partnership for economic policy

Partnership for Economic Policy

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Comments on DEC presentation

Use of IPL: limitations and drawbacks

Uses PPP – changes in prices of goods may vary largely across countries.

Basket of goods used in ICP may:

>not reflect that of the poorest, and

>vary significantly between revision periods - better to update IPL with cost of living?

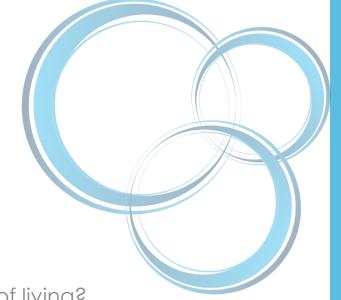
Need a low and high IPL to monitor both extreme and total poverty – not just extreme poverty Care should be taken to use appropriate (based on caloric needs) equivalence scales

The decrease in global inequality is primarily driven by between-countries inequality:

It was helpful to discuss the "within countries" inequality component, and what regions – or group of countries - contribute the most.

Important to monitor the vulnerability to poverty by region.

Results indicate that certain regions were more vulnerable to poverty because of the economic impacts of the COVID-19 pandemic.



Comments on DEC presentation

- The targeted decline in global extreme poverty to 3% is very ambitious
 - Especially with current global shocks (COVID-19/Ukrainian War/etc.).
 - It may be helpful to moderate the decrease or to target for shorter periods?

Agree with Rec2 and Rec16

- Important to continue using national poverty lines (NPLs) more precise at country level.
- Equivalence scales should be compatible with methodology used to calculate NPL.
- But helpful to produce global poverty for children and women's groups

Rec16 must be considered with caution because of method's drawbacks

- SPL are relative; not based on the cost of basic needs (hard to identify the basic needs of the poor).
- Can vary across countries, like the NPL. So, why not simply use NPLs (after converting them to \$
 with PPP)?

Comments on DEC presentation

- The lack of data in developing countries is a significant issue.
 - Must address the causes e.g. political barriers, resources, funding, etc.
 - Debate need on priority data to be collected with limited financial resources.
- Quantification of Multidimensional (MD) poverty
 - Lack of data (adapted surveys) and challenges in implementation of (MD) notion
- Recommendations for MD poverty indices:
 - Should vary across population groups (e.g. children, women, vulnerable groups) in accordance with their real needs.
 - Should be based on microdata (vs macro indicators)
- The Atkinson recommendation is not fully detailed but provides some avenues.
- Suggest creation of committee with strong Southern representation (leadership) to review and classify WB approaches and indicators, and identify ways to improve (for better comparability).

Strengthening the research-policy link

The Perspective of the Partnership for Economic Policy (PEP)



About PEP

PEP is a Southern-led global organization dedicated to supporting locally-led development in the global south.

65 countries



383 projects



1242 local researchers



<u>Half</u> of researchers are women

80% staff & mentors are Southern-based

PEP HQ

Nairobi

Our approach

LEARNING-BY-DOING

+ SUPPORT

= EVIDENCE & CAPACITY

Locally-led research



Training
Mentorship
Peer Review
Monitoring



High quality

Advanced methods applied



Policy engaged

Involving local gov. institutions

Strengthening the research-policy link

Research agendas must be defined, and evidence produced, LOCALLY

Capitalize on country-based experts/stakeholders' intimate knowledge of local context to identify key research gaps and appropriate solutions

Research support must be accompanied by capacity building/professional development

In both scientific and policy engagement/communication aspects of policy research

To overcome tendency to rely on external/northern expertise and ensure rapidly accessible, local sources of advice as policies are implemented and new challenges emerge.

PEP research tools – adapted to Southern contexts/needs

Designed based on long experience of interaction with local researchers, to respond to specific needs in the context of developing countries.

For distributional analysis, macro & micro-simulations, etc.:

>PEP-CGE models, DAD/DASP, COSWE, SUBSIM, WELCOM

Strengthening the research-policy link

54% of PEP projects **influence policy decisions or practice**

Engagement from onset of research (design)

PEP research is "co-produced" (with government units/reps and stakeholders)

Research teams report on stakeholders consultation activities periodically, throughout project – condition to receive grant payment

Knowledge translation – showing how research respond to policy needs

All PEP projects include a <u>policy paper analysis</u>: To "position" the research questions/objectives and findings in the country-specific policy contexts and decision-making frameworks (i.e. to help weigh different policy options).

The analysis helps researchers understand how their work can/should address policy needs

The conclusions help decision-makers assimilate (and understand the value of) research evidence as input to inform decisions.