**Implementation and Evaluation of Aid Projects**

**Instructor**

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**Outline**

This course introduces students to the complex and changing field of international development cooperation. Focusing on both multilateral and bilateral foreign aid, it will answer key questions such as: Why do international donors give foreign aid? Who are the players and what are the issues in international development aid and lending? Why are developing countries interested in receiving development assistance? Does foreign aid work? How should we understand and evaluate past and current foreign aid and development assistance? Do foreign aid and loans do more harm than good?

**Evaluation**

Attendance and participation: 10%

Presentation: 30%

Final exam: 60%

**Class Sequence**

**Week 1. Introduction to the Course**

**Week 2. Foreign Aid: Theories and Issues**

• Radelet, S. 2006. “A Primer on Foreign Aid.” Center for Global Development Working Paper 92.

• Tarp, Finn. 2006. “Aid and development.” Swedish Economic Policy Review, Vol. 13, pp. 9-61.

• Paul, Elisabeth, (2006), “A Survey of the Theoretical Economic Literature on Foreign Aid,” Asian-Pacific Economic Literature: 1-17.

**Week 3. ODA in Figures**

**Week 4. Project Aid vs. Budget Support**

• Singer, H. W. (1965), "External Aid: For Plans or Projects?" The Economic Journal, Vol. 75, No. 299, pp. 539-545 (pdf)

• Devarajan, Shanta and Vinaya Swaroop (1998), "The Implications of Foreign Aid Fungibility for Development Assistance," World Bank, working paper series #2022.

**Week 5. Challenges to Aid Effectiveness: Evaluation of Aid**

• OECD, 2019, Better Criteria for Better Evaluation Revised Evaluation Criteria Definitions and Principles for Use

• Thomas, Vinodand Tominaga, Jiro. 2010. “Evaluation for Better Development Results.” Journal of Development Effectiveness 2(3): 371-386

• Picciotto, R. 2007. "The New Environment for Development Evaluation." American Journal of Evaluation 28(4): 509-521.

• Ravallion, M. (2008). "Evaluation in the Practice of Development." World Bank Policy Research Working Paper No. 4547.

• Dollar, D. and L. Pritchett (1998). Assessing Aid: What Works, What Doesn't, and Why. Washington, D.C., The World Bank.

• OECD. 2012. Aid Effectiveness 2005-10: Progress in Implementing the Paris Declaration, Better Aid. OECD Publishing.

• Birdsall, Nancy and Homi Kharas. 2010. Quality of Official Development Assistance Assessment. Center for Global Development.

**Week 6. Effects of Aid on Recipients: Growth**

• Burnside, Craig and David Dollar, “Aid, Policies, and Growth,” *American Economic Review* 90(4) (September 2000): pp. 847–68.

• William Easterly, Ross Levine, and David Roodman "New Data, New Doubts: A Comment on Burnside and Dollar's "Aid, Policies, and Growth"(2000)", *American Economic Review*, 2003.

• Burnside, Craig and David Dollar (2004) “Aid, Policies, and Growth: Reply,” *American Economic Review* 94 (3): 781~784.

• Burnside, Craig and David Dollar (2004) “Aid, Policies, and Growth: Revisiting the Evidence,” World Bank Policy Research Working Paper No. 3251.

• Hansen, Henrik, and Finn Tarp, (2001), “Aid and Growth Regressions,” *Journal of Development Economics*, Vol. 64, pp. 547-570.

• Hansen, Henrik, and Finn Tarp, (2001), “Aid effectiveness disputed,” *Journal of International Development*, 12, 375-398.

• Dalgaard, Carl-Johan, Henrik Hansen and Finn Tarp, “On the Empirics of Foreign Aid and Growth,” *The Economic Journal*, 114 (June), F191–F216.

• Al-Khaldi, Mwafaq Dandan, “Impact of Foreign Aid on Economic Development in Jordan,” *Journal of Social Sciences* 4 (1): 16-20, 2008.

• Clemens, Michael A., Steven Radelet, Rikhil Bhavnani, (2004) “Counting chickens when they hatch: The short-term effect of aid on growth,” Center for Global Development, Working Paper No. 44.

**Week 7. Effects of Aid on Recipients: Sectoral Approach**

• Williamson, Claudia R. 2008. “Foreign Aid and Human Development: the Impact of Aid to Health Sector.” Southern Economics Journal 75(1): 188-207.

• Dreher Axel, et al. 2008. “Does Aid for Education Educate Children? Evidence from Panel Data.” World Bank Economic Review 22(2).

• Mishra, Prachi and David Newhouse. 2009. “Does Health Aid Matter?” Journal of Health Economics, Vol. 28, pp. 855–872.

• Michaelowa, Katharina. 2004. "Aid Effectiveness Reconsidered: Panel Data Evidence for the Education Sector." HWWA Discussion Paper 264, Hamburg Institute of International Economics.

• Lu, Chuling Lu, et al. 2008. “Public Financing of Health in Developing countries: a cross national systemic analysis.” World Bank Economic Review 22(2): 291-314

**Week 8. Cost-Benefit Analysis, Cost-Effectiveness**

• Belli, Pedro, Jock Anderson, Howard Barnum, John Dixon, and Jee-Peng Tan (1998), Handbook on Economic Analysis of Investment Operations, World Bank

**Week 9. Impact Evaluation**

• Gertler, Paul J., Sebastian Martinez, Patrick Premand, Laura B. Rawlings, and Christel M. J. Vermeersch, (2016), *Impact Evaluation in Practice*, World Bank

• Miguel, Edward And Michael Kremer (2004) “Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities,” Econometrica, Vol. 72, No. 1 (January, 2004), 159–217

**Week 10. Impact Evaluation – Randomized Controlled Trial**

**Week 11. Aid Project Evaluation: Health projects**

• KOICA (2014), Ex-Post Evaluation on the Projects for the Improvement of Maternal and Child Health Care in Four Latin American Countries

• KOICA (2013), Ex-post Evaluation Report on the Project for the Improvement of Maternal and Neonatal Health in Guatemala

• OECD, DAC Evaluation Resource Center (DERec)

• World Bank Independent Evaluation Group

**Week 12. Aid Project Evaluation: Millennium Villages Project**

**Week13. Aid Project Evaluation: Water Supply Case**

• Hutton, Guy and Laurence Haller. 2004. Evaluation of the Costs and Benefits of Water and Sanitation Improvements at the Global Level. World Health Organization Geneva.

• World Bank.2006. A Guide to Water and Sanitation Sector Impact Evaluation. Doing Impact Evaluation No. 4.

**Week 14. Aid and Principal Agent Model**

• Miller, G. J. (2005). "The political evolution of Principal-agent models,” Annual Review of Political Science. 8. 203-35.

• Milner, Helen V. (2006), “Why Multilateralism? Foreign aid and domestic principal-agent problems”. In Delegation and Agency in International Organizations, ed. Darren G. Hawkins, et al. New York: Cambridge University Press, p. 107-139.

• Graham, Erin, (2015), "Money and Multilateralism: How Funding Rules Constitute IO Governance,” International Theory 7 (1), 162-194

• Svensson, Jakob, (2006), “The Institutional Economics of Foreign Aid,” Swedish Economic Policy Review 13 (2006) 115-137

• Watkins, Susan Cotts, Ann Swidler, and Thomas Hannan, (2012), "Outsourcing Social Transformation: Development NGOs as Organizations,” Annual Review of Sociology, 2012. 38:285–315

• Werker, Eric and Faisal Z. Ahmed (2008), "What Do Nongovernmental Organizations Do?” Journal of Economic Perspective, Vol. 22, No. 2, pp, 73-92

**Week 15. Final Exam**