

Reinventing Foreign Aid

edited by William Easterly

foreword by Nancy Birdsall

sponsored by the Center for Global Development

**The MIT Press
Cambridge, Massachusetts
London, England**

© 2008 Massachusetts Institute of Technology

All rights reserved. No part of this book may be reproduced in any form by any electronic or mechanical means (including photocopying, recording, or information storage and retrieval) without permission in writing from the publisher.

MIT Press books may be purchased at special quantity discounts for business or sales promotional use. For information, please e-mail special_sales@mitpress.mit.edu or write to Special Sales Department, The MIT Press, 55 Hayward Street, Cambridge, MA 02142.

This book was set in Times New Roman on 3B2 by Asco Typesetters, Hong Kong and was printed and bound in the United States of America.

Library of Congress Cataloging-in-Publication Data

Reinventing foreign aid / edited by William Easterly ; foreword by Nancy Birdsall.
p. cm.

Includes bibliographical references and index.

ISBN 978-0-262-05090-6 (hardcover : alk. paper) — ISBN 978-0-262-55066-6 (pbk. : alk. paper)

1. Economic assistance—Developing countries—Evaluation. 2. Economic development projects—Developing countries—Evaluation. I. Easterly, William Russell.

HC60.R353 2007

338.9109172'4—dc22

2007013993

10 9 8 7 6 5 4 3 2 1

Index

- Accountability
 - broken information feedback loop and, 312–319
 - in delivery of services, 179
 - donors affecting recipients accountability relationships, 180–181
 - political regime and, 269–274
 - for public services, 157
- Adjustment loans, 530–531
- Adoption of technology, 203
 - in health, 209–221
- Advocates, of programs, 125–126
 - coalitions of, 135–140
- Afghanistan, 517
- Africa. *See also* Sub-Saharan Africa
 - aid and accountability in, 269–274
 - AIDS pandemic in, 169–170
 - erosion of public health in, 449
 - gross domestic product in, 461
 - infectious and parasitic diseases in, 245, 418
 - institutional development in, 257
 - multiple donors in, 334
 - volatility of aid to, 536
- African Development Bank, 541
- Agency for International Development, U.S. (USAID)
 - creation of, 454
 - malaria vaccine and, 424–425
 - on microfinancing, 34, 391, 394–395n27
 - Millennium Challenge Corporation compared with, 441
 - reduction in spending by, 536
- Agglomeration, 477–479
- Agricultural extension, needs-supply-civil service approach to, 159
- Aid agencies, 285–287, 305–308. *See also* Donors
 - broken information (accountability) feedback loop in, 312–318
 - budget pressure on, 319–324
 - Global Alliance for Vaccines and Immunizations, 448–454
 - Global Fund to Fight AIDS, Tuberculosis, and Malaria, 443–448
 - low efficiency of, 467–468
 - Millennium Challenge Corporation, 438–443
 - multilateral, 301–305
 - new, 438
 - nongovernmental organizations as, 293–294
 - objectives of, 318–319
 - official bilateral aid agencies, 294–299
 - subcontracting by, 299–301
- AIDS (acquired immune deficiency syndrome)
 - African pandemic of, 169–170
 - Global Fund to Fight AIDS, Tuberculosis, and Malaria, 443–448
 - medications for, 419–420, 423
- Aid vouchers, 37
- Alesina, Alberto, 264, 314
- Aliyev, Ilham, 16
- Amazon (firm), 479, 480
- Amputation strategy (removing government from delivery of public services), 163–164
- Angrist, Joshua, 58, 118n2
 - on school vouchers, 105
- Annan, Kofi, 7, 443
- Apple Corporation, 19
- Ardant, Gabriel, 272
- Argentina, 351, 530
- Ariely, Dan, 240
- Aristide, Jean-Bertrand, 517
- Aristotle, 4
- Arnold, Matthew, 121
- Ashenfelter, Orley, 110–111
- Asia
 - donor fragmentation in, 339
 - financial crisis in, 506
- Asian Development Bank (ADB)
 - evaluation of projects of, 52–55
 - independent evaluation of programs of, 51
- Asset stripping, 509
- Atkinson, Tony, 537
- Attanasio, Orazio, 113

- Attrition bias, 109
- Australia, 346n14
- Azam, Jean-Paul, 265
- Azerbaijan, 16
- Banerjee, Abhijit, 25, 103, 109
- Bangladesh, 16, 339
- Grameen bank in, 97–98
- Banks and banking. *See also* International Monetary Fund; World Bank
- debt relief and, 399–412
- in IMF lending policies, 371
- microcredit and, 389–391
- multilateral development banks, 302–304, 306–307
- technical assistance to, 259
- Barro, Robert J., 365
- Bauer, Peter T., 265, 432
- Belarus, 16
- Benn, Hilary, 4, 5
- Berg, Elliott, 275
- Berg Report (World Bank), 275
- Berhman, Jere, 113
- Bertrand, Marianne, 96–97
- Bhavnani, Rikhil, 434
- Bilateral aid, 463–464, 527
- by agencies, 294–299
- donors, 195, 197n38
- subcontracting in, 299–301
- Bill and Melinda Gates Foundation, 418, 427, 444, 448, 449, 546n51
- Bird, Graham, 352, 353, 356, 365
- Birdsall, Nancy
- on donor collaboration, 545n22
- on ownership of programs, 436
- on sale of IMF gold, 537
- on “sins” of donors, 38–39, 262
- on Wapenhans Report, 394n21
- Biya, Paul, 16
- Black market, medications on, 11
- Blair, Tony, 255
- Bobonis, Gustavo, 112
- Bolivia, 346n4
- Bonbright, David, 482n10
- Bono, 24, 499n1
- Botswana, 15, 271, 273, 334
- Boyce, Simone, 99
- Bradley, Bill, 468
- Bräutigam, Deborah, 261, 264, 267
- Brazil, 423, 508
- Bretton Woods Agreements (1944), 354, 355
- Brown, Gordon, 537
- Broz, J. Lawrence, 369
- Buddlemeyer, Hielke, 118n5
- Budgeting
- in aid disbursement, 319–324
- debt relief and, 399–412
- donor fragmentation and, 344
- by governments, 261–262
- support for, 192–193
- Bulir, Ales, 261
- Bureaucracies
- in African states, 259
- in aid agencies, 456
- in foreign aid system, 463–464
- in Global Alliance for Vaccines and Immunizations, 451–452
- in Global Fund to Fight AIDS, Tuberculosis, and Malaria, 445–446
- in international development, 461
- in Millennium Challenge Corporation, 441
- in public agencies, 149
- Weberian, 172n3
- Bureau for Research in Economic Analysis of Development (BREAD), 60
- Burguet, Roberto, 394n25
- Burke, Edmund, 3
- Burke, M., 203
- Burkhalter, Holly, 341
- Burkina Faso, 39, 522
- Burnside, Craig, 289–290, 434–436
- Bush, George W., 443, 505, 507
- Business Action for Africa Group (BAA), 487
- Cambodia, 16
- Camdessus, Michel, 355
- Cameron, David, 37
- Cape Verde, 336
- Capital investments, 491
- Capitalism, 511
- Carnegie Endowment, 529
- Carr, S., 288, 289
- Case, Anne, 118n6
- Cash grants. *See* Money
- Center for Effective Philanthropy, 482n7
- Center for Global Development, ix, 427
- Evaluation Gap Working Group of, 455
- Health Policy Research Network of, 545n26
- Central banks. *See also* Banks and banking
- debt relief and, 400, 402–404
- Centrally planned economies, 461
- foreign aid system as, 462–463
- transition to market economies from, 473, 506
- Chad, 15, 16
- Chattopadhyay, Raghendra, 60
- Chenery, Hollis, 377–379, 385, 391
- Children
- orphaned by HIV/AIDS, 462
- vaccines and immunizations for, 419, 422, 452
- WHO vaccination campaign for, 9–10
- Chile, 508
- China, 15
- economic growth in, 506
- reform in, 511–512
- village enterprise system in, 516
- Cioffi, D., 243

- Civil service
 poaching staff from, 340–341
 politicization of, 272
 for public services, 170
 in United States, 159, 172n6
- Civil society, 273
 in “ownership” of programs, 532
 World Bank contacts with, 380
- Class size (education), 87–88n20, 97, 118n2, 122
- Clemens, Michael, 434
- Clients, increasing power of, 186–188
- Coalitions of advocates, 135–140
- Coase, Ronald, 285, 290–292
- Cohen, Daniel, 411
- Collier, Paul, 314, 436
- Collins, Jim, 21
- Colombia, school vouchers program in, 105, 142, 193–194
- Commercially tied aid, 289
- Commercial partnerships, 496–498
- Commission for Africa, 255, 257
- Commission on Africa (UK), 487
- Commission on Macroeconomics and Health, 11
- Conditional aid, 289–290
 results-based, 299
- Conley, Timothy, 203
- Conservation movement, 175n39
- Consultancy industry, 195
- Consultative Group to Assist the Poor, 389, 391, 394–395n27
- Contracts, for aid, 286
- Control groups, 96
- Conway, Patrick, 356, 372n1
- Cook, Thomas D., 114
- Cornell, S., 172n7
- Corruption, 15–17
 aid wasted on, 468
 economic growth and, 509
 taxation revenue and, 267–268
- Cost effectiveness, of educational programs in Kenya, 100–101
- Côte d’Ivoire, 530
- Country Policy and Institutional Assessment (CPIA), 519, 544n15
- Crawford, Vincent, 386
- Credit ratings, 465
- Currencies, IMF and, 354–355
- Cutler, David, 62
- Dalgaard, Carl-Johan, 435
- da Silva, Luiz A. Pereira, 341
- Debt relief, 40n7, 192
 for heavily indebted poor countries, 399–412, 528, 530
- Decentralization, 151
- Decision making, in public services, 157
- Deese, Brian, 545n22
- Delivery mechanisms, for public services, 157
- DeLong, J. B., 325
- Deng Xiaoping, 511, 512
- Denmark, 172n4, 535
- “Denmark” (as metaphor), 149, 150, 159, 163
- Denning, Stephen, 383
- Dervis, Kemal, 532
- de Soto, Hernando, 150, 161
- Desowitz, Robert, 424
- Devarajan, Shantayanan, 11, 265, 412n10
- Developed countries, public sector in, 149
- Development Assistance Committee (DAC), 2, 336
- Development Gateway (World Bank)
 AiDA database of, 184, 196n12, 337
 as “knowledge bank,” 377–378
 users of Web site of, 380–381
- Development Marketplace (World Bank), 469
- Development Policy Lending (World Bank), 307
- Deworming programs, 194
 adoption of new medical technology in, 209–216
 health education’s impact on, 241–243
 impact of subsidies on, 238–241
 in India, 112–113
 in Kenya, 109, 110, 202–209, 245–246
 in Kenya, results of study of, 216–238
 local commitment to, 243–244
- DFID. *See* International Development, Department for
- Difference-in-difference technique, 96–97
- Direct Primary Education Program (DPEP; India), 113–114
- Dirksen, Everett, 432
- Disaster relief, 314
- Discretionary services, 151–153, 176n16
- Dollar, David, 289–290, 314, 321, 434–436
- Donors. *See also* Aid agencies
 aligning aid delivery with service delivery by, 190–194, 437
 budget pressure on, 319–324
 choice of activities and inputs influenced by, 186
 citizens’ voice promoted by, 188–190
 client power and, 186–188
 envy of, 523–527
 evaluating effectiveness of, 50–56
 feedback from recipients to, 464–465
 foolishness of, 537–541
 greed of, 534–537
 ignorance of, 527–529
 impatience of, with institution building, 516–523
 institutional change and practices of, 262–264
 limitations upon, 194–195

- Donors (cont.)
 management of provider organizations and, 183–186
 mediation between recipients and, 286
 multiple, 324–328, 334–346
 nonalignment of preferences among, 295–297
 nonalignment of preferences between recipients and, 297–299
 philanthropic, 477
 practices of, effectiveness of aid tied to, 435
 pride of, 529–531
 recipients' accountability and, 180–181
 service delivery supported by, 179–180
 "sins" of, 515–516, 541–543
 sloth of, 531–534
 strengthening compacts with recipients, 181–183
- Drazen, Allen, 356–357
 Dreher, Axel, 365, 368
 Drugs. *See* Medications
 Duflo, Esther, 25, 60, 203, 434, 442
 difference-in-difference technique used by, 96–97
 Duggan, William, 40n18
 Dugger, Celia, 378
 Dutch disease, 256, 260, 457n2
- Easterly, William, 394n21, 412n10, 435, 490
 on adjustment loans, 530
 aid criticized by, 432, 464
 on collusion among donors, 545n19
 on duplication of reports, 325–326
 on networks, 471
 on poorly designed incentives, 382
 eBay (firm), 473–474, 479–480
 Economic Commission for Africa, 540
 Economic development, 94–98, 123
 aid's contribution to, 259–260
 IMF policies and, 351–354
 as teleological theory, 4
 Economic freedom, 17–18
 Economic growth
 correlated with economic freedom, 17–18
 enterprise in achieving, 486
 impact of aid on, 433–435
 impact of IMF programs on, 351–354, 358–372
 Edgren, G., 319
 Education. *See also* Health education
 alternative delivery mechanisms for, 167
 class size in, 87–88n20, 97, 118n2, 122
 favored by donors, 343–344
 health programs and, 112–113
 impact of IMF policies on spending for, 372
 needs-supply-civil service approach to, 158
 political development tied to, 273
 Primary Education Development Plan (Tanzania), 317
 problems in giving aid for, 49
 PROGRESA program (Mexico) in, 61–63, 95, 99–101
 randomized evaluations of programs in, 98–99
 school inputs, 101–104
 school reform, 104–105
 school vouchers for, 193–194
 in Uganda, 315–317
 Edwards, Sebastian, 356
 Effectiveness
 of aid, differing views of, 432–435
 of aid, donor practices and, 435
 evaluating, 50–56
 limitations on, 56–58
 randomized evaluations of, 93–94
 randomized evaluations of, methodology of, 94–98
 Efficiency, of aid agencies, 467–468
 Eichengren, B., 325
 Eilish, M., 288, 289
 Eisensee, T., 314
 Elections, 189
 Electrical power, delivery of, 163–164
 Empowerment
 of women, measuring, 60
 World Bank policies and, 147
 Engels, Friedrich, 5
 Enhanced Structural Adjustment Facility (ESAF), 355
 Enos, J.L., 432–433
 Enron (firm), 508
 Enterprise, in attempts to eliminate poverty, 485–498
 Eritrea, 346n13
 Ethiopia, 336, 345, 381
 Europe
 Marshall Plan aid to, 256, 324–325, 333, 379
 physicians in, 419
 European Bank for Reconstruction and Development (EBRD), 87n3, 336
 European Union
 budget support from, 193
 pharmaceutical prices in, 423
 Evaluations. *See also* Randomized evaluations
 counter incentives working against, 384
 of donor effectiveness, 50–56
 of educational programs, 98–105
 Evaluation Gap Working Group report on, 455
 in international organizations, 115–117
 lack of, 121–125, 437, 527–529
 limitations of, 108–110
 methodology of, 94–98
 political economic model of, 125–140
 reducing costs of, 108
 resistance to, 58–59
 Evenson, Robert, 391

- Ex ante transaction costs, 290–292, 298
 Ex post transaction costs, 290–292, 305
 Extended Fund Facility (EFF), 355
 Extractive Industries Transparency Initiative (EITI), 497, 502n27
- Fallon, Peter R., 341
 Family planning, needs-supply-civil service approach to, 159
 Family planning programs, 123
 Feedback loops, 464–465
 information (accountability) feedback loop, 312–319
 Ferguson, James, 383, 386
 Ferreira, Francisco, 382, 393n13
 Filmer, Deon, 11
 Film industry, 20
 Fischer, Stanley, 87n17
 Fisher, I., 331n13
 Flip charts, 102
 Flu vaccines, 426
 Foreign Economic Assistance Act (U.S., 1950), 379
 For-profit organizations, 294
 Foster, Andrew, 203, 210, 228
 Fournier, G., 203
 Fox, Jonathan, 274
 Fragmentation, 183–185, 334–342, 344–345, 523–524
 public expenditures and, 342–344
 Frankel, S. Herbert, 14
 Freedom House, 16
 Frey, Bruno S., 382
 Friedman, Milton, 432
 Fungibility, 196n3
- Garner, R., 243
 Garuda, Gopal, 366
 Gates, Bill, 449. *See also* Bill and Melinda Gates Foundation
 Gazprom (Russian firm), 508–509
 Geissler, Wenzel, 208
 General Accounting Office (GAO; U.S.), 378
 General Electric (firm), 463
 Geohelminth infections, 205
 Gerber, Alan S., 243, 369–370
 Gertler, Paul J., 99, 250n26
 Ghana, 189, 191, 261
 adjustment loans to, 530
 aid and revenue collection in, 268
 Ghura, Dhaneshwar, 267
 Glewwe, Paul, 102, 105
 Global Alliance for Vaccines and Immunizations (GAVI), 35, 431, 448–456
 Global Call for Action Against Poverty, 499n1
 Global Development Learning Network (World Bank), 388, 391
 Global funds, 182
 Global Fund to Fight AIDS, Tuberculosis, and Malaria (GFATM; Global Fund), 35, 427–428, 431, 443–448, 456, 534
 GlobalGiving.com, 469, 482n10, 483n20, 484n37
 Globalization, 506
 Global Monitoring Report 2006 (World Bank and IMF), 2, 8
 Goldman, William, 20
 Goldstein, H., 173–174n22
 Goldstein, Morris, 352
 Goods, delivery of, 48–50
 Gould, Erica, 371
 Governments. *See also* Donors; Recipients
 aid-revenue relationship in, 264–269
 budgeting by, 261–262
 corruption in, 15–17
 patronage in, 329
 political regimes and, 269–274
 removing from delivery of public services, 163–164
 support for vaccine development from, 422–424
 Grameen bank (Bangladesh), 97–98
 Granovetter, Mark, 204
 Green, Donald P., 369–370
 Greenspan, Alan, 152
 Greenwald, A.G., 243
 Griffen, Keith B., 432–433
 Group of Eight (G-8)
 on increasing aid to Africa, 2
 Make Poverty History campaign at, 485
 Growth. *See* Economic growth
 Guatemala, 494
 Guinea, 467
 Gupta, Sanjeev, 261, 267, 268
 Guyer, Jane, 270
 Gwin, Catherine, 382
 Gyandoot program (India), 58
- Haas, Martine, 394n19
 Haiti, 351, 517
 Halberstam, David, 174n36
 Hammer, Jeffrey, 11, 384
 Harmon, Colm, 110–111
 Harmonization of donor support with recipient systems, 190–191, 437, 523, 526
 by Global Alliance for Vaccines and Immunizations, 452
 by Global Fund to Fight AIDS, Tuberculosis, and Malaria, 446–447
 by Millennium Challenge Corporation, 442
 Harrington, J., 320
 Hawes, Michael Brewster, 369
 Hayek, F. A., 13
 Hayes, S. P., 175n39
 He, Ruimin, 25
 Head Start, 122

- Health care
 Global Alliance for Vaccines and Immunizations, 448–454
 Global Fund to Fight AIDS, Tuberculosis, and Malaria, 443–448
 vaccines in, 417–428
- Health education
 impact on deworming programs of, 241–243
 on worm infections, 207
- Health insurance, 123
- Health programs, 10–11
 adoption of new health technologies, 209–216
 on AIDS pandemic in Africa, 169–170
 deworming programs, 109, 110, 112–113, 202–209, 245–246
 favored by donors, 343–344
 impact of IMF policies on spending for, 372
 needs-supply-civil service approach to, 159
 in poor countries, 418–419
 PROGRESA as, 99
 school participation and, 101
 user fees in, 238–241
- Heavily indebted poor countries (HIPC)
 debt relief for, 399–412, 528, 530
 donor collaboration on, 526
 public budgetary systems of, 344
- Hegel, G. W. F., 4
- Heller, Peter S., 261
- Helminth infections, 205, 207. *See also*
 Deworming programs
 parental attitudes on, 234–236
- HIPC. *See* Heavily indebted poor countries
- HIV/AIDS (human immunodeficiency virus/
 acquired immune deficiency syndrome)
 children orphaned by, 462
 medications for, 419–420
 vaccine research on, 422–423
- Hoffman, Kurt, 37–38
- Hookworm, 205. *See also* Deworming
 programs
- Hoshimo, Eiichi, 261
- Hudson, John, 267
- Humphreys, Norman K., 353
- Hun Sen, 16
- Hutchinson, Michael, 365, 368
- Hybrid enterprises, 493
- ICS Africa (nongovernmental organization), 206
- Ilias, Nauman, 105
- Immunizations. *See* Vaccines
- Impact evaluations, 114–115. *See also*
 Evaluations; Randomized evaluations
- Independent Evaluation Office (IEO) of IMF, 530–531, 545n24
- India, 15
 corruption in, 509
 deworming program in, 112–113
 Direct Primary Education Program in, 113–114
 donor fragmentation in, 339
 economic growth in, 506
 Gyandoot program in, 58
 nonpolluting stoves sold in, 494
 randomized evaluation of educational program in, 103–104
- Indonesia, 268, 434
- Indoor air pollution (IAP), 493–494
- Infectious diseases, 245, 418
 Global Alliance for Vaccines and Immunizations, 448–454
 Global Fund to Fight AIDS, Tuberculosis, and Malaria, 443–448
- Information. *See also* Knowledge banks
 in aid community, 472
 contested, 381–383
 control over, 157
 Internet for transfer of, 379
 political control over, 394n20
 as public good, 385–389
- Information (accountability) feedback loop, 312–315, 318–319
 in Tanzania, 317–318
 in Uganda, 315–317
- Infrastructure, 472–473
- Input conditional aid, 289
- Institute for Global Development, 9
- Institutional development, 256–258
 donor practices and, 262–264
- Institution building, impatience with, 516–523
- Integra (Romanian NGO), 501n15
- Inter-American Development Bank, 532
- Intermediation
 by nongovernmental organizations, 292–294
 by official bilateral aid agencies, 294–295
- International Christelijk Steunfonds Africa (ICS), 100–101, 107
- International Bank for Reconstruction and Development (IBRD), 50, 354. *See also*
 World Bank
- International Country Risk Guide (ICRG), 341
 corruption index, 267–268
- International Development, Department for (DFID), 1–2, 5, 26
- International Development Association (IDA), 50, 257
- International finance facility (IFF), 505
- International Finance Facility for Immunization, 450
- International Food Policy Research Institute (IFPRI), 99
- International Monetary Fund (IMF), 2, 7, 32–33, 36
 adjustment loans by, 530–531
 effects of programs of, 356–358
 Global Monitoring Report 2006 of, 8

- history of, 354–355
- impact on economic growth of programs of, 351–354, 358–372
- Independent Evaluation Office (IEO) of, 545n24
- poverty reduction strategy papers used by, 438
- International trade, 354, 506–508
- Internet
 - eBay on, 473–474
 - fundraising on, 468
 - GlobalGiving on, 469
 - for information transfer, 379
 - World Bank's Web site on, 377–378, 380–381
- Iraq, 535
- Irrigation, 158
- Isham, Jonathan, 434
- Israel, study of class size in, 87–88n20, 97, 118n2
- Japan, pharmaceutical prices in, 423
- Job Training and Partnership Act (JTPA; U.S.), 122–123, 142
- Johnson and Johnson (firm), 19
- Jordan, 336
- Jovanovic, Boyan, 210
- Kaldor, Nicolas, 255, 265
- Kalt, J., 172n7
- Kanbur, Ravi, 381, 387
- Kaufmann, Daniel, 434
- Keck, Margaret E., 471
- Kennedy, John F., 454
- Kenya
 - deworming program in, 109, 110, 112, 194, 202–209, 245–246
 - educational programs in, 100–101, 113, 142
 - nongovernmental organizations in, 107
 - randomized evaluation of educational program in, 102–103
 - school reform in, 104–105
 - World Bank salaries in, 183
- Key services, 151, 152
- Keystone Reporting initiative, 482n10
- Khan, Haider, Ali, 261
- Khan, Mohsin S., 352
- Khanna, Anupam, 386
- Killick, Tony, 261, 536
- King, Kenneth, 388
- Knack, Stephen, 32, 325
 - on fragmentation, 185, 327
 - on impact of aid on economic policy making, 261
 - on patronage in aid, 264
 - on poaching civil servants, 341, 524
- Knight, Frank, 142
- Knight, Malcolm, 356
- Knowledge banks, 34, 391–392
 - contested information on, 381–383
 - data collection for, 383–385
 - information as public good in, 385–389
 - World Bank as, 377–380
- Korea. *See* South Korea
- Kremer, Michael, 25, 29–30, 34, 442
 - on Kenyan deworming program, 109, 206, 232
 - on Kenyan educational program in, 100–101, 105
 - on social value of deworming programs, 204
- Krugman, Paul, 476
- Kuhn, Thomas, 12–13
- Kuraishi, Mari, 36
- LaLonde, Robert, 98
- Lane, Timothy, 261
- Latin America
 - donor fragmentation in, 339
 - privatization in, 506
 - social funds in, 150
- Lavy, Victor, 97, 118n2
- Lee, Jong-Wha, 365
- Legitimation, 480
- Lenin, V. I., 4–5
- Lesotho, 15, 334, 336, 383, 386
- Leuthold, Jane H., 267
- Levine, Ross, 412n10, 435
- Levine, Ruth, 35, 434
- Living Standards Measurement Surveys (World Bank), 388, 391
- Luhyas (people), 248n8
- Luos (people), 248n8
- MacLachlan, M., 288, 289
- Make Poverty History campaign, 4, 485–487, 499n1
- Malaria, 420, 422, 423
 - development of vaccine for, 424–425
 - financing of research on, 536–537
 - Global Fund to Fight AIDS, Tuberculosis, and Malaria, 443–448
- Malawi, 186, 268, 341, 346n10, 536
- Malaysia, 516
- Managing for development results (MfDR), 8
- Manning, W. G., 250n26
- Market economies, 461, 506
 - for foreign aid, 468–473
 - for foreign aid, framework for, 473–481
 - in microfinance, 501n15
- Marshall Plan, 256, 324–325, 333, 379
 - criticisms of, 432
- Martens, Bertin, 30–31, 300
 - on bias in evaluations, 384–385
 - on broken information (accountability) feedback loop, 312, 314
- Matsui, Akihiko, 378, 385, 388
- McDonalds Restaurants, 20
- McGillivray, Mark, 261–262
- McGrath, Simon, 388

- McMillan, John, 13, 38
- Mediation, 286
- Medications. *See also* Vaccines
 black market for, 11
 government support for development of, 422–424
 for pregnant women, 248n5
 push and pull programs for development of, 424–426
 regulation of, 122
 research and development of, 420–421
 for worm infections, 205
- Meghir, Costas, 113
- Meltzer Commission, 529
- Meningitis, 424
- Mercer-Blackman, Valerie, 369
- Mexico
 adjustment loans to, 530
 international trade in economy of, 507, 508
 privatization in, 509
 PROGRESA program in, 61–63, 95, 99–101, 193
- Microcredit (microfinance), 34, 389–391, 394n25
 markets in, 501n15
- Microenterprise Results and Accountability Act (U.S., 2004), 390
- Miguel, Edward, 29–30
 on Indian deworming program, 112
 on Kenyan deworming program, 109, 206, 232
 on school-based health programs, 101
 on social value of deworming programs, 204
- Millennium Challenge Accounts (MCA), 35
 Bush on, 505
 country performance tied to aid in, 63, 257, 519
 criteria of, 512n1, 544n15
- Millennium Challenge Corporation (MCC), 431, 438–443, 456, 534
- Millennium Declaration (UN), 307
- Millennium Development Goals (MDGs), 193, 306, 461
 Annan on, 7
 educational goals in, 98
 enterprise creation in, 491–492
 evaluation in, 529
 impatience with, 521–523
 United Nations Development Program on, 3, 5
 United Nations Millennium Project and, 11–12
 World Bank and, 8–10
- Miller, Grant, 62
- Missionary organizations, 293
- Mobutu, 393n10
- Molyneaux, Jack, 250n26
- Monetary policy, debt relief and, 402–404, 407–411
- Money (cash grants)
 arguments on giving away, 47–48, 62–63
 delivering goods and services vs., 48–50
 in PROGRESA program, 99
- Mongolia, 337
- Monitoring and evaluation (M & E) programs, 442
- Montiel, Peter J., 352
- Moore, Mick, 270
- Moral hazards problems, 328
- Morduch, Jonathon, 33–34, 202, 378, 385, 388
- Morocco, 530
- Morrisey, Oliver, 261–262
- Mosley, P., 320
- Moss, Todd, 28–29, 264
- Moulin, Sylvie, 100–101
- Mozambique, 336, 341
- Mullainathan, Sendhil, 96–97
- Multifunctional platform (MFP), 500n13
- Multilateral aid agencies, 301–305
- Multilateral development banks (MDBs), 302–304, 306–307
- Multilateral grant aid agencies (MGAs), 302–305
- Munshi, Kaivan, 203
- Museveni, Yoweri, 255
- Mwabu, G., 238
- Namunyi, Robert, 100–101
- Nation building, 517
- Native Americans, 172n7
- Needs-supply-civil service paradigm for distribution of public services, 156–162
- Negative results, 117
 publication bias and, 110–111
- Netherlands, 535
- Networks, social
 in foreign aid community, 469–471
 technology adoption and, 216–221
- New public management, 172n5
- News media, 314
- New Zealand, 172n5, 509–510
- Niger, 202, 337, 341
- Nigeria, 16, 270, 272
- Niskanen, William, 382
- Niyazov, Saparmurat, 16
- Nongovernmental organizations (NGOs), 306
 centralized planning in, 463
 on debt relief, 40n7
 intermediation by, 292–294
 largest, 466
 randomized evaluations by, 107–108
 World Bank contacts with, 380
- Nonprofit nongovernmental organizations, 293
- Nooruddin, Irfan, 372
- North, Douglass, 272, 290, 291
- North Korea, 16

- Norway, 318, 345, 535
 Noy, Ilan, 365, 368
 Nyarko, Yaw, 210
 Nyerere, Julius K., 356
- O'Connell, Stephen A., 265
 Official bilateral aid agencies, 294–299
 subcontracting by, 299–301
 Omitted-variable bias, 106, 204
 Oosterbeek, Hessel, 110–111
 Operations Evaluation Department (OED) of
 World Bank, 51–52, 545n24
 Oportunidades (Mexico), 107
 Organization for Economic Cooperation and
 Development (OECD), 336
 consultancy industry in, 195
 Development Assistance Committee
 (OECD/DAC), 289, 526, 540
 on managing for development results, 8
 social spending by countries of, 535
 Orlich, Anton, 243
 Orphan Drug Act (U.S., 1983), 425
 Ostrom, E., 295, 316, 331n5, 331n7
 Output conditional aid, 289–290
 Overseas Development Council, 529
 Oxfam, 40n7, 201, 499n6
- Pack, Howard, 412n10
 Pakistan, 268, 339
 adjustment loans to, 530
 in IMF programs, 351
 Paraguay, 16
 Parasitic diseases, 245, 418
 worm infections, 112, 205 (*See also* Deworm-
 ing programs)
 Paris Declaration on Aid Effectiveness (2005),
 307
 Partnerships, commercial, 496–498
 Pastor, Manuel, 366
 Patents, 422, 426–427
 Patronage, 329
 Pattersson, Gunilla, 28–29
 Peer effects, in adoption of new medical
 technology, 209, 213, 232
 Pentavalent vaccine, 453–454
 Performance-based management
 in Global Alliance for Vaccines and
 Immunizations, 452–453
 in Global Fund to Fight AIDS, Tuberculosis,
 and Malaria, 447–448
 in Millennium Challenge Corporation, 442–
 443
 Perry Pre-School experiment, 122
 Peters, Tom, 21
 Pharmaceuticals. *See* Medications
 Philanthropy, 477
 Philippines, 508
 Physicians, 419
- Planners
 searchers vs., 6–11, 13–14, 24
 uncertainly handled by, 18–21
 Pneumococcal vaccine, 427
 Poaching civil service staff, 340–341, 524,
 527
 Policing, 173–174n22
 Policy malpractice, 141
 Policy reform, 164–166
 Political economy, of randomized evaluations,
 114–115
 Political regimes, 269–274
 Political will, 352–353
 Popper, Karl, 13, 510–511
 Porter, Michael, 21
 Postrel, Virginia, 42n57
 Poverty, 167
 causes of, 328
 end of, 5
 enterprise in attempts to eliminate, 486–
 498
 Make Poverty History campaign, 4, 485,
 499n1
 planning and searching strategies to eliminate,
 6–7, 13–14
 spread of disease linked to, 418
 Poverty Action Lab (MIT), 466–467
 Poverty Reduction and Growth Facility
 (PRGF), 355
 Poverty reduction strategy papers (PRSPs), 7–
 9, 189–190, 438, 528
 Poverty trap, 14–15, 17
 Power, S., 174n36
 Power laws, 20
 Pradhan, Sanjay, 261
 Prasad, K., 203
 Pratham (Indian NGO), 103–104, 107
 Pray, Carl, 391
 Pregnant women, medications administered to,
 248n5
 Pre-school education, 122
 Primary Education Development Plan (PEDP;
 Tanzania), 317
 Primary health care, 123
 Primary School Deworming Project (PSDP),
 206
 questionnaires used in, 216, 243
 Principal-agent problem, 154–156
 Pritchett, Lant, 11, 12, 26–28, 545n25
 on decision making in World Bank, 56–57
 on lack of evaluations in education and health
 projects, 384
 on log-rolling in evaluations, 385
 on politics of program evaluations, 114
 on rates of return on aid, 434
 on resistance to evaluation, 58–59
 Private-public partnerships (PPPs), 496–498
 Private voluntary aid, 287–290

- Privatization
 in delivery of public services, 163–164,
 174n32, 174n34
 improvements resulting from, 507
 in Latin America, 506
 in Mexico, 509
- PROGRESA program (Mexico), 61–63, 193
 Oportunidades and, 107
 randomized evaluation of, 95, 99–101, 113
 replications of, 111
- Project aid, 289
- Project implementation units (PIUs), 518
- Publication bias, 110–111, 117
- Public expenditure tracking survey (PETS), 315
- Public goods
 global, 472, 537–538
 information as, 377, 385–389, 393–394n17
- Public health. *See also* Health care; Health
 programs
 in Africa, 449
- Public services
 debates over delivery of, 148–151
 delivery of, 154–156
 intensification of programs to deliver, 162–163
 key, discretionary and transaction-intensive,
 151–154
 needs-supply-civil service paradigm for
 distribution of, 156–162
 policy reform of, 164–166
 removing government from delivery of, 163–
 164
- Pull programs, 417–418, 424, 426–428
- Push programs, 417, 424–426
- Putnam, Robert D., 358
- Radelet, Steven, 35, 434
- Rahman, Aminur, 32, 325
 on fragmentation, 185, 327
 on poaching civil servants, 341, 524
- Rajan, Raghuram, 433, 434
- Randomized evaluations, 57–58, 61, 193–194
 of development effectiveness, 93–94
 of educational programs, 98–105
 feasibility of, 107
 generalizing from, 111–113
 on Kenyan deworming program, 206
 lack of, 123–124
 limitations of, 108–110
 methodology of, 94–98
 political economy of, 114–115
 publication bias in, 110–111
 reducing costs of, 108
 retrospective evaluations vs., 106
 by World Bank, 467
- Recipients
 in broken information (accountability)
 feedback loop, 314
 budget pressure on, 319–324
- donors affecting accountability relationships
 in, 180–181
 feedback to donors from, 464–465
 harmonization of donor support with recipient
 systems, 190–191
 management of provider organizations in,
 183–186
 mediation between donors and, 286
 nonalignment of preferences between donors
 and, 297–299
 strengthening compacts with donors, 181–183
- Regression discontinuity design, 97–98
- Reinecke, Wolfgang, 481
- Reinikka, Ritva, 28, 31, 317, 330n3
- Remedial education programs, 103–104
- Remmer, Karen L., 262, 267, 367
- Replications of programs, 111–112
- Research and development, for drugs and
 vaccines, 420–424
- Resources, centralization of, 157
- Results-based conditional aid, 299
- Retrospective evaluations
 publication bias in, 110–111
 randomized evaluations vs., 106
- Revenues, aid and, 264–269
- Rhyne, Elisabeth, 395n31
- Rice, Condoleezza, 333
- Rockefeller Foundation, 425, 546n51
- Rodrik, Dani, 148, 518, 544n2
- Roodman, David, 433, 435, 437
- Rosengrant, Mark, 391
- Rosenzweig, Mark, 203, 210, 228
- Russia, 506, 511
- Rwanda, 174n36
- Sachs, Jeffrey, 3, 5, 7, 432
 on aid service delivery problems, 11
 on lack of sustainability in funding, 437
 on poverty trap, 14, 15
 on shock therapy reform, 511
- Saez, Emmanuel, 203
- Sample selection bias. *See* Selection bias
- Samuelson, Paul, 385
- Santaella, Julio A., 356
- Santiago, Ana, 113
- Sargent, Thomas, 412n7
- Schistosomiasis, 205, 420. *See also* Deworming
 programs
 parental attitudes on infections caused by,
 234–236
- School uniforms, 100–101
- School vouchers, 105, 142, 193–194
- Schumpeter, Joseph A., 265
- Scott, James, 150
- Searchers
 planners vs., 6–7, 13–14, 24
 strategy of, 22–24
 uncertainly handled by, 18–21

- Sector-wide approaches, 191–192
- Securities and Exchange Commission, U.S. (SEC), 510
- Selection bias, 95, 96, 108–109
- Self-help projects, 187
- Sen, Amartya, 147
- Senegal, 530
- Sengupta, Piyali, 113
- Services. *See also* Public services
 aligning aid delivery with service delivery, 190–194
 delivery of, 48–50
 donors and delivery of, 179–180
 increasing client power in, 186–188
- Seva Nabdur (Indian NGO), 103
- Shampan'er, Kristina, 240
- Sharing resources, 288
- Sharma, Charu, 112
- Shell Foundation, 489
 biomass gasifiers project of, 500n13
 indoor air pollution project of, 493–494
 Integra and, 501n15
 small and medium-sized enterprises encouraged by, 497
 UNESCO and, 501n17
- Shultz, T. Paul, 99
- Sida (Swedish foreign aid agency), 318, 331n7
- Sikkink, Kathryn, 471
- Silicon Valley (California), 477
- Simmons, Joel W., 372
- Skoufias, Emmanuel, 118n5
- Slaughter, Anne-Marie, 481
- Small and medium-sized enterprises (SMEs), 485, 497
- Smallpox, 419
- Smith, Adam, 476
- Smith, Jennifer K., 243
- Sobel, Joel, 386
- Social capital, 151, 173n13, 478
- Social effects, in study of deworming program, 225–232
- Social engineering, 510–511
- Social funds, 147, 150, 187
- Social learning, technology adoption and, 216–221
- Social networks, adoption of new health technology within, 209, 216–221
- Social services, 273, 274, 372
- Soros, George, 537
- South Africa, 423, 541
- South African Development Community (SADC), 540
- South Korea, 273, 334, 351, 522
- Spillover effects, 109–110
- Srinivasan, T. N., 147
- Standby Arrangements (IMF), 355
- State authority, 481
- Steady-state adoption of new medical technology, 212–213
- Steege, Jean, 395n31
- Stern, Nicholas, 382, 393n13, 432
- Stiglitz, Joseph, 388, 432
 on information as public good, 385, 393–394n17
 on nonaccountability of World Bank and IMF, 465
 on public goods, 377
 on ruling elites and reforms, 367
- Stone, Randall W., 369
- Strategic Partnership with Africa, 191, 192
- Strogatz, S. H., 249n10
- Stromberg, D., 314
- Structural Adjustment Facility (SAF), 355
- Subcontracting by aid agencies, 299–301
- Subramanian, Arvind, 264, 433, 434
- Sub-Saharan Africa
 aid and economic development in, 259–260
 aid-revenue relationship in, 264–269
 Commission on Africa on aid to, 255
 fragmentation and bureaucratic quality in, 185
 health care spending in, 418–419
 lack of investment in, 538
- Sudan, 331n13
- Sunstein, C., 173n21
- Surinam, 337
- Surowiecki, James, 476, 477
- Sustainability, 202
 fiscal, debt relief and, 401–402
 in funding, 437
 of self-help projects, 187
- Sustainable funding
 in Global Alliance for Vaccines and Immunizations, 453–454
 in Global Fund to Fight AIDS, Tuberculosis, and Malaria, 448
 in Millennium Challenge Corporation, 443
- Svensson, Jakob, 31, 317, 321–322, 330n3, 331n8
- Sweden, 295, 318, 330n2, 345, 535
- Taiwan, 273, 334
- Tanzania
 aid fragmentation in, 184, 185, 325
 aid from United States to, 523
 broken information (accountability) feedback loop in, 317–318
 donors missions to, 262, 346n2, 436
 IMF loans to, 356
 lack of coordination of projects in, 437
- Taxation, 265–269
 democracy linked to, 272
 development of effective states and, 273
 used to finance aid, 306

- Teachers
 adding additional, 103
 incentives for, 105
 training of, in deworming programs, 207
- Technical assistance (TA), 446–447
- Technology, adoption of, 203
 in health, 209–221
- Teera, Joweria M., 267
- Telos (firm), 393n4
- Tendler, Judith, 147
- Testing, in education, 105
- Tetavalent vaccine, 453
- Textbooks, 102, 142
- Thacker, Strom, 369
- Thematic groups (World Bank), 379
- 3M (firm), 19
- Tilly, Charles, 272
- Tocqueville, Alexis de, 475
- Todd, Petra, 113
- Toye, J., 320
- Training, in donors' choice of activities, 186
- Transaction costs, 290–292, 298, 305
 for multiple donors, 325–326, 335
- Transaction-intensive services, 152–153
- Transparency International, 16
- Tropical diseases, 420, 536–537
- Truman, Harry S., 378–379
- Trust, 479–481
- Tsebelis, George, 357
- Tuberculosis, 420, 423
 Global Fund to Fight AIDS, Tuberculosis,
 and Malaria, 443–448
- Turkey, 337, 532
- Tvedt, T., 308n1
- Udry, Christopher, 203
- Uganda, 192, 346n13
 adjustment loans to, 530
 aid and revenue collection in, 268
 broken information (accountability) feedback
 loop in, 315–317
 central bank in, 261
 conflicts over aid within, 182
 international trade in economy of, 508
- Ullmann-Margalit, E., 173n21
- Uncertainty, handled by searchers vs. planners,
 18–21
- UNESCO, 501n17
- UNICEF, 454
- Unigovskaya, Anna, 369
- United Kingdom (Britain), 272, 438
- United Nations, 454
 Millennium Declaration of, 307
 power within agencies of, 304
- United Nations Development Program
 (UNPD)
 on aid as weapon against poverty, 1
 on Millennium Development Goals, 3, 5
- United Nations Millennium Project, 1, 486
 on aid service delivery problems, 11–12
 on enterprise, 499n6
 on overseas development assistance, 255
 planning by, 10
 on poverty as technical engineering problem,
 6
 probability of success of interventions by, 22–
 23
 on well-governed low-income countries, 15–
 16
- United States
 aid to Tanzania from, 523
 in background of World Bank staff members,
 382
 civil service in, 159, 172n6
 community organizations in, 474–475
 Global Fund to Fight AIDS, Tuberculosis,
 and Malaria funded by, 444, 448
 as Marshall Plan donor, 333, 379
 Millennium Challenge Corporation created
 by, 438, 441, 443
 pharmaceutical prices in, 423
 philanthropy in, 477
 physicians in, 419
 public and private aid from, 472
 “reinventing government” movement in,
 172n5
 small business in economy of, 463
- USAID. *See* Agency for International
 Development, U.S.
- User fees, in health programs, 238–241
- Utopianism, 510–511
- Utstein group of donors, 193
- Utzinger, J.R., 202–203
- Vaccine Fund, 448–449. *See also* Global
 Alliance for Vaccines and Immunizations
- Vaccines, 419–420
 financing of research on, 536–537
 Global Alliance for Vaccines and Immuniza-
 tions, 448–454
 governmental support for development of,
 422–424
 markets in developing countries for, 421–422
 push and pull programs for development of,
 424–428
 research and development of, 420–421
- Van de Walle, Nicolas, 28–29, 274, 325, 334
- van Domelen, Julie, 147
- Van Evera, Stephen, 384
- Vaubel, Roland, 382
- Vermeersch, Christel, 100
- Vietnam, 334, 346n4
- Vietnam War, 174n36
- Vives, Xavier, 394n25
- Voting public, 126–128
- Vreeland, James Raymond, 32–33, 364

- Wallace, Neil, 412n7
- Wapenhans Report (World Bank), 386, 394n21
- Wars, financing, 272
- Washington consensus, 148–149, 165, 201
- Waterman, Robert, 21
- Water supply, 157–158
- Watts, D.J., 249n10
- Weber, Max, 149, 172n3
- Weder, Beatrice, 264
- Weingast, Barry, 272
- Weinstein, Jeremy, 544n4
- What Works Group, 434
- Whipworm, 205. *See also* Deworming programs
- Whittle, Dennis, 36
- Wildavsky, Aaron, 384
- Willet, Thomas D., 382
- Williamson, John, 537
- Williamson, O., 290, 291
- Wolfensohn, James, 377, 379
- Women
- measuring empowerment of, 60
 - multifunctional platform managed by, 500n13
 - pregnant, medications administered to, 248n5
- Woolcock, Michael, 12, 27–28
- World Bank, 2, 7, 32–34, 36, 121
- adjustment loans by, 530
 - administrative budget of, 50
 - aid to Africa from, 259
 - audit reports for, 191
 - Berg Report by, 275
 - creation of, 354
 - decision making in, 56–57
 - Development Marketplace of, 469
 - Development Policy Lending instrument of, 307
 - Direct Primary Education Program sponsored by, 113
 - disbursement problems of, 320–322, 331n8, 518
 - empowerment and policies of, 147
 - evaluation of projects of, 52–55, 123, 143n2
 - failure rate for projects of, 386–387
 - infrastructure support by, 201
 - as “knowledge bank,” 377–380, 388–389, 391–392
 - Operations Evaluation Department (OED) of, 51–52, 545n24
 - planning by, 10
 - poverty reduction strategy papers used by, 438
 - project implementation units created by, 183
 - on randomized controlled trials, 25
 - randomized evaluations by, 467
 - on setting targets, 8–9
 - Uganda education program and, 316
 - users of Web site of, 380–381
 - vaccine development supported by, 427–428
- World Health Organization (WHO)
- child vaccination campaign of, 9–10, 419
 - Global Fund to Fight AIDS, Tuberculosis, and Malaria and, 448
 - on school-based deworming projects, 207
- Worm infections, 112, 205. *See also* Deworming programs
- WWW literature, 295
- Yunus, Mohammad, 24
- Zaire (Democratic Republic of the Congo), 15, 272, 393n10
- Zambia, 182, 268, 383
- Zimbabwe, 16, 336
- Zipf’s law, 20

