

A Center Commissioned External Review of IFPRI's Development Strategy and Governance Division (DSGD)

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Final Version, submitted August 20, 2007

I. Scope of the Review

Our Statement of Work asked us to review DSGD's research and capacity-strengthening activities to:

- Assess the relevance and quality of the activities and the supporting evidence for that assessment;
- Evaluate the planning and priority-setting processes of the programs;
- Assess whether the activities in the Division are 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;
- Assess the outcomes and impacts, cost-effectiveness, and relevance to IFPRI goals;
- Assess the management of the Division ... includ[ing] reviewing the quality of inputs including staff and infrastructures, and processes that were put in place to assure quality;
and
- Give a strategic evaluation that is forward-looking.

The Fourth External Program and Management Review (EPMR) of IFPRI (2005) recommended that DSGD, as a new Division, should be externally evaluated two years hence. The Review Panel's assessment listed several "challenges" for DSGD, some of which were recognized by the Division Director at the time:

- the balance between: (1) country-specific research and outreach work; and (2) cross-country work with a more international public good character;
- when to disengage from country-specific strategy work and capacity building;
- the risk that restricted (i.e. project) funding would drive work more towards downstream activities and less toward research;
and
- staffing, e.g. discipline, specific skills/knowledge, location and integration.

The EPMR Panel saw DSGD's distinguishing elements to be: (1) taking an economy-wide approach to pro-poor development strategy work; (2) experience with long-term cross-country research; (3) a program of country-specific support activities; and (4) a focus on capacity building at the country level. It reported, however, that readers of IFPRI's work in the area were "left confused regarding the balance of and priorities of research with respect to: an economy-wide focus versus a sectoral focus; an agricultural focus versus a more rural focus (the rural non-farm economy); and a territorial focus versus a sectoral focus" (Report, p. 14). "The rural economy and its integration into the national economy as well as its contribution to national growth appear[ed] to be largely missing". The Panel endorsed the Division's view that a CGE-only approach would be inadequate to address economy-wide issues, and also to learn from the combination of cross-country and country-specific studies.

We were sent a selection of reading material shortly before our visit to IFPRI in Washington, D.C. (8 - 14 June 2007), and were provided with more during our stay. During our visit, we held a number of meetings with DSGD and other IFPRI staff, including two with the Director General, and teleconferences with Ashok Gulati, Mark Rosegrant, Kwadwo Asenso-Okyere, Tewodaj Mogues, and Shashi Kolavali. The facilities and cooperation received from IFPRI throughout our work were excellent.

In our review, we have taken into account the above remarks by a previous review group, but—partly because two years have passed with significant changes of staff—we have chosen to formulate our own conclusions and recommendations rather than to explore each of the above remarks in detail. Similarly, although we have read the IFPRI Medium-Term Plan (MTP) for 2007-2009 text (p. 115 et seq.) for sub-theme 9.2 (formerly GRP32), we used this as a source of ideas rather than a template for our own review.

An earlier Draft of this report was submitted to IFPRI in July 2007. Subsequently we received feedback that offered clarification, and that allowed us to correct several factual errors. We are grateful for this feedback.

II. The Division

A. Roles and Objectives

The Development Strategy and Governance Division (DSGD) of IFPRI became operational in 2004, with initial projects and staff from the Environment and Production Technology (EPT) and Trade and Macroeconomics (TM) Divisions. It is our understanding that the DSGD takes the lead at IFPRI to:

- Undertake policy research and outreach on strategic pro-poor growth and governance reform options;
- Strengthen the capacity of developing countries to formulate and implement pro-poor development strategies and governance reforms;
- and

- Improve the access of local policy analysts and researchers to knowledge and information, analytical tools and data.

These objectives are then briefly linked to the IFPRI and CGIAR mission statements.

We note here that we were initially unable to find a more explicit statement or explanation of how DSGD as a Division, rather than the components of its work, relates to other IFPRI Divisions and/or CGIAR Centers—either in "filling a gap" in IFPRI/CGIAR capacity, or in helping other IFPRI/CGIAR Divisions to provide more useful or effective support to developing countries and their peoples. Other documents supplied to us (e.g. the Medium-Term Plan, MTP; Global and Regional Program (GRP) documents (some revised from versions sent to us); PowerPoint presentations; the 2006/07 Report/Plans Review) similarly did not appear to contain a specific rationale for the Division in these terms. We note that there now seems to be a discussion of the DSGD as a unified entity with a common role.

While it may not matter in the larger sense, we had some difficulty sorting out areas of DSGD work that had been described using different terminology and categories. For example, while accepting the rationale for Theme 9 (Country and Regional Food, Nutrition, and Agricultural Strategies) as explained in the MTP 2007-09, this is a very wide area, and it is difficult to determine DSGD's specific role within it. The MTP does not identify which Divisions are responsible (perhaps jointly) for specific pieces of work. Indeed, research itself is not specified in the Plan, but rather "goals", "outputs", "outcomes", etc.

B. Staffing

The number of DSGD staff are as follows: 23 Washington-based staff, 7 (soon to be 8) staff in developing countries, and 22 local hires. The three research programs concerning Development Strategy, Public Investment and Governance were presented with "core teams" consisting of 8, 7 and 6 staff respectively, with another 5 names—apparently of former staff—associated with Governance.

The scientific qualifications of the 5 leading staff (Fan, Diao, Zhang, Benin and Birner) are high; all have PhD degrees from a U.S. or equivalent university, and all appear to have significant research and other experience in IFPRI-related work before appointment.

The staff of approximately 50 suggests remarkable growth since the founding of DSGD in 2004. With approximately one-half of these staff based outside Washington DC (a much higher proportion than in other Divisions), management, coordination, and strategic planning would appear to require extraordinary effort. We will return to this below.

C. Publications

All but 3 of the 26 publications supplied to us were (co-)authored by one or more of the 5 leading staff, with Fan and Diao accounting for half of these. Of these 26 publications:

11 are (or will be) articles in good academic journals, 5 are IFPRI Research Reports or book manuscripts, and 10 are DSGD Discussion Papers, and 5 were published in 2004, 5 in 2005, 9 in 2006 and 7 in 2007 (or later). The Division's total publications on the CD marked "2006/07" (the period covered is not entirely clear) were categorized as follows:

IFPRI Books 5; IFPRI Briefs 4; IFPRI Discussion Papers 29; IFPRI Research Reports 1; External Books or Book Chapters 38; Journal articles 35; and Forthcoming (various) 14.

III. General Findings and Impressions

By way of general comments, we find that:

1. The DSGD is indeed addressing a real need within and outside IFPRI. The focus on development strategies will bring important insights to the problems of poverty and development. Its creation and continued existence are strongly endorsed;
2. The publication record is excellent for a young Division, particularly since many non-senior staff have been newly recruited to IFPRI. Having said that, we note that a part of the publication record was "imported" into the new DSGD along with the IFPRI staff who moved into the Division from elsewhere in IFPRI, and/or who have since departed;
3. Generally, the staff appear to be of high quality, they seem satisfied and confident in their work, and they regard their working conditions as excellent;
4. All staff spoke positively of their freedom to identify and pursue interesting work, and to collaborate with others inside and outside the Division;
5. Despite suggestions in an earlier IFPRI Program review (February 2006) about the demands of "non-research" activities (called "indirect activities"), we heard very few complaints from staff about time spent away from research.

We are in strong agreement with the reasons for the creation of a unit concerned with the general task of contributing to the challenges of pro-poor growth. While IFPRI's three other research divisions—Food Consumption and Nutrition (FCN), Environment and Production Technology (EPT), and Markets, Trade and Institutions (MTI)—are guided by their contributions to the process of economic and social development, it is our sense that DSGD is motivated by the need to produce diagnostic and strategic research that will facilitate and induce pro-poor development by formulating and arguing the case for appropriate strategies and policies related to the food sector. Indeed, this role in bringing about development would seem to be one of the reasons for the relatively major staff commitment to IFPRI field offices as opposed to Washington, and also to the SAKSS and CSSP components of the Division.

While the terms and labels used to describe the five "areas" of work in DSGD differ depending

on which documents one reads, we will adopt a set of standardized terminology in which the sub-units in the Division will be referred to as Programs. We therefore conducted our review mainly in terms of the three research programs: (1) development strategy; (2) public investments in agriculture and rural areas; and (3) governance for agriculture and rural development, along with the two Development Support Programs within DSGD: (1) Strategic Analysis and Knowledge Support System (SAKSS); and (2) Country Strategy Support Programs (CSSPs).

We will offer a few impressions of these latter two activities, but our information about them is somewhat limited.

It is our impression that the work of each of the above Research Programs is related to a (single) theme following IFPRI "research themes", as follows:

Development Strategy: theme 9: "cross-cutting research on country and regional food, nutrition and agricultural strategies"

Priorities for Public Investment in Agriculture and Rural Areas: theme 9, as above

Governance: theme 5: governance structures and policy processes in food and agriculture: the role of the state, the private sector, and civil society

In addition, there is a new research program on Urban-Rural Linkages and Non-Farm Rural Development: theme 12, with the same title. While we cannot review this new program, we offer below our thoughts on how its research work might be constituted.

In the MTP 2007-09, these themes (and sub-themes) are specified within two "Overarching Themes", i.e. II: Global and National Food System Governance (containing Themes 5 and 9), and III: Food System Innovations (containing Theme 12). We did not find this hierarchy helpful.

IV. Recommendations

A. Overall Program Coherence and Outputs

While the general research portfolio of the Division is reflected in the various GRP documents, we find that in practice individual researchers (or at least the more senior ones) seem to have great latitude in designing and undertaking specific research projects that fit under those broad themes and programs. While this degree of research latitude is beneficial in many respects, efforts will be required to assure that the resulting research projects indeed contribute to a program of research that is additive and coherent. There is a risk that the leadership of these initiatives may become overburdened or distracted into management—or into less IFPRI-useful research areas. We urge below that there must be concerted effort to make sure that each of the four research areas contributes to an overall program of research.

We urge this because it is essential that IFPRI be able to demonstrate to its own staff, to its Board, to the Board of the CGIAR, and to the general public, that it indeed has a coherent

research program focused on diagnostics and strategies for pro-poor development. Indeed, while we do not submit a formal recommendation on this matter, we urge that consideration be given to changing the name from DSG to Development Diagnostics and Strategies (DDS).

The "Dragon and Elephant" program seeks to explore "lessons (to be) learned" from development activities in China and India. While these lessons of successes and failures in China and India may indeed have implications for other developing countries, it is possible that the bulk of these "lessons" will come through trade and investment linkages, rather than through other more pertinent "lessons" that are—perhaps—neither pro-poor nor environmentally sustainable. How these linkages should affect the design and implementation of development strategies in Africa, Latin America, and Southeast Asia is less clear. In other words, to exploit the "lessons learned" strategy directly, it will be necessary to identify and address the critical development needs in each of the poorest 30-40 countries in the world (most of which are in Africa), and then to connect these needs with any relevant "lessons" from India and China. It is also not clear how the results of governance research carried out in India and/or China will be widely applicable outside South Asia, although the analytical tools and concepts found by DSGD staff to be useful there may survive transfer.

Recommendation 1: There should be more attention paid—in managerial and presentational terms—to the research priorities of the Division as a whole and within its Programs.

Recommendation 2: Greater attention should be paid to exactly how the lessons learned from the "Dragon and Elephant" work are pertinent to pro-poor development elsewhere.

B. Development Strategies Research Program

In the initial presentation to us, this Program was characterized by three "research areas":

- cross-country pathways and strategy;
- growth and poverty reduction options;
- and
- strategy formulation and implementation.

There were also four "innovative approaches":

- new ways to conduct quantitative cross-country research;
- south-south learning and country comparative studies;
- micro-macro and spatial/regional linkages at country and regional level;
- and
- integrated frameworks to combine different methodologies within [the] same project.

Then we found four "main research projects":

- cross-country analysis;

- south-south learning and country comparative studies;
- roles of agriculture and growth and poverty reduction options in Africa;
and
- Within-country regional development strategies in spatially large lagging regions.

Moreover, the November 2006 GRP 32 document Strategies for Sustainable and Equitable Development lists three "research areas and approaches":

- reassessing past development pathways;
- identifying strategic options;
and
- strengthening strategic planning and implementation processes in development.

This variety of ways to describe activities and structures is confusing for outsiders. Some of the differences may be due to deliberate changes in research strategy over the life of the Program or Division, but others may be symptomatic of some internal uncertainties, and/or of the demand for "new" presentations of the Division's work.

Given this abundance of terms and categories, it was difficult to think about an evaluation of specific work (research) as it relates to particular mandates or goals. At the most basic level, the research emphasis of this program area should focus on both diagnostics and strategies for pro-poor development.

In a related vein, we believe that a severe impediment to bringing about pro-poor development is the absence of clarity about why development has stalled in particular countries, and then what strategies seem most efficacious in getting development underway in the light of those impediments. It is doubtful that this issue can be comprehensively addressed by conducting cross-country studies of what has "worked" and what has "not worked" in a group of countries. The difficulty lies in the contested causal structure in such studies. That is, econometric analysis of such relations cannot reveal the causal processes in the development arena. This means that ex post econometric research must be complemented by careful diagnostics if research is to provide widely disparate countries with plausible strategies for development.

The role of this research area within the wider development community is critical, and needs further or more careful recognition. Instead of terms such as "cross-cutting", we should prefer terms such as "integrative" and/or "economy-wide" as used in the GRP 32 document. The research program should explicitly place agricultural (and rural) development within wider national or regional development, by analyzing cross-sectoral links in a balanced fashion (as we are assured is being done). While some aspects of broader development research may go beyond the capabilities of the research team (e.g. monetary policy), the research program should seek to establish itself as broadly as possible, showing not only familiarity with all aspects of the relevant agricultural sectors and rural areas, but also competence in evaluating comprehensive national and regional development strategies, within global projections for markets, demographics, climate change, etc.

Recommendation 3: The Development Strategies research program should devote greater attention to the multiplicity of development pathways and strategies: the two are not always distinguished.

Recommendation 4: More research is needed on the role of the small farmer in development. A clear IFPRI view of this issue—recognizing the differences across countries, agro-ecological conditions, and agricultural enterprises—would contribute to clarity in the broader development discourse.

C. Public Investment Research Program

Here we were told that the focus was on public investments as they relate to development. Terms such as "resources" and "spending" were used, with little attention to the nature of the "investments" to be studied. The listed "achievements" consist of:

- A "conceptual framework" to collect data, conduct analysis and undertake outreach, and a corresponding 45-country database on government expenditure (not all of which is obvious investment);
and
- Quantified effects of (returns to?) broad types of public investment on growth and poverty reduction, e.g. in India, China, Uganda.

We were told that the long-term plan is: (1) to shift the focus from Asia to Africa and Latin America; (2) to employ other analytical/empirical approaches to overcome data limitations; (3) to investigate investment financing; (4) to compare long-run and short-term expenditures; and (5) how to design M&E systems.

Investment of different types can take place in many areas (irrigation, electrification, roads, research, advice, health, etc.). The coherence and credibility of this research program must therefore rely on technical and institutional expertise from elsewhere (within IFPRI, and outside) when investigating specific studies. Its work must address the analytical expertise related to agricultural and rural investment in developing countries. Its credibility will arise from its competence in arguing the case for (or against) "investment" in relation to non-investment expenditures such as support programs.

It is our impression that the research underway and planned for this program considers the term "investments" in rather standard economic (accounting) terms to mean augmented capital stocks in a nation. In our view, this is too narrow. Investments can take many forms and greater clarity is warranted here. The planned work also seems to exclude consideration of policy changes that might also hold implications for pro-poor development.

We did not detect a strong conceptual or methodological core to this work. That is, there seemed to be a focus on research methods and tools (simultaneous equation models) but not much

emphasis on how to formulate coherent and conceptually rigorous research approaches to important questions. Moreover, the IFPRI-wide emphasis on poverty did not come through strongly in presentations and discussions of this Program, except insofar as any investment in agriculture and/or rural areas is likely to involve (but perhaps not greatly benefit) this social group. A commitment to the unique role of this research program within DSGD (and IFPRI) could broaden it into several new areas beyond the evaluation (from/for a pro-poor perspective) of actual or potential public investment in agricultural and rural areas.

Recommendation 5: The Public Investments research program should determine what is "special" about the investment(s) on which it will focus, and about the nature of its analysis. It is necessary that a clear basis exists for judging the competing demands for government expenditures.

Recommendation 6: The Public Investments research approach should be broadened to address the central relation between public policies (institutional arrangements) and public spending (budgetary outlays) as plausible inducements to pro-poor development.

Recommendation 7: The size and scope of the Public Investments research program should be carefully considered, with the options of expanding its staffing and prominence, or incorporating its activities elsewhere.

D. Governance Research Program

In the initial presentation, it was correctly recognized that "governance" is a broad research area, though the term is not, that we could find, defined for DSGD purposes. Section 1.2 of the GRP 37 document does not offer an "IFPRI definition" of governance, though there is one for "good governance", in terms of "appropriate design and management of ... institutions" and "desirable effects on human interactions." Unfortunately, both "appropriate" and "desirable" are not defined. Given the overwhelming emphasis on governance and corruption in the developing countries, we urge that greater attention be devoted to this conceptual issue.

The presentation was insightful in recognizing that research priorities within this field are necessary. Criteria for selecting priority areas were given, but not the results of applying these. In discussion, and in Section 2.2 of the GRP 37 document, there was little on the special (or non-special) nature of governance "for agriculture and rural development". Three areas of research were presented:

- Political process of (i.e. "participation" in) designing development strategies (case study: electricity subsidies in India);
- Challenges of policy implementation (e.g. small reservoirs in Ghana);
and
- Decentralized service provision (Gram Panchayats in Karnataka; 2007 projects in 5-7 more countries).

Future research plans were listed for the political economy of agricultural policy (cross-country and case studies); and agricultural service provision, e.g. advice, land administration, finance.

This research program seems to vary greatly in its scale and focus, although there is an emphasis on agriculture rather than other aspects of pro-poor development strategies. While a "framework" for analyzing service provision is offered, we believe that the research program would be strengthened if greater effort were devoted to forging tighter linkages to the large and growing literature in the various branches of institutional economics.

Governance research is of great importance to understanding the process whereby countries are successful—or not successful—in bringing about pro-poor development. We urge that in this work the term "governance" be taken broadly to connote two related phenomena: (1) how do development-related organizations work, and how can their operations be improved?; and (2) do the existing institutional arrangements (the legal and informal foundations of markets) provide incentive-compatible inducements to enhanced sustainable rural livelihoods?

The planned collaboration with the University of Kiel may be helpful in several areas, but needs careful ex ante evaluation before significant DSGD resources are committed. We were provided with a paper which proposes a "project" to build a Computable General Political Economy (CGPE) Equilibrium Model which aims to explain the persistence of so-called "sub-optimal" agricultural policies in terms of policy networks and behavior. While this work may represent cutting-edge research, its immediate pertinence for many developing countries remains to be determined.

Governance research is receiving enormous attention these days, and therefore IFPRI must be involved in this important work. However, a promising research program will require clarity concerning: (1) multiple levels—international, regional, national, provincial, town/village; (2) different types of organizations requiring study—national governments, individual ministries, administrative agencies, NGOs, communities; and (3) different policy stages—initiation, formulation, decision-making, implementation, and assessment.

Recommendation 8: The Governance research program should produce conceptual approaches and tools that are applicable in various settings for others concerned with improving governance in the implementation of pro-poor development policies.

Recommendation 9: The Governance research program should be focused on IFPRI's mission "to provide sustainable solutions for ending hunger and poverty."

Recommendation 10: The Governance research program should be provided with two or three more senior staff to deal with the growing demand for its work.

E. Urban-Rural Linkages Research Program

We agree with the development of a new research program concerning the relationships between rural and urban areas. We note that this research program has adopted the same terminology

used in the CG/IFPRI planning documents, i.e. "Urban-Rural Linkages." We find this phrasing somewhat problematic as a guide to the development of a coherent research program that introduces space into the strategic mix of development activities. It seems more promising to suggest an emerging research program that elucidates promising approaches to overcome the social costs of space within individual countries, and that explores innovative ways to bring together countries within particular regions (East Africa, West Africa, Southwest Africa, South East Asia) in order to: (1) exploit scale economies within countries; and (2) overcome particular asset/resource scarcities produced by colonial boundaries.

The nature of this emerging research program as it relates to other research within IFPRI is also not apparent at this time.

Recommendation 11: This research program should be re-named (or at least thought of as) National and Regional Integration for Pro-Poor Development.

Recommendation 12: This research program should be explained and justified in relation to the purposes of the other Research Programs within DSGD and elsewhere.

F. Strategic Analysis and Knowledge Support System (SAKSS)

It was not easy for us to gain a clear idea of the purpose and operational aspects of this program. The initial presentation described it as concerned with the "tools" for strategic analysis and knowledge support, and as a "regional and international public good". We were also told that it was a "global program" offering a series of "opportunities" and "contributions". The "core activities" of Regional and Country SAKSS were described in terms of coordination, facilitation, organization, and lesson-drawing, as well as "capacity strengthening" in terms of "undertaking collaborative activities that involve the regional nodes and local partners", and tool transfer and model-related activities undertaken by the DSG and EPT Divisions. We remain somewhat confused by all this.

Recommendation 13: The role and function of SAKSS should be reconsidered and a decision made as to whether it should be phased out, integrated into the CSSP, or given a more explicit support/service role.

G. Country Strategy Support Program

The CSSP seems to be a coherent and valuable activity. It is not clear, however, that criteria exist to provide management guidance concerning the scaling down of CSSP work in one country so that the good results from the program can be introduced into another country. We might think of this as conditions for "graduation" by which it shall be decided when a particular country, say Ghana or Nigeria, can now function well on its own with a reduced level of IFPRI/CSSP support. This graduation should be seen as a gradual phasing-down so that some collaboration and assistance might continue for several more years, but at a reduced level, and possibly focused on fewer activities. This would then allow IFPRI to introduce a new CSSP

elsewhere.

Second, the leaders of the individual CSSPs should invite "near-neighbors" to a conference/workshop to explore possible collaboration and cooperation in programmatic areas of mutual interest—data management, policy modeling, applied research, rural development strategies, etc. We use the term "near-neighbor" here in order to be very clear that we do not want to see CSSP efforts being taken over by existing "regional" organizations in Africa. Rather, we want CSSP activities to be spread from the "bottom up" with neighboring countries who express interest in collaborating with—and introducing—CSSP activities in their own countries. We envision these interested countries being required to carry the financial burden of their participation. That is, they would be expected to develop a funding proposal that they could submit to particular donors to enable them to join the CSSP network.

Recommendation 14: Criteria are needed to determine the phasing down (or out) of each CSSP.

Recommendation 15: Consideration should be given to the circumstances and conditions whereby an individual CSSP can offer greater development value by its elaboration into a regional (multi-country) SSP.

H. Field Staff vis-à-vis Washington Staff

The DSGD has approximately one-half of its professional staff based outside of Washington. While field presence can be an important aspect of applied policy work, staff distance holds important implications for management, coordination, and staff cohesion. One of these implications may arise in terms of peer-reviewed research output: DSGD management should be careful to avoid evolution toward a two-tier staffing structure in which the Washington staff produces most of the peer-reviewed research output, while the field staff become engaged in rather more "outreach"-related activities. This problem was recognized in the recent EPMR, in which IFPRI was asked to develop clear guidelines (and reasons) for that split. While the proportions are indeed somewhat arbitrary, it is our sense that the proportion of field staff should come down from approximately 50% towards 25-30%.

Recommendation 16: Consideration needs to be given to the current (and future) location mix of research staff within DSGD.