

DECRG Staff Recommendations in Response to the 2006 Evaluation of World Bank Research

December 7, 2006

The 2006 Evaluation of World Bank Research broadly praised much of the research of the World Bank for its significant contributions to both scholarly inquiry and policy making in economic development. The review endorsed an even more prominent role for research in the Bank, viewing it as the cornerstone of the Bank's knowledge-based strategy for engaging with clients. Staff do not believe that this strong endorsement has been widely understood or heard outside of DEC and encourage DEC management to be vigorous in emphasizing the many positive aspects of the evaluation.

The report also contained pointed criticisms, including the reviewers' conclusion that too much research is of insufficient quality or policy relevance; that methodological choices are often not in keeping with best practice; and that operational and policy concerns could be better integrated into the research agenda. In response to these conclusions, the Evaluation suggested substantial changes in procedures for funding and monitoring research.

Without necessarily subscribing to any of these conclusions, a DECRG staff committee was formed to formulate recommendations in response to the Research Evaluation.¹ This note is the product of the committee's work, which was limited to those aspects of the Evaluation that most directly affect the production of research inside DECRG. The note does not touch at all on the support or incentives for quality research outside of DEC.

The Process

The committee comprised at least one representative from each of the research units. In an initial meeting, the committee agreed on problems that staff could usefully address and on an initial menu of recommendations. Members then consulted extensively with staff in their units on both problems and solutions; many staff contributed thoughtful suggestions and different perspectives. The committee met again to devise a final list. This note is the product of that process.

Summary of Priority Recommendations

Staff found the opinion of a select group of peers to be a helpful barometer of the research reputation of the Bank in particular areas of the development community. However, by and large, staff saw little evidence in the Evaluation either of sufficiently large quality failures (e.g., relative to peer institutions) or of sufficiently serious imperfections in the quality assurance processes that are already in place in the Research Group to justify substantial changes in our business practices. Staff know from first-hand

¹ Members of the committee were Bob Cull, Varun Gauri, Philip Keefer, Aart Kraay, Don Larson, Berk Ozler, Sole Martinez, Beata Smarzynska Javorcik, and Hua Wang.

experience that their work is subjected to multiple levels of evaluation, including the usual academic standards of journal review and publication; and that on top of the scholarly review process, their work is constantly examined for policy relevance.

Nevertheless, there are always opportunities to do better and a useful consequence of the Evaluation has been to trigger a process in which DECRG can more closely examine those opportunities. The staff committee therefore examined three broad questions: can DECRG improve inputs into research quality? can it improve incentives to produce quality research? and can it pay for these improvements? In each of these areas, staff evaluated numerous recommendations. The key – though not only – recommendations are summarized here.

Inputs into research quality: Staff agreed that the single most important step the department could take with regard to inputs into research quality is to be on the market *every year* for at least one position, junior or senior. Other recommendations range from significant re-weighting of RSB rules to reflect the Evaluation’s emphasis on quality improvement to the creation of an Institutional Review Board to better data management and easy and consistent access to moderate (1/3 time) research assistance to new approaches to the management of cross support.

Incentives for quality research: To allay substantial staff confusion in this area, the department should issue a memo that there is no 2 publication/year rule and that, although quantity matters in the OPE process, quality and impact matter more.

Paying for improvement: Staff identify a number of ways in research quality can be raised without substantial costs, and other ways in which rules, practices or priorities in DEC and RSB can be relaxed or shifted to pay for priorities. In particular, staff recommend that RSB policies take into account the quality control mechanisms for research that, uniquely in the Bank, are pervasive in DECRG. Staff also engaged in the difficult conversation of maintaining a sufficient flow of voluntary attrition, recognizing that DECRG traditionally does not have “non-performing” staff; we offer suggestions for this below.

Improving inputs into research quality

The Evaluation noted a variety of ways in which support for research falls short in the Bank and identified these as priorities for future action. Staff have identified and agreed on a different set of priorities for improving inputs into research quality. For example, the Evaluation concluded that Bank salaries are uncompetitive. Staff considered and discarded this as a significant problem.² On the other hand, the Evaluation did not identify the frequency of DECRG participation in the job market as a serious problem. Staff, in contrast, identify yearly participation on the job market as the single most important step to improve inputs into research quality.

² A crude comparison of DEC salaries with those in the regions suggests no real difference; anecdotal reports suggest that Bank salaries are in line with (11-month adjusted) average academic salaries in peer institutions. We did not ask HR to collect systematic data on promotions because there is no dispute that promotions in DECRG are slower.

Yearly job market participation

Staff agree that yearly, *visible* (competitive, advertised in discipline-appropriate outlets, such as *JOE*) participation in the market is crucial both to quality (bringing in new people is the best way to introduce new techniques and new questions into our research), and to DECRG's reputation as a research institution. This is staff's highest priority recommendation, a priority that can be expressed in three ways. First, staff believe that yearly hiring should be regarded as, effectively, part of the fixed budget of the department. Second, yearly hiring should be the first use of funds freed up by natural attrition. Third, staff are willing to make sacrifices on all other aspects of the budget to ensure that the department actively seeks to hire, from the market, every year.

Expanding resources available for research assistance

The Evaluation pointed to a wide range of other inputs into research that are available with much less effort in peer institutions than in DECRG. Most obviously, in nearly all peer institutions, one-third- to one-half-time research assistants are considered part of the fixed costs of research staff. Gaining access to research assistance entails more significant transaction costs in DECRG. Concern about easy access to research assistance varied across the department. However, staff who were least concerned about the transaction costs surrounding research assistance were in units with access to programmatic or other large grants from RSB. Staff do not believe that the current and foreseeable budget environment will permit both regular hiring and an increase in funds for researcher support in the base budget. Staff agree, however, that research support be more routinely accessible to staff through programmatic grants from RSB.

Increasing investments in external reputation: visitors and conferences

Staff also believe two other quality initiatives mentioned in the Evaluation would be useful: frequently bringing senior visitors for 1- 3 week periods; and instituting a research-oriented annual conference with a high profile among researchers, a role that the ABCDE has not filled for many years. The IMF has had great success with both of these, and introduced the second as a response to its own research evaluation. Apart from an annual conference, staff believe that quality outreach depends as well on easing arbitrary restrictions on the use of RSB funds for conferences in and visiting scholars from Part I countries. This and other funding suggestions are reviewed below. Staff from some units favor using RSB funds for a post-doctorate program.

Managing cross-support to increase research quality

The evaluators expressed concern that research is insufficiently informed by operational requirements. Staff disagree with this conclusion, for reasons that are well-known. First, one-third of staff time is essentially managed by operations in the form of cross-support. Nevertheless, if one compares the tasks that researchers undertake as cross-support and the research requested by operations in annual consultations with chief economists, one finds little overlap. Second a large fraction of research in fact bears directly on issues of immediate concern to operations (e.g., on targeting, evaluation, governance, financial regulation, land reform, investment climate; just to name a few). Third, there is no evidence, or even basis for arguing, that there is excessive emphasis on

research aimed at topics with a longer horizon than current operational demands. The evidence is much more compelling that the simple demand for research in the Bank outstrips the resources available to supply it, rather than that the allocation of research resources is severely distorted.

Still, staff believe that operations-research linkages can be improved, through two measures that would increase the research content of cross-support. The first affects the way in which DEC consults with the rest of the Bank on research priorities. The second affects the way DECRG calculates cross-support obligations of staff.

Current research-operation links are of two kinds, neither of which lend themselves to research-oriented cross-support. The first is bilateral negotiations between operations task managers and researchers. This structure allows some, mostly more senior researchers, to leverage their comparative advantage and do research directly targeted to operational concerns. In many more cases, however, researchers are employed as “warm bodies” to write CEM chapters or to undertake other operational tasks under tight deadlines that do not take particular advantage of researcher expertise nor result in broadly useful analytical outputs.

The second is yearly consultations between the Bank’s and the region/sector chief economists and sector managers. This results in a long list of desired research areas that, if implemented in their totality, would considerably exceed the total budget of DECRG. The yearly consultations have no mechanism for prioritizing, funding or implementing the research requests that emerge because financing is not discussed and, indeed, because there is no agreement on financing.

Staff recommend that a new modality replace these yearly consultations, one that improves the quality of cross-support while meeting regional demands for research specific to their concerns.³ In this modality, DECRG (either departmentally or unit-by-unit) would negotiate with regions/sectors about priority research areas that they would like to undertake and to finance out of cross-support. The use of cross-support would immediately lend itself to prioritization and to implementation. By centering the discussion on cross-support, the regions would have a more effective means to establish internal priorities for research and DECRG would have a correspondingly more useful guide for how to allocate non-cross-support research resources. At the same time, the quality of cross-support would increase, since researcher time could be shifted from one-off tasks with limited spillover to research tasks of broad interest at least inside the region and perhaps inside the Bank.⁴

Staff propose one additional solution to improve the research content and quality of cross-support. This is to allow greater flexibility on yearly cross-support obligations, such that up to four weeks can be shifted from one year to the next. This gives researchers greater flexibility to “wait” for cross-support that most effectively utilizes

³ Strictly speaking, this modality could be additional to current consultations. Staff believe that this imposes an excessive burden on DEC managers, however.

⁴ Many staff are satisfied with the quality of their bilaterally negotiated cross-support and its consistency with the research goals of the department. Therefore, staff advocate an approach that gives staff utmost flexibility in their ability to participate in the programmatic research.

their research expertise, avoiding the end of year rush in which researchers fill the last four weeks of their “dance card” with whatever request comes along. Staff believe that specifying cross-support obligations on a two year cycle would create minimal budget uncertainty at the level of the department, nor impose any additional burden on managers.

Loosening restrictions on telecommuting

Staff believe that some loosening of the constraints on telecommuting could have useful benefits on the quality of research. Currently, telecommuting is allowed, on a case-by-case basis, for sound business purposes (e.g., living where the data is being collected), for up to 12 months. There is, by and large, consensus that this rule has been implemented fairly. However, it is restrictive in two ways that staff deem unnecessary. First, for some business cases (e.g., multiple rounds of data collection) 12 months is too short. Staff recommend that, conditional on the business case, the limit be increased to 24 months. Second, staff believe, in response to the Evaluation and other complaints about DECRG involvement in capacity building, that teaching in Part II universities be considered as a legitimate business reason for a 12 month telecommuting period.

Improving oversight of data collection

The Evaluation raised two concerns regarding data, both of which staff share. One concerns the protection of human subjects; the other the management of survey data inside the Bank. In neither case can DECRG act alone, however, and so our recommendation in both cases is to establish a committee to explore options.

Particularly as research moves into randomized experiments, the potential increases to commit unwitting violations of ethical standards for the protection of human subjects. The solution to this is the creation of an Institutional Review Board. Staff strongly recommend the creation of a committee to explore options here. The key purpose of this committee is to identify an IRB design that is recognized as protective of human subjects, but at the same time is reasonable in its scope and standards, and cost-effective. Ideally, the Bank would finance this centrally and apply it to the activities of the whole Bank. However, DECRG interests could diverge from the Bank with regard to the tradeoffs between risk avoidance and the cost to researchers. DECRG staff should constitute a committee to explore the existence of reasonable IRB models, their costs, and governance models. Is it, for example, even appropriate for DECRG to set up an IRB directly?

Second, the evaluators erred in asserting that there is no policy on data release in DECRG. However, they were correct in judging that much of the Bank (not DECRG) effort to collect data, especially survey data, is wasted: either shoddy standards are used, rendering the data of doubtful usefulness, or the data is not available or even known to other potential users, or both. This is not a problem that can be corrected by fiat. Staff urge the DEC Front Office to convene a Working Group to identify the scope of the problem, the costs of maintaining a survey statistician to assist in survey design, and to design incentives for better survey design in operational work, linking perhaps to the broader effort in the Bank to increase monitoring and evaluation.

Improving incentives to produce quality research

To reduce the “long tail” of research that they identified as low quality, the evaluators recommended substantial *ex ante* controls on researchers and research projects. Staff uniformly reject these for a number of reasons, the most important of which is that the increased effort of staff and management to implement *ex ante* controls is of questionable benefit in affecting the “long tail”, even accepting (which staff do not) that a dramatic overhaul of the process for overseeing and evaluating research is warranted. The staff discussion focused not on controls, but on incentives, particularly the OPE process, and *ex post* evaluation, particularly the periodic evaluation of Bank research.

Clarifying the role of quality and impact in the OPE process

Two questions, naturally related to the OPE and promotion process, were at the center of this discussion. First, though not directly related to the issue of quality (except insofar as recruitment and retention of good researchers are affected), is the process fair? Staff generally agree that the OPE process yields intra- and inter-unit equity, by and large, even while acknowledging that managers bring quite different approaches to evaluating staff and that the evaluation process is inherently subjective – as the Evaluation itself explicitly states.

Second, are incentives for quantity, quality and impact well-aligned? Staff agree that there is no obvious way to make quality and impact assessment objective. For example, staff agree that the practice of top universities to count top three journal publications to assess quality is at best a noisy indicator of the importance of a scholar’s research contribution, but staff recognize that individual and departmental reputational concerns mean that traditional journal rankings cannot be ignored in assessing quality. Staff recognize that impact is as or more difficult to assess than quality, particularly considering the diverse audiences – scholarly, policy, Part I, Part II – that DECRG research should reach. Since its inception, and almost surely like every other policy research institution, DECRG has struggled with these incentive issues.

Staff agree on two recommendations, not aimed at identifying and using the perfect OPE formula, but rather at increasing clarity regarding the types of non-quantitative criteria that managers use in practice to identify outstanding performance. First, staff feel strongly that, to the extent that it exists, a rigid two publication per year rule should be revoked. Some staff were emphatic that the two publication rule cited in the Evaluation led staff to substitute quantity for quality. Other staff were equally certain that they had never heard of a two publication per year rule until it was mentioned in the Evaluation. Regardless, staff could identify no clear business purpose for a quantity target. On the contrary, the existence of a specific quantity target with no correspondingly specific quality and impact targets gives a perception that quantity is disproportionately valued during the OPE process. Staff recommend that instead, managers simply make clear that while quantity matters in the OPE process, quality and impact matter more.

Staff recommend, second, that the department provide profiles of staff accomplishments that merit “5s” in the OPE process, to generally clarify the OPE process

in the same way that earlier departmental communications have clarified promotion criteria. They would specifically illustrate the ways in which quantity, quality and impact are assessed. Staff are particularly uncertain about the range of indicators managers use to judge impact and would welcome a list of such indicators.

Clarify departmental plans regarding promotion and multi-region experience

The department has taken substantial steps to clarify promotion criteria. Staff have one residual, though serious, concern about the institutional requirement that promotion candidates have multi-region experience and the institutional prohibition on intra-Bank re-entry guarantees for staff. There is some feeling that these will become a serious obstacle to promotion in the future (with consequences for staff retention and recruitment), but also recognition that the extent to which this becomes the case is outside of DEC control.

Staff agree that obstacles to multi-region service would be considerably reduced by removing the prohibition on re-entry guarantees for within-Bank staff movement. But staff also recognize that this rule is beyond the control of any department or vice-presidency. In addition, staff strongly endorse current, *de facto* policy, which recognizes that a) the purpose of multi-region experience is to demonstrate fungibility across different working environments, not to build new skill sets (country economists are not asked to perform different tasks in MENA than in LAC); and b) that through operational support, research staff often have much broader regional exposure than many operational staff.

Staff perceive the delicacy of the situation. On the one hand, if DEC seeks formal recognition that DECRG is different, institutional antibodies may lead to denial of *ad hoc* exemptions and no change in the *de jure* standard. On the other hand, if DEC continues with the *de facto* strategy that has so far exhibited a completely successful track record, promotable staff run the risk of finding out at the last minute that the exemptions are no longer being granted, delaying their promotion by up to two years.

Staff recommend that managers, first, continue to explore, in an informal and low-key way, the likely institutional receptiveness to continued *de facto* exemptions; second, that they continuously communicate the institutional temperature to affected staff; and third, that they contemplate a range of ways to meet the institutional requirement while preserving the research trajectory of staff. The options that staff see (given the huge hurdles to revoking the prohibition on re-entry guarantees) include: negotiating with regions to post DEC staff on a charge-back basis for two – three years, while leaving staff on the DEC payroll; allowing staff to move to regional payroll, but insisting on at least 1/3 buy-back of DEC time; aggressively pursuing multi-year DEC-region research programs to which staff could be posted (as previously discussed). Independent of promotion issues, many staff would like the department to encourage staff exchanges between operations and the research group.

Evaluating research

The Evaluation concluded that there should be more frequent evaluations of Bank research and that these should evaluate all research and not only a sample. Staff are puzzled by this recommendation, particularly considering that evaluations of Bank

research are not less frequent – and should not be more frequent – than departmental reviews in peer academic institutions. The enormous expense of these evaluations, their inherent and explicitly acknowledged subjectivity (whom you ask determines what answer you hear), and the limited specific insights that staff receive about their research, raise further questions for staff about this recommendation. Periodic evaluations are a permanent part of the landscape, however, and staff recommend the following to make future evaluations more useful.

First, a more diverse set of evaluators should be appointed, reflecting the diversity of research evaluated, including not only a wide range of economists (both in research emphasis and methodological preferences), but also representatives of other relevant disciplines and representatives from the non-researcher audience for our work.

Second, the Evaluation terms of reference should clearly call for different research products to be evaluated differently. Important distinctions include: between flagship publications and work intended for publication in refereed journals; between work done by researchers and work done by non-researchers that happens to show up in research charge codes; between research performed by Bank staff and research performed by outside consultants.

Third, staff recognize – and are glad that the 2006 evaluators explicitly acknowledged – the ultimately subjective nature of research evaluation. However, there are ways to delimit the reach of subjectivity. Future Evaluation TORs should explicitly require both objective (citation) and subjective (evaluator) assessments of research, and call for explicit comparisons of Bank scholarly and policy research to other institutions.

Flagship quality

The Evaluation had less praise for flagships than for other research, on average. At the same time, they are expensive. Staff are discouraged that, in a time of budgetary hardship, the number of flagships in DEC seems to have increased. Staff recommend, first, that *all* Flagships to be evaluated separately and regularly, particularly those flagships produced on an annual schedule. An evaluation of these should explicitly assess the appropriate frequency of these flagships. Second, especially for Policy Research Reports, staff recommend that the peer review process change, to require that signed outside reviews be posted on the Web.

Improving the working paper series

Currently, and in contrast to working paper series in peer institutions, the Working Paper series readily accepts papers for which the the PRWPS is the final destination. The quality of the series suffers as a consequence, imposing a cost on higher quality papers that appear in the series and reducing the reputation of research at the Bank more generally. Perceptions of a long tail of poor quality research, such as those of the 2006 evaluators, are perpetuated by a weak working paper series.

Within DECRG, managers undertake significant quality control of staff submissions to the Working Paper series. Some read all working papers and give comments before they are submitted; others insist on evidence that papers have been presented to academic audiences, or impose a light refereeing process, before submission.

This level of quality control is clearly not imposed on all submissions to the PRWP series, however.

Staff recommend that RAD exercise greater discretion in excluding papers for which there is no obvious further publication outlet besides the PRWP. Our preference is that RAD simply review and quickly judge for itself whether a paper meets a fairly low publication bar. It might be possible to facilitate this task by requesting CVs from authors and reviewing only those submissions from authors without a publication track record; only as a last resort, RAD might consider imposing a light refereeing process.

Paying for quality

Staff discussions of the Research Evaluation were undertaken with full cognizance of the funding environment. Staff identified priority recommendations in the belief that they could be financed without major budget disruption. However, staff also identified steps that could meet the marginal extra budget demands created by staff recommendations.

Attrition

Of the foregoing recommendations, one is both expensive and targeted at the department's base budget, yearly hiring. Staff believe natural attrition (retirements, departures to academia, departures to operations, etc.) should come close to financing this recommendation, particularly if yearly hiring has first claim on the resources freed up by natural attrition. However, staff also recommend that a small, though difficult change in the yearly OPE process should be implemented to ensure that natural attrition is driven by better information.

Specifically, staff recommend that during the OPE process, every year, managers *jointly* identify a handful of staff department-wide who, over the previous two or three years, have performed at the lowest level relative to their colleagues. This should be communicated to the affected staff; the staff committee does not recommend, however, than any further action should be routinely taken beyond this notification. On the contrary, the staff committee explicitly rejected a policy in which the lowest performers in the department would, annually, be *required* to find other opportunities in the Bank. Staff recognize that while there are lower and higher performing staff in DECRG, as in any organization, even lower performing staff in DECRG are not typically "poor" performers. Staff expect that the "lowest performer" identification process will therefore, in most cases, be an opportunity for managers to raise the performance of staff. In practice, there might be substantial change in the year-to-year composition of the list unrelated to attrition.

This recommendation has several advantages: to formalize a process that goes on already, albeit irregularly and with variation from manager to manager; to make the process run in parallel with hiring, which is also at the departmental level; to avoid a situation where 30% of staff feel that they are the lowest 5% of performers; and to encourage greater self-selection into non-research endeavors.⁵

⁵ One of the principal concerns voiced by staff regarding this new procedure is that periodically, individual

Staff have one final recommendation in this regard. Just as staff will find it very useful to have a set of profiles of “5s”, as recommended above, they will also find it useful to have a set of profiles of “lowest performers”, at a level of generality that ensures anonymity.

DEC reforms

Staff do not perceive profligacy in the use of resources inside DEC, which could be usefully diverted to the funding of quality initiatives. There is some sense that more resources than desirable are going to the defense and dissemination of research at the expense of the production of research, but staff are also aware that even if this is the case, managers bear the brunt of these costs. However, in three areas, staff recommend concrete changes.

First, use some of the resources from the ABCDE (\$75,000 or so for Washington conferences, \$150,000 or so for regional conferences) to fund an annual conference on research (the cost of the Fund’s annual conference is about \$60,000). The annual conference on research is likely, in any case, to be much cheaper than the ABCDE. The staff view is that the ABCDE is a forum where prominent individuals, frequently non-researchers, give papers that are, generally, far from representative of their best work, but at the same time not particularly operationally relevant.

Second, lift restrictions on the Visiting Scholars’ fund. Staff do not expect that this fund is or will be sufficient to finance a Fund-style visiting scholars’ program. However, currently the conditions effectively (if not *de jure*) attached to the use of the money – that the scholars be from Part II countries and that they stay for several months – undermines the purpose of such a program, with no demonstrated (or even symbolic) effect on capacity building in Part II countries. Staff urge that these conditions be relaxed.

Third, staff recommend that flagship products, particularly the three or more flagships that DEC produces on a yearly basis, be evaluated separately with a view to streamlining.

RSB reforms

RSB will remain the principal source of DECRG funding for many of the routine inputs into research quality that in peer institutions are considered part of the fixed costs of research (e.g., research assistance). There are two sources of RSB funding, newer category of programmatic grants for broader work programs and traditional individual grants for discrete projects. Programmatic grants are the main vehicle through which units acquire funds for research inputs, for subsequent distribution among researchers according to unit research priorities and researchers’ own demand for funds. Preparation of programmatic grants has been costly, entailing weeks of staff time, impeding their use across DECRG units.

staff members find themselves in a difficult relationship with their manager for reasons that have nothing to do with performance. Staff expect that inter-managerial consultation during the OPE process will ensure that these difficulties do not affect the identification of lowest performers. More generally, staff expect the departmental approach to ensure that lowest performers are identified using uniform criteria across units.

In contrast, some units observe that the individual grant application process has been efficient and application reviews useful. In addition, staff generally agree that RSB administrators are very helpful in guiding staff through the ins and outs of RSB funding. However, the efficiency and costs of the individual grant application process have varied greatly over time. In addition, the need to use individual grant applications to secure one-third- or one-half-time research assistance for use across multiple projects remains inefficient and costly compared to peer institutions.

Staff recommend the following, therefore.

- The application process for programmatic grants should be streamlined. The current system essentially requires project proposals to be strung together, to be heavily consulted with a large number of interests in the Bank, and to be reviewed extensively for quality. This process takes insufficient account of the following: programmatic grants are sought to support the research work plans of DECRG units, which have already been consulted with upper management and, by virtue of the membership of DECRG managers on relevant sector boards, with the regions; research emerging from the work plans is subjected to significant quality control, not least of which is the OPE process for both managers and staff, which necessarily stresses research quality and output far more than any other unit in the Bank, but which extends to all aspects of research production and dissemination in DECRG, as indicated by management quality controls on PRWPS submissions; and the track record of DEC researchers in delivering high quality products is excellent.

Staff recommend that programmatic grants be approved with very limited review if the research program is part of the unit work plan reviewed by DEC management and if the researchers involved have a track record of producing successful research in the areas of the work plan. Conditional on meeting these requirements, total funding should be decided as a function of the requirements of the program and, as determined by the RSB, the priority of the research program.

- Staff believe that current DECRG processes are necessary and sufficient for ensuring the prudent, effective use of RSB funds, precisely because, uniquely in the Bank, they are geared precisely towards the production of quality research. If our recommendation of extremely light review of programmatic applications is nevertheless not taken up, we recommend that RSB *substitute ex post* reviews for *ex ante* reviews of programmatic applications.⁶ In the 1990s, RAD experimented with *ex post* research evaluation with a very attractive model, the results of which are on the Web at <http://www.worldbank.org/html/rad/evaluation/home.htm>. This process has a number of advantages. First, such a review feeds naturally into RAD's own review of research. Second, it is cheap (RAD apparently spent \$50K to produce reviews of 92 projects, a pittance compared to the cost of the 2006 Evaluation). Third, it is credible:

⁶ Because it is a *substitute* for *ex ante* evaluation, it should be a resource-neutral process. The evaluations should also be of the final product, taking into account the timeline of production of quality research, recognizing that research is inherently risky and that some deviations of actual from proposed research are an inevitable consequence of the uncertainties of the research process.

signed outside reviews are posted on the web, along with a response by the affected researchers.

Finally, although the individual grant application process has become much smoother, it remains the case that RSB grants, both individual and programmatic, are heavily conditioned in the ways they can be used. The costs of these conditions in some cases do not justify their goals. Staff recommend that the RSB conduct a thorough review of its rules and requirements to respond to the Evaluation's emphasis on improving the quality of Bank research.

Many RSB rules and requirements are aimed at such goals as operational participation in research and capacity building in Part II countries. DECRG staff actively support these goals. However, the procedural and expenditure restrictions on RSB funding often do little to achieve them, while significantly raising the costs of inputs into high quality research. One example of this is the rule change to pay staff time of non-DECRG Bank staff to do research. Outside of DECRG, Bank incentives are not structured to ensure quality research; this proposal shifted resources towards a weak incentive environment, placing most of the burden of quality control on *ex ante* proposal reviews by RSB. Without drawing conclusions about the benefits (the value to the Bank of having operations staff do research), this is an example of a policy shift at odds with the recommendations of the Evaluation to give greater emphasis to research quality.

Some examples of where requirements could be reviewed to reduce the costs of producing high quality research include the following.

- RSB rules prohibit the use of RSB funds to hold or to attend conferences in Part I countries. Staff agree that conferences in Part II countries are sometimes a useful way to disseminate RSB outputs to those countries. The prohibition, however, does not take into account the important role that Part I conferences play in the production and dissemination (including to Part II countries) of quality research. Research improves, often dramatically, after exposure to the critiques of top scholars, who are almost invariably located in Part I countries. The presentation of research at Part I conferences increases its credibility and improves the overall reputation of Bank research, both key to successful dissemination. Top researchers exposed to new research findings in Part I conferences become additional vehicles for dissemination in Part II countries. Although the intent of the Part I prohibition is to encourage dissemination of research in Part II countries, a laudable objective, staff believe that the rule may discourage dissemination altogether. Staff strongly urge that the prohibition on using RSB funds to hold or attend Part I conferences be lifted.
- Some RSB rules seem to be legacies from past decisions for which the rationale is no longer clear. These should be reviewed. For example, RSB rules prohibit funding the extension or updating of databases. However, if new data collection serves a useful Bank purpose, it is irrelevant whether new data is added to an existing database or is used to construct a new database. Staff recommend that this rule, and others like it, be changed.