PROJECT EVALUATION IN DEVELOPING COUNTRIES
Econ 665 – Spring 2009
Department of Economics
American University

Instructors

Paul Winters 203 Roper Hall, Department of Economics
Tel: 202-885-3792
Fax: 202-885-3790
Email: winters@american.edu
Office hours: Monday 3:30-4:30 & Thursday 3:30-4:30

Lina Salazar 110 or 121 Roper Hall, Department of Economics
Email: li_salaz@yahoo.com
Office hours: To be announced

Course Description and Objectives
This course provides an overview of the tools and approaches used to evaluate development projects, particularly those targeting poor households. The focus in this class is on quantitative methods and students are assumed to have some background in statistics/econometrics or be willing to learn the necessary techniques. While the emphasis is on projects funded through loans by multilateral development banks, the skills developed in this class are relevant for evaluating projects and programs funded by international donors, governments and non-governmental organizations.

The general objective of this course is to provide you with the necessary skills to evaluate projects in developing countries. Towards this end, the specific objectives of the course are:

• To advance your understanding of the importance of evaluation in project design and implementation;
• To develop your skills in ex post impact evaluation of development projects so that you can ascertain whether they met their development objectives;
• To enhance your ability to evaluate the targeting of development projects;
• To improve your capacity to design and execute project evaluations;
• To develop your ability to use evaluation to obtain lessons learned for the design and implementation of new development projects.
Format and Grades

Lectures
This class meets each Monday and Thursday from 12:45 to 2:00 pm. You are expected to read the readings prior to lectures, attend all lectures and actively participate in class discussion. Attendance will be taken and class participation will be expected.

Readings
There is no text for this class. The general approach to this class is to use practical examples to learn how to evaluate projects. Required readings will be assigned for each topic the week prior to covering the topic. The required readings will be noted on Blackboard and provided in electronic format or in hard copy. For each of the topics, students will be assigned one reading to examine in depth and you should come to class prepared to answer questions on that reading.

For background reading on econometrics, you should look at Stock and Watson’s *Introduction to Econometrics*.

Blackboard
Course materials, including most of the readings and assignments, are on Blackboard. You are expected to check Blackboard for announcements on a regular basis. This is particularly important prior to when assignments are due.

Assignments
You are required to do four written assignments for this course. There are no exams in this course. Specifics of the assignments will be provided approximately two weeks prior to the due date. The assignments are as follows:

- The first assignment requires you to use experimental data to compare reflexive comparison (over time), first difference and difference-in-difference (double-difference) approaches to project evaluation.
- The second assignment asks you to use cross-sectional data, collected after a project was in execution, and evaluate a project using a quasi-experimental approach.
- The third assignment focuses on project targeting and asks you to empirically assess how well projects targeted a beneficiary population.
- For the final assignment, you are asked to take an actual project funded by a multilateral development bank and design the evaluation for that project.

For the first three assignments, the necessary data will be provided on Blackboard. You must have access to Stata and must be able to use Stata in order to complete these assignments. For those that do not know Stata, you are strongly encouraged to attend special Stata sessions that will be offered at the beginning of the semester.

For each of these three assignments, you are expected to both analyze data and write up the results. **Grading is based primarily on the write-up of the results and not the data analysis.** You will be provided with the necessary information on how to do each write-up. For the final assignment, you will find a project that you will use as the basis for designing an evaluation.
Weightings and due dates
The weightings of the assignments in the final grade and the due dates are as follows:

<table>
<thead>
<tr>
<th>ASSIGNMENT</th>
<th>DUE DATE</th>
<th>WEIGHTING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation using experimental data</td>
<td>Monday February 9</td>
<td>30%</td>
</tr>
<tr>
<td>Quasi-experimental evaluation</td>
<td>Thursday, March 5</td>
<td>30%</td>
</tr>
<tr>
<td>Analysis of targeting</td>
<td>Monday, April 6</td>
<td>25%</td>
</tr>
<tr>
<td>Project evaluation design</td>
<td>Monday, April 27</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

A hard copy of the assignments must be turned in no later than the beginning of class (12:45 pm) on the due date. **Emailed assignments will not be accepted.**

Policies
- You are required to receive a passing grade in all assignments to pass this course. Failing to submit one assignment will result in failing the course.
- Grades for this course are assigned as follows: A=90-100%, B=80-89%, C=70-79%, D=60-69%, F<59%. Each letter category includes all possible pluses and minuses (e.g. B+=87-89%, B=83-86%, B-=80-82%).
- **Late assignments will not be accepted without an advance request for an extension.** Requests for an extension should be sent to me via email and include the reason for the extension. Any extension of more than a few days or a failure to submit an assignment without an advance request for extension will require a note from a doctor (or similar authority) stating you were unable to submit the assignment on the required date. Failure to provide such a note will result in a zero for that assignment and thus a failing grade for the course.
- For assignments 1-3, you are permitted to work in teams of 2-3 students (no more) to do the data analysis for the assignments, but the written portion of assignments must be done on your own. You must note on the cover page if you worked with someone on the data analysis.
- Standards of academic conduct are set forth in the University's Academic Integrity Code. By registering, you have acknowledged your awareness of the Academic Integrity Code, and you are obliged to become familiar with your rights and responsibilities as defined by the Code. Violations of the Academic Integrity Code will not be treated lightly, and disciplinary actions will be taken should such violations occur. Please see me if you have any questions about the academic violations described in the Code in general or as they relate to particular requirements for this course.
Topics

**Topic 1: Introduction to project evaluation**

**Topic 2: Overview of ex post impact evaluation**

**Topic 3: First-difference and difference-in-difference estimators**
- Problems with reflexive comparison evaluations. First difference (FD) and double difference (DD) approaches. When to use FD and DD. Potential problems. Randomized vs. non-randomized. Triple difference. Comparison to alternatives.

**Topic 4: Matching (Quasi-experimental) methods**

**Topic 5: Instrumental variables**

**Topic 6: Heterogeneity of impact**
- Focus of evaluation on mean impact. Motivation for looking at heterogeneity of impact. Approaches to assessing heterogeneity of impact.

**Topic 7: Overview of project targeting**

**Topic 8: Analysis of project targeting**

**Topic 9: The political economy of evaluation and designing impact evaluations**

**Topic 10: Meta evaluation and analysis**