# URPL-GP 2665: Decentralized Development Planning in Developing Countries

### Spring 2023

#### **Instructor Information**

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#### **Course Information**

• Class Time: Mondays, January 23 – May 8, 4:55-6:35 p.m.

• Class Location: 60 Fifth Avenue, Room C04

#### **Course Description**

The last several decades have witnessed a global proliferation of public sector restructuring, decentralization, and democratization in developing countries. Traditional development planning has adapted (unevenly) as these trends have unfolded. This course presents an overview of the evolution of planning theory and practice in developing countries with a focus on subnational governments. Although there are some universal planning norms and processes, the structure and performance of a viable planning system depend heavily on the economic, political, institutional and cultural context of a country. The course outlines and assesses planning approaches and systems, reviews how developing countries and international development partners have tried to build decentralized planning, and introduces selected practices and techniques used by local planners in developing countries. The overall focus is on how local planning systems, processes and techniques can be strategically designed and implemented to work effectively in different contexts. Case studies and exercises based on them are an integral part of the course.

The course has five sections. The first two focus on how planning evolved with global economic and political dynamics, development theory, and public sector norms. The others consider in greater detail how planning took a more integrated and strategic approach to supporting development and adapted or created planning processes and techniques to transform plans into action. Collectively they consider the policy, institutional and technical opportunities and challenges the subnational development planners encounter in decentralizing country contexts.

- Section 1 reviews the evolution of development planning in response to changes in global conditions and development thinking.
- Section 2 explores how public sector reform, democratization and decentralization reshaped systems for the planning and financing of subnational development.
- Section 3 considers the strategic turn taken by both development and spatial planning in which subnational governments play a broader developmental role and adopt related reforms of traditional planning instruments.
- **Section 4** introduces tools and approaches used to translate subnational development strategies that emerge from the planning process to the design of policies, programs and projects that operationalize them, with a focus on methods to transparently prioritize and select specific development activities for implementation.
- Section 5 covers mechanisms used for the formal technical, institutional, financial, economic, social, and environmental appraisal of the programs and projects that are the building blocks of subnational development.

#### **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 partners** to supporting more effective local development planning;
- 5. Understand basic concepts of 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 on Monday except for February 20<sup>th</sup> (Presidents Day holiday) and March 13<sup>th</sup> (spring break). The format will blend lectures, 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 textbooks** for the course. In part this is because th 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 covered. These readings are a mixture of older classics and more recent work by academics and practitioners broadly drawn from planning, social science, and public management literatures. Given the breadth of the field, the readings are intended to illustrate the state of the academic and practitioner literature rather than to be comprehensive. All required readings (marked with \*) are posted on Brightspace and so are most supplementary readings unless they are full books that could not be uploaded.

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 most important material during the lecture and often cover issues that are not directly covered in the readings, and we provide a PowerPoint presentation after each class summarizing the most important material. Given the lack of a guiding textbook, it is important for you to check in with us or a classmate on what was covered if you are unable to attend class.

Although there is no textbook, we posted on Brightspace 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 and a range of case studies of particular cities that may be of interest to some of you.

#### **Course Requirements**

The grade will be based on the following requirements:

Requirement	Distributed	Due	Weight
Exercise 1 (Team)	February 13	February 27	15%
Midterm Exam 1(Individual)	March 6	March 15	30%
Exercise 2 (Team)	April 3	April 14	15%
Final Exam (Individual)	May 1	May 19	30%
Class Attendance and Participation			10%

The exercises variously involve a mixture of questions to be answered, analysis of policy situations, and application of basic planning tools and techniques. The midterm exam covers sections 1 and 2 and the final exam covers sections 3 to 5. Details on each requirement will be provided in class.

Active class participation means attending class prepared to engage in thoughtful and reflective discussion and being able to ask good questions and debate answers. Please note that the attendance requirement is subject to the <a href="NYU Policy on Religious Holidays">NYU Policy on Religious Holidays</a>, which allows members of any religious group to absent themselves from classes without penalty to comply with religious obligations. Please let us know in advance of religious absences so that we can help you deal with any material you might miss.

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 will be penalized one-third of a grade per day if you have not received an approved extension.

#### **Academic Integrity and Grading Policy**

The course will abide by the NYU Wagner School policy guidelines on academic integrity 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.

- <u>Academic Code</u> (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 who wish to request academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance.

## **URPL-GP 2665: Decentralized Development Planning in Developing Countries**

## **Detailed Course Schedule and Reading List/Spring 2023**

<u>Section 1</u> – Overview of Development Planning and Key Issues in Developing Countries

Date	Topic	Required Readings (*) and other Reference
		Materials
Mon. Jan 23	The Evolution of Development Planning Paradigms and Cultures  — Development Planning Traditions  — The Rise and Fall of Traditional Development Planning  — Conventional and Alternative Planning Frameworks	<ul> <li>*D. Connell. "Schools of Planning Thought: Exploring Differences through Similarities." <i>International Planning Studies</i>. Vol. 15 (2010), pp. 269-280.</li> <li>*P. Healey, "Traditions of Planning Thought," in <i>Collaborative Planning</i> (Vancouver: University of British Columbia Press, 1997), pp. 7-30.</li> <li>*T. Killick, The Possibilities of Development Planning. <i>Oxford Economic Papers</i>, (1976), pp. 161-184.</li> <li>A. Todes. "Reinventing Planning: Critical Perspectives." <i>Urban Forum</i>. Vol. 22 (2011), pp. 115-133.</li> </ul>
		— A. Chimhowu, <i>New National Planning</i> (short video). Strategic Network on New National Planning in the Global South. Manchester: University of Manchester. 2018.
Mon. Jan 30	<ul> <li>The Rural-Urban Debate in Development Planning</li> <li>— Shifting Perspectives on Urban and Rural Planning</li> <li>— Rural-Urban Exchange and Secondary Cities</li> <li>— Current and Emerging Policy Directions</li> </ul>	<ul> <li>*G. McGranahan and D. Satterthwaite.</li></ul>

# **Section 2** – Decentralization and the Transformation of Multi-Level Planning and Finance

(Please note that there is no class on Presidents Day (February 20th), an NYU holiday)

Date	Topic	Required Readings (*) and other Reference Materials
Mon. Feb 7	Decentralization and Local Governments  — Overview of Decentralization Basics  — Models of Intergovernmental Systems in Developing Countries  — Selected Country Snapshots of Decentralization and Intergovernmental Systems	<ul> <li>*J. Boex and S. Yilmaz, An Analytical Framework for Assessing Decentralized Local Governance and the Local Public Sector. (Washington, DC: The Urban Institute, 2010).</li> <li>*P. Smoke. "Rethinking Decentralization: Assessing Challenges to a Popular Public Sector Reform." Public Administration and Development Vol. 35 (2015), pp. 97-112.</li> <li>*M. Nadeem. "Analyzing Good Governance and Decentralization in Developing Countries." Journal of Political Sciences and Public Affairs, Vol. 4 (2016).</li> <li>J. P. Faguet. "Decentralization and Governance." World Development. Vol. 53 (2014), pp. 2-13.</li> <li>V. Beard, F. Miraftab and C. Silver. Planning and Decentralization: Contested Spaces for Public Action in the Global South. (London: Routledge, 2008), Chapter 1.</li> </ul>
Mon. Feb 13	Multi-level and Local/Urban Planning: Institutional Design and Reality  — Who Plans? Levels, Institutions, Actors, and Linkages  — Relationships in Multi-Level Planning Systems  — Major Issues in Development Planning System Design and Implementation  — Urban Areas in National Structures  — Snapshots of Selected Country Planning Systems	<ul> <li>*L. Hopkins and E. Alexander, "Planning in Complex Multi-organizational Systems," Journal of Planning Education and Research, Vol. 28 (2009), pp. 470-475</li> <li>*L. Romeo and P. Smoke, "The Political Economy of Local Infrastructure Planning." In. J. Frank and J. Martinez, eds. Decentralization and Infrastructure. (London: Routledge, 2018).</li> <li>A. Faludi. "Multi-Level (Territorial) Governance: Three Criticisms," Planning Theory &amp; Practice, Vol. 13 (2012), No. 2, pp.197-211.</li> <li>R. Matte. "Bureaucratic Structures and Organizational Performance: A Comparative Study of Kampala Capital City Authority and National Planning Authority" Journal of Public Administration and Policy Research, Vol 9 (2017), pp. 1-16.</li> <li>R. Acheampong and A. Ibrahim. "One Nation, Two Planning Systems? Spatial Planning and Multi-Level Policy Integration in Ghana: Mechanisms, Challenges and the Way Forward." Urban Forum, Vol. 27 (2016), pp. 1-18.</li> </ul>

Date	Topic	Required Readings (*) and other Reference Materials
Mon. Feb 27	Urban and Metropolitan Governance and Finance  — Overview of Urban and Metropolitan Governance and Finance  — Models of Urban and Metropolitan Governance  — Urban Government Finance Systems and Instruments  — Priorities for Improving Urban Finance Systems	<ul> <li>*M. Andersson. Unpacking Metropolitan Governance for Sustainable Development. (Bonn: Deutsche Gesellschaft für Internationale Zusammenarbeit/GIZ, 2015), (Focus pp. 13-41).</li> <li>*P. Smoke. "Urban Finance: Strengthening an Overlooked Foundation of Urban Planning". In V. Watson, G. Bhan and S. Srinivas, eds. Planning in the Global South. (London: Routledge, 2019).</li> <li>*R. Bahl and J. Linn. Governing and Financing Cities in the Developing World. (Cambridge, MA: Lincoln Institute of Land Policy, 2014), (Focus pp.11-23).</li> <li>N. da Cruz, P. Rode and M. McQuarrie. New Urban Governance: A Review of Current Themes and Future Priorities, Journal of Urban Affairs, Vol. 41 (2019), pp. 1-19,</li> <li>UN-Habitat. The Challenge of Local Government Financing in Developing Countries. (Nairobi: UN-Habitat, 2015),</li> <li>World Bank. Planning, Connecting, and Financing Cities—Now. Washington, DC: World Bank, 2013).</li> </ul>
Mon. Mar 6	Approaches to Building Decentralized Planning Systems and Development Assistance  — External Development Partner Roles and Priorities  — Social Funds  — Community Driven Development (CDD)  — Local Development Funds (LDF)  — Sector-Wide Approaches (SWAps)  — City Development Strategies (CDS)  — Local Climate Adaptive Living Facility (LoCAL)  — Territorial Approach to Local Development (TALD)	<ul> <li>NOTE: For this session readings can mostly be skimmed—approaches will be summarized in class. A few later readings merit a closer look.</li> <li>J. Tendler, "Why Are Social Funds so Popular?" in S. Yusuf, et. al., eds. Local Dynamics in an Era of Globalization. (Oxford, 2000), pp. 114-129.</li> <li>S. Wong. What Have Been the Impacts of World Bank Community-Driven Development Programs? (Washington, DC: The World Bank, 2012), pp. 41-53.</li> <li>T. Land and V. Hauck, Building Coherence between Sector Reforms and Decentralization: Do SWAPs provide the Missing Link? (Maastricht: European Center for Development Policy Management, 2003).</li> <li>*UNCDF, Delivering the Goods: Building Local Government Capacity to Achieve the MDGs, (New York, NY: UN Capital Development Fund, 2005), Chapters 1-3.</li> </ul>

Date	Topic	Required Readings (*) and other Reference Materials
		<ul> <li>*Cities Alliance. City Development Strategies</li> <li>2.0: Cities Growing with Vision (short video).</li> <li>(Washington, DC: Cities Alliance, 2018).</li> <li>*UNCDF. Financing Local Responses to Climate Change: Implications of Decentralization. (New York, NY: UN Capital Development Fund, 2014).</li> </ul>
		— *L. Romeo, <i>A Territorial Approach to Local Development</i> (Brussels: European Commission 2014), (Executive Summary, Ch. 1-2, pp. 4-32).

Section 3 – The Strategic Turn in Decentralized Development and Spatial Planning
(Please note that there is no class on March 13th, which is during the NYU spring break)

(Ple	(Please note that there is no class on March 13 <sup>n</sup> , which is during the NYU spring break)		
Date	Lesson	Required Readings (*) and other Reference Materials	
Mon. Mar 20	The Emergence of Local Government Strategic Planning  — The Adoption of Strategic Planning in Local Governments of Developed and Developing Countries  — Cities Alliance and the Formulation of City Development Strategies (CDS)  — Case Study: The Strategic Development and Investment Planning (SDIP) process in Palestine	<ul> <li>*J. Bryson, "A Strategic Planning Process for Public and Non-profit Organizations," Long Range Planning, Volume 21 (1988), No. 1, pp. 73-81.</li> <li>*Cities Alliance,(2016) Cities Development Strategies Toolkit, Version 2.0. (Glance through pp 8-73).</li> <li>*L. Romeo. Assessment of the Strategic Development and Investment Planning (SDIP) Process in the Palestinian Territories (World Bank ASA P161279, 2017).</li> <li>UCLG. Policy Paper on Urban Strategic Planning, (Barcelona: United Cities and Local Governments, 2019).</li> <li>UN-Habitat, Inclusive and Sustainable Urban Planning: A Guide for Municipalities; Vol. 1: An Introduction to Urban Strategic Planning. (Nairobi: UN-Habitat, 2007).</li> <li>T. DiNapoli. Local Government Management Guide: Strategic Planning. (New York: Office of the New York State Controller, 2002)</li> <li>R. de Graaf and G. Dewulf. Applying the Lessons of Strategic Urban Planning Learned in the Developing World to the Netherlands, Habitat International, Vol, 34 (4), 2010.</li> </ul>	

Date	Lesson	Required Readings (*) and other Reference Materials
Mon. Mar 27	Integrating Spatial and Sectoral Planning in Local Government Strategic Development Planning	*Afesis-corplan. What is an Integrated Development Plan? (video) (East London, South Africa: Local Government Action).
	<ul> <li>Linking strategies to spatial and sector plans, corporate programs and budgets</li> <li>The Contribution of Spatial Planning to Territorial</li> </ul>	<ul> <li>*R. Acheampong and A. Ibrahim. One Nation, Two Planning Systems? Spatial Planning and Multi-Level Policy Integration in Ghana: Mechanisms, Challenges and the Way Forward. <i>Urban Forum</i>, Vol. 27, 2016, pp. 1-18.</li> </ul>
	Development  — Towards Planning Practice to Integrates Development and Physical Planning	*F. Wüst. The South African IDP and SDF Contextualized in Relation to Global Conceptions of Forward Planning. <i>Town and Regional Planning</i> , Vol. 80, 2022, pp. 54-65.
	<ul> <li>Lessons from South Africa:         IDP vs. SDF</li> <li>Lessons from Ghana: One         Country, Two systems</li> <li>Linking Spatial Planning to         Urban Infrastructure         Investments</li> </ul>	<ul> <li>M. Mattingly. Spatial Planning for Urban Infrastructure Investment A Guide to Training and Practice, (London: DFID UCL-DP, 2001).</li> <li>R. Acheampong/ Historical Origins and Evolution of Spatial Planning and the Planning System in Ghana, in Spatial Planning in Ghana, 2018, Chap 3.</li> </ul>
		<ul> <li>M. Spaliviero "Spatial Development Framework to Facilitate Urban Management in Countries with Weak Planning Systems." <i>International</i> <i>Planning Studies</i>, 24 (2019), pp. 235-254</li> </ul>

## **Section 4** – From Planning Strategies to Development Projects

Date	Lesson	Required Readings (*) and other Reference Materials
Mon. Apr 3	Translating Strategies into Programs and Projects  — Strategies as Hierarchies of Policies, Programs and Projects  — The Capital Programming and Budgeting Process in Local Government  — Methods for Prioritizing Interventions (a) Multi-Criteria Decision Making; (b) Analytic Hierarchy Process (AHP)	<ul> <li>*Rajaram. A Diagnostic Framework for Assessing Public Investment Management. Policy Research Working Paper 5397 (Washington, DC: World Bank, 2010).</li> <li>*J. Marlowe, W Riverbank, and A. Vogt, Capital Budgeting and Finance. A guide for Local Governments, 2nd ed. (Washington DC:: ICMA Press, 2009, Chapter 3, pp.70-85).</li> <li>*R. Vargas. Using the Analytic Hierarchy Process (AHP) to Select and Prioritize Projects in a Portfolio. (Washington DC: PMI Global Congress, 2010).</li> </ul>

Date	Lesson	Required Readings (*) and other Reference Materials
		— UK Department for Communities and Local Government, Multi-criteria Analysis: A Manual, (London: UKDCLG, 2009, Chapter 6, pp 46-72).
		— Marcelo, D., et. al. <i>Prioritizing Infrastructure Investment A Framework for Government Decision Making</i> , (Washington, DC: World Bank 2016, pp. 2-8 and Appendix 3)
Mon. Apr 10	Formulating and Appraising Development Projects  — Project Formulation  • The development projects formulation process  • Developing "Theories of Change" (TOC)  • The Logical Framework Approach (LFA) to project design  — Project Appraisal	<ul> <li>*R. Dale. Logical Framework: An Easy Escape, a Straitjacket, or a Useful Planning Tool? Development in Practice, Vol. 13 (1) 2003.</li> <li>*D. Taplin and H. Clark, Theory of Change Basics, New York, NY: ActKnowledge 2012.</li> <li>*J. Tham. Project Appraisal Simplified. (Durham NC: Duke University, 2009).</li> <li>European Commission Project Cycle Management Guidelines (Brussels: EU, 2004).</li> <li>NORAD, The Logical Framework Approach Handbook for Objective-Oriented Planning 4th</li> </ul>
	<ul> <li>Project Appraisar</li> <li>Project as instruments of welfare improvement</li> <li>Project's cost and benefits as "incremental changes."</li> <li>Projects' opportunity costs</li> <li>The issue of "Standing": in project appraisal</li> </ul>	<ul> <li>Edition (Colorado Springs, CO, 1999).</li> <li>I. Vogel. Review of the Use of 'Theory of Change' in International Development, (London: DFID, 2012).</li> <li>O. Bakewell and A. Garbutt. Use and Abuse of the Logical Framework Approach. Stockholm: SIDA, 2005).</li> <li>G. de Rus. Introduction to Cost-Benefit Analysis. (Cheltenham: Elgar, 2010, Ch. 1).</li> </ul>

# **Section 5** – **Selecting and Appraising Development Projects**

Date	Lesson	Required Readings (*) and other Reference Materials
Mon. Apr 17	Assessing Technical, Institutional and Financial Feasibility  — Assessing Technical Options and	— *USAID, <i>The Project Appraisal Practitioners Guide</i> (Washington DC: USAID, 2009), Chapters 5-6.
	Least-Cost Analysis  — Assessing Institutional arrangements  — Basics of Financial Modeling of Projects	— *G. Jenkins, A. Harberger and G. Kuo.  Integrated Appraisal of Investment Projects:  Concepts and Practice, (Cambridge, MA:  Cambridge Resources International, 2004),  Chapters 3 and 4.

Date	Lesson	Required Readings (*) and other Reference Materials
		— IFAC Project Appraisal Using Discounted Cash Flow International Good Practice Guidance (New York, NY: International Federation of Accountants, 2008)
Mon. Apr 24	Assessing Economic, Viability and Distributional impacts  — Microeconomic 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 Project Inputs and Outputs: conversion factors  — Economic Externalities and Distributional Impacts	<ul> <li>*G. Jenkins, A. Harberger and G. Kuo.         Integrated Appraisal of Investment Projects:         Concepts and Practice, (Cambridge, MA:         Cambridge Resources International, 2004),         Chapters 8, 9, 10, 12. 13.     </li> <li>Asian Development Bank Handbook for Integrating Poverty Impact Assessment in the Economic Analysis of Projects_(Manila: Asian Development Bank, 2008).</li> </ul>
Mon. May 1	Assessing Social and Environmental Externalities  — Using Non-Market Values in Cost-Benefit Analysis  — Reveled and Stated Preferences Methods  — Assessing Social and Environmental Externalities	<ul> <li>*L. Romeo, Valuing Environmental Externalities. IDPP Teaching Note. (New York, NY: NYU Wagner, 2015).</li> <li>D. Robalino and I. Walker, Guidance Note on the Economic Analysis of Jobs Investment Projects (Washington, DC: The World Bank, 2017).</li> </ul>
Mon. May 8	Assessing and Managing Risks  — Uncertainty and Risks in project analysis  — Sensitivity and Scenario Analysis  — Monte-Carlo Simulations and risk analysis software  Course Recap	<ul> <li>*S. Savvides, Risk Analysis in Investment Appraisal, <i>Project Appraisal</i>, Vol. 9 (1) (1994), pp. 3-18.</li> <li>J. Mun, <i>Applied Risk Analysis</i>. (Hoboken, NJ: Wiley-Blackwell, Chapter 5)</li> <li>J, Charnes. <i>Financial Modelling with Oracle Crystal Ball and Excel</i> 2<sup>nd</sup> edition (Hoboken, NJ: Wiley-Blackwell, 2012), focus on Chapters 1-8).</li> </ul>