

**NYU****ROBERT F. WAGNER GRADUATE
SCHOOL OF PUBLIC SERVICE**

URPL-GP 2665: Decentralized Development Planning in Developing Countries Spring 2021

Instructor Information

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Course Information

- Class Time: Mondays, February 1 – May 10, 4:55-6:35 p.m.
- Class Location: Online Zoom link provided on NYU Classes

Course Description

The last three decades have witnessed a global proliferation of public sector restructuring, decentralization, and democratization in developing countries. Traditional development planning has adapted (unevenly) to these trends as they have unfolded. This course presents an overview of the evolution of the theory and practice of planning in developing countries with a particular focus on subnational governments. The course is articulated in five sections, which taken together trace the policy, institutional and technical challenges faced by sub-national development planners in decentralizing country contexts.

- (i) The first recalls the **evolution of development planning** and its place within the broader cycle of public expenditure management at both national and sub-national level.
- (ii) The second explores **the impact of public sector restructuring, decentralization, and democratization** on the systems for planning and financing of sub-national development.
- (iii) The third discusses **the “strategic turn” taken by both development and spatial planning**, where local governments face a new and broader developmental role, and on the related evolution of traditional planning instruments.
- (iv) The fourth reviews the challenge of moving **from sub-national development strategies to the design of policies, programs and projects** that operationalize them, and the related need for effective and transparent prioritization and selection methods.

(v) The fifth reflects on the technical, institutional, financial, economic, social, and environmental **appraisal of the programs and projects** that are the “building blocks” of subnational development and spatial plans and strategies.

Detailed case studies and exercises are an integral part of the course.

Course Objectives

By the end of the course participants will:

1. **Understand the evolution of the theory and practice of development planning** and related public sector systems and procedures in developing countries;
2. **Be familiar with common types of development planning systems** and efforts to decentralize planning processes and improve governance and civic engagement;
3. **Have an introductory understanding of efforts to pursue a more strategic integrated approach to local planning** in developing countries;
4. **Be aware of the approaches of international development** agencies to supporting more effective local development planning;
5. **Understand basic concepts and approaches to the design and appraisal** of development programs and projects; and
6. **Be able to think more effectively about how to cope with real-world constraints** on effective decentralized development planning.

Course Format

The class will meet weekly. The format will blend lecture, in-class exercises and discussion. Class participation is encouraged and expected. Some of the assignments will require group work, but the largest share of the grade is based on individual assignments.

Course Readings

There are **no required text books** for the course. In part this is because the literature on the topic is rather disjointed--some is more conceptual, while other material is more technical; some is rather general, while other material is fairly specific to industrialized or developing countries; some is more oriented towards the goals of planning, while other material centers on processes; some of the concepts, approaches and techniques are relatively new, while others have been around for a long time (although they may have evolved considerably).

Accordingly, we have selected a **set of readings that we think contribute to understanding current thinking on the topics being covered**. These readings are a mixture of a few older classics and more recent work by both academics and

practitioners broadly drawn from the planning, social science and public management literatures. The readings are intended to illustrate the state of the academic and practitioner literature--they are not comprehensive.

You should be aware that the readings vary in quality and complexity, and the connections among some of them may not always seem obvious. We try to synthesize the material in class and we often talk about issues that are not directly covered in the readings. Given this, it is important for you to check in with us or a classmate on what was covered if you are unable to attend class.

Please note that some websites for journals that the NYU Library subscribes to must be accessed through NYU Home. You cannot get into password-protected sites from other email addresses unless you have a personal subscription to the journal.

Although there is no text book, we posted on NYU classes a useful volume prepared for Habitat III by the Inter-American Development Bank, UN-Habitat and the Development Bank of Latin America: D. Gomez-Alvarez, R. Rajack, E. Lopez-Moreno and G. Lanfranchi, eds. *Steering the Metropolis: Metropolitan Governance for Sustainable Development*. (Washington, DC: Inter-American Development Bank, 2017). It contains chapters on topics relevant for the course as well as a range of case studies of particular cities. **Some chapters may be of interest to you and may also be useful in considering and framing your final course presentations and papers.**

At the end of the Resources area of NYU Classes is a folder with a set of selected case materials on decentralization and a folder with a set of selected case materials on subnational/ intergovernmental planning systems. We will refer to these from time to time, and they may be useful as supplementary reading and/or for developing your final course presentations and papers.

Course Requirements

The grade will be based on the following requirements:

Requirement	Due date	Weight
Mid-term Exam (Individual)	March 18	30%
Team Presentation	April 2	15%
Team Exercise	April 16	15%
Class Attendance and Participation		10%
Final Exam (Individual)	May 18	30%

The assignments will variously involve a mixture of questions to be answered, analysis of policy situations, and the application of basic planning tools and techniques. Details will be provided in class.

Please note that the *attendance requirement is subject to NYU's Policy on Religious Holidays* (<https://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/university-calendar-policy-on-religious-holidays.html>)

Please note that *extensions on assignment due dates will be granted only if requested in advance for well justified reasons*. This policy is adopted out of respect to those who have abided by deadlines, despite having hectic and complex schedules. Assignments handed in late without approved extensions will be penalized one-third of a grade per day.

Academic Honesty and Grading Policy

This course will be governed by the NYU Wagner School policy guidelines on academic honesty and grading. It is each student's responsibility to become familiar with these policies. All Wagner students have already read and signed the [Wagner Academic Oath](#) and are expected to pursue and meet the highest standards of academic excellence and integrity. Plagiarism of any form will not be tolerated and students in this class are expected to report violations to me. If any student in this class is unsure about what is expected of you and how to abide by the academic code, you should consult with me. Please see the NYU Wagner Student Portal for detailed information on the academic code and grading policy.

- [Academic Code](#)
(<https://wagner.nyu.edu/portal/students/policies/code>)
- [Grading](#) (<https://wagner.nyu.edu/portal/students/policies/grading>)

Henry and Lucy Moses Center for Students with Disabilities at NYU
Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Students with Disabilities \(CSD\) website](#) and click on the Reasonable Accommodations and How to Register tab or call or email CSD at (212-998-4980 or mosescsd@nyu.edu) for information. Students requesting academic accommodations are strongly advised to reach out to the Moses Center early in the semester for assistance.

URPL-GP 2665: Decentralized Development Planning in Developing

Countries Detailed Course Schedule

Section 1 – Development Planning and Public Expenditure Management

Date	Lesson	Required Readings
Mon. Feb 1	<p>Course introduction and outline</p> <p>The Evolution of Development Planning Paradigms and Cultures</p> <ul style="list-style-type: none"> □ Evolution of Development Planning Cultures □ The Rural-Urban Debate in Development Planning □ A case study: Development Planning in Kenya 	<ul style="list-style-type: none"> □ T. Killick, <u>The Possibilities of Development Planning</u>. Oxford Economic Papers, (July 1976), pp. 161-184. □ P. Healey, <u>Traditions of Planning Thought</u>, in P. Healey, Collaborative Planning (Vancouver: University of British Columbia Press, 1997), Chapter 1, pp. 7-30. C. Tacoli, <u>Links Between Urban and Rural Development</u>. Environment and Urbanization. Vol. 15 (2003). A. Chimhowu, <u>New National Planning</u> (short video). Strategic Network on New National Planning in the Global South. Manchester: University of Manchester. 2018.
Mon. Feb 8	<p>Development Planning and Public Expenditure Management</p> <p>Development Planning and Budgeting</p> <p>Public Expenditure Management Cycle</p> <ul style="list-style-type: none"> □ Investment Programming and Mid-Term Expenditure Framework <p>Local Development Planning, the Case of Cambodia</p>	<p>Asian Development Bank, <u>What is Public Expenditure Management (PEM)? The Governance Brief</u>, Issue 1- 2001. (Manila: ADB).</p> <ul style="list-style-type: none"> □ Asian Development Bank, <u>Linking Planning and Budgeting: The Medium-Term Expenditure Framework</u>. The Governance Brief, Issue 2-2001. (Manila: ADB). □ A. Schick, <u>A Contemporary Approach to Public Expenditure Management</u>. Washington, DC: The World Bank Institute, 1998. Chapters 1, pages 1–27. A. Rajaram et.al., <u>A Diagnostic Framework for Assessing Public Investment Management</u>. The World Bank Policy Research Working Paper 5397 August 2010

Section 2 – Decentralization and the Reform of Development Planning Systems

Date	Lesson	Required Readings
Thu. Feb 18 (Note: not on Mon day)	The impact of Decentralization Reforms on Sub-National Planning Systems Decentralization and Local Governments Models of Intergovernmental Systems and Examples from Selected Countries	J. Boex and S. Yilmaz, <u>An Analytical Framework for Assessing Decentralized Local Governance and the Local Public Sector</u> . (Washington, DC: The Urban Institute, 2010). P. Smoke. <u>Rethinking Decentralization: Assessing Challenges to a Popular Public Sector Reform</u> . Public Administration and Development Vol. 35 (2015), pp. 97-112

Date	Lesson	Required Readings
	Multi-level and Local/Urban Planning: Institutional Design and Reality <input type="checkbox"/> Decentralization and Development Planning in Kenya	<input type="checkbox"/> L. Hopkins and E. Alexander, <u>Planning in Complex Multi-organizational Systems</u> . Journal of Planning Education and Research, Vol. 28 (2009), pp. 470-475. <input type="checkbox"/> L. Romeo and P. Smoke, <u>The Political Economy of Local Infrastructure Planning</u> . In. J. Frank and J. Martinez-Vazquez, eds. Decentralization and Infrastructure. (London: Routledge, 2018).
Mon. Feb 22	The impact of Decentralization Reforms on Sub-national Financing Systems <input type="checkbox"/> Overview of Urban and Metropolitan Governance and Finance <input type="checkbox"/> Models of Urban and Metropolitan Governance <input type="checkbox"/> Urban Government Finance Systems and Instruments Priorities for Improving Urban Finance Systems	M. Andersson. <u>Unpacking Metropolitan Governance for Sustainable Development</u> . (Bonn: Deutsche Gesellschaft für Internationale Zusammenarbeit/GIZ, 2015), (Focus on pages 13-41). R. Bahl and J. Linn. <u>Governing and Financing Cities in the Developing World</u> . (Cambridge, MA: Lincoln Institute of Land Policy, 2014), (Focus on pages 11- 23). P. Smoke. <u>Urban Finance: Strengthening an Overlooked Foundation of Urban Planning</u> . In V. Watson, G. Bhan and S. Srinivas, eds. Planning in the Global South. (London: Routledge, 2018).

Date	Lesson	Required Readings
Mon. Mar 1	<p>Building Decentralized Development Planning systems: the role of Aid</p> <ul style="list-style-type: none"> □ Donor Roles and Priorities <ul style="list-style-type: none"> □ Social Funds and Other Early Donor Approaches Community Driven Development (CDD) □ Local Development Funds (LDF) □ Sector-Wide Approaches (SWAp) City Development Strategies (CDS) 	<p>J. Tandler, <u>Why Are Social Funds so Popular?</u> in S. Yusuf, W. Wu, and S. Evenett, eds. Local Dynamics in an Era of Globalization. (Oxford, 2000), pp. 114- 129.</p> <ul style="list-style-type: none"> □ S. Wong. <u>What Have Been the Impacts of World Bank Community-Driven Development Programs?</u> (Washington, DC: The World Bank, 2012), pp. 41-53. <p>T. Land and V. Hauck, <u>Building Coherence between Sector Reforms and Decentralization: Do SWAPs provide the Missing Link?</u> Discussion Paper No. 49. (Maastricht: European Center for Development Policy Management, 2003).</p> <p>UNCDF, <u>Delivering the Goods: Building Local Government Capacity to Achieve the MDGs</u>, (New York, NY: UN Capital Development Fund, 2005), Chapters 1-3.</p> <ul style="list-style-type: none"> □ Cities Alliance. <u>City Development Strategies 2.0: Cities Growing with Vision</u>. (short video). (Washington, DC: Cities Alliance, 2018).

Section 3 – The Evolution of Development Planning Instruments

Date	Lesson	Required Readings
Mon. Mar 8	<p>The Emergence of Local Government Strategic Planning</p> <ul style="list-style-type: none"> □ Strategic Planning for Local Development Community-wide vs Corporate Planning □ Integrated Development Planning □ Mainstreaming Cross-cutting Issues Territorial Approach to Local Development 	<ul style="list-style-type: none"> □ A. Todes, <u>Reinventing Planning: Critical Perspectives</u>. Urban Forum. Vol. 22 (2011), pp. 115-133. J. Bryson, "A Strategic Planning Process for Public and Non-profit Organizations," Long Range Planning, Volume 21 (1988), No. 1, pp. 73-81. □ <u>Reinventing Planning: A New Governance Paradigm for Managing Human Settlements</u>. A Position Paper for the World Planners Congress, June 2006. L. Romeo, <u>A Territorial Approach to Local Development</u> (Brussels: European Commission DEVCO-B2, 2014), (Executive Summary, Ch. 1 and Ch. 2, pp. 4-32). Afesis-corplan. <u>What is an Integrated Development Plan?</u> (short video) (East London, South Africa: Local Government Action). More information at Afesis corplan website UCLG, <u>Policy paper on urban strategic planning</u>, November 2010.
Mon. Mar 15	<p>The “Reinvention” of Physical Planning</p> <p>The emergence of strategic spatial planning</p> <ul style="list-style-type: none"> □ Local Governments and Spatial planning tools for territorial integration of public sector functions. □ New forms of master planning □ New approaches to land regularization and management □ New Approaches to Linking Spatial Planning to Urban Infrastructure Investments □ A Case Study: Spatial Planning in Durban, South Africa 	<p>UN-Habitat, <u>Planning Sustainable Cities: Global Report on Human Settlements</u> 2009</p> <ul style="list-style-type: none"> □ World Planners Congress, <u>Reinventing planning: a new governance paradigm for managing human settlements</u> Vancouver 17-20 June 2006 Alison Todes, <u>Reinventing Planning: Critical Reflections</u> Urban Forum (2011) 22:115–133 Michael Mattingly & Haryo Winarso, <u>Urban Spatial Planning and public capital investment, the experience of Indonesia</u>, UCL-DPU Working Paper No. 113 December 2000 Michael Mattingly, <u>Spatial Planning for Urban Infrastructure Investment: A Guide to Training and Practice</u> UCL-DPU, DFID 2001 Ken Breetzke, <u>Spatial planning in the Durban metropolitan area, South Africa</u> Case Study for the UN Habitat Global Report on Human Settlements 2009

Section 4 – Translating Plans into Policies, Programs and Projects

Date	Lesson	Required Readings
Mon. Mar 22	<p>Developing strategies and prioritizing interventions</p> <p>Strategies as hierarchies of Policies, Programs and Projects</p> <p>□ Projects as ‘building blocks’ of development strategies.</p> <p>Scope of Projects outputs: (a) regulatory measures, (b) institutional change and capacity building, (c) sector investments in infrastructure & services</p> <p>□ Project-Aid vs. Other Aid Modalities □ Selecting and Prioritizing Strategies, Policies, Programs and Projects: (a) Multi-Criteria Decision Making; (b) The Analytic Hierarchy Process (AHP)</p>	<p>Mick Foster and Jennifer Leavy, <u>The Choice of Financial Aid Instruments</u> Overseas Development Institute, Working Paper 158, October 2001</p> <p>□ UK Department for Communities and Local Government: <u>Multi-criteria analysis: a manual</u> London January 2009 (glance through the entire manual and then read Appendix 5 –AHP pp 127-130)</p> <p>Rainer Haas, Oliver Meixner, <u>An Illustrated Guide to the Analytical Hierarchy Process</u>, University of Vienna 2010</p>
Mon. Mar 29	<p>Formulating Development Projects □</p> <p>The development projects formulation process</p> <p>The EU “Project Cycle Management” (PCM)</p> <p>□ Developing “Theories of Change” (TOC) □ The Logical Framework Approach (LFA) to project design</p>	<p>□ European Commission <u>Project Cycle Management Guidelines</u> (2004)</p> <p>□ Dana H. Taplin, Helène Clark, <u>Theory of Change Basics</u>, Act Knowledge March 2012 □ Isabel Vogel, <u>Review of the use of ‘Theory of Change’ in international development</u>, DFID April 2012</p> <p>NORAD, <u>The Logical Framework Approach (LFA), Handbook for objective-oriented planning 4th Edition</u> 1999</p> <p>Oliver Bakewell and Anne Garbutt, <u>The use and abuse of the logical framework approach</u>, SIDA November 2005</p> <p>Reidar Dale, <u>The logical framework: an easy escape, a straitjacket, or a useful planning tool? Development in Practice, Volume 13, Number 1, February 2003.</u></p>

Section 5 – Selecting and Appraising Development Projects

Date	Lesson	Required Readings
Mon. Apr 5	Appraising Development Project An overview of an Integrated approach to Project Appraisal	Joseph Tham , <u>Project Appraisal Simplified</u> , Duke University (December 16, 2009).

Date	Lesson	Required Readings
	<p>Appraising a Municipal Project: a worked-out Example.</p> <ul style="list-style-type: none"> □ Basic concepts in project appraisal. <ul style="list-style-type: none"> ○ Project as instruments of welfare improvement <ul style="list-style-type: none"> ○ Project's cost and benefits as "incremental changes." ○ Projects' opportunity costs ○ Points of View in Project Cost Benefit Analysis 	Gines de Rus, <u>Introduction to Cost Benefit Analysis</u> , E. Elgar 2010, Ch. 1 pp 1-13
Mon. Apr 12	<p>Assessing Technical, Institutional and Financial Feasibility</p> <p>Assessing Technical Options and Least-Cost Analysis</p> <ul style="list-style-type: none"> □ Assessing Institutional arrangements □ Financial Modeling of projects: basic structure of a project's cash flow model <p>Investment Criteria (NPV, IRR, B/C Ratio, Payback Period)</p> <p>Financial Rate of return (FIRR), Return on Equity (ROE) and Return on Invested Capital (ROIC)</p> <p>Weighted Average Cost of Capital (WACC)</p> <ul style="list-style-type: none"> □ Estimation and use of debt service ratios (ADSCR and LLCR) 	<p>IFAC <u>Project Appraisal Using Discounted Cash Flow</u> International Good Practice Guidance (2008)</p> <ul style="list-style-type: none"> □ USAID, <u>The Project Appraisal Practitioners' Guide</u> (2009), Chapters 5 and 6 □ G. Jenkins, A. Harberger and G. Kuo. <u>Integrated Appraisal of Investment Projects: Concepts and Practice</u>, Cambridge Resources International (2004), Chapter 3 and 4

Date	Lesson	Required Readings
Mon. Apr 26	Assessing Economic, Viability and Distributional impacts <ul style="list-style-type: none"> □ Micro-economic foundations of Project Cost Benefit Analysis □ Classification of project inputs and outputs: traded/non-traded, incremental/non incremental, non marketed, land and labor. □ Economic Valuation of projects inputs and outputs: conversion factors □ Economic Externalities and Distributional Impacts 	<ul style="list-style-type: none"> □ G. Jenkins, A. Harberger and G. Kuo. <u>Integrated Appraisal of Investment Projects: Concepts and Practice</u>, Cambridge Resources International (2004), Chapter 8 and 9 □ G. Jenkins, A. Harberger et al. <u>Integrated Appraisal of Investment Projects : Concepts and Practice</u>, Cambridge Resources International (2004), Chapter 10, 12 and 13 □ Asian Development Bank <u>Handbook for Integrating Poverty Impact Assessment in the Economic Analysis of Projects</u> (2008)

Date	Lesson	Required Readings
Mon. May 3	Assessing Social and Environmental Externalities Using Non-Market Values in Cost Benefit Analysis <ul style="list-style-type: none"> □ Reveled Preferences Methods □ Stated Preferences Methods □ Assessing Social Externalities □ Assessing Environmental Externalities 	David Robalino and Ian Walker, <u>Guidance Note on the Economic Analysis of Jobs Investment Projects</u> Jobs Group, The World Bank, August 2017 Patricia Silva Stefano Pagiola, <u>A Review of the Valuation of Environmental Costs and Benefits in World Bank Projects</u> World Bank Environmental Economic Series paper #94 (2003)

Date	Lesson	Required Readings
Mon. May 10	<p>Assessing and Managing Risks</p> <ul style="list-style-type: none"> □ Assessing Project Risks □ Sensitivity and Scenario Analysis <ul style="list-style-type: none"> □ Monte-Carlo Simulations (with Crystal Ball software) □ Building a forecasting model and selecting key risk variables <p>Assigning probability distributions, running simulations, and analyzing the results</p> <p>Course recap</p>	<p>Savvakis C. Savvides, <u>Risk Analysis in Investment Appraisal</u>, Project Appraisal, Volume 9 Number 1, pages 3-18, March 1994</p> <p>□ Johnathan Mun, <u>Applied Risk Analysis</u>, (2002) Wiley Finance, Chapter 5</p> <p>John Charnes, <u>Financial Modelling with Oracle Crystal Ball and Excel</u> 2nd edition Wiley 2012 (focus on chapters 1 through 8)</p>