World Bank and IMF Spring Meetings

The latest World Economic Outlook warns of tensions from a two-speed recovery: unemployment, commodity prices and capital flows.

With the worldwide recovery remaining fragile on a variety of fronts, the IMF will step up its global economic monitoring role to help countries anticipate looming problems and take early action to avoid future crises.

Food prices are the biggest threat today to the world’s poor, World Bank President Bob Zoellick told reporters following the meeting of the Development Committee of the World Bank and IMF. “We are one shock away from a full-fledged crisis,” said Zoellick.

It’s not business as usual at the Bank

The World Bank’s latest World Development Report (WDR) presents some sobering realities for the relationship between conflict and underdevelopment in the world today. The report makes clear is that this is not business as usual and that new approaches are needed to effectively engage with fragile states.
Some important new perspectives for how to make progress in supporting transitions out of fragility are:

- The importance of ‘getting the basics rights’
- Institutional transformation sits at the heart of successful transitions out of fragility
- The need for much longer timeframes for engagement in fragile states
- The spotlight should be turned back on the international community

ODI’s Leni Wild considers the operational implications of some of this analysis.

**When will we learn how to learn?**

With impact evaluations becoming increasingly popular in development and humanitarian arenas, Ben Ramalingam suggests that we need to recognise the dynamics of how knowledge is used in policy and practice and gain understanding of what is needed for evidence to influence policy and practice.

In order to help policymakers, researchers and practitioners navigate the thorny issues of evaluation, ODI has recently published a piece that outlines key lessons for impact evaluations that make a difference. Drawing from the best available research, the lessons are:

- **Institutional readiness:** 1) Understand the key stakeholders, 2) Adapt the incentives, 3) Invest in capacities and skills.
- **Implementation:** 4) Define impact in relation to the specific context, 5) Develop the right blend of methodologies, 6) Involve those who matter in the decisions that matter.
- **Communication and engagement:** 7) Communicate effectively, 8) Be persistent and flexible.

**Aid: a tale of two tails**

Dennis Whittle suggests that the distribution of the impact of aid may be more important than the mean.

In the aid world, the central question has been whether aid works. The cheerleaders believe the average impact of aid is positive (the negative cases are over publicised) and by contrast, the critics are negative. Perhaps the important question is not whether aid as a whole works but what the distribution of impact is.

**Aid Transparency**

Australian aid spending is set to almost double by 2015. There has been much discussion on the effectiveness of Australia’s aid and the need for transparency. 2ser’s Natasha Egan spoke to Professor Satish Chand, School of Business, University of New South Wales, on this topic.

The Centre for Global Development’s Owen Barder explains why aid transparency can enable better decisions to be made about the ways scarce resources are used, strengthen donor confidence and tackle the inefficiencies hindering the flow of funding.

**Cash transfers**

DFID, the UK’s Department for International Development, has produced an excellent ‘evidence paper’ on cash transfers, which summarises the rapidly expanding literature.

The highlights from the executive summary:

- A ‘quiet revolution’ has seen governments in the developing world invest in increasingly large-scale cash transfer programmes, reaching between 0.75 and 1 billion people.
- Transfers are seen to play a role in reducing transitory poverty in a context where global economic integration brings increased exposure to stresses (e.g. volatile food and fuel prices) and shocks.
- There is growing evidence that transfers can help people escape chronic, often inter-generational
poverty; in part by leveraging gains in non-income, human development outcomes.

- Finally, there is recognition that in situations of chronic food insecurity (e.g. Ethiopia), institutionalised transfer programmes are more efficient and effective than repeated annual emergency food aid.

While conditional cash transfers (CCTs) have achieved considerable success, it is not yet clear whether conditionality itself adds anything. This debate matters as conditionalities create costs for governments, in monitoring, and for recipients, in demonstrating compliance.

Read more on Greene’s ‘From Poverty to Power’ blog provides an interesting short analysis of the paper.

Migration and development

It is hard to ignore the scale of migration in today’s world. It is increasingly recognised that migration can help drive development. DFID’s decision to withdraw funding for the Diaspora Volunteering Programme has been heavily disputed. The Guardian’s Global Development blog invites conversation on the role of diaspora communities in global development on what policies could work with diaspora communities to achieve development goals.