*Marco – these are good questions. I am providing answers in italics.*

Questions:

1. ABOUT TRANSFORMATION OF SENSITIVITY IN LOG SPACE (ESTIMATION SPACE)

Suppose we require for some *beta\_assocition* the transformation of the related parameters in the estimation space. We need to transform the related sensitivities in the estimation space too. Now suppose we finished the first quasi-linear loop and we have the best set of parameters (they are back transformed, because we do that), sensitivities are still in the estimation space. Now we enter the structural parameter estimation loop. We need to calculate again: z = y – h – Hs – HXbeta\_0 and Gyy = H\*Qss\*H’ + HXQbbX’H’ and other terms that not depend on H.

What about the sensitivities? Can they remain in the estimation space or we need to back transform them?[[1]](#footnote-1)

Hs is calculated in the estimation space and we don’t recalculate it into the structural parameter loop.

Again, also for the posterior covariance matrix, must be sensitivities in the estimation space or physical space?

*In general, we should do everything in estimation space and only backtransform results for two reasons: 1) when we are providing values to the model (which requires physical space) and 2) when we write output. Other than that, both parameter values and sensitivities should stay in estimation space. I can look into this today.*

2. PRIOR MEANS CONTROL VARIABLES BLOCK

In this block we have *beta\_flag* that can be 0 or 1 and *Qbb\_form* that can be 0, 1 or 2.

My concern is: suppose we have *beta\_flag=1* (means we have prior information about means), can *Qbb\_form* be 0 (that means no beta covariance)? Or we always requires Qbb?

Why my concern? For the cokriging system no problem, this case must be equal to the case with no prior means (but the case must to be addressed because right now the code tries to calculate the inverse of Qbb and of course if we don’t have Qbb there is an error).

Now going to the structural parameters objective function, there we have the terms:

i. z = y – h – Hs – HXbeta\_0 that in case of *beta\_flag=1* requires beta\_0 (but not Qbb)

ii. Gyy = Qyy + HXQbbX’H’ that requires only Qbb (but if *Qbb\_form=0* we don’t have this term)

So, can coexist *beta\_flag=1* and *Qbb\_form=0*? If yes we need to address this case.

Also for the posterior covariance, now I have assumed that if *beta\_flag=1*, Qbb exists.

*I think these cannot coexist – if Qbb is not provided, it’s like we are saying we know nothing about the prior mean so all terms with Qbb (and, therefore, all terms with beta\_0 I think) are zero and not used. So…I will put an error if someone asks for beta\_flag=1 and Qbb\_form = 0.*

*\*\*\*\*\*DONE\*\*\*\*\**

3. ABOUT STRUCTURAL PARAMETERS ESTIMATION

We said by phone to handle the case in which we want to estimate the structural parameters but we don’t have Qθθ (*theta\_cov\_form=0*) and/or we don’t have prior information about covariance of sigma. Is it right?

*That is what we discussed on the phone. But…looking at the code, it seems like we always require Qtheta as a diagonal matrix. As you said in the email, though, I think we can ignore the prior information on theta if the user wants to so we are OK. Let’s talk about this on skype next time we talk though…*

1. In case we need sensitivities in the physical space, we will have some conflict with the values of *beta\_0* and the values of *Qbb* that correspond to the beta\_associations that require transformation, that we said must be entered already transformed (in the estimation space). [↑](#footnote-ref-1)