

# **World Bank Evaluation Report**

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# **Local Capture: Evidence from a Central Government Transfer Program in UGANDA**

R. Reinikka and J. Svensson

**Quarterly Journal of Economics (2004)**

The decentralization of public services has become a major feature of institutional innovation throughout the world (World Bank 2004). The main rationale is that decentralization brings decision-making closer to the people so that their preferences can be better reflected in policy (Oates 1972). Specifically, decentralization can improve service provision by mitigating information asymmetries over heterogeneous preferences and by making service providers more accountable to their clients. However, decentralization may also degrade the provision of public services when local governments are less technically able than the central government to administrate public services (Smith 1985) or when local elites capture public resources through explicit corruption or through the allocation of public resources to their preferred uses (Bardhan and Mookherjee 2005). This paper is the first to test for the prevalence and magnitude of local capture in a decentralized program in Uganda. According to official statistics, 20 percent of Uganda's total public expenditure was spent on education in the mid-1990s, most of it on primary education. One of the large public programs was a capitation grant to cover schools' nonwage expenditures. Using panel data from a unique survey of primary schools, this paper assesses the extent to which the grant actually reached end-user schools.

## **Questionnaire for Individual Research Projects**

### **A. Objectives**

#### **What specific questions or hypotheses did the study seek to answer?**

The paper describes and analyzes the results of an innovative survey tool to track the flow of public resources to intended destinations. The empirical analysis entailed comparing disbursed flows from the central government (intended resources) with the resources actually received by schools.

## **Are the topics and objectives critical for policy in the developing or post-socialist country?**

The impact of government decentralization on economic performance and growth is a hotly contested issue. Waves of decentralization occurred in many developing countries over the past few decades, following the demise of a development paradigm in which centralized states played a leading role. An important research question, therefore, concerns the effects of decentralization and its channels. This paper investigates an issue of prime importance to this literature, namely, that of local capture of resources by local authorities.

### **B. Design and Implementation**

#### **Was the methodology appropriate and well executed? Was it innovative?**

The methodology used in the paper is quite innovative. The authors designed a new survey tool—a public expenditure tracking survey—to gauge the extent to which public resources actually filtered down to facilities. A survey of 250 government primary schools was implemented in 1996, covering the period 1991-1995. At the time of the survey, about 8,500 primary schools were supposed to receive a large proportion of their funding from the central government via district administrations.

The survey collected data from central ministries, local governments (districts), and schools. Detailed records were available at both the central level and the schools. At the district level, the survey team was able to obtain bookkeeping information on receipts from the central government at the offices of the chief administrative officer and the regional audit representative. But these offices lacked reliable records of disbursements to individual schools.

Using these data, the authors construct a measure of capture as:  $\text{capitation grants received} / \text{intended capitation grants from the center}$ .

The paper then analyzes this measure of capture to shed light on the extent of this phenomenon on this data. Indeed, this paper provides the first quantitative assessment of local capture in a large public expenditure program in a developing country. Finally, it analyzes some of the determinants of local capture—as measured by this variable—using longitudinal data.

**Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

The study reflects a deep understanding of the literature.

**How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

This is difficult to assess. The data were collected through a rigorous process, but they are retrospective and also it is not entirely clear whether or not schools had an incentive to misreport downward the grants received. This is an issue that needs further research.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

The conclusions are entirely consistent with the research findings.

### **C. Accessibility**

**Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?**

The paper is a legible scientific paper and its conclusions can be read as a clear policy recommendation. It is published in the *Quarterly Journal of Economics*, which is available by subscription on the Internet. The topic is of broad interest in economics. Consequently, it is totally accessible for the intended audience.

**If applicable, are policy recommendations commensurate with findings?**

Yes, the recommendations are commensurate with the findings in the paper.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

The conclusions tend to be consistent with the research findings.

#### **D. Results**

**What are the key findings of the study? How do they advance country policy in the field?**

First, the paper finds a high prevalence of local capture on the grants provided by the program studied. Second, the paper finds that a large part of the variation in local capture can be explained by studying the interaction between local officials and schools as a bargaining game. The paper finds that the schools' socioeconomic endowments matter for the degree of local capture. This suggests that schools use their bargaining power vis-à-vis local governments to secure greater shares of funding.

## **Thirsting for Efficiency: The Economics and Politics of Urban Water System Reform**

Edited by M. Shirley

**The World Bank (2002)**

This book addresses a critical problem. One billion people in the world lack safe drinking water and almost two billion live without adequate sanitation services. As clean water is key to containing the spread of infectious and parasitic diseases, the health consequences of this water under-provision are devastating. Millions of persons die every year from water related diseases. To address these challenges, several developing countries have tried to reverse years of mismanagement of their water and sewerage systems by allowing private entry into water provision. This book is a collection of studies analyzing water system reforms in seven developing countries. For each experience, a chapter in the book describes the regulatory contract between the water provider and the government, analyzes the institutional environment and the macroeconomic conditions, and assesses the efficiency and welfare performance of the reformed sector.

### **Questionnaire for Individual Research Projects**

#### **A. Objectives**

##### **What specific questions or hypotheses did the study seek to answer?**

Urban water systems are politically sensitive, and many critics in developing countries have tolerated crisis conditions for years. Reforms are infrequent despite such poor conditions because the beneficiaries from water system reform are often poor and less politically powerful than the opponents. The book develops a series of analytic narratives using standardized measures to elucidate what conditions are necessary for sustained reform in the water sector.

##### **Are the topics and objectives critical for policy in the developing or post-socialist country?**

The topic and objective of the whole project is critical for policy in developing countries. Economic reform has become a global stampede in the last two decades. Developing countries of every geographic region, income level, and ideology have joined the rush. The main objective of these

reforms was to grant markets a larger role in the allocation of resources. Privatization of state owned enterprises has been at the core of this reformist strategy.

## **B. Design and Implementation**

### **Was the methodology appropriate and well executed? Was it innovative?**

The methodology used in the book is innovative. It uses contract theory and the theory of regulation of utilities to analyze the contractual and regulatory framework for each of the cases studied (see Levy and Spiller, 1996). In each case, the specific contract and the regulatory framework are contrasted with the institutional capabilities of the country since, as stated in the book, in the real world there is no optimal contract; there are contracts that fit more or less with the institutional endowments. Specific contract and regulatory failures are identified and their effects on current outcomes and the sustainability of the reforms are analytically addressed.

The case studies in this book also develop a comprehensive measure of the effects of the water system reforms on consumers, government, investors and workers and compare it with a counterfactual that assumes the status quo would continue. The methodology utilized follows the one in Galal et al. (1994), which was standard during the 1990s, but more importantly, it is a reasonable strategy to model the effects of privatizations on a range of outcomes when the experiment at hand would only permit before-after comparisons. I found the construction of counterfactuals in the book reasonable.

The only question is whether for some cases, like the one in Argentina, it would also have been instructive to exploit the regional and time variability in water system privatizations as an alternative to assess the counterfactual to the case studied in the book—i.e., the privatization of Aguas Argentinas.<sup>1</sup>

The main problem with the analysis is that sometimes the problems identified with the contractual and regulatory designs are not entirely associated to the welfare gains identified in the analysis. In other words, there is no assessment of the forgone gains of not having a better design of the reforms. As a result, some of the analyses are somewhat disassociated.

**Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

The study not only reflects a deep understanding of the literatures of privatization, regulation of utilities in general and water systems specifically and the political economy of privatization and regulation, but also includes a very nice chapter by Roger Noll surveying the economics of urban water systems, which clearly identifies the trade-offs of private operation of water systems.

**How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

The case studies rely on a variety of data sets. Normally, the firm level data, especially for the pre-reform period, is not entirely reliable. Nevertheless, the data are used carefully, and the “true” before-after changes are so large that this nuisance is of second order of importance. The data were also compiled properly and the authors are well aware of the data limitations they face.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

The conclusions tend to be consistent with the research findings.

### **C. Accessibility**

**Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?**

The book is competently written. The World Bank publishes it. It reaches researchers in the field.

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<sup>1</sup> See, for example, Galiani et al (2005).

**If applicable, are policy recommendations commensurate with findings?**

Yes, the policy recommendations are commensurate with the findings. A merit of the book is that of balance. It does not present privatization as a panacea, but instead also highlights its shortcomings and unfulfilled promises.

The main recommendations are that at the time of reforming the water sector, more attention needs to be given to the external and equity effects of water services, including the social benefit from improving sanitation. The case studies suggest that it is particularly important to lower the cost of connection through financing and reduce free riding by government, rather than subsidizing the usage price. Other important recommendations are the need to enhance competition in the bid of contracts and to improve regulation and reduce information asymmetries.

**D. Results**

**What are the key findings of the study? How do they advance country policy in the field?**

First, improvements in water provision are feasible as long as we accept, as Shirley puts it, that in a sensitive area such as water the best can be the enemy of the good. Second, the benefits of contracting out water services to private operation seem larger for countries with weaker institutions.

**Anthelmintic treatment improves the hemoglobin and serum ferritin concentrations of  
Tanzanian schoolchildren**

A. Bhargava, M. Jukes, J. Lambo, C. M. Kihamia, W. Lorri, C. Nokes, L. Drake, and D. Bundy

**Food and Nutrition Bulletin (2003)**

Intestinal helminths—including hookworm, roundworm, schistosomiasis, and whipworm—infect more than one-quarter of the world’s population. They are particularly prevalent among school-age children in developing countries. Intestinal helminths are associated with micronutrient malnutrition, leading particularly to iron-deficiency anemia (see, among others, Anderson and May, 1991). Iron-deficiency anemia adversely affects the physical and mental development of children and may consequently hamper economic development. In Sub-Saharan Africa, helminth infections contribute significantly to the prevalence of anemia, especially among school-age children. This paper investigates the effects of anthelmintic treatment on the iron status of school-age children in Tanzania.

**Questionnaire for Individual Research Projects**

**A. Objectives**

**What specific questions or hypotheses did the study seek to answer?**

This study investigates the effect of anthelmintic treatment in reducing the incidence of anemia in Tanzanian school-age children. More specifically, it investigates the impact of treatment for hookworm and schistosomiasis on children’s hemoglobin, ferritin, and Creactive protein status over a period of 15 months. Thus, the paper fits in the program evaluation literature.

A secondary hypothesis tested in the paper is whether ferritin concentration alone can be used as an indicator of iron status.

## **Are the topics and objectives critical for policy in the developing or post-socialist country?**

The paper appraises treatment effects in order to assess the effectiveness of alternative health interventions. As such, it addresses an important issue at the occasion of designing health interventions in Sub-Saharan Africa where the prevalence of anemia among school-age children is very high. Anemia and malnutrition lead to slow cognitive development and thus might impair learning. Thus, anemia both directly and indirectly impacts on human capital, which is crucial in the process of economic development.

The paper also investigates whether ferritin concentration alone can be used as an indicator of iron status. Since there is no general agreement on the interpretation of indicators of iron stores or on the choice of indicators to define iron deficiency in populations where subclinical parasitic infections are endemic, this is also a relevant subject of research.

## **B. Design and Implementation**

### **Was the methodology appropriate and well executed? Was it innovative?**

In principle, the idea was to exploit a randomized trial in order to identify treatment on the treated for the interventions under study. This methodology is considered best practice in the program evaluation literature. A total of 1,650 children from 10 schools were included in a longitudinal study. The children were then randomly assigned into two groups of equal size. Randomization occurred after fourth grade children were stratified by gender. The children assigned to the treatment group were screened for their parasitological status at the beginning of the study, while the children in the control group were not screened until the end of the study.

Children in the treatment group were selected to take further part in the study as a function of their parasitological status if they were either “uninfected” or “heavily infected”. Children with “moderate infections” took no further part in the study.

Overall, 1,115 children entered the trial, 270 with heavy infections, 116 with no or very light infections, and 729 in the control group, whose infection status was unknown at baseline. Unfortunately, this

design removed the main virtue of randomization—i.e., to make treatment and control groups on average comparable in the absence of an intervention. Indeed, the fact that children with “moderate infections” were dropped from the treatment group and not from the control introduces serious doubt about the comparability between these two groups and hence, about the validity of the methodology adopted. In addition, both non-compliance and attrition are treated as ignorable without much discussion of the issue.

**Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

The study reflects awareness of existing knowledge in prevalence of anemia in low-income countries and its effects on children’s development. It is aware of research on the effects of helminth infection in the prevalence of anemia in Sub-Saharan Africa and how specific anthelmintic treatment and additional iron supplementation improve iron status. It also reflects knowledge of previous research on these topics in Tanzania and about the prevalence of other diseases such as AIDS and malaria. However, the study does not reflect awareness of possible externality effects of treatment on the untreated (Manski, 2000). Studies that randomize treatment among children within the same school and then compare outcomes among those treatment and comparison pupils might underestimate the effects of treatment on the treated because of the presence of externalities (Miguel and Kremer, 2003).

**How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

The data set seems to be quite reliable and properly collected. The data were collected from 3 survey rounds of children from 10 schools in Tanzania. There were 2,004 children eligible for the study and 1,650 returned with the parental consent form. They were randomized into treatment and control groups. In the first survey round the treatment group was screened for their parasitological status. They were treated with albendazole and/or praziquantel if they were heavily infected with hookworms or schistosomiasis. Anthropometry and haematology tests were administered to both control and treatment groups in each survey round. The control group was screened for their parasitological status and received treatment only in the third round. The child’s date of birth was recorded from the school

register and background information was collected for the household through interviews with children and validated by observation in the household and through interviews with parents.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

The conclusions are consistent with the research findings.

### **C. Accessibility**

**Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?**

The paper is a legible scientific paper and its conclusions can be read as a clear policy recommendation. It is published in the *Food and Nutrition Bulletin*, which is freely available on the Internet. Anemia is an issue widely addressed by the bulletin. Consequently, it is totally accessible for the intended audience.

**If applicable, are policy recommendations commensurate with findings?**

Yes, the recommendation related to the application of anthelmintic treatment for reducing anemia in areas of high helminth endemicity is commensurate with the research finding.

### **D. Results**

**What are the key findings of the study? How do they advance country policy in the field?**

The study concludes that there are independent effects of hookworm and schistosomiasis treatments on ferritin concentration and of hookworm treatment on hemoglobin levels. There was no significant effect of schistosomiasis treatment on hemoglobin levels. It also finds that ferritin increased at an increasing rate with C-reactive protein suggesting that ferritin can be used more accurately as an indicator of iron status if C-reactive protein levels are taken into account.

The main policy recommendation derived from these conclusions is that special effort should be directed to reducing anemia in areas of high helminth endemicity since anthelmintic treatments are inexpensive and can be easily delivered in school health programs.

These results are important. Unfortunately, the exclusion of the children with “moderate infections” from the randomized treatment group poses a serious threat to the internal validity of the estimated treatment effects.

## **The Impact of Adult Mortality and Parental Deaths on Primary Schooling in North-Western Tanzania**

M. Ainsworth, K. Beegle and G. Koda

**The Journal of Development Studies (2005)**

Among the factors that potentially affect a child's schooling status, the death of a parent or a prime-age adult in the household is likely to have a significant impact. These events are likely to affect both the emotional state of the child and the household's income. With the onset of the AIDS epidemic in Africa, what would usually be a rare occurrence is becoming increasingly common, and thus it is of policy relevance to assess the extent to which adult mortality and bereavement in particular affect school enrollment decisions. This paper attempts to identify these effects.

### **Questionnaire for Individual Research Projects**

#### **A. Objectives**

##### **What specific questions or hypotheses did the study seek to answer?**

This study investigates the effect of adult mortality and parental mortality on primary school enrollment and hours of school attendance in the Kagera region of Tanzania. Thus, it considers two potential events that could affect schooling: the death of a parent and the death of any other working-age adult in the household.

The study also seeks to analyze whether the impact of adult mortality and bereavement depend on socioeconomic factors.

##### **Are the topics and objectives critical for policy in the developing or post-socialist country?**

More than one in nine African children have lost a parent, with the HIV/AIDS pandemic being the leading cause of death. This has potentially disastrous effects for human capital accumulation in Africa. The effect of parental death may affect schooling decisions purely because of foregone income, or

have an impact beyond the purely income effect. This, in turn, would have different implications for schooling policy: if the impact of bereavement is due to income considerations, then orphans should not be treated differently from other poor children. If, instead, bereavement has an effect in and of itself, this would justify interventions targeted at the orphan population.

## **B. Design and Implementation**

### **Was the methodology appropriate and well executed? Was it innovative?**

Any study attempting to estimate the impact of parental or adult mortality on schooling must acknowledge the fact that both mortality and schooling may be reflecting long-term economic circumstances facing the household. In addition, changes in health status that precede actual death may affect schooling before the death takes place. In any case, as the authors note, comparing schooling rates of orphans versus non-orphans will in general not give the true impact of losing a parent.

In order to circumvent this problem, the authors exploit a panel data set covering the Kagera region from September 1991 to January 1994, with repeated observations on 913 households, of which 757 completed the four rounds. The availability of panel data sets has increased recently (both Gertler et al 2004 and Evans and Miguel 2004 also use panel data to address this issue), but at the time this study was carried out, the survey was an innovative instrument.

In order to test the impact of parental and adult mortality on school enrollment, the authors pool the observations on children of primary school age on all rounds (1,734 children, with 4,846 observations), and run a probit regression of schooling enrollment on orphan status (maternal, paternal, both), adult deaths in the 6 months preceding the observation, and a set of individual, household and community controls. They also analyze the impact on hours of school attended, by means of a regression of changes in attendance on change in orphan status, and a set of variables indicating the time before and after an adult death. Both these approaches have methodological flaws.

The first effectively ignores the caveats noted by the authors about the problems of cross-sectional estimation. By pooling all observations, they are losing the longitudinal aspect of their data. While it is true that panel models of limited dependent variables would not exploit the information on those

children who did not lose a parent over the course of the study, there is no indication as to whether using them would change the estimates. Yet another alternative would check the robustness of the estimates to a linear specification.

The second approach ensures that all circumstances that are idiosyncratic to each child, and are constant over time, are controlled for. This leaves the matter of time-changing factors associated with mortality, which may also have an independent impact on schooling. The authors mention the problem in a footnote but do not address it in a more direct manner (in contrast with, for example, Evans and Miguel 2004).

The estimation of a causal effect involves comparing the outcomes in a treatment group (children whose bereavement status changed) to those in a control group (those whose status remained unchanged). With the specification chosen by the authors, children who lose one parent and keep the other are being compared to those who have not lost any, but also to those who were orphans throughout the period. If these groups behave similarly over time, this will not be a problem, but there is no compelling reason to believe so a priori, and the authors do not provide any exploration of this potential problem. In fact, in neither exercise do the authors explore the robustness of their estimations to the exclusion and inclusion of different controls and definitions of the treatment.

A final omission comes from the scant attention paid to attrition rates in the sample. Nonrandom attrition is always a concern in longitudinal studies. In this case, 757 out of the original 816 households completed the survey. Those missing were replaced. The authors mention that about 30% of the attrition was due to households moving because of a death. In addition, they observe that households with a recorded death during the survey were more likely to drop out of the sample (although the difference was not statistically significant). There is no attempt to show that the remaining households were comparable, nor to gauge the potential impact of attrition in any other way (which contrasts with other studies, see for instance Evans and Miguel 2004 or Yamano and Jayne 2005).

**Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

This study reflects a thorough familiarity with results available at the time of writing, on the impact of bereavement and adult mortality on schooling enrollment and attendance. It gives numerous citations both to studies in the context of the AIDS epidemic in Africa, and to research in other areas where prime-age deaths are not primarily connected to disease. The authors are quite informed on the specific historical and present conditions of the country, and provide useful information on the prevalence of HIV/AIDS and the level of primary enrollment in the context of Africa.

**How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

The Kagera Health and Development Survey (KHDS) is part of the World Bank's Living Standards Measurement Surveys effort, and its creation and collection is thoroughly documented. It seems to be quite reliable. It was not designed to be representative of the Kagera population, but instead was designed to over-sample households with a high likelihood of experiencing a death episode, so that a relatively small number of observations could have a number of recorded deaths amenable to statistical analysis.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

The conclusions are not entirely consistent with the research findings. There is a quite general result in the available literature suggesting that losing a mother has an effect on enrollment that is higher than that of losing a father, and in turn that bereavement has a negative effect on schooling decisions. However, the authors find that the effect of maternal mortality is only significant for young children, whose enrollment is delayed, and for the schooling attendance of girls. They find no other effects of bereavement per se.

The finding that effects of a death start before the actual event is entirely consistent with previous findings.

### **C. Accessibility**

**Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?**

The paper is competently written. It is published in the *Journal of Development Studies*, which is available on the Internet for subscribing institutions. It reaches researchers in the field.

**If applicable, are policy recommendations commensurate with findings?**

No, the policy recommendations are not commensurate with the findings. There are two sets of policy recommendations. The first calls for improvements in school quality and increased access to secondary education. They do not seem to follow from the specific questions posed in the paper. The second recommendation is actually a critique of current programs, which provide schooling subsidies. However, the authors do not point out what the contradiction is between a schooling subsidy and the fact that attendance appears to fall as a consequence of increased opportunity costs of schooling when an adult dies.

### **D. Results**

**What are the key findings of the study? How do they advance country policy in the field?**

The study finds that children in poor households who are maternal orphans, or who have experienced a death in the recent past, delay their enrollment in primary school. Children reduce the hours attended at school prior to the death of an adult, and increase it afterward. Finally, girls who lose their mothers reduce the hours of attendance in the six months following the death.

These findings suggest that at least a subset of the orphan population is at higher risk of obtaining worse educational outcomes. These are important results for education policy, subject to the caveats noted earlier as to their validity.

## **HIV/AIDS Treatment and Prevention in India Modeling the Cost and Consequences**

M. Over, P. Heywood, J. Gold, I. Gupta, S. Hira, E. Marseille

**World Bank Human Development Network**

**Health, Nutrition and Population Series (2004)**

India has an HIV/AIDS epidemic similar to that in many developing countries. After years of mostly successful preventive policies, the Indian government is considering devoting a part of its health budget to policies directed at treatment of the disease—stemming from the availability of generic drugs that have drastically reduced the cost of standard treatments. Most of the health care in India is privately financed, so this would be a new sort of undertaking for the government, which approached the World Bank for technical assistance. This report considers the costs and benefits of three alternative policies, based on an epidemiological model calibrated with available studies for India. Careful cost-benefit analysis of policies such as this should be encouraged.

### **Questionnaire for Individual Research Projects**

#### **A. Objectives**

##### **What specific questions or hypotheses did the study seek to answer?**

The study seeks to quantify costs and benefits of three alternative plans for state antiretroviral therapy (ART) policy in India: the ADHERE plan, which would provide government financing to train private physicians and laboratories in the basic techniques of antiretroviral therapy and diagnostic testing, and subsidize laboratory tests; the MTCT+ plan, which would provide government financed antiretroviral therapy for some mothers and their husbands who meet the criteria for beginning antiretroviral therapy; and the Below the Poverty Line policy, in which the government would finance antiretroviral therapy for the poorest 40% of people with HIV.

##### **Are the topics and objectives critical for policy in the developing or post-socialist country?**

According to official Indian estimations, 3.8 million people were infected with HIV in 2002. The WHO estimates that in 1998, 2 percent of all deaths in India were due to HIV/AIDS. This is an

infectious disease, where infected individuals who engage in risky behavior spread the disease, thus creating a negative externality and justifying state intervention. While ART policies would lower infectiousness, it would also increase the chances of survival and thus increase the timeframe when infection could take place. Thus, it is critical to have well planned ART policies.

Furthermore, the practice of cost-benefit analysis for public policy in general remains relatively uncommon, and efforts such as this are a valuable precedent. Using research to inform policy is necessary to improve the quality of government interventions.

## **B. Design and Implementation**

### **Was the methodology appropriate and well executed? Was it innovative?**

The methodology is appropriate and rigorous. It carefully addresses each of the aspects of the implementation of alternative policies and notes potential caveats.

When evaluating costs, it starts from a fixed budget devoted to HIV/AIDS in general, and acknowledges that funding an ART plan would have the opportunity cost of reducing funds allocated to alternative policies. As to the costs of implementing each policy, they are mostly grossly simplified estimates, which are probably the best that can be obtained due to the scant information available. The authors are careful to note how reliable each of their assumptions is.

As to benefits, they first carefully construct a baseline case of no policy interventions, based on an epidemiological simulation. They then adapt the estimation to reflect changes in parameters (such as quality and prevalence of treatment, reduced contagiousness, etc.) due to each of the three alternative plans. They can then assess what effects each policy would have on total number of HIV infections, life years saved, and years of orphanhood prevented. The one potential caveat of the exercise (which is noted by the authors in the text) is that the availability of ART and the choice of policy intervention are likely to affect behavior—based on the experience in other countries, availability of treatment increases risky behavior, but also early detection. These potential effects are not incorporated into the simulation. To compensate for this largely unavoidable shortcoming, the authors provide sensitivity analyses showing what would happen under different rates of condom usage in each policy.

Both benefits and costs are calculated over a 30-year time horizon, and discounted at a 10 percent rate. This reflects the standard in similar exercises.

**Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

This project reflects a thorough understanding of the epidemiology of HIV/AIDS, its treatment, and the experiences in other developed and developing countries. It also reflects deep familiarity with local circumstances in India, and with the limitations of the data available. A large part of the book is dedicated to providing a thorough review of existing literature, which is used to calibrate the epidemiological simulations.

**How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

The sources for each of the calibrated parameters are of mixed quality, and in some cases they are the products of estimations for other countries or educated guesses. This reflects the scarceness of reliable sources for estimating some of the parameters (for instance, the prevalence of HIV/AIDS is based partly on surveillance data, and partly on a number of assumptions of how those data extend to the general population). As a consequence, the results of the simulations cannot be taken as exact facts, but rather as useful benchmarks to guide the policy discussion. The authors call for improvements in data collection to help fill in the gaps in current estimations.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

The conclusions are entirely consistent with the research findings. Any complex exercise of this nature is bound to make compromises and assumptions. The authors show a thorough awareness of potential concerns, and justify their choices.

### **C. Accessibility**

**Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?**

This project is available in a manner totally appropriate for the intended audience. The main audience for this project is policymakers in India and other countries, who will find both its results and its methodological approach as useful inputs to their decisions. The book has an excellent Executive Summary that will be appropriate for policymakers, and the book itself and its many references will be useful for technicians operating in government and think tanks.

**If applicable, are policy recommendations commensurate with findings?**

The policy recommendations are completely commensurate with the findings of the research. It suggests directing resources toward better data collection on the prevalence and incidence of HIV in India, as well as on the spread of resistant strains of the virus among people with HIV. It also recommends to implement the policy with the best cost-benefit relation, which in this case is the ADHERE program. Further, in the spirit of this exercise, it recommends the evaluation of costs and benefits of prevention programs, and of alternative ART programs. Finally, it proposes to address the potentially negative behavioral effects that may result from improved treatment. All of these recommendations address findings and problems previously noted in the main text of the book.

### **D. Results**

**What are the key findings of the study? How do they advance country policy in the field?**

A first group of findings relates to the comparative effects of the three alternative policies on health outcomes, with respect to the baseline. The variables considered are HIV infections, life-years saved, and reduction of years in orphanhood.

They find that the Below the Poverty Line program has the highest impact on all variables, with or without discounting. The ADHERE intervention has a higher effect on discounted life-years saved and on orphanhood than the MTCT+ alternative.

On the cost side, there are both direct and indirect impacts: the cost of funding testing and ART, and the reduction in the costs of treating opportunistic infections. Overall, the MTCT+ program is the least expensive, costing about half what the ADHERE program would. The costliest by far is the Below the Poverty Line intervention, which costs approximately seven times as much as the MTCT+.

With no behavioral changes, the ADHERE program is the one with lowest cost per life-year saved. When the authors incorporate behavioral changes into the simulation, they find that these changes dominate any differential effect of the policies: going from the current 50% to 70% condom use in risky situations would triple the life-years saved, and reduce the rate of incidence of HIV (which would otherwise rise under any policy intervention). This motivates the authors to recommend the ADHERE program, but also to evaluate the effect of prevention programs aimed at reducing risky behavior.

## **International Migration from Albania: the Role of Family Networks and Previous Experience**

M. Stampini, B. Davis, G. Carletto

### **Working Paper (2005)**

International migration is a relatively new phenomenon in Albania, where it became a possibility only after the transition to capitalism, beginning in 1992. Today, more than a third of Albanian families have a former household member permanently living abroad. This motivates this project, which is a descriptive study of individual and family variables associated with permanent and temporary migration.

### **Questionnaire for Individual Research Projects**

#### **A. Objectives**

##### **What specific questions or hypotheses did the study seek to answer?**

This study investigates the role of family and individual characteristics in permanent and temporary migration decisions. In addition to the usual socioeconomic variables, such as age and education, the paper considers the role of networks – indicated by household members who have previously migrated – and individual migration experience.

##### **Are the topics and objectives critical for policy in the developing or post-socialist country?**

Migration is a widespread phenomenon in Albania, where more than a third of the households have seen one member leave the country permanently. In addition, remittances from abroad have been quite important following the fall of the Communist regime: in the late 1990s, the ratio of remittances to exports was above 1.5, and the country is among the top ten countries in terms of remittances as a proportion of GDP. Thus, having a better understanding of the causes and effects of migration should be high on the policy agenda. This study should be seen as a first step, as it provides a descriptive, rather than causal, analysis.

## B. Design and Implementation

### **Was the methodology appropriate and well executed? Was it innovative?**

Taken as a descriptive exercise, the methodology was appropriate but hardly innovative. If the “determinants” of migration are to be interpreted as causal parameters, the methodology is inadequate, as it does not address any endogeneity concerns.

The project analyzes what individual characteristics are associated with a higher likelihood of migration. The authors present some descriptive statistics for permanent and temporary migrants, comparing their level of education and geographic origins with that of the nonmigrant population. They add a temporal dimension to this part of the analysis, using retrospective data indicating previous migration experience. However, they do not address the fact that their sample is not valid for this exercise: by having a sample that is representative of the population in 2002, they are missing households that migrated together, and individuals who migrated and whose households dissolved (because of death of a parent, marriage breakup, or other reasons). These migrants may differ systematically from those who are observed in the sample.

A second exercise uses a multinomial logit estimation to model the migration decision. One of the specifications addresses the decision between non-migration, temporary migration, and permanent migration; while the second one addresses the decision between staying in Albania, migrating to Greece, or migrating to Italy or further away. This estimation technique is standard when trying to describe the choice between one of several alternatives.

Lastly, the authors use a panel of households observed in 2002 and 2003 to model the decision to migrate temporarily between those years. They thus use a standard probit model. While they report these results as partial effects (which is recommended), they do not report the multinomial logit results in this manner (instead, they present the coefficient estimates). This prevents comparison of the probit results with those from the temporary migration part of the multinomial logit specification.

**Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

The paper shows an adequate awareness of prior theoretical and empirical work on migration. The authors survey previous results for Albania, and discuss its recent history, showing their understanding of the country. They also reference related empirical research for other developing countries.

**How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

The data come from reliable sources. The authors use the 2002 and 2003 Albanian Living Standards Measurement Study, as well as the 2001 Housing and Population Census. The problem noted above, non-random sample selection, is noted in the paper, but ignored in the analysis.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

The conclusions are phrased so as to suggest a causal link between variables that were statistically significant in the regressions, and the decision to migrate. However, this paper should not be seen as an exercise in causal identification. In this sense, the conclusions do not accurately reflect the results.

### **C. Accessibility**

**Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?**

In its current form as a working paper, this project cannot be expected to reach a wide audience of researchers or policymakers.

### **If applicable, are policy recommendations commensurate with findings?**

The policy recommendations are not fully commensurate with the paper's findings. In the first place, its assumption that migration should be stopped does not follow from either the theoretical background or the empirical findings. If we accept this premise, then the first recommendation, of focusing on areas where migration is still low, is reasonable given the finding that past migration experiences are associated with current migration status. A similar caveat applies to the recommendation for governmental incentives to provide incentives for university educated individuals to remain in the country. The paper shows that Albanians with higher education are more likely to migrate, but in itself provides no indication of why this should be considered a bad thing, especially given the role of remittances in the Albanian economy.

Further, the recommendation to "press the primary destination countries for increased legalization and regularization of migration flows," justified because of the "exploitation and abuse" suffered by illegal migrants, does not follow from any of the analysis in the paper.

### **D. Results**

#### **What are the key findings of the study? How do they advance country policy in the field?**

Keeping in mind that these should not be interpreted as causal relations, there are three main findings in the paper.

First, there are differences in the pattern of determinants of migration, depending on whether migration is temporary or permanent, and depending on the destination. Thus, individuals with between 8 and 12 years of education are more likely than university graduates to become temporary migrants, while university and high school graduates are more likely to be permanent migrants than individuals with up to 8 years of education. Similarly, individuals from poor, agricultural households are significantly more likely to become temporary migrants than individuals from urban areas. The reverse is true for permanent migration.

The authors also find that previous migration experience is strongly associated with the migration decision. In addition, access to family migration networks is found to have a relation with permanent migration only, not temporary.

Finally, the authors point out that the geographical and temporal pattern of migration suggests that it is still a growing phenomenon, expanding into areas that until recently had not witnessed large migrations.

# **Voice Lessons: Local Government Organizations, Social Organizations, and the Quality of Local Governance**

V. Alata, L. Pritchett, A. Wetterberg

## **World Bank Policy Research Working Paper (2002)**

Transmission of government activities and responsibilities to local governments, as well as decentralization of development projects, has been an increasingly popular response to demands for improvements in quality. However, the degree of success of decentralization depends to a large extent on local governments being more responsive to their constituents' needs. As part of this overarching agenda, this project studies how villagers' social activities affect the openness and accountability of local governments.

### **Questionnaire for Individual Research Projects**

#### **A. Objectives**

##### **What specific questions or hypotheses did the study seek to answer?**

This study investigates the link between a household's participation in different social activities, and its perception of the workings of local government. The paper seeks to distinguish the impact of individual household participation from the impact of the level of participation of other households. It also seeks to determine whether there is a differential role of participation in activities directly related to government, from participation in other activities – including socializing with friends, participation in unstructured group activities (networks), and participation in other organizations.

##### **Are the topics and objectives critical for policy in the developing or post-socialist country?**

The topic under study is relevant for Indonesia. Starting in 1998, Indonesia has been on the transition path from a “developmental authoritarian” state – with centralized decision making and rigidly structured popular participation – toward delegation of responsibilities to regional governments. Given that previous research suggests that local governance is a key determinant of the success of

decentralization, understanding the determinants of local governance should help anticipate potential problems.

## **B. Design and Implementation**

### **Was the methodology appropriate and well executed? Was it innovative?**

The authors have 10 indicators of local governance, as perceived by individual households, and measures of participation in government activities, activities related to social organizations, activities in networks, and general socializing. The authors attempt to separate the effects of individual participation from the spillover effects of aggregate community participation. In order to do so, they run a probit regression for each governance indicator (or an ordered probit for an indicator that is categorical), and include as controls both the individual household's participation level, and the average participation level of all other households in the district. They also include household-level controls and regional dummies. They interpret the overall effect of participation as the sum of the individual and aggregate effects.

An important potential problem with this strategy is that there could be reverse causality from perceived governance to participation in different activities at the community level. The authors defend this point by noting the difficulties of finding a suitable instrument. However, this does not change their interpretations.

In addition, when noting the combined effect they simply add up the point estimates, and do not test whether what may seem as a negative or positive estimate is significantly different from zero. This is particularly important in light of the fact that a sizeable part of their estimates are individually not significant.

### **Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

The authors seem knowledgeable of previous research on social capital, from various disciplines. They also show a deep familiarity with the history and present of Indonesia.

**How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

The data come from reliable sources. The data set that is used for this project is from the 2001 round of the Local Level Institutions (LLI) study.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

The conclusions are partly consistent with the research findings. In the first place, it is doubtful that these estimates are indicating a causal relation. Moreover, while the results are mixed within all three categories (a sizeable fraction of the coefficients underlying the conclusions are not statistically significant), the authors draw a sharp distinction between the effects of participation on different sorts of activities.

The authors do acknowledge the difficulty of drawing conclusions about policy options from this sort of exercise, as the dynamics of individual participation in organizations are not completely understood.

### **C. Accessibility**

**Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?**

The project is currently a working paper, freely available online. It is listed in the Social Science Research Network.

**If applicable, are policy recommendations commensurate with findings?**

The findings of the paper do not directly suggest any policy recommendations, as the authors point out in their conclusions. Relatively little is known about how to use “knowledge about the existing

empirical associations between social activities and governance to engineer improvements in local governance through deliberate (...) policy action”.

## **D. Results**

### **What are the key findings of the study? How do they advance country policy in the field?**

The main results compare the impact of two kinds of social activities: participation in local government, and participation in activities linked to social organizations.

Individual participation in local government activities is, unsurprisingly, associated to a more positive perception of local government indicators. However, the community level effects are negative and large enough that the aggregate effect is, for a majority of the indicators, negative. We should repeat the caveat that these are the point estimates, as the authors do not analyze statistical significance.

Participation in social organizations, on the other hand, has mixed results. Individual effects are positive for most of the governance outcomes considered, but the community level effects are negative for half the indicators. The aggregate effects, however, are for the most part positive.

## **Do local officials know something we don't? Decentralization of targeted transfers in Albania**

H. Alderman

**Journal of Public Economics (2002)**

The decentralization of public services has become a major feature of institutional innovation throughout the world (World Bank 2004). The main rationale is that decentralization brings decision-making closer to the people so that their preferences can be better reflected in policy (Oates 1972). Specifically, decentralization can improve service provision by mitigating information asymmetries over heterogeneous preferences and by making service providers more accountable to their clients. However, decentralization may also degrade the provision of public services when local governments are less technically able than the central government to administrate public services (Smith 1985) or when local elites capture public resources through explicit corruption or through the allocation of public resources to their preferred uses (Bardhan and Mookherjee 2005). This paper investigates if decentralized anti-poverty programs use local information – presumably not available to centralized governments – in targeting assistance to the poor.

### **Questionnaire for Individual Research Projects**

#### **A. Objectives**

##### **What specific questions or hypotheses did the study seek to answer?**

The paper tests whether poverty targeting executed by local governments exceeds that which could be expected on the basis of proxy indicators of targeting alone. Communes appear to be using local information unlikely to be obtained on the basis of a questionnaire or formula. This remains the case conditional on the level of funding allocated from the central government.

##### **Are the topics and objectives critical for policy in the developing or post-socialist country?**

The impact of government decentralization on economic performance and growth is a hotly contested issue. Waves of decentralization occurred in many developing countries over the past few decades, following the demise of a development paradigm in which centralized states played a leading role. An

important research question, therefore, concerns the effects of decentralization and its channels. This paper investigates an issue of prime importance to this literature, namely, that of better use of local information in the design and execution of policies.

## **B. Design and Implementation**

**Was the methodology appropriate and well executed? Was it innovative?**

The methodology uses regression analysis to test the hypotheses of interest.

**Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

The study reflects a deep understanding of the literatures.

**How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

The project uses reliable data sets.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

The conclusions are entirely consistent with the research findings.

### **C. Accessibility**

**Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?**

The paper is a legible scientific paper and its conclusions can be read as a clear policy recommendation. It is published in the *Journal of Public Economics*, which is available by subscription on the Internet. The topic is of broad interest in economics. Consequently, it is totally accessible for the intended audience.

**If applicable, are policy recommendations commensurate with findings?**

Yes, the recommendations are commensurate with the findings in the paper.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

The conclusions tend to be consistent with the research findings.

### **D. Results**

**What are the key findings of the study? How do they advance country policy in the field?**

This study finds that relative to other safety net programs in low-income countries, social assistance in Albania is fairly well targeted to the poor. However, it would have been better to show that this is the case relative to comparable social assistance disbursed by the central government in Albania (see Bardhan and Mookherjee, 2006).

## **Sources of Financial Assistance for Households Suffering an Adult Death in Kagera, Tanzania**

Lundberg, M., Over, M and P. Mujinja.

**SAJE (2000)**

The ability to cope with death means ensuring not only the welfare of household members around the time of death, but also their well being in the future. AIDS has been reported in nearly every country in the world; but more than 90 percent of adult HIV infections are in developing countries, and more than 60 percent are in Sub-Saharan Africa. This paper examines some ways in which households respond to tragedy. By using a panel data set from the Kagera Region of western Tanzania, the authors examine household responses to death, with a special focus on HIV and AIDS.

### **Questionnaire for Individual Research Projects**

#### **A. Objectives**

##### **What specific questions or hypotheses did the study seek to answer?**

The paper studies how households cope with an adult death by looking at the household's receipt of private transfers, formal assistance and private credit. The authors seek to provide robust and generalizable links between a household's characteristics and access to and use of the various sources of financial assistance.

Furthermore, they intend to answer the following questions: How well do informal institutions for risk-spreading help households after a death? How effectively do formal sector interventions support coping efforts? What policies might be implemented to increase the effectiveness of local risk-bearing institutions?

##### **Are the topics and objectives critical for policy in the developing or post-socialist country?**

HIV is widely spread among the Tanzanian population. AIDS usually strikes prime-age adults, at the peak of their productive and income-earning years, who are often heads of families. Then, many households are suffering the death of income earners, which increases their expenses and reduces their

incomes. Knowing how households cope with death and whether poor households are as well endowed as non-poor households to cope with death would be useful to direct public assistance more fairly.

## **B. Design and Implementation**

### **Was the methodology appropriate and well executed? Was it innovative?**

In order to evaluate the impact of the occurrence of an adult death over net private transfers, formal assistance, net private credit and total net receipts, the authors use instrumental variables (IV) and error component two-stage least squares (EC2SLS) estimations.

The major caveat of their methodology is that the identification restrictions are not even mentioned, which leaves the reader without a clue about whether the relevant parameters are properly identified. In any case, the authors do not properly discuss their assumptions or even which instrumental variables are used.

The paper uses a 4-wave survey with low rates of attrition. The authors recognize that attrition may be correlated with deaths. To correct this potential endogeneity problem, they applied IV and EC2SLS techniques allowing for unobserved household heterogeneity.

### **Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

The paper reflects knowledge of theoretical research about formal and informal risk-spreading institutions. It also reflects acceptable understanding of Tanzania's specific situation.

### **How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

The data come from a well-designed four-round panel survey in the Kagera region of northwestern Tanzania, conducted between 1990 and 1994. The data seem quite reliable.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

Conclusions are consistent with the estimates. But since they did not present their identification restrictions, the estimates cannot be surely considered as causal relationships. However, even association would be informative about how households cope with adult death.

### **C. Accessibility**

**Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?**

On one hand, the lack of discussion about assumptions and instrumental variables used makes this presentation not appropriate for academic audiences. On the other hand, figures are missing, and tables are not fully explained. Consequently, non-academics or policymakers would have difficulties in understanding the presentation.

**If applicable, are policy recommendations commensurate with findings?**

Policy recommendations are coherent and follow from the findings.

### **D. Results**

**What are the key findings of the study? How do they advance country policy in the field?**

The key findings are that in order to cope with death, resource-abundant households rely more on private transfers, whereas resource-poor households rely relatively more on credit. This reflects that much of these private transfers may be due to implicit risk-spreading arrangements among wealthier

households. The policy implications are that the government and non-government agencies should provide more assistance to the poorest households by limiting the amount given to the better off.

**Expanding Access to ART in Thailand: Achieving Treatment Benefits while Promoting  
Effective Prevention  
Ministry of Public Health and the World Bank  
(2005)**

Untreated, infection with the Human Immunodeficiency virus (HIV) is almost universally fatal. The advent of anti-retroviral therapy (ART) in the late 1980s began a revolution in the management of HIV, which can be seen as analogous to the use of penicillin for treating bacterial infections in the 1940s. This paper develops a model in order to evaluate cost effectiveness measures of several alternative policy options regarding anti-retroviral therapy provision and compares them with the baseline scenario of no ART publicly provided.

**Questionnaire for Individual Research Projects**

**A. Objectives**

**What specific questions or hypotheses did the study seek to answer?**

The paper studies whether expanding access to Anti-retroviral therapy (ART) in Thailand is cost-effective in saving HIV infected people's lives.

**Are the topics and objectives critical for policy in the developing or post-socialist country?**

Globally HIV is the major cause of years of potential life lost and the most common cause of death attributed to an infectious disease. AIDS is the leading cause of premature death in Thailand and the bulk of its mortality and morbidity falls on productive-age people. The Royal Thai Government and the Thai society have engaged serious efforts to provide treatment and to diminish social stigma and discrimination to the infected besides increasing prevention among the non-infected.

## **B. Design and Implementation**

### **Was the methodology appropriate and well executed? Was it innovative?**

The model developed in the paper is based in a previous version that did not include the effects of ART on the longevity of people with HIV, on their likelihood of transmitting HIV and on the development and spread drug resistant strains of the virus. The model includes cost-effectiveness measures of the alternative policy options and compares them with the baseline scenario of no anti-retroviral therapy publicly provided.

The model is calibrated using available behavioral and transmission data, and models the behavior of eight separate risk groups.

### **Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

The research properly analyses the AIDS epidemic in Thailand, the relation between AIDS and ART and the effects of Thailand's current AIDS policy. Existing knowledge in AIDS and ART and Thailand's particular situation is largely addressed.

### **How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

The model was calibrated using parameters from other research works in Thailand and in other countries. Justification was provided for other parameters set in an ad-hoc manner. The authors admitted that better calibration could have been achieved if they had had more periods of data from Thailand.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

The conclusions are consistent with the findings and are fully discussed. The authors performed a sensibility analysis that points out for which of the assumptions the results are more sensible.

### **C. Accessibility**

**Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?**

The draft is a legible scientific paper that is directed to policymakers.

**If applicable, are policy recommendations commensurate with findings?**

The conclusions are commensurate with the model's findings.

### **D. Results**

**What are the key findings of the study? How do they advance country policy in the field?**

The key finding of the study is that the actual Thai program to treat AIDS patients will save about 200,000 people per year at a unit cost of \$2,144 US dollars. The authors conclude that Thailand should enhance its program to encourage early recruitment and to finance universal access to counseling groups of infected people that can improve program adherence. They also stress that complacency about prevention could increase dramatically the costs of this program. Then, efforts to enhance prevention should not be relaxed.

However, the research also notes that the cost per life saved through ART may be much more than Thailand would have to spend to save life years with other interventions.

## **Crossing Boundaries: “Social Distance” and the Gender Gap in Schooling in Rural Pakistan**

Jacoby, H. and G. Mansuri

**Research Proposal (2004)**

Economic explanations for male-bias in human capital usually appeal to gender differences in the perceived returns to such investments (Rosenzweig and Schultz, 1982, Behrman et al., 1999). However, gender differentials in the returns to education do not appear to be the whole story for lagging female enrollments. This study proposes to investigate a relatively unexplored dimension of schooling decisions: social constraints.

### **Questionnaire for Individual Research Projects**

#### **A. Objectives**

##### **What specific questions or hypotheses did the study seek to answer?**

The paper intends to analyze the relatively unexplored dimension of social constraints as a possible economic explanation for male bias in human capital. In the context of rural Pakistan, it is particularly relevant whether a girl has to cross-communal boundaries and enters socially unfamiliar territory to attend school. The centerpiece of the research proposal is the empirical analysis of this “crossing boundaries” effect.

##### **Are the topics and objectives critical for policy in the developing or post-socialist country?**

Gender differentials in school enrollment remain large in several developing regions and countries such as South Asia, India and Pakistan. Moreover, low female educational attainment has been regarded as having several development costs related to lower labor productivity, higher fertility, worse child outcomes and lower participation in the political process.

However, it is not clear if social constraints are as relevant in other developing countries as they are in Pakistan.

## **B. Design and Implementation**

### **Was the methodology appropriate and well executed? Was it innovative?**

In the context of rural Pakistan, unchaperoned travel outside the hamlet can invite damage to a girl's reputation, and by implication to that of her family. Therefore, adolescent girls may suffer severe restrictions on mobility and social interactions.

The research proposes to capture this social constraint by including, in the econometric estimation of the latent demand function for enrollment decisions, a dummy variable indicating if the nearest available primary school is located outside of the child's hamlet. In addition, the authors propose to include the distance to the nearest school as a control and to use measures of hamlet wealth as instruments to handle the problem that school location may depend on community-level unobservables.

The methodology is appropriate, although it remains to be seen if the instruments are strong enough. In addition, hamlets may not be wholly representative of social distances, and therefore may not capture all existing social constraints.

### **Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

The proposal reflects a good understanding of the social background in rural Pakistan. Quantitative and qualitative surveys are analyzed in order to support the conceptual framework that the authors developed. Finally, a brief review of alternative explanations of male bias in human capital is provided.

**How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

The data for the econometric analysis will come from the second round of the Pakistan Rural Household Survey (PRHS-II) and from an extension of this survey carried out by the research team. The qualitative data are from the Pakistan Country Gender Assessment (PCGA). The data are reliable.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

Not applicable (Research Proposal).

### **C. Accessibility**

**Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?**

Not applicable (Research Proposal).

**If applicable, are policy recommendations commensurate with findings?**

Not applicable (Research Proposal).

### **D. Results**

**What are the key findings of the study? How do they advance country policy in the field?**

Not applicable (Research Proposal).

**How shortening the potential duration of unemployment benefits affect the duration of unemployment: evidence from a natural experiment.**

van Ours, J., Vodopivec, M.

**Journal of Labor Economics (2005)**

**Questionnaire for Individual Research Projects**

**A. Objectives**

**What specific questions or hypotheses did the study seek to answer?**

This research project investigates the effects of shortening the potential duration of unemployment insurance benefits over the duration of unemployment.

**Are the topics and objectives critical for policy in the developing or post-socialist country?**

The topic analyzed is relevant for policy considerations in developing and post-socialist countries. In recent years, these countries have widely implemented active labor policies and unemployment insurance benefits as a way to soften the shocks generated by market-oriented reforms (Heckman et al., 1998).

**B. Design and Implementation**

**Was the methodology appropriate and well executed? Was it innovative?**

The research identifies the disincentive effects of shortening the potential duration of unemployment insurance benefits by exploiting a “natural experiment” related to changes in Slovenia’s unemployment insurance system. The comparison of the outcomes of the natural control group to the outcomes of several treatment groups gives special support to the results. Regarding the econometric strategy, standard methods for problems of duration such as survival functions and hazard rates models are used. The methodology is appropriate and well executed. The existing empirical literature, with the exception of Card and Levine (2000), does not identify the causal relationship between potential

benefit duration and unemployment, but only provides simple correlations. Although the research is not completely innovative, it presents additional evidence in a topic where causal analysis has not been extensively carried out.

**Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

By providing a brief review of both theoretical and empirical literature, the project reflects awareness of existing knowledge. It also describes the unemployment insurance system clearly. However, with the exception of the working paper version of the paper, it does not discuss studies on the Slovenian job market.

**How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

The empirical analysis is based on the administrative records of unemployment spells, combined with selected information on formal employment spells. The data provide complete coverage: all workers registered as unemployed for the selected period are included. In addition, being administrative in nature, the information is free of problems common in survey data, such as non-response and interviewer bias. Therefore, the data seem to be especially reliable.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

Since the conclusions are based on the quasi-experimental design, they are consistent with the research findings. The investigation notes that the principal challenge of the research is to isolate the effects of the changes in the unemployment benefit's law from the changes in the state of the labor market. This potential problem is mainly addressed by comparing the control group with several treatment groups.

**C. Accessibility** Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?

The paper is a legible scientific paper and its conclusions can be read as a clear policy recommendation.

**If applicable, are policy recommendations commensurate with findings?**

Yes, the paper makes recommendations based on the quasi-experimental results of the research. It also warns about other features the policymaker should consider in order to obtain a complete picture of the costs and benefits of shortening the potential duration of unemployment insurance benefits.

**D. Results**

**What are the key findings of the study? How do they advance country policy in the field?**

The key finding is the identification of the causal effect of the reduction of benefits duration of unemployment insurance on the searching effort of unemployed workers.

The paper concludes that the change in Slovenia's unemployment benefit law was certainly effective at encouraging benefit recipients to leave unemployment. However, it also states that these positive developments must be weighed against the curtailment of benefits and against the possible lower quality of post-unemployment jobs in terms of stability, type of appointment, and precariousness.

## **Qat expenditure in Yemen and Djibouti: an empirical analysis.**

B. Milanovic

(2004)

### **Questionnaire for Individual Research Projects**

#### **A. Objectives**

##### **What specific questions or hypotheses did the study seek to answer?**

The main questions that the study tries to answer are: Who are the users of qat in Yemen and Djibouti? Is qat a normal or a luxury good in these countries? Does the use of qat reduce food expenditure?

##### **Are the topics and objectives critical for policy in the developing or post-socialist country?**

Qat consumption seems to be an ordinary practice in this region. Abuse of qat may lead to substantial health problems, which may in turn threaten economic development. It might be important to study the determinants of its use and its side effects. But, all in all, I do not find the issues studied very relevant.

#### **B. Design and Implementation**

##### **Was the methodology appropriate and well executed? Was it innovative?**

The objective of the paper is not very ambitious, and in practice it only achieves a descriptive analysis. The methodology is appropriate to answer the question that the study posed. Simple relative frequency tables are used to characterize qat consumers. Regression analysis and Lorenz curves are used to analyze income effects and qat expenditure. The author derives an ad hoc demand function for qat estimated with the use of Tobit model. He does not discuss the potentially endogenous explanatory variables, which may be a serious caveat.

**Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

The paper discusses neither the literature on qat consumption or the methodology. Another document, however, discusses the literature on qat consumption. The paper reflects a good understanding on the countries' habit of chewing qat.

**How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

The data consist of two household surveys, which are nationally representative and properly designed and executed – with external advising. The author considered data limitations and advantages: Djibouti's survey has more detailed information on qat consumption and Yemen's survey covers more extensively household incomes and expenditures.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

Conclusions are not available yet.

### **C. Accessibility**

**Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?**

The available part of the draft is a legible scientific paper. It is not available for the intended audiences yet.

**If applicable, are policy recommendations commensurate with findings?**

No policy recommendation has been advanced yet.

## **D. Results**

### **What are the key findings of the study? How do they advance country policy in the field?**

The study finds that qat is a normal good in Yemen – its elasticity of income is less than one – and a luxury good in Djibouti – its elasticity of income is greater than one. Urban households spend more than rural households on qat – maybe reflecting self-production of qat – more educated households spend less on qat; the same is true for self-employed household heads and employers. Finally, qat expenditure is not associated with lower food expenditure in Yemen; in fact qat and food expenditures are positively associated even after controlling by total expenditures per equivalent adult. In Djibouti the presence of a qat user in the household is associated with lower food expenditure. The author does not discuss policy implications, but since most of its results suffer from endogeneity problems, there is not much that can be recommended out of this analysis.

**Modeling the effects of nutritional and socioeconomic factors on the growth and morbidity of Kenyan school children.**

Bhargava, Alok

**American Journal of Human Biology (1999)**

**Questionnaire for Individual Research Projects**

**A. Objectives**

**What specific questions or hypotheses did the study seek to answer?**

The paper's hypotheses are whether nutritional, socioeconomic, demographic and environmental factors affect anthropometric dimensions – such as height, head circumference and weight – and morbidity.

**Are the topics and objectives critical for policy in the developing or post-socialist country?**

Under-nutrition and morbidity affect children in developing countries, provoking diverse problems in their development. The issues addressed are critical for Kenyan development since undernourished children face lower chances of survival and typically grow into adults with reduced physical and intellectual capacity.

**B. Design and Implementation**

**Was the methodology appropriate and well executed? Was it innovative?**

The author estimates a dynamic model. However, in my view, it does not have a clear strategy to identify causal effects and hence, the estimates should be mainly interpreted as very suggestive correlations. The methodology is well executed but the identifying restrictions are not properly discussed.

The most innovative aspect of the paper is how the author interprets different anthropometric dimensions as indicators of child's health.

**Does the project reflect awareness of existing knowledge from other research available at the time and does it adequately reflect a good understanding of the country(s) in question?**

The study reflects knowledge about the country's problems and about the existing empirical literature addressing similar issues. It also reflects familiarity with the theoretical literature about the links between nutrition, health and labor.

**How reliable were the data? If appropriate, were surveys properly designed and executed? Were data compiled properly from appropriate sources and aggregation? Were data limitations considered in the analysis?**

The data comes from surveys conducted in 1984-85 by the US Agency for International Development, which selected, following certain rules, 292 of 2,059 households in the region of Embu, Kenya. Then the author selected the 110 children for whom longitudinal data with three observations – one per trimester – were collected.

**Are the conclusions consistent with the research findings? Were problems/concerns noted and reviewed?**

The conclusions point out the empirical associations found in the empirical analysis. With the caveat made about endogeneity, the policy recommendations are coherent with the empirical results.

### **C. Accessibility**

**Were project reports and publications presented in a manner appropriate for and accessible to the intended audience(s)?**

The paper is a legible scientific paper and its conclusions can be read as a clear policy recommendation. It is published in the American Journal of Human Biology. Thus, it is accessible to an interested audience.

**If applicable, are policy recommendations commensurate with findings?**

Yes, since the paper makes recommendations based on the associations obtained from the dynamic model described above.

### **D. Results**

**What are the key findings of the study? How do they advance country policy in the field?**

The main findings are the following: Calcium intakes are positively associated with weight while protein and energy intakes are associated with weight. Vitamin A intakes are negatively associated with morbidity. Socioeconomic status is a significant predictor of height, head circumference and morbidity. Maternal height is associated with child height and maternal body mass index is associated with children's weight. Parent scores on psychological tests, mother's age, and children's hemoglobin concentration are negatively associated with children's morbidity. The author claims that it is important for policymakers to formulate policies that simultaneously address issues of nutrition, health and education. For example, benefits from food supplementation programs are likely to be magnified by concomitant investment in the educational infrastructure, and policies improving sanitation facilities would prevent nutrient loss due to infections, thereby raising the efficacy of food supplementation programs.

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## Annex I

### Research Quality Indicator Form of the evaluated papers

#### Local Capture: Evidence from a Central Government Transfer Program in UGANDA

R. Reinikka and J. Svensson

#### Quarterly Journal of Economics (2004)

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>					
<b>Topics</b>					
Importance of the issues addressed		X			
Clarity of the project focus and stated objectives		X			
<b>Analysis</b>					
Theoretical/conceptual framework		X			
Empirical application			X		
Statistical and econometric methods			X		
Use of existing knowledge and resources			X		
<b>Data</b>					
Awareness of other data sources			X		
Data compilation, cleaning and cataloging		X			
Survey design and sampling		X			
<b>Output Quality</b>					
Writing quality (clarity, organization, etc.)	X				
Clarity of conclusions and recommendations	X				
Extent to which conclusions are based on analytic evidence		X			
Appropriateness of the recommendations		X			
Appropriateness of output form (working paper, book, database, etc.) for intended audiences		X			
Availability of translated outputs where appropriate					
<b>Extent to which research:</b>					
Increases knowledge and understanding of the issues		X			
Provides a sound basis for policy		X			
<b>Actual or likely impact of research on:</b>					
Government policy		X			
Future analysis		X			
The development community in general		X			
<b>Overall Quality of Research</b>		X			

# Thirsting for Efficiency: The Economics and Politics of Urban Water System Reform

Edited by M. Shirley

The World Bank (2002)

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U	
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>						
<b>Topics</b>						
Importance of the issues addressed		X				
Clarity of the project focus and stated objectives		X				
<b>Analysis</b>						
Theoretical/conceptual framework			X			
Empirical application			X			
Statistical and econometric methods				X		
Use of existing knowledge and resources			X			
<b>Data</b>						
Awareness of other data sources		X				
Data compilation, cleaning and cataloging		X				
Survey design and sampling			X			In this case, refers to the sample of case studies.
<b>Output Quality</b>						
Writing quality (clarity, organization, etc.)	X					
Clarity of conclusions and recommendations			X			
Extent to which conclusions are based on analytic evidence		X				
Appropriateness of the recommendations		X				
Appropriateness of output form (working paper, book, database, etc.) for intended audiences			X			
Availability of translated outputs where appropriate						
<b>Extent to which research:</b>						
Increases knowledge and understanding of the issues			X			
Provides a sound basis for policy		X				
<b>Actual or likely impact of research on:</b>						
Government policy		X				
Future analysis			X			
The development community in general			X			
<b>Overall Quality of Research</b>			X			

**Anthelmintic treatment improves the hemoglobin and serum ferritin concentrations of  
Tanzanian schoolchildren**

A. Bhargava, M. Jukes, J. Lambo, C. M. Kihamia, W. Lorri, C. Nokes, L. Drake, and D. Bundy

**Food and Nutrition Bulletin (2003)**

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>					
<b>Topics</b>					
Importance of the issues addressed			X		
Clarity of the project focus and stated objectives			X		
<b>Analysis</b>					
Theoretical/conceptual framework			X		
Empirical application				X	
Statistical and econometric methods				X	
Use of existing knowledge and resources				X	
<b>Data</b>					
Awareness of other data sources			X		
Data compilation, cleaning and cataloging	X				
Survey design and sampling			X		
<b>Output Quality</b>					
Writing quality (clarity, organization, etc.)		X			
Clarity of conclusions and recommendations				X	
Extent to which conclusions are based on analytic evidence				X	
Appropriateness of the recommendations			X		
Appropriateness of output form (working paper, book, database, etc.) for intended audiences			X		
Availability of translated outputs where appropriate					
<b>Extent to which research:</b>					
Increases knowledge and understanding of the issues			X		
Provides a sound basis for policy			X		
<b>Actual or likely impact of research on:</b>					
Government policy				X	
Future analysis				X	
The development community in general				X	
<b>Overall Quality of Research</b>				X	

# The Impact of Adult Mortality and Parental Deaths on Primary Schooling in North-Western Tanzania

M. Ainsworth, K. Beegle and G. Koda

The Journal of Development Studies (2005)

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>					
<b>Topics</b>					
Importance of the issues addressed			X		
Clarity of the project focus and stated objectives			X		
<b>Analysis</b>					
Theoretical/conceptual framework				X	
Empirical application				X	
Statistical and econometric methods				X	
Use of existing knowledge and resources				X	
<b>Data</b>					
Awareness of other data sources			X		
Data compilation, cleaning and cataloging			X		
Survey design and sampling			X		
<b>Output Quality</b>					
Writing quality (clarity, organization, etc.)			X		
Clarity of conclusions and recommendations				X	
Extent to which conclusions are based on analytic evidence				X	
Appropriateness of the recommendations				X	
Appropriateness of output form (working paper, book, database, etc.) for intended audiences			X		
Availability of translated outputs where appropriate					
<b>Extent to which research:</b>					
Increases knowledge and understanding of the issues			X		
Provides a sound basis for policy			X		
<b>Actual or likely impact of research on:</b>					
Government policy				X	
Future analysis				X	
The development community in general				X	
<b>Overall Quality of Research</b>				X	

## HIV/AIDS Treatment and Prevention in India Modeling the Cost and Consequences

M. Over, P. Heywood, J. Gold, I. Gupta, S. Hira, E. Marseille

**World Bank Human Development Network**

**Health, Nutrition and Population Series (2004)**

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U	
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>						
<b>Topics</b>						
Importance of the issues addressed		X				
Clarity of the project focus and stated objectives		X				
<b>Analysis</b>						
Theoretical/conceptual framework	X					
Empirical application		X				
Statistical and econometric methods			X			
Use of existing knowledge and resources		X				
<b>Data</b>						
Awareness of other data sources		X				
Data compilation, cleaning and cataloging			X			
Survey design and sampling						NA
<b>Output Quality</b>						
Writing quality (clarity, organization, etc.)		X				
Clarity of conclusions and recommendations		X				
Extent to which conclusions are based on analytic evidence		X				
Appropriateness of the recommendations		X				
Appropriateness of output form (working paper, book, database, etc.) for intended audiences		X				
Availability of translated outputs where appropriate						
<b>Extent to which research:</b>						
Increases knowledge and understanding of the issues		X				
Provides a sound basis for policy	X					
<b>Actual or likely impact of research on:</b>						
Government policy		X				
Future analysis		X				
The development community in general			X			
<b>Overall Quality of Research</b>		X				

# International Migration from Albania: the Role of Family Networks and Previous Experience

M. Stampini, B. Davis, G. Carletto

## Working Paper (2005)

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>					
<b>Topics</b>					
Importance of the issues addressed				X	
Clarity of the project focus and stated objectives				X	
<b>Analysis</b>					
Theoretical/conceptual framework			X		
Empirical application				X	
Statistical and econometric methods				X	
Use of existing knowledge and resources			X		
<b>Data</b>					
Awareness of other data sources			X		
Data compilation, cleaning and cataloging			X		
Survey design and sampling					
<b>Output Quality</b>					
Writing quality (clarity, organization, etc.)			X		
Clarity of conclusions and recommendations			X		
Extent to which conclusions are based on analytic evidence				X	
Appropriateness of the recommendations				X	
Appropriateness of output form (working paper, book, database, etc.) for intended audiences			X		
Availability of translated outputs where appropriate					
<b>Extent to which research:</b>					
Increases knowledge and understanding of the issues			X		
Provides a sound basis for policy				X	
<b>Actual or likely impact of research on:</b>					
Government policy				X	
Future analysis				X	
The development community in general				X	
<b>Overall Quality of Research</b>				X	

**Voice Lessons: Local Government Organizations, Social Organizations, and the Quality of  
Local Governance**

V. Alata, L. Pritchett, A. Wetterberg

**World Bank Policy Research Working Paper (2002)**

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>					
<b>Topics</b>					
Importance of the issues addressed			X		
Clarity of the project focus and stated objectives				X	
<b>Analysis</b>					
Theoretical/conceptual framework				X	
Empirical application				X	
Statistical and econometric methods				X	
Use of existing knowledge and resources			X		
<b>Data</b>					
Awareness of other data sources			X		
Data compilation, cleaning and cataloging			X		
Survey design and sampling					
<b>Output Quality</b>					
Writing quality (clarity, organization, etc.)			X		
Clarity of conclusions and recommendations					
Extent to which conclusions are based on analytic evidence			X		
Appropriateness of the recommendations					
Appropriateness of output form (working paper, book, database, etc.) for intended audiences			X		
Availability of translated outputs where appropriate			X		
<b>Extent to which research:</b>					
Increases knowledge and understanding of the issues			X		
Provides a sound basis for policy				X	
<b>Actual or likely impact of research on:</b>					
Government policy				X	
Future analysis				X	
The development community in general				X	
<b>Overall Quality of Research</b>				X	

# Do local officials know something we don't? Decentralization of targeted transfers in Albania

H. Alderman

Journal of Public Economics (2002)

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U	
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>						
<b>Topics</b>						
Importance of the issues addressed		X				
Clarity of the project focus and stated objectives			X			
<b>Analysis</b>						
Theoretical/conceptual framework			X			
Empirical application			X			
Statistical and econometric methods			X			
Use of existing knowledge and resources			X			
<b>Data</b>						
Awareness of other data sources			X			
Data compilation, cleaning and cataloging			X			
Survey design and sampling						NA
<b>Output Quality</b>						
Writing quality (clarity, organization, etc.)	X					
Clarity of conclusions and recommendations		X				
Extent to which conclusions are based on analytic evidence			X			
Appropriateness of the recommendations			X			
Appropriateness of output form (working paper, book, database, etc.) for intended audiences		X				
Availability of translated outputs where appropriate						
<b>Extent to which research:</b>						
Increases knowledge and understanding of the issues			X			
Provides a sound basis for policy			X			
<b>Actual or likely impact of research on:</b>						
Government policy			X			
Future analysis			X			
The development community in general			X			
<b>Overall Quality of Research</b>						
			X			

## Sources of Financial Assistance for Households Suffering an Adult Death in Kagera, Tanzania

Lundberg, M., Over, M and P. Mujinja.

SAJE (2000)

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>					
<b>Topics</b>					
Importance of the issues addressed		X			
Clarity of the project focus and stated objectives		X			
<b>Analysis</b>					
Theoretical/conceptual framework			X		
Empirical application				X	
Statistical and econometric methods				X	
Use of existing knowledge and resources			X		
<b>Data</b>					
Awareness of other data sources			X		
Data compilation, cleaning and cataloging			X		
Survey design and sampling			X		
<b>Output Quality</b>					
Writing quality (clarity, organization, etc.)				X	
Clarity of conclusions and recommendations			X		
Extent to which conclusions are based on analytic evidence			X		
Appropriateness of the recommendations			X		
Appropriateness of output form (working paper, book, database, etc.) for intended audiences				X	
Availability of translated outputs where appropriate					
<b>Extent to which research:</b>					
Increases knowledge and understanding of the issues			X		
Provides a sound basis for policy				X	
<b>Actual or likely impact of research on:</b>					
Government policy				X	
Future analysis			X		
The development community in general			X		
<b>Overall Quality of Research</b>				X	

## Expanding Access to ART in Thailand: Achieving Treatment Benefits while Promoting Effective Prevention

Ministry of Public Health and the World Bank

(2005)

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U	
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>						
<b>Topics</b>						
Importance of the issues addressed		X				
Clarity of the project focus and stated objectives		X				
<b>Analysis</b>						
Theoretical/conceptual framework		X				
Empirical application		X				
Statistical and econometric methods						Na
Use of existing knowledge and resources		X				
<b>Data</b>						
Awareness of other data sources		X				
Data compilation, cleaning and cataloging			X			
Survey design and sampling						NA
<b>Output Quality</b>						
Writing quality (clarity, organization, etc.)		X				
Clarity of conclusions and recommendations		X				
Extent to which conclusions are based on analytic evidence		X				
Appropriateness of the recommendations		X				
Appropriateness of output form (working paper, book, database, etc.) for intended audiences		X				
Availability of translated outputs where appropriate			X			
<b>Extent to which research:</b>						
Increases knowledge and understanding of the issues		X				
Provides a sound basis for policy		X				
<b>Actual or likely impact of research on:</b>						
Government policy		X				
Future analysis			X			
The development community in general			X			
<b>Overall Quality of Research</b>		X				

## Crossing Boundaries: “Social Distance” and the Gender Gap in Schooling in Rural Pakistan

Jacoby, H. and G. Mansuri

### Research Proposal (2004)

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U	
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>						
<b>Topics</b>						
Importance of the issues addressed		X				
Clarity of the project focus and stated objectives		X				
<b>Analysis</b>						
Theoretical/conceptual framework		X				
Empirical application			X			
Statistical and econometric methods			X			
Use of existing knowledge and resources		X				
<b>Data</b>						
Awareness of other data sources			X			
Data compilation, cleaning and cataloging			X			
Survey design and sampling			X			
<b>Output Quality</b>						
Writing quality (clarity, organization, etc.)		X				
Clarity of conclusions and recommendations						NA
Extent to which conclusions are based on analytic evidence						NA
Appropriateness of the recommendations						NA
Appropriateness of output form (working paper, book, database, etc.) for intended audiences						NA
Availability of translated outputs where appropriate						NA
<b>Extent to which research:</b>						
Increases knowledge and understanding of the issues						NA
Provides a sound basis for policy						NA
<b>Actual or likely impact of research on:</b>						
Government policy						NA
Future analysis						NA
The development community in general						NA
<b>Overall Quality of Research</b>			X			

**How shortening the potential duration of unemployment benefits affect the duration of unemployment: evidence from a natural experiment.**

van Ours, J., Vodopivec, M.

**Journal of Labor Economics (2005)**

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U	
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>						
<b>Topics</b>						
Importance of the issues addressed		X				
Clarity of the project focus and stated objectives	X					
<b>Analysis</b>						
Theoretical/conceptual framework			X			
Empirical application	X					
Statistical and econometric methods			X			
Use of existing knowledge and resources			X			
<b>Data</b>						
Awareness of other data sources			X			
Data compilation, cleaning and cataloging			X			
Survey design and sampling			X			
<b>Output Quality</b>						
Writing quality (clarity, organization, etc.)		X				
Clarity of conclusions and recommendations		X				
Extent to which conclusions are based on analytic evidence		X				
Appropriateness of the recommendations		X				
Appropriateness of output form (working paper, book, database, etc.) for intended audiences		X				
Availability of translated outputs where appropriate						
<b>Extent to which research:</b>						
Increases knowledge and understanding of the issues		X				
Provides a sound basis for policy		X				
<b>Actual or likely impact of research on:</b>						
Government policy		X				
Future analysis				X		
The development community in general			X			
<b>Overall Quality of Research</b>		X				

## Qat expenditure in Yemen and Djibouti: an empirical analysis.

B. Milanovic

(2004)

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U	
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>						
<b>Topics</b>						
Importance of the issues addressed				X		
Clarity of the project focus and stated objectives					X	
<b>Analysis</b>						
Theoretical/conceptual framework					X	
Empirical application				X		
Statistical and econometric methods					X	
Use of existing knowledge and resources				X		
<b>Data</b>						
Awareness of other data sources			X			
Data compilation, cleaning and cataloging			X			
Survey design and sampling			X			
<b>Output Quality</b>						
Writing quality (clarity, organization, etc.)				X		
Clarity of conclusions and recommendations						NA
Extent to which conclusions are based on analytic evidence						NA
Appropriateness of the recommendations						NA
Appropriateness of output form (working paper, book, database, etc.) for intended audiences			X			
Availability of translated outputs where appropriate						
<b>Extent to which research:</b>						
Increases knowledge and understanding of the issues					X	
Provides a sound basis for policy						NA
<b>Actual or likely impact of research on:</b>						
Government policy					X	
Future analysis					X	
The development community in general					X	
<b>Overall Quality of Research</b>					X	

**Modeling the effects of nutritional and socioeconomic factors on the growth and morbidity of Kenyan school children.**

Bhargava, Alok

**American Journal of Human Biology (1999)**

<b>S</b>	Superior
<b>AA</b>	Above Average
<b>A</b>	Average
<b>BA</b>	Below Average
<b>U</b>	Unacceptable

	S	AA	A	BA	U	
<i>Please rate the following aspects of the project outcomes (or in the case of ongoing projects, design and intermediate outputs)</i>						
<b>Topics</b>						
Importance of the issues addressed			X			
Clarity of the project focus and stated objectives			X			
<b>Analysis</b>						
Theoretical/conceptual framework			X			
Empirical application			X			
Statistical and econometric methods			X			
Use of existing knowledge and resources			X			
<b>Data</b>						
Awareness of other data sources			X			
Data compilation, cleaning and cataloging			X			
Survey design and sampling			X			
<b>Output Quality</b>						
Writing quality (clarity, organization, etc.)		X				
Clarity of conclusions and recommendations			X			
Extent to which conclusions are based on analytic evidence				X		
Appropriateness of the recommendations			X			
Appropriateness of output form (working paper, book, database, etc.) for intended audiences			X			
Availability of translated outputs where appropriate			X			
<b>Extent to which research:</b>						
Increases knowledge and understanding of the issues			X			
Provides a sound basis for policy			X			
<b>Actual or likely impact of research on:</b>						
Government policy			X			
Future analysis			X			
The development community in general			X			
<b>Overall Quality of Research</b>			X			

## Annex II

My overall assessment of the research conducted at the World Bank in my area of research is based on my indirect knowledge of it, acquired as a scholar, which will not let me easily disentangle the research generated by the Research Department from other research conducted at the Bank; by consulting the World Bank Research Program Workbook for the years 1998-2004, and selectively revising some of the papers produced from that research agenda but that were not in my evaluation portfolio; and by my direct contact with research conducted at the Bank.

It is my impression that most of the research at the World Bank is stimulated by policy questions, often, as one would expect, responding to genuine uncertainties about the world. Indeed, I like to think that one could characterize the motivation behind most of the research conducted at the Bank as providing evidence for policymaking decisions. This certainly affects the range of topics studied and, to some extent, the overall quality of the research.

One form of informing policy is by conducting new and original research. Another particular, but not less valuable, form of informing policy is by taking stock of the accumulated knowledge in an area of research. Part of the research conducted at the Bank is directed to this task. One valuable example of this work is the *World Development Report*, which is published every year on a different topic.

From time to time we need to take stock of the accumulated knowledge in an area of research in order to evaluate what we know and what we do not know. I find the activity of producing surveys that accomplish this task extremely valuable. Every year, there is a large production of applied work in most areas of economics that generates new results, often based not only on different samples, but also on different methodological approaches. Some of these results are experimental, some are quasi-experimental, but most are derived from observational studies. In all cases, identification of the parameters of interest in the literature under study is not straightforward. Often, new results conflict with previous ones. Thus, a good survey is one that scrutinizes the strategy of identification of the existing research and reports what we have learnt from those papers that are relatively solid on identification. This would illuminate us on the state of our empirical knowledge. It also needs to inform the audience about what we still do not know enough about from the existing research but there exists good theoretical reasons for us to know more about.

Our empirical knowledge is composed of probabilistic relationships and causal relationships. The latter are certainly more difficult to define and to identify than the former ones. Causal parameters are fundamental building blocks both of physical reality and of the human understanding of that reality and, hence, they are hard to define without theory. With regard to identification, as is now well understood, there are issues of internal validity involved that need to be scrutinized case by case, but also – and of prime relevance for policymaking – issues of external validity. Especially when summarizing the causal effects of interventions, we would like to know the extent to which these causal relationships generalize.

Unfortunately, the empirical evidence on the effects of interventions on several areas of policy interest is still scarce and this should be acknowledged more often than it actually is in the survey reports conducted by the Bank.

It is useful to characterize the overall research in economics as being:

- a) Pure Theory
- b) Applied Theory
- c) Methodological
- d) Empirical:
  - a. Answering Causal Questions
  - b. Descriptive

Certainly, there is much disagreement in economics on how to conduct research. Although this is true in most areas of research, it is particularly true in empirical economics. This is reflected in the research projects conducted at the Bank. I consider this lack of alignment on methodology a very positive characteristic of the research projects conducted at the Bank. Obviously, this is not justification for poorly designed research but it is an argument for appreciation of well-conducted research even when one disagrees with the methodology adopted.

The research conducted at the Bank covers the most important areas of economic development: a) Poverty and Social Development, b) Health and Population, c) Education, Labor and Employment, d)

Environment, e) Infrastructure and Urban Development, f) Agriculture and Rural Development, g) Macroeconomics and Growth, h) International Economics, i) Domestic Finance and Banking, j) Investment Climate and Private Sector Development and k) Governance and Public Sector Management.

Overall, I find the distribution of research across areas balanced and covering a wide range of relevant and practical issues in developing economies. To some extent, it appears to me as if the World Bank continuously demands answers to policy questions in all these areas, and most of its research is directed to satisfy it. This might have positive and negative consequences. On the positive side, it enacts research that otherwise would not have been conducted, and that although it might not be judged as relevant by the academic community at large, has its own value among policymakers. On the negative side, it might affect the overall quality of the research conducted at the Bank. It is likely that at some point there are more relevant questions, or better opportunities for research in some areas than others. It is often the case that certain fields in economics are more thriving than others, and that respond to the research opportunities perceived by scholars.

In any event, in what follows, I will bound my area of evaluation to what is cataloged in the World Bank Research Program Workbooks as: a) Poverty and Social Development, b) Health and Population and c) Education, Labor and Employment.

Most of the research in these areas is empirical. At least for the period 1998-2004, there is practically no research in applied theory, perhaps responding to the view that the main lack of knowledge for policy advice is the lack of estimates of the relevant parameters in our existing understanding of the world. In many areas this is still true, and was even more so 10 years ago, but in my own view, there is scope for applied theory in these fields.

There is some methodological research in these areas, but in my view, it is less than optimal. Certainly, during the period considered, there appear to have been fewer projects in this area than in the recent past. Undoubtedly, in the 1990s, one of the most successful research agendas of the Bank was on methods related to the measurement of poverty and inequality, targeting of interventions and design and use of multi-purpose household surveys. To the extent that the World Bank is moving toward

conducting more program evaluation, which is something extremely desirable, there appears to be a fantastic opportunity for methodological research in the near future in this area.

Most of the research during the period 1998-2004 in the areas under my review is empirical. It is of both types: descriptive and directed to answer causal questions – both related to intervention impacts and to behavioral parameters. A representative group of examples from undergoing research in 1998 include:

#### Descriptive

1. The Measurement and Prediction of Poverty in an Aging World
2. Combining Census and Survey Data to Study Spatial Dimensions of Poverty and Inequality
3. Child Labor and Schooling in Latin America
4. Pay and Grade Differentials at the World Bank

#### Behavioral

5. Decentralizing Safety Nets: Community Choices and Their Impact on Households
6. Incentives for Doctor Placements in Rural and Remote Areas
7. Household Willingness to Pay for Malaria Prevention in Tigray, Ethiopia
8. The Political Economy of Pension Reform

#### Impact Evaluation

9. Does Schooling Expansion Equalize Income?
10. Evaluation of the Impact of Investments in Early Child Development
11. The Impact of Deworming Treatment on Primary School Performance
12. Long-Term Impacts of Microcredit Programs: A Study of the Grameen Bank and Other Programs in Bangladesh
13. Improving Primary Education in Kenya: A Randomized Evaluation of Different Policy Options

14. The Impact of Labor Market Policies and Institutions on Economic Performance

15. The Impact of Colombia's Voucher Program: Using Randomization through a Lottery for Program Evaluation

Considering the research projects conducted by DEC during the period 1998 – 2004, I am able to conclude the following:

1. They conduct a large number of projects per year. In 1998, for example, there were 51 active research projects. In my view, this is necessarily detrimental to the average quality of the research, something that does not necessarily imply that fewer projects should be conducted per year, but that we should keep in mind when evaluating the research portfolio of the Bank. It is very difficult to find a large number of very good research projects in one given area of research in a single year in the same way that it is very hard to find a large number of very good papers published in a single year in one area of research.

2. Indeed, by considering the abstracts and summary of results of the research portfolio in the areas under consideration, the quality of the same presents high variability.

3. Unfortunately, I found that the quality of the projects worsened over time during the period considered in the areas under evaluation. This is appreciated both in terms of the questions investigated as well as in terms of the analysis conducted.

4. There are many more projects assessing program and policy impacts than I had expected before analyzing the portfolio. This is important since it is clear that the Bank could have a comparative advantage in program evaluation, an issue I address further below.

5. Still, I found that to a large extent, the issues addressed by the research projects are very relevant. In my view, there is more variability in the quality of the execution of the research than in the questions asked by it.

6. There are many projects whose time horizon is large. Indeed, maybe one of the most successful research projects in this area conducted at the Bank is the long-term LSMS project. I

found this an important aspect of the research projects conducted by the Research Department. This contrasts with the research in the Bank outside DEC, which normally has as its time horizon the fiscal year, obviously attempting against its quality.

7. Most projects conducted at DEC rely on leading academics in the fields of Economic Development, Health and Labor Economics as co-responsible for the projects. This should bring the state of the art in the area under investigation to the research projects.

1. In your area of expertise, has the Bank made a significant contribution?

The Bank conducts lots of research in a broad set of areas, much of which is not a significant contribution to the field. This is not say that it is not important or relevant for policymaking. Surely, some of the research at the Bank also makes a significant contribution to its field.

One particularly successful area of research conducted at the Bank was on the production and use of household surveys. I find the LSMS series an extremely successful research program conducted at the Bank from which the whole community learned both about the general process of economic development using micro-data as well as about economic relationships in specific countries from which little data were – and still are – available. As a result of this research agenda, we also learned to produce better survey instruments to conduct micro-econometric research in economic development. Three World Bank publications are a very good summary of this research program: 1) The LSMS Website, <http://www.worldbank.org/LSMS/>; 2) *The Analysis of Household Surveys: A Microeconomic Approach to Development Policy*, by Angus Deaton, published by the World Bank and John Hopkins University in 1997; and 3) *Designing Household Survey Questionnaires for Developing Countries: Lessons from 15 years of the Living Standards Measurement Study*, edited by Paul Glewwe and Margaret Grosh, published by the World Bank in 2000.

Inspecting the LSMS website, one should conclude that this was one of the most important and successful research projects conducted at the Bank in the areas under review. It highlights the importance of conducting long-term research projects, attracting a large team of outstanding scholars

both from the Bank and from outside the Bank, and exploiting the comparative advantage of the World Bank in conducting research: its economies of scale.

In the LSMS website, among many other useful materials for research, there is a list of approximately 150 working papers produced by the Bank, a link to the Poverty Lines series – Poverty Lines is a brief, two-page newsletter that summarizes research on poverty. Many of the issues covered come from the LSMS Working Papers; working papers have a corresponding issue in Poverty Lines. While the working papers summarized may be technical in presentation and require training in economic theory or statistics to read, the summaries provided by Poverty Lines are written for readers who may not have this training – and a link to hundreds of reports written using data from LSMS surveys.

I believe that one great academic contribution in the area of development economics is to understand how developing economies evolve through their process of development, which necessitates of long series of micro-data sets. Hopefully, if the data collection from this project is not discontinued, for some countries, in 10 years there are going to be available comparable Micro-data sets over a 30-year period. Finally, the LSMS project website does a great job assisting managers of new surveys and users of LSMS data sets and household surveys in general.

Another successful and important research program conducted at the Bank was the research on poverty and inequality measurement. One summary of part of this research is *Poverty Comparisons: A Guide to Concepts and Methods*, by Martin Ravallion, published by Routledge in 1994.

Another successful and important research program conducted at the Bank was the research on targeting social programs to the poor. This work is summarized, among others, in 1) *Including the Poor*, edited by M. Lipton and J. Van Der Gaag, published by the World Bank in 1993; and 2) *Administering Targeted Social Programs in Latin America: From Platitudes to Practice*, by M. Grosh, published by the World Bank in 2000.

Finally, although it is more difficult to identify single papers that are the result of research projects conducted by the Bank, from those projects conducted over the period 1998 – 2004, a number of influential papers can be identified. Examples are: 1) Kremer, M., and E. Miguel (2004): “Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities,” *Econometrica*;

2) Currie, J., and A. Harrison (1997): "Sharing the Costs: The Impact of Trade Reform on Capital and Labor in Morocco," *Journal of Labor Economics*; 3) Gruber, J. (1997): "The Incidence of Payroll Taxation: Evidence from Chile," *Journal of Labor Economics*; 4) Revenga, A. (1997): "Employment and Wage Effects of Trade Liberalization: The Case of Mexican Manufacturing," *Journal of Labor Economics*; 5) Ravallion, M., and Q. Wodon (2000): "Does Child Labor Displace Schooling? Evidence on Behavioral Response to an Enrollment Subsidy," *Economic Journal*; 6) Glewwe et al. Set of papers on Improving Primary Education in Kenya: A Randomized Evaluation of Different Options.

2. In your area of expertise, has Bank research focused on the most important policy issues for developing countries? Do you feel Bank researchers have appropriate incentives to allow identification of the most important issues?

On average, I found that the topics researched dealt with relevant issues for policymaking in developing countries. Like in other dimensions, there is a large variability on the relevance of the research topics addressed. In addition, as stated above, I did not find any research project on applied theory in the fields evaluated.

3. In your area of expertise, has Bank research reflected awareness of substantive knowledge from other research available and in progress and sufficient knowledge of subject countries?

It is hard to provide a general answer to this question from my own review. On the one hand, as mentioned above, a large number of projects have leading scholars from the Bank and from outside as co-responsible of them. This should bring state of the art knowledge to the research projects. On the other hand, the quality of the papers in the specific portfolio I evaluated was not high, and several papers were below the average and poor.

4. Has the Bank made appropriate selection of topics for data collection and surveys? Have data and surveys been well maintained and disseminated?

Again, it is hard to provide a general answer to this question from my own review. In the set of papers I reviewed, I found that the quality of databases used in Bank research is good. In addition to this, I already prized the LSMS projects as the most important project conducted in the areas I am evaluating.

5. In your area of expertise, how could future Bank research better serve developing country objectives?

First, the Bank needs to pursue long-term, large-scale research projects like the LSMS project. Certainly, this is the area where the Bank has competitive advantage over any other institution in the world. The production of micro-data sets should be among its top priorities. I believe that it would be very useful to develop a series of long-term panel data sets of households and firms in developing countries. No institution in the world is in a better position to realize this project.

Second, the Bank needs to conduct more prospective program evaluation of the programs the Bank finances. To be fair, this is already taking place and in the last couple of years several programs funded by the Bank are being evaluated. Still, more systematic efforts are needed in this area. However, most of these evaluations will take place in the realm of operations and not in the Research Department.

Third, there is scope for working on methodology applied to the use of program evaluation in advising policy. How to best use the lots of program evaluations that are generated and that will be produced in the future is a fertile area of research – from using them in structural models to causal surfaces and meta-analysis.

Fourth, I also believe that the Bank should attempt to produce a theory of economic development. This is a call for more applied theory in this area.

6. What is your overall assessment of Bank research?

Overall, I think the quality of the research can be improved. Considering the period 1998- 2004, I found that on average the projects in the earlier years were better than the projects in the later years.

Although at the risk of being less accurate, this also seems to me to be the case if one goes back in time. I would say that some of the most important projects conducted by the Bank in the areas evaluated were conducted before this period.

In addition, in the portfolio I evaluated, for which I can be more exhaustive, I did not find any projects that were influential. Much to the contrary, although a few papers were ranked above average – with a counterfactual in mind where an average paper is one that gets to a field journal – several were just okay or below that.

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