ESRC and DFID welcome the publication of this Review, which recommends the continuation of the Joint ESRC/DFID Scheme on International Poverty Reduction.

The report states that the Scheme is ‘internationally unique (or close to being so) in being a bottom up, quality-driven research funding scheme in the area of development.’ ESRC and DFID agree with the Review’s overall conclusion that the Scheme should be continued at a larger scale. A second phase of the joint scheme will be launched shortly with a budget of £23 million to be spent over three annual calls for proposals (2009, 2010 and 2011).

In designing this new phase of work, we have given careful consideration to each of the Report’s findings and recommendations.

The Review’s key recommendations cluster around three issues:

- Scheme format;
- Capacity building and the involvement of Southern researchers; and
- The overall impact of the Scheme.

**Recommendation 1:**

The report recommends that ‘…the Scheme should be made as permanent a feature of the funding landscape as possible with a regular annual call for proposals each Spring.’ It further recommends that the ‘immediate future period should be used to run a foresight exercise that will inform, but not 100% determine, the thematic priorities of the Scheme.’

**Response:** ESRC and DFID agree that there should be annual calls for proposals in a second phase of the Scheme. A foresight exercise will not be undertaken, but there will be thematic highlight notices for each call under the overall banner of poverty reduction. These themes will be identified through discussions within and between ESRC, DFID and stakeholders, including a newly formed Advisory Group. The Scheme will be expanded from £13.5 million in the first phase to £23 million in the second phase.

**Recommendation 2:**

The review recommends that the Scheme should seek to fund more Southern-led research and that ‘some of the increase in resources should be used to attach additional PhD students registered at Southern Universities to the Scheme in order to build longer-term capacity in the South without compromising project quality.’

**Response:** ESRC and DFID will use existing networks and work to increase the awareness of Southern Institutions of the possibility of Southern leadership of bids. Additional resources have been put aside to support applicants from the South to develop their proposals to subsequent calls. PhD studentships cannot be attached to Southern institutions as all PhD students funded through the ESRC must be registered through an ESRC ‘recognised’ department within a UK university. However, there are opportunities for co-supervision and examples of this working well, with students registered in UK institutions spending time in Southern institutions.

**Recommendation 3:**
The Review recommends that ‘the Scheme needs a director to handle its more active orchestration and linkage needs’.

**Response:** ESRC and DFID recognise the need to facilitate effective co-ordination of the scheme and are working together to explore how to maximise the impact of the research funded. DFID and ESRC will be appointing a small advisory group bringing together leading academics and representatives from the field of policy and practice.

**Recommendation 4:**

The Review states that by about 2011 it should be possible to see the first real impacts of the research funded under the first phase of the scheme and recommends that ‘an evaluation should be commissioned that is resourced (in both money and calendar time) so as to be able to collect and analyse evidence on impacts.’

**Response:** ESRC and DFID agree on the importance of impact evaluation and are working together to develop evaluation procedures for the scheme. A series of synthesis studies will be commissioned to enable to impact of thematic clusters of work to be understood more readily.

**Other points:**

ESRC and DFID are largely in agreement with the Review’s main recommendations and wish to clarify and respond to the following points:

1. The review team perceived that ‘the economics faction may have pushed the panel overly to focus on quantitative methods’ (p. 17). ESRC and DFID are confident that there was no bias and that this is borne out by the evidence. Of the forty-six proposals funded during the first phase of the scheme, thirteen projects used exclusively quantitative methods, ten used exclusively qualitative methods, and the remaining twenty-three used mixed methods.

2. The reviewers felt that the three Commissioning Panels contained a disproportionate number of economists. (p.17) ESRC and DFID selected panel members to reflect the disciplinary coverage of the applications received to each call (taking into account not only the primary discipline identified by the applicants but also contributory disciplines). The review team designated six members of each of the panels as economists. However, this does not reflect the much broader inter- and multi-disciplinary expertise of the individual panel members.

3. The Review states that ‘Feedback to unsuccessful applicants was generated during the [panel] meeting by an ESRC staff member and was therefore necessarily brief.’ (p.15) ESRC and DFID would like to correct this misunderstanding by the review team. The feedback to unsuccessful applicants was generated by the reviewers and assessors for each proposal and submitted to the ESRC Office. The Office collated and anonymised these comments before providing them to applicants, as is usual ESRC practice. Some feedback from members of the assessment panels was quite brief. ESRC has taken this into account, and has both modified the guidance provided to panel members, and worked to limit the number of proposals that any panel member has to assess.

ESRC and DFID are working together to take the outcomes of the Review into account in the design of the second phase of the Scheme and information about the renewal of the Scheme will appear shortly on both partners’ web pages.