

Knowledge for Change Program

Synthesis Evaluation Report

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KNOWLEDGE FOR CHANGE PROGRAM

SYNTHESIS EVALUATION REPORT

The task at hand is to summarize evaluations of twenty-five, randomly selected research projects (see Annex 1) from a total of seventy-five completed since the 2007 evaluation as part of the Knowledge for Change Program (KCP). To this end, the report proceeds in four steps:

- *Evaluating the evaluators.* Since this synthesis is only as good as the underlying evaluations, Section I offers a brief assessment of the independence and qualifications of the evaluators.
- *Evaluating the research.* The second, and main section, examines the overall value of the research with respect to quality, relevance, impact, cost and timeliness.
- *Evaluating the program.* Based on the evaluations, Section III assesses KCP's performance with respect to its secondary objective of capacity building and also examines the appropriateness of the portfolio of projects selected for the program.
- *Conclusions.* A final section collects the main conclusions and offers some suggestions for improvement.

To anticipate the central message of Section IV, the evaluations convincingly confirm that KCP is a truly effective way of supporting the production of high-quality, policy-relevant research. That said, two changes in future evaluations and three modifications in KCP could be explored. First, given the evaluators' academic orientation, it might be worth having their assessment of policy relevance and likely impact checked by those actually engaged in policy-making. Second, assessments of cost effectiveness in future evaluations should consider total project costs as well as the costs funded by KCP. Third, a special window could be opened to facilitate a limited effort to experiment with more risky topics and methodologies as well as with modified ways of conducting research. Fourth, a more focused approach than at present could

be entertained to encourage capacity-building. And fifth, a more structured effort to increase the policy impact of selected projects that are especially policy-relevant might have a high pay-off. If these suggestions are pursued, care should be taken to ensure that their implementation does not undermine in anyway what is already a highly successful program.

I. Evaluating the Evaluators

The twenty-five evaluations summarized here have been prepared by ten different scholars (see Annex 2). Table 1 reports the results of a simple ranking exercise (high, medium, low) for all ten evaluators in three dimensions – independence, professional expertise, and policy-making experience.

Table 1
Evaluators: Number by Dimension and Grade

	High	Medium	Low
Independence	8	2	0
Prof. Expertise	10	0	0
Policy Experience	0	0	10

Ideally, each evaluator should be fully independent of the research being evaluated. Given the extent of the World Bank’s research program, finding totally independent evaluators is not an easy task. That said, only three of the ten have been employed by the World Bank, but none in the last five years, and only two have been involved with the KCP-funded research projects under review and none with the activities they have been asked to assess. More telling is that each evaluator is affiliated with a well-known and respected academic institution -- Australian National University, Cornell University, Paris School of Economics, and so on – and can

therefore be expected to bring to any endeavor the standards of rigor and independent-thinking demanded by those institutions. In sum, this group of evaluators meets any reasonable threshold of independence¹.

Turning to professional expertise, the CVs of the evaluators attest to their knowledge of the topic of the research they have been asked to evaluate and to their standing in the profession. This group is well placed to judge the contribution to knowledge and assess the theoretical and empirical worth of the research projects assigned to them. This of course reflects their strong academic orientation. By the same token, none of the ten has had any real experience as policy-makers. This may have implications for their ability to judge policy relevance and to weigh appropriately academic impact versus policy impact. The report returns to this issue in Section II and again in Section IV.

II. Evaluating the Research

Overall Value

The single most important result of this synthesis is presented in the first row of Table 2. According to its webpage, the fundamental objective of KCP is ‘to promote high quality, cutting edge research (including data collection in the direct context of research) that creates knowledge to support policies for poverty reduction and sustainable development’. Based on the evaluations summarized here, KCP continues not only to meet this objective but to surpass it by a considerable margin. Fully four-fifths of the sampled projects have been evaluated as above average or better. Over one third are in the superior category. By any reasonable measure, this is an outstanding achievement.

Based on my reading of the proposals and the completion reports, the evaluators’ assessment of overall value appeared accurate in all but four cases where

¹ The two medium grades in Table 1 are there solely as a reminder that two evaluators have been involved with KCP.

the grades awarded seemed more favorable than warranted². For these four projects, Table 2 reports my lower-by-one-grade evaluation. In addition, in the one case where an evaluator arrived at a split grade (superior/above average)³, I have entered the lower grade. It follows that if the original assessments had been entered instead of my (few) adjusted ones, the overall conclusion would be even stronger.

Table 2
Research Output: Number of Projects by Dimension and Grade

	Superior	Above Average	Average	Below Average	Not Applicable
I. Overall Value	9	11	4	1	0
II. Research Output					
Relevance	16	8	1	0	0
Quality	5	17	2	1	0
Reach	4	13	7	1	0
Impact	2	10	9	1	3
III. Conduct of research					
Meeting Objectives	8	8	3	6	0
Delivering on Schedule	6	11	6	2	0
Cost Effectiveness	6	11	7	1	0

² I downgraded the following projects: *Background Work on the Policy Research Report on Local Governance and Local Development*. Papers from this project, initiated in 2007, were to feed into a Policy Research Report, the first draft of which was scheduled for 2009. The completion report cites one published paper. The policy research report is now scheduled for release in November 2012; *Evaluating Investment Climate Improvements and Growth at the Firm Level* did not follow the planned work program; *Impact evaluation of structural shift in supply of banking services in Mexico*. This project produced only one of the two promised papers but still used the full budget; *Services, FDI and Endogenous Productivity Effects in the European Neighborhood Policy*. This project constructed a Computable General Equilibrium model for Armenia to investigate trade arrangements. While the research was useful to the Armenian government, it does not warrant a superior grade.

³ The project in question is: *WDR 2011 - Conflict, Security and Development*.

Research Output

The overall value of research is a summary measure based on the evaluators' assessment of the research in several sub-areas covering the full cycle of the research starting with the importance of the issue addressed, proceeding to the theoretical/conceptual framework, statistical and econometric methods and overall budget and cost effectiveness, and concluding with the extent to which the research increased knowledge and understanding and its actual or likely impact on government policy. The report now looks at these underlying aspects of the twenty-five projects, beginning with relevance or importance of the topic.

The results for relevance (second row of Table 2) are even more positive – 95 percent are rated above average or better. There are two reasons, however, for questioning this result. First, as noted above, none of the evaluators has had experience as a policy-maker. Relevance therefore is being viewed through an academic lens rather from a policy-making perspective. And second, each evaluator is being asked to assess the importance of a research topic within his or her own area of expertise and interest. This is rather like asking a baker to comment on the importance of bread. Needless to say, the answer is invariably positive. That said, my review of the proposals left me with more or less exactly the same view as the evaluators suggesting that the process for screening proposals is successfully weeding out those that are not policy-relevant. Self-selection probably plays a role as well with only those researchers coming forward who are interested in the (clearly described) four trust fund windows⁴. Even so, this could be considered a weakness of the evaluation process and is accordingly revisited in Section IV.

In contrast, it might be expected that the evaluators, all top-flight researchers, would be especially hard taskmasters when it comes to the theoretical and empirical quality of research. If so, the twenty-five projects score extremely well with almost

⁴ The four are: poverty dynamics and delivery of public services; investment climate and trade and integration; global public goods; and economic development and structural change.

ninety percent being above average or better. This is a powerful confirmation of KCP – the program is definitely meeting its objective of supporting high quality, cutting edge research. This result holds even though I have used the lower grade for the project⁵ that had a split grade (superior/above average). To provide a flavor of the evaluators' assessments, consider these quotes – the project 'meets very high quality standards'; 'the authors are using state of the art technique, that they clearly master perfectly'; 'the research papers produced within this project are of very high quality, as confirmed by publications in the American Economic Review and the Journal of Finance'; 'the quality of the work is excellent'. Thus, whether through their grades or their written comments, the evaluators are clear in their view that KCP has more than succeeded in meeting its primary objective.

In addition to relevance and quality, KCP funders are also interested, rightly, in the influence of the supported research on the development community in general (Reach in Table 2) and especially on policy-makers in developing countries (Impact in Table 2). Once again, the results are encouraging although the influence of the research within the development community and especially academics is greater than within the policy-making community – almost 70 percent of projects rated above average or better for the former versus less than 50 percent for the latter. A few examples illustrate this difference: the completion report for *Political Institutions, Development, and a Domestic Civil Peace* cites two special journal issues devoted to the output of the project but offers nothing specific on policy impact⁶; that for *An African Green Revolution: Finding Ways to Boost Productivity* lists twenty working papers, published articles and book chapters but says nothing about policy impact; and that for *Household Surveys of Access to Financial Services* mentions the survey instrument, a conference volume and several articles (American Economic Review, Journal of Finance, World Bank Economic Review) but has little to say on outreach to policy-makers.

⁵ The *China Urban Dibaba Study* received an above average for theoretical/conceptual framework and a superior for statistical and econometric methods.

⁶ To be fair, research from this project informed the 2011 WDR.

In general, it seems that researchers have made a more determined effort to reach their professional peers than to influence policy-making. Indeed, my own reading of the completion reports suggests that the evaluators, while on the mark with respect to reach, have been generous in assessing impact. This may reflect their greater familiarity with the academic community than with policy-makers as well as the relative ease of assessing reach (publications, citations) versus impact (problem of attribution). There may also be a timing issue here. In both cases, evaluators were asked to judge actual or *likely* impact. Since publication typically precedes policy impact, the evaluators had hard evidence on the former but were forced to rely on judgment for the latter.

The observation that influencing other researchers has fared better than influencing policy-makers is reflected in the focus and intensity of dissemination. The evidence – 69 published articles – points to a strong and consistent effort to reach the journal-reading development community. This is of course what researchers should do and by and large the KCP-funded researchers have been extraordinarily successful in this respect. KCP-funded research has been published in the profession's top journals (American Economic Review, Quarterly Journal of Economics) as well as the leading development journals (Journal of Development Economics, World Bank Economic Review). Some of the most successful projects have been nothing but outstanding. The evaluator of the *Private Sector Development Research Program* concludes that the research 'has produced an impressive output, including one of the biggest impact papers in development economics in recent years'.⁷ Praise indeed! Not all the projects have been so successful in terms of published output, but it is worth noting that in addition to the published papers the twenty-five projects produced 298 working papers several of which are in various stages of journal acceptance or will be submitted

⁷ This project resulted in nine papers published in Quarterly Journal of Economics, American Economic Journal: Applied Economics, Review of Economics and Statistics, Journal of Development Economics, World Bank Economic Review (2), Review of Financial Studies, Journal of Quantitative and Financial Analysis, Journal of Financial Intermediation. The paper receiving the accolades is 'Returns to capital: Results from a randomized experiment' by De Mel, McKenzie and Woodruff, Quarterly Journal of Economics, 2008. All of these papers have been well cited.

in due course. It is difficult to imagine that such a massive contribution to knowledge has not influenced the research community.

Success in reaching the wider development community especially policy-makers is not as apparent. Examining the one outstandingly successful set of outputs in this respect – the World Development Reports (WDRs) – helps to explain why. Any one of the five could illustrate the point. Take the 2008 WDR on agriculture. The evaluator remarks ‘More importantly, it seems that the WDR has almost instantly impacted on policy preferences and choices. It appears that the role of agriculture in economic growth and for poverty reduction and environmental sustainability is now more widely recognized, which is reflected in a substantial increase in the support to agriculture by some government and client countries and also by the World Bank that has targeted a doubling of lending to African agriculture’. Or the 2009 report on economic geography, the completion report for which points to ‘several area-, country-, and region-specific reports using the principles and insights of the WDR’.

We see policy influence here because of the tremendous effort put into disseminating these reports. For example, the evaluator for the 2010 WDR on climate change is explicit on this point and worth quoting in full: ‘The report was targeted at a global audience, with a focus on policy makers in Bank stakeholder countries. The WDR's content was packaged into short, digestible materials, including short booklets with a regional focus. The WDR overview as well as the booklets, tailored news releases, video clips and certain blog entries were translated into multiple languages. Hard copies were disseminated through country offices and are available on the web for download...Outreach targeted developing and advanced countries with diverse stakes in the negotiations toward the Copenhagen Conference of the Parties in December 2009. The book was presented to other development agencies and the IFC, universities, think tanks, U.S. government agencies and launched in high-level events in 25 countries...In summary, my impression is that the reports were presented in a manner appropriate for and accessible to the intended audiences’.

Needless to say, not all research projects can, or should be, disseminated with such zeal. The cloth can be cut to fit different shapes and sizes. WDRs can be thought of as vertical dissemination. They present a summary of research on a key issue that flows down from the Bank to policy-makers all around the world. Most research, however, is country-specific and more narrowly focused. For such research, horizontal dissemination from researcher to policy-maker is called for, especially when the research involves local researchers so that the key exchange is from local researcher to local policy-maker. *Improving Women's Health in Africa* provides a good example. The research explored the impact of a conditional cash transfer (CCT) in Malawi. The team included a prominent Malawian researcher and worked closely with the local departments of health, education, and social planning in Zomba district. The findings coupled with further analysis of the data produced by the project were subsequently used to inform a cash transfer policy (not a CCT but cash transfers targeted for poverty reduction) and the design of a bursary scheme for secondary school girls. Tanzania is also considering a bursary scheme for secondary school girls and has sought the team's advice.⁸

Although a causal link is obviously hard to establish, a few other projects seemingly had similar success in influencing policy.⁹ Nevertheless, the overall impression remains that, with some notable exceptions especially the WDRs, more effort has gone into, and more success has been achieved with, dissemination to the research community than influencing policy. This may simply reflect the natural sequencing of knowledge diffusion – through the research community first and only then into the policy forum. It may also reflect the incentives governing researcher behavior – publication in a well regarded journal is considered more career-enhancing than hard-to-establish policy impact. A reading of the completion reports provides some support for this in that research publications often receive more attention than efforts to influence policy.

⁸ Personal communication from the team leader.

⁹ See *China Urban Dobao Study and Services, FDI and Endogenous Productivity Effects in the European Neighborhood Policy*.

Whatever the explanation, some evaluators saw this as an issue. As one evaluator put it, the published papers ‘are not likely to be read by either busy policy makers, politicians or the lay public. The topic considered in this project is one of great public interest yet there seems to be so little understanding of the results generated by this project in policy circles and the general public’¹⁰. This quote captures well the sense of an opportunity lost or one not yet seized – the quality of the research calls for a more vigorous and systemized approach to reaching and influencing policy-makers. We return to this issue in Section IV.

Conduct of Research

The evaluators also commented on various aspects of implementation – meeting project objectives¹¹ as specified in the proposal, delivering on schedule, and cost effectiveness. The results are reported in the bottom section of Table 2.

Overall, performance with respect to meeting objectives is strong – two thirds of projects rated above average or better. Four of the six projects receiving below average scores are, interestingly, rated as superior, above average (2) and average for overall value. In other words, these projects were well worth the money even though they strayed from their original objectives to varying degrees. For example, there is no one-to-one mapping between the components listed in the proposal for the *Private Sector Development Research Program* and the outcomes reported in the completion report yet this project achieved a superior grade for overall value. My reading of the completion reports suggests that researchers are making informed decisions on how to secure maximum benefits from the funds assigned to them even if, on occasion, this involves mid-stream changes in course. One piece of evidence in support of this explanation is that researchers have expended the full allotted budget with remarkable

¹⁰ Evaluation report of *Economic and Environmental Impacts of Biofuels*.

¹¹ The evaluation reports do not require that evaluators provide a grade for meeting objectives although there is a question in the written section to this effect. The grades in Table 2 therefore are my interpretation of evaluator comments.

accuracy! For the four projects, disbursements are less than budget by 3.9, 0, 0.7 and 0 percent.¹²

One of the two remaining projects marked below average in meeting objectives is the *Background Work on the Policy Research Report on Local Governance and Local Development*. As noted earlier, the promised papers, apart from one published article, were not forthcoming and the Policy Research Report delayed. Even so, this project managed to spend \$198,600 out of a budget of \$200,000. Regarding the other below-average project, *Evaluating Investment Climate Improvements and Growth at the Firm Level*, the evaluator notes that ‘The work program was not followed...While it is important to be flexible, and adjust the research program when need be, in this particular case the deviation from the original proposal is rather dramatic’. At the other extreme, the *Global Migration Database Extensions - A Global Public Good* exceeded its original objectives of providing comparable data for 1980, 1990 and 2000 by adding 1960 and 1970 at no additional cost to KCP.

The evidence suggests two points. First, by and large, objectives as stated in proposals are met. And second, on the few occasions when departures from the proposal occur, the end result is still highly positive more often than not. An important conclusion follows. The relatively light (as I understand it) monitoring requirements are more than adequate to ensure high-quality, policy-relevant output. The current system of proposal, annual reporting and completion report works well.

This comment is reinforced by the results for delivery of output. According to the evaluators, delivery was average or better for 23 out of 25 projects¹³, the only exceptions again being the *Background Work on the Policy Research Report on Local Governance and Local Development* and *Evaluating Investment Climate Improvements and Growth at the Firm Level*. This in turn suggests that the incentives governing researcher behavior – professional pride, interest in future submissions to KCP, managerial oversight – have proven effective.

¹² This is a general tendency – funds are almost invariably fully used or nearly so.

¹³ This result holds even though I reduced the evaluator-given grade for two projects.

The bottom row of Table 2 summarizes the evaluators' views on cost-effectiveness. All projects except one were rated average or better in this respect with fully two-thirds considered above average or superior. This is a very reassuring result indicating that KCP resources are well used.

To go behind this general result, I divide the sample of twenty-five projects into two – the five WDRs, the most expensive projects in the sample, and the rest. KCP has provided approximately \$850,000 per WDR. In addition to the report itself and the massive dissemination effort, this expenditure has yielded on average thirty-six background papers. Whether or not any of these papers is published, the exercise as a whole typically results in an excellent distillation of knowledge on a key development objective. As one evaluator put it: 'I judge this and other WDRs to be well worth doing relative to the same sums being devoted to scattered research projects'. While agreeing with this statement, it should be kept in mind that the cost-benefit picture may look different when total costs (KCP funding plus World Bank budget and possibly other sources) are considered. The five WDRs reviewed here had an average total cost of \$5,834,000¹⁴.

Results for the remaining twenty projects tell a similar story. These projects produced 69 published papers at an average cost of \$70,000 each. Adding the 117 working papers, a considerable number of which were considered publication-worthy by the evaluators, the average cost falls to roughly \$25,000. Added to this are four multi-country data sets, three country-specific data sets, a data instrument, three volumes of papers, the Maquette for MDG Simulations (MAMS, a dynamic-recursive Computable General Equilibrium model), and so on, all of which suggests that KCP yields excellent value for money. As before, however, the cost-benefit calculation would be more informative if all costs were included. When total costs are considered, costs per published article rise to roughly \$300,000 and for all papers to \$110,000. The difference between KCP and total costs is substantial, a point to which we return in Section IV.

¹⁴ Information on total costs was provided by KCP staff.

The construction of new data sets is a thankless task but an extremely important one. KCP can take great pride in its achievements in this area. Particularly noteworthy is the multi-country data sets which have an almost limitless potential with respect to future research and policy guidance. These data sets are in the public domain but two of the country-specific data-sets are not generally available. For one of them, *China Urban Dibao Study*, the collection of data was funded by the China National Bureau of Statistics which agency retains the right to release the data, but for the other, *Improving Women's Health in Africa*, the data are still not in the public domain three years after the project was closed¹⁵. Obviously, the real return to data collection is only realized if the data are made available to other researchers and preferably as soon as possible

III. Evaluating the Program

A full assessment of KCP is not undertaken here. Two points emerging from the evaluations, however, have implications for the program and are reported in this section. One has to do with capacity building, a secondary objective of KCP, and the other with the appropriateness of the portfolio of KCP projects.

Capacity Building

The KCP website states that 'A secondary objective is to assist in the development of research capacity in client countries'. The results with respect to this objective are markedly different from those with respect to the primary objective. The finding that stands out from Table 3 is the number of projects placed in the not applicable or below average categories in three dimensions of capacity building -- collaboration with local researchers (11), training of junior researchers from developing countries (21) and participation of local researchers (11). At the other end of the scale, only five, four and eight projects respectively are rated above average or better¹⁶.

¹⁵ The team leader has indicated that the data will be on the project website sometime between the end of this year and April 2013.

¹⁶ In some cases, evaluators noted that no information had been provided. Such instances have been recorded as not applicable in Table 3. One evaluator responded with question marks and another left the answer to these questions blank. Again, these have been recorded as not applicable in Table 3.

Moreover, according to my own count based on information provided in the completion reports, substantive participation of developing-country researchers is limited. The core teams for the five WDRs in the sample, for example, had 45 members, none of whom was from a developing country. Reliance on in-house staff is standard practice for WDRs and researchers from developing countries are actively involved in drafting some of the background papers. Thus, for the four WDR's providing figures, the number of developing country researchers preparing background papers was 137. The results are similar for the remaining twenty projects -- out of 155 researchers in the core teams, only 13 were based in a developing country. That said, team leaders report that 104 researchers from developing countries participated in the research in some capacity. Team leaders, however, seem to have used a broad definition including for example local survey firms to arrive at their numbers. Thus, 55 of the 104 were reported for two projects focused on carrying out surveys¹⁷. Whether or not this broader definition is a meaningful measure of capacity building, the fact remains that developing country researchers are not well represented in the core research teams, even though on average a team comprises eight members.

These numbers and those reported in Table 3 may look disappointing¹⁸ but building research capacity is only meant to be a secondary objective and, as was noted in the previous evaluation¹⁹, efforts to support local researchers may divert resources from a concern with quality and compromise KCP's primary objective. This latter point is valid. With this in mind, Section IV offers a suggestion for a more explicit focus on capacity building in a way that does not jeopardize KCP's greatest strength – excellent research.

¹⁷ Information provided by team leaders to the KCP staff.

¹⁸ Other questions in the survey filled in by evaluators asked about 'Actual or likely impact on capacity building or institutional change' and about 'Capacity building dissemination (training workshops, manuals, instructional briefs, etc.)'. The former fared slightly better than the results shown in Table 3 but capacity building in this question is not specifically related to research. Results for the latter correspond to those in Table 3.

¹⁹ *Knowledge for Change Program: Program Evaluation Report*, by Arne Bigsten and Dick Durevall, Gothenburg University, November 26, 2007.

Table 3

Capacity Building: Number of Projects by Dimension and Grade

	Superior	Above Average	Average	Below Average	Not Applicable
Collaboration	2	3	9	1	10
Training	1	3	0	0	21
Participation	2	6	6	1	10

Composition of the Portfolio

In thinking about the value of KCP as a program, a counterfactual has to be specified. This is obviously not an easy task, but one plausible way of proceeding is to assume that the funds, had they not been applied to KCP, would have nevertheless been devoted to development research but through a series of bilateral arrangements. This points immediately to the first major benefit of KCP – transaction costs are greatly reduced. Instead of each funder reviewing proposals, monitoring progress, and evaluating outcomes, the entire process is managed centrally. Moreover, KCP processing is noticeably streamlined – the approval process is simple, monitoring is confined to annual reporting and evaluations are undertaken only periodically. While hard evidence to substantiate KCP’s cost-savings – KCP administrative costs per project versus the cost of individual-donor funded research -- is not available, the argument is compelling, especially in view of the efficient system currently in place. To maintain this benefit, KCP managers should take pains to ensure that processing remains as lean as possible.

The preceding argument holds even if the portfolio of projects under bilateral arrangements (the counterfactual) is exactly the same as that emerging from KCP. KCP, however, offers another benefit – it allows a portfolio approach to the selection of projects. KCP funders as a group can consider a large volume of research as a package rather than each funder having to select just one or two projects. To see the implications of this for the portfolio of funded projects, think of a scatter diagram in

which possible projects are arranged according to importance of the topic from left (high) to right (low) and by risk from top (low) to bottom (high). Under the bilateral approach, individual funders, each anxious to make sure their single project yields results on the day's most pressing issue, would all choose high-importance, low-risk activities – the projects would be tightly clustered in the top left corner of the diagram.

Freed from the pressure to ensure that each project is on the most important topic and relatively risk-free, the managers of KCP can be more adventurous in their choice of topics and more willing to consider untested methodologies. They know with a high degree of confidence that on average the program will produce valuable results on key development issues and so are well placed to include at least some projects that push the frontier in choice of topic or methodology even if some of these projects will fail. In this case, the scatter of projects would be spread out further to the right and downward. The question to be examined, then, is whether KCP has taken full advantage of this portfolio approach to project selection.

Definitive answers are hardly possible, but some pointers can be provided. First, recall that 95 percent of sampled projects were judged to be tackling topics of above average importance, suggesting that funders were not straying too far off the beaten track. A glance at the list of topics (see Annex 1) confirms this general impression. In a way, KCP is a victim of its own success. The four windows -- poverty dynamics and delivery of public services (12 projects); investment climate and trade and integration (9); global public goods (4); and economic development and structural change (0) -- channel projects toward critical development issues. Research on *Political Institutions, Development, and a Domestic Civil Peace* begun in 2005 and the 2007 WDR on *Development and the Next Generation* could perhaps be classed as threshold topics but otherwise the entries are very much what one would expect. Second, almost all the researchers seeking funds claimed that the proposed research was not unduly risky. Only one project pointed to a serious methodological concern that might threaten feasibility²⁰. Naturally, researchers, keen to secure funding, can be expected to

²⁰ The project on *New Research on Firm Informality* notes that 'the linked household/firm survey is a new undertaking, and it is also an open research question as to how well this will work'.

underplay any risks, but other evidence supports the low-risk characterization. Thus, and as noted earlier, two thirds of projects were rated above average or better on meeting objectives and delivery was average or better for 23 out of 25 projects. In addition, information provided by KCP staff indicates that only two out of 104 projects in KCP1 and three out of 116 projects in KCP2 have been dropped, again suggesting a relatively risk-averse approach to project selection²¹.

It is of course a plus to have relatively safe projects dealing with important issues. This is rightly seen as a strength of KCP. And the evidence presented above to the effect that KCP has been too safety-first in its approach is only suggestive. Nevertheless, the argument is worth considering further to see if there is some expedient way of injecting a little more risk or experimentation into the selection of KCP projects. This task is undertaken in the following section.

IV. Conclusions

Based on the twenty-five evaluations, this synthesis report concludes that KCP has been ***remarkably successful in achieving its primary objective*** of promoting 'high quality, cutting edge research...that creates knowledge to support poverty reduction and sustainable development'. This positive conclusion echoes that of the previous evaluation report²² and indicates that the current system – light approval process, annual monitoring reports and periodic evaluation – is serving KCP's needs extremely well. In sum, KCP funds have been well spent and well managed.

The previous sections of this report have, nevertheless, pointed to some issues that warrant consideration as KCP moves forward. The remainder of this section therefore explores ways of (i) inserting policy-making experience into the evaluation process; (ii) measuring cost-effectiveness more comprehensively; (iii) making room for

²¹ Dropped projects are not required to submit completion reports. According to information provided by the KCP staff, the main reason for dropping projects was political changes or changes in counterparts and a consequent decline in interest in the research, rather than some problem with the research itself.

²² See *Knowledge for Change Program: Program Evaluation Report*, by Arne Bigsten and Dick Durevall, Gothenburg University, November 26, 2007.

some risk-taking in the selection of projects; (iv) strengthening capacity building; and (v) achieving more policy impact. Before proceeding to specific suggestions, however, it is important to stress that any changes to the way KCP is organized should be implemented only if the outstanding performance of the program with respect to its primary objective is not compromised in any way. KCP is an outstandingly successful, research-funding program and the modest space devoted to this basic point in this section compared to that for the suggestions below should not detract from its preeminence. Even if none of the suggestions is adopted, KCP should continue and, if possible, be expanded.

1. Policy-making experience

As noted in Section 2, none of the evaluators can claim significant policy-making experience. Their judgment with respect to policy relevance and importance of topics may not, therefore, be as well grounded as that with respect to professional quality of the research. To my eye, this did not appear a significant problem but, if KCP funders would like more assurance on this point, a group of policy-makers could be asked to review the evaluators' judgment for the twenty-five projects. Should the review confirm the evaluators' grading then the current system of relying on academic evaluators should be continued in order to keep the process as lean as possible. In the event that the evaluators' grades prove inaccurate from the policy-makers' perspective, then consideration should be given to a parallel, policy-maker review as part of the next evaluation.

Suggestion 1: Invite a small group of policy makers to check the policy relevance of the twenty-five sampled projects.

2. Cost-effectiveness

Section 2 revealed that total costs (KCP funds plus resources provided by the World Bank and other donors) exceed KCP disbursements by a significant margin. This could be viewed as a plus for KCP in the sense that the program leverages resources from others. At the same time, KCP funders are presumably interested in ensuring that research resources in general are well used especially when associated with KCP-funded projects. KCP staff should therefore be asked to provide to future evaluators the full cost of the research being funded by KCP. Providing accurate cost estimates is not without difficulties – measurement error (time-reporting is not high on a researcher’s priority list), unallocable overheads, joint products and so on – but having some estimate of total costs is preferable to having none.

Suggestion 2: Require KCP staff to provide information on total costs for future evaluations.

3. Risk-taking

One simple way of introducing more risk-taking with respect to choice of topic or methodology without jeopardizing the overall program is to introduce a fifth window specifically devoted to high-risk or experimental projects. Risk is then controlled by determining the amount of funding for this window. Submissions from team leaders to this window would be expected to *emphasize* the risk or experimental nature of the proposed project rather than downplay it as seems to be current practice.

The focus of experimentation could be varied from time to time and need not be confined to topic and methodology. For example, one attractive possibility, at least to my mind, would be to entertain submissions directly from researchers based in developing countries. This may result in, on the one hand, unexpected but highly relevant topics and, on the other hand, greater risk of an unsuccessful outcome. Risk could be managed in various ways – for example, inviting submissions from only a few respected research institutions in developing countries or encouraging task leaders in the Bank to seek out potential researchers. This suggestion has the added advantage

of furthering the goal of capacity building especially if Bank researchers are engaged as advisors or even partners on research led from developing countries.

Another possibility is to encourage submissions directly from policy-makers. The research could still be undertaken by Bank staff but now the policy relevance and the expectation of policy impact are greatly increased. The risk with this idea is that the Bank's research department ends up as an economic consultancy. Requiring that any submission must raise an issue which is both immediately relevant to the proposing country *and* has wider implications overcomes this particular concern. The project on *Improving Women's Health in Africa* is an excellent example – it provided useful background information and advice for policy design in Malawi while simultaneously addressing broader issues about CCTs. This approach is already being implemented by the *International Initiative for Impact Evaluation* so KCP would already have a model on which to build²³. Needless to say, many other ideas can be considered for this window. The ones presented here are intended only to illustrate what could be done.

Suggestion 3: Open a fifth window to encourage riskier projects and experimental approaches.

4. Capacity-building

KCP's secondary goal is to assist in the development of research capacity in client countries. The evidence presented in Section 3 suggests that progress on this front has been spotty at best. The previous evaluation report confronted this issue and arrived at two possible solutions. The first is to 'sharpen the focus on top-research and to downplay capacity building and networking' and the second is the other extreme – require that researchers take capacity building 'seriously' and include it 'explicitly' in all projects²⁴. This report suggests a third alternative – to focus capacity building on a few

²³ For further exploration of this idea. See *Promoting Evidence-based Policy: the Role of Incentives*, Lyn Squire, Journal of Development Effectiveness, Volume 3, Issue 3, September 2011.

²⁴ See *Knowledge for Change Program: Program Evaluation Report*, by Arne Bigsten and Dick Durevall, Gothenburg University, November 26, 2007.

projects where the potential and interest seems greatest and leave the rest of the portfolio to concentrate all their efforts on producing the best possible research. This suggestion is in fact more or less a formalization of what has happened in practice -- a few projects earned grades of superior or above average for various aspects of capacity building but the large majority scored poorly.

To implement this suggestion, KCP could set aside a part of the total budget specifically for capacity building. Only projects that include significant involvement of researchers from developing countries or genuine collaboration with research institutions in developing countries and undertake to carry out rigorous training programs would be eligible for these funds. KCP funders' interest in capacity building can then be reflected in the size of the set-aside. Depending on the amount reserved for capacity building, this approach could result in more or less effort than was observed in the current sample of projects. Even if it leaves the capacity-building effort unchanged, it might still be cleaner to formally focus on a few projects rather than have all projects pay the objective lip service.

Suggestion 4: Focus effort to realize KCP's secondary objective of capacity building on a few, specially funded projects rather than require it in all projects.

5. Policy Impact

After reading all the evaluation reports and gaining a good sense of the twenty-five projects' immense contribution to knowledge, the relatively modest efforts to influence policy-making are disheartening. One is left with a sense that an opportunity has been missed, or, perhaps a better way to put the point, a feeling that the potential to influence policy has not yet been fully realized, a reflection of the natural sequence of knowledge dissemination – from researcher to the research community in general and only then into the policy-making sphere. Perhaps we are looking for impact too soon. This is almost certainly true for some of the multi-country data collection exercises. The result may also reflect the fact that researchers are researchers because that is what they do well. Some may also be gifted presenters of research results in the policy

forum and keen to take on this task. Others may prefer to move on to the next research project where their skills can be best used.

These observations suggest a possible way forward. The idea is to involve policy-makers and funders in judging the policy potential of completed research projects and then to devise and fund suitable policy-influencing strategies rather than place the burden exclusively on Bank researchers. There are many ways this could work, but, simply to make the proposal more concrete, consider this option. A small group of policy makers (perhaps the group mentioned in Suggestion 1) could make a preliminary assessment of the value to policy of the various projects comprising the most recently completed batch. The results could then be presented at the next KCP meeting and, following discussion, the policy-makers, KCP funders and World Bank staff could arrive at a policy-influencing set of actions for the most promising projects and arrange for appropriate funding and implementation. This may entail use of Bank staff, in which case the proposal does not take us much beyond where we currently are. But it also opens up the possibility that non-Bank experts could be brought in to help with the delivery of policy messages and it ensures that there is an opportunity for KCP funders to consider this most important, final step in realizing the full benefit of research.

Suggestion 5: Provide an opportunity for KCP funders to explore and support the best possible strategies for using completed research to influence policy.

Finally, a special word of thanks to the KCP staff who responded so well to all my requests for additional information and clarification. Without their help, this report would have been much harder to write and less informative for the reader. Many thanks!

1. ANNEX 1

Sampled Projects: Title and Grant Amount

Title	Grant Amount (US\$'000s)
WDR 2008 - Agriculture, Poverty and Development	1,450
WDR 2009 - Reshaping Economic Geography	892
China Urban Dibaba Study	68
Labor Issues in Service Delivery for Human Development: Incentives and Performance	152
Micro simulations of poverty reduction and service delivery in a user-friendly, economy-wide framework	384
Poverty reduction and human development: Analysis of alternative strategies within an economywide framework	210
Political Institutions, Development, and a Domestic Civil Peace	650
WDR 2007 - Development and the Next Generation	642.5
Improving Women's Health in Africa	260
Background Work on the Policy Research Report on Local Governance and Local Development	200
An African Green Revolution: Finding ways to boost productivity	350
WDR 2011 - Conflict, Security and Development	650
Investment Climate Analysis	1,250
Evaluating Investment Climate Improvements and Growth at the Firm Level	180
Household Surveys of Access to Financial Services	300
New Research on Firm Informality	225
Private Sector Development Research Program	300
Impact evaluation of structural shift in supply of banking services in Mexico	50
Pro-Cyclical Effects of Capital Requirements: Theory, Evidence, and Policy Lessons for Middle-Income Countries	92
Global Migration Database Extensions - A Global Public Good	65
Household Surveys of International Migration and Remittances	1,150
Services, FDI and Endogenous Productivity Effects in the European Neighborhood Policy	90
Global warming and developing countries: an economy-wide perspective	150
Economic and Environmental Impacts of Biofuels	250
WDR 2010 - Development and Climate Change	675

ANNEX 2

Evaluators: Name and Affiliation

Name	Affiliation
Jeffrey Bennett	Australian National University, Australia
Chris Blattman	Columbia University, USA
Stephanie Engel	ETH Zürich, Switzerland
Gary Fields	Cornell University, USA
Christer Gunnarsson	Lund University, Sweden
Harry Huizinga	Tilburg University, Netherlands
Stephan Klassen	University of Gottingen, Germany
Sylvie Lambert	Paris School of Economics, France
Jaime de Melo	University de Geneve, Switzerland
Jacob Svensson	Stockholm University, Sweden