

# Buzz: G20 | Corruption | Results

by Development Policy Centre

23 March 2011



Here are the latest stories that have created a buzz or otherwise caught our attention over the last week.

## Mimicry in development

Aid agencies find it difficult to prove they perform well—mimicking successful organisations is one strategy to show off success. Lawrence MacDonald [talks](#) to Lant Pritchett about why basic government functions fail to improve in some developing countries (a dynamic he defines as a ‘state capability trap’). Lant unpacks the problems inherent in what he calls ‘isomorphic mimicry’: building institutions and processes in weak states that *look* like those found in functional states but without its functionalities.

## Who’s aid is it anyways?

A [new report](#) from Oxfam, in attempt to sell aid to a more sceptical public, questions some of the dubious uses of foreign aid, including military and security projects.

The report makes key recommendations to the donor community including:

- Aid should be primarily aimed at reducing poverty or humanitarian needs.
- Donors should respect the needs of the communities they are helping.
- All armed forces should adhere to the international guidelines on the roles of the military and civilian actors in humanitarian situations.
- Aid agencies need to ensure their activities don’t fuel conflicts.

## Is the aid industry too obsessed with value for money and results?

It was bound to happen—the results backlash has started.

- *The risks of a results agenda*: Rosalind Eyben, former Chief Social Development Adviser at DFID, [argues](#) that the origins of the results agenda lies in a mistrust that ‘eats like a cancer’ into aid agencies’ capacity to make a difference. Effective aid depends on people and the quality of their relationships with each other.

- *If not results, then what? The risks of not having a results agenda:* Claire Melamed **replies** that the real question is what results are we looking for, and can they be measured? The focus needs to be on the results poor people themselves want, and how they'd define 'effectiveness'.
- *So where have we got on this?* Duncan Green **disentangles** the different threads that have emerged in the debate.

### Aid in corrupt contexts

A number crunch on the bilateral aid spent in sub-Saharan Africa and Asia found that bilateral aid:

- Is about as pro-poor as before, which is very good news, but
- Bilateral aid is higher in countries where freedom scores are lower (Freedom House index) and where corruption scores are higher (Transparency International index).

Lawrence Haddad's Development Horizons **blog post** explores the responsibility of foreign aid and how it can be used for development in less free and more corrupt societies.

### Oil prices, poor countries and policy responses

Oil prices continue to rise. ODI's newly released research maps out the potential impact of rising oil prices on GDP, and what this could mean for the poorest countries, and the poorest people within them.

The poorest within developing countries are more exposed to an oil price rise because their consumption is most dependent on oil.

Dirk Willem te Velde **suggests** that oil price shocks need a three pronged policy response:

- *Continuous review of the international shock facilities:* The international community has international shock facilities to help them, such as the European Commission's **V-FLEX**, the **IDA crisis facility**, or support from the IMF in the case of Balance of Payment shocks.
- *A global low carbon strategy:* Countries are less exposed to oil price shocks when they are 1) more energy efficient and 2) more dependent on other energy sources.
- *Promote resilience:* Something the **global financial crisis has taught us that**.

### Food prices and stocks

Professor Brian Wright, Professor & Chair Department of Agricultural & Resource Economics, says food price spikes happen when stocks are low and when unpredictable events occur.

He warns that trouble looms if crop-producing countries have a bad session and if the demand for biofuels rises faster than the production of major grains.

What's the best fix?

- Keeping food supplies cheap.
- Investing in the Consultative Group for International Agricultural Research, since it will be super-seeds, drought resilient crops, and innovations that boosts yields.
- Put minimum food needs above animal feed and fuel uses.

### **Beyond 2015**

The Millennium Development Goals have set the benchmark for global development policy since 2000. There is a live political debate about the most effective way to take the MDGs agenda forward after 2015. The [ODI Background Note](#) maps out ODI's current thinking on MDGs and options for the future.

### **Bill Gates' G20 Project**

President Sarkozy commissioned Gates to prepare a paper for the G20 Summit in November to suggest how money can be raised for development in Africa. The report will go beyond the initial focus on innovative financing and look at aid overall. Details are yet to be released.

See [The Sherpa](#)

### **Author/s:**

#### **Development Policy Centre**

The Development Policy Centre is part of the Crawford School of Public Policy under the College of Law, Governance and Policy at The Australian National University.

Link: <https://devpolicy.org/development-policy-buzz-4-20110323/>