

An Evaluation of GDN Supported Regional Research Competitions

Executive Summary

Many of the Global Development Network (GDN) programs are implemented through its seven regional partners in the developing and transition world. Six of these partners hold regional research competitions, towards which the bulk of GDN funding to these institutions goes (approximately US\$ 2.5 million per year). In order to evaluate the effectiveness of this use of a substantial part of GDN's funds, two independent consultants were hired to undertake an evaluation. Barbara Craig of Oberlin College, Oberlin, Ohio did an analysis of the competitions in South Asia, Eastern and Central Europe, and Sub-Saharan Africa. Fernando Loayza of Servicios Ambientales, La Paz, Bolivia did the same for the competitions in the countries of the former Soviet Union, East Asia, and the Middle East and North Africa.

This summary begins with general lessons from across the competitions. It then contains a brief presentation of each of the six competitions, focusing on the main characteristics of the competitions, the major results, and the recommendations of the consultants. The six regions and organizing institutions with acronym are listed in Table 1.

Region	Organizing Institution	Acronym
Sub-Saharan Africa	African Economic Research Consortium	AERC
Eastern and Central Europe	Center for Economic Research and Graduate Education	CERGE-EI
East Asia	East Asian Development Network	EADN
Former Soviet Union (CIS)	Economics, Education and Research Consortium	EERC
Middle East and North Africa	Economic Research Forum	ERF
South Asia	South Asia Network of Economic Institutes	SANEI

Conclusions and Recommendations¹

This section summarizes the main findings arising from the analysis of the six regional research competitions. The recommendations are presented as good practices that could be applicable to different regional research competitions.

Organization

In general the procedures established to (i) advertise the competitions; (ii) call for proposals; (iii) review proposals and interim reports; and (iv) disburse funds are appropriate and objective. In the case of SANEI, the call for proposals could be more specific. The best standard has been set by the EERC and CERGE-EI competitions. While the AERC practice is very detailed, it may be too thorough causing long lags between the receipt of a research proposal and when a funding decision is reached. In general, transparency could be enhanced if the criteria upon which proposals will be judged are advertised along with the call for proposals, as in the case of CERGE-EI. The ERF and the EADN competition have developed criteria based on numerical scores. It is suggested that, based upon these criteria, as a good practice model GDN considers the development of a guideline for the evaluation of proposals.

In a number of regions, considerable resources and efforts have gone into generating networks of reviewers. It is also recommended that GDN and the developed country hubs play a stronger role in this regard and help create a more centralized database.

Quality of Research

In general, the proposals, interim reports and final reports reviewed were of good quality. There were a minority of cases where the standard achieved was insufficient or would have required a significant revision. In the EADN competition a decrease in quality from the research proposal to the final report was identified in some cases. This was associated with a rather weak mid-term review process. Conversely, since its inception the training program of the EERC has clearly had a positive impact on the quality of the proposals submitted. In AERC the researchers are put into appropriate thematic groups, which have separate technical workshops at the bi-annual conferences, allowing for a large amount of contact at meetings with their peers and experts working in the same area. In general, capacity building through training programs and a thorough review of interim reports could enhance the quality of the proposed and completed research.

A degree of tension was identified between strict methodological requirements and the policy relevance and potential contribution to development of the research completed in the EERC competition. This was largely due to a bias towards the use of econometric and statistical tools for carrying out research in economics, a problem that was also

¹ The comments on ERF, EERC, and EAND were written by Loayza. The comments on AERC, SANEI, and CERGE-EI were drafted by Gary McMahon from the report by Barbara Craig, who subsequently made corrections.

identified, albeit less so, in the case of AERC. Ultimately, this resulted in a rather disappointing value added for policy making in the case of EERC and for addressing the complexity of development problems faced by transitional and developing economies. On the contrary, a greater methodological flexibility in the other competitions has resulted in more policy relevant studies with a greater potential contribution to development. For enhancing the quality of the research supported by the GDN, therefore, the following good practices are suggested:

- Strengthen capacity building in the research programs, such as occurs in the EERC and AERC competitions.
- Methodological flexibility to allow researchers to focus more on the policy and development implications of their studies such as in the ERF, CERGE-EI, and SANEI competitions.
- It may be useful to give priority to the analysis of practical problems facing the countries in the regions even if the contribution to knowledge or originality has to be compromised to a certain extent. Alternatively, one of the criteria in the ranking process could be the practical relevance of the potential results for high priority policy problems.
- Policy oriented research could be promoted requesting policy makers to endorse the policy or development relevance purported in the proposals submitted.
- Participation in the research teams of personnel from policy making institutions should be selectively encouraged.
- Researchers should be encouraged to have a good balance between background (including institutional detail) and scientific analysis.

Contributions to Capacity Building

Within the research competitions there were mainly five mechanisms to develop and strengthen research capabilities in their respective regions:

- Linking young with more experienced researchers and weaker with stronger institutions.
- Establishing training programs.
- Size of the grants issued. This is because small grants were mainly addressed to less experienced researchers and large grants to more experienced researchers or stronger research institutions.
- Broadening the thematic scope. This follows particularly in the case of gender, as women are statistically much more likely to work in some areas of economics (or social sciences) than others. In the case of AERC, adding a new thematic area greatly improved the gender balance.
- Targeting grants to specific countries, as in the case of CERGE-EI Balkan initiative, or the EERC program for non-Russian CIS countries.

Research training programs have been more effective than matching weaker with stronger research capabilities for the group of countries with less well developed capabilities. The EERC competition, for example, established a mentoring program

based on training courses and fellowships that has been very successful to enhance the quality of proposals submitted from the CIS countries with a weak economic scholarship. Further, the system of development grants established by the EERC allowed this competition to broaden significantly their geographical coverage away from the main cities of the former Soviet Union. On the contrary, the EADN competition had an implicit strategy to offer rather small research grants up to US\$ 20,000 coupled with linking less experienced with more researchers. In the two most recent SANEI competitions, proposals were only accepted if they included researchers from different countries. Although the results of these strategies were not disappointing, the EADN and SANEI approach in relation to (i) proposals and research quality, and (ii) geographical coverage of the competitions have been less effective than in the EERC competition. Finally, few southeastern European countries were involved in the main CERGE-EI competition, a problem at least partially rectified by the Balkan Initiative.

Considering the quality of proposals and research in progress reviewed, the ERF competition shows that providing rather large research grants and linking fairly experienced researchers from developing countries with researchers from developed countries is effective in delivering research capacity building. However, a research program mainly focused on this strategy leaves aside from the process those researchers from the regions' less developed countries where research capabilities are the weakest. In addition, in all regions, the research competition should be made open to all researchers, regardless of their institutional affiliation.

A complementary but no less important mechanism to develop and strength research capabilities is the participation of applicants and researchers in workshops structured to provide feedback from scholars with international reputation and the regional economics community. Workshops carried out by the EERC, AERC, and CERGE-EI are a benchmark for the regional competitions supported by the GDN, particularly, for the thorough review of research in progress and feedback from the reviewing committee.

Funds provided by the GDN to the regional competitions should be allocated considering the differences in capabilities within the regions and between countries. Part of the funds should be devoted to training programs aimed at countries and areas with a less developed economics scholarship. A two tier competition and training system as in the ERDP (for non-Russia CIS countries) of the EERC competition is suggested as good practice. The remaining funds should be allocated in larger research grants aiming at upgrading already existing research capabilities to international standards. Joint work of researchers living in the region with researchers from developed countries should be encouraged but a ceiling should be set to the amount of funds that could be granted to researchers studying or working in developed countries.

Dissemination of Research Output

With the exception of AERC and to a lesser extent EERC, there has been little experience on the dissemination of research results mainly as there has not yet been achieved a critical mass of final reports. It can be asserted that the dissemination of the research

output is a responsibility for the focal point of the regional network. Most of the institutions have a large experience in working as clearing houses and organizing conferences and workshops, and have developed libraries and dissemination facilities. All these capacities and infrastructure will likely be used to disseminate the research output from the regional competitions. For the AERC and EERC competitions, for instance, this has involved the creation of a special Working Paper Series. All the institutions have good web-site capabilities. GDN is currently heavily involved in training to promote better use of the web for dissemination purposes. This practice should continue.

The issues of dissemination and fulfilling the potential for policy making of the research supported by the GDN is the least developed area across all the regional research competitions evaluated. In this area, therefore, the GDN may need to develop policies and strategies that could be applied by all the regional research competitions. In this regard, good practices need to be explored from other competitions whether or not supported by the GDN.

South Asia (SANEI)²

The South Asian Network of Economic Institutes, SANEI, was created to act as the South Asian partner for GDN. In a remarkably short time, SANEI has organized and run three research competitions through its hub at ICRIER in New Delhi. Round I is largely complete although dissemination of research results is ongoing. The second and third rounds are still underway with Round II researchers near completion of final reports. A fourth funding increment has been extended and a new research competition announced, but only information on the first three rounds was considered in the report. To evaluate the research competitions both completed and in progress, Ms. Craig used personal interviews, e-mail questionnaires, an on-site visit in August 2001, and a wide variety of printed and electronic resources.

The research that has been completed from Round I is solid and has policy relevance. However, the analysis was generally not very sophisticated, and few papers had formal models of behavior. Its main strength was in the institutional detail that the researchers brought to the projects, including novel data and qualitative information. The five strongest final projects are being edited by T. N. Srinivasan to become part of a book. Because international trade and finance was a unifying theme in this round of funding, the book is likely to be an important and coherent collection that will find an audience among those considering fundamental changes in commercial policy or greater economic integration within South Asia. In subsequent rounds the proposed methodological approaches were more varied and sophisticated, often drawing in other disciplines besides economics.

² In this section and the next two sections on Eastern and Central Europe and Sub-Saharan Africa, Gary McMahon has written summaries of the studies undertaken by Barbara Craig, who subsequently reviewed the summaries and made corrections.

In order to ensure that the competition was not dominated by India (as in Round I), the subsequent rounds included the condition that all submissions must be multi-country. This resulted by submissions from 20 institutions that were not included in the first round. Nevertheless, SANEI needs to make more efforts in this direction. As it is a network of institutions rather than researchers, all submissions must come through a member institution. Consequently, the number of researchers involved has likely not been as large as it could be.

One of the most important accomplishments of the competitions has been, according to many researchers, the building of a space for researchers across South Asia to interact and establish links. Face to face discussion of common policy problems was rare and cross-border collaboration even rarer prior to the foundation of SANEI. Many researchers stated how much they valued the opportunity to meet and discuss their different points of view, to learn about institutional characteristics of different countries, and to build professional bridges of trust.

In the selection process, quality is the first criteria but capacity building is also very important. SANEI has addressed this concern in a number of ways. First, in rounds two and three, as noted above, proposals must come from more than one country, which often results in institutions of varied strengths working together. Second, in the appraisal of proposals, consideration is placed upon the inclusion of younger researchers. Third, all proposals go to a research advisory panel (RAP) of international experts who provide written and oral comments. Proposals selected for funding under all three rounds have been presented at SANEI's annual summer conferences in order to strengthen the proposed research and assess the need for technical assistance. Most but not all members of the RAP were present at these conferences to offer comments and discuss the work. Moreover, at the third annual conference, private meetings were held between researchers of approved proposals and the RAP members. Fourth, in collaborative projects, funds are provided for workshops of the different country teams.

The level of funding for these projects seems to be appropriate for the researchers in the area. In conversations with several individual and team researchers, all reported that the resources were adequate and that the timing of the disbursements had been worked out to their satisfaction.

With the creation of their website in 1999, SANEI has posted abstracts of ongoing projects as well as abstracts and the full texts of completed research projects. Their web site is quite informative about research projects underway and is easy to navigate. In this respect it could serve as a model to the other regional networks. Posting of information about the most recent proposals selected for funding and the current call for new research proposals is as timely as could be expected.

Recommendations

There has been much learning-by-doing at SANEI in the evaluation of the research proposals. The invitations for proposals have become more detailed as the staff at

ICRIER has had to deal with nonstandard presentation of materials or incomplete information. By making the call for proposals more specific, staff time spent tracking down CVs and other proposal materials will be reduced. Making the guidelines more detailed should also encourage applications from researchers who are not personally connected to ICRIER, SANEI or the Steering Committee Members. The latest call for proposals has been made much more detailed and specific.

The decisions to limit the topic (Round I) and then to require cross-country collaboration (Rounds II and III) were carefully considered, but it is recommended that the subsequent competitions remove such requirements. The total number of proposals submitted was disappointing in all three competitions and was especially low in the third round with few new researchers or institutions submitting proposals. It is possible to encourage collaboration without requiring it. By offering extra resources for collaboration—larger grants and funding of team workshops—SANEI should still be able to achieve cross-border interaction. Note that the latest call for research proposals (Round IV) has placed fewer restrictions on topic and research team composition.

As a routine part of competition procedures it is recommended that reviewer comments are provided on *all* proposals, both accepted and rejected. An important and recognized part of capacity building is feedback on research methods and project design. Unfortunately, providing feedback (electronically or in print) increases the workload for the SANEI administrative staff and the RAP members who are already providing a remarkable level of service to SANEI. Hence it is also suggested that: (i) SANEI invite to conferences proposal writers from whom a revised proposal is really desired. (ii) SANEI hold more frequent regional conferences. Given the lags in selecting and funding research projects, the timing of the feedback might be improved by simply having more regularly scheduled opportunities for interaction. (iii) Some external (non RAP) reviewers be used for each proposal. One advantage of adding external reviewers to the process is that an external reviewer could be given only one proposal or very few proposals to consider and so be expected to give more detailed and useful comments than someone who is reading a large number of proposals. (iv) SANEI should not restrict itself to reviewers in South Asia or of South Asian descent since the push for capacity building calls for professional guidance wherever that is best sought. It is in this area that there is the most obvious role for the GDN and its regional hubs in Europe, Japan and North America. Identification of resource persons to serve as reviewers or workshop participants presumes a highly developed network of social scientists.

For historical reasons, any organization administering a research competition in the region will have to operate in a sphere in which there is some level of distrust. It is in SANEI's interest to have clear procedures for evaluation and decision making that leave it the flexibility to make grants in pursuit of both the two goals of funding work of high quality and building capacity in the region without sacrificing credibility with regional partners. Detailed proposal guidelines and a broader set of reviewers would help toward that end. Administration of an ongoing research grants program would be simplified by having longer operating horizons. When funding arrives annually and in 12 month

increments, no amount of flexibility in the actual funding will make up for the inability to establish and stick with deadlines and procedures well into the future.

Eastern and Central Europe (CERGE-EI)

Through its hub at the Center for Economic Research and Graduate Education and the Economics Institute (CERGE-EI) in Prague, the World Bank and GDN have channeled funding for research in the region beginning in 1998. Prior to 2000, the purposes of the funding were to underwrite conferences, to fund researchers participating in the Global Research Project, or to fund research of CERGE-EI faculty and graduate students. The focus of this report is on the regional research competitions which, beginning in 2000, were open to all researchers in or native to the countries of the region.

In the spring of 2000, the first call for proposals for a research competition for the region was issued. In this first round, the researchers in the region generated over sixty proposals from fourteen different countries, truly an impressive start. Proposals covered a wide variety of topics of concern to economic policy makers and originated in a wide variety of institutions. The second competition announced in the spring of 2001 attracted even more proposals drawing in researchers from 32 institutions that had not sponsored proposals in the first round.

As the regional competitions are a recent phenomena for this region, there was no information to review on completed projects. However, for the first Round, proposals were available for all successful applicants as well as work in progress—some of them substantially complete—for a subset of those proposals that have received funding. In addition Ms. Craig used personal interviews, e-mail questionnaires, and a variety of printed and electronic resources to learn more about the process and the participants in the Eastern European region.

The projects are varied not only in the questions being pursued, but also in the range of methodological approaches used, including sophisticated analytical work and useful empirical studies. As so many of the economic problems of transition are or soon will be policy problems, both the theoretical and empirical exercises should prove useful to policy makers. Of most immediate use are the projects that bring together, in a carefully structured way, information on the contemporary economic currents. Just as important for the long run are the theoretical projects that take as a point of departure the need to understand at the most fundamental level the behavior of individual households, firms, and bureaucrats.

There have been two funding increments for competitions that were open to all researchers in or native to the countries of the region. Additional funding increments under the “Balkan Initiative” (Balkan I and Balkan II) were explicitly targeted at a smaller group of researchers in South Eastern Europe. This report focuses on the regional rounds although some reference will be made to the Balkan initiatives below.

The guidelines for research proposals and the procedures to be used for selection of grants for funding in Round I were spelled out quite clearly in an early April, 2000, "Call for Proposals." The competition was open to all researchers who reside in the region or who were natives of the region. The Call was quite explicit about dates, use of funds, and the format expected of proposals. In fact, it was so thorough that it could serve as a model for all regional competitions. The Call was disseminated in a variety of ways: letters and e-mails announcing the competitions to approximately 600 institutions and individuals, and electronic posting on the website of CERGE-EI and various other list serves and discussion groups in the region.

Proposals meeting requirements were sent out for at least three external reviews. External reviewers were chosen from World Bank staff and practicing academic economists in the U.S. and Europe according to areas of professional expertise and willingness to participate. Final funding decisions were made by a selection panel of three senior economists. The quality or scientific merit of the proposal was the primary criteria but capacity building in countries in which the needs were the greatest was also emphasized. Accordingly, the panel found it necessary to turn down some high quality proposals in order to broaden the regional funding pattern. Another way used to meet the criteria of capacity building was to give some preference to young researchers.

Nine proposals in Round I were accepted for funding. Seven other researchers were encouraged to revise and resubmit within the time frame of the first round. For all proposals, whether ultimately funded or turned down, researchers were given copies of external reviews as well as a panel summary. In most respects, the selection procedures mimic those used by the Economics Program of the U.S. National Science Foundation in its competitive research grants process, with the exception of the relatively high priority given to institutional and geographical diversity in funding. Although the selection of proposals has not been completed as yet for Round II, the procedures to be used are the same as those used in Round I.

Work in progress was presented at a regional meeting in Prague in July 2001. Each project received a large block of time (almost two hours) for presentation and discussion. Each paper was assigned two discussants. In a meeting of the outside experts following the Prague conference, an assessment of the progress to date was made. In a few instances, progress was deemed insufficient and funds have been temporarily withheld. In these cases, a mentor from among the outside experts was assigned to monitor subsequent work and to determine that progress is made before release of subsequent funding installments.

The success of the Eastern European regional competition in diversifying the funding base can be seen in the summary statistics for the competitions to date. For Round I, information on the distributions of grants is also available. Proposals were submitted from 15 countries and 42 different institutions. Of the 64 submissions in Round I, a total of 15 were funded. Proposals funded represented 8 countries and 11 different institutions. Only two institutions had multiple proposals funded. The primary geographical gaps in funding were for institutions in South Eastern Europe, but this was

remedied through the Balkan I initiative, described below. There was only one country in the region, Macedonia, from which no proposals were submitted under the larger research competition.

More than half of the proposals funded involved a team of researchers, and all but one of these efforts included researchers at different institutions. Most teams included researchers in different countries, including some graduate students from the region who are studying abroad. There was clearly a mix of older and younger researchers both within single project teams and in the set of funded proposals taken as a whole. It appears that women were principal authors on at least one third of the proposals submitted.

There were both more proposals and more institutions represented in the submission in Round II. What is especially interesting to note is that there was an expansion of the range of institutions participating in the competition. In Round II, researchers submitted proposals from 32 institutions that had not generated any proposals in Round I. Funding decisions have not yet been finalized in this round, but conversations indicate that there is an expectation of funding 27 proposals once revisions and clarifications are received in response to referee comments.

Despite the lack of progress on several research projects, my overall impression of the quality is positive. It is expected that a majority of the projects will find acceptance in internationally recognized journals. Others will be published as working papers or research outputs of their home institutions. Many of the projects have already been shared with policy makers and many more have scheduled presentations or workshops that include policy makers or market participants.

In fiscal year 2000 and 2001, CERGE-EI received two funding increments under the “Balkan Initiative”. These funds were earmarked for researchers in South Eastern Europe. Funding decisions under these competitions has been completed for only Balkan I. Rather than announcing a call for proposals, researchers were issued personal invitations to submit proposals under the first Balkan Initiative. The submissions were vetted subject to the same criteria as Round I proposals but with a different Advisory Board making final funding decisions. For the upcoming round of funding under this Balkan Initiative, the selection process will conform to the deadlines and procedure that will be used for the general competition under Round II.

Under Balkan I seventeen researchers in eight different countries were funded. The impact of this special initiative was to increase the geographical reach of funding to five countries in which no researchers had received funding in the global competition.

Recommendations

The first Balkan Initiative was run outside the Global Research Competition, but the second will not be. It is recommended that the two remain together. There are some economies of scale in the administration of research competition, and the administrative

resources of CERGE-EI would be best used by combining the two competitions in the future. The overall quality of research to be funded in the two competitions would be more nearly equalized if the entire set of proposals is viewed by the same panel. The larger is the set of proposals from which to try and achieve the goals of greater regional coverage and capacity building, the more flexibility decision makers will have in achieving the goals.

The conference held in Prague provided an excellent opportunity for discussion of and feedback on proposals seven months into funding and twelve months past the initial proposal. The extended period allowed there for presentation and discussion far exceeds what is typically allowed in professional meetings and should prove adequate for feedback at an intermediate stage. There is, however, a need for more opportunities to receive comments prior to submission for publication. The assignment of mentors to projects that are not progressing at a suitable pace is a step in the right direction. With a new round of funding, and the addition of a new cohort of researchers, some smaller and shorter gatherings could be scheduled in which researchers pursuing related topics at different stages get together for more informal presentations and discussion.

In the process of reviewing proposals in both Round I and Round II, considerable energy was expended in identifying and contacting external reviewers for each proposal. Identification of economists or other social scientists to serve as reviewers presumes a highly developed network of social scientists. CERGE-EI has already cultivated a network of personal and professional connections, but the cost of doing so for this region or any other in the GDN would be reduced by the development of a centralized database and talent pool. There are economies of scale in the maintenance of a database on the areas of expertise as well as up-to-date contact information on reviewers. Once again, this the most obvious role for the GDN and its regional hubs in Europe, Japan and North America.

At present, most information concerning the activities of the GDN in Eastern Europe are found through the web site for CERGE-EI. As the information about the regional network and the regional research competitions is just one part of the general information on CERGE-EI, it can get lost in the surrounding material. The regional network's own profile would be raised by having a stand alone home page. Links to the regional hub at CERGE-EI from the region's home page would certainly be appropriate and useful but would put the network and its activities at center stage of a least one small site. Working papers, especially the final project drafts, should have a home here in an electronic form that others can easily read or download. Electronic links to institutions in the region that are regional network members would enhance communication within the network. A directory of researchers who have been funded (complete with CVs and contact information presented in English) as well as an institutional directory would go far towards improving existing communication channels.

Sub Saharan Africa (AERC)

The research program in this region, administered by the African Economic Research Consortium, has the longest history of any of GDN's partners, having begun in 1988. It has been reviewed many times as part of a broader evaluation of the AERC itself. In the past six years, alone, there have been three reviews: Thorbecke (1996), Henderson and Loxley (1997) and Horton (1999). In all these reports, the research program and its interaction with the training and, more recently, the Collaborative Research Projects, has been documented, praised and only mildly criticized. Much of what has been said before about the strength of the research program could be repeated here. There is ample evidence of a vibrant research community that continues to produce sound research in topical areas of relevance to policy makers in Africa and elsewhere.

The scope of this evaluation is much narrower than those that have been gone before. The task at hand is to evaluate the process of the research competition, the quality of the completed research, and the contribution of the research competition itself to capacity building in the region. Consequently information gleaned from AERC's database, electronic communication, interviews and research papers various degrees of completion were used to form an impression of the recent history of the research competition. In particular, the consultant looked at the three most recent funding cycles from fiscal year 1998-99 [Round A], 1999-00 [Round B] and 2000-01 [Round C]. The current submissions pipeline and some recent publications in the Research Paper series will also provide background material from which to evaluate the competition's recent record.

The procedures for selection of research proposals for competitive research grants used by the AERC have been in place, essentially unmodified, for several years. The process includes several steps with inputs from many sources. First, proposals are submitted to the AERC on a rolling basis with no deadlines that delineate separate funding competitions. Proposals are permitted on any topic, but a priority is given to topics that fit into four broad themes. The current themes are macroeconomic policies, stabilization and growth; finance, resource mobilization and investment; trade, regional integration and sectoral policies; and poverty, income distribution and labor market issues.

Researchers are given relatively flexible guidelines for proposals. There is no prohibition on submitting more than one proposal, but, in practice, the AERC will only consider one proposal at a time. Proposals submitted by individuals currently receiving funding will not be evaluated until the final report is submitted for the current project.

Proposals are first screened at the AERC by the Director of Research. They are then sent to external reviewers and resource persons. After external reviews are received, some authors are asked to withdraw proposals on the advice of a reviewer. This is really a complete rejection of a proposal. After consulting with resource persons and with the information contained in the external reviews, the AERC invites some researchers to present their proposal in the appropriate thematic workshop at an upcoming meeting of the AERC.

The AERC holds meetings twice each year, May and December. At these meetings there are plenary sessions and separate, parallel workshops for each of the four thematic areas.

Researchers receiving an invitation receive funding for the trip. Following its initial presentation, recommendations as to the proposal's next step are reached through discussions of members of each thematic group and the Research Advisory Panel. At this stage the proposal is recommended for funding—possibly only after revision for a second presentation—or withdrawn. The AERC Advisory Committee makes the final funding decision based on the recommendations and inputs of many researchers at the review and presentation stages.

Once a proposal is accepted, most of the grant is paid. A researcher is required to travel to at least two additional biannual workshops of AERC to present intermediate and then final results. If no revisions are requested at the initial presentation or final stage, a research project would thus go through three presentations with group discussions. Written reports of the work being done are also required at these two stages. The remainder of the grant is paid out to researchers following the presentation of work in progress provided that the presentation and paper demonstrate reasonable progress. In addition to its presentation in the thematic workshop, technical workshops are held with just the researcher or team of researchers for each project and resource people for that thematic area. These separate workshops are used for focused discussions on problems or technical questions that would not fit within the time constraints of the presentations.

The project is finished when a final report has been filed and accepted. Acceptance of the final paper brings with it an additional \$1000 as an incentive to follow through on revisions that may be suggested for the final report. The final reports may then be sent out for external review in order to reach a decision about publishing the final report in the series of AERC Research Papers. The external reviewer is someone who has not already been professionally and intimately involved with the development of the research project. At this stage, additional revisions may be expected of the authors since there is now a new reviewer to satisfy.

In earlier reviews of the AERC's research competition, the labor intensity of the process and the substantial lags at various stages of the process have been identified as areas of concern. For example, of the 183 submissions made in the 18 month period ending in December 2000, only 25 percent of the researchers had received a definitive response from the AERC by May 2001. Of the 106 proposals which had been in the submissions pipeline for at least one year, only 41 had received either a red light (rejection) or green light (workshop slot). The average time between submission date and scheduled presentation date was 12 months.

AERC publishes some, but not all, accepted, final reports in its peer reviewed Research Paper series. Researchers are encouraged to seek publication in peer-reviewed journals with a regional or international audience, but there is no financial incentive or editorial assistance offered at this stage in the process.

An important characteristic of the two yearly workshops is their organization into the thematic units mentioned above. New proposals and current projects are fit into the current thematic structure so that there will be some continuity as a project moves from

its preliminary and intermediate stage to its final form—all within the same thematic workshop. Thus the external resource people, AERC staff and Board members, observers, and the researchers themselves provide the discussion of work at various stages of progress. The research process of one author or team is thus visible to researchers on other projects who have the opportunity to learn from the success or problems of their peers.

The World Bank and GDN funding of competitive research grants began in fiscal year 1998 and has been continued in each of the subsequent fiscal years. The vast majority of grants were for over \$10,000. The criteria for research grants, to the extent they were included in the funding agreements, emphasized quality first and then broadening the base of researchers along multiple dimensions (gender, language, country).

Regional representation is good although variable. The institutional diversity of researchers funded is harder to document due to some missing information, particularly on the institutions of co-investigators. Eighty percent of principle investigators came from academic institutions. A few projects had principle investigators from central banks, research institutions, or governmental departments. One aspect of the institutional funding pattern is clear: there is very little clustering of researchers by institution.

Representation of women in the funding competition has never been strong. Earlier reviews pointed to the small number of women participating in research projects as a problem to be fixed. However, it is important to note that in the most recent rounds of funding, the share of grants going to women increased from 5 percent in 1998-99 to 12 percent in 1999-00 and to 15 percent in the 2000-01 round. One factor that has likely helped to attract more qualified women to the AERC research competition is the introduction of the new thematic area of Poverty, Income Distribution and Labour Market Issues. Half of the projects funded with a female principal investigator and half of the proposals submitted by women from June 1999 to December 2000 fit this research theme.

The consultant reviewed papers at every stage of the process: proposals, revised proposals, interim reports, final reports and final reports published in the AERC Research Paper series. The AERC is getting good value for its research grants. With relatively modest grants, researchers have produced solid empirical work and papers that show a firm grasp of the current literature. Nevertheless, there are few proposals or finished projects among the set reviewed which could be considered especially innovative. Instead, most of the research projects are built squarely on the theoretical and empirical work that has gone before. The research reports, especially the final papers are well written. One element of the AERC workshop process that comes through the final projects is the evident development, over time, of a focused research question and well-structured research paper. The final and intermediate project papers showed a disciplined approach to their topics. In particular, the mix of background material and new information or results was satisfying. The authors managed to convey significant institutional detail with getting bogged down in it and presented data with an appropriate division of words and statistical tables. Almost every paper reviewed provided valuable economic data in a clear format. The papers are accessible perhaps because they are not

overly technical, while still using an appropriate methodology. Several recent projects had primary data collection as part of their research agenda. This is an important methodological leap. This primary data collection is especially critical for economic analysis at the microeconomic level because so little is available.

A quick review of titles of published research or research in progress in the AERC gives a good indication of the strong policy relevance of research being undertaken. Nevertheless, the policy relevance of the research output of the AERC is not the same thing as policy impact. The primary output of the research program is the Research Paper series. Much of the qualitative information and the new data generated or organized in these papers is both accessible and relevant for policy making. The Research Papers are eminently readable, but the audience is a professional one, which has only a small overlap with the set of policy makers in Africa. Few of the research reports give a road map for policy that would be trivial to follow. An important part of the research process in the AERC is the professional training that takes place through the workshop process. By making and observing presentations, participants are honing their own skills of persuasion. If a researcher can start with appropriate methodology, add to that a persuasive and articulate exposition, then he or she will have the recipe for building bridges between the research and policy communities. The development of professional expertise is the first and most vital step for without it, no research can have an impact.

Recommendations

The competitive research competition being run by AERC is clearly successful on multiple levels. The funding of a diverse set of researchers combined with the intense interaction in thematic workshops has served the region well. The research projects clearly become more sharply focused and more well structured as they move through the process. The final research output is of a high quality and of undoubted use to those who would want to understand African economies better. This is a successful process that is not in need of a drastic overhaul. There are, however, a few points in the process and some small institutional changes that might smooth the few rough edges.

A great deal of time, effort and resources are devoted to the process of nursing research projects from the stage of the initial proposal to the final product. The process has had an impressive payoff in the form of solid and valuable research produced by economists in Africa. That researchers in the region benefit from the current process is not in dispute. However, it may be time to consider how desperately each phase of the process is needed. Lags from submission to final disposition are simply too long. First, give proposal writers plenty of written feedback within nine months of the submission and reject more straight away. The risk involved with this approach is that you discourage some young, inexperienced grant applicants. This risk can be mitigated with truly useful input on why the current proposal does not pass muster. To make this good advice truly useful, give clear signals to researchers whose proposal has been rejected to revise and resubmit if there is hope or to try an entirely new approach because there is really no hope. Second, approve some projects for funding on the basis of the written proposal alone. The risk inherent in this step is obviously the chance of funding a project with

little chance for success. That is quite obviously a risk in any grant-giving process. Very few proposals are, in fact, rejected at the stage of the first presentation. This presentation does not apparently serve an important filtering function.

The Research Paper series published by AERC has a fairly uniform style and that alone gives it some coherence. It could use, however, some tighter editing of the papers and some firmer style guidelines for authors. There are frequent spelling and grammar mistakes as well as missing references that tend to cause a reader to discount the substance of the reports themselves. Graphs are often not presented in a professional manner.

There seems to be a very flexible convention for reporting the names of authors that makes it difficult to link authors up with other work. Part of establishing the network of professionals in Africa and connecting that network to the rest of the world is making absolutely certain that the individual responsible for the output can be identified and located. Clear and unambiguous attribution will allow others who are interested to follow an individual's line of research elsewhere or even to seek that person out for professional advise and consultation.

In order to improve communication and increase the impact of the research being done in the region, the AERC web site should be enhanced. Only 16 of the 107 Research Papers published so far are available on the web site in electronic form. There is no place on the site to learn more about the individual researchers who are currently being funded or about those whose projects are complete. The AERC could provide important networking information by maintaining an online database with information on current and past grantees.

The orientation of the thematic group on health, labor, poverty, etc. has had the (perhaps) unintended benefit of increasing the number of women who are principal authors or co-authors both on proposals and ultimately on projects. This has been good. There are some gender distribution differences in sub-fields of economics in the U.S., Canada and Europe, so it should come as no surprise if that is repeated here in Africa. Some ideas of new themes are environmental and resources economics, education and human capital investment. The topics of education and human capital development would probably fit quite easily into the current thematic area which focuses on health, poverty and labor markets. Any new topics really should be demand driven. It is hard to know if proposal writers are discouraged from submitting something which does not clearly speak to one of the four themes. It would seem worthwhile to experiment with leaving the topics open and see what thematic groupings naturally develop.

Middle East and North Africa (ERF)³

³ In this section and the next two sections on the Former Soviet Union and East Asia, Gary McMahon has written summaries of studies undertaken by Fernando Loayza, who subsequently reviewed the summaries and made corrections.

In June 1993, the Economic Research Forum for the Arab Countries, Iran and Turkey (ERF) was established. ERF's mission is to promote and fund policy-relevant economic research; publish and disseminate the results of research activity to scholars, policymakers, and the business community; and, function as a resource base for researchers through its databank and documentation library. However, ERF does not conduct research in-house but, rather, acts as a research network, clearing-house, and facilitator.

Within the framework of its annual research conference and thematic research programs, ERF established a research grants program on a competitive basis and judged by a panel of internationally recognized scholars. Since July 1998 the World Bank and GDN have annually provided grants to ERF's research competition with the objective to support research capacity-building in the MENA region on condition that funds allocation is transparent and objective.

Research competitions are announced by several means: ERF's website, the ERF newsletter, which is distributed to more than 6,000 individuals, institutions, government officials, and media; flyers sent to universities, research centers, regional organizations, and think tanks; and targeted e-mails to ERF constituency and individuals. According to its Director, ERF depends on its constituency to reach the lesser known institutions or less well connected individuals in each country.

ERF provide grants to research projects and papers for its annual conference. The corresponding call for proposals and call for papers provide sufficient information on the competition, comprising guidelines for the presentations of papers and research proposals. In addition, evaluation and selection procedures are explained, including a brief description of the refereeing committees. In general, the information provided is sufficiently clear and detailed for applicants to know the type of proposal that the ERF seeks in the competition. It would be useful, however, for the applicants to be aware of the criteria that will be applied in judging their proposals.

From the 24 countries of the MENA region, researchers from 16 countries submitted proposals to the ERF in the first two competitions. However, 88% of these came from 8 countries. Given the main objective of capacity building in the region, it is suggested that ERF develop a way to incorporate the other countries of the region into the forthcoming competitions. The largest proportion of researchers and research teams that submitted proposals (26%) are studying or working in institutions located in the United States of America or the European Union (USA-EU). Most of the proposals from the MENA region came from Egypt, Turkey, Jordan, Morocco, Sudan, Lebanon, Tunisia and Iran. In summary, the ERF call for proposals are well advertised. However, it calls one's attention that from third of MENA countries no proposal was submitted and another third only accounted for 12% of the proposals submitted.

Submitted proposals go through a two-stage evaluation process. A Technical Refereeing Committee evaluates each proposal according to the criteria based on 13 numerical scores. This committee also comments on priority of subject, policy relevance,

methodological soundness, credentials of principal investigators, capacity building aspects and suggested budget. Technical referees are five specialists in each of the ERF research thematic areas. Referees also provide technical comments that help researchers to improve or develop their projects. The technical evaluation is then considered by the Selection Committee, which makes the final selection from among all of the proposals submitted. The Selection Committee consists of six members representing ERF's Board of Trustees, ERF's Advisory Committee, ERF Affiliates and Donors, and ERF's Managing Director.

When the selection process is completed, constructive comments from the technical and selection committees are provided for all proposals and forwarded to the applicants. There are five outcomes from the evaluation process of competitions: i) acceptance; ii) conditional acceptance; (iii) resubmission; (iv) seed money; and, (v) rejection. Seed money is modest funds provided to the principal researcher to encourage a revision of the proposal for resubmission in the next competition round.

87% of all conditional and accepted proposals are from researchers from the EU-USA region, Turkey, Iran, Egypt, Tunisia and Sudan. The remaining 13% belong to Algeria, Lebanon, Saudi Arabia, Kuwait and Jordan. The category of proposals for resubmission does not change this pattern of geographical distribution of grants. Seed money has reached researchers from Yemen and Iraq, two countries with no accepted proposals. However, the total amount of seed money allocated in the program is very small.

It could be argued that if the ERF competition were to broaden effectively its geographical and institutional coverage in the MENA region, more funds would have to be allocated in the seed money category. This policy would need to be complemented by specific measures aimed at capacity building because more funds for seed money simply does not guarantee that the number of proposals with minimal potential will increase.

Mid-term review are carried out by ERF in house relying on its staff expertise. The objective of the mid-term review is twofold. It assures that research progress is consistent with the proposal and that the budget received is spent on approved items. ERF also provides researchers with the opportunity to present their mid-term findings and get valuable feedback during special sessions at ERF's annual conference.

Technical feedback from committee members is very valuable in so far that authors are provided with guidance on a case-by-case level as to areas of weakness. They are also given guidance on how to improve their work and thereby the quality of their project. Even rejected are given extensive comments on how to upgrade submissions.

The final review committee is a high level committee composed of three referees who are specialists on the topic. The high level committee reviews the quality, originality and excellence of completed research projects submitted to ERF. The output of this committee also contributes to improve ERF's procedures in the selection of proposals and mid-terms reviews.

The thematic and methodological coverage of the research program supported by the ERF competition is broad. A great variety of topics are covered such as natural resource management, macroeconomic policies, microeconomic and industrial policies, and social issues like poverty and gender and financial oriented research.

In relation to methodological coverage, no restrictions of any kind were identified. In addition to the more traditional use of economic and econometric models, case studies were also found. Furthermore, the acceptance of proposals to produce a collection of articles around a subject and studies driven by an entirely practical goal, as is common in the consulting business, attest to the lack of methodological constraints of the research program supported. This seems to be a consequence of ERF's priority to promote policy oriented research. All the proposals and reports reviewed were related to policy issues in the MENA region.

The eight proposals reviewed achieve in general an international standard of quality. In three cases potential shortcomings were found in the design of the proposals. However, based on the review of the work in progress, in only one case are the results likely to be affected.

A sample of nine interim research reports was evaluated. In general they show progress in line with what was promised at the proposal level. The policy relevance and the potential contribution to development are the clearest strength of the research projects supported by ERF's grants. It remains unclear, however, how deep or significant these contributions will be when the research projects are completed.

There have been delays in funds disbursement when principal investigators did not provide a satisfactory technical or financial interim report. Thus far, only in one case has ERF reserved the last installment since the high level committee did not approve the final report, requesting a major revision in light of specific technical comments.

The consultant was unable to identify an explicit ERF policy on dissemination of the final output of research grants supported by the GDN. Nor could he determine how the ERF intends to bridge the gap to policy makers. According to ERF's Conference and Grants Officer "ERF created a special report series to disseminate the final output of research projects supported by the GDN." Also, the consultant was informed that on the ERF's web page there is a section named *research projects* that includes summaries of research projects funded by GDN resources. The consultant, however, was unable to find this section on the ERF's web page. Accordingly, the issue of output dissemination of the research supported by the GDN will be further explored by the consultant at the ERF's Annual Conference to be held in January 2002.

Recommendations

The ERF research program and the regional research competition supported by GDN contribute to research capacity building in the MENA region. Further, the proposals and interim reports reviewed show that research is carried out at international standards.

Nevertheless, ERF has a significant potential to enhance their research program to deliver much greater capacity building in the MENA region. As noted above, researchers from around two thirds of the MENA countries do not participate or are marginally linked to the research competition, and only a small portion of funds was devoted to seed money. Moreover, only 25% of fund went to small and medium small scale projects.

For enhancing the capacity building from the ERF research competition, the suggestion is to establish a research program of small and medium size grants addressed to researchers in MENA countries, attached to successful completion of an economics scholarship or training program, (such as the one used by EERC—see below). An initial goal could be to distribute the funds provided by GDN between the current research program (50%) and the proposed research capacity building program (50%.)

The criteria developed by ERF used by the refereeing committee to assess a research proposal has the virtue of improving objectivity. It is suggested that based upon EADN and ERF's criteria, GDN considers the development of guidelines for the evaluation of proposals in all the regional research competitions. For the sake of transparency, such a guideline should be advertised to the researchers along with the call for proposals.

As the sample of reports reviewed were interim reports, the quality of the research promoted by ERF could not be fully assessed. Interim reports showed, however, that in general the researchers were delivering what they committed to do in their proposals. The main feature of the ERF preliminary output evaluated was its relevance for policy and its potential to contribute to development. At this stage, however, it was unclear how deep or significant these contributions would be when the research projects will be completed.

Taking into account all the information available in ERF's web site and specific requests for clarifications made to ERF, it appears that ERF has not yet defined a policy to disseminate the results of the research supported by the GDN. However, other ERF programs advertised through its web site show that ERF has different means to diffuse research results such as a Forum Newsletter, a Working Paper Series, an extensive library, and conferences. It is likely, therefore, that the ERF will employ this infrastructure in the most convenient way once completed research from this program reaches a critical mass. Note that in the research proposals reviewed, it was rare (in all competitions) to find a section on dissemination of research findings. Moreover, the guidelines for the call for proposals did not request the applicants to indicate how the research findings will be disseminated.

Former Soviet Union (EERC)

The Economics Education and Research Consortium (EERC) was created in 1995 to strengthen economics education and research capabilities in the Commonwealth of Independent States (CIS). Since 2000, EERC-Russia has served as the regional representative of GDN in the CIS countries. The EERC is an attempt to address the critical need in the former Soviet Union for well-trained economists for policy, research,

and teaching. By the mid-1990's, Russia possessed perhaps the most advanced programs in economics education in the region. Hence, the Russian program focuses on research. More recently, a series of technical/methodological seminars has been added to help upgrade research skills of individual economists proposing to or actually participating in the program. Further, with support from the GDN, activities of the Russian program of EERC have been extended to other countries of the Former Soviet Union, leading to the creation of a CIS-wide research network

Since its creation, EERC-Russia has registered a number of notable achievements, including: (i) Establishing an academic network for economists across CIS countries; (ii) Creating a permanent cadre of international "resource persons" participating in the review process, serving as faculty at the research workshops, and collaborating with program alumni in joint research projects; (iii) Supporting more than 170 researchers involved in 108 research projects; (iv) Providing professional development opportunities to more than 100 CIS economists through research workshops, methodological seminars and summer schools; (v) Launching a range of bilingual professional publications chronicling results of sponsored research for economists and policy makers in Russia and abroad; (vi) Inaugurating a series of targeted methodological seminars to bolster analytical skills of Russian economists involved in policy-oriented research; and (vii) Initiating a series of policy seminars to reach out to the policymaking community in Russia.

At the heart of EERC's activities is the Economics Research Grant Competition (ERGC) which supports research projects in Russia. The ERGC initially reached only the Russian network. Since 2000, however, its geographic coverage has been extended to include all CIS countries. As Russia was ahead in the process, a special program—Economics Research Development Program (ERDP)—to foster economics research capabilities within CIS countries other than Russia has been set up. A key aspect of ERDP is the emphasis it places on capacity development, as explained below.

The Call for Proposals for the ERGC and the ERDP are advertised through its extensive mailing list, brochure, and website, as well as in two major Russian economics journals and a general purpose weekly of the Russian Academy of Sciences that is universally used for grant-seeking purposes and calls for proposals. EERC's staff also travel around Russia quite extensively to give presentations about EERC and "how to write proposals" seminars. Moreover, relevant forms and guidelines for the application can be easily downloaded from the website.

The application form and guidelines for the ERDP call for proposals provide clear and sufficient information on the EERC, TERN and ERDP. The grant competitions requirements and process are well explained and very detailed, including evaluation criteria.

EERC adheres to an equal opportunity policy. Without denying this non discriminatory principle, both programs encourage the participation of women and young researchers. The average age of the participants in the competition has fallen from the mid-forties to

early-forties. This trend has been even more acute for heads of projects. Female participation in the competition has remained stable around 37%.

While teams could include non-CIS citizens, the programs only funds CIS citizens. Participants in the ERDP need to be CIS citizens and permanent residents of CIS countries excluded Russia. Russian or CIS citizens permanently resident in Russia or spending at least 50% of the grant period in Russia can apply to the ERGC.

Both programs cover the following four thematic areas: Product markets and industrial enterprises, labor markets and social policy, macroeconomics and financial markets, and public economics.

From the review of ERDP's and ERGC's guidelines and the form application for the ERDP, a trend towards studies based on statistical and quantitative research methods was identified. For example, the aforementioned guidelines indicate that the most substantial part of a proposal should typically comprise “ (2) formal (mathematical) description of the theoretical model.... (3) an outline of the econometric model used to test your hypotheses. Discuss the problems related to the estimation of its parameters, and justify their economic meaning.” This, at least partially, discriminates against the case study methodology commonly used in social science and increasingly in use in economics. It is likely that the research competitions and results would benefit significantly if case studies were applied in inquiring issues such as corruption, rent-seeking, contract enforcement and property rights protection, labor mobility and migration, and so on.

The grant competition in Russia is, on the one hand, to a large extent concentrated in the Moscow and St. Petersburg areas, where 50% of the proposals are originated. On the other hand, proposals were received from 52 different Russian cities. Thus, the ERGC competition has reached most of Russia, including quite distant cities from the capital as Irkutsk, but its effectiveness to incorporate scholars from these places is still unclear as discussed below.

For the ERDP competition, applications were submitted from all CIS countries, excluding Russia. Most applications were concentrated on Kazakhstan (32%) and Kyrgystan (24%). Except for the Ukraine and Tajikstan, almost all applications came from the capital.

In the ERDP a two-tier competition and training system is established. Participants apply to a Summer School where they receive two weeks of training and technical assistance to improve their proposals. Selection of the applicants is made by EERC staff and experts based upon the quality of the proposal, the applicant's familiarity with modern research literature and research methods, and the applicant's potential for professional development. Provided that the participants fulfill the course requirements, they are invited to submit revised research proposals. Thereafter, the ERDP competition follows quite a similar review process to that of the ERGC.

For the ERCG, EERC's Program and Research Directors screen the submitted proposals, making a first selection of about 60 proposals. These are sent for further review by four research advisors for each research area. The advisors' recommendations are reviewed by the EERC Directors and heads of the thematic panels resulting in one of the following outcomes: (i) Invitation to the EERC's research workshop, where the proposals are reviewed and the best receive grants of \$8000 to \$15,000. (ii) Invitation to the EERC's research development workshop, where the authors of promising proposals may be awarded smaller-scale financial support up to \$3000 or scholarship grants for the New Economic School. (iii) Rejection, in which they will not be invited to a workshop but will receive detailed feedback and suggestions for improvement of project design.

According to the EERC's Director, both ERDP and ERGC competitions will be gradually integrated but some change in emphasis should remain. In Russia research should be emphasized, "whereas outside Russia there is a great need for capacity building."

Since 1996, 147 Russian proposals were awarded research grants. Forty-six proposals received full grants, 41 proposals got full grants conditional on revision and 60 proposals obtained development grants including scholarships and fellowships. Moscow's preponderant participation (40%) in the proposals submitted to EERC is even greater in receiving full grants. Moscow received approximately two thirds of the full grants awarded. The geographical coverage of full grants awarded is significantly lowered than that of the proposals submitted. More than 50 cities are reduced to 12. This is because the adverse conditions that economic scholars face in most parts of Russia, which impair their capability to formulate competitive proposals. Therefore, it is not surprising that development grants have a greater geographical coverage reaching 16 Russian cities, while Moscow's participation falls to less than 30%.

In the ERDP competition, 23 grants were awarded: 2 full grants, 6 full grants conditional on revision and 15 development grants. In the CIS countries awards went mainly to three countries Ukraine, Kazakhstan and Kyrgystan, reflecting a more developed economics scholarship in these countries.

In summary, in the EERC competitions in Russia and the CIS countries geographical and institutional diversity was identified. In relation to the proposals accepted this diversity reduces significantly in favor of the large countries such as Ukraine or large cities like Moscow. However, for research grants for scholarships and research fellowships, the participation of smaller countries and cities increases, reflecting EERC's policy to capacity building in these regions. With respect to institutional concentration of grants awarded, a trend towards diversification was identified.

Research workshops are the main mechanism for the review of proposals, interim reports of work in progress and final reports. Under the format of EERC's workshops, research in progress is thoroughly reviewed as it comprises: (i) submission of a work in progress report prior to the workshop, which is evaluated by expert panels; (ii) presentation and discussion of the preliminary results achieved; and (iii) written feedback and comments from the reviewers. Further, the composition of the technical panel is adequate as

international experts in the relevant research areas are complemented by national researchers with first-hand knowledge of the situation in Russian and the CIS countries.

Samples of proposals, selected by EERC, and of final papers, selected by GDN, were considered. This evaluation, to a significant extent, addresses the ERGC research program. The ERDP was only taken into account for a three-sample of proposals as the program was only launched at the end of 2000.

A striking feature of the research program supported is the rather low policy relevance of the proposals accepted and, accordingly, of the final papers produced. Even in a couple of final papers with significant potential for policy making and implications for development, a special effort to extract these lessons or recommendations is not perceived. One explanation would be that EERC has a special policy program, "Focus on Policy", different from ERGC or ERDP that was launched in 2000 to support two-way policy dialogue between CIS network members and policymakers on specific issues. This dialogue would benefit significantly if the research supported became more relevant for policy or development purposes.

Eighteen accepted proposals, fifteen from the ERGC and three from the ERDP competitions, were also evaluated. In general, proposals from the small ERDP sample are better structured than those analyzed from the ERGC sample. Moreover, all ERDP proposals accepted included policy implications unlike the ERGC proposals. In the opinion of the consultant, only six out of the fifteen ERGC proposals have policy implications or a potential contribution to development well presented by the applicants.

The proposals of the ERDP sample are all of high quality. This is not the case of the ERGC sample where two proposals are below the minimum standard to be accepted, and four proposals would have benefited from further development. This could be due to two factors. First, the ERDP has a more intensive mentoring process than the ERGC, especially the Summer School. Second, the learning by doing of EERC which is reflected in the fact that three of the four proposals needing further development came from 1998 or earlier.

A sample of ten completed studies selected by the GDN from the ERGC were evaluated. In general, the papers are of high quality. Only two out of ten papers were below international standards, whereas one is outstanding and above international standards for small research projects.

Funds are typically disbursed in three installments after approval of the initial proposal, interim report and final paper. During the five years that Russian competitions took place in four cases research grants were reversed. This was because of the poor quality of the interim reports.

Project results are presented at the research workshops. Once revisions are completed, final research papers are disseminated through the EERC Publications Program that targets a wide audience of readers within Russia and abroad, including researchers and

policy makers, students and teachers of economics. All EERC publications are issued in Russian and English and are distributed by subscription, free of charge. The EERC Working Papers Series present the results of the best research projects undertaken by EERC network members. Working papers contain non-technical summaries, but these tend to overlap with the conclusions and are not very friendly to non-specialists.

Recommendations

EERC's research competitions in Russia and CIS countries have rather different objectives. The CIS competition is more an exercise of capacity building by training, whereas the Russian competition is more focused on providing research grants. However, judging by the quality of the research proposals evaluated, it seems that the quality of proposed research significantly increases through the training process in place addressed to CIS citizens. EERC is aware that Russian economists outside Moscow are in a similar situation than those economists of the CIS countries and keep Summer School slots for the Russian citizens in the ERDP program. This is welcomed but it could be insufficient. For research studies to improve their quality, greater research training will be needed both in Russian and in CIS participants.

One way to deal with this situation is to integrate the ERGC and ERDP into one research competition reaching Russian and CIS economists. Those applicants that reach or surpass a minimum threshold would be requested to present directly their proposals to the research workshops, whereas the others would be considered for participation in the Summer School.

A weakness identified in the research programs of EERC is the indirect discouragement of case studies as an alternative research strategy to statistical or econometric analysis. Case studies do not need to be descriptive, indeed a well-carried out case study has to be analytical as it should answer the how and why of the phenomena under consideration. Case studies call for logical inference which implies the development of a very sound argument based on rigorous analysis on the case's rich empirical base. The inclusion of this topic in the Summer School of the ERDP is therefore strongly recommended.

In fostering economics research capabilities in Russia and CIS countries, EERC has established a sophisticated research organization. The only organizational inconvenience identified relates with keeping the ERDP and ERGC as separate and parallel processes. Even if it is decided to keep the different emphasis of both competitions, from an organizational point of view it appears convenient that ERDP proposals revised after the Summer School be incorporated into the ERGC competition.

The research promoted by EERC is of high quality and reaches international standards for short-term and modest funding. For the most part, the final papers reviewed indicate an academic or theoretical nature of the research funded. If EERC wants to enhance the policy relevance and potential contribution to development of the research supported, two policies could be suggested. At the formulation stage of a proposal the researchers should identify its potential contributions to policy making or to address development

problems. In addition, government-academia or industry-academia teams to carry out economic research could be encouraged. This eventually could even provide some counterpart funds, at least from the industry side, to carry out projects that are more ambitious.

The dissemination of the research output has a number of channels, which makes EERC's research output available. The major difficulty is access for policy makers and other stakeholders. A more friendly presentation is required using plain language and with a clear identification and illustration of the practical relevance of the research. Funds should be included in the budget to allow the authors to prepare such work for an "EERC Policy Paper Series".

East Asia (EADN)

The East Asian Development Network (EADN) is a network of research institutes, centers and think tanks in the developing countries of East Asia aimed at research policy networking and research capacity building in East Asia. Currently the EADN covers nine countries, namely, Singapore, Philippines, Malaysia, Hong Kong, Thailand, Vietnam, China, Korea and Indonesia, although there are plans to include the South Pacific islands.

The Institute of Southeast Asian Studies (ISEAS) is the coordinating institute for EADN. ISEAS receives annual grants from the World Bank and GDN to develop the network and promote network activities. Major activities of the EADN include the annual EADN Forum, participation in the Global Research Project on growth, competitive awards of research grants, and resident fellowships tenable at ISEAS.

In addition to the EADN website, competitions are announced through e-mail to all EADN members. E-mails announcing the competition are sent to country coordinators, who are responsible for disseminating the information through e-mail, letters and personal interactions with people from other institutes in various regions. Only applicants from member countries of EADN are eligible to apply for grants.

The theme for the first EADN competition was specified as the "Social Impact of the Financial Crisis". Afterwards, specific research areas were not specified. Research proposals are eligible as long as they focus on policy oriented themes relevant to the East Asia region. The first competition was also restricted to young economists below the age of 35. Subsequent EADN competitions have been opened to researchers without age restrictions.

Guidelines for submitting proposals are comprehensive on the information that an applicant must provide. This includes the content of a proposal, consisting of: (i) objective; (ii) value added; (iii) methodology; (iv) timetable; (v) researcher(s); and, (vi) budget. However, similar to the ERF competition, there is no detailed information on the criteria upon which the proposals will be selected.

In the first two rounds of the EADN competition, only researchers from Singapore did not submit a proposal. Almost 90% of the proposals submitted originated in four East Asian countries—China, Indonesia, Vietnam and Korea. It is striking that these results reject an association between proposals submitted and EADN membership. It is worth noting that research institutions from China, Indonesia, Vietnam and Korea only represent 59% of EADN membership. Furthermore, Vietnam accounts for 21% of the proposals submitted but has a smaller membership than Malaysia, the Philippines or Thailand. A hypothesis would be that for researchers from China and Vietnam rather small research grants (up to US\$ 20,000) could be critical to keep them active and working. Were this hypothesis correct, the greater participation of China and Vietnam in the EADN competitions would be an indicator that EADN is promoting research capacity building where it is most needed in East Asia.

Proposals are assessed through a two stage evaluation process. Once all research proposals have been received, the Regional Coordinator's Office (ISEAS) vets the applications to ensure that they meet the eligibility criteria, and contain adequate descriptions of research objectives, methodology and prospective output. If some areas are underdeveloped, the applicants are asked to resubmit these areas of their proposal.

The proposals are then sent to the Selection Committee, which is formed by the Regional Coordinator, a representative from GDN/World Bank, and at least one other eminent international scholar knowledgeable on East Asian development. An evaluation sheet is provided to the Selection Committee, which is asked to rate the different attributes of each proposal on a scale of 1-7. The ratings are compiled, and the average for each proposal calculated.

Specific aspects which are evaluated are the relevance of the proposal to East Asia, appropriateness of the methodology, availability of data, policy relevance, quality of the researchers, capacity, and the budget requested. The top five ranked proposals are usually selected. In the case of similar rankings, proposals with higher potential contribution to capacity building are selected. For this purpose, capacity building stresses the need to link young researchers with more experienced researchers or weaker institutions with stronger institutions. EADN actively encourages such linkages between researchers. EADN reported that in one instance a research proposal was awarded a grant with the request to include some younger researchers to complement the experience of the older researchers. The team composition was changed and the grant awarded. Researchers have also been asked to try to include weaker institutions and foster links with other institutions during their research.

The structure of grant recipients is similar to that of the research proposals submitted. 90% of grants were given to researchers from Vietnam, China, Indonesia and Korea. With one exception, all recipient institutions were members of EADN. This could imply that less well known or less well connected research institutions outside the EADN membership are not competing or are falling below the required standards to obtain grants from EADN. Were it the former, it would be needed to ascertain why institutions outside of EADN membership are opting for not competing. Were insufficient

competitiveness the hindrance, EADN would have worthwhile information to enhance its policy in capacity building, which is an EADN priority as discussed before.

Each research project is required to submit an interim or mid-term report to EADN. These mid-term reports are evaluated by a panel of experts who are called upon to review individual reports, depending on their availability and area of expertise. Suggestions from the reviewers are sent to the researchers, who are requested to incorporate the suggested revisions into their research. The payment of the final installment of the research award is dependent upon this review.

Based on a sample of research proposals and final reports selected by GDN, the quality of the research supported by the EADN competition was evaluated. In relation to methodological coverage, no limitation was identified. In addition to the more traditional use of economic and econometric models, case studies were also found. Ten accepted proposals were evaluated with respect to (a) objectives, (b) methodology, (c) policy relevance, (d) originality or innovative quality, and (e) potential contribution to development. Four of the proposals considered are of high quality. The research design is very sound and the proposed studies are policy relevant. Another four research proposals achieve a reasonable standard of quality. In two cases the proposals fall below the minimum quality required in professional economics research. The main weaknesses of these proposals is their research design as the scope of the studies is too broad; the proposed analysis is loosely focused and falls in the common mistake of trying to explain everything; and they lack a proper literature review to frame their objectives.

According to the ISEAS officer responsible for the EADN, “the quality of research proposals has been highlighted as an area which may require further capacity building. This issue was discussed at the EADN Third Annual Forum in June 2001. It was agreed that further training should be provided to young researchers, and as a first step, GDN was requested to provide samples of good research proposals to be distributed among EADN members and other interested institutes in the region.”

A sample selected by GDN of five final papers from the first EADN competition were also analyzed. One was of remarkably high quality, two were of good quality, and two were of low quality, even though in one case the original proposal was quite good.

Typically, funds are disbursed in three tranches. If a reviewer suggests changes to the report, these comments are sent to the researchers, and the funds are disbursed only upon receiving the revised report. There have been no known cases where funds disbursements have been reversed.

At present, the EADN policy has been that completed research projects are placed on the EADN website and will be available as EADN Working Papers to be disseminated in print. In addition, at the Third EADN Forum in June 2001, it was suggested that the output of some of the research papers should be produced as policy briefs and distributed to policy makers. EADN also encourages the researchers to disseminate the final output to policy makers. For one of the research projects, the results were presented at a workshop and a seminar aimed at both policy makers and academics. For another

research project, a request has been made to translate the report into the local language, and to distribute it to government organizations. In addition, there are plans to change the website to include information on all EADN projects, both the proposals accepted, and the work in progress of currently funded research projects. As the redesign of the website has been completed, this has not happened to date.

Recommendations

Clearly, a strength of the EADN competition and research program is its contribution to capacity building in the Southeast Asia region. Enhancing this contribution will depend on including within the EADN membership weaker or less well known research institutions. Alternatively, efforts should be increased to reach less well connected research institutions in the region. In both cases, improving training programs for young researchers would be a must.

The rating scheme developed by EADN enhances the objectivity of the assessment of research proposals. It is suggested again that GDN considers the development of a guideline for the evaluation of proposals in the different regional research competitions based upon the EADN and ERF criteria. For the sake of transparency, it is highly recommended that EADN includes its rating sheet with the information provided in the call for proposals.

Final reports of varying quality have been found. The great variability in quality of output from the same competition suggests there is a shortcoming in the research cycle which is likely related to the mid-term review of research projects. As each mid-term report is evaluated by only one expert, it is not unlikely that a significant degree of heterogeneity in evaluating ongoing research could be incorporated in the research cycle. It is suggested that a mid-term review committee formed by at least two persons should be established. One of the reviewers would continue to be an expert in the subject area of the research project whereas the another could be an ISEAS or EADN scholar that would be acquainted with all the research proposals of a particular competition. In addition, mid-term findings could be presented at EADN conferences to receive feedback from the conference participants as in the ERF competition or more sophisticated evaluation and feedback from a mid-term review committee as established in the EERC competition.

The dissemination strategy of EADN is in its early stages. As a general conclusion, the issues of dissemination and fulfilling the potential for policy making of the research supported by the GDN is the least developed area across all the regional research competitions evaluated. In this area, therefore, the GDN may need to develop policies and strategies that could be applied by all the regional research competitions.