

**PRINCETON UNIVERSITY**  
**WOODROW WILSON SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS**  
**FALL TERM 2006**

**Financing Development: What to Do with Insufficient Resources**

Public Affairs WWS593g (half-term course)

Wednesday 1-4 p.m.

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***Course Description***

This course will examine the tradeoffs involved for a donor in allocating scarce resources in a developing country, particularly those countries referred to as “fragile states.” We will examine this from the standpoints of bilateral and multilateral donors or UN operating units in a developing country, and will also examine alternative positions from the standpoint of nongovernmental actors. In particular, we will look at the greatest challenge for development specialists: working in the “fragile states.” Are there promising approaches, even in countries like the Democratic Republic of the Congo, Liberia, Sierra Leone, and Burundi? If so, what do we know about lessons learned and best practices?

This course will focus on real world alternatives, looking at resource distributions as they presently exist; we will examine how scarce resources presently are allocated. What are the tradeoffs, and how do these play out with differential pressures from headquarters, from within the country, and elsewhere? How great is the divide between how resources should be – and how they actually are – allocated? We will also discuss donor coordination in this context and the effect of the Poverty Reduction Strategy Paper and accompanying process in ensuring more coordination and better development outcomes. Can private sector flows, using new approaches such as the USAID Global Development Alliance and innovative giving strategies, such as those pioneered by GlobalGiving, help lessen this problem?

The methodology of this course is to look at specific countries and at issues both across and within sectors, such as health and economic growth. The goal of this course is to present you with the issues that on-the-ground agency heads face in developing countries today, the decisions that are made, thereby providing a practical basis for how to think through such issues. The overall structure of the seminar appears in the readings section below, but the specific emphasis of the class will be developed during the first session according to the interests of seminar members.

***Course Requirements***

All seminar members will be expected to participate in weekly discussions. Performance will be evaluated on the basis of class participation and a paper at the end of the seminar. If you will be unable to attend a session for any reason, please contact me ahead of time.

Two to three students (depending on the size of the seminar) will be asked to make short presentations for some sessions.

The goal of the papers is for students to choose a specific country and sector and to grapple with the kinds of decisions that donors must make in designing and implementing programs in fragile states. Please choose a topic by the third week of class and let me know which topic you have chosen. The paper is due at the end of the six-week seminar. Your final papers are due by November 6, 2006.

### ***Course Materials***

The readings for the course consist of selected portions of the USAID strategy for the Democratic Republic of the Congo 2004-2008, as developed in 2003, journal articles, books, and links to websites. All of the articles and book chapters listed in this syllabus are on electronic reserve at the Stokes library for you to use. In addition, you can purchase copies of William Easterly's *The White Man's Burden* (Penguin, 2006) at the U-Store.

### **Session 1**

#### **Overview of the Problem: Fragile States Strategies**

This introductory session will give an overview of two broad topics. First, we will look at issues around failed states. What types of interventions do donors presently attempt? How (un)successful are they? We will examine the two poles of thinking about what to do in this context, represented by Sachs and Easterly.

\* The Fund for Peace, Failed States Index 2006, found at <http://www.fundforpeace.org/programs/fsi/fsindex2006.php>

\* Foreign Policy, "The Failed States Index," found at [http://www.foreignpolicy.com/story/cms.php?story\\_id=3420&page=0](http://www.foreignpolicy.com/story/cms.php?story_id=3420&page=0), pp. 1-8

\* Patrick Cronin, "Development in the Shadow of Conflict," Security by Other Means: Foreign Assistance, Global Poverty, and American Leadership, Brookings Institution, forthcoming

\* USAID, Fragile States Strategy, January 2005, found at [http://www.usaid.gov/policy/2005\\_fragile\\_states\\_strategy.pdf](http://www.usaid.gov/policy/2005_fragile_states_strategy.pdf)

\* Easterly, William, The White Man's Burden, pp. 112-157, 367-384

\* Sachs, Jeffrey and John McArthur, "The Millennium Project: A plan for meeting the Millennium Development Goals," *The Lancet* January 12, 2005, found at: <http://image.thelancet.com/extras/04art12121web.pdf>

### **Session 2**

## **A Case Study: The Democratic Republic of the Congo**

This session will begin our consideration of the case of the DRC. Many consider the Congo “hopeless,” and advocate that donors do nothing beyond lifesaving humanitarian intervention. Is this approach justified? If not, what makes more sense?

\* International Rescue Committee, “Mortality in the Democratic Republic of the Congo: A Nationwide Survey,” *The Lancet* 2006, found at <http://www.theirc.org/resources/DRCMortality0106Study.doc>

\* MONUC (Mission of the United Nations in the DRC; [www.monuc.org](http://www.monuc.org)), 20<sup>th</sup> report of the Secretary-General on the United Nations Organization Mission in the Democratic Republic of the Congo, found at [http://monuc.org/downloads/20th\\_report\\_of\\_SG\\_on\\_MONUC.pdf](http://monuc.org/downloads/20th_report_of_SG_on_MONUC.pdf)

\* USAID, Integrated Strategic Plan for the Democratic Republic of the Congo FY 2004-2008, pp. 1-32

\* Englebort, Pierre, “Life Support or Assisted Suicide? Dilemmas of U.S. Policy Toward the Democratic Republic of Congo” in *Short of the Goal: U.S. Policy and Poorly Performing States*, found at <http://www.cgdev.org/doc/shortofthegoal/chap2.pdf>

\* Easterly, William, *The White Man’s Burden*, pp. 286-290

### **Session 3 Sectors: Health and Education**

I briefly will discuss the various sectors and sector choices, but then focus on issues within one sector, health.

*Seminar discussion:* Student presenters will discuss education options for fragile states, including a discussion of the World Bank’s Fast Track Initiative.

\* USAID, Integrated Strategic Plan for the Democratic Republic of the Congo FY 2004-2008, pp. 47-73, 130-132.

\* Freedman, Lynn P. et al., Who’s got the power? Transforming health systems for women and children, Executive Summary, found at <http://www.unmillenniumproject.org/documents/maternalchild-frontmatter.pdf>

\* Joint Learning Initiative, Executive Summary, found at <http://www.globalhealthtrust.org/report/executivesummary.pdf>

\* Birdsall, Nancy et al., Toward Universal Primary Education: Investments, Incentives, and Institutions, Executive Summary, found at <http://www.unmillenniumproject.org/documents/Education-part1.pdf>

\* World Bank, Education for All – *Fast Track Initiative*, found at <http://www1.worldbank.org/education/efaiti/documents/FrameworkNOV04.pdf>

#### **Session 4**

##### **Sectors: Economic Growth, Food Security, Livelihoods, and Good Governance**

How do donors try to fight corruption, promote good governance, and promote economic growth in fragile states? High levels of corruption either destroy or severely hamper development prospects. What to do?

*Seminar Discussion:* Student presenters will analyze and critique the USAID DRC strategy (or that of a different donor in a specific fragile state) for one of these sectors.

\* USAID, Integrated Strategic Plan for the Democratic Republic of the Congo FY 2004-2008, pp. 75-126

\* USAID, Anti-corruption Strategy, January 2005, found at [http://www.usaid.gov/our\\_work/democracy\\_and\\_governance/publications/pdfs/ac\\_strategy\\_final.pdf](http://www.usaid.gov/our_work/democracy_and_governance/publications/pdfs/ac_strategy_final.pdf)

\* USAID, At Freedom's Frontiers: A Democracy and Governance Strategic Framework, December 2005, found at <http://www.cgdev.org/doc/shortofthegoal/chap12.pdf>

\* Sanchez, Pedro et al., "Halving Hunger: It can be done," Executive Summary, found at <http://www.unmillenniumproject.org/documents/Hunger-highres-frontmatter.pdf>

\* Yang, David, "The Persisting Poverty of Analysis in U.S. Democracy Assistance," in Birdsall, Nancy et al., *Short of the Goal*, 2006, found at <http://www.cgdev.org/doc/shortofthegoal/chap12.pdf>

#### **Session 5**

##### **Donor Coordination, the Role of NGOs and other Private Actors**

What and how effective is the Poverty Reduction Strategy Paper (PRSP) and its associated process? What different strategies to donors adopt? How well do donors coordinate? We will then move to a consideration of the role of NGOs and private actors in promoting development.

*Note: We will be joined by Dennis Whittle, former World Bank officer, now Chairman and CEO of Global Giving.*

\* Please familiarize yourself with GlobalGiving and its philosophy by visiting their web site at [www.globalgiving.com](http://www.globalgiving.com)

\* High Level Forum on Joint Progress toward Enhanced Aid Effectiveness, Paris Declaration on Aid Effectiveness, March 2005, found at <http://www.oecd.org/dataoecd/11/41/34428351.pdf>

\* IMF, brief description of the PRSP, found at <http://www.imf.org/external/np/prsp/prsp.asp>  
(Much more information on the PRSP is on the IMF web site)

**Session 6**  
**The Uses of Evaluation;**  
**Fragile States Strategies and Implementation Prospects:**  
**Where are We and Where Are We Going?**

How important is evaluation? We will examine a case study of an evaluation of an activity in the DRC. We will then move to an overview consideration of the key themes of the course.

\* Department for International Development (DfID), London, “What are we doing to tackle world poverty?,” found at <http://www.dfid.gov.uk/pubs/files/DFIDquickguide1.pdf>

\* Clapp-Wincek, Cynthia and Blue, Richard, “Evaluation of Recent USAID Evaluation Experience,” June 2001, 1-32, found at [http://pdf.dec.org/pdf\\_docs/PNACG632.pdf](http://pdf.dec.org/pdf_docs/PNACG632.pdf)

\* USAID web site, section on evaluations, found at <http://evalweb.usaid.gov/> Please browse this site.

\* Molina, Javier Aguilar, “The Invention of Child Witches in the Democratic Republic of the Congo,” Save the Children (UK) 2005, all

\* Gambino, Anthony, “Closing the ‘Faucet of Shame’,” Evaluation prepared for Save the Children (UK), pp. 2-3, 26-31

\* USAID, Reducing Abandonment of Children in the Democratic Republic of the Congo USAID/DRC Protection Office in Collaboration with the Displaced Children and Orphans Fund (DCOF), Request for Applications, June 2006, pp. 17-30

***Additional Sources for Reference***

Texts

The web sites of USAID, DFID, various UN organizations, including UNICEF, the World Bank, etc. contain much information beyond the readings assigned above. The OECD’s Development Assistance Committee also has a large quantity of information on its site.