



ANNUAL REPORT 2012–2013

Meeting global challenges



Shaping policy for development

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The Overseas Development Institute (ODI) is a 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.

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.

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About ODI

Who we are

We are an independent think tank with more than 200 staff, including researchers, communicators and specialist support staff. To find out more, visit our staff directory: www.odi.org/ar13-staff

Our services

With a reputation for high-quality research and policy advice, ODI is in demand by governments, international institutions and other partners around the globe. In addition, ODI offers consultancy services that include monitoring and evaluation, mentoring, and tailored training courses, as well as expertise in communications and knowledge management.

Our impact

This report outlines many examples of the impact we have had over the past year in relation to our five strategic priorities:

- new goals for a new era
- climate-compatible development
- resilience in fragile contexts

- inclusive growth in a volatile world
- new models for action.

It also highlights how we bridge the gap between research and policy and use our innovative communication strategy to engage with key audiences.

Our funders

Over the past year, ODI has worked with over 170 different funders, including foundations, non-governmental organisations, the private sector, governments, multilateral agencies and academia. These include the Asian Development Bank, AusAID, the Bill & Melinda Gates Foundation, the Carnegie Institution for Science, Coffey International Development, DAI, GIZ, the Heinrich Böll Foundation, Horn Relief, Imperial College London, the Oak Foundation, Oxfam, PwC, the UK Department for International Development, the UK Research Councils, the United Nations Food and Agriculture Organization, UNICEF, WaterAid, the World Bank and Youth Business International.

Our work

We work across a wide range of sectors that have a direct impact on the well-being of the poorest people

in low-income countries. We have 12 core research programmes:

- Agricultural Development and Policy (ADP)
- Centre for Aid and Public Expenditure (CAPE)
- Climate and Environment
- Growth, Poverty and Inequality Programme (GPIP)
- Humanitarian Policy Group (HPG)
- International Economic Development Group (IEDG)
- Politics and Governance (POGO)
- Private Sector and Markets (PSM)
- Research and Policy in Development (RAPID)
- Social Development
- Social Protection
- Water Policy Programme (WPP).

ODI-hosted initiatives include the Chronic Poverty Advisory Network, Development Progress, the Humanitarian Practice Network (HPN) and the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP). We are also involved in many partnerships, including the European Think-Tanks Group (ETTG), the Climate and Development Knowledge Network (CDKN) and the All Party Parliamentary Group on Overseas Development (Apgood).

The ODI Fellowship Scheme marks its 50th anniversary in 2013, having given postgraduate economists the chance to work in the public sectors of low-income or high-poverty countries since 1963. As of 31 March 2013, there are almost 100 Fellows in post, working with the governments of more than 20 developing countries and two regional bodies. ■



A young girl attends a school near Bhairawaha, Rupandehi District, south-central Nepal © Kate Holt / IRIN



Rice-packing centre in Sangrur, south-east Punjab, India © Neil Palmer / CIAT



Medina Gounass, after Senegal's worst rains in two decades © Pierre Holtz / IRIN



Samuel guides a group of participants in an ODI project in using their new camera skills, Kwakavisi, Kenya © Lucy Williams / ODI / PhotoVoice



Dam under construction in Sri Lanka © Lakshman Nadaraja / World Bank



A review of the year



Alison Evans
Director 2009–2013

So many aspects of our work came to fruition this year. The achievements highlighted in this report reflect our consistent focus on the long-term issues for development and humanitarian action, coupled with an agility that enables us to engage, at speed, with emerging challenges and new stakeholders.

Our consistency and agility are built on a robust foundation of more than five decades of expertise in research, policy advice and partnerships. As I pointed out in last year's annual report, the landscape for development and for humanitarian action is shifting. In this context we have demonstrated our ability to pool and package analysis and advice quickly, giving policy-makers the guidance they need the moment they need it. And our capacity to come together as an institute, across themes and disciplines, allows us to provide coordinated evidence and guidance on the more complex development challenges of today.

This report demonstrates how that combination of consistency, agility and teamwork has enhanced our impact over the past year. It is shown vividly in our cross-institutional work on what will follow the Millennium Development Goals, which has captured the attention of multiple audiences, from those in the United Nations, who make the final decisions, to the private sector and the general public. It has also included our participation in the 2013 *European Report on Development*, setting out policy recommendations for global collective action and the particular role for the European Union.

Our *Horizon 2025* report, building on years of work by our Centre for Aid and Public Expenditure (CAPE) on the role of aid agencies, has been hailed as a key resource on the future of the international development architecture. Similarly, the 2012 conference 'Old puzzles, new pieces: development cooperation in tomorrow's world' showcased our ability to provide clarity on issues that are increasingly fragmented and complex.

Decades of research and policy advice on agriculture, trade and social protection came together in 2012 to inform Shockwatch – briefings, analysis and policy guidance on fast-moving global trends and events, particularly volatile markets. The year was also characterised by a fuller application of a gender lens across every aspect of our work, as shown in the pages that follow.

I have seen quantum changes in ODI during my time as Director, including the use of innovative communications channels to position ODI in a new global development space and reach a larger audience, while preserving its essence.

In 2012 our digital strategy became Online Strategy of the Year at the prestigious Digital Communications Award in Berlin, fending off competition from over 100 multinational corporations and specialist digital agencies – a major coup. Our online strategy, our new brand, our streamlined publications, the world-class facilities of our new offices – all have refreshed our profile on the global stage.

I am delighted to welcome Kevin Watkins as the new Executive Director of ODI, with his wealth of expertise from the UN, international NGOs, think tanks and academia. I am confident that under his leadership ODI's voice and impact will only continue to grow.

Let me end by thanking the Board and Council, and our Chair, James Cameron, for their guidance and support. And a particular thank you must go to the world-class staff of ODI – the Institute's most precious resource.



Kevin Watkins
Executive Director

Some acts are tough to follow – and they don't come much tougher than Alison Evans. Over the past few years I have watched ODI grow under her leadership, both institutionally and financially. Having spent just a few weeks as Executive Director, I can confirm that her achievements look even more impressive from the inside (especially from the inside of our new premises!). I feel very privileged to follow in Alison's footsteps.

We are living through a period of extraordinary change. Old ideas about development are being overtaken by emerging patterns of globalisation. Changes in demography, human geography and economic growth are throwing up new challenges. Meanwhile, many of the more familiar challenges remain, including mass poverty in the midst of plenty. As policy-makers and people around the world struggle to make sense of an increasingly complex environment, think tanks have a critical role to play – and ODI is uniquely well placed to inform and influence the debates that will shape international development over the coming years.

Part of our agenda is defined by the unfinished business of the Millennium Development Goals. Poverty worldwide is falling, but far too slowly. The same is true of progress in education, health, nutrition and access to essential services. While economic growth has taken off, in many of the poorest nations inequalities are widening, with whole swathes of the population being left behind. Disparities based on wealth, gender, ethnicity and other markers for disadvantage continue to destroy human potential on a vast scale – and youth unemployment is a growing concern. Meanwhile, the gulf in life chances separating people in rich and poor countries remains unacceptably wide, calling into question the effectiveness and fairness of global governance.

Armed conflict remains a formidable barrier to development. The crisis in Syria has underlined yet again the weakness of the global humanitarian architecture, including its failure to maintain access to nutrition, health and education during periods of crisis. More broadly, current approaches to development cooperation are failing to address the distinctive problems faced by countries emerging from conflicts, and by populations affected by natural or man-made disasters.

There is one area in which the international community faces threats of a new order of magnitude.

Failure to avert dangerous climate change will stall and then reverse human-development gains built up over generations. The early-warning signs are already clearly visible, especially in the lives of the poorest and most vulnerable people. It is people living on the margins of existence in drought and flood zones that face the most immediate risks. Lowering those risks will require international cooperation to build resilience and action to decarbonise growth.

It's a daunting landscape, but change is possible – and there are some encouraging signs on the horizon. The report of the United Nations High-Level Panel on the development of post-2015 international development goals has signposted an ambitious agenda. It includes eradicating extreme poverty by 2030, preventing dangerous climate change, and expanding opportunities for health and education.

Recognising the critical importance of greater equity, the Panel has called on governments to adopt the principle of 'nobody left behind'. Of course, broad declarations of intent do not, in themselves, deliver change. But they do create an opportunity for ODI to provide policy-makers with an evidence-based road map for converting principle into practice.

Many of the most pressing development challenges can only be met through more effective global governance. The negotiations on climate change in 2015 will have a critical bearing on prospects for combating global warming. In the same year governments will come together to adopt a new set of development goals. The targets adopted will have an important influence on national policies and international cooperation. ODI has the potential to shape the agendas and influence the outcomes of these key global meetings. We are also well placed to guide the development of a more inclusive and effective humanitarian system equipped to enhance human security.

None of this is to suggest that our task is an easy one. We are operating not just in a rapidly changing world, but in a crowded marketplace for research, ideas and influence. If we are to make a difference, we need to combine world-class research with effective communications and strategic convening activity. We also need to build new partnerships with think tanks in developing countries, and to strengthen our engagement with governments, the private sector and non-government organisations.

What brought me to ODI was the chance to work in an organisation based on values I share and dedicated to a cause I believe in. Since starting, I have been struck by the extraordinary range of talents that we bring together, and by the professionalism and dedication of our staff. We are an organisation that attracts people driven by a commitment to make a difference through evidence-based research. And I look forward to working with colleagues, the Board and our Chair, James Cameron, to make the greatest difference we can.



James Cameron
Chair

2012 really was a year in which everything came together for ODI. As the incoming Chair of ODI, I am profoundly grateful to Alison for her support during my first months, and for leaving behind her an organisation that is so sound – not only financially, but in terms of its optimism. I am also delighted to welcome Kevin Watkins as our new Executive Director and I am confident that, with Kevin at the helm, ODI will continue to go from strength to strength.

I cannot over-state the impact of ODI's new offices on our work. The office move has improved the quality of life for our staff and visitors alike. It is an absolute delight to come to ODI and to see how the new premises not only draw people in, but how the facilities allow ODI to talk to the rest of the world with such ease. The office move has really amplified the advantages of being in London, a global hub for the development and humanitarian communities.

2012 also saw the roll-out of our new brand, grounded in solid market research on how ODI should position itself. At a time when the development industry is under stress and pondering its future, our brand is a mark of our own confidence – bold and forward-looking.

This reflects ODI's character, which is embodied in the loyalty and enthusiasm of its staff. It is a place where creativity is encouraged and where ideas turn into action. I enjoy having my own ideas tested and my own assumptions challenged at ODI, which can draw on so many years of rigorous research.

ODI's staff members are, as Alison has said, the Institute's most valuable resource, and I have been pleased to see their involvement in crucial decisions over the past year. This has included their participation in the recruitment of our new Executive Director, Kevin Watkins. Here, the Board and staff processes came together as one. I am absolutely delighted with the result and looking forward to working with Kevin on a new chapter for ODI.

May I thank Suma Chakrabati, Larry Elliot, Frank Ellis and Richard Jolly, who stepped down from our Council in the past year, for all their guidance. Particular thanks are due to William Day, who provided crucial support as Interim Chair of ODI in 2012. I'm pleased to welcome Brendan Gormley to our Council. His in-depth knowledge and experience of working in the humanitarian sector and with non-governmental organisations will be a major asset for ODI.

On behalf of the Board, I thank Alison Evans for her exemplary leadership as Director. The results can be seen clearly in the pages of this annual report, which only reinforces my pride in being the Chair of ODI. ■

Our strategic priorities



Andrew Norton
Director of Research

Rolled out across our research programmes in 2012–2013, our strategic priorities support our efforts to advance knowledge, shape policy and inspire practice. They represent the five main areas where we aim to make a difference, helping us to sharpen the focus of our work, monitor its impact and build strategic partnerships to pursue common goals.

Our five strategic priorities

1

New goals for a new era

The current agreed global framework for development impact (the Millennium Development Goals) ends in 2015. ODI supports the development of a new framework of goals and measures for a new development era, through reviewing evidence, developing proposals and supporting public debate.

2

Climate-compatible development

ODI is supporting effective climate-compatible development in four areas:

- improved systems for adaptation, resilience and humanitarian-response policy and planning
- effective climate finance
- strategies for competitiveness in a low-carbon global economy
- alternative models for effective natural-resource management.

3

Resilience in fragile contexts

ODI is deepening understanding of how fragile and conflict-affected societies can achieve development reliably through the strengthening of governance and social institutions.

4

Inclusive growth in a volatile world

ODI is working to develop effective responses to global volatility and shocks for developing countries, helping them to sustain growth and poverty reduction.

5

New models for action

ODI is supporting the development of new, more effective models for financing development and humanitarian action – engaging public, private and civil-society actors.

The strategic priorities have proved their worth over the past year as a device for focused collaboration, research, analysis and policy guidance on each of the five areas. They do not encompass every aspect of our work, constrain our ambitions or stifle the innovation that is essential to respond to a demanding and ever-changing context.

Together, however, they do represent a vehicle for the creation of flexible teams to maximise our impact on these five areas. As this report demonstrates, a whole range of ODI programmes have come together in the past 12 months to inform, for example, the post-2015 development agenda, to look beyond the science of climate change to its implications for communities and to set out ways in which policy-makers can address a range of shocks, from food-price spikes to economic meltdown, to protect the poorest people. The report highlights the impact of ODI teams who have questioned received wisdom on what really works for peace- and state-building, and who have pioneered new approaches to fundamental and emerging concerns and shifts across the development and humanitarian spheres.

The strategic priorities have helped us to develop work programmes that break down old divides to explore the interaction between the public and private sectors in promoting development, humanitarian and climate action. We have worked to build bridges between communities on key issues, such as child well-being, where we have highlighted the links between child poverty and child protection – once seen as two discrete areas.

Increasingly our work on the strategic priorities is underpinned by multi-year funding partnerships, which allow us to focus on results. The strategic priorities have, for example, been reinforced throughout the year by an Accountable Grant from the Policy Division of the UK Department for International Development (DFID) which supports work across all five priorities under the

heading ‘Managing risk and building resilience in an uncertain world’. This has proved invaluable to our work on the evidence base for a post-2015 agenda, promoting effective climate finance, achieving sustainable governance transitions, building the competitiveness of poor countries in a carbon-constrained world and transforming the lives of girls and young women. It has also supported the Shockwatch work programme, through which we have analysed the impacts of market volatility on poor people’s lives and examined appropriate policy responses for future resilience in the face of a range of possible shocks.

We have made considerable progress towards our goal of ensuring that the gender dimension is fully embedded across our research, with all programmes using a gender lens to test both methodologies and hypotheses. A range of exciting work on gender dimensions of development is now visible and we are determined to build further on this in the coming years.

Our monitoring suggests that all of this work is having an impact. Not only are we more visible, with our third year of increased global media coverage and hits on our news page up 10% on 2011, but our work is increasingly influential, reaching the right audiences at the right time. ■



The strategic priorities have proved their worth over the past year as a device for focused collaboration, research, analysis and policy guidance on each of the five areas. They do not encompass every aspect of our work, constrain our ambitions or stifle the innovation that is essential to respond to a demanding and ever-changing context.’

Working together: our core research teams

- Agricultural Development and Policy
- Centre for Aid and Public Expenditure
- Climate and Environment
- Growth, Poverty and Inequality Programme
- Humanitarian Policy Group
- International Economic Development Group
- Politics and Governance
- Private Sector and Markets
- Research and Policy in Development
- Social Development
- Social Protection
- Water Policy Programme



New goals for a new era

Strategic
priority
1

The United Nation's Millennium Development Goals (MDGs) have generated unprecedented global consensus on the purpose of development action. They have galvanised intense efforts to push back poverty, disease and lack of education since 2000 and, as a result, millions of people enjoy a better quality of life. But the MDGs have almost run their course, with only two years until their 2015 deadline.

What follows the MDGs is the hot topic in development; the mass of debates, meetings, reports and consultation processes has created a whirlwind of activity as different sectors claim their place on a post-2015 agenda built around Sustainable Development Goals (SDGs).

ODI aims to provide clarity amid the confusion and has earned itself a place at the heart of decision-making about what could – and should – come next.

The MDGs were created by the UN in 2000 to address those threats to human development that were particularly acute in developing countries – poverty, hunger, disease and illiteracy. Today, the line between developing and developed countries is increasingly blurred. Many southern economies are growing rapidly, while some northern economies are struggling to regain momentum. Development is seen as one side of a triad of global challenges, alongside climate change and human security, and new players, from emerging donors to the private sector, are now also engaged in development debates.

The focus is shifting to the poorest and most marginalised people – those

left behind by progress on the MDGs – and to problems common to all countries, such as the rise of inequality or the need to provide employment to growing numbers of young people. Then there are the targets that are furthest from achievement, including access to water and sanitation in sub-Saharan Africa. There is a general feeling that the SDGs must be universal, address inequality, and reflect a transformed development landscape.

Our work on the post-2015 framework is led by our Growth, Poverty and Inequality Programme (GPIP), but it draws on the combined strength of our programmes to reflect the complexity of the global debate. In the past year we have provided research and policy advice on how the new goals could bridge the gap between human development and environmental sustainability. We have delivered cutting-edge evidence and guidance on development finance, global policies for inclusive economic growth, child and youth poverty, gender and effective governance, as well as natural resources, security and disaster resilience. Our Development Progress project has produced a series

of blogs on how to measure poverty in a new post-2015 development agenda. We have also broken new ground by setting out options for private-sector engagement. Our work has reached audiences ranging from those guiding the global process at the highest level, to ordinary citizens who are sharing their views on the post-2015 discussion.

Working with the United Nations

Our compelling evidence and analysis for the UN's post-2015 process gained increasing recognition in 2012, with ODI seen as a leading commentator and knowledge-broker on both the process and the substance of an emerging development framework.

We provided information and advice to the UN Secretary-General's High-Level Panel (HLP) of Eminent Persons, including co-chair UK Prime Minister David Cameron, on the post-2015 agenda throughout the year. Our experts were also prominent during the meetings of the HLP in London, Monrovia and Bali, and we presented our work at a range of UN thematic and regional events in Africa, Asia, Europe and Latin America.

We have worked closely with the United Nations Development Programme (UNDP) on the post-2015 agenda since 2011, when we jointly convened the first global event for policy-makers, civil servants, academics and think tanks to discuss next steps, known as the 'Cairo Conversation'. In 2012 this partnership led to the creation of

the MY World online platform (see next page), a unique global survey that is now a core part of the UN consultative process.

Our December 2012 public event with Jeffrey Sachs, Special Advisor to the UN Secretary-General on the MDGs, was the best-attended ODI event of the year, with standing-room only at the venue and hundreds of people joining online to hear Professor Sachs' insights.

Working with governments

ODI was the first think tank to be invited to join the Japanese post-MDG contact group. We have worked with the governments of Indonesia and Liberia on their inputs to the HLP and have addressed many national parliaments and ministries, as well as the Organisation for Economic Co-operation and Development (OECD) among others.

Our partnership with the g7+ group of fragile and conflict-affected states in 2012 included support for its international conference 'Development for all: stop conflict, build states and eradicate poverty', held in Dili, Timor-Leste in February 2013. The resulting Dili Consensus

argues that 'business as usual is not a viable option', and calls for collective action to support the 1.5 billion people who live in fragile and conflict-affected states. The Consensus has informed the HLP report to the UN Secretary-General.

ODI has coordinated the 2013 *European Report on Development* (ERD), with policy recommendations for international collective action in a post-2015 agenda, in particular for the European Union.

The report, based on an assessment of the MDG experience and analysis of the likely trends for the next 20–30 years, was enriched by case studies on Côte d'Ivoire, Nepal, Peru and Rwanda, as well as a dozen background papers by practitioners and academics. The report reaches four main conclusions: a transformative agenda is vital, national ownership will be critically important, global collective action must be scaled up, and a new framework should be as much about instruments as it is about goals. This independent annual report is funded by the European Commission and seven EU Member States: Finland, France, Germany, Luxembourg, Spain, Sweden and the UK.



IBE electronics, Shenzhen, southern China © gp



Girl Hub ambassador Aurore Irangenyeye helps explain to the students what the My World Survey is all about and why it is important to them © Mark Darrough / Girl Hub Rwanda



*I want to hear from you.
Vote and tell us what
issues matter most to
you and your family.
Make a difference –
mark a difference. Take
part in the MY World
survey and help us build
a better world for all.'*

BAN KI-MOON, United Nations
Secretary-General



MY World
www.myworld2015.org

MY World: a public voice on the post-2015 framework

What is it that people most want in life? The governments shaping the next global development agenda are doing so to make people's lives better, so it seemed wise to ask people exactly how that could be achieved.

The answers are to be found in the United Nations MY World Survey, brainchild of Claire Melamed, Head of ODI's Growth, Poverty and Inequality Programme (GPIP), and Paul Ladd of the United Nations Development Programme (UNDP). This global survey is now a core part of the UN post-2015 process. It is the first survey to feed into a political process on this scale: to date, 575,000 people from 194 countries have selected six life-changing priorities from 16 options.

MY World combines new technology and low-tech approaches. Many people have completed the survey online, some via SMS, but more than half have responded on paper. The survey has been supported by mobile-phone operators, carried to refugee camps on bicycles, and delivered to remote communities by university students. In partnership with Viacom, CNN has run banners on both Nickelodeon and the Comedy Channel to spur participation.

Other governments have complemented initial funding from the UK Department for International Development (DFID). In Nigeria, for example, government funding for the survey has helped to position the country among the top five in terms of responses, alongside Brazil, Cameroon, Egypt and the United States.

Results from the survey have informed every meeting of the High-Level Panel on the post-2015 agenda, adding a new and critical dimension to the political debate.

People of all ages, genders and nationalities list 'an honest and responsive government' among their top three priorities. People clearly want their politicians to do better, and any new agreement must hold governments to account. The other two priorities that regularly top the list are 'a good education' and 'better healthcare' – a timely reminder that, while the post-2015 conversation focuses on the new, people still care about the basics.

The MY World results provide solid information on what people actually expect from their leaders. It is not about who shouts the loudest; it's about what people, in their hundreds of thousands, vote for. So, when governments sit down to hammer out a new development framework, they can't say they don't know what people want – MY World is telling them.

The reaction has been immense, with endorsements from Ban Ki-moon and Graça Machel, among many others. There are plans to use the MY World infrastructure to monitor the new post-2015 agreement once it's up and running – a major step in holding governments to account for the promises they're about to make.



Coffee-truck driver Ouedraogo Arouna in Côte d'Ivoire, drawn from the 2013 *European Report on Development* © Johanna Schwartz



ODI's analysis on how to draw the worlds of development and business closer together is helpful. They have tried to provide clarity to the question as to how best to engage the private sector in development at a critical moment in the debate.'

GAVIN NEATH, Senior Vice President, Sustainability, Unilever

Working with civil society

ODI continues to work with Beyond 2015, an international coalition of more than 100 NGOs and academic institutions, to influence the post-2015 planning process, and has been asked for guidance on its positioning and strategy. Visits to our post2015.org site increased by more than 300% during the course of the year, and it now receives an average of 20,000 hits per month. We continue to run the @post2015 Twitter account: another key resource for ideas and debate on what follows the MDGs.

Working with the private sector

There is general consensus that the private sector should be included in the post-2015 framework. But the question remains: how to harness business as an engine for development? Business leaders may be unsure how best to support development outcomes, and development practitioners may be unsure how best to work with the private sector.

ODI helped to move this conversation forward in 2012 by setting out three possible options for private-sector engagement in our publication *Post-2015 Millennium Development Goals: what role for business?* First, businesses could feed into the development of the

post-2015 framework. Second, they could align themselves to specific goals, and donors and governments could strengthen partnerships with businesses to deliver those goals. And third, they could ensure more robust reporting on their contribution to development goals. The conclusion is that the greatest impact is likely to ensue if the private sector and other players combine to use their resources strategically.

The paper became a useful resource for one of the first high-level conversations to date with the private sector on the post-2015 framework. 'Business, the MDGs and beyond', convened by ODI in partnership with the Business Call to Action, Business Fights Poverty, UNDP and the UN Global Compact in New York in September, coincided with the first meeting of the HLP. The event attracted business, government, and NGO representatives to discuss how businesses have contributed to development outcomes to date, and how they might contribute post-2015.

Gender equality in the post-2015 framework

Two appalling attacks on young women in 2012 sparked global revulsion, and fuelled debate about how to address the unfinished business of

gender discrimination. The shooting of 15-year-old Malala Yousafzai in Pakistan – retribution for her advocacy for girls’ education – and the murder of Nirbhaya in India provoked mass demonstrations and calls for a sea-change in the treatment of girls and women. These very human tragedies have illuminated gender-based violence and the complex drivers of discriminatory and violent behaviour that deny girls and young women their rights.

Laws, norms and practices have far more influence on development outcomes, particularly for girls and women, than is generally appreciated. Our project ‘Transforming the lives of adolescent girls’ shines a light on these often unseen and discriminatory ‘social institutions’. It aims to ensure that the future development framework is guided by a real understanding of the true impact of discriminatory social institutions and how to ensure enduring change. By joining with others that are working to change norms, we are now part of an emerging debate on best practice.

Water policy in the post-2015 framework

Our research and policy advice is informing the debate on a future SDG on water. MDG 7 was, in many ways, a classic development goal

with its focus on the proportion of people with access to clean water. For the past four years, however, our Water Policy Programme (WPP), led by Roger Calow, has demonstrated the need for a new emphasis on water security and water-resource management – a message that is filtering through to governments, NGOs and the private sector as the MDG deadline approaches. A future SDG on water could help to bridge the gap between human development and environmental sustainability by encompassing ecosystems and climate-compatible development as well as livelihoods, urbanisation and population growth.

Our work recognises that access to clean water is not only about how much water there is in your neighbourhood, but also who controls it, spanning issues of political economy that will be central to the post-2015 framework. We are demonstrating how to track progress by focusing on the household level, rather than national averages. Our *Voices from the source* report revealed the very human face of water (in)security. Working with WaterAid, we went to those most directly affected in southern Ethiopia to reveal the trade-offs they make, and the challenges they face, to access water, even in areas with improved water sources. ■



ODI on the MDGs to 2015 and beyond

www.odi.org/ar13-mdgs

Development Progress

www.developmentprogress.org

Post-2015 online forum

<http://post2015.org> or join the

Twitter conversation: @post2015

New goals for a new era: the basics

A selection of ODI programmes and partnerships working on this strategic priority

- Climate and Environment
- Development Progress
- Growth, Poverty and Inequality Programme
- Humanitarian Policy Group
- Politics and Governance
- Private Sector and Markets
- Social Development
- Water Policy Programme

How do we know we're having an impact?

- An active debate on the merits or otherwise of a new post-2015 development framework that draws directly on ODI resources.
- An emerging post-2015 development framework that is being influenced by recommendations, evidence, public debate and analysis generated by ODI.



Climate-compatible development

Strategic
priority
2

The challenge of bridging the gap between climate action and development action has become ever more urgent as the 2015 deadline for a new development framework looms. Meanwhile, studies such as Turn down the heat: why a 4°C warmer world must be avoided, commissioned by the World Bank, warn of the pressing need to bring warming under control to avoid irreversible harm to our planet's systems, and a potentially catastrophic loss of developmental gains for the world's poorest people. Never has there been a greater need for collaboration to tackle the linked challenges of climate change and poverty.

Responding to the need to bring the development and environmental communities closer together, ODI focuses on climate-compatible development (CCD) – development that minimises the harm caused by climate impacts while maximising the opportunities for human development presented by a low-emission, more resilient future.

We have developed a vibrant practice on CCD under the leadership of our Climate and Environment programme, a practice that draws on expertise across our core research programmes to generate high-quality research, analysis, communication and debate.

Working in parallel to those with expertise in the science of climate change, ODI aims for a coherent approach on such issues as adaptation and resilience, climate finance, low-carbon growth and natural-resource management in a changing climate. We continue to work closely with the

Climate Development Knowledge Network (CDKN), which aims to help decision-makers in developing countries design and deliver CCD, by providing demand-led research and technical assistance, and channeling the best available knowledge on climate change and development to support policy processes at country level. In 2012 our work with CDKN included a particular focus on gender issues.

Adaptation and resilience

We sharpened the focus of our work on adaptation and resilience in 2012 to highlight Disaster Risk Reduction (DRR) in building the ability of communities to cope with the impact of climate change. Natural hazards, such as droughts and floods, do not lead automatically to emergencies. These only happen when a community faces a natural hazard that outstrips its capacity to cope and respond. This is where

DRR plays a crucial role, shifting the response from reactive to proactive, with disaster risks identified, assessed and addressed as part of development processes that build resilience on an ongoing basis.

Over the past year, ODI has provided key commentary on how disasters and disaster-risk management could be integrated into the post-2015 development goals, setting out the evidence, proposing potential targets and indicators and mobilising the support of key governments.

The Head of our Climate and Environment programme, Tom Mitchell, was invited to act as a senior technical advisor to the UN International Strategy for DRR at the request of Margareta Wahlström, UN Special Representative for Disaster Risk Reduction. His role includes helping to draft the 2015 successor agreement to the Hyogo Framework for Action and advising UN staff on how disaster risk management can be reflected in the SDGs.

We have also added a twist to our support for local governments in preparing for climate uncertainty, using game-based approaches with local government officials, particularly in Uganda, to ‘play out’ all the possible scenarios – an approach welcomed with great enthusiasm by participants.

The SREX Report

We built on Tom Mitchell’s contribution as one of the lead authors of the Intergovernmental Panel on Climate



These summary reports are a practical and valuable addition for policy-makers in-country to support their action on this urgent issue.'

RAJENDRA PACHAURI, Chair, Intergovernmental Panel on Climate Change, comments on the summary briefings drawn from *Managing the risks of extreme events and disasters for advancing climate change adaptation (SREX)*

Change's (IPCC) 2011 Special Report *Managing the risks of extreme events and disasters for advancing climate change adaptation (SREX)* in 2012 with a series of events in Africa, South and East Asia, and Latin America and the Caribbean. The aim: to make authoritative current science on changing climate extremes available to senior policy-makers. Organised by ODI with the IPCC, Norway's Climate and Pollution Agency, Norway's Ministry of Foreign Affairs and CDKN, the series gave policy-makers the chance to talk to the IPCC authors about the report and to discuss region- and country-specific responses.

In total, these events attracted more than 1,200 high-level policy-makers, with the demand for places at some events outstripping supply. Many countries went on to organise their own outreach events to ensure that everyone who wanted to participate could do so.

To support the events, CDKN produced seven summary briefings to capture the region- and sector-specific findings from the full 500-page SREX report and make them more accessible. Together with a report by ODI authors on the implications of climate extremes and disasters for financial and economic decision-making, these were the most popular publications on CDKN's website last year.

Climate finance

Our work on climate finance over the past year has included a vast range of research and policy advice, partnerships, reports and other types of communication, including online tools to show the reality of climate finance as it happens.

Climate Funds Update

We have helped to shape international efforts to mobilise and deliver climate finance over the past year, with ODI staff participating in the work programme on long-term finance under the UN Framework Convention on Climate Change (UNFCCC),

facilitating high-level dialogue on finance options at the November Conference of the Parties to the UNFCCC in Doha, and supporting the early work programme of the Green Climate Fund.

Our innovative use of facts and figures fuelled debate in Doha. Pulling together insights from our Climate Funds Update, we used eye-catching graphics to produce *10 things to know about climate finance in 2012* as an infographic. One fact that raised eyebrows was that the total amount pledged to dedicated climate funds by developed countries in 2012 was less than 10% of what the UK spent on the Olympics. Most of the resulting 3,000 page views and downloads took place during and at the Doha meeting itself, with delegates enthusing about its content. Australia's lead negotiator shared the link with every other negotiator at the conference to inform their discussions.

Climate Funds Update itself goes from strength to strength, with a new tool launched in June 2012 to give users more flexibility in how they access and use our data. They can now compare the volume of finance that countries receive to their income levels, or see what kinds of financial instruments (such as grants or loans) are offered by different funds. Site visits have increased by more than 7% in the past year and users are staying for longer. The site now receives over 100,000 unique page views per year.

National climate finance

Honouring our commitment to examine how climate finance actually works in low-income countries, we have 'followed the money' over the past year, tracking climate finance to sub-Saharan Africa, and following the private climate finance provided by Germany, Japan, the UK and the US. ODI has established itself as a leading source of trusted analysis and support for developing-country governments that want to create more effective frameworks for the

Climate-compatible development: the basics

A selection of ODI programmes and partnerships working on this strategic priority

- Agricultural Development and Policy
- Climate and Environment
- Humanitarian Policy Group
- Growth, Poverty and Inequality Programme
- International Economic Development Group
- Private Sector and Markets
- Social Development
- Water Policy Programme

How do we know we're having an impact?

- Climate-finance institutions and instruments reflect ODI guidance on effective practice.
- Systems for managing disaster risk and adaptation reflect ODI research findings or guidance.
- Uptake of ODI recommendations on sustaining competitiveness in a low-carbon global economy by low-income countries.

Learn more

ODI on climate change
www.odi.org/ar13-climate

CDKN
<http://cdkn.org>

Climate Funds Update
www.climatefundsupdate.org



Solar panels in the desert, Chile © Rodrigo Arancibia Zamora

delivery of climate finance, through its analysis of national institutions and expenditure, and its work on climate-finance readiness.

Leadership on climate finance in CDKN

As part of our knowledge-management support to the CDKN, we convened a very successful online debate on climate finance in 2012. ODI Research Fellow Smita Nakhoda provided an expert view on the state of play following the Doha meeting, attracting more than 700 participants in just one hour. We are also providing expert assistance to the Climate Finance Advisory Service, a CDKN facility that answers questions from developing countries about complex international climate-finance negotiations.

Low-carbon growth

Our Private Sector and Markets (PSM) team, led by Karen Ellis, undertook a unique work-stream of research and policy analysis on low-carbon growth in low-income countries in 2012, based on case studies in Cambodia, Kenya and Nepal.

Our work captured the attention of policy-makers in the three case-study countries. We have been asked to use a competitiveness lens to review Kenya's draft Green Growth strategy and National Policy on Carbon Finance, and our findings on the benefits of energy efficiency have been welcomed by the Kenya Association of Manufacturers. In Nepal, tourism-industry representatives have urged us to help government officials understand the carbon-competitiveness advantages of a joined-up strategy for the tourism sector, and a senior official from the Water and Energy

Commission has asked if our research could draw out the competitiveness dimensions in his sector.

Experts and practitioners from institutions including the Grantham Institute, the World Economic Forum, CDKN, and the McKinsey Global Institute have recognised the unique nature of this work as adding new and valuable insights to the global debate on low-carbon growth. They are all keen to collaborate with us to see how our findings can influence their own work.

Gender and climate-compatible development

Climate change has particular implications for women and girls, who already face gender inequalities that lead to higher rates of poverty and a deeper experience of poverty than that experienced by men. Women and female-headed households tend to have fewer resources to cope with, and adapt to, stresses of all kinds, and often rely on resources and livelihoods that are more sensitive to climate change.

We have worked with our partners in CDKN over the past year to strengthen the gender content of its work on CCD in research, technical assistance, advocacy and knowledge management. There is now a growing body of CDKN commentary and content on gender issues, including a November 2012 guide, *Women and climate change*, outlining the initial steps being taken by CDKN to promote development that is both climate compatible and fair to women and men. This includes efforts to influence at least four state-level governments in India to mainstream gender in their action plans on climate change. ■



Resilience in fragile contexts

Strategic
priority
3

Many of the world's fragile or conflict-affected states struggle to achieve, let alone maintain, the most basic human and economic development. Their citizens contend with the daily physical threat of violence and the all-consuming impact of instability on their livelihoods and prospects. The challenges they face overlap and reinforce each other, from entrenched poverty and deprivation, to discrimination and the failure of national institutions to provide basic safeguards.

The international response has often been 'business-as-usual' tactics that might work in countries with robust institutions, but that have little chance of success in countries that are markedly *different*.

ODI analyses why different approaches succeed or fail in the most challenging development and humanitarian contexts. Our goal is to increase understanding of how such states can develop, and to demonstrate what works, including strategies that have produced stronger governance and social, economic and political institutions. We have also developed approaches to humanitarian action that alleviate suffering, protect the dignity and well-being of vulnerable people and, where possible, increase their resilience.

These approaches are driven by the views and needs of the people on the ground. ODI draws on decades of first-hand and long-term experience in fragile contexts promoting effective development and humanitarian action. This long-term stance, coupled with our emphasis on partnership, listening and dialogue, sets us apart.

Our Humanitarian Policy Group (HPG), under the leadership of Sara Pantuliano, is recognised as the premier global resource for analysis and networking on humanitarian action in crisis situations. However, a whole range of ODI programmes explore innovative ways to strengthen social, governance and economic institutions in fragile and conflict-affected situations, including our Politics and Governance programme (POGO), led by Marta Foresti, the Secure Livelihoods Research Consortium (SLRC), the Budget Strengthening Initiative (BSI) and others.

Talking to the 'other side'

HPG took its work on humanitarian negotiations with armed non-state actors (ANSAs) to a new level in 2012, setting out how to negotiate aid delivery in areas once deemed off limits.

Over the past two decades, humanitarian actors have ventured into ever more dangerous environments, and must often negotiate with ANSAs to get their aid to those in need. The challenges are considerable, including

a lack of respect for international humanitarian law, hostility to humanitarian principles and suspicion of humanitarian organisations. To add to the pressure, in Gaza, Somalia and Sri Lanka, counter-terror legislation to stop aid falling into the hands of 'terrorist' organisations often forces agencies to choose between the need to reach affected populations and to abide by international law.

In 2012, HPG provided groundbreaking guidance for humanitarian workers, drawing on interviews with Taliban leaders and commanders in the field in two Afghan provinces to share Taliban perspectives on aid and development work – something that nobody had done before. The next steps in the process include similar studies on armed groups in Darfur and South Kordofan, Sudan, and support for the first piece of work carried out by the very first think tank in Mogadishu, Somalia. The Heritage Institute for Policy Studies is now working with HPG on how humanitarian workers can best engage with Al Shabaab in Somalia, given the obvious risks and constraints.

The role of goods and services in building resilient societies

Just what is the relationship between politics, governance and the delivery of the basic goods and services that people need? Great claims have been made for the peace- and state-building impact of basic goods and services, but ODI research and analysis is challenging these and changing



The questions you raise are valid and necessary... it's providing a deeper understanding of [ANSAs], because the biggest problem is that we felt that the negotiators don't know what it is to feel the way we feel.'

Message from a former combatant in Sri Lanka's conflict, in response to ODI's work on humanitarian negotiations with armed non-state actors

donor thinking, encouraging a shift towards politically smart development assistance for service delivery.

Work by POGO, WPP and SLRC over the past year has examined how politics and governance affect the delivery of public goods and services in communities under pressure, and whether their delivery really does contribute to peace- and state-building.

POGO and WPP have analysed the impact of water, sanitation and hygiene (WASH) service delivery in the Democratic Republic of the Congo (DRC) and South Sudan, in collaboration with Tearfund. The research found little evidence that the simple fact of service delivery itself contributed to positive peace- or state-building.

Instead, it found that the *way* in which services were delivered was more important for determining support, or the lack of it, for processes of state-building, state legitimacy and peace-building. The key elements include the visibility of the different providers at local level and how communities are involved in service provision. A prime example was found in South Sudan, where local churches were used to mobilise communities on WASH services, enabling the communities themselves to close any service gaps.

Tearfund operationalised our analysis and produced its own policy guidance on the likely implications for NGOs and their funders. The research has been presented by ODI and Tearfund to the World Water Week conference in Stockholm, to several NGOs, including Save the Children, to inform their work on service delivery in fragile contexts, and to DFID advisors working on service delivery, with requests for verbal and written briefings.

SLRC, which has completed its first full year of operations, guided by our Social Protection programme under the leadership of Rachel Slater, is filling a knowledge gap on how people's perceptions of governments

are influenced by the delivery of basic services over time. Working through local research institutions, SLRC has launched an innovative survey to track the impact of basic services on people's trust in governments in DRC, Nepal, Pakistan, Sri Lanka and Uganda. The survey will revisit the households in three years to note any shift in perceptions. DFID Nepal is already using the data generated to programme its basic services and conflict/humanitarian responses. The survey will be extended to Afghanistan and South Sudan in the coming year.

Our work on service delivery and governance over the past year is having an impact at the national and international level. POGO, through a project on the politics of service delivery, has worked with DFID country offices in Malawi and Nepal, and others, to build an evidence base and policy toolbox to address governance-related challenges to service delivery. This has included problem-driven analysis of the reasons for a persistent and chronic lack of essential medicines in Malawi, and why rural health posts remain under-staffed in Nepal.

We have applied the same approach to issues of security and justice in order to understand clearly why the delivery process for responses to violence against women in Sierra Leone breaks down. Our findings have been taken up by programme staff and disseminated through new tools, guidance and training.

At the global level, ODI has been asked to collaborate with the World Bank on events to mark the tenth anniversary of the *World Development Report 2004*, which considers accountability for service delivery; with UNDP on a review of community-policing practices around the world; and with the Open Society Foundation on strategic high-level engagement on aid, accountability and health systems in fragile contexts.



g7+ panel members at the International Peace Institute in New York, April 2012. Left to right: Francesca Bomboko, g7+ focal point for Democratic Republic of the Congo; Terje Rød-Larsen, panel host and H.E. Emilia Pires, Chair of g7+ and Minister of Finance, Timor-Leste © g7+

Working with the g7+ group of fragile and conflict-affected states

ODI's Budget Strengthening Initiative (BSI) works in partnership with the g7+ group of 17 fragile and conflict-affected states that have come together to speak with one voice on the international stage. The group and its partners laid out a New Deal for Engagement in Fragile States in 2011 – a key agreement between fragile states and their partners to change the policy and practice of engagement. The New Deal is now being piloted in Afghanistan, Central African Republic, Democratic Republic of the Congo, Liberia, Sierra Leone, South Sudan and Timor-Leste.

BSI worked in support of the g7+ Secretariat to organise a high-level side event in New York in September 2012 to coincide with the UN General Assembly, aiming to lock the New Deal and its related peace- and state-building goals (PSGs) into the post-2015 development framework. The event, chaired by Christian Friis Bach, the Minister for Development Cooperation in Denmark, was attended by six Heads of State, as well as George Soros, founder and Chair of the Open Society Institute.

BSI provides research, policy advice and strategic support to the Secretariat, based in Dili, Timor-Leste, and has worked with several g7+ members on fragility assessments over the past year – a key pillar of the New Deal.

The Secretariat, created as recently as 2010, is now a robust body, well-staffed and with solid processes in place. While one BSI staff member remains in Dili to ensure the smooth transfer of knowledge built up over the past two years, BSI's role is shifting from day-to-day support to more strategic interventions and research on demand.

A question of governance: the Africa Power and Politics Programme

For five years, the Africa Power and Politics Programme (APPP) research consortium has questioned conventional ideas about what 'good governance' should mean in sub-Saharan Africa. With funding from DFID and Irish Aid, APPP brought together researchers in France, Ghana, Niger, Uganda, the UK and US.

Its final report, *Development as a collective action problem*, by Director of APPP David Booth, generated much interest in October 2012 and has been cited in key academic journals and fora, such as the African Studies Association meeting in Philadelphia in November 2012, whenever African governance issues are debated. *Business, politics, and the state in Africa* by Tim Kelsall spanned APPP's analysis on political regimes and economic transformation: speaking invitations continue to arrive in connection with this publication and broader APPP themes.

APPP has been the launch pad for further research funded by the Dutch Ministry of Foreign Affairs: the Development Regimes in Africa (DRA) project explores the policies and governance required if Africa is to match the economic and social achievements of South-East Asia.

Learn
more

g7+
www.g7plus.org

BSI
www.budgetstrengthening.org

APPP
www.institutions-africa.org



**Working together to
combine good budgetary
practice and an effective
humanitarian response
as events unfold**

A family stands outside their makeshift tent in BadBado camp in Mogadishu, Somalia © Kate Holt/IRIN

Getting the budget right

Visitors to the Liberian capital, Monrovia, can't fail to spot a large screen outside the Ministry of Finance that scrolls through the country's budget. It is one tangible sign of the government's efforts to promote transparency and accountability, and draws on information from the work of BSI and the Open Budget Initiative.

Over the past year, BSI has continued to expand its support to the governments of fragile and conflict-affected states, responding to their direct requests for support on effective budget planning and implementation.

BSI embeds world-class experts in government institutions for the long term to generate sustainable change. Its expansion has been driven by its reputation, with its support to the Government of South Sudan's Aid Management Unit on its aid policy leading to a request for similar support from Liberia.

For more than 18 months, BSI colleagues have worked alongside counterparts in the Liberian Ministry of Finance, developing and rolling out the first software to compel donors to share information on what they are funding, where and why – a tool now

used by the Ministry in negotiations with other ministries on their funding needs. Better information is leading to better informed budget discussions and, ultimately, to better funding decisions.

Myanmar: linking peace- and state-building

As Myanmar embarks on its historic and ambitious process of reform, ODI is working with government and non-governmental stakeholders in the country to ensure an inclusive transition process. The key: linking peace-building with state-building approaches.

In Myanmar, as in other countries emerging from years of repression, there is no guarantee of a peaceful transition. HPG is exploring three challenges and potential solutions: armed conflict related to ethnic insurgencies; statelessness and the humanitarian crisis in Rakhine State; and the violence and ongoing incitement against Myanmar's Muslim minority. HPG has been invited by the government to be a strategic partner of the Myanmar Peace Centre (MPC) and is providing dedicated support to the MPC for the next year.



*The workshop
was really useful in
advancing our thinking
around the agenda for
the Presidency.'*

KEVIN KELLY, Director of Emergency and Recovery, Department of Foreign Affairs and Trade, Ireland, congratulating HPG for their contribution to the workshop 'Planning for the 2012 EU Presidency' in May 2012

We continue to monitor the humanitarian situation in Rakhine State and the implications of the violence against Muslims. In September 2012, HPG worked with the Cordoba Foundation to convene a high-level round table in London on the crisis. This event shared information, analysis and strategies to enhance collaboration between the Government of Myanmar, intergovernmental organisations and UN and humanitarian agencies that are planning interventions in Rakhine. HPG has also provided ongoing policy advice on Myanmar to a range of government actors, including the EU, Indonesia, Malaysia, the UK and the US.

As the tight grasp of the Myanmar regime begins to loosen, aid agencies and NGOs are pouring in people and resources. Building on its years of deep-rooted experience within Myanmar and in other countries going through transition, ODI wants to prevent a free-for-all. BSI and HPG are, therefore, working together to combine good budgetary practice and an effective humanitarian response as events unfold.

Building resilience

HPG's years of work on the need to build the resilience of institutions and communities in the face of crises

had a continued impact in 2012. HPG advised the Government of Ireland during its presidency of the European Union, helping to position resilience on the EU agenda. Sara Pantuliano also acted as a resource person for the informal meeting of the EU Working Party on Humanitarian Aid and Food Aid (COHAFA) in Dublin in April and has been invited to join the World Economic Forum (WEF) Global Agenda Council on Catastrophic Risk. ODI has enhanced the WEF's Resilience Practice Exchange with solid examples from ODI's *Disasters* journal. A special virtual issue of *Disasters* on resilience has also proved to be very popular. The German Government has now asked HPG for guidance as it prepares its strategy to support resilience in developing countries.

Women and political leadership in peace and security processes

ODI is expanding its work on the role of women in peace-building. Following last year's work on women's political leadership in Africa, in 2012 we continued to work with UN Women to explore the role of women in peace- and state-building in Afghanistan, Colombia, Haiti, Kosovo and Liberia, and the ways in which the UN policy framework can improve outcomes on the ground. ■



ODI on fragile states
www.odi.org/ar13-fragile

SLRC
www.odi.org/slrc or
@SLRCtweet

Resilience in fragile contexts: the basics

A selection of ODI programmes and partnerships working on this strategic priority

- Centre for Aid and Public Expenditure (Budget Strengthening Initiative)
- Humanitarian Policy Group
- Politics and Governance
- Secure Livelihoods Research Consortium
- Social Development
- Social Protection

How do we know we're having an impact?

- Uptake of approaches and findings from ODI programmes on state-building, peace-building and positive political transactions by major development actors.
- Uptake of ODI approaches to transforming the lives of hard-to-reach women and young girls.
- ODI influences global humanitarian policy for emergency response in conflict-affected and fragile situations.



Inclusive growth in a volatile world

Strategic
priority
4

Since the financial crisis of 2008, the world has become almost accustomed to the volatility that continues to rock global markets and national economies. The 'new normal' of hyperconnectivity poses challenges to sustainable and inclusive economic growth, to livelihoods and to human well-being in rich and poor countries alike. Market volatility often combines with political and environmental shocks to create a destabilising mix of pressures on the poorest people.

Policy-makers the world over are running to keep up with the pace and scale of change. In 2012, as in previous years, ODI research and analysis supported the development of effective responses to global volatility, particularly in low- and middle-income countries. One highlight was the launch of Shockwatch, funded by DFID – an innovative research initiative that provides policy actors with an overview of volatility in global markets, and seeks to identify the policy responses needed to cope with present trends and future uncertainties. Other workstreams address key policies that impact on the volatility of global markets and the prospects for inclusive growth such as the Common Agricultural Policy (CAP).

European Union aid and trade

The EU is discussing the European Commission's future development aid budget as part of the Multiannual Financial Framework (MFF) between 2014 and 2020. However, these negotiations may have missed a trick: the positive economic effects of EU

aid for donor countries, as well as the recipients.

A 2012 study by our International Economic Development Group (IEDG) and the National Institute of Economic and Social Research is the first attempt to quantify such effects. The study, on behalf of ONE, simulates the impact of EU aid totalling more than €50 billion that will be channelled through the European Development Fund (EDF) and the Development Cooperation Instrument (DCI) between 2014 and 2020. The simulation assumes that 60% of aid continues to be directed to economic and social infrastructure, and that EU aid for trade is used to reduce trade costs.

The results are startling: the positive effects on the economies and trade of recipient countries mean that this aid expenditure will be recouped in its entirety by EU taxpayers, and the effects on the ground show a clear return on investment. As a result, European and global gross domestic product levels would increase by around 0.1% and 0.2% respectively – a solid counter-argument to concerns about aid spending in a time of austerity.

The Common Agricultural Policy

The European Parliament and the European Council aim to approve proposals for the CAP by the end of 2013, just as high and volatile food prices and growing environmental problems call old measures into question. IEDG has worked with the European Centre for Development Policy Management and Trinity College, Dublin, to assess whether the process is in sync with current EU development cooperation policy objectives, drawing on a detailed analysis of the situation on the ground in Uganda.

The research has looked at three areas: the impact of the current and proposed CAP on development, how best to monitor that impact, and whether the CAP itself is a good instrument to support and stabilise rural income and protect the environment.

This work has confirmed the impact of the CAP on development: even Uganda, a country with relatively limited exposure to the CAP, is vulnerable to some of its negative effects. Two key policy suggestions have emerged, and were shared with EU officials and experts at a round-table in October 2012.

First, the true impact of the CAP needs to be monitored. Second, it is time to re-examine how best to achieve the EU's objectives for agriculture to ensure development-friendly options and better solutions for citizens in both the EU and the global south.



Creating diverse livelihoods in Lower Nyando, Kenya © K. Trautmann/CGIAR

Shockwatch

The Shockwatch programme produces regular briefings and analysis on fast-moving global trends and events, with a strong focus on volatile markets that affect poor people. It examines the policy responses that are best adapted to promoting resilience in the face of uncertainty. In its first full year of operations, Shockwatch has produced a wealth of high-quality analysis and policy guidance on three areas: food prices and policies; trade, investment and growth; and effective social protection in the face of economic shocks.

Food prices and policies

The *Food Price Update*, produced by our Agricultural Development and Policy (ADP) programme led by Anna Locke, is a tracking service that analyses food-price volatility and related issues, such as land acquisition and biofuel policy. It is tailored to the needs of policy-makers who need a concise round-up of what is happening on food prices, and, importantly, what it means for their planning and response.

The *Update* proved its worth in June and July 2012 when the scale of the US maize harvest failure – and the resulting price hikes – became clear. Within a matter of days, an *Update* was on the desks of policy-advisers, setting out the problem and its possible implications. Further bulletins followed each month until the situation eased in October, at which point the *Update* settled back into its usual bi-monthly publication routine. The *Update* has been welcomed by senior government stakeholders in the UK and beyond for its authoritative summaries on key global trends.

Our work on grain prices over the past five years has included the only authoritative assessment of one possible response: redirecting grain for biofuels or livestock feed to human consumption. The study, prepared as part of the Shockwatch initiative in 2012, revealed limited potential for this policy option in low-income countries, although some middle-income countries could divert some livestock feed, and big global producers, such as the US, could ease global price shocks by combining grain diversion with flexible mandates to avoid penalising producers for failing to hit ethanol-blending targets.

We also drew on five years of analysis to publish *Looking back, peering forward: food prices and the food-price spike of 2007/08* – a clear analysis of lessons learned, possible price trajectories in the future, and potential policy implications. The report concludes that those living in low-income countries without strong growth or an able government need support to bolster their resilience at household and community level, where the struggle to cope with price spikes take place.

**Shockwatch examines
the policy responses that
are best adapted to promoting
resilience in the face
of uncertainty**

Trade, investment and growth

The work of IEDG on the euro zone crisis and its actual and potential impacts, under the leadership of Dirk Willem te Velde, has been seminal in global debates, and expanded in 2012 to look at the impact of other shocks on low-income countries.

Shockwatch Bulletin 1, published in October 2012, reviewed not only the continued fall-out from the euro zone crisis, but the implications of the economic slowdown in China and India and of energy-price shocks. The bulletin's risk matrix set out which countries were most vulnerable to this combined range of shocks and why – many of them are sub-Saharan African countries that rely on foreign direct investment and on exports to China, Europe and India.

In November 2012, the *Bulletin* was presented at the Development Studies Association Annual Conference and discussed at the launch of the International Monetary Fund's Regional Economic Outlook for Sub-Saharan Africa in the UK Parliament. The response was immediate, with almost 7,000 downloads of the *Bulletin* since its publication, and major media coverage in the global north and south, including the *New Statesman*, Tanzania's *Daily News*, Kenya's *East African*, Uganda's *Observer*, and China Network Television's Africa LIVE programme. The *Bulletin* is also quoted in the *Commonwealth Business Council Trade and Investment Report, 2013*.

The second *Shockwatch Bulletin*, published in March 2013, provided a comprehensive overview of patterns of private investment in Africa through the various 'crisis' phases of the past five years and beyond.

Social-protection responses

Our Social Protection programme has launched a Shockwatch work-stream of research and policy advice to donors and governments on how best to respond to the poverty impacts of crisis events. A toolkit has been developed, informed by research visits to Mozambique and Zimbabwe in December 2012: visits that confirmed the scarcity of credible data and highlighted the need for alternative approaches to pinpoint likely risks and responses. The resulting country report on Mozambique has already been used by DFID to guide a risk-mapping exercise in the country, while the Zimbabwe country report provided a useful review of existing social-protection provision for DFID staff.



Building shelter at the Mentao Nord camp in Burkina Faso © Pablo Tosco / Oxfam

We are confident that the Bali workshop managed to put the accountability exercise mandated by our leaders on the right track. Let me take the opportunity to thank you warmly for your invaluable contribution to its success.'

ROGELIO GRANGUILLHOME, Chair of the G-20 Development Working Group thanks Dirk Willem te Velde of ODI for his contribution to the workshop on 'An accountability mechanism for G-20 development commitments', Bali



HIV and AIDS peer counselling, India © Gates Foundation

The impact of the economic crisis on girls and young women

Off the balance sheet, published in January 2013, examines the impact of the economic crisis on girls and young women worldwide, setting out how and why economic meltdown affects them so profoundly. The report, produced by our Social Development programme, led by Caroline Harper, in partnership with Plan International, was the most widely mentioned and cited ODI output of 2012, generating major international media coverage.

Off the balance sheet presents a framework to identify the ways in which economic crises undermine the well-being of children and their families, reviews the evidence on that impact to date and highlights policy solutions.

It finds that negative economic trends, coupled with entrenched patterns of gender inequality and austerity budgets, have left girls and their families with fewer resources and reduced access to basic services, including social safety-nets.

The statistics are damning, with cross-country evidence from past crises finding that infant girls are up to five times more likely to die than boys as economic output declines

by as little as 1%. Girls are also more likely to drop out of school to care for family members, with a 29% decrease in primary-school completion for girls versus 22% for boys. Cuts in health spending leave adolescent girls in danger, with girls aged 14 to 19 at greatest risk of dying during pregnancy and childbirth, and already the age group least likely to have access to appropriate and affordable family planning. In times of economic crisis, girls may be married off early to relieve struggling household budgets, or may even be forced into commercial sex work.

Given this grim picture, austerity budgets that cut basic services such as health, education and legal protection services for girls are short-sighted.

On the other side of the equation, the report points out that national economies are paying a very high price for gender discrimination, with gender gaps in South Asia, the Middle East and North Africa estimated to cost those regions up to 1.7% of their growth each year. An estimated \$47 billion is lost in yearly output across Asia as a result of the limited participation of women in the labour force. UNICEF and its

Inclusive growth in a volatile world: the basics

A selection of ODI programmes and partnerships working on this strategic priority

- Agricultural Development and Policy
- International Economic Development Group
- Private Sector and Markets
- Social Development
- Social Protection

How do we know we're having an impact?

- Global response architecture (shock facilities, policy advice to low-income countries) reflects ODI findings and guidance.
- Uptake of ODI findings and recommendations for strengthening social-protection systems capable of responding to shocks.

Learn more

ODI on economic growth
www.odi.org/ar13-growth

Shockwatch: food prices
www.odi.org/ar13-foodprices

Shockwatch: trade
www.odi.org/ar13-trade

Shockwatch: social protection
www.odi.org/ar13-socialprotection

partners estimate that Cameroon loses \$974 million and Nigeria \$1,662 million each year as a result of failing to educate girls to the same standards as boys.

The findings reinforce the need to promote and safeguard the rights of girls and women and to reassess austerity measures that hit them first and hardest, as well as the need for more robust data on the challenges they face.

This comprehensive research has built on years of work on the links between economic health and social well-being between ODI, Plan, UNICEF and many others.

Aid for Trade

Aid for Trade (AfT) aims to improve countries' capacity to trade and can range from support for new infrastructure to smoothing the impact of changes in the global trading environment.

In today's climate of uncertain export demand and fluctuating commodity prices, AfT can be a life-saver for the private sector in developing countries, with obvious knock-on effects for economic growth and job creation. But research by IEDG suggests that many individual AfT projects fail to deliver results. The research has been funded by the Bill & Melinda Gates Foundation as part of Development Progress – a four-year programme to examine what has worked in development and why.

Drawing on an extensive review of AfT initiatives over recent years, the research suggests that AfT is subject to the same failures of collective action that affect aid in many other sectors. It has highlighted the importance of AfT that is driven by recipient countries and that addresses barriers to trade in a measurable way, with far greater investment needed in baseline data. It has also reinforced the need for a better understanding of why some AfT initiatives struggle to gain traction and, in particular, the political-economy context that can make

the difference between success and failure. Given the cross-border nature of trade, the research has flagged up the strong economic rationale for stronger regional institutions.

This work informed the AfT policy dialogue in January 2013, co-hosted by ODI with the OECD and Business Fights Poverty, and has sparked growing debate on social media, including Twitter, podcasts and the blogosphere. An AfT blog special feature was posted on the Business Fights Poverty site from such eminent bloggers as Pascal Lamy, Angel Gurría, Karel de Gucht and Dirk Willem te Velde, Head of IEDG at ODI, with Dirk's blog on the potential for the next generation of AfT receiving particular interest. Next steps include the presentation of the work at the fourth global AfT review in July 2013.

Development finance institutions

Without changes in productivity based on widespread economic diversification and structural transformation, the world's low-income countries have little chance of achieving sustained economic growth and solid social development.

With funding from DFID, ODI is examining whether development finance institutions (DFIs) can create jobs while promoting productivity and long-term growth. Initial research has revealed that they can, creating jobs directly in firms supported by DFIs, indirectly through their outsourcing and supply chains, and via cheaper and better-quality infrastructure. They can promote productivity by stimulating technology-intensive sectors, introducing new technologies and supporting innovative management.

These preliminary findings were rolled out at a workshop with DFIs in March 2013 attended by representatives from CDC Group, the World Bank, the European Bank for Reconstruction and Development, the International Finance Corporation, the European Investment Bank and many more. ■



New models for action

Strategic
priority
5

The accelerated pace and scale of global change over recent years present serious challenges to ‘business-as-usual’ models for development and humanitarian assistance. ODI seeks to develop innovative solutions that respond to the key dimensions of global change.

These include shifts in the distribution of poverty and global growth, the emergence of new donors, the growing recognition of the role of the private sector in promoting development, and new global challenges such as climate change. At the same time, donor countries must justify the aid they provide by proving its impact to voters who face austerity at home.

ODI supports the development of new, more effective models to finance development and humanitarian action, and to engage new actors. Our work recognises that context matters for lasting impact, and that understanding context is essential for effective action.

As already shown in this report, we have spurred new approaches to negotiations with armed non-state actors, and have challenged old assumptions about the impact of basic services and social protection on peace- and state-building. Throughout the year, many other work-streams have stimulated new discussions on how development and humanitarian action could, and should, work in the future.

New pathways for development

A new development landscape

ODI's *Horizon 2025* paper, published in July 2012, has

been hailed as a key resource on the future of the international development architecture. Building on papers originally prepared for the 50th anniversary of the Danish Development Agency (Danida), *Horizon 2025* forecasts that global poverty will fall substantially and will be concentrated in fragile, low-income and African states by the end of the next decade. A smaller share of industrialised-country income may be enough, therefore, to close the remaining poverty gap. The paper suggests that aid agencies may need to re-position themselves to address three key ‘disruptors’: high-impact philanthropic and other non-state funding; the rise of south-south cooperation; and the power of climate-change finance. *Horizon 2025*, which was produced by our Centre for Aid and Public Expenditure (CAPE), led by Edward Hedger, uses an index of vulnerability to explore the likely impact on some of today's major development agencies.

The paper was ODI's most downloaded new publication in 2012–2013, with more than 6,600 downloads. It is having an influence on thinking about the future of development and the priorities and structure of development agencies,

with the World Bank, World Vision and Save the Children talking to ODI about its findings. It has generated major media coverage, including in *The Economist*, the *Chicago Tribune*, the *Sydney Morning Herald* and on the BBC as well as in blogs such as ‘A view from the cave’, ‘Devex’ and the ‘Huffington Post’. The follow-up paper analysing country-level dynamics in the face of changing development finance, *The age of choice*, has been welcomed by key stakeholders.

The 2012 CAPE conference, ‘Old puzzles, new pieces: development cooperation in tomorrow's world’, created a lively discussion on the future of development, with high-level contributions from the World Bank, DFID and many others. We maximised the impact of the conference via an online audience, with 250 people from more than 35 countries across Asia, Africa, Europe, the Americas and the Middle East joining the discussion.

A new approach to measuring progress

Many have argued that we must look at more than economic growth when measuring progress, but there has been less focus on how to do this. Our Development Progress project has used an innovative measurement methodology to compare the performance of Asian ‘tigers’ in the 1970s and African ‘lions’ in the 2000s, reviewing how countries perform relative to others starting from similar points. The methodology finds a small



Holmes and Jones should be congratulated for making this compelling case for gender-sensitive social-protection programming. Their considerable experience and expertise ensures this book will be an essential read for hardened “social protectionistas”, students, researchers and practitioners.’

PROFESSOR ARMANDO BARRIENTOS, Senior Research Fellow, Brooks World Poverty Institute, University of Manchester, praises *Gender and social protection in the developing world: beyond mothers and safety nets*

number of African countries performing better across several indicators than Asian ‘tigers’ did during their first decade of rapid economic development – a contrast to current pessimism about Africa’s development trajectory.

How to ‘do’ gender

The case has been made: policy-makers now recognise the value of investment in girls and women as a pillar of sustainable economic and social development. But there is a sizeable gap between recognising the value of this investment and understanding how to invest wisely. Too often, gender is a ‘tick box’ on a development-programme checklist. Approaches to gender issues – even those that set out to address gender discrimination or poverty – have often relied on targeting women for particular goods or services, such as social protection. The assumption has been that reaching a set number of women will somehow ‘deliver’ gender equity.

Our work on gender issues over the past year, as highlighted throughout this report, shows that it is not enough to ‘add women and stir’. This is about using a gender focus to transform lives.

One highlight was our book *Gender and social protection in the developing world: beyond mothers*

and safety nets, published in March 2013. Written by ODI’s Nicola Jones and Rebecca Holmes, it draws on evidence from poor households and communities across Africa, Asia and Latin America to provide insights on the effects of a range of social-protection measures. It reveals that, despite the international development funds pumped into social-protection programmes, they rarely address the links between the risks women face and the perpetuation of poverty. Cash transfers targeted to women, for example, often reinforce their traditional roles, including as mothers who must enrol their children in school to qualify for the funds.

The book concludes that social-protection programmes could help to transform gender relations with simple changes to their design and with greater investment in their implementation. It has become a development bestseller, increasing demand for our work on gender issues still further and generating discussion among policy-makers, donor agencies and social-protection practitioners.

ODI experts are now fielding repeated requests to contribute to discussions on gender issues around a post-2015 framework, integrating gender into a wide range of policy and practice. We are also increasing the understanding of indicators related

Listening to the public

‘I was around when Live Aid shocked everybody and still the problem hasn’t been sorted. We’re giving to charities, doing our stuff, and it’s still happening.’

Views gathered by ODI and the Institute for Public Policy Research from members of the public around the UK in 2012 show that we can never take public support for aid for granted. *Understanding public attitudes to aid and development*, published by our Politics and Governance (POGO) programme with support from the Charities Aid Foundation, shows that the financial crisis and ensuing spending cuts have coloured public opinion, but that the UK public also has a real appetite for new conversations and engagement on aid and development issues.

Four deliberative workshops conducted around the UK went into greater depth than more traditional quantitative surveys to find out why people hold the views they do. This more intensive analysis revealed a growing rejection of what is seen as a fairly narrow or simplistic ‘aid story’, but a real appetite for a greater understanding of development. People are eager to learn more about how development progress actually happens – a clear message to the development sector to do better at telling its own story.



The panchayat elections in Odisha, India, in February 2012, urging women to stand for elections © Gaganjit Singh / UN Women

International development actors who want to strengthen democracies would do well to start by focusing on parliaments

to social norms and methodologies for research on sensitive issues and hard-to-reach populations, as well as responding to requests from agencies to discuss the integration of a gender perspective into their work – a sign of our continued and increasing influence.

Moving in political circles

Our efforts to pull policy-makers out of their comfort zone to engage with political processes continued in 2012, with work-streams on emerging democracies, elections and political support for development action.

With their potential to deepen the quality of democratic governance, or to act as flashpoints for discontent, elections should be on the development radar. Our work on this issue builds on research, analysis and commentary from elections in Ghana, Georgia and Kenya over the past year. In March 2013, we launched a high-level meeting series on ‘Elections, legitimacy and transitions: lessons from emerging democracies’ with a lively debate among panellists from Ghana, Kenya, Sweden and the University of Warwick on why some elections trigger violence while others pass peacefully. Our outputs on elections have seized attention, with *The Independent* running our blog

on Georgia’s election, and *Foreign Policy* running our blog on elections in Ghana.

Parliaments are at the very heart of democratic political systems, but are both a cause of poor democratic governance and a key target for improvement. International development actors who want to strengthen democracies would do well to start by focusing on parliaments.

In 2011, the Swedish International Development Agency (Sida) commissioned an ODI study on parliamentary development assistance to review knowledge on donor approaches and their impact, and draw out lessons learned. The resulting study, *Mind the gap*, published in November 2012, finds consensus among donors on the basic principles for support to parliaments.

Mind the gap has been presented to parliamentarians in Sweden, winning praise for its content and approach. ODI now has numerous requests for further discussions on the findings of the report from USAID in Ukraine, the World Health Organization and the Danish Institute for Parties and Democracies, and is taking part in the gathering of the Political Party Peer Network.

We continue to receive requests from donors and others to help them



Former Taliban fighters prepare to hand over rifles to the Government of the Islamic Republic of Afghanistan, May 2012
© Department of Defense photograph by Lt. j. g. Joe Painter / Isafmedia

think and act in ways that are politically smart. Demand has grown for the POGO-led training programme on political-economy analysis: in 2012 we worked with DFID, the EC, Plan UK and BBC Media Action to deliver courses and workshops, and to help them design more politically informed programmes and policies.

Bridging sectors for impact

ODI pulls different sectors closer together to address the often complex and interlinked challenges to development. Over the past year, we have outlined policy options to bridge the gap between development, environment and economic objectives on the global stage, with cross-ODI work-streams on the post-2015 agenda, climate-compatible development, the challenges facing fragile states, and responses to volatility in global markets. Our work has included efforts to draw together the often separate approaches to child poverty and to child protection. In partnership with the Oak Foundation, we are analysing the links between these two issues to spark a cross-sectoral debate and to increase understanding of the poverty-related drivers of child and youth marginalisation and exploitation.

New pathways for humanitarian action

The importance of regional models

There is growing recognition that established members of the

international system, such as UN agencies and western NGOs, do not have a monopoly on the delivery of services to those caught in conflicts or natural disasters. There is an increasingly compelling sense that 'regional' solutions may be a more effective answer to problems that have a regional impact.

HPG's expanding partnerships in the Asia-Pacific region reflect our commitment to look beyond Western approaches. In the past year, new partnerships created by HPG with the National Institute of Emergency Management at the Chinese Academy of Governance (NIEM-CAG) and the Institute of Southeast Asia Studies (ISEAS) have helped promote a greater understanding across the humanitarian sector of the roles of Asian humanitarian actors.

In November 2012, HPG joined NIEM-CAG in Beijing to co-host 'The advanced course on crisis, recovery and transitions', a training course for senior professionals from the humanitarian and development sectors that attracted leading academics, policy-makers and practitioners from across the Asia-Pacific region. Participants discussed the growing role of the military, the private sector, regional organisations and other non-traditional development actors in emergency response. The course, supported by the Australia and New Zealand School of Government at the University of Canberra and by the Post-war Reconstruction and Development Unit at the University

of York, attracted regional and country directors from a range of aid agencies, as well as senior UN officials and government employees.

In January 2013, HPG and the ISEAS co-hosted 'A global history of modern humanitarian action: regional conference on East and Southeast Asia', in Singapore, bringing together diplomats, academics and senior figures from the humanitarian sector in the region. The conference was one element in a long-term research programme by HPG on the diverse histories and perspectives of humanitarian action across the globe since the start of the 20th century. It explored the key events creating humanitarian need across East and South-East Asia, the kind of responses and actors involved and how these have evolved. It also assessed the evolution of humanitarianism in specific countries, including China and Myanmar, crises resulting from the genocide in Cambodia, the famine in North Korea, the 2004 Indian Ocean tsunami – and local and international humanitarian responses to them.

These regionally oriented historical studies underpin HPG's 'Zones of engagement' project. Looking at the role of regional and sub-regional organisations in humanitarian action, the project explores the rationale for

their involvement, the degree to which their approaches differ from the UN's, and whether they offer a model of action for future crises.

Sanctuary in the city – responses to urban displacement

Over half of all refugees and internally displaced people now live in cities, where they receive little help from host governments or international agencies. Displacement contributes to rapid urbanisation in many conflict-affected and post-conflict states, placing huge strains on infrastructure and posing massive challenges for aid agencies.

HPG carried out a major research series, *Sanctuary in the city*, with the final case studies – on Peshawar and Gaza – completed in 2012 and an international conference co-hosted with Danida in Copenhagen to discuss the findings. We have taken a lead on bringing the humanitarian sector up to speed on policy, practice and strategy in urban areas, recognising that the response to urban displacement requires a shift in attitude from humanitarian actors that are more accustomed to working in camps. HPG contributed a chapter on urban displacement to the International Federation of the Red Cross *World Disasters Report 2012*. ■

A selection of ODI programmes and partnerships working on this strategic priority

- Agricultural Development and Policy
- Africa Power and Politics Programme
- Centre for Aid and Public Expenditure
- Climate and Environment
- Development Progress
- Growth, Poverty and Inequality Programme
- Humanitarian Policy Group
- International Economic Development Group
- Politics and Governance
- Private Sector and Markets
- Social Development
- Water Policy Programme

How do we know we're having an impact?

- Evolution of dominant models for aid delivery reflects ODI guidance and findings.
- More effective engagement between public and private-sector actors in development debates and action, reflecting ODI findings and guidance.

Learn
more

ODI on new models for action
www.odi.org/ar13-newmodels

Collaboration translates research into results



This book provides many insights into how researchers and practitioners can work better together in addressing complex policy issues.'

PROFESSOR BRIAN HEAD, University of Queensland, Australia, welcomes *Knowledge, policy and power in international development*

Even the world-class research produced by ODI is not enough, on its own, to generate tangible results for the world's poorest people. This requires additional initiatives and innovations to translate research into effective policy and hands-on practice.

ODI has forged links between researchers from different disciplines for years, and many of our pioneering approaches – such as the RAPID Outcome Mapping Approach (ROMA) – are now part of the fabric of think tanks and research institutes world-wide. Over the past year, however, we have looked beyond research itself to adopt a 'transdisciplinary' approach – working with other stakeholders, including policy-makers, operational agencies and communities to develop shared research agendas, collaborate on research and interpret the implications of research findings for policy. The aim: to address interdependent development challenges that cannot be addressed by any single organisation working alone.

The transdisciplinary approach has framed the work of our Research and Policy in Development (RAPID) programme, and there has been a marked expansion of collaboration at a global level and on the ground in low-income countries. The year began, for example, with RAPID's co-hosting of the K* conference in Hamilton, Canada, alongside the United Nations University Institute for Water, Environment and Health and the World Bank: the first global conference to bring together those working across the knowledge-policy interface.

Knowledge, policy and power

Knowledge, policy and power in international development, launched in April 2012 with The Policy Press, captures what we know about how knowledge, policy and power interact to promote or prevent change in international development. This academically rigorous yet practical book provides much-needed guidance on how to improve links between the production and use of knowledge on the one hand, and policy design and implementation on the other. It aims to help readers negotiate the knowledge-policy interface to shape, influence and implement development policies and programmes more effectively.

The book has been welcomed by academics and practitioners across a range of policy arenas who need to work together to address common challenges of skewed relationships between different actors and the analysis of political context. Its contents and its related guidelines are being integrated into the work of major international donors.

Mwananchi

The five-year Mwananchi (citizen) programme ends in 2013, having helped to identify and support interlocutors ('game-changers') to strengthen the engagement of citizens



RAPID
www.odi.org/ar13-rapid

with their governments across six African countries: Ethiopia, Ghana, Malawi, Sierra Leone, Uganda and Zambia. Funded by DFID through the Governance and Transparency Fund, and managed by ODI, Mwananchi has aimed to increase citizens' ability to hold governments to account as a means to reduce poverty.

Mwananchi has built 'coalitions of change' that include interlocutors across the media, civil-society organisations, elected representatives, traditional leaders, and the private sector. It has achieved miracles with limited resources by working with local consultants and facilitators to identify and support interlocutors to address collective-action challenges in communities.

An evaluation of Mwananchi has revealed its impact on interaction between citizens, interlocutors and governments, and the engagement of marginalised citizens, who have had a rare opportunity to speak truth to power.

Mwananchi has generated concrete changes in people's lives where it has operated, with benefits for women's security of land tenure in Ghana and Zambia, and increased access to services such as education, electricity, health, justice and water in most countries. In Ghana and Ethiopia, support for livelihoods has included access to grants from local councils and, in Zambia, from local businesses.

Mwananchi has helped to stimulate changes in policy, influencing legislation on education, the Disability Act and gender policies in Zambia, the Mental Health Bill in Ghana, and the Roads Authority in Sierra Leone – aiming to ensure that the views of marginalised people are heard.

This initiative has helped to build the capacity of those handling grants, provided a model to test theories of change, and generated lessons on key approaches, such as outcome mapping and political-economy analysis. Above all, it has forged cross-sectoral and cross-country communities of practice for the future.



Citizen consultation on green development, Ethiopia © Mwananchi

Indonesia

ODI's innovative approach to collaboration attracted the attention of the Government of Indonesia and AusAID in 2012. RAPID was commissioned to undertake an analysis of the political economy of knowledge use in Indonesia, which contributed to the design of the Government of Indonesia and AusAID's 15-year, AUS\$500 million Knowledge Sector Initiative (KSI). The initiative will work with the whole institutional landscape of government, private sector and civil-society organisations that provide research and analysis to support the development of public policy. ODI is taking a lead on the knowledge-demand side of the equation, with a RAPID Research Fellow based full-time in Jakarta to provide research and guidance on how government agencies, donors and legislators can make better use of research-based evidence to shape effective policies.

Nepal

ODI has been working on a major DFID-funded initiative, the Nepal Centre for Inclusive Growth (CIG), which promotes changes in policy and practice through the targeted deployment of research and expertise. Based with CIG in Nepal since 2011, a RAPID Research Fellow is leading a project to strengthen the management of tourism in the Pokhara and Annapurna area. The project aims to improve local governance by building partnership among local businesses, local government and civil society,

and by brokering scientific and technical knowledge to aid local problem-solving and collective action.

In 2012, one initiative under the project demonstrated tangible results from collaboration by erecting solar street lights in Pokhara. The CIG project facilitated and oversaw the process, managing procurement and funding solar experts to advise the partnership. They helped partners to identify priorities and courses of action. Demonstrating the local ownership of the initiative, the solar lights themselves are being paid for through a public-private partnership (PPP) comprising the municipal government, the private sector and central government bodies in Kathmandu, with no external funding.

Looking ahead

In 2012 ODI was contracted to provide support to maximise the impact of research funded by the DFID-ESRC Growth Research Programme, a collaboration between a donor (DFID) and a research body (the Economic and Social Research Council). The programme will generate high-quality evidence on economic growth in low-income countries over the next three years. The transdisciplinary approach will also be at the forefront of ODI's five-year collaboration with the ESRC and the Natural Environment Research Council project 'Earthquakes without frontiers', combining natural and social science with engagement with local decision-makers in China, Kazakhstan and Nepal. ■

Communications innovation



Gillian Hart
Director of
Communications

The Communications team at ODI has had an extremely successful year. As this report shows, our communications work over the past year has supported our five strategic priorities to maximise the impact of ODI's research and policy engagement. This has been enhanced by a complete transformation in the way ODI communicates, making proactive use of a period of major change for the entire Institute.

Online Strategy of the Year 2012

We have always worked to ensure that we are one step ahead of trends in research communications. This work was rewarded when ODI won the Online Strategy of the Year 2012 in September at the prestigious Digital Communications Awards in Berlin, fending off competition from more than 100 multinational corporations and specialist digital agencies.

The online strategy, led by Nick Scott, aims to promote the reputation and reach of ODI's researchers and their work, and rests on three pillars.

- **'Being there'**: the channels and messages we use to deliver content online are tailored to the audience. We go to them, in the spaces they use.
- **'Cradle to grey'**: the lifespan of research grows online and is supported by a complete communications package from inception to maturity and beyond.
- **'Reusing the wheel'**: we do not develop online tools or content when suitable free or cheap alternatives are available.

ODI has a tiny online communications budget in comparison with the other organisations that competed for

this award. Our success shows that a strong communication strategy, even with limited resources, can have an impact. While the online strategy is still young, it is reaching more people than ever, and particularly the people we need to work with or influence.

New facilities enhance our convening power

The improved facilities at our new offices have helped us enhance our already pioneering use of event streaming and video conferencing, taking our events to our audiences wherever they are. As highlighted in last year's report, HPG's cross-continent event series, with panels brought together through video-conferencing, were extremely successful, leading to similar events in the past year. Our new offices have been set up, from the outset, to make such events easier, and to improve the quality of the video and audio we stream to online participants. We now reach viewers on five continents – people from 111 different countries registered to watch online during the year.

Our new convening space has allowed us to test different event formats, from traditional panel discussions to television-style interviews,

tailored to our diverse topics and audiences. We have used our enhanced convening power to increase our multimedia content, with video and podcasts providing an enduring platform for views and opinions from development champions such as Helen Clarke (UNDP), Joseph Stiglitz and Jeffrey Sachs (University of Columbia), and Sri Mulyani (World Bank).

ODI's journals

ODI continues to curate top-quality scholarship from researchers worldwide through its peer-reviewed journals, *Disasters* and *Development Policy Review* (DPR). There has been a marked increase in subscribers for automatic content alerts for both journals over the past year, with major growth in readership in Asia: Chinese readership for DPR increased by 21%, and Indian readership for *Disasters* rose by 14%.

A new look and feel

The new ODI brand was rolled out in 2012: a catalyst for the overhaul of our communications. The brand refresh has given our work a more contemporary look and feel, positioning us for the next phase of our



As ODI sells ideas, not products, its aim is to reach the right people and incite them to act.'

PROFESSOR DR THORSTEN HOFMANN,
Chairman of the Jury, Digital
Communications Awards 2012

development. As part of this refresh we have reviewed and streamlined the format and structure of our publications, making them more coherent and effective.

We also delivered a new, fresh and modern website platform that will be the foundation for the delivery of our work in multiple formats quickly, easily and tailored to the needs of specific audiences – looking beyond traditional publications to new infographics, for example, and greater use of podcasts.

Our emphasis on the brand and the website in 2012 has expanded our social-media engagement with LinkedIn, and our Facebook and Twitter following – we regularly reach over 10,000 people on Facebook with our posts, and have over 23,000 followers on Twitter.

Being there for the media

Our emphasis on taking the stories to the media resulted in our third year of increased global media coverage. As in previous years, the emphasis was on quality, as well as quantity, including coverage in eminent outlets such as *The Economist*, *Foreign Policy*, the *Financial Times*, *The Guardian* and *The Daily Telegraph*, and national



ODI is making more use of infographics, including *10 things to know about climate finance in 2012* © Steven Dickie

and international BBC radio. Our online profile expanded via Guardian Development, Al Jazeera, This is Africa, IRIN, Alert Net Africa, as well as in media outlets in the global south including the *Daily Monitor* (Uganda), *The Nation* (Malawi), the *Bangkok Post* and the *Sydney Morning Herald*.

Hits on our news page are up 10% on the previous year, reflecting a stronger focus on the news agenda that has also pushed up our social-media figures. Highlights included analysis by HPG's Ashley Jackson on the UK Prime Minister's comments about aid spending on military/stabilisation measures, covered by BBC radio, *The Daily Telegraph*, *The Guardian* and *The Independent*. Our response to Hurricane Sandy saw Tom Mitchell of our Climate and Environment programme quoted in the *Financial Times* and writing for Al Jazeera.

ODI has contributed to debates on the importance of the media and communications in public engagement. Our November 2012 event

'Where does development belong in the modern media landscape?' asked whether there is still such a thing as a good development story, or whether those communicating on global issues must look beyond 'big D development' to access mainstream media better.

The role of communication in disaster response was also highlighted in 2012. The Humanitarian Practice Network (HPN) paper *Improving communication between aid agencies and crisis-affected people: lessons from the infoasaid project* examined how broadcast media and new technologies can help agencies communicate with beneficiaries. The HPN paper, which was covered widely on social media, was a contribution to the growing debate on how such communication can, ultimately, enhance both the quality and accountability of humanitarian assistance. ■

Learn
more

Communications
www.odi.org/ar13-comms

The ODI Fellowship Scheme: providing capacity, promoting careers



Robin Sherbourne
Head of the ODI
Fellowship Scheme

This year marks the 50th anniversary of the ODI Fellowship Scheme. What started with three young British economists going to work for the governments of newly independent Kenya, Tanzania and Uganda has developed into a scheme that places 50 young economists of all nationalities in public-sector posts across 24 countries and regional organisations in Africa, the Caribbean and the Pacific every year.

The basic formula has remained essentially unchanged since 1963. Governments lacking capacity in economics and statistics employ ODI Fellows to work under the same terms and conditions as their local counterparts. Young economists with masters degrees or PhDs compete through a rigorous selection process for these posts and are placed where governments need them, with ODI providing a small supplement to bring their salaries up to the level of a junior economist in the UK civil service.

This formula has proven remarkably robust over the years and has served both governments and Fellows well. Governments gain capacity while Fellows gain invaluable experience on the front line of development – experience that helps their careers.

Fifty years seems a long time to be providing capacity to governments. Surely governments have developed their own capacity by now? Clearly

some have. The Scheme has operated in many more than today's 24 countries and regional organisations – a reflection of the success of many in building and maintaining their own capacity, often with the support of the Scheme. In other countries, however, progress has been far from linear, interrupted in many cases by dictatorships, wars, and even genocide. The Scheme has proven a loyal friend where development has been so disrupted.

The continuing demand for ODI Fellows is a mark of the Scheme's value to governments, with a growing number of middle-income countries paying a greater share of the cost, while the Scheme itself is happy to provide Fellows to countries that still have large numbers of very poor people, despite growing national income. One lesson from the past 50 years is that effective policy capacity is a precious national

resource that can take many decades to establish, and the Scheme seems as relevant as ever as countries become richer.

The other side of the Fellowship coin is how the Scheme helps Fellows, promoting careers and expanding the pool of talented people working in development. A glance at the career paths of former Fellows finds them making their mark across very different development organisations. They are working for multilateral donors such as the UN, the World Bank, the International Monetary Fund or for regional development banks. They are forging careers in development agencies and in their home civil services, in research institutes and in NGOs. They are bringing development perspectives to a private sector that is playing a far more important role in stimulating growth in low-income countries than it did 50 years ago. Not surprisingly,

a number of Fellows go on to work for ODI itself.

The Scheme has been a launch pad for some illustrious careers over the years, including those of Vince Cable (UK Secretary of State for Business, Innovation and Skills), Lord Andrew Turnbull (former UK Cabinet Secretary), Dr Martin Weale CBE (Director of the National Institute of Economic and Social Research and a UK Monetary Policy Committee member), Professor Anne Mills CBE (Head of Department of Public Health and Policy, London School of Hygiene and Tropical Medicine) and Sir Suma Chakrabarti (Head of the European Bank for Reconstruction and Development).

Many Fellows stay on to build new lives in the countries where they have worked. My own 20 years in Namibia following a stint as the first Fellow in the newly independent nation is a case in point. If you are interested in development, there is simply nothing better than living and working in a developing country.

It is an enormous privilege to be handed the baton of directing the ODI Fellowship Scheme by Adrian Hewitt, who has served the Scheme with such dedication for the past 17 years. Fortunately, I have my colleagues Susan Barron and Darren Lomas to provide continuity.

Under Adrian's leadership, the ODI Fellowship Scheme has confirmed its value as an extremely cost-effective way of providing technical assistance and creating a pipeline of skilled young professionals. With the generous support of DFID and AusAID, we are now preparing to post our 1,000th Fellow. Looking ahead, the challenge will be to maintain our support to the poorest countries on the planet while serving richer countries that are building the policy capacity to tackle the huge challenges that still confront them. As the following testimonies from Fellows and from governments confirm, we are in good shape to rise to that challenge.

What ODI Fellows are saying



Viola Dub

Budget Unit, Ministry of Education, Malawi

'My two years with Malawi's Ministry of Education, Science and Technology have felt like two weeks – a reflection of the intensity of this rewarding experience. I stepped into an already well-established and highly valued position in the budget unit, putting me at the heart of the planning and monitoring machinery of the Malawian education sector.

I have had such a warm welcome from my three fellow budget officers, each of us acting as desk officers for educational sub-levels. My role has been to drive the technical side of decentralisation, transferring core basic education functions to the district level. It is not an easy task, but first-hand experience of the challenges of translating improved planning and monitoring into improved public goods is invaluable.'



Ifeatu Nnodu

Budget Directorate, Ministry of Finance and Economic Planning, Juba, South Sudan

'Over the years, ODI Fellows have established a reputation for providing quality and professional outputs,

and are regarded as a trusted form of technical assistance, especially because we work for the government. Fellows working on budgets are a valuable resource for my ministry, and continue to play a key role in coordinating the planning and budgeting process.

Working in the Finance Ministry of the newest country in the world has been both a huge responsibility and a rewarding experience. I have had the unique opportunity of establishing new systems and structures, working closely with senior government officials, and preparing a budget following the sudden loss of 98% of the country's revenues!'



Pranita Sharma

Department of National Planning and Monitoring, Papua New Guinea

'Although each ODI Fellowship has its own distinct character, I believe that they all have two things in common. First, the Fellowship Scheme is an equal exchange of ideas, experiences and skills: a true partnership between each Fellow and the department in which they work. Second, steep learning curves – as I found when I was asked to write the Annual Performance Report for my Department within months of my arrival. But if you are receptive to exciting and sometimes scary responsibilities, a world of opportunities opens up.

I never thought I would advise the head of the National Planning Department, or sit in on meetings with the Prime Minister at the National Executive Council. But when these things happen, ODI Fellows often surprise themselves



The Scheme is providing developing-country governments with technical support in economics, where gaps in local expertise exist, and this has considerable impacts in terms of the host ministry and in terms of the personal and professional skills of recent high-calibre postgraduate economists. The Scheme has, at an overall programme level, delivered excellent value for money.'

DFID three-year review of the ODI Fellowship Scheme 2009–2011

with previously untapped capacity to deal with complex situations. There is never a dull day in paradise.'



Rajkumar Singh

Revenue Department, Ministry of Finance, Liberia

'Working as an economist in the Revenue Department has been a fascinating experience or, as people here would say, "it been crazy-o!". Over the past nine months, I have been involved in wide-ranging tax-related projects from analysing the macroeconomic effects of fuel subsidies to negotiating multi-million dollar mining-concession agreements with foreign investors. Many of my colleagues lack formal training in economic and financial analysis hence I fill in the gaps wherever possible. Sometimes, I am slightly intimidated by the scope and the significance of projects. But you quickly learn to become resourceful or become "hella-ofa man".'

What governments are saying

His Excellency Aggrey Tisa Sabuni

Economic Advisor to the President of South Sudan

'South Sudan – the world's newest nation – is faced with a multitude of challenges related to setting up a peaceful and cohesive state as well as creating government structures and services virtually from scratch.

The creation of a nation state, its bureaucracy, as well as country-wide health and education systems, only began in South Sudan in 2005 after the signing of the Comprehensive Peace Agreement, and culminated

with the proclamation of independence in 2011. The support provided by the ODI Fellowship has, therefore, been crucial in filling the gaps in local expertise and to support state-building in South Sudan.

The Government of South Sudan is one of the biggest beneficiaries of the scheme, with several Fellows placed in key Ministries. The Fellows have been an immense asset to the government, and have supported the budget processes, aid coordination and creation of statistical and health systems. They have become trusted within the government and are known to work to the highest standard as well as providing crucial capacity-building support to their colleagues.'

Neil Cole

Executive Secretary, Collaborative Africa Budget Reform Initiative

'Over the past 10 years of partnership with the ODI, each ODI Fellow has made an exceptional and unique contribution to the work of the National Treasury and the Collaborative Africa Budget Reform Initiative (CABRI). The ODI Fellowship scheme was a critical contribution to the formation and sustainability of CABRI, especially during the formative years of the entity. This is a programme that is able to address capacity constraints of underdeveloped and developing countries.

As was the case with several ODI Fellowships in South Africa, CABRI will extend the contract of its current Fellow beyond the initial two years. This provides a very strong indication that the selection processes have been "spot on".'

Ericah Shafudah

Permanent Secretary, Ministry of Finance, Namibia

'ODI Fellows in the Ministry of Finance in Namibia have contributed to a wide range of tasks, from assisting with the national

budget, to working on sovereign debt-management strategy; from macroeconomic forecasting to assisting with developing the strategies for implementing the national development plan. They bring a great deal of passion and enterprise to their position as a government economist, and have in the past played important roles in developing and implementing new initiatives as well as in the

day-to-day tasks of the Ministry. It is indeed impressive how quickly ODI Fellows are able to adapt to living and working in a different country and with different cultures. Importantly, ODI Fellows make a vital contribution to building capacity within the Ministry of Finance – especially within the Directorates where they are assigned – as they bring with them technical expertise and international

experience which allows for the invaluable transfer of skills to local economists. As proof of the Scheme's success, demand for ODI Fellows remains strong within the Ministry of Finance, and is on the rise.' ■



ODI Fellowship Scheme
www.odi.org/ar13-fellows

ODI Fellowship Scheme timeline

Year	Milestone	Year	Milestone
2013	50th anniversary of ODI Fellowship Scheme	1994	First Fellow in The Gambia
2012	Adrian Hewitt retires as Head of ODI Fellowship Scheme	1993	First Fellow in Tonga
2009	First Fellow to Liberia First Fellow to Timor-Leste Scheme pulls out of Madagascar	1991	First Fellows to Mozambique and Namibia Scheme pulls out of Vanuatu Scheme ends in St Vincent
2008	First Fellows to Ministries of East African Community Affairs	1990	First Fellows to Caribbean regional organisations
2006	First Fellow to southern Sudan Scheme returns to Zambia Scheme pulls out of Fiji Scheme ends in Tonga	1989	First Fellow to Guyana
2005	Scheme returns to Solomon Islands Scheme ends in Caribbean regional organisations	1987	First Fellow to Vanuatu
2004	First Fellow to Nigeria Scheme ends in Botswana	1986	First Fellow to Solomon Islands Scheme ends in Dominica
2003	First Fellow to Sierra Leone since 1968 First Fellows to Burundi	1984	First Fellows to Papua New Guinea and Fiji Scheme returns to Kenya Scheme ends in St Lucia
2002	First Fellow to Ghana Scheme returns to Vanuatu	1983	Scheme returns to Uganda
2001	First Fellow to Ethiopia Scheme pulls out of Solomon Islands Scheme returns to Zambia Scheme ends in Montserrat	1977	First Fellow to Dominica Scheme pulls out of Zambia
2000	First Fellow to Pacific Regional Body Scheme ends in The Gambia	1976	First Fellows to St Vincent and Belize
1999	First Fellow to South Africa	1975	First Fellow to St Lucia
1998	First Fellow to Rwanda	1973	Scheme pulls out of Kenya and Uganda
1997	First Fellow to Montserrat	1968	First Fellows to Lesotho Scheme ends in Sierra Leone
1995	Scheme ends in Belize First father/daughter Fellows Natasha and Pierre Landell Mills (father was one of the three original ODI Fellows in 1963) Adrian Hewitt appointed Head of ODI Fellowship Scheme	1967	First Fellows to Botswana and Malawi Scheme ends in Mauritius
		1966	First Fellow to Sierra Leone
		1965	First Fellow to Mauritius
		1964	First Fellow to Zambia
		1963	ODI Fellowship Scheme starts with funding from the Nuffield Foundation First Fellows to Kenya, Tanzania and Uganda

ODI Fellows in post*



01

BURUNDI [4]
Ministry of Health
Anisa Berdellima
Ministry of Commerce,
Industry and Tourism
Rebecca Dadzie
Ministry of Finance
Stefan Herweg
SP/REFES, Office of
Vice President
Jerome Sansonetti

02

ETHIOPIA [4]
Ministry of Agriculture
Chetan Deva
Ministry of Education
Peter-Sam Hill
Ministry of Health
Azusa Sato
Ministry of Education
Joe St Clair

03

GHANA [3]
Ministry of Trade
and Industry
Siddhartha Haria
Ghana Education Service
– Girls' Education Unit
Rebecca Molyneux
Ministry of Education
– Planning, Budgeting,
Monitoring and Evaluation
Division
Nicola Ruddle

04

LESOTHO [1]
Ministry of Trade, Industry,
Cooperative and Marketing
– Industry Directorate
Dan Aylward

05

LIBERIA [5]
Ministry of Finance
– Macro Fiscal Analysis Unit
Edward Corcoran
Ministry of Finance
– Minister's Office
Erwin Knippenberg
Ministry of Finance
– Budget Department
Graham Prentice
Ministry of Finance
– Revenue Department
Rajkumar Singh
Ministry of Industry
and Commerce
John Spray

06

MALAWI [5]
Ministry of Economic
Planning and Development
James Arnold
Ministry of Finance –
Budget Division
Mehalah Beckett
Ministry of Education
Viola Dub
Ministry of Trade and
Industry – Department of
Private Sector Development
Sara Nyman
Ministry of Health
Patrick Pollard

07

MOZAMBIQUE [3]
Ministry of Planning
and Development
Lindsey Allwright
Ministry of Health
Laia Cirera-Criville
Ministry of Agriculture
– CEPAGRI
Jorrit Oppewal

08

NAMIBIA [2]
Ministry of Finance
Matthew Mirecki
Ministry of Environment
and Tourism/Namibia
Nature Foundation
Chris Thompson

09

NIGERIA [4]
SURE-P Maternal and
Child Health
Laura Morris
National Primary Health
Care Development Agency
Henry Mphwanthe
Office of the Senior Special
Assistant to the President
on the MDGs
Thomas Northover
Ministry of Finance
Chisom Okechukwu

10

RWANDA [7]
Ministry of Education
Laura Brannelly
Ministry of East
African Community
Anne Brooks
Ministry of Finance
and Economic Planning
– National Development
and Research
Abhimanyu Gablout
Ministry of Finance
and Economic Planning
– Macro Economic Unit
David Innes
Ministry of Trade
and Industry
Mads Knusden
Ministry of Health
Cecilia Minelli
Ministry of Agriculture
and Animal Resources
Helen Parker

11

SIERRA LEONE [7]
Ministry of Finance and
Economic Development
– Multilateral Projects
Division
Matthew Geddes
Ministry of Finance and
Economic Development
– Public Debt Management
Jamelia Harris
Ministry of Agriculture
and Food Security
Nathan Hill
Ministry of Health and
Sanitation – Directorate
of Planning
Alex Jones
Ministry of Finance and
Economic Development
– Budget Bureau
David Mibalyi
Ministry of Finance and
Economic Development
– Revenue and Tax Policy
Thomas Scurfield
Ministry of Finance and
Economic Development
– Economic Policy and
Research Unit
Imran Shahryar

12

SOUTH AFRICA [7]
National Treasury
– Budget Office
Aroop Chatterjee
National Treasury
– Intergovernmental Affairs
Paul Crittenden
National Treasury
– Intergovernmental Affairs
Greg Gardner
Collaborative Africa
Budget Reform
Initiative (Secretariat)
Emilie Gay
National Treasury
– Public Finance Division
Luisa Hanna
National Treasury
– Financial Sector
Policy Unit
Cornelius Kuth
National Treasury
– International and
Regional Economic
Policy Unit
Isabel Yang

*As of 31 March, 2013



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SOUTH SUDAN [7]

Central Bank of South Sudan
Constantin Albot
Ministry of Finance and Economic Planning – Planning and Aid Coordination
Stephanie Allen
National Bureau of Statistics
Duncan Cook
National Bureau of Statistics
Anasuya Prabhu
Ministry of Finance and Economic Planning – Macroeconomic Planning Department
Ryan Kee
Ministry of Health
Francis Middleton
Ministry of Finance and Economic Planning – Budget Department
Ifeatu Nnodu

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SWAZILAND [3]
National Emergency Response Committee on HIV/AIDS (NERCHA)
Kshitiji Chaudhury
Ministry of Finance – Budget and Economic Affairs Department
Alasdair Fraser
Ministry of Economic Planning and Development
Cathal Long

15

TANZANIA [3]

Ministry of Trade and Industry
Rosemary Chilton
Planning Commission, Office of the President – Macroeconomic Unit
Patrick Orendor
Planning Commission, Office of the President – Productive Sectors Unit
Lee Robinson

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UGANDA [7]

Ministry of Finance, Planning and Economic Development – Budget Monitoring and Accountability Unit
Shyamala Balendra
Ministry of Finance, Planning and Economic Development – Economic Development Policy and Research Department
Andreas Eberhard
Bank of Uganda – Research Department
Prajakta Kharkar
Ministry of Finance, Planning and Economic Development – Macro Economic Policy Department
Ben Langford
Ministry of East African Community
Malcolm Spence

UGANDA CONT.

Ministry of Finance, Planning and Economic Development – Public Administration Department
Christine van Hooft
Bank of Uganda, Research Department
Bryony Willmott

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ZAMBIA [1]

Zambia Revenue Authority
Miljan Sladoje

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ZANZIBAR [4]

President's Office – Finance, Economic and Development Planning
Michael Foster
Ministry of Health and Sanitation
Michelle Jacob
President's Office – Finance, Economic and Development Planning
Helen Newcombe
Ministry of Education
Roisin Parish

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GUYANA [4]

Office of the President – Office of Climate Change
Samuel Bekoe
Ministry of Finance – Office of the Budget
Cecilia Caio

GUYANA CONT.

Ministry of Tourism, Industry and Commerce – Competitiveness Unit
Andrew Hook
Ministry of Health
Jeanne-Marie Tucker

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PAPUA NEW GUINEA [5]

Bank of Papua New Guinea
Tatiana Botnarenco
Internal Revenue Commission
Alexander Julian
Independent Public Business Corporation
Steve Liston
Department of National Planning
Pranita Sharma
Papua New Guinea Sustainable Development Programme
Nick Wintle

21

SOLOMON ISLANDS [3]

Central Bank of Solomon Islands
Kenn Especkerman-True
Ministry of Foreign Affairs – Trade Division
Damian Kyloh
Ministry of Finance and Treasury
Carlos Orton Romero

22

TIMOR-LESTE [3]

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Aidan O'Hare
Ministry of Finance
Francisco Pereira Fontes
Ministry of Finance
Alexis Rampa

23

VANUATU [3]

Reserve Bank of Vanuatu
Mark Evans
Ministry of Trade, Commerce, Industry and Tourism – Department of External Trade
Karan Nagpal
Ministry of Finance and Economic Management – Department of Treasury
Benjamin Osenius-Eite

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SECRETARIAT OF THE PACIFIC COMMUNITY (SPC) [3]

Economic Development Division
Neil Allison
Land Resources Division
Anna Fink
Pacific Islands Applied Geoscience Commission (SOPAC)
Anna Rios Wilkes

Our people*

ODI-hosted networks

APPP	Africa Power and Politics Programme
BSI	Budget Strengthening Initiative
CDKN	Climate and Development Knowledge Network
ebpdn	Evidence-based policy in development network
ERD	European Report on Development
HPN	Humanitarian Practice Network
SLRC	Secure Livelihoods Research Consortium

*As of 31 March 2013



Claire Melamed, Head of ODI's Growth, Poverty and Inequality Programme, speaking at an Apgood event on sustainable development © ODI

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Alison Evans, ODI Director, and Professor Jeffrey Sachs, Special Advisor to the UN Secretary-General on the MDGs, at ODI in December 2012 © ODI

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Agricultural Development
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Research Officer
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Research Officer
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Khaula Khalid
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Senior Project Accountant

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Kusheen Patel
HR Assistant
Karen Senior
HR Advisor
Robina Taylor
Payroll and Rewards Officer

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Director
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Research Officer
Patricia Curmi
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Caroline Keay
Programme Manager
Paul Knox Clarke
*Head of Research and
Communications*
Franziska Orphal
Communications
Kim Scriven
*Research and Innovations
Research Officer*

Chronic Poverty Advisory Network

Andrew Shepherd
Director
Héloïse Plumley
Programme Officer
Lucy Scott
Research Officer

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Paolo de Renzio
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Paul Harvey
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Marcus Manuel
Anna McCord
Peter Newborne
Arnaldo Pellini
Leo Peskett
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Liesbet Steer
Tove Strauss
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David Brown
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Edward Clay
John Farrington
Mick Foster
Adrian Hewitt
John Howell
Tony Killick
Simon Maxwell
Alastair McKechnie
Sheila Page
Andrew Rogerson
Chris Stevens

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ODI is governed by a Board of up to 12 Trustees, chaired by James Cameron. The Board maintains the values of the organisation, and sets the overall strategy and direction. It also monitors the performance of ODI and its management, and appoints the Director.

The ODI Council has up to 42 Members, including all Trustees, and is also chaired by James Cameron. The Council is responsible for electing Board Members. Council Members are selected for the knowledge, skills and expertise they can bring to the Institute. The membership strikes a balance between people with backgrounds in research, business, media, NGOs and politics.

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Alan Beattie
International Economy Editor at the Financial Times

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Director of the Africa Practice and former MP

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Director of the Royal African Society

Professor Diane Elson
Emeritus Professor in the Department of Sociology and the Human Rights Centre at the University of Essex

Professor Ian Goldin
Director of the Oxford Martin School at the University of Oxford

Dr Guy Goodwin-Gill
Senior Research Fellow of All Souls College and Professor of International Refugee Law, University of Oxford

Brendan Gormley MBE
Independent consultant and Chair of CDAC Network

Nik Gowing
International broadcaster and journalist

***Ann Grant**
Vice Chairman, Africa, at Standard Chartered Bank

Lord Hastings of Scarisbrick CBE
Global Head of Corporate Citizenship with KPMG International

Edward Hedger
ODI Staff Member of Council

***Isobel Hunter**
Independent Human Resources Consultant

Baroness Margaret Jay
Ex-Chair of ODI

***Kate Jenkins**
Vice Chair of the Court and Council of the London School of Economics, Visiting Professor in Government in the Government Department at the London School of Economics and Director, Carrenza Ltd

Baroness Glenys Kinnock of Holyhead
Former MEP, Minister for Europe and Minister for Africa, the Caribbean, Central America and the UN

***Richard Laing**
Former Chief Executive of CDC Group plc.

Dr Jemilah Mahmood
Senior Research Fellow at the Humanitarian Futures Programme, King's College London and founder of MERCY Malaysia

Professor Anne Mills
Vice-Director of the London School of Hygiene and Tropical Medicine and Professor of Health Economics and Policy in the Faculty of Public Health and Policy

Sarah Mulley
Associate Director for Migration, Integration and Communities at the Institute for Public Policy Research

Dr Robin Niblett
Director of Chatham House (the Royal Institute of International Affairs)

Lord Matthew Oakeshott
Chairman of OLIM Property Ltd and former Pensions and Treasury Spokesman in the House of Lords

Nick Scott
ODI Staff Member of Council

Tidjane Thiam
Chief Executive of Prudential plc.

Lord Adair Turner
Senior Fellow for the Institute for New Economic Thinking

***Martin Tyler**
Executive Director, Operations at Asthma UK

***Sue Unsworth**
Principal with The Policy Practice and former Chief Governance Adviser at the UK Department for International Development

***Stewart Wallis**
Executive Director of nef (the new economics foundation)

***Dr Chris West**
Director of the Shell Foundation

*Those marked with an asterisk are also Board Members





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Fraser Winterbottom
Director of Strategic
Operations

This financial year was another year of both growth and change for ODI; we experienced a strong growth in fees, the number of researchers we employ, and the number of people we work with as partner sub-contractors, building on the high rates of growth we have experienced in the past two years. At the same time, we have continued to improve our operational processes, comprehensively updated and improved our information-technology provision and completed a successful move to our new offices.

Premises and processes

ODI made a successful move to 203 Blackfriars Road in September 2012. The new offices are a marked improvement on our previous accommodation, providing larger and more flexible accommodation, a greatly improved working environment, and excellent new convening and conference facilities. The new convening facilities are being well used and have considerably enhanced the professionalism of ODI events. The relocation project was completed on time, and to budget.

The move to new premises has facilitated further improvements in our environmental impact. The upgraded building is rated 'Very Good' under the international Building Research Establishment Environmental Assessment Method (BREEAM) rating system with motion-sensitive lighting, an advanced heating/cooling system and high levels of thermal insulation throughout. Our waste recycling has been upgraded, and new printers provide 'on-demand' printing to reduce paper wastage. The introduction of full video-conferencing facilities in all meeting rooms is helping to constrain our travel-related carbon footprint.

We have also considerably upgraded our information-technology services; our servers are now hosted off-site in a secure location, and many systems, including our telephony, are cloud-based and provide better accessibility from remote locations. We have improved our business-continuity and contingency arrangements, and have expanded the use of laptops and docking stations to provide flexible desking. Our new 'soft phone' system has made it much easier for staff to work from home or abroad.

We have continued to improve our contracting review and authorisation processes, introduced a revised risk and control reporting system for review

with the Finance, Audit and Risk Sub-committee, and have improved our planning and forecasting processes. In our third quarter we completed a fully updated operational business plan providing an outlook for the operational performance of ODI for the next three years and we continue to implement new Key Performance Indicator reporting to allow us to review our progress.

Staff

Our staff numbers continued to grow in 2012–2013, with a total headcount of 203 as at 31 March 2013 and recruitment of further research positions planned. Staff turnover rates have decreased to less than 8% when measured across the financial year, reflecting both the growth in our work and in the wider economic environment. Staff who work directly on research and the dissemination of information account for, on average, 87% of ODI's total work force. ODI continues to attract a large volume of quality applications during recruitment, enabling the Institute to engage an extremely high calibre of staff with a wide range of experience; this year we successfully implemented a new web and workflow-enabled recruitment system to streamline our processes.

ODI's research is led by staff members who work alongside colleagues from a broad international network of associates and partner organisations. We have a successful Research Associate (RA) programme, which encourages strong links between ODI and individuals with a reputation for excellence in their particular areas of development research.

Our Human Resources team is conducting a full review of internships with a view to developing a formal internship programme, and continues to offer a wide range of exceptional opportunities for

people looking to gain experience in international development, humanitarian policy and practice, and charity management by working alongside ODI's world-class staff. The Institute also benefits hugely from the efforts of these volunteers, who represent a high-calibre intellectual force.

Our financial performance

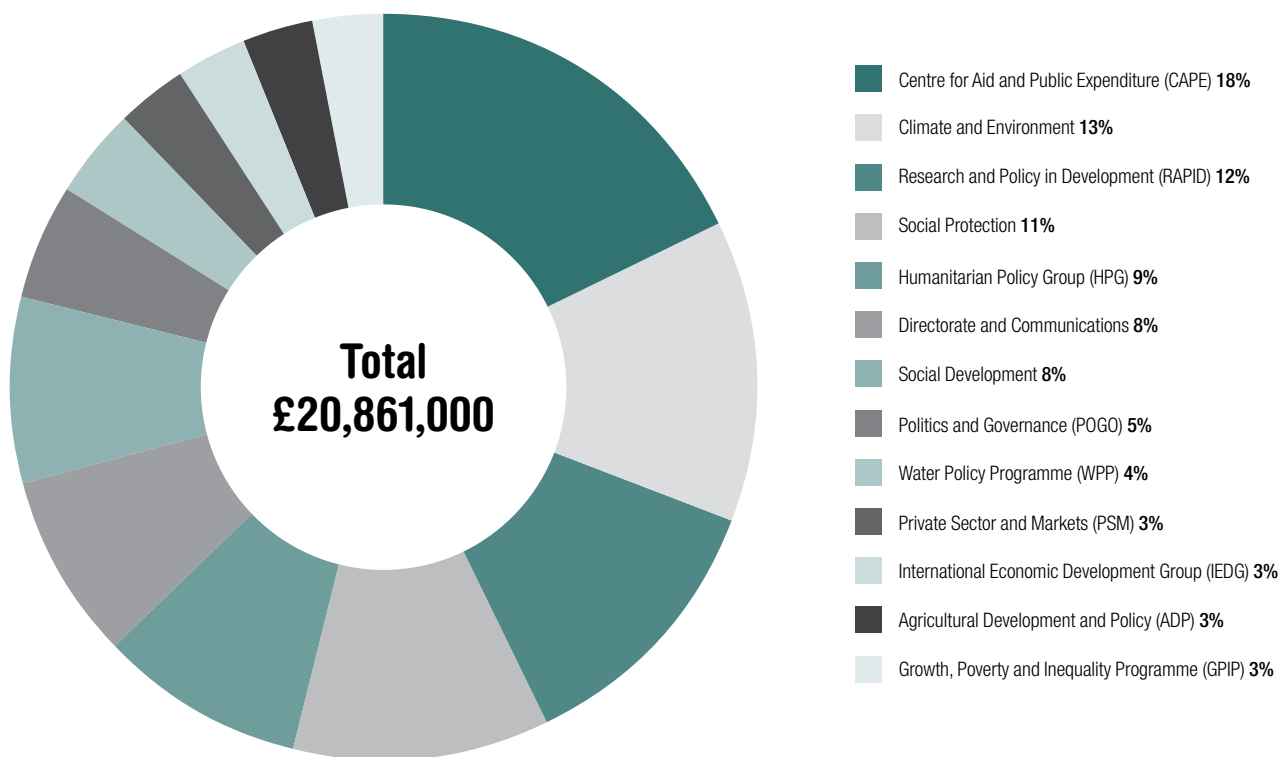
The trend of income growth in recent years continued in the current year with ODI's incoming resources for 2012–2013 increasing from £21,086,000 to £25,593,000 – an increase of 21% on the previous year. This, combined with good control of costs, produced net incoming resources for the year of £276,000 (2011–2012: £165,000).

Income from research grants and projects (excluding Fellowship, CPAN and ALNAP) increased by 20% on the previous year and, at £20,861,000, represents 82% of ODI's incoming resources. The major drivers for this revenue increase included new

or expanded projects for the UK Department for International Development (DFID), the EU, AusAID and the Bill & Melinda Gates Foundation. Eleven of ODI's 12 research programmes showed material growth, with our four largest programmes – CAPE, Climate and Environment, RAPID and Social Protection – seeing very large increases in revenue and activity. CAPE posted a 26% increase in revenue; Climate and Environment 64%; RAPID 24% and Social Protection 56%, while Social Development – a smaller programme – saw an increase of 112%.

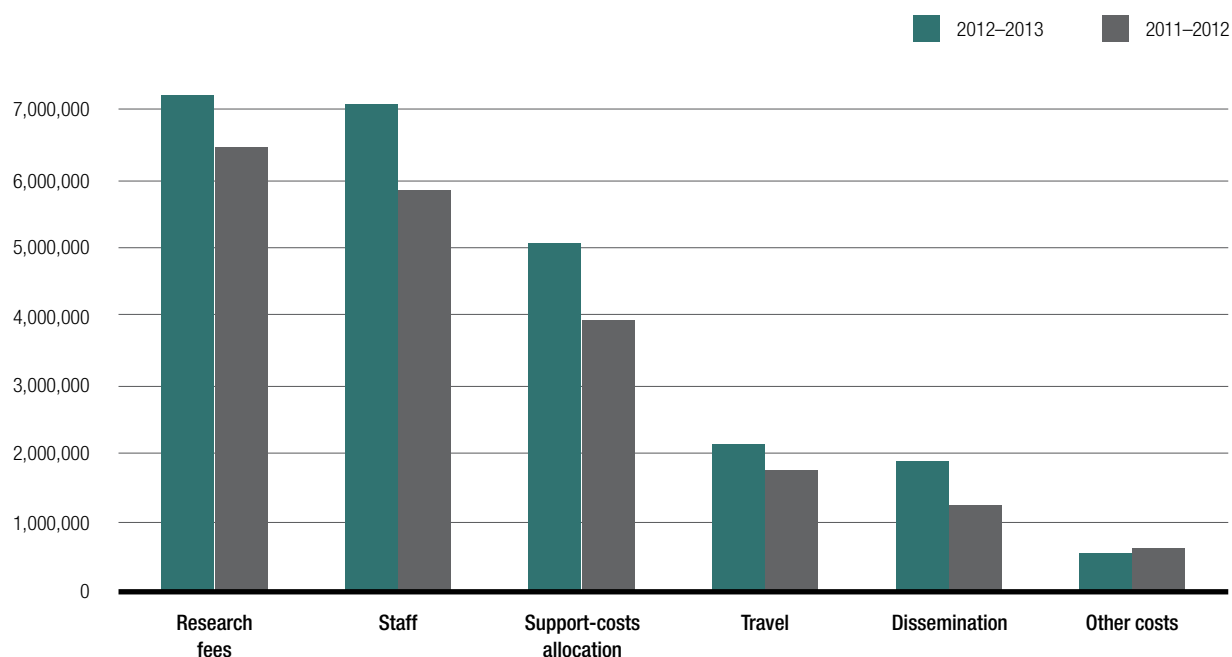
Income from the Fellowship Scheme increased by 12% and, at £3,479,000, represents 14% of ODI's incoming resources. Our growth in income was supported by an increase in expenditure for the year of 21% to £25,317,000 (2011–2012 : £20,920,000) with average staff numbers increasing by 23% to 185 (2011–2012: 151). Figure 2 shows the breakdown of expenditure by expense type including research, support and travel costs.

Figure 1: Revenue by research programme



Note: the above chart does not include the Fellowship Scheme, CPAN or ALNAP programmes

Figure 2: Expenditure by expense type



ODI signed a 12-year leasehold agreement on larger office premises located at 203 Blackfriars Road, London. Included within total expenditure is £366,000 relating to this office move.

An unrealised gain on investments of £128,000 (2011-2012: £170,000) resulted in ODI's reported surplus for the year of £405,000 (2011-2012: £335,000).

Financial position

ODI's strong financial performance was reflected in the improved strength of its balance sheet. Net assets have increased from £3,887,000 to £4,292,000, a 10% increase over 2011-2012. Despite spending £1,700,000 on capital items as a result of the move, cash and increased short-term deposits rose to £2,702,000 at 31 March 2013 (2011-2012: £2,308,000) – an increase of 17%.

The leasehold on the new office premises and the purchase of fixtures and fittings to equip these premises resulted in an increase in the tangible fixed-asset fund from £173,000 in 2011-2012 to £1,477,000. This fund represents the net-book value of the Charity's fixed assets and has been designated by the Trustees as a separate fund. The purpose of this fund is to delineate clearly between easily realisable funds (working capital and general funds) and funds representing fixed assets that are, by nature, not easily realisable.

This increase in the tangible fixed-asset fund led to a concomitant decrease in general funds from £3,714,000 to £2,815,000. These reserves represent the free reserves of the Charity.

Reserves policy

In March 2013, and in the light of the changing business context in which ODI operates, the Trustees reviewed – using a risk-based methodology – ODI's reserves policy to determine what would be ODI's appropriate level of free reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The purpose of such reserves is to enable ODI to manage financial risks such as volatility of income, the fixed nature of ODI's costs or other unplanned external environmental changes better. The creation and maintenance of such reserves fulfil an important element of Trustees' responsibilities towards all of the Charity's stakeholders and, therefore, balance the needs of current and future beneficiaries.

As a result of this review, the Trustees agreed that ODI should aim for a target level for free reserves representing approximately six months of ODI operating costs to be achieved within three years. It is the Trustees' intention to continue to review this policy regularly to ensure it is commensurate with the organisation's evolving needs.

Investment policy

ODI's current investment policy requires investments underpinning general funds to remain highly liquid, and to pose minimal credit risk or risk of losses to ODI.

At 31 March 2013, ODI held investments in the Charinco Common Investment Accumulation Fund with a market value of £1,821,000 (31 March 2012: £1,693,000). The funds are managed by BlackRock Investment Management (UK) Limited. Although the performance of these funds has been good in recent years, the funds are invested primarily in gilts. This has prompted the Trustees to request a review of the continuing likely efficacy of this investment strategy.

Summary financial statements are shown below.

Trustees' statement

The members of the ODI Board of Trustees confirm that the summarised financial statements are a summary of the information extracted from the full annual financial statements.

A copy of the financial statements of ODI, upon which the auditors have reported without qualification, will be delivered to both Companies House and the Charity Commission.

The summary financial statements may not contain sufficient information to allow a full understanding of the financial affairs of ODI. Copies of the full accounts are available on our website, or may be obtained on request from the Company Secretary, ODI, 203 Blackfriars Road, London, SE1 8NJ.

Income and expenditure summary

	31 March 2013 £	31 March 2012 £
Incoming resources		
Grants and projects finance	22,104,688	17,976,472
Fellowship income	3,479,156	3,105,095
Other income	9,392	4,065
Total incoming resources	25,593,236	21,085,632
Resources expended		
Research and dissemination of information	22,115,057	17,287,939
Fellowship activities and services	3,168,399	2,855,635
Governance costs	33,455	776,765
Total resources expended	25,316,911	20,920,339
Net incoming resources	276,325	165,293
Unrealised gain on investments	128,175	169,683
Net movement in funds	404,500	334,976

Balance-sheet summary

	31 March 2013 £	31 March 2012 £
Fixed assets		
Tangible assets	1,476,719	172,766
Investments (at market value)	1,821,357	1,693,182
Total	3,298,076	1,865,948
Current assets		
Debtors and cash	9,159,826	8,113,590
Total	9,159,826	8,113,590
Current liabilities		
Creditors and accruals	7,986,159	5,912,295
Provision for liabilities and charges	180,000	180,000
Total	8,166,159	6,092,295
Net current assets	1,173,667	2,201,295
Net assets	4,291,743	3,887,243
Funds		
Designated fund	1,476,719	172,666
General fund	2,815,024	3,714,477
Total funds	4,291,743	3,887,243

Auditor's statement

We have examined the summary financial statements for ODI for the year ended 31 March 2013. The members of the Board are responsible for preparing summarised financial statements in accordance with applicable United Kingdom Law. Our responsibility is to report to you our opinion on the consistency of the summary financial statements with the full financial statements and on compliance with the relevant requirements of section 427 of the Companies Act 2006 and the regulations thereunder.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the charitable company's

full financial statements describes our opinion on those financial statements. In our opinion the summary financial statements are consistent with the full financial statements and the Trustees' Report of the Overseas Development Institute for the year ended 31 March 2013 and comply with the requirements of section 427 of the Companies Act 2006 and the regulations thereunder. ■

Buzzacott LLP, London



This Annual Report was produced by a team led by Sophy Kershaw. The report was written by Angela Hawke and designed by Rachel Bray of Soapbox, with photo research by Gail Wilson. General oversight and guidance was provided by Andrew Norton, Director of Research, and Alison Evans, ODI Director. The team thanks all ODI staff who contributed.



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Rehabilitating Jakarta's
waterways to mitigate flood risk
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Shaping policy for development

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