

Assignment 2
Analysis of a development success-story
Due Monday at noon, day before topic is covered in class

For this assignment you are asked to focus on a specific and successful, project/program related to the topic of the week. Rely on papers, the web, newspaper articles, your own experience... to identify success-stories.¹ Prepare a note (5 pages max) and a 10 (max 15) minutes presentation covering the following:

- 1) Description
 - Shortly describe the program/project (aim, scope, methodology, location, history...)
- 2) Rational
 - What is the economic rational for the project?
 - i. Discuss the major market failures/constraints/shortcomings that the intervention addresses.
 - ii. What are the efficiency and equity effects? Distinguish between short-term and long-term effects when relevant. Who are the potential gainers and losers from the program? Are there any trade-offs?
- 3) Design
 - Discuss the key elements in the project design and explain the rational of each of them (e.g. how they address existing constraints/market failures).
 - Discuss the selection of the beneficiaries. How is targeting done? How is leakage to non-target population prevented? How does the design account for possible heterogeneity of beneficiaries?
 - Discuss which agents/organizations are responsible for which part of the project? Discuss the potential strengths and weaknesses of this institutional set-up. E.g. does the program design guarantee that each of them has the right incentives to achieve the desired outcome? If so, how? If not, how could this be improved? Are there control mechanisms in place that contribute to accountability? Does the program design address potential moral hazard problems?
- 4) Evaluation
 - Describe what type of evidence suggests that it was indeed a successful intervention: was there a quantitative impact analysis, a qualitative assessment, ... How reliable is this evidence?
 - Were there any unintended consequences of the project? Could something have been done to avoid them?
- 5) Lessons learned
 - Identify the key aspects of the project that contributed to the success. What are the major strengths of the project? What are the potential weaknesses?
 - Discuss the applicability/ adaptability of the approaches for different contexts. In which context is the approach likely to work? Where is it likely not to work?

¹ One place to look for ideas is the website of the Development Market place. This is a competition organized by the World Bank to which people or institutions can submit project proposals for direct funding from the World Bank. The aim is to identify, fund and disseminate the “best” ideas in development from around the world. More information can be found at: www.developmentmarketplace.org.