

COPENHAGEN  
SUMMER  
UNIVERSITY

## DOES FOREIGN AID GIVE VALUE FOR MONEY?

Donors' development policy is constantly changing. Even though the overall goal of development aid is still to foster economic development and reduce poverty in the poorest places on the globe, there is a strong trend towards supporting measurable objectives, outcomes and impacts. The new strategy for Danish development policy has, for instance, a stated focus on ensuring better results and on maximising value for money.

Therefore the fields of economics and statistics are given more prominent roles when evaluating and measuring whether foreign aid "works" or "helps". As this is easier said than done, this course will examine how the impact of aid is evaluated through the lens of cutting edge research within economics.

### *What you will learn*

After the course, you will be able to:

- Have a clear overview of the main findings within academic research on foreign aid effectiveness; both at the macro level and the micro level.
- Have a clear understanding of the main challenges facing aid evaluation studies and ability to assess the value of new research on the topic.
- Be better to conduct or contribute to evaluation studies including the most updated and relevant quantitative methods.

### *Course content*

Economically speaking the key objective of foreign aid is to alleviate global poverty by fostering economic growth. But what are the magnitudes of global inequities that aid is supposed to help alleviate? This is the first issue we discuss. Then the course addresses the following questions: What is foreign aid? Who gets foreign aid? Why do some countries receive more foreign aid than others?

We then discuss traditional and novel approaches to impact evaluation at the micro (project) level. We examine whether a given project/programme had the desired effects on individuals, households, firms, and communities and whether those effects are attributable to the project/programme intervention. More specifically we go through both methodological and empirical examples addressing the following questions:



1. How did the project affect beneficiaries?
2. Were any improvements a direct result of the project, or would they have improved anyway?
3. Could the design be modified to improve impact?
4. Were the costs justified?

Next we turn to the evaluation of aid effectiveness at the aggregate - economy wide - level. We discuss the main reasons why aid should (not) have an aggregate impact on economic development, the methodology invoked in assessing the impact of aid on growth as well as its strengths and weaknesses. The course provides a critical discussion of key (recent) contributions to the aid effectiveness literature.

To include a political perspective, a small panel discussion is organised at the end of the course with two political representatives.

### *Participants*

The course is for anyone working with the impact of development aid and who are interested in how the state of knowledge on quantitative analyses of aid effectiveness can contribute. The course is of particular relevance to individuals working in government aid organizations (domestic or international), aid consultancy and NGO's who therefore needs to be aquatinted with cutting edge economics research on the topic. Participants are expected to at least hold bachelor's degree or equivalent.

### *Course dates*

5 days, 15th-19th August 2011, 9.00 - 17.00 at the University of Copenhagen, Frederiksberg Campus.

### *Course directors*

**Carl-Johan Dalgaard**, Professor, Department of Economics, University of Copenhagen.

**Henrik Hansen**, Professor, Institute of Food and Resource Economics, University of Copenhagen.

### *Other course teachers*

**John Rand**, Professor, Institute of Food and Resource Economics, University of Copenhagen.

**Ole Winckler Andersen**, Head of Secretariat, Ministry of Foreign Affairs.

**Christian Friis Bach**, Lecturer, Consultant and Affiliated Professor, University of Copenhagen.

Two political representatives.

### *Course fee*

DKK 18,500/EUR 2,500 (excl. Danish VAT 25%).

Fee includes teaching, course materials and all meals during course.

**For more information and registration: [copenhagensummeruniversity.ku.dk](http://copenhagensummeruniversity.ku.dk)**

