



Overseas Development Institute

Annual Report
2001/02

Overseas Development Institute

ODI is Britain's leading independent think-tank on international development and humanitarian issues. Our mission is to inspire and inform policy and practice which lead to the reduction of poverty, the alleviation of suffering and the achievement of sustainable livelihoods in developing countries. We do this by locking together high-quality applied research, practical policy advice, and policy-focused dissemination and debate. We work with partners in the public and private sectors, in both developing and developed countries.

ODI's work centres on five research and policy programmes: the Poverty and Public Policy Group, the International Economic Development Group, the Humanitarian Policy Group, the Rural Policy and Environment Group, and the Forest Policy and Environment Group. ODI publishes two journals, the *Development Policy Review* and *Disasters*, and manages three international networks linking researchers, policy-makers and practitioners: the *Agricultural Research and Extension Network*, the *Rural Development Forestry Network*, and the *Humanitarian Practice Network*. In addition, it hosts the Secretariat of the *Active Learning Network for Accountability and Performance in Humanitarian Assistance*. ODI also manages the *ODI Fellowship Scheme*, which places around twenty young economists a year on attachment to the governments of developing countries.

As a registered charity, ODI is dependent on outside funds and is supported by grants and donations from public and private sources.

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Jonathan Taylor
Anuradha Vittachi
Bowen Wells

** Stood down as Chairman this year

* Stood down this year

ODI Annual Report 2001/2002

This Annual Report covers the period April 2001 to March 2002 and was published in July 2002.

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Overseas Development Institute
111 Westminster Bridge Road
London SE1 7JD, UK

Telephone: +44 (0)20 7922 0300
Fax: +44 (0)20 7922 0399

Email: odi@odi.org.uk
Website: www.odi.org.uk

ODI Staff

Director Simon Maxwell

Group Coordinators

Forest Policy and Environment David Brown
Humanitarian Policy Margie Buchanan-Smith*/Joanna Macrae
International Economic Development Sheila Page

Poverty and Public Policy David Booth
Rural Policy and Environment John Farrington

Company Secretary Allen Brown

Head of Public Affairs and IT Peter Gee

Research Fellows

Caroline Ashley
Sanoussi Bilal
Kate Bird
Neil Bird
Roger Blench
David Booth
John Borton*
David Brown
Margie Buchanan-Smith*
Sarah Collinson*
Tim Conway
Elizabeth Cromwell
James Darcy
John Farrington
Mick Foster*
Adrian Fozzard*
Adrian Hewitt
John Howell
Karim Hussein
Catherine Longley
Joanna Macrae
Andy McKay
Oliver Morrissey
Caroline Moser*
Peter Newborne
Alan Nicol
Andy Norton
Sheila Page
Laure-Hélène Piron
Nicola Reindorp*
Michael Richards*
John Roberts
Benu Schneider*
Kathrin Schreckenberg
Andrew Shepherd
Gill Shepherd
Frances Stevenson
Robert Tripp
Michael Warner
Dirk Willem te Velde
John Young

Senior Research Associates

Edward Clay
Tony Killick
Caroline Moser

Research Officers

Robert Chapman
Karin Christiansen
Erin Coyle
Elizabeth Drake*
Adele Harmer
Charles-Antoine Hofmann
Craig Johnson
Joy Moncrieffe
Felix Naschold
Tom Slaymaker
Daniel Start
Elizabeth Turner*
Adrian Wells

Research Assistants

Sylvie Cordier
Sophie Evitt
Nambusi Kyegombe

Central Support

Finance Officer Angela Croucher*/Karen Glennon
Assistant Finance Officer Development Helen Lewis
Assistant Finance Officer Projects Stuart Henderson
IT Officer Daniel Demie
Librarian Kate Kwafo-Akoto
Meetings and Media Officer Diana Evans
PA to the Director Natalie Kannemeyer/Juliet Henderson*/David Sunderland**
Personnel Officer Patsy Douglas*/Adrienne Watson
Personnel Assistant Patsy de Souza
Publications and Website Officer Pippa Leask
Publications Sales Lisa Thyer*/Anna Brown
Reception Rosalyn Wright*/Sophie Evitt*

Fellowship Scheme

Head Adrian Hewitt
Administrator Kate Burke
Programme Officer Susan Barron

Group Administrators

Lin Cotterrell
Alana Coyle
Lucy Morris*
Jane Northey
Vicky Pett

Group Support

Lucy Carver
Cheryl Chesters
Fiona Drysdale
Jon Fowler
Matthew Foley
Hanne Galteland*
Leah Goldberg
Colin Hadkiss
Livia Iotti
Kate Lloyd*

Rebecca Lovelace*
Maria del Nevo
Angela O'Callaghan
Tammie O'Neil
Alison Prescott
Rachel Rank*
Kate Robertson
Victoria Siddiqui*
Andrea Steel*
Siobhan Thomas
Alex Wyles*

*includes staff who joined between 31 March 2002 and 31 May 2002

*left during the period of this report

**maternity cover

Statement by the Chair

I am honoured to return to ODI as a member of the Council and to succeed Earl Cairns as Chair.

It is a particularly important opportunity as in many ways this is a watershed period for international development. The events of the past year have illustrated starkly the need for investment, aid and trade to achieve global security, and have highlighted the role of sustainable development in creating stability for the world's population. Governments are starting to grasp this reality and reconsider their policies. In the recent past, the issues of development have achieved international public prominence and new political attention. Senior politicians in the UK are now suggesting a new deal for development; 'a modern Marshall Plan'. More aid money was promised at this year's Monterrey Conference on Financing for Development; last Autumn, a new international Trade Round was agreed in Doha; and the New Partnership for African Development, begun by African leaders, has achieved widespread support from the industrialised nations.

There are new opportunities here for organisations like ODI. The quest for greater momentum produces an increased need for analysis, monitoring and evaluation. Optimistically we should hope for evidence-based policy and results-based management. Certainly ODI is well placed to offer authoritative support across a wide variety of specialist fields – both to national governments and international bodies.

The work of the Institute remains at the heart of the ever-expanding development agenda; in the UK and internationally its research and advice are widely recognised for high quality and relevance. At the same time, through its public affairs work, ODI is an effective catalyst of general debate. My hope is to increase our direct contribution to policy formation, and to use the opportunities of renewed general interest in the broad topics of development to lead a more informed analysis of the fundamental issues.

I want to thank Lord Cairns for handing on the Institute in good shape and in good heart. ODI more than doubled in size during his time as Chair; the range of its work increased; and quality remained high. We all owe him our thanks for strategic and careful leadership.

I look forward to working with the Council of ODI, an impressively well-qualified group. I am grateful to those Council members who have already given their time to help my induction in the current issues of development. Four members sadly stood down during the financial year just past – Mike Faber, Dianna Melrose, Frank Judd, and Judith Randel. We will be appointing new members in the coming months.

Finally, let me emphasise again the importance of ODI's leadership role in international development. Progress in development requires the practical application of new knowledge, strategically used to shape the agenda and inform policy. That is ODI's unique role, and one I am sure it will be able to fulfil.

Margaret Jay



'Progress in international development requires the practical application of new knowledge, strategically used to shape the agenda and inform policy. That is ODI's unique role.'

The core values of development studies include tolerance and respect, a commitment to dialogue and partnership, and the overriding ambition of helping to bring about a world with greater social justice and greater social inclusion. Those values have been much in demand in the world this past, difficult year.

Equally in demand have been the services of the practitioners of development studies – to understand, explain, propose, and communicate. Baroness Jay is absolutely right: this is an important moment in development research and policy, a challenge to institutions like ours around the world.

The politics of development

Political questions lie at the heart of current problems, and we have relevant work in all our programmes – on the international dimensions of conflict, on national and international governance, on the politics of poverty reduction, and on poor people's struggle for voice and rights. This marks a significant shift in the balance of ODI work.

We have long experience of participation and participatory methods, for example for poverty assessments. But work this year by David Brown, John Farrington, Craig Johnson, Caroline Moser, Andy Norton, and others, has shown that participation on its own is not enough. Institutions matter, and often remain exclusionary. For rights to be realised, participation has to be embedded in a process which challenges elite control of key resources, as well as bureaucratic capture of public funds.

That process, of course, is inherently conflictual. Sometimes conflict can be managed within the political firmament (India?); sometimes it is possible to deepen democracy through decentralisation and deconcentration in ways which help to reduce conflict (Uganda?); but sometimes conflict remains intractable and impedes or destroys development (Colombia?). ODI work in all three kinds of situation enables us to identify both the potential for and limits to pro-poor action.

Innovations in the forest sector illustrate the potential of new approaches. In Nepal and Cameroon, for example, traditional 'participation' is paving the way for political action on local resource rights to transfer assets to the poor and thus contribute to poverty reduction. The experience of mobilising politically brings benefits in terms of community organisation, a phenomenon also seen in the context of local tourism development, a topic that Caroline Ashley has researched.

International pressures can exacerbate conflict. This is one of the main conclusions of work by our Humanitarian Policy Group on the political economy of

conflict. Timber in Cambodia, diamonds in Sierra Leone, coltan in the DRC, all are commodities in which trade creates both the opportunity for profit and the potential for conflict. Better monitoring and codes of conduct are beginning to make an impression, but all too often, war persists, the military become involved, and humanitarian actors are left to pick up the pieces. As HPG work has shown, humanitarian principles are put at risk by the gradual erosion of the boundary between military and humanitarian intervention: the Afghanistan crisis is the most obvious case in point. More generally, HPG research, led by Joanna Macrae, has identified increased bilateralisation of humanitarian aid as a real threat to the impartiality and effectiveness of the international humanitarian system.

Capacity-building and implementation

The capacity to deliver is another cross-cutting theme at ODI. John Farrington's work in India points to the importance of designing programmes that can actually be delivered in places with weak administrative capacity – he argues for old age pensions, for example, as an instrument relatively free of corruption. Work led by Sheila Page, on the question of how international negotiations actually work, shows that developing countries are severely disadvantaged by negotiating procedures that assume all delegations will be as well staffed as those from rich countries. Work by our Centre on Aid and Public Expenditure illustrates the importance of strengthening budget management in developing countries. Again, research at different levels of the system converges on common conclusions.

Poverty Reduction Strategy Papers are part of the process of capacity building, transferring ownership of development programmes from aid donors to national governments and their people. PRSPs are a major focus of work at ODI, with a large research programme for the Strategic Partnership for Africa, led by David Booth, and a new resource centre led by Alison Evans. These are early days for a process that will go through many iterations, but there is already evidence that poverty reduction is being mainstreamed in developing country planning and budgeting processes. One indicator is that responsibility for poverty policy has passed in many cases from social welfare



Review

ministries to finance and planning ministries – in part reflecting the importance of additional resources coming on stream through debt relief.

ODI has a long-standing commitment to help improve capacity, through the Fellowship Scheme, now approaching its fortieth anniversary. There were 45 Fellows in the field this year, in 15 countries. A new Commonwealth scheme has been launched, to help countries strengthen trade policy: it expects to place five new Fellows in 2002.

Policy design

A focus on policy design informs all our work. For example, my own work on rural development, with Caroline Ashley and other colleagues, starts with the observation that 70% of the poor live in rural areas. Agricultural development is a tough proposition but can offer unparalleled poverty reduction – and there are also other options worth exploring, like rural tourism, non-farm rural enterprise, and temporary migration.

Another example concerns foreign direct investment, at the heart of current debates about globalisation. Does FDI provide an engine of growth, a transmission mechanism for technological upgrading and improved management? Or does it create enclave development which exploits cheap labour and transfers rent from poor countries to rich ones? Work by Dirk Willem te Velde and Oliver Morrissey helps identify when FDI can be a positive force – for example when governments invest heavily in general education and skills development, so that unskilled workers can benefit from opportunities to upgrade.

And communication

As we research these issues at ODI, we are also committed to working with policy-makers in shaping the debate and forming new policy. On rural development, for example, our research was complemented by a series of public meetings at ODI in the summer of 2001; the research was reported in a special issue of one of our journals, *Development Policy Review*; and the main findings were summarised in an ODI Briefing Paper. The principal researchers have also lectured or given seminars in different places to ‘spread the word’ – in my own case in Brussels, Washington, Tegucigalpa, various British universities, and shortly, Addis Ababa and Durban. This

is not unusual. Three of our groups run networks specifically designed to foster improved policy debate. The Humanitarian Practice Network, for example, led by Frances Stevenson, has made a major contribution this year to the debate about relations between humanitarian and military actors in crisis situations, and also produced a special issue of its journal, *Humanitarian Exchange*, on Afghanistan.

More generally, our other dissemination vehicles are all extremely active. We have had more public meetings at ODI this year than ever before – a total of 29 during the year, most of them packed with a typical ODI audience of researchers, NGOs, politicians and media people. I regard our success in bringing a specialist audience together to discuss development policy as a core strength of ODI. At the same time, our publications and website reach other audiences. The website in particular goes from strength to strength: 500,000 hits a month by the end of the year, ten times as many as four years ago.

ODI's success owes everything to the quality and hard work of the staff. I would like to thank them. I would also like to thank Lord Cairns, who stood down as Chairman this year, for his many contributions to ODI: during my four years as Director, he has helped us focus on the key choices and issues, and has promoted realistic change processes. I am genuinely grateful. Baroness Jay is an inspired choice as Lord Cairns' successor, and I look forward very much to working with her.

There have been a number of departures this year among the research staff. We have said goodbye to John Borton, Margie Buchanan-Smith, Sarah Collinson, Mick Foster, Adrian Fozzard, Caroline Moser, Nicola Reindorp, Michael Richards, and Benu Schneider; and welcomed Sanoussi Bilal, Kate Bird, Neil Bird, James Darcy, Laure-Hélène Piron, Peter Newborne, John Roberts, Andrew Shepherd and John Young. We were also sorry to lose our long standing and popular Finance Officer, Angela Croucher, to Friends of the Earth. Two members of staff completed twenty five years with ODI: Adrian Hewitt and Patsy de Souza.

Simon Maxwell

‘For rights to be realised, participation has to be embedded in a process which challenges élite control of key resources, as well as bureaucratic capture of public funds.’

‘... the importance of designing programmes that can actually be delivered in places with weak administrative capacity ...’

‘Our success in bringing a specialist audience together to discuss development policy is a core strength of ODI.’

In April 2001, the OECD Development Assistance Committee (DAC) completed a three-year reassessment of poverty-focused aid by launching its Guidelines on Poverty Reduction. ODI contributed to this process by coordinating studies and drafting background papers.

By adopting the guidelines, the DAC is committed to:

- a multidimensional understanding of poverty;
- high-quality and equitable economic growth;
- a shift from agency-driven to country-led anti-poverty strategies;
- better aid management; and
- more effective joint assessment of performance.

Each of these commitments poses a substantial challenge. As well as preparing the way for their general acceptance, work by the Poverty and Public Policy Group has helped to clarify what needs to be done to make them effective.

Multidimensional poverty

A multidimensional approach to poverty implies giving attention to empowerment and reducing livelihood insecurity as well as maximising income-growth.

What the DAC calls the 'poverty complex' is a network of mutually-reinforcing deprivations, with social, economic, political and security dimensions. Conceptualising poverty in this way poses sharply the question of what are the best points of entry and sources of leverage for anti-poverty action.

Following its path-breaking *Attacking Poverty* report, the World Bank has been interested in further exploring this question. Does the formula Opportunity + Empowerment + Security give sufficient attention to sustainability, and what is the relevance of a rights-based approach to poverty reduction? A PPPG-led team has contributed to thinking on

these subjects with a DFID-supported concept paper, published as *To Claim Our Rights* (Caroline Moser and Andy Norton with Tim Conway, Research Associates Polly Vizard and Clare Ferguson). This draws on experiences from Bangladesh, Kenya, South Africa and south-east Asia to show the potential of a human rights approach in strengthening poor people's

'A multidimensional approach to poverty implies giving attention to empowerment and reducing livelihood insecurity as well as maximising income-growth.'

assets and increasing livelihood security in a sustainable way.

The importance of rights work and social-protection policies was underlined by other PPPG work. Caroline Moser found the lack of 'voice' of indigenous and Afro-Colombian women to be a particular constraint in the Colombian peace process. Advisory work in Vietnam by Tim Conway focused on the large population subsisting just above the poverty line and highly vulnerable to both household-level crises and covariant (region- or nation-wide) risks. While natural disasters continue to pose a major threat to the livelihoods of many, risks associated with production for volatile world markets and with the pace of government reforms are increasing.

PPPG support to national participatory poverty assessments in Pakistan, Rwanda and Uganda has further underlined the importance of security and insecurity in

PPPG Staff

Kate Bird*
David Booth
Karin Christiansen
Tim Conway
Erin Coyle
Mick Foster**
Adrian Fozzard**
Jon Fowler
Nambusi Kyegombe*
Andy McKay
Joy Moncrieffe
Caroline Moser***
Felix Naschold
Jane Northey
Andy Norton
Laure Hélène Piron*
John Roberts
Andrew Shepherd
Michael Warner

*joined between 31 March 02 and 31 May 02

**left during the period of this Report

***now a Senior Research Associate



Sida-funded road, northern Laos. ODI is helping to evaluate the evolution of Sida country cooperation strategies in Laos and Vietnam (Tim Conway)

Public Policy

poor people's own ranking of factors in well-being and deprivation. The PPAs are designed to bring greater attention to these issues in national policy processes (David Booth, Karin Christiansen, Joy Moncrieffe).

ODI has joined IDPM Manchester as a major partner in the DFID-funded Chronic Poverty Research Centre.

Led by Andrew Shepherd with Kate Bird and Andrew McKay, the CPRC work is being undertaken with partners in Uganda and India. It will investigate such issues as the intergenerational transmission of poverty and the nature of the causal linkages between regional isolation and social deprivation.

'Inequality in the world remains shockingly high, and may be increasing.'

Growth and inequality

Inequality in the world remains shockingly high, and may be increasing.

Gini coefficients for income inequality are high in expected places (Brazil, South Africa) but also in less obvious cases, including many African countries (Zambia, Tanzania, Rwanda). Economists have begun to recognise the negative impact of high inequality on both the poverty elasticity – the amount by which growth contributes to poverty reduction – and the rate of growth itself. Work at ODI has also suggested that lower inequality has value in its own right, as an intrinsic aspect of a good society. These points need to be made forcefully and publicly, to create a climate in which redistributive measures become politically acceptable (Simon Maxwell).

Reducing inequality needs to be incorporated into the meaning of pro-poor growth, putting emphasis back on the pattern, and not just the pace, of growth. This is the argument of a paper for Sida's Poverty Project prepared by Research Associate Lucia Hanmer and David Booth. It draws on earlier research by Hanmer and Felix Naschold on inequality and the attainability of the international development goals.

Naschold has now extended this work with background research for UNCTAD's Least Developed Country Report. This concludes that growth is less effective in reducing poverty in LDCs than in other developing countries. In LDCs particularly, therefore, changes in the level of inequality



Field work during the Uganda Participatory Poverty Assessment – a case study from the Rough Guide to PPAs (Rosemary McGee)

can be a more important factor than growth in reducing poverty.

These and other key policy messages about inequality, poverty and growth are now explained in an accessible form in Inequality Briefings for the DFID Economists' Resource Centre (ERC). The Briefings have developed a multidimensional perspective on inequality that is expected to assist in further work exploring the factors behind changing levels of inequality. Research into this

'ODI assisted at the birth of the country-led approaches to poverty reduction that the DAC has now endorsed.'

neglected issue in the poverty-inequality-growth nexus is set to continue as a major strand of work within PPPG (Felix Naschold, Andrew McKay and Tony Killick with Liz Turner).

Country-led strategies: PRSPs and budgets

ODI assisted at the birth of the country-led approaches to poverty reduction that the DAC has now endorsed.

Tony Killick's writings on the political economy of policy change forced home the message that reforms tend to fail when they lack country ownership. Mick Foster and Andy Norton's views on approaches to debt relief suggested re-focusing conditionality on promoting in-country

policy processes, the idea behind Poverty Reduction Strategy Papers (PRSPs).

The PRSP initiative has become a substantial focus of research and advisory work in PPPG. In 2001, David Booth coordinated an eight-country study of PRSP institutionalisation in Africa for the SPA. This found limited but worthwhile benefits in terms of mainstreaming poverty-reduction efforts and widening the circle of in-country actors capable of policy engagement. It was considered important, however, not to treat PRSP-preparation as a one-off, single-round exercise – donors and concessional lenders need to keep their nerve and take seriously the political factors that will influence PRS processes for better or worse. The PRSP agenda is ongoing.

Established to support DFID's engagement with this agenda, the PRSP Monitoring and Synthesis Project led by Research Associate Alison Evans has produced briefings, synthesis notes and in-depth research. The story so far varies across regions. In much of Asia and Latin



Second African Forum on Poverty Reduction Strategies, Dakar Sept 2001 (David Booth)

Poverty and Public Policy

America, the new agenda remains in its infancy. Although there are examples of positive change among partner governments (a raised profile for poverty and opening up policy spaces), the momentum is less substantial than in Africa. The transition countries are also taking up PRSPs, but face slightly different challenges, including a newer relationship with donors and an extremely weak civil society.

Making PRSPs credible, so that aid projects and lending programmes no longer need to generate parallel management systems, will call for substantial efforts from both donors and governments.

On the donor side, Michael Warner will be opening up a new line of work at ODI in 2002. This will be helping to reorient the corporate social responsibility agenda towards supporting national poverty-reduction efforts, by developing appropriate tools and competencies for corporate managers.

On the recipient side, improvements in budgeting and public-expenditure management are generally identified as one of the critical prerequisites. This makes the recent outpouring of results from the CAPE research programme especially timely (see box).

Improving aid: the choice of instruments

CAPE was set up to develop approaches to development aid in a world where projects have too often proven unsustainable, with the burden of managing projects undermining

government capacity.

Considerable attention has been given, therefore, to the development of methodologies to guide the choice and design of aid instruments in different country circumstances. CAPE's work on this issue culminated in a Working Paper by Mick Foster and Research Associate Jennifer Leavy on the choice of aid instruments.

That paper aims to give guidance for choosing between general budget support,

sector support, projects and technical assistance. A key argument is that types of aid need to reflect country circumstances –

'CAPE was set up to develop approaches to development aid in a world where projects have too often proven unsustainable, with the burden of managing projects undermining government capacity.'

a timely counterpoint to the growing opinion that sector or general budget support represent the way of the future, and should be adopted everywhere. ODI work in that vein will be continuing in 2002 with a study led by Oxford Policy Management to investigate the 'evaluability' of general budget support – whether its impacts can be assessed and compared with alternative uses of aid funds (Felix Naschold, David Booth).

Another CAPE paper, by Mick Foster and Research Associate Sadie Mackintosh-Walker, gathers together the evidence to allow some tentative judgements on the effectiveness of SWAPs in addressing poverty issues. These two CAPE outputs on aid instruments were responses to requests from DFID and the Finnish government respectively. They exemplify the success of the CAPE model, as a user-

Centre for Aid and Public Expenditure (CAPE)

What factors assist budgets and public expenditure management to become pro-poor? Adrian Fozzard's comprehensive study of the 'basic budget problem', which appeared as a CAPE/ODI Working Paper in July, emphasises the ultimately political, not technical, character of public expenditure options. The complete set of country reports now available under the CAPE project on 'How, when and why does poverty get budget priority?' suggests that, nonetheless, identifiable factors make pro-poor options more likely. They are:

- political commitment - independent of, even if reinforced by, the need to please donors;
- macroeconomic stability, providing a necessary minimum of predictability for the funding of public programmes; and
- planning and budgeting capacity, including clear leadership, a realistic medium-term framework and clear guidelines to spending ministries.

In no country were all these conditions found, though Uganda came the closest (Mick Foster, Adrian Fozzard, Felix Naschold, Tim Conway).

Next steps

Under its new Director, John Roberts, CAPE is now researching the progress made in implementing results-based approaches to budgeting and public-sector management in a sample of OECD and low-income countries. This will cover Burkina Faso, Ghana, Mali, Uganda and Tanzania among others. CAPE will also bring to the table a paper defining the contribution that results-based budgeting should make to wider PRS processes; a literature survey on the determinants – public expenditure and other – of development outcomes in the social sectors; and work on fiscal devolution (John Roberts, Karin Christiansen, and Tim Williamson – joining ODI in July 2002).



Field work during the Vietnam Participatory Poverty Assessment – a case study from the Rough Guide to PPAs (Carrie Turk).



Erin Coyle and Deryke Belshaw researching the contribution of Ethiopian NGOs to poverty reduction. The resultant report was part of a civil society contribution to the Ethiopian PRSP process.

responsive and cost-effective way to disseminate experiences and develop new ideas about aid policy and practice.

Assessing performance

Interest in monitoring and evaluation has been boosted by the coming of PRSPs.

Robust performance monitoring embedded in national institutions is the key to avoiding a multiplication of separate assessment mechanisms driven by donor needs. In this spirit, PPPG staff have begun assisting country teams to design appropriate PRSP monitoring arrangements, while continuing to support poverty data analysis. This is a challenging undertaking, not without pitfalls. It is not at all obvious what sort of monitoring PRSPs require, and there is still a tendency to reproduce formulas from earlier eras of development planning that do little justice to the novelty of the PRSP concept, with its strong emphasis on stimulating in-country policy dialogue.

Improving assessment of patterns and trends in poverty outcomes has rightly been seen as a major task in PRSP countries. In this connection, Andrew McKay helped a local team with analysis of the first household survey for 16 years in Rwanda. Initial results (which suggest that inequality has risen) were fed into the PRSP in a record two months after completion of data collection. Contributing to the qualitative side of poverty analysis, Andy Norton published his *Rough Guide to participatory poverty assessments*; and Group members helped to

support PPA design and write-up processes in Uganda and Pakistan.

PRSP monitoring should not only be about final outcomes, however. And there is some danger of giving too much attention to the technical as opposed to the institutional and political aspects of monitoring.

The orientation to results that is one of the PRSP principles implies identifying realistic measures of progress all the way from inputs to ultimate objectives. Current PRSPs still need much work to flesh out the intermediate steps that are to be taken and what, therefore, needs to be monitored. Although monitoring arrangements cannot solve the problem of the 'missing middle' in policy thinking for poverty reduction, they can help to engage PRSP stakeholders in continuing debate on the subject.

Institutional arrangements permitting the feedback of sound basic information, with the necessary political force, into the crucial policy processes are anyway more important than technical perfection in the choice of indicators and methods. This may turn out to be hard to achieve. But it is the main challenge, if the promise of the PRSP idea is to be realised (David Booth with Henry Lucas of IDS).

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'Making PRSPs credible, so that aid projects and lending programmes no longer need to generate parallel management systems, will call for substantial efforts from both donors and governments.'

Developing countries face distinctive problems, have particular needs, and special obligations to their donors or advisers. But they are also partners and rivals for developed countries: they have trade access to offer and demand; they attract and work with foreign investors; and they make their own demands of international institutions.

Trade

Developing countries face a broad and expanding range of trade negotiations: not only the new multilateral negotiations under the Doha Development Agenda, but also new 'special relationships' with their major developed trading partners.



Following the Partnership Agreement signed in Cotonou in June 2000, the 77 African, Caribbean and Pacific (ACP) countries and the 15 Member States of the European Union (EU) agreed to negotiate new WTO-compatible trading agreements. The negotiations, due to start in September 2002 are intended to lead to the establishment of free trade agreements (FTAs) between the EU and ACP groups. At the same time, the EU is extending its network of FTAs to include Chile (from 2002) and eventually the other southern South American countries. The US has offered new preferences to Africa (Africa Growth and Opportunity Act) and is negotiating a free trade agreement in the Western Hemisphere.

The African, Caribbean, Pacific, and Latin American countries are also members of regional organisations (usually at more than one sub-regional level), which are also negotiating new links. They participate in bilateral negotiations and disputes, and are involved as well in negotiations on the growing number of environmental conventions (climate change the most prominent in the last year). Clear policy objectives are essential, together with an understanding not only of the substance of each negotiation but also of the interactions among them.

We have continued our research on the nature and difficulties of participation in negotiations (Sheila Page). At Doha, the success of the Africa Group, the Least Developed, and the small countries in securing not only modifications of the

developed country agenda (notably in intellectual property) but also their own objectives and new initiatives (special and differential treatment; a working group on

'At Doha, the success of the Africa Group, the Least Developed, and the small countries . . . provided further evidence that developing countries are working effectively in alliances of common interests, and are no longer acting simply as a developing country bloc.'

debt) provided further evidence that developing countries are working effectively in alliances of common interests, and are no longer acting simply as a developing country bloc.

In contrast to these developments in the WTO, regional groups have not been as active, with problems in finding common interests, for example in Western Africa (Sheila Page, San Bilal), where differences in policies followed by countries which vary greatly in size are obstacles. We have also looked at the issues facing particular countries (Malawi, Tanzania) and particular negotiations (EU-MERCOSUR).

In their negotiations with the EU, the ACP countries suffer from many disadvantages which weaken them. Many are small countries dependent on aid; they lack allies among better placed developing or developed countries; their interests conflict. ODI is joining with the European Centre for Development Policy Management (ECDPM) to strengthen negotiating and policy-making capacity in ACP countries and groups, in close cooperation with ACP researchers and policy makers. This joint programme

'In their negotiations with the EU, the ACP countries suffer from many disadvantages. Many are small countries dependent on aid; they lack allies among better placed developing or developed countries; their interests conflict.'

(2002–2003) aims to contribute to trade policies promoting sustainable development and the integration of the ACP countries into the world economy. It will combine practical research on ACP–EU issues, promotion of informal dialogue between ACP and EU participants in the trade negotiations, strengthening of trade

IEDG Staff

Sanoussi Bilal
Edward Clay***
Adrian Hewitt
Tony Killick***
Oliver Morrissey
Jane Northey
Angela O'Callaghan
Tammie O'Neil
Sheila Page
Benu Schneider
Dirk Willem te Velde

***Senior Research Associate

Economic Development

capacity in ACP countries and dissemination of information on the negotiations (San Bilal).

In part, the success of these initiatives may be dependent on building a more comprehensive socio-economic research capacity at the developing country level. But how appropriate is it for donors to fund this area and how should they strike a balance between northern and southern-based research? Tony Killick has investigated these questions and outlined potential models for appropriate relationships with southern research agencies. IEDG has also looked at other ways in which developing countries can build capacity. Dirk Willem te Velde examined a

'Trade policy reform alone does not ensure that countries trade effectively. The impact of trade depends on other policies, especially in relation to agriculture, investment and labour markets.'

tri-sector partnership model looking at extractive industries in the context of foreign direct investment (FDI) and development. While partnerships among government, business and civil society might improve social and economic effects of FDI, further evidence is required to assess whether, in practice, they make a real difference to host-country development.

Trade policy reform alone does not ensure that countries trade effectively. The impact of trade depends on other policies, especially in relation to agriculture, investment and labour markets (Oliver Morrissey, Dirk Willem te Velde).

Capital flight or capital flows?

Capital flows out of different developing countries and regions may be the result of 'normal' factors such as different opportunities for high and/or certain returns, or could be caused by political or other uncertainties. Recent ODI research has indicated that although there are significant country variations, most capital flows from Asia appeared to be normal, while in Africa there was apparently a high proportion of capital flight. However, the differences by country emphasise the importance of focusing on the country level before identifying a problem or suitable remedial policies. In Uganda, ODI has studied particular implications of the liberalisation of the capital account for monetary policy there. (Benu Schneider)

Aid

The effectiveness of aid and how aid can be made more effective in reducing poverty have been major policy issues over the last year, motivated in particular by the UN Financing for Development Conference. Our research suggests (Oliver Morrissey) that aid has been quite effective in promoting growth, supporting policy reforms, and contributing to



improvements in welfare of the poor and of poor countries. Much needs to be done to ensure that aid is used more effectively to provide humanitarian assistance and contribute to achieving development targets.

A related policy debate has been on new uses for aid, notably in financing the provision of global public goods, both at a global level and through supporting

'aid has been quite effective in promoting growth, supporting policy reforms, and contributing to improvements in welfare of the poor and of poor countries'.

provision by poor developing countries. ODI research argues for a relatively strict definition of what constitutes an International Public Good (IPG) and

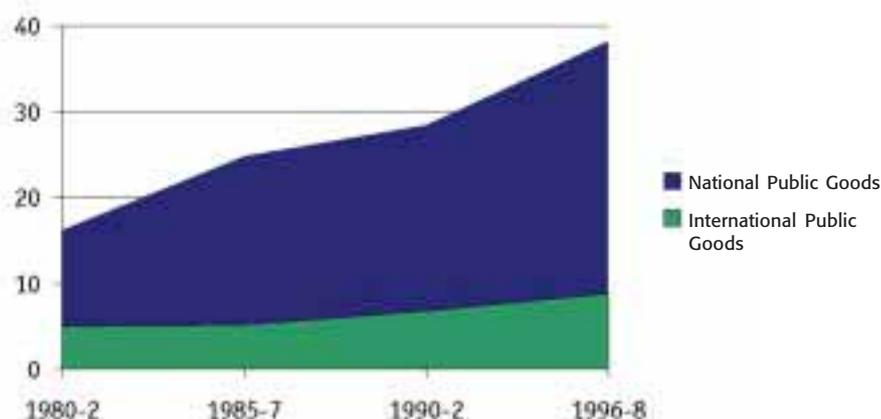


classifies different categories of IPG – environment, health, knowledge, security and governance. Financing the provision of IPGs (such as combating AIDS and protecting the environment) are valid uses of aid, although this should not be at the expense of traditional uses of aid, especially in contributing to national public goods, such as education and health care, in developing countries. The share of aid to IPGs has increased from about 10% in the 1980s to over 20% by the late 1990s, and this has displaced aid allocated to other activities. (Oliver Morrissey, Dirk Willem te Velde and Adrian Hewitt).

Foreign Direct Investment

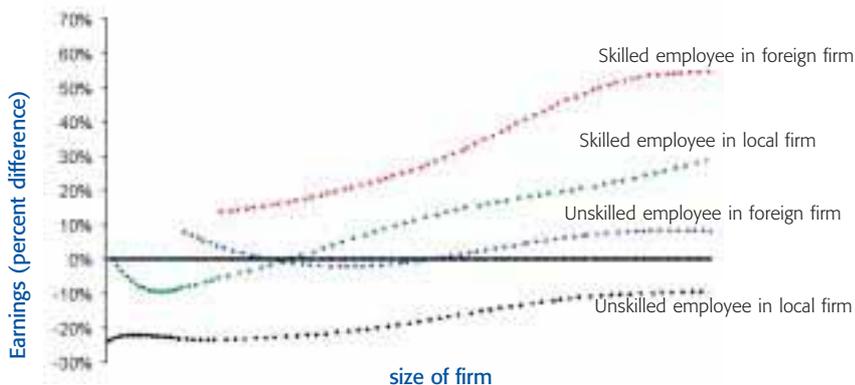
While foreign investment has potential effects on poverty, by increasing employment, promoting growth and thus permitting policies to reduce poverty, research on five East Asian and five African countries suggests that the resulting benefits are not equally distributed. While in general FDI is associated with higher

Share of aid allocated to provision of international and national public goods, % of aid



International Economic Development

Foreign Ownership and Earnings of Workers



The chart shows how earnings increase with the size of the firm and that the wage 'premium' from being employed in foreign-owned firms applies at almost all size levels and for both skilled and unskilled workers (controlling for other worker and firm characteristics).

Based on data for manufacturing in five African countries, see Te Velde and Morrissey (2001) Foreign Ownership and Wages: Evidence from Five African Countries: CREDIT Research Paper 01/19

average wages for both skilled and unskilled labour, skilled workers tend to benefit more than less-skilled workers. The research found that policies to use FDI can be effective in ensuring that it works for less skilled as well as skilled workers: support for good quality and appropriate education and general training for low-skilled workers. More attention should also be focused on the functioning of labour markets and the bargaining position of low-skilled workers in a globalising world, as much of the evidence finds that skilled workers in foreign firms are able to obtain a higher wage premium than low-skilled workers. (Dirk Willem te Velde, Oliver Morrissey).

Agriculture and commodities

Most of the poorest and smallest developing countries still depend mainly on a few commodity exports, and as a result continue to face falling prices and lack of growth in demand. The start of new multilateral trade negotiations has led to renewed interest in how countries can

be helped to move out of this pattern, but the evidence suggests that changes must come from national changes in policy and production (Sheila Page, Adrian Hewitt). One international obstacle, however, remains the heavy protection of agriculture by the major developed countries. ODI participated in groups of researchers, policy makers, and traders, in the UK and through the World Economic Forum, to examine the possibilities for reform in agricultural trade policies.

International economics and natural resources

This dependence reaffirms the importance of examining how natural events affect the economies of small and poor countries. A study on disasters and public finance in one of the most hazard prone countries, Bangladesh, found increasing resilience in macroeconomic performance against major disaster events over the past 25 years (since the famine of 1974), particularly in agricultural production. Furthermore, up to and including the worst floods of the century in 1998, the government was progressively more successful in counteracting the potentially destabilising fiscal effects of additional expenditure on relief and rehabilitation (Edward Clay).

'Most of the poorest and smallest developing countries still depend mainly on a few commodity exports, and as a result continue to face falling prices and lack of growth in demand'.

'A study on disasters and public finance in one of the most hazard prone countries, Bangladesh, found increasing resilience in macroeconomic performance against major disaster events over the past 25 years'.



Growth-focused strategies, especially for rural Africa, are making a comeback. One important question is what such growth might do to reduce rural poverty and, increasingly, what potential it offers for reducing the risks of civil strife in neglected areas.

Growth, social protection and rural poverty reduction – getting the balance right

For some countries, rural areas will continue to contain the majority of poor for many decades, and most of these live in areas weakly-integrated into markets, so that the size and timing of impacts from growth in better integrated areas are uncertain.

For those unable to engage directly in productive activity (the sick and elderly; orphaned children; women with many dependents) social protection in the form of resource transfers of various kinds – such as feeding schemes, food subsidies, pensions, sickness benefits and so on – appear to be the most direct way of tackling poverty, and Rights-based Approaches to development help to identify relevant entitlements. But

‘even those who can engage in productive activity, either as own-account producers or labourers, are vulnerable to risk and uncertainty’

measures such as these are unattractive to donors – not least since ‘exit’ strategies are difficult to devise. In addition, national budgets are severely limited, resource transfers are difficult to deliver to weakly integrated areas, and levels of leakage are high.

But one of the main lessons from the design and implementation of Sustainable Livelihoods approaches (in which RPEG has been intimately involved over the last five years) is that even those who can engage in productive activity, either as own-account producers or labourers, are vulnerable to risk and uncertainty of many different kinds. The range of options has been explored in a new Natural Resource Perspectives Paper No 79 (John Farrington and Research Associate Gerry Gill). Various conventional types of social

protection – such as crop insurance schemes – can be improved to reduce vulnerability, but much RPEG work has been identifying additional, more nuanced and more sustainable, ways in which essentially growth-promoting strategies might be given added dimensions of social protection.

For instance, a major DFID and Sida-funded study has sought to identify how agricultural extension can better address poverty and vulnerability (John Farrington, Research Associate Ian Christophos). It has argued that extension alone can do little unless agricultural policies are centred more directly on the labour economy – as a first requirement, they need to focus more explicitly on increasing returns to labour and providing more employment, especially in ‘slack’ periods, without compromising competitiveness. They also need to pursue more vigorously the opportunities for niche marketing of high-value, low weight products from remote areas, promote community-based social protection such as might be achieved through watershed rehabilitation, and identify new crop and livestock types that provide income and jobs, especially in slack seasons. Work on seed production and marketing systems in the mid-hills of Nepal (Rob Tripp) demonstrates how this can be done. Research into emergency seed provisioning in southern Somalia, southern Sudan, northern Uganda and Mozambique by ODI in collaboration with ICRISAT and Catholic Relief Services (Catherine Longley) provides another persuasive example, demonstrating that seed inputs provided by humanitarian operations have little impact on the longer-term food security of rural populations. Donors and NGOs have responded to the findings, so that ‘seed fairs’ now allow farmers to access seed already available within communities – so giving them varieties more relevant to their needs and at the same time

RPEG Staff

Caroline Ashley
Roger Blench
Robert Chapman
Sylvie Cordier
Alana Coyle
Elizabeth Cromwell
Fiona Drysdale
Sophie Evitt*
John Farrington
Leah Goldberg
John Howell
Karim Hussein
Livia Iotti
Craig Johnson
Catherine Longley
Peter Newborne
Alan Nicol
Tom Slaymaker
Daniel Start
Robert Tripp
John Young

Dissemination via the *Natural Resource Perspectives* series

The NRP series has broadened its scope in recent years: whilst maintaining the successful format of 12 issues/yr of 4- or 6-page papers, the themes covered have moved on from narrowly sector-specific issues to wider questions such as globalisation and rural development, the ‘mainstreaming’ of cross-cutting issues in sector programmes, and the complementarities of rights-based and livelihoods approaches. In addition to renewed support from DFID, some additional funding from Sida has been agreed for 2002.



*joined between 31 March 02 and 31 May 02

and Environment



Landscape: Growing wheat on the banks of the holy river Narmada in Central India (Dan Start)

stimulating demand on local producers. Similarly, work on biodiversity conservation on farm and within communities (Elizabeth Cromwell) addresses how farmers can be supported in achieving the right balance between the enhanced productivity of new varieties, and the contributions to livelihood security made by traditional materials. New work in this area, funded by the

Darwin Initiative, GTZ and others, seeks new ways of scaling up support for grass-roots agricultural biodiversity conservation in eastern and southern Africa.

Working out how to combine growth with rural poverty reduction lies at the heart of work in pro-poor tourism. As the roles of communities and the private sector change through the growing commercialisation of wildlife, wilderness and the forest in southern Africa (Caroline Ashley with IDS), questions arise over whether and how the poor can genuinely participate, and whether simultaneously their access to wild resources as a buffer against 'shocks' is being eroded. Similar questions, on the appropriate balance between growth and wider participation, are being addressed (Caroline Ashley with UEA) in areas adjacent to the Selous Game Reserve in Tanzania. At the same time, practical measures to strike a better balance for the poor within tourism development are being disseminated internationally, and particularly through closer engagement with the private sector (Caroline Ashley).

RPEG's work on water addresses many similar issues regarding vulnerability and security of the poor, locating them squarely in concepts of public and private goods: the Secure Water initiative (Alan Nicol, Tom Slaymaker, Sylvie Cordier) is analysing the complexities of community, household and individual demand on the resource, the nature of political environments and their influence on access, and the wider concerns of linking the financing of water supply to an understanding of vulnerability and the ability to pay.

Rural poverty reduction: good ideas – problems with implementation

Increasing the poverty-focus of public investment and service delivery decisions is high on the agenda of Poverty Reduction Strategy (PRS) processes among the Highly Indebted Poor Countries, and it is clear from recent research (John Young) that there is abundant scope for getting the results of research more fully implemented into policy processes. ODI research indicates a number of shortcomings in the PRS papers produced so far: many represent little more than 'wish lists', with little clear indication of prioritisation or sequencing. Nor do they indicate how implementation procedures might be improved beyond existing levels of severe inadequacy. Lessons from the implementation of poverty-targeted schemes in countries such as India (see Box, p.19) are likely to be relevant to HIPC countries. In other work relevant to implementation, RPEG (Peter Newborne, Tom Slaymaker) is leading a DFID-funded research and advisory project focusing on water supply and sanitation needs in five sub-Saharan African countries, to increase understanding of water and poverty issues, and make the case for better targeted, funded and monitored water and sanitation programmes.

RPEG work on emergency seed provisioning (Catherine Longley) explores other aspects of this 'political economy' of implementation; at least 30% of annual commercial seed sales in Kenya and Uganda are thought to be destined for



Backyard vegetable gardening provides an important source of cash income in rural India (Dan Start)

A 'post-Washington Consensus' on Rural Development?

Rural development has been central to the development 'project' since the 1960s, but rural poverty persists and funding is falling: a new approach is being sought by governments and development agencies. Work at ODI identifies a kind of 'Washington Consensus' on rural development, largely market-driven and strongly focused on small farm development as the leading sector. A new approach builds on this, but recognises the constraints to agricultural growth and in particular to small farm growth. Complementary components of a post-Washington Consensus will include emphasis on agriculture, and also on the non-farm rural economy, safety nets, and improved governance in rural areas. Special measures will be needed for weakly integrated areas and for rural areas affected by chronic conflict. These themes need to be carried through into programmes which remain realistic where implementation capacity is poor – and need to be inserted into Poverty Reduction Strategies and sector-wide approaches supported by donors.

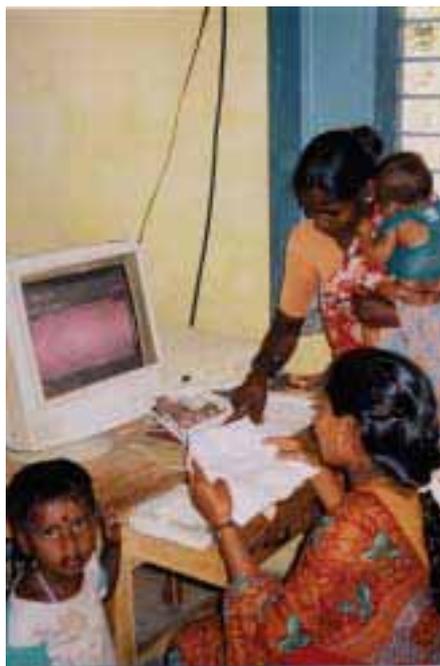
'Rethinking Rural Development': a special issue of *Development Policy Review*, December 2001



Rural Policy and Environment

relief purposes. A careful distinction between situations of political instability and those of agroclimatically-induced emergency is necessary. Relief agencies have tended to use in both situations the procurement and provisioning procedures developed for the former. When applied, for example, to recurring drought situations, these remove any incentive for seed companies to find out what farmers want and market it themselves – and the evidence shows how farmers can vary their specifications according to agro-climatic conditions. Intensive efforts will be needed to change attitudes and procedures if the prospects of broadening seed variety options, making seed provision more relevant and basing it on sustainable market conditions are to be enhanced.

In general, improvements in the implementation of public investment decisions and service delivery appear unlikely to fall squarely into existing concepts of 'state' or 'market'. As last year's annual report argued, a range of multi-agency partnerships in delivering agricultural technology in West Africa (Roger Blench, Robert Chapman, Tom Slaymaker) indicate the complex alliances blurring traditional divides. New research this year into a Rural Enterprise Technology Facility (Robert Tripp, Gerry Gill, John Farrington, with NM Rothschild and Cambridge Economic



The MS Swaminathan Research Foundation has connected 10 remote villages in Tamil Nadu to a centrally managed information hub (Rob Chapman)

Policy Associates) indicates how DFID might support public-private partnerships to leverage some of the technologies being developed in the commercial sector towards the needs of low income farmers. Further compelling evidence is provided from South Africa (John Howell), where research on a range of produce markets in SACU countries has drawn attention to the role of 'market failure' in exacerbating the problems of market access for the poor. Working with producers and their unions on the one hand, and agents, processors and industry representatives on the other, Howell produced a proposal for a grant facility to assist efforts to develop commodity markets (and business services) in collaboration with private sector initiatives. The proposal – to DFID – has been accepted and the programme will be established during 2002.

The crucial role of communications in improving the implementation performance of pro-poor policy is highlighted in a number of studies, including a DFID-supported strategic programme with FAO for information in support of sustainable livelihoods (John Young; Robert Chapman, Tom Slaymaker), and further work with FAO to identify how its information system can be used more fully in support of sustainable livelihoods (Karim Hussein, Robert Chapman, Tom Slaymaker). Another is research on the development of Community Knowledge Partnerships (CKPs – Robert Chapman, Roger Blench) which offer the potential for implementing public investments in information communication technologies in ways more closely relevant to local needs. Finally, questions of measurement and interpretation are important and are being explored in a study on livelihoods-based interpretations of food insecurity, nutrition surveillance and food policy undertaken jointly with DFID and FAO (Karim Hussein with Tom Slaymaker, Simon Maxwell).

Politics and the design and implementation of poverty reduction policies

Poverty reduction is not an apolitical process – and politicians will have to balance gains by one social group against possible losses by others. These dimensions of politics implicitly underpin much of RPEG's work, but are explicitly on the agenda of several studies. One examines how rural producers' organisations can be



The Veerampattinam fishing community in South India receives weather reports via email through a spread-spectrum radio mast to a solar powered computer and broadcasts the information via loudspeakers (Rob Chapman)

supported to influence policy (Karim Hussein). A further study (Karim Hussein, David Brown, Catherine Longley) argues that the formation of informal groups around techniques such as Participatory Rural Appraisal should not be allowed to

The Agricultural Research and Extension Network (AgREN)

ODI will continue to co-ordinate the Agricultural Research and Extension Network (AgREN). AgREN has approximately one thousand members and publishes full-length papers and a newsletter twice a year. DFID will extend its support of the network for a further three years. In addition to its traditional concerns with the methods and technologies of pro-poor agricultural development, AgREN will pay particular attention to the implications of three factors: globalisation, the reform of public service delivery, and rural livelihood diversification.



Poverty programmes in India: the implementation 'deficit'

Nowhere is the gap between conceptualisation of poverty-targeted policies on the one hand, and the quality of their implementation on the other, more starkly illustrated than in India. Over 100 rural poverty reduction schemes are sponsored by central government, addressing income transfer, environmental rehabilitation, employment creation and support to self-employment. The total annual budget for these, once State-level contributions are added in, amounts to over £7bn, equivalent to more than £100 per household per year classified as falling below the poverty line. Yet, as recent research under RPEG's major Livelihood Options study (John Farrington, Craig Johnson, Daniel Start, Caroline Ashley) shows, the combination of low draw-down on these by the States, political manipulation, and rent-seeking of various kinds means that in many cases only some 20%–30% of allocated funds actually reach intended beneficiaries. Wide variations among schemes exist, with those allocated in small, regular amounts through robust channels (such as pensions paid through the post office) attracting far less political and rent-seeking attention than those paid in large lump sums. There is abundant scope to increase the coverage of those that are better implemented – for instance, pensions coverage is currently well below 10% of the eligible poor – but this will take long-term pressure. Certainly, politicians are far from willing to 'champion' schemes that offer little scope for patronage, as their recent rejection of proposals to increase the allocation to pensions demonstrates. The early analysis of other data from this study shows the numerous ways in which poverty-focused initiatives are either developed or taken up as part of political parties' manoeuvring in the face of opportunities or threats – evidence of the relationship at many levels between politics and poverty-targeted provisions. This underlines the need for senior administrators to pursue dual strategies of searching for political 'pegs' on which to hang new poverty-focused initiatives, and at the same time of pressing over the long term for the improvement and expansion of existing measures. What is clear is that HIPC countries potentially have much to learn from India as they begin to prioritise and implement poverty-focused measures.

deflect attention from the need for formalised means of designing and implementing locally-relevant change, such as political and administrative decentralisation, the empowerment of women and the formal recognition of local organisations such as producers' associations. Another is work in southern Africa to examine problems and opportunities in the decentralisation of water management, which has thrown into sharp relief the tensions between management imperatives and political demands (Alan Nicol), a tension echoed in work on the relationship between newly-strengthened local government, the public sector, and local resource-users' associations in community-based natural resource management in India (John Farrington, Research Associate Pari Baumann). Many of these ideas are approached from a different context in a set of studies attempting to link livelihoods approaches with political economy analysis in situations of chronic conflict and political instability, scheduled for publication as a set of ODI Working Papers in December 2002 (Karim Hussein, Catherine Longley).

In some instances, political tensions at much higher levels impede the prioritisation and implementation of pro-poor policy. For instance, RPEG's Water Policy Programme has been pressing for the funding of transboundary water management, and at the Bonn

International Conference on Freshwaters in December 2001 proposed an International Shared Waters Facility which, as one of its core aims, would provide a platform for innovative financing options. Specifically in relation to the Nile Basin Initiative, Alan Nicol is providing advice to DFID on ways in which the Initiative can address poverty and build participation in countries such as Ethiopia and Sudan.

Are project approaches a dying breed?

Finally, and with reference back to questions of prioritisation and implementation of pro-poor policy, a study for Sida on three of their large, long-term Area Development Projects (Cambodia, Ethiopia, Zambia – John Farrington, Roger Blench, Research Associate Ian Christoplos and others) argued that ADPs can and should be strengthened in design and implementation to address poverty more directly, and to feed lessons on what modes of implementation work locally and how, into higher-level processes of the identification of priorities for poverty reduction. Increasing donor interest in PRSPs and budgetary support will generate a dilemma: resources are likely to be shifted out of project modes at the same time as the demand for lessons from solid experience of this kind increases.

'Poverty reduction is not an apolitical process – and politicians will have to balance gains by one social group against possible relative losses by others.'

'The crucial role of communications in improving the implementation performance of pro-poor policy is highlighted in a number of studies.'

'In some instances, political tensions at much higher levels impede the prioritisation and implementation of pro-poor policy.'

Tropical forests are a powerful emblem in the policy arena and have come to symbolise international concerns about the fate of the planet. They have value globally but must also serve national interests and the needs of the poor and vulnerable. What can we learn from the forest sector about wider issues of public governance?

Forests and Public Governance

Recent international policy interest has moved away from examining forest sector issues in their own right to focusing on forests as one dimension of the management of global and national public goods. Tropical forestry has begun to be recast in a wider frame of reference, as a sector that can provide important insights on the theme of public governance. FPEG's established concerns with public participation in forest management at international, national and sub-national levels make it well-placed to take this theme forward. Our underlying concern is

'Nearly three-quarters of the hardwood exported from Honduras and Nicaragua is estimated to have been cut illegally. The high costs of compliance with the present regulations and a lack of resource rights force many small-scale producers into illegality.'

with the implications of these changes for the well-being of the poor and vulnerable.

Forests and pro-poor policy

One requirement for sound governance is effective regulation. However, ensuring that regulation treats all forest stakeholders equitably is a challenging task. Diverse actors are involved, who often differ



Forests provide a wide range of products for rural people – Some of the 50 female bushmeat traders at Techiman market, Ghana (David Brown)

widely in their power and interests.

FPEG is investigating the illegal timber trade in Central America. Nearly three-quarters of the hardwood exported from Honduras and Nicaragua is estimated to have been cut illegally. The high costs of compliance with the present regulations and a lack of resource rights force many small-scale producers into illegality. Attempts to regulate the trade so far have increased opportunities for rent-seeking behaviour, and diminished the credibility of the regulatory system. FPEG is working with partners in Honduras and Nicaragua to assess the governance and poverty impacts of this trade. A process of national consultation and dialogue is being generated. An important issue already identified is the need to ensure that information is available in accessible formats for politicians, NGOs, *campesinos* and other agents of change. (Adrian Wells and Michael Richards, Research Associates: Gavin Hayman of 'Global Witness', Filippo del Gatto and other Central American researchers).

Accountability and transparency within the forest sector

Good governance in the forest sector requires increased public accountability and transparency of forest management. Cameroon is a country that has been trying to improve both. The 1994 Forest Law allowed communities to take on the management of state forest lands for a variety of commercial and livelihood purposes. FPEG has been researching the new law, and investigating its effects on forest-dwelling populations. The Cameroon case shows how the policy development process requires both supply-side pressures, from donors and others agitating for policy reform, and demand-side pressures to build accountability from below. The linkages being made to the new architecture of international aid (such as poverty reduction strategies) also provide an important additional lever for change and a means of generating commitment to the reform process.

A number of recent FPEG publications have dealt with the Cameroon case and have considered its wider policy relevance. (David Brown and Kate Schreckenbergh).

Decentralisation and environmental governance

What roles can rural populations play in the management and mitigation of

FPEG Staff

Neil Bird*
David Brown
Cheryl Chesters
Vicky Pett
Michael Richards**
Kate Schreckenbergh
Gill Shepherd
Adrian Wells

*joined between 31 March 02 and 31 May 02

**left during the period of this Report

and Environment

environmental change? Ongoing FPEG research in the Brong-Ahafo Region of Ghana is examining this issue. Themes being studied include how rural populations perceive resource degradation, how problems are articulated, and how conflicts are addressed. In Ghana (as elsewhere in the tropics), responsibility for the management of the natural environment is increasingly being transferred from central to regional and district authorities. But this in turn raises the question of how, and from what sources, information feeds into public policy on the environment. Research work with decentralised local governments is seeking to build platforms for change which help local interest groups to articulate their interests, and make elected representatives more responsive to their concerns. (David Brown and Michael Richards with Research Associate Kojo Amanor).

Public participation

In recent years participatory methodologies such as 'participatory rural appraisal' (PRA) have been much in vogue. They are advocated both as low-cost research techniques and as a way of empowering local people to take charge of their own development. A new ODI book examines the use of PRA methods by a range of programmes in The Gambia. Overall, a rather mixed picture emerges. PRA has had a number of positive effects, particularly for support agencies. On the other hand, it is almost never used independently by villagers and is unlikely to be sustained once the support agencies

Dissemination

Effective dissemination to policy-makers and forestry practitioners is a central feature of all of FPEG's work. The main vehicle for this is the Rural Development Forestry Network. In the past year, the RDFN has built up a major electronic archive on rural development forestry. Beginning with the fuelwood theme, and shortly to be followed by items on social forestry, a selection of the best of ODI's forestry grey literature collection is being made available on the website.

RDFN CD-ROM

FPEG's new CD-ROM represents an archive of literature on people-centred forestry, including the last 16 years of RDFN papers as well as other ODI forestry publications (in English, French and Spanish).

Rural Development Forestry Network (RDFN)

The latest set of RDFN Papers bring to international attention the challenges faced and solutions found in implementing community forestry in Cameroon, a country with very high value forests. The set contains 16 articles by 40 international authors. It is complemented by *ODI Natural Resource Perspectives Paper 75*, 'From Supervising 'Subjects' to Supporting 'Citizens': Recent Developments in Community Forestry in Asia and Africa'.

Forestry Briefings

This is a new series of briefing papers, presenting current issues in forest policy. The first in the series is on 'Forests as an Entry Point for Governance Reform'.



withdraw. One of the strengths of the tools – their ability to condense ideas and convey messages from (often non-literate) community members to those who seek to support them – also allows them to be used in contrary fashion, to help impose central decisions on communities. There are a number of policy conclusions. Donors need to focus their attention much more closely on questions of institutional structure and systems than on the promotion of particular tools and methodologies. Where the techniques are employed, they are more likely to be

effective when they start from modest beginnings and are unencumbered by other demands. This is likely to be in small experimental organisations, with restricted ambitions, rather than large multi-functional ones. (David Brown, RPEG Research Fellows: Karim Hussein and Kate Longley, Research Associates: Mick Howes and Ken Swindell, and staff of four participating agencies in The Gambia).

Local people and global public goods

International public interest in tropical forests has, over the last decade, focused on the need to secure the future of forests from the perspective of global public goods. This has tended to marginalise the interests of those who depend on these forests for their livelihoods. FPEG was commissioned by WWF to review its policies in the light of the needs of local people. A framework for learning more about communities' capacity to manage forest was created, and the usefulness of landscape-level analysis as a tool tested in field sites in Malaysia and Indonesia. This FPEG study has pointed to the considerable gap between policy and field-practice, unmediated by good monitoring or evaluation procedures. The study has made it clear that without these links the updating of policy is of limited value. (Gill Shepherd, with Research Associate Helen O'Connor).



Increasing the local value added – Baka forest dwellers learning to use a portable saw, Southern Cameroon (David Brown)

To communicate ODI's research as widely and effectively as possible, ODI is committed to a wide-ranging public affairs programme aimed at reaching policy makers and influencing public debate.

ODI Website

The ODI website (www.odi.org.uk) is central to ODI's communications and public affairs programme. Over the past year, on average, daily visitor numbers have doubled, reaching 1,300 in April 2002, while total monthly hits now exceed 500,000, and the numbers are increasing every month.

A major redesign of the site has been implemented, updating the appearance of the main pages and simplifying navigation routes through the website. The home page is updated every few days, promoting current meetings and events, the latest publications, and other ODI news, with links across the site. Apart from the home page, the most requested pages are those related to publications, meetings, research groups and recruitment. *Briefing Papers* and *Natural Resource Perspectives* attract more than 500 visits per month, and the full text versions of Working Papers and other reports are very popular. Sound 'clips' from some ODI meetings are now accessible, and the first video 'clips' will be added shortly.

Publications

Printed publications are of course another major part of ODI's output. This year we published eight new books, three in association with external publishers, and 22

new Working Papers, also available electronically from our website. *Briefing Papers* remain popular and are mailed out free of charge to more than 5,000 recipients worldwide, with many additional online readers. This year we launched a new series of short *Opinions* papers, signed essays by ODI researchers, as a contribution to key development debates. The first six were focussed on the effective use of aid, in response to a the UK Chancellor Gordon Brown's call for a doubling of aid expenditure.

The two journals *Development Policy Review* and *Disasters*, published in association with Blackwell Publishers, have had an encouraging year, and the *Development Policy Review* has moved up to five issues per year. Both journals now regularly publish special thematic issues, with 'Emerging Perspectives on Disaster Mitigation and Preparedness' in *Disasters* and 'Rethinking Rural Development' in *Development Policy Review*. The publishers are promoting the journals worldwide with a particular new focus on electronic subscription access for libraries and development agencies, as well as additional individual subscriptions.

Meetings and Seminars

Meetings are also a key component of ODI's communications programme. This

Public Affairs and Publications Staff

Anna Brown
Daniel Demie
Diana Evans
Sophie Evitt**
Peter Gee
Pippa Leask
Lisa Thyer**
Roselyn Wright**

Library Staff

Kate Kwafo-Akoto

**left during the period of this Report



and Information



John McCarthy speaks in the Forestry and Environmental Governance series

year there have been three series of well-attended meetings, on 'Rural Development and Food Security: Towards a New Agenda', 'Globalisation - The True Story', and 'Environmental Governance and the Forestry Sector'. Evaluation responses from the varied constituency of participants including MPs, journalists, DFID staff, development consultants, researchers and NGO representatives have confirmed that the forum they have provided for debate and dissemination of development research is widely appreciated. Two major new series, on the politics of development and on Africa's development prospects were to take place in summer 2002.

Outside the main series, other meetings have focused on aid effectiveness, world commodities prices, and aid agencies and the military in humanitarian response. ODI also hosted a seminar, 'The Francophone experience of PRSPs' with DIAL representatives from France.

A summary of each meeting is rapidly published on the ODI website, opening debated topics up to a much wider constituency, not least to those outside London. Full details of all meetings are listed on page 32.

Media

Working with the print and broadcast media is a challenging part of ODI's communications programme. We regularly receive and respond to many diverse enquiries from journalists and researchers. These often result in interviews, which in the past year have included appearances on various *BBC* and *BBC World Service* radio programmes, and a live television appearance on *CNN*. In the press, highlights included a substantial opinion editorial piece about aid in the *Guardian* by Simon Maxwell, and coverage of the appointment of Baroness Jay as ODI's new Chair in the *Financial Times*.

Parliament

ODI's work with parliament ranges from providing advice to parliamentary committees to supporting the All Party Parliamentary Group on Overseas Development. Meetings of the Group, organised by Adrian Hewitt, have been attended by politicians, academics, business people and NGOs. Speakers have included Cheryl Carolus, South African High Commissioner in London, on 'Drugs, Development and AIDS: After the Courts'; Sara Parkin, Chair of the Real World Coalition, on 'Sustainable Development: Logical New "Order" for the World?'; Per Pinstrup-Andersen, Director General of the International Food Policy Research Institute, on 'Achieving Food Security for All in the Shadow of International Terrorism'; Sir John Vereker, retiring Permanent Secretary of the Department for International Development; Cecilia Valdivieso, of the World Bank's PREM Gender and Development Group, on 'The World Bank's Gender Mainstreaming Strategy'; Tony Killick, Adrian Hewitt and Patrick Smith on Africa; Ahmad Fawzi, of the UN London Office, on Afghanistan; and the Stop AIDS campaign. Meetings later this session will include the Rt Hon Gordon Brown MP on 'Funding for Development - post Monterrey', the Trade Justice lobby, Pascal Lamy, EU Trade Commissioner on EU trade policies and the developing world, George Soros, on his proposal for a special issue of SDRs, and Ruud Lubber of the UN High Commissioner for Refugees.

The International Development Committee was briefed twice this year by ODI. One session (October) was on trade, aid and humanitarian policy in the wake of 11 September, represented by, variously, Margie Buchanan-Smith, Sheila Page, Adrian Hewitt and Simon Maxwell; the other, following a post-Monterrey ODI submission on Financing for Development (April) was composed of ODI staff, Simon Maxwell and John Roberts.

Library and Information Centre

Much has been achieved in transforming the library into a largely electronically-based information centre. Staff have access to key journals online and many economic and statistical data sources on CD. The remaining hard copy collection of 16,000 documents is augmented by document supply services, notably from the British Library.

'The ODI website (www.odi.org.uk) is central to ODI's communications and public affairs programme. Over the past year, on average, daily visitor numbers have doubled, reaching 1,300 in April 2002, while total monthly hits now exceed 500,000, and the numbers are increasing every month'.

'ODI's work with parliament ranges from providing advice to parliamentary committees to supporting the All Party Parliamentary Group on Overseas Development'.

This has been a significant year for the Fellowship Scheme. A record 23 Fellows were posted, including several new and significant placements. At just under £967,000 the core grant awarded by DFID was the highest ever and there was a positive Triennial Review.

Of the 23 Fellows we posted in 2001, 15 were British, 3 Spanish, 2 Italian, 2 Irish, and 1 Norwegian. The gender breakdown was 11 women and 12 men. Of the placements made, 5 were new to the Scheme: Zambia Revenue Authority, United Nations Economic Commission for Africa (Ethiopia), Department of Public Enterprises (South Africa), Environmental Protection Agency and the Ministry of Foreign Trade & International Cooperation (both in Guyana).

**'ODI Fellows have had an enormous impact on capacity building in the economics programme of the directorate'.
Ministry of Environment & Tourism, Namibia.**

We have continued to increase our presence in regional organisations and now have four Fellows working in these areas: South Pacific Applied Geo-science Commission and Pacific Islands Forum Secretariat (both in Fiji), Caribbean Development Bank (Barbados) and United Nations Economic Commission for Africa (Ethiopia).

Fellowship activities

Fellows continue to play a significant role in policy development, formulation and implementation. The following examples indicate areas in which Fellows are currently, or have been recently working:

- Preparation of the Medium Term Expenditure Framework (MTEF) Development Budget for 2002-2003 (Rwanda).
- Preparation of the Interim National Poverty Reduction Strategy Paper (PRSP) and monitoring of existing PRSP (Rwanda and Uganda).
- Designed a strategy for the privatisation of state industry, including proposed

Triennial Review

DFID's Triennial Review of the Fellowship Scheme was undertaken by Jean-Pierre Cling (Director of DIAL). The report concluded that the Scheme fills an important role in terms of capacity building in developing countries by providing dedicated people to support developing country governments in key sectors and also plays an important role in providing experience to young development professionals. Some of the recommendations to come out of the review related to the Scheme's emphasis on capacity building and skills transfer.



Leonardo Iacovone, Ministry of Agriculture & Rural Development, Mozambique

- sector structure and divestment strategy (South Africa and Lesotho).
- Forecasting the impact of the implementation of the SADC Regional Trade Protocol (Mozambique).
- Elaboration of stronger regional trade agreements (PICTA in the Pacific and CARICOM SME in the Caribbean)

New Directions

A new scheme to be run by ODI and funded by the Commonwealth has recently been established with the aim of placing postgraduate economists from Commonwealth countries in international trade posts, initially in the Pacific. Particular attention will be paid to countries in the process of accession to the WTO by providing technical capacity to help formulate policy and to enhance

**'Fellows have played an important role in providing economic analysis and in policy formulation...the scope of work provided by the ODI Fellows over the past ten years .. has made a valuable contribution to the Government'
Internal Revenue Commission, Papua New Guinea.**

negotiating capacity in trade talks with the WTO, and also with EU under the new economic partnership agreements. The new scheme is being piloted in the Pacific where we are targeting Fiji, Papua New Guinea, Tonga and Vanuatu. We expect to place up to 5 people under this the pilot phase.

We received a record number of applications for 2002-2004 Fellowships - 234 in total (compared to 172 the previous year). This resulted in a much higher number of applicants being interviewed (70 in total) and it is hoped that we will be able to offer approximately 30 awards (including the 5 proposed awards funded by the Commonwealth in the Pacific) this year. In line with previous years' trends, we



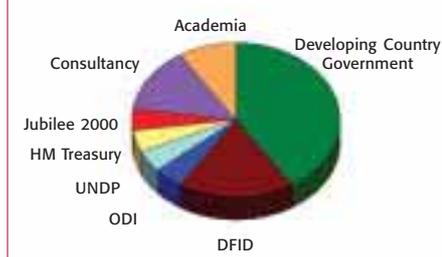
2001-2003 Fellows

Fellowship Scheme Staff

Susan Barron
Adrian Hewitt
Kate Burke

Fellowship Scheme

1999–2001 Fellows: where are they now?



received the majority of applications from LSE, SOAS, UCL, Cambridge, Oxford and Sussex, but significant numbers of applications from Manchester, Nottingham and Reading also featured highly this year. We also received applications from an even wider range of nationalities.

Career Prospects

On completion of their assignments, Fellows have gained highly relevant experience and are in great demand by potential employers. The majority of Fellows continue to follow a career in development.

Suma Chakrabarti (ODI Fellow - Ministry of Works & Communications, Botswana, 1981–86) was appointed Permanent Secretary of the Department for International Development (DFID) in February 2002. An earlier Former Fellow, Andrew Turnbull (Ministry of Commerce, Industry & Foreign Trade, Zambia 1968–70) has recently been named Cabinet Secretary and Head of the UK Civil Service.

Future Developments

We are planning to continue to expand the scope of the scheme, adding new countries for 2002 including, we hope, Ghana, Botswana, and under Commonwealth support, Vanuatu and Tonga. Next year we are planning in conjunction with the Commonwealth Secretariat to expand their funding to trade posts in Africa and the Caribbean and to bring in EU funding.

The Fellowship Scheme website has recently been revised in conjunction with the modernisation of ODI's main website. It has resulted in a more user-friendly and informative site with feedback from fellows and news bulletins introduced as some of the new features. 2003 also marks the fortieth anniversary of the Scheme and we hope to arrange an event to celebrate the occasion.

Fellows in post at April 2002

Africa

Ethiopia

Maria Teresa Iruzun-Lopez, Economic and Social Policy Division, United Nations Economic Commission for Africa

Lesotho

Gaimin Kamaray, Research Department, Central Bank of Lesotho

Adrian Nembhard, Privatisation Unit, Ministry of Finance, Lesotho

Shruti Patel, Research Department, Central Bank of Lesotho

Malawi

Sutapa Choudhury, Ministry of Education

Hannah Galvin, Department of Economic Affairs, Ministry of Finance

Ian Gillson, Tax Policy Unit, Ministry of Finance

Matthew Robinson, Planning Department, Ministry of Health

Mozambique

Elena Arjona Perez, Ministry of Planning and Finance

Bruce Byiers, Macroeconomic Programming Division, Ministry of Planning and Finance

Mafalda Duarte, Planning Department, Ministry of Education

Leonardo Iacovone, Ministry of Agriculture and Rural Development

Alex Warren, Directorate of Customs Policy and Procedures, Mozambique Customs Service

Namibia

Evelyn Dietsche, Debt Management Unit, Ministry of Finance - Treasury

Richard Miller, Department of Water Affairs, Ministry of Agriculture, Water and Rural Development

Helen Suich, Directorate of Environmental Affairs, Ministry of Environment and Tourism

Rwanda

Bethan Emmett, Budget Preparation Division, Ministry of Finance and Economic Planning

Susy Evans, Planning Directorate, Ministry of Education

Sarah Hague, National Poverty Reduction Programme, Ministry of Finance and Economic Planning

Christopher James, Directorate of Planning, Ministry of Health

South Africa

Ana Bellver, Department of Public Enterprises

Swaziland

Aruni Muthumala, Budgets and Economic Affairs Section, Ministry of Finance

Gemma Wilson-Clark, Public Policy Coordination Unit, Prime Minister's Office

Tanzania

S.M. Ali Abbas, Policy Analysis Department (Capital Markets), Ministry of Finance

Elaine Baker, Policy Analysis Department, Ministry of Finance

Hazel Gray, External Finance Department, Ministry of Finance

Helen Tilley, Policy Analysis Department (Debt), Ministry of Finance

Uganda

Fiona Davies, Macroeconomic Policy Department, Ministry of Finance and Economic Planning

Giulio Federico, Budget Policy and Evaluation Department, Ministry of Finance and Economic Planning

Lars Moller, Poverty Monitoring and Analysis Unit, Ministry of Finance, Planning and Economic Development

Alessandra Sgobbi, Lands and Environment, Ministry of Finance, Planning and Economic Development

Samantha Smith, Health and Education, Ministry of Finance and Economic Planning

Zambia

Jon Pycroft, Zambia Revenue Authority

Caribbean

Caribbean Development Bank

Marco Petracco-Giudici, Research Department

Guyana

Moortaza Jiwani, Environmental Protection Agency

Gayathri Radhakrishnan, Ministry of Foreign Trade and International Cooperation

Magnus Saxegaard, Debt Management Division, Office of the Budget, Ministry of Finance

Pauline White, Agricultural Project Cycle Unit, Ministry of Agriculture

Pacific

Papua New Guinea

Joshua Jackson, Economic Policy Unit, Department of Finance and Treasury

Andrew Masters, Department of National Planning and Monitoring

Dominic Mellor, Research Unit, Bank of Papua New Guinea

Colette O'Driscoll, Internal Revenue Commission

Mark Slade, Structural Policy and Investment Division, Department of Treasury

South Pacific Applied Geo-science Commission

Owen White, SOPAC, Suva

Pacific Islands Forum Secretariat

Lindsey Block, Trade Division, Suva

Finance

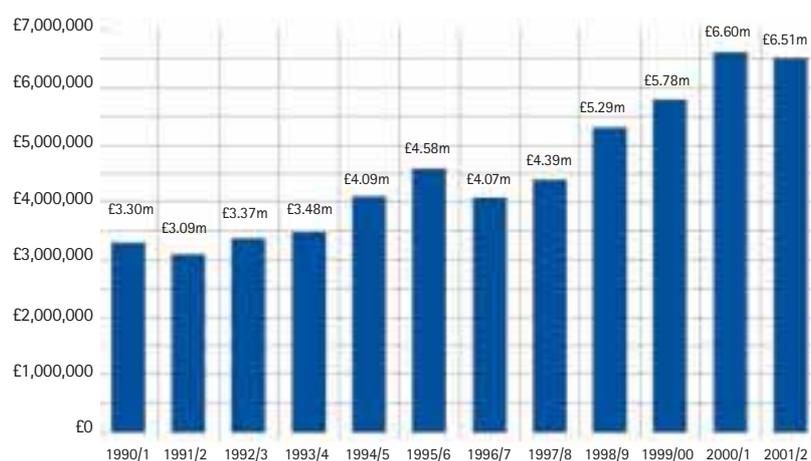
Balance sheet summary

	31 March 2002	31 March 2001
	£	£
Fixed Assets		
Tangible assets	51,385	68,103
Investments (Market Value)	1,160,817	1,039,465
	<u>1,212,202</u>	<u>1,107,568</u>
Current Assets		
Stocks	12,135	17,664
Debtors and cash	1,408,307	1,355,252
	<u>1,420,442</u>	<u>1,372,916</u>
Current Liabilities		
Creditors and accruals	(1,241,079)	(1,105,800)
Net Current Assets	179,363	267,116
Net Assets	1,391,565	1,374,684
Unrestricted reserves	1,391,565	1,374,684

Income and expenditure account summary

	2001/2002	2000/2001
	£	£
Income		
Grants and project finance	6,386,733	6,346,521
Investments income	1,623	822
Donations	47	3,749
Other operating income	118,634	173,036
Total income	6,507,037	6,524,128
Expenditure		
Staff costs and related expenses	2,647,528	2,494,597
Depreciation	42,113	141,277
Research Expenditure and other direct costs	2,279,885	2,179,962
Other operating expenses	567,253	723,265
Meetings, conferences and publications	82,701	150,772
Professional and audit fees	11,154	27,354
Fellowship supplements	880,874	762,520
Total expenditure	6,511,508	6,479,747
Designated fund transfer	27,619	(40,000)
Surplus on general fund	23,148	4,381

ODI Turnover 1990/91–2001/02 (2001/02 prices)



Statement by the Council

The members of the ODI Council confirm that the summarised accounts on this page are a summary of the information extracted from the full annual accounts which were approved on 15 July 2002.

The summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the Institute.

For further information the full annual accounts and the auditors' report and the Report of the members of the Council on those accounts should be consulted. Copies of the full annual accounts may be obtained free of charge from the Institute.

The summarised accounts do not constitute full accounts within the meaning of the Companies Act 1985 and the Charities Act 1993. A copy of the statutory accounts of the Institute, upon which the auditors have reported without qualification, will be delivered to both Companies House and the Charity Commission.

Approved by the members of the Council and signed on their behalf by the Chair, Baroness Jay, 15 July 2002.

Statement by the Auditors

We have examined the summarised financial statements of the Overseas Development Institute. The members of the Council are responsible for preparing the summarised financial statements in accordance with the recommendations of the charities SORP.

Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full financial statements and Council Report. We also read the other information contained in the summarised annual report and consider the implications for our report if we become aware of any apparent mis-statements or material inconsistencies with the summarised financial statements.

We conducted our work in accordance with Bulletin 1999/6 'The Auditors' statement on the summary financial statement' issued by the Auditing Practices Board for use in the United Kingdom. In our opinion the summarised financial statements are consistent with the full financial statements and the Council Report of the Overseas Development Institute for the year ended 31 March 2002.

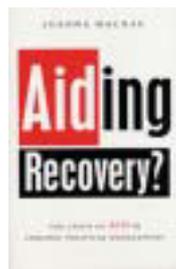
Buzzacott, London, July 2002.

Funders

Action contre la Faim	Ford Foundation	Overseas Development Group, UEA
ActionAid	Foreign and Commonwealth Office	Oxfam GB
Agence Intergouvernementale de la Francophonie	FRR Limited	Oxford Forestry Institute
Agrisystems Ltd	Global Development Network	Oxford Policy Management Limited
Aide à la Décision Economique	Green College, University of Oxford	Planistat Europe
Australian Agency for International Development (AusAid)	HTS Development Ltd	Rockefeller Foundation
British Council	Imani Development (International) Ltd	Royal Danish Ministry of Foreign Affairs (DANIDA)
British Geological Survey	Institute for Development Policy and Management	Save the Children
British Red Cross	Institute of Development Studies, University of Sussex	Scandinavian Project Managers, Stockholm
Bundeskasse Berlin	Inter-American Development Bank	School of Agriculture and Forest Sciences, University of Wales, Bangor
Catholic Agency for Overseas Development (CAFOD)	Intermediate Technology Development Group	Social Development Direct Limited
Cambridge Economic Policy Associates	International Committee of the Red Cross	Steve Jones and Associates, Cambridge
Canadian International Development Agency (CIDA)	International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)	Swedish International Development Cooperation Agency (Sida)
CARE International	International Federation of the Red Cross and Red Crescent Societies	Swiss Agency for Development and Cooperation (SDC)
Center for International Forestry Research (CIFOR)	International Institute for Environment and Development (IIED)	Synergy
Centre de coopération internationale en recherche agronomique pour le développement (CIRAD)	International Rescue Committee (IRC)	UN Office for the Coordination of Humanitarian Affairs (OCHA)
Chaire Mercosur, Institut d'Etudes Politiques de Paris	Japan Bank for International Cooperation (JBIC)	United Nations Childrens Fund (UNICEF)
Chemonics International Inc	Katholieke Universiteit Nijmegen	United Nations Development Programme (UNDP)
Christian Aid	Khanya – Managing Rural Change	United Nations Conference on Trade and Development (UNCTAD)
Commonwealth Secretariat	Kings College London	United Nations Environment Programme (UNEP) – World Conservation Monitoring Centre
Concern Universal	LHA Management Consultants, South Africa	United Nations High Commissioner for Refugees (UNHCR)
Concern Worldwide	London School of Economics and Political Sciences	United States Agency for International Development (USAID)
Conrad Hilton Foundation	Médecins sans Frontières	Universidad Complutense de Madrid (UCM)
CIMMYT, The International Maize and Wheat Improvement Center	Ministry of Foreign Affairs, Germany	University of Reading, International and Rural Development Department
Department for International Development (DFID)	Ministry of Foreign Affairs, Norway	University of Warwick, Politics and International Studies Department
Department of Foreign Affairs, Ireland	Ministry of Foreign Affairs, Sweden	Uppsala University, Sweden
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH	Ministry of Foreign Affairs, Switzerland	Valid International
Development Strategies Sarl	Mokoro Ltd	World Bank
Emerging Market Economics Ltd	Mouchel Consulting Limited	World Food Programme
Environment Canada	Namibia Nature Foundation	World Health Organization
European Association of Development Research and Training Institutes	National Research and Development Council for Welfare and Health (STAKES)	World Vision International
European Centre for Development Policy Management (ECDPM)	Natural Resources International Ltd	WWF-International
European Commission	Netherlands Development Assistance Research Council (RAWOO)	
European Commission Humanitarian Aid Office (ECHO)	Netherlands Ministry of Foreign Affairs	
Economic and Social Research Council (ESRC)	Observatory of Globalization	
Food and Agricultural Organization of the United Nations (FAO)	Office of U.S. Foreign Disaster Assistance (USAID/OFDA)	
	Organisation for Economic Co-operation and Development (OECD)	

Books

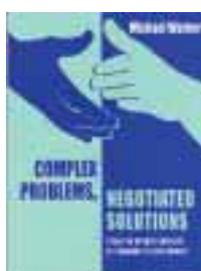
- ALNAP (2002) *Humanitarian Action: Learning from Evaluation: ALNAP Annual Review 2002*. London: ODI
- Ashley, C., Roe, D. and Goodwin, H. (2001) *Pro-Poor Tourism Strategies: Making Tourism World for the Poor*. London: ODI, IIED, ICRT
- Brown, D., Hussein, K., Longley, C., Howes, M. and Swindell, K. (2002) *Participation in Practice: Case Studies from The Gambia*. London: ODI.
- Macrae, J. (2001) *Aiding Recovery: the Crisis of Aid in Chronic Political Emergencies*. London: Zed Books



- Moser, M. and Norton, A. with Conway, T., Ferguson, C. and Vizard, P. (2001) *To Claim our Rights: livelihood security, human rights and sustainable development*. London: ODI
- Norton, A. with Bird, B., Brock, K., Kakande, M. and Turk, C. (2001) *A Rough Guide to PPAs: Participatory Poverty Assessment - An Introduction to Theory and Practice*. London: ODI



- Page, S. and Hewitt, A. (2001) *World commodity markets: Still a Problem for Developing Countries?* London: ODI
- Tripp, R. (2001) *Seed Provision and Agricultural Development: The Institutions of Rural Change*. Oxford: James Currey and Portsmouth: Heinemann
- Warner, M. (2001) *Complex Problems, Negotiated Solutions: Tools and Strategies for Reducing Conflict to Promote Sustainable Rural Livelihoods*. London: ITDG Publishing



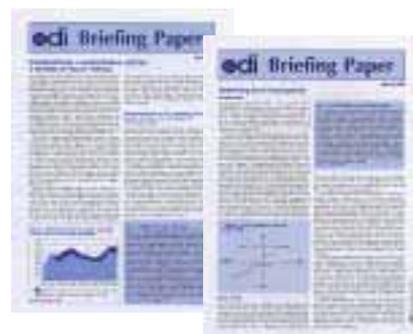
Working Papers



- 144: Extension, Poverty and Vulnerability: Inception Report of a Study for the Neuchâtel Initiative, *Ian Christophos, John Farrington and Andrew Kidd*
- 145: Rights, Claims and Capture: Understanding the Politics of Pro-poor Policy, *Craig Johnson and Daniel Start*
- 146: Complex Problems...Negotiated Solutions: The Practical Applications of Chaos and Complexity Theory to Community-based Natural Resource Management, *Michael Warner*
- 147: The Basic Budgeting Problem: Approaches to Resource Allocation in the Public Sector and their Implications for Pro-poor Budgeting, *Adrian Fozzard*
- 148: The Potential of Using Sustainable Livelihoods Approaches in Poverty Reduction Strategy Papers, *Andy Norton and Mick Foster*
- 149: Towards Accountability: Narrowing the Gap between NGO Priorities and Local Realities in Thailand, *Craig Johnson*
- 150: Extension, Poverty and Vulnerability in Nicaragua: Country Study for the Neuchâtel Initiative, *Ian Christophos*
- 151: Extension, Poverty and Vulnerability in Uganda: Country Study for the Neuchâtel Initiative, *Andrew Kidd*
- 152: Extension, Poverty and Vulnerability in Vietnam: Country Study for the Neuchâtel Initiative, *Malin Beckman*
- 153: Extension, Poverty and Vulnerability in Bolivia and Colombia: Country Studies for the Neuchâtel Initiative, *Alan J. Bojanic*
- 154: Extension, Poverty and Vulnerability in India: Country Study for the Neuchâtel Initiative, *Rasheed Sulaiman and Georgina Holt*
- 155: Extension, Poverty and Vulnerability: The Scope for Policy Reform, *John Farrington, Ian Christophos, Andrew Kidd, with Malin Beckman*
- 156: Social Protection Policy and Practice in Bolivia: Its Implications for Bolivia's Poverty Reduction Strategy Paper (PRSP), *Caroline Moser with Oscar Antezana*
- 157: Sector Wide Programmes and Poverty Reduction, *Mick Foster and Sadie Mackintosh-Walker*
- 158: The Choice of Financial Aid Instruments, *Mick Foster and Jennifer Leavy*
- 159: Safety Nets and Opportunity Ladders: Addressing Vulnerability and Enhancing Productivity in South Asia, *Naila Kabeer*
- 160: Information Communication Technologies and Governance: The Gyandoot Experiment in Dhar District of Madhya Pradesh, India,

- Anwar Jafri, Amitabh Dongre, V.N. Tripathi, Aparajita Aggrawal and Shashi Shrivastava*
- 161: Pro-Poor Growth in India: What do we know about the Employment Effects of Growth 1980-2000? *S. Mahendra Dev*
- 162: Sustainable Livelihoods Approaches in Urban Area: General Lessons, with Illustrations from Indian Case Studies, *John Farrington, Tamsin Ramaut and Julian Walker*
- 163: How, When and Why does Poverty get Budget Priority? Poverty Reduction Strategy and Public Expenditure in Uganda, *Mick Foster and Peter Mijumbi*,
- 164: How, When and Why does Poverty get Budget Priority? Poverty Reduction Strategy and Public Expenditure in Ghana, *Mick Foster and Douglas Zormelo*
- 165: How, When and Why does Poverty get Budget Priority? Poverty Reduction Strategy and Public Expenditure in Tanzania, *Felix Naschold and Adrian Fozzard*
- Effective Participation by Developing Countries in International Governance, Institutions and Negotiations Working Papers Series*
- Bojanic, A. (2001) 'Bolivia Participation in International Trade Negotiations'.
- Bojanic, A. (2001) 'Bolivia's Participation in the UN Framework on Climate Change'.
- Frost, P. (2001) 'Zimbabwe and the UN Framework Convention on Climate Change'.
- Hess, R. (2001) 'Zimbabwe in the WTO and Lomé'.
- Page, S. (2001) 'Developing Countries in GATT/WTO Negotiations'.
- Richards, M. (2001) 'A Review of the Effectiveness of Developing Country Participation in the Climate Change Convention Negotiations'.
- Solignac-Lecomte, H. B. (2001) 'Effectiveness of Developing Countries ACP-EU Negotiations'.

Briefing Papers



- Economic Theory, Freedom and Human Rights: The Work of Amartya Sen (November 2001)
- Rethinking Rural Development (March 2002)
- International Humanitarian Action: A Review of Policy Trends (April 2002)
- Foreign Direct Investment: Who Gains? (May 2002)

Natural Resource Perspectives

- 65: Agri-tourism spatial development initiatives in South Africa: Are they enhancing rural livelihoods?, *Thembele Kepe, Lungisile Ntsebeza and Linda Pithers*
- 66: How have the poor done? Mid-term review of India's ninth five-year plan, *N.C. Saxena*

2001/2002

- 67: Globalisation and livelihood diversification through non-traditional agricultural products: The Mexico case, *Leonel Ramirez Farias*
- 68: Linking development with democratic processes in India: Political capital and sustainable livelihoods, *Pari Baumann and Subir Sinha*
- 69: Sustainable livelihoods, rights and the new architecture of aid, *John Farrington*
- 70: Globalisation and policies towards cultural diversity, *Roger Blench*
- 71: Ethical trading – A force for improvement, or corporate whitewash?, *Andries du Toit*
- 72: Recognising diversity: Disability and rural livelihoods approaches in India, *Janet Seeley*
- 73: Biodiversity management and local livelihoods: Rio plus, *Robin Grimble and Martyn Laidlaw*
- 74: International conservation treaties, poverty and development: The case of CITES, *Dickson*
- 75: From supervising 'subjects' to supporting 'citizens': Recent developments in community forestry in Asia and Africa, *David Brown, Yam Malla, Kate Schreckenber and Oliver Springate-Baginski*
- 76: Devolution and community-based natural resource management: Creating space for local people to participate and benefit, *Sheona Shackleton, Bruce Campbell, Eva Wollenberg and David Edmunds*
- 77: Mainstreaming cross-cutting themes in programme and sector aid: The case of environmental issues, *Gil Yaron and Judy White*

ODI Journals



Development Policy Review

Editor: David Booth

Co-editors: John Farrington, Adrian P. Hewitt, Oliver Morrissey, Caroline O. N. Moser and Tony Killick

Associate Editor: Margaret Cornell

Disasters: The Journal of Disaster Studies, Policy and Management

Editors: Joanna Macrae and Helen Young

Assistant Editor: Corwen McCutcheon

Humanitarian Practice Network (HPN) Papers

- 35: Cash transfers in emergencies: evaluating benefits and assessing risks, *David Peppiatt, John Mitchell and Penny Holzmann*
- 36: Food-security assessments in emergencies: a livelihoods approach, *Helen Young, Susanne*

Jaspars, Rebecca Brown, Jackie Frize and Hisham Khogali

- 37: A bridge too far: aid agencies and the military in humanitarian response, *Jane Barry with Anna Jefferys*

Humanitarian Policy Group (HPG) Reports



- 10: Politics and humanitarian aid: debates, dilemmas and dissension, *Devon Curtis*
- 11: The new humanitarianisms: a review of trends in global humanitarian action, *Joanna Macrae*

HPG Briefing

- 3: Trends in US Humanitarian Policy, *Abby Stoddard*

Agricultural Research and Extension Network (AgREN) Papers

- 113: Farmers' access to natural pest control products: experience from an IPM project in India, *Robert Tripp and Arif Ali*
- 114: Partnership in agricultural extension: Lessons from Chitwan (Nepal), *Gana Pati Ojha and Stephen R. Morin*
- 115: Supporting local seed systems in southern Somalia: A developmental approach to agricultural rehabilitation in emergency situations, *Catherine Longley, Richard Jones, Mohamed Hussein Ahmed and Patrick Audi*
- 116: Dilemmas of agricultural extension in Pakistan: Food for thought, *Dr. Andrew P. Davidson, Dr. Munir Ahmad and Dr. Tanvir Ali*
- 117: The role of forages in reducing poverty and degradation natural resources in tropical production systems, *M. Peters et al*
- 118: Smallholders and niche markets: Lessons from the Andes, *Jon Hellin and Sophie Higman*
- 119: Agriculture and micro enterprise in Malawi's rural south, *Alastair Orr and Sheena Orr*
- 120: Improving the access of small farmers in eastern and southern Africa to global pigeonpea markets, *Richard Jones, H. Ade Freeman and Gabriele Lo Monaco*
- 121: Agriculture and rural livelihoods: Is globalisation opening or blocking paths out of rural poverty?, *Jonathan Kydd*

Rural Development Forestry Network (RDFN) Papers

- 25a: Community Forestry: Facing up to the Challenge in Cameroon

- 25b: (i) The Development of Community Forests in Cameroon: Origins, Current Situation and Constraints. (ii) The Forestry Taxation System and the Involvement of Local Communities in Forest Management in Cameroon
- 25c: Community Involvement in Forest Management: a Full-Scale Experiment in the South Cameroon Forest
- 25d: Towards Participatory Biodiversity Conservation in the Onge-Mokoko Forests of Cameroon
- 25e: (i) The Law, Communities and Wildlife Management in Cameroon. (ii) A Community Wildlife Management Model from Mount Cameroon. (iii) Gorilla-based Tourism: a Realistic Source of Community Income in Cameroon? Case study of the villages of Goungoulou and Karagoua. (iv) Community Hunting Zones: First Steps in the Decentralisation of Wildlife Management. Observations from the Village of Djaposten, Cameroon
- 25f: (i) Small-scale Logging in Community Forests in Cameroon: Towards Ecologically more Sustainable and Socially more Acceptable Compromises. (ii) Attempts to Establish Community Forests in Lomié, Cameroon.
- 25g: (i) The Role of Cocoa Agroforests in Community and Farm Forestry in Southern. (ii) Opportunities and Constraints for 'Community-based' Forest Management: findings from the Korup Forest, Southwest Province, Cameroon
- 25h: (i) Community Forestry and Poverty Alleviation in Cameroon. (ii) A Conservation Partnership: Community Forestry at Kilum-Ijim, Cameroon. (iii) The 4 Rs: A Valuable Tool for Management and Benefit-Sharing Decisions for the Bimbia Bonadikombo Forest, Cameroon.

Effective use of increased aid: ODI Opinions

- 1: Introductory Brief 'ODI Opinions on effective expansion of aid', *Oliver Morrissey*
- 2: Aid effectiveness for growth and development, *Oliver Morrissey*
- 3: More aid? Yes – and use it to reshape aid architecture, *Simon Maxwell*
- 4: Aid and the Millennium Development Goals, *Felix Naschold*
- 5: Aid financing for International Public Goods, *Dirk Willem te Velde*
- 6: Aid in chronic political emergencies, *Joanna Macrae*



ODI Publications 2001/2002

Keysheets for Sustainable Livelihoods



Resource Management

7. Soil fertility and Nutrient Management
 8. Marine Fisheries
 9. Inland Fisheries
- #### Policy Planning and Implementation
4. Gender Mainstreaming
 5. Child Labour
 6. Fighting Corruption
 7. Sector-Wide Approaches
 8. Food Security
 9. Agricultural Biotechnology

Pro-poor Tourism Briefs



1. Pro-poor Tourism Strategies: Expanding opportunities for the poor. *Caroline Ashley, Harold Goodwin and Dilys Roe*. Pro-poor tourism briefing No 1. ODI, IIED, CRT. April 2001.
2. The Tourism Industry and Poverty Reduction: A Business Primer. *Dilys Roe, Harold Goodwin and Caroline Ashley*. Pro-poor tourism briefing No.2. ODI, IIED, ICRT. March 2002.

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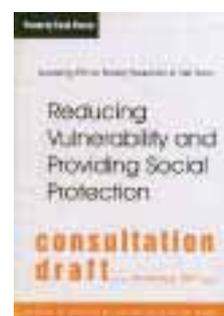
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Meetings 2001/2002

Financing for development: are the UN proposals the answer? January–June 2001

Financing for development: which areas in international finance do we need consensus on in the world economy?

Speakers: Benu Schneider, ODI, John Williamson, Institute for International Economics, Andrew Lewis, HM Treasury, Marcus Miller, University of Warwick, Stephany Griffith-Jones, Institute of Development Studies and David Lubin, HSBC. (28 June)

Rural development and food security: towards a new agenda May–July 2001

Does agriculture still matter, or are there better routes to livelihood security?

Speakers: Colin Thirtle, Imperial College, Joachim von Braun, ZEF, Bonn and Daniel Start, ODI. (16 May)

Globalisation, technical change, and economies of scale: can small farms survive – and if not, what should be done about it?

Speakers: Jonathan Kydd, Imperial College, Michael Lipton, PRUS, University of Sussex and Peter Gibbon, Centre for Development Research, Copenhagen. (23 May)

Beyond safety nets: social protection and livelihood protection

Speakers: John Seaman, Save The Children and Caroline Moser, ODI. (30 May)

Why food security still matters

Speakers: Stephen Devereux and Chris Stevens, Institute of Development Studies, Tim Lang, Thames Valley University and Simon Maxwell, ODI. (6 June)

Beyond the Washington Consensus: new donor perspectives on rural development

Speakers: John Westley, Vice President, IFAD and Philip Mikos, Environment and Rural Development, DG Development, EU. (13 June)

Is there a sustainable agricultural option?

Speakers: Jules Pretty, University of Essex and Barbara Dinham, Pesticides Action. (20 June)

Food trade: the case for a food security box

Speakers: John Madeley, Independent Consultant and Journalist and Duncan Green, CAFOD. (27 June)

Whatever happened to the World Food Summit?

Speakers: Barbara Huddleston, FAO and Edward Clay, ODI. (4 July)

Where next for rural development and food security?

Speakers: Michael Scott, Head, Rural Livelihoods DFID, John Farrington and Simon Maxwell, ODI. (18 July)

Globalisation the true story October–November 2001

Do TNCs reduce poverty?

Speakers: George Monbiot, The Guardian and The Rt Hon Earl Cairns CBE. *Chair:* William Day. (17 October)

Are the Bretton Woods institutions reformable?

Speakers: Alex Wilks, Bretton Woods Project, Dr Ngairé Woods, University College Oxford and David Peretz, Independent Consultant. *Chair:* Sir Tim Lankester. (25 October)

Is the World Trade Organization bad for development?

Speakers: Barry Coates, World Development Movement and Sheila Page, ODI. *Chair:* Charlotte Denny. (31 October)

Who rules? the future of global governance

Speakers: Lord Desai, London School of Economics and Anthony Barnett, Charter '99. *Chair:* Sir Richard Jolly. (7 November)

Do transnationals aggravate conflict? can they be regulated?

Speakers: Philippe Le Billon, ODI and Gavin Hayman, Global Witness. *Chair:* Zeinab Badawi. (21 November)

Can we trust capital markets?

Speakers: Avinash Persaud, State Street Bank and Benu Schneider, ODI. *Chair:* Rupert Pennant-Rea. (28 November)

Rethinking good governance March–April 2002

Breathing life into 'good governance' – what does experience with natural resources tell us about the role of donors?

Speaker: Hilary Benn MP, Parliamentary Under Secretary of State for International Development. (7 March)

Is 'participation' a poor excuse for democracy?

Speakers: Jon Lindsay, FAO and Timothée Fomété, University of Dschang, Cameroon. (12 March)

Does decentralisation harm the poor? Lesson from forestry in Indonesia, and West and Central Africa

Speakers: John McCarthy, Murdoch University and Jesse Ribot, World Resources Institute. (22 March)

'Bad governance' – can global environmental policy make a difference?

Speaker: Gill Shepherd, ODI. (27 March)

Rethinking good governance: what can the forestry sector tell us?

Speakers: Jim Douglas, Senior Forestry Adviser, World Bank, Roger Wilson, Chief Governance Adviser, DFID, Jeff Sayer, retired foundation Director-General, (CIFOR) and now Senior Adviser, WWF International, Richard Tarasofsky, Senior Fellow, Ecologic – Institute for International and European Environmental Policy, Berlin. *Chair:* Andrew Bennett, Chief Natural Resources Adviser, DFID (26 April)

Other meetings, conferences and seminars

Grain markets, food security and the WTO: what future for developing countries?

Speaker: Sophia Murphy, Program Director, Trade and Agriculture Program, Institute for Agriculture and Trade Policy (IATP), Minneapolis, US; C. Stuart Clark, Senior Policy Advisor, Canadian Foodgrains Bank (3 October)

Our responses to Gordon Brown's call for a doubling of aid expenditure

• **Using aid effectively**

Speakers: Oliver Morrissey and Felix Naschold, ODI and Judith Randel, Development Initiatives

• **Raising and allocating increased aid**

Speakers: Simon Maxwell, Dirk Willem te Velde, and Joanna Macrae, ODI

World commodities prices: still a problem for developing countries?

Speakers: Sheila Page and Adrian Hewitt, ODI (27 February)

The Francophone experience of PRSPs

Speakers: Jean-Pierre Cling, Mireille Razafindrakoto and Francois Roubaud, DIAL (28 February)

A bridge too far: aid agencies and the military in humanitarian response

Launch of the HPN Paper 37 by Jane Barry with Anna Jeffreys; *Speaker:* Jane Barry, SCF (28 February)

What does a partnership with Africa mean?

Speaker: Owen Barder, Head of Africa Policy Department, DFID (25 March)

Foreign Direct Investment – who gains?

Speakers: Dirk Willem te Velde, ODI; Oliver Morrissey, ODI (26 March)

Research Specialisations

Research Fellows

Caroline Ashley: pro-poor tourism strategies; rural livelihoods; diversification and growth; community-based natural resource management; community-private partnerships; Southern and Eastern Africa.

Sanoussi Bilal: trade policies of the EU towards developing countries; developing countries' trade policies, including the relationship among national, regional, and multilateral policies; the WTO.

Kate Bird: poverty and chronic poverty; poverty-reduction strategies; policy reform; rural livelihoods and coping strategies; rural diversification and micro-enterprise; project, programme and policy evaluation.

Neil Bird: national forest programmes; sustainable forest management; forest resource assessment; forest governance.

Roger Blench: pastoralism and livestock issues; biodiversity and environment with particular reference to Africa and SE Asia; governance and decentralisation; area development; climate change.

David Booth: poverty-focused aid and the national policy process; process-oriented monitoring, evaluation and impact-assessment; sub-Saharan Africa and Latin America.

David Brown: governance and social development; institutional aspects of environmental management; community-based forest management and biodiversity conservation.

Tim Conway: poverty analysis and reduction strategies; vulnerability and social protection; donor policy and management; country strategy evaluation; south-east Asia.

Elizabeth Cromwell: agricultural biodiversity economics and policy; agricultural sustainability; livelihood options for rural households.

James Darcy: humanitarian principles; protection of civilians and refugees; international human rights and humanitarian law; response to natural disasters especially in Asia.

John Farrington: sustainable livelihoods, diversification; policy processes.

Adrian Hewitt: European development policy; foreign aid; international trade; commodities; the WTO; global public goods; development strategy; Africa and the Caribbean.

John Howell: agricultural commodity markets; land reform in southern Africa; SADC trade facilitation.

Karim Hussein: participatory approaches, monitoring and evaluation; producer organisations; livelihoods approaches; food security; natural resources research; rural development policy; West Africa.

Catherine Longley: seed security and

agricultural rehabilitation; rural livelihoods in chronic conflict and political instability; farmers' management of crop diversity.

Joanna Macrae: aid policy in unstable situations; the relationship between humanitarian and political responses to conflict; official humanitarian policy.

Andy McKay: poverty and inequality analysis, especially from a quantitative perspective; poverty and PRSP monitoring; chronic poverty; impact of policy, especially trade policy, on poverty

Oliver Morrissey: aid and government behaviour; aid and policy (especially poverty reduction); trade policy reform and poverty (global, Africa); the WTO; FDI and developing countries; public goods.

Simon Maxwell: development theory and policy; poverty; food security; economic, social and cultural rights; aid.

Peter Newborne: water supply/sanitation provision in poor regions, water markets and institutions, water resources and river basin management.

Alan Nicol: transboundary water resource management; public goods and water resource institutions; sustainable livelihoods, water and poverty elimination; child rights and water issues.

Andy Norton: social policy analysis and social development; participatory approaches to policy development; poverty reduction and public policy processes.

Sheila Page: international and regional trade; the WTO; comparative trade and development performance; capital flows; foreign investment; tourism; Southern Africa and Latin America.

Laure-Hélène Piron: governance, in particular: political analysis; civil society and political empowerment; conflict and the state; access to justice; human rights and development.

John Roberts: public finance; aid management and effects; results-oriented public expenditure management and poverty reduction strategies; determinants of social sector outcomes.

Kathrin Schreckenber: on-farm tree resources; non-timber forest products; participatory forestry and biodiversity conservation; information management.

Andrew Shepherd: poverty and chronic poverty; poverty reduction strategies; policy reform; rural livelihoods and coping strategies; health and poverty reduction; project, programme and policy evaluation.

Gill Shepherd: international forest and environment policy; national forest programmes; landscapes; biodiversity and people; Asia and Africa.

Frances Stevenson: complex political emergencies; humanitarian programming and operations; protection; advocacy.

Robert Tripp: seed systems; agricultural research and extension; natural resource management.

Michael Warner: corporate citizenship; optimising the poverty reduction impact of corporate investment.

Dirk Willem te Velde: foreign direct investment and development; income inequality; financing international public goods, private sector development.

John Young: decentralisation; rural services; information and IT; knowledge management and learning systems; bridging research and policy; strengthening southern research capacity.

Research Officers

Robert Chapman: natural resource management, PRSPs and rural poverty reduction, multi-agency partnerships; information and communication technologies (ICTs).

Karin Christiansen: poverty reduction strategy processes and linkages to public expenditure management; participatory and decentralised approaches to public expenditure and implementation.

Erin Coyle: poverty reduction strategy papers; governance of multilateral development institutions; policy-making processes.

Adele Harmer: complex political emergencies; political economy of conflict; bilateral and multilateral donor coordination.

Charles-Antoine Hofmann: humanitarian aid programming and operations in conflict situations; evaluations; emergency health.

Craig Johnson: institutions, livelihoods and the environment; democratic decentralisation; governance, poverty and accountability; South and Southeast Asia.

Joy Moncrieff: poverty; poverty reduction strategies and institutional reform; political and social theories of development; democratic theory and practice.

Felix Naschold: multi-dimensional poverty and inequality, poverty and PRSP monitoring systems, new aid modalities.

Tom Slaymaker: social and economic aspects of natural resource management; water-poverty-livelihood linkages; water policy; information and communication for resource management and rural development.

Daniel Start: household livelihood strategies; rural diversification; pro-policy process and implementation; facilitation and partnerships; Asia and Africa.

Adrian Wells: environmental governance; forests, poverty and decentralisation; multilateral environmental agreements; biodiversity law and planning.



Overseas Development Institute

111 Westminster Bridge Road
London SE1 7JD
Telephone: +44 (0)20 7922 0300
Fax: +44 (0)20 7922 0399
Email: odi@odi.org.uk
Website: www.odi.org.uk