Marketplace Public Radio* (China), and many others referred to MTID's work or quoted MTID researchers on food prices. A great number of interviews were also carried out with MTID researchers on the topic.<sup>10</sup>

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<sup>9</sup> Please see "Enhancing Control of Highly Pathogenic Avian Influenza in Developing Countries through Compensation: Issues and Good Practice," World Bank, 2006.

<sup>10</sup> For a complete list of media coverage, please see the outreach section of the Internal Program Review, 2008.

On the research side, the Division, in collaboration with IFPRI's Director General Office carried out a project analyzing the role of speculation and hoarding in rising food prices.<sup>11</sup> This work was mentioned in the G8 Statement of Global Food Security in Tokyo. The statement specifically said: "We will explore options on a coordinated approach on stock management, including the pros and cons of building a 'virtual' internationally coordinated reserve system for humanitarian purposes." World Bank's President Robert Zoellick urged a study of the plan for a "virtual" reserve; the French government as well as governments of many other countries also supported the idea.

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<sup>11</sup> Please see "When Speculation Matters," by Miguel Robles, Maximo Torero, and Joachim von Braun, 2008, IFPRI Policy Brief #57.

## Appendix 2: Tables

**Table 1: MTID Division Staff**

**Senior Researcher**

Name	Title /Position
Maximo Torero	Division Director
Antoine Bouet	Senior Research Fellow
Ekin Birol	Research Fellow
Betina Dimaranan	Research Fellow
Manuel Hernandez	Postdoctoral Fellow
Carlos Martins -Filho	Senior Research Fellow
David Laborde	Research Fellow
Yanyan Liu	Postdoctoral Fellow
Eduardo Maruyama	Postdoctoral Fellow
Ruth Hill	Research Fellow
Nicholas Minot	Senior Research Fellow
Samuel Morley	Visiting Senior Research Fellow
Clare Narrod	Senior Research Fellow
Paulina Oliva	Postdoctoral Fellow
David Orden	Senior Research Fellow
Shahidur Rashid	Senior Research Fellow
Miguel Robles	Research Fellow
Devesh Roy	Research Fellow
Marites Tiongco	Research Fellow
Angelino Viceisza	Postdoctoral Fellow

**Research Support Staff**

Perrihan Al-Riffai	Research Analyst
Camila Alva	Research Assistant
Dorene Asare-Marfo	Senior Research Assistant
Surajit Baruah	Research Analyst
Samson Dejene Aredo	Research Assistant
Jose Deustua Rossel	Senior Research Assistant
Reno Dewina	Research Analyst
Maribel Elias	Senior Research Assistant
Carmen Estrades	Research Assistant
Pablo Flores	Senior Research Assistant
Meagan Keefe	Senior Research Assistant
Valdete Berisha	Research Assistant
Marcelle Thomas	Research Analyst
Yorbol Yakhshilikov	Senior Research Assistant
Befekadu Behute	Research Officer, Addis Ababa Office
Solomon Lemma	Research Officer, Addis Ababa Office

**Administrative Support Staff**

<b>Name</b>	<b>Title</b>
Tigist Defabachew	Senior Admin Coordinator/Contract & Grants Administrator
Shirley Raymundo	Administrative Coordinator
Joy Fabela	Budget and Administrative Specialist



**Table 2: MTID Articles**

Full Reference	File Downloads	Abstract Views
	Total	Total
Maximo Torero & Alberto Pascual-Font, 2001. "El impacto social de la privatización y de la regulación de los servicios públicos en el Perú." Documentos de Trabajo dt35, Grupo de Análisis para el Desarrollo (GRADE).	374	2,308
Anderson, Kym & Dimaranan, Betina & Hertel, Thomas W & Martin, Will, 1997. "Economic Growth and Policy Reform in the APEC Region: Trade and Welfare Implications by 2005," CEPR Discussion Papers 1605, C.E.P.R. Discussion Papers.	364	1,514
Hugo Nopo, 2004. "Gender and Racial Discrimination in Hiring: A Pseudo Audit Study for Three Selected Occupations in Metropolitan Lima," Econometric Society 2004 Latin American Meetings 321, Econometric Society. Now in EDCC	343	2,371
Hertel, Thomas W. & Bach, Christian F. & Dimaranan, Betina & Martin, Will, 1996. "Growth, globalization, and gains from the Uruguay Round," Policy Research Working Paper Series 1614, The World Bank.	150	1,104
Mandy, D. M. & Martins-Filho, Carlos, 1998. "Relative efficiency with equivalence classes of asymptotic covariances," Journal of Econometrics, Elsevier, vol. 88(1), pages 79 -98, November.	60	799
Devesh Roy & Arvind Subramanian, 2001. "Who Can Explain the Mauritian Miracle: Meade, Romer, Sachs, or Rodrik?," IMF Working Papers 01/116, International Monetary Fund	369	793
Minot, Nicholas & Goletti, Francesco, 2000. "Rice market liberalization and poverty in Viet Nam.," Research reports 114, International Food Policy Research Institute (IFPRI).	206	775
Anderson, Kym & Dimaranan, Betina & Hertel, Thomas W & Martin, Will, 1996. "Asia-Pacific Food Markets and Trade in 2005: A Global, Economy-wide Perspective," CEPR Discussion Papers 1474, C.E.P.R. Discussion Papers.	182	768
Mattoo, Aaditya & Roy, Devesh & Subramanian, Arvind, 2002. "The Africa Growth and Opportunity Act and its rules of origin : generosity undermined?," Policy Research Working Paper Series 2908, The World Bank.	237	715
Dimaranan, Betina & Hertel, Thomas W. & Keeney, Roman, 2003. "OECD Domestic Support and the Developing Countries," GTAP Working Papers 1161, Center for Global Trade Analysis, Department of Agricultural Economics, Purdue University.	270	708
Hugo Nopo & Martin Moreno & Jaime Saavedra & Maximo Torero, 2004. "Gender and Racial Discrimination in Hiring: A Pseudo Audit Study for Three Selected Occupations in Metropolitan Lima," Middlebury College Working Paper Series 0404, Middlebury College, Department of Economics.	93	590

**Table 3: MTID staff citation data**

<b>Staff name</b>	<b>Position</b>	<b>No. of publications</b>	<b>No. of citations</b>	<b>h-index</b>
Ekin Birol	Research Fellow	39	141	6
Antoine Bou' t	Senior Research Fellow	71	543	11
Betina Dimaranan	Research Fellow	50	1655	14
Manuel Hernandez	Postdoctoral Fellow	5	4	1
Ruth Hill	Research Fellow	17	50	2
David Laborde	Research Fellow	58	439	10
Yanyan Liu	Postdoctoral Fellow	23	24	2
Carlos Martins -Filho	Senior Research Fellow	26	134	8
Eduardo Maruyama	Postdoctoral Fellow	6	22	2
Nicholas Minot	Senior Research Fellow	91	1112	17
Samuel Morley	Visting Research Fellow	139	1602	17
Clare Narrod	Senior Research Fellow	34	115	6
Paulina Oliva	Postdoctoral Fellow	2	0	0
David Orden	Senior Research Fellow	130	1270	19
Shahidur Rashid	Senior Research Fellow	26	102	6
Miguel Robles	Research Fellow	4	18	2
Devesh Roy	Research Fellow	38	184	4
Marites Tiongco	Research Fellow	18	98	4
Maximo Torero	Division Director	187	819	14
Angelino Viceisza	Postdoctoral Fellow	6	0	0

Source: Google Scholar data accessed via Harzing's Publish or Perish author impact analysis tool

## **Appendix 3:**

### **STATEMENT OF WORK Center Commissioned External Review (CCER) for MTID**

#### **Background**

Inadequate policies, institutions, and rural infrastructure lead to agricultural markets that do not function efficiently. As a consequence, the poor pay more for their food and receive less for their produce. To enhance the efficiency of markets, and support their development, the Markets, Trade, and Institutions Division analyzes agricultural market and trade reforms, crop and income diversification, postharvest activity, and agro-industry.

Countries moving from a subsistence or centrally controlled economy to a commercial market-oriented economy face a difficult period of transition. This transition is typically accompanied by changes in product mix, sources of income, the structure of employment and the productivity of labor. The prospects for reducing rural poverty, assuring food security, and improving rural livelihoods depend on how governments manage this change.

The Markets, Trade, and Institutions Division seeks to understand how countries can best develop markets, institutions, and infrastructure in ways that contribute to agricultural growth, help alleviate poverty and ensure food security for all.

#### **Objectives and Scope of the CCER:**

The External Program and Management Review (EPMR) of IFPRI, which was completed with presentations and commentaries at the CGIAR Annual General Meeting (AGM), December 2005, recommended that IFPRI does a Center Commissioned External Review (CCER) of one or two research divisions each year, and this proposal was endorsed by the board.

The Panel of two senior consultants will review MTID's research and capacity strengthening activities to:

- Assess the relevance and quality of the activities and outputs of the division, and provide supporting evidence for that assessment;
- Evaluate the planning and priority setting processes of the programs; and the process used to for decision-making regarding the phasing in or out of or modification of programs and the creation of new ones;
- Assess whether the activities in the Division were shaped and guided by clear objectives;
- Assess whether the rationale and lines of logic for arriving at the research agenda are transparent, systematic and rigorous;
- Assess the transparency of the criteria used for making strategic choices and identifying best bet opportunities and their consistency with those employed by the CGIAR in developing its own priorities and strategies, i.e. the contribution to CGIAR goals, the production of international public

goods, probabilities of success and cost effectiveness, and alternative sources of supply and comparative advantages;

- Assess the nature and effectiveness of the Division's partnerships through review of joint products.

### **Management of MTID Division**

The panel will assess the management of the division. This will include reviewing the quality of inputs including staff and infrastructures, and processes that were put in place to assure quality.

### **Forward looking**

The Panel is asked to give a strategic evaluation that is forward looking. Recommendations are solicited from the panel that will make MTID's activities more effective in the future.

### **Process**

This review shall commence on [TO FILL IN], 2009 and include 7 days of intensive assessment of the division.

- A package of MTID documents will be prepared for the panel, which will include a synthesis document prepared by the Division Director regarding activities of the division.
- The following time allocation is foreseen:
  - 2 days to read the relevant documents.
  - 3 days for meetings with staff
  - 1 day to prepare draft report and recommendations.
  - 1 day presentation of report and recommendations.
  - 4 days for travel and finalizing the report

### *Documents for Review*

To undertake this review the Panel will assess IFPRI's strategy document, existing reviews, Medium-Term Plan, Internal Program Review (IPR) documents, and the full spectrum of MTID's publication products. The Panel will have access to all relevant documents on management, proposals, and outputs of the MTID.

## Appendix 4

### Center-Commissioned External Review (CCER) Markets Trade and Institutions Division Agenda

Monday, September 21 – Friday, September 25, 2009

Date/Time	Activity
September 19	Arrival of Reviewers
September 20	Reading of documents
<b>September 21</b>	
9:30 am	Meeting with Director General, DGO
10:00 am	Meeting with Division Director – Maximo Torero
10:30-10:45 am	Coffee break
<b>Division Presentations</b>	
10:45-11:15 am	Overview and strategic framework of MTID – presentation by Maximo Torero
	<i>Focus on Global research Programs under Theme 2- Globalization, Trade and Markets</i>
11:15-11:30 am	Theme 2.1. Globalization and Markets – presentation by Antoine Bouet/David Laborde
11:30-12:15 m	Discussion
12:15-1:30 pm	Lunch
1:30-1:45 pm	Theme 2.2. Participation in High Value Agricultural Markets – Presentation by Nick Minot
1:45-2:15 pm	Discussion

*Focus on Global research Programs under Theme 7- Poverty, Nutrition and Social Protection*

2:15-2:30 pm Theme 7.3. Institutions and Infrastructure for Market Development – presentation by Maximo Torero

2:30-3:15 pm Discussion

3:15-3:30 pm Coffee break

*Focus on Global research Programs under Theme 8- Diet, Health and Food Safety*

3:30-3:45 pm Theme 8.2: Food and Water Safety – Presentation by Clare Narrod

3:45-4:30 pm Discussion

4:30-5:30 Reading of Documents

Reception

**September 22** Discussion with Theme members

Conference Room 4A

9:30 -10:30 am Theme 2.1 Globalization and Markets

10:30- 11:30 am Theme 2.3 Participation in High Value Agricultural Markets

11:30- 12:00 am Theme 7.3 Institutions and Infrastructure for Market Development

12:15-1:30 pm Lunch

1:30-2:00 pm Theme 8.2 Food and Water Safety

Afternoon Reading of documents

**September 23** Discussion with Staff

9:30-10:30 am Meetings with staff by request

10:30 -11:30 am Possible conference calls to donors and key collaborators

11:30 -12:00 am Mid-term meeting with Joachim and Teunis

Afternoon Reading documents

**September 24** Report Writing

**September 25**

**Morning**

Report writing

**Afternoon**

Discussion of findings with Joachim, Maximo and Teunis

Presentation of findings to MTID Staff

Conference Room 4B

**Departure of reviewers**