

The Think Tank Initiative: Strengthening Policy Research for Development
A Joint Program of the Hewlett Foundation and IDRC

EXECUTIVE SUMMARY

1 Program Overview

This document outlines plans for a major collaborative program by the William and Flora Hewlett Foundation and the International Development Research Centre (IDRC) to support independent policy research organizations – or “think tanks” – in developing countries. Initially focused on selected countries in East Africa, West Africa, South Asia and Latin America, the initiative intends to strengthen a select group of independent policy research organizations, such that these organizations are providing objective, high-quality research that both informs and influences policy.

To achieve this goal, the program will provide grantee organizations with a combination of long-term general support grants (“core funding”) and access to training and technical assistance to allow them to improve research quality, expand policy linkages, and address other aspects of organizational development. The program will then work to synthesize and disseminate the lessons of the program widely, in order to influence the activities of other think tanks, government ministries, donor agencies and other development actors.

The program will be jointly governed by the funding agencies and managed by IDRC on behalf of the funding agencies. It is envisioned as a long-term investment, with at least a ten-year time horizon. Based in part on an external evaluation near the end of the first five-year period, the funding agencies anticipate an extension of the program for at least another five years, along with any changes in the design or management of the program as may be warranted.

Initially to be funded by the Hewlett Foundation and IDRC, efforts will be made to expand the program by bringing on board other funding agencies. With this in mind, the program has been designed so that it can absorb added funding by increasing the number of countries and/or organizations to be funded, and its governance structure has the flexibility to accommodate additional sponsoring agencies.

2 Background and Rationale

If there has been one key lesson of international development experience to date, it is that public policies work best when they are designed and implemented by local actors. Without locally generated data and analysis, well-intentioned programs often do not respond to realities on the ground. Furthermore, without local experts in place to monitor implementation, even the most thoughtfully designed projects are unlikely to adapt successfully to changing realities over the long term. Although international donors now recognize that local ownership and

accountability are both critical to successful development interventions, they often fail to invest in the local institutions that can do the ongoing research and monitoring to effect policy and program improvements over time.

One dominant theme that emerged from the consultations leading to this proposal is that many of the weaknesses in the current market for policy research are the result of shortsighted funding decisions by donors. For example, most developing country research institutes rarely receive the kind of predictable core funding that would allow them to do long-term planning, establish their own research priorities, and invest in creating strong research programs. International donors give them some support, but usually for one-off projects, which the donor agency often designs and leads. As a result of these constraints, most policy research institutes are doing primarily “responsive research,” rather than setting a forward-looking research agenda responding to locally-determined needs. Complicating matters further, many developing countries have a limited pool of highly educated experts, and it is difficult to retain top caliber personnel without strong local institutions that provide researchers with real opportunities to build careers.

Despite these challenges, policy research institutes do exist in the developing world, and those that have overcome some of the challenges described above are demonstrating the impact of quality research in the policy making process. As more developing countries become multiparty democracies, there are signs that governments are increasingly tolerant of outside input and critique. In some places, researchers are beginning to work more closely with members of parliament, who need data and analysis to make more informed policy decisions. In this context, opportunities are expanding for independent research to inform and influence policy.

However, as a public good, policy research is pervasively undersupplied by market forces, and unlike in the North, there are almost no domestic sources of support for independent policy research institutes in the developing world. International donors are thus a key source of funding for local research, but shortsighted funding policies have failed to build strong research *organizations* with forward-looking research agendas. Given these opportunities and constraints, a well-structured program to strengthen developing country research organizations has significant potential for impact.

3 Goals and Objectives

The long-term vision for this program is that policymakers in participating countries consistently use objective, high quality research to develop and implement policies that lead to more equitable and prosperous societies. To achieve this vision, the program will target one critical input to the policymaking process: policy relevant research by independent research organizations. Our theory of change is based on the conviction that providing research organizations with the long-term financial and technical support they need to improve research quality and organizational performance will in turn enable them to play a more effective role in policy debates, providing policymakers, NGOs and the media with the evidence needed to develop sound social and economic policies.

The program thus intends to strengthen a select group of independent policy research organizations based in developing countries, such that these organizations are providing objective, high-quality research that both informs and influences policy. Specifically, the program aims to:

- Select a group of promising independent policy research organizations and assist them to assess critical areas of strength and weakness and identify opportunities for improved organizational performance;
- Provide a combination of general support funding and access to training and technical support to permit the organizations to achieve improvements in research quality, policy linkages and other aspects of organizational performance;
- Capture and share program learning about strategies for supporting and managing policy research organizations, in order to influence the future activities of the funding partners, think tanks, and other development actors.

4 Focus of the Program

An important lesson learned from past international efforts to fund developing country research is the need to maintain a clear focus for the program, and avoid temptations to be “all things to all people”. Two key strategic decisions have helped focus the work of the program: first, a focus on one type of research organization, and second, a concentration on a limited number of countries and regions of operation.

There are various types of organizations that play a key role in producing and mobilizing better evidence to help guide public policies: research centres based at universities; quasi-governmental research organizations that provide support to particular ministries; consulting firms that advise government clients; advocacy organizations with some capacity for in-house research; and, independent non-governmental research organizations doing policy-relevant research. While each has a valuable role to play, the program will focus on the last category: independent policy research organizations or “think tanks.”¹

To further limit the scope of the program, it will support organizations whose research is focused on a range of issues of social and economic policy related to growth, equity and poverty reduction -- as opposed to organizations working exclusively on a particular sector such as health or agriculture, or a specific policy area such as fiscal policy or trade. This reflects a conviction that many of the most pressing development problems cut across disciplinary boundaries, and that policy research organizations need to have some flexibility in responding to key policy issues -- rather than having these defined a priori by external donors.

Finally, the program will concentrate on organizations that are oriented primarily to issues of national-level policy-making, rather than exclusively to sub-national policy-making, or to international relations. While these latter two spheres of policy-making are important, national-level policy remains key to issues of growth, equity and poverty reduction – and the opportunities to link local think tanks into the policy process are arguably greatest in this sphere.

The second strategic decision has to do with the geographic focus of the program. Many experts have emphasized the broad relevance of the kind of support envisioned in this initiative: simply put, there are few if any countries and regions where the program would not have the

¹ “Independent” does not indicate that an organization receives no funding from the government, since most research organizations in developing countries need some government funding to survive. While independence can mean different things in different settings, there are several factors that seem to be critical to maintaining independence as a policy research organization: 1) rigorous and impartial research; 2) lack of financial dependence on one source of funds; 3) nonpartisan and politically neutral; 4) commitment to publishing research findings in the public domain; and 5) ability to set an independent research agenda.

potential for impact. Given limited resources, however, the program will focus on a limited number of countries, at least initially.

In order to select an initial set of target countries, the sponsoring organizations considered five criteria: need (based on income per capita); population size (since very small countries may not have a sufficient range of research organizations to warrant support); political openness (since willingness of governments to make use of independent research results is critical); and political stability. Where the data is available, the program has also considered the availability of public funding for research and development (as an indicator of potential for additional sources of support over the longer-term.)

Based on these criteria – as well as the prior experience of the sponsoring organizations – the program will focus on four geographic clusters of countries during this initial phase:

- East Africa: Ethiopia, Kenya, Tanzania, Uganda
- West Africa: Ghana, Senegal, Nigeria, plus one or two additional countries to be chosen based on additional consultations
- South Asia: Bangladesh, Nepal, Sri Lanka and possibly Pakistan
- Latin America: Bolivia, Ecuador, El Salvador, Guatemala and Peru.

To ensure a smooth roll-out, the program will be launched in East and West Africa in Year 1, and then it will likely expand to the second two regions in Year 2. A final decision on countries and regions to be included in the second phase will be based on the results of Year 1 activities and the availability of additional resources from other donors.

5 Implementation Strategy

a) Selection and Assessment of Partner Organizations

An open, competitive process for the selection of organizations to be funded is essential both to the success and the credibility of the program. The application and selection process will be implemented in two stages and is anticipated to take eight to ten months to complete in each region.

As an initial step, a Call for Letters of Intent will be disseminated widely in participating countries. Initial screening of the candidates will be done by IDRC staff, and qualified applicants will be invited to proceed to a second stage of assessment.

For each short-listed applicant, IDRC staff will commission an anonymous peer review of several research products and an external organizational assessment. Once these two review processes are complete, each organization will be asked to submit a full proposal, providing a detailed plan as to how funds would be used and what organizational improvements would be pursued. Based on all of these documents, IDRC staff will prepare a summary appraisal for each candidate organization, including funding recommendations. Recognizing the likelihood that the experience and track record of candidate organizations will vary significantly, staff will be able to recommend three different levels of funding: 1) four-year renewable general support grants; 2) two-year general support grants paired with targeted capacity building assistance; and 3) 6-12 month strategic planning grants for organizations which show potential but lack a credible strategic plan.

Finally, the International Advisory Group (more details below) will meet face-to-face to discuss each applicant and make final recommendations regarding organizations to be funded. It is anticipated that approximately eight organizations will qualify for funding in each region, although this number could vary depending on the size of qualifying organizations' budgets.

b) Provision of Financial and Technical Support

The defining feature of this program is the provision of general budget support (“core support”) to participating organizations: these will be non-earmarked, multi-year grants, meant to help fund the organization’s research program *and* operating costs. As outlined in the introduction, provision of stable, non-earmarked support is seen as critical in providing organizations with the flexibility to adjust to changing circumstances, and the predictability to engage in sustained research and analysis on particular topics. Overall, general support grants will account for the bulk of financing (between 80 and 90 percent) provided by the program.

At the same time, it is clear that in many cases general budget support on its own may not allow participating organizations to address key challenges in their organizational development. Managers of think tanks may have imperfect understanding of their strengths and weaknesses, limited knowledge of where to turn to for support in implementing changes, and few incentives to engage in what can be difficult and disruptive processes of organizational change. As a result, it is critical that the program also be able to assist participating organizations by identifying and mobilizing appropriate sources of technical support (training, mentoring, advisory services to support organizational development), and by integrating elements of organizational development as part of the performance benchmarks for general support grants.

The exact nature of such support will be determined by organizational assessments conducted at the outset, as well as ongoing monitoring by program staff. It is expected, however, that support will be offered in three broad areas: research methods and skills; communications and outreach; and general organizational development (including leadership and governance, financial and human resource management, and strategic planning).

c) Synthesis and Learning

A major task for staff of the program will be to distill lessons and to share them with participating organizations, other think tanks, donor agencies and other development actors. In this way, the program hopes to multiply its influence well beyond those organizations directly receiving funding.

This commitment to learning and continuous improvement is also an important element of the accountability framework for the program. Participating organizations will submit annual reports on performance to the program, and staff will in turn prepare an annual progress report for review by the International Advisory Group and the sponsoring agencies. An external evaluation of the program will also be commissioned near the end of the initial five-year phase of activities.

In addition, the program will support a “Learning Forum” bringing together the funders, partner organizations receiving support through the program, outside experts, and other stakeholders (donor agencies with related programs, representatives of government agencies, other think tanks). Two meetings of this network will be convened during the initial five-year phase of activities: during Year 2, to reflect on the initial process of partner selection and organizational assessment; and during year 5, to reflect on progress to date and lessons for the future

6 Governance and Management

IDRC will have responsibility for the implementation of the activities of the program, and grants will be administered according to standard IDRC policies and procedures. A coordinating unit will be established dedicated to implementation, overseen by a Program Leader, with staff working both in the IDRC Headquarters in Ottawa and in participating Regional Offices.

The funding agencies are in the process of forming an International Advisory Group composed of eight to ten international experts, including leaders of think tanks, experienced policy advocates, and high-level policymakers. This group will provide advice to the funding agencies and staff of the program on strategic directions for the program and make recommendations on organizations to be funded. One representative of each funding agency will also participate in meetings of the International Advisory Group.