

ARE 3464

PROGRAM EVALUATION AND BENEFIT-COST ANALYSIS

Spring 2017

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Meeting Times:

Meeting Location:

Prerequisites: Students are expected to have a good understanding of microeconomic principles, and familiarity with excel and basic statistics. I thus expect that you have taken an introduction to microeconomics class at the undergraduate level. An introductory statistics or econometrics class is recommended, but not required.

Course description: How can governments and NGOs best design programs and policies? How can they be sure the program they are running is actually working and is the best program that could be run? This class will present the process by which organizations can best optimize their programming.

We will start by discussing how organizations monitor and evaluate their activities to ensure programs are being implemented as expected and are having the intended effect. We will cover performance indicators, the logical framework and results matrix, sample design and, finally, impact evaluation methodologies.

We will then introduce benefit-cost analysis (BCA). BCA recognizes there are trade-offs with any program. We want to understand whether those affected by a program will benefit enough to warrant the costs of a policy, given that there are other programming options they could receive. Such analysis is increasingly required for many organizations around the world, but especially for those that perform critical services on limited funds. Understanding a programs advantages and limitations, and being able to distinguish well-conducted from poor analysis, is an important skill that you will learn.

The beginning of the class will be an interactive lecture. We will use case studies to help us think through all of the steps discussed above in a practical manner. Exam questions will be based on the content presented in the reading and in class. Students will then develop an individual project using all of the steps they have learned in class and present this to the class.

Required texts: The required textbook is a manual that provides a basic outline of running M&E and IE. It is available free online at <http://library.iyfn.org/library/measuring-success-youth-livelihood-interventions>. The specific examples we will use will be distributed during class.

Grading: Grades will be based on two midterms (each 30% of your final grade) and a final individual project (40% of final grade).

Grading scale:

A >93	B+ 89-85	C+ 74-72	D+ 64-62	F <55
A- 93-90	B 84-80	C 71-69	D 61-60	
	B- 79-75	C- 68-65	D- 59-55	

Storrs Finals Rescheduling: Students may receive permission to reschedule a final if they have finals which are “bunched” or if a student has an “extenuating circumstance”. If approval is granted, it is expected that students will inform instructors of their conflict(s) prior to the final. To access the finals schedule, go to: www.registrar.uconn.edu. Office of Student Services policy on rescheduling of finals http://www.ossa.uconn.edu/docs/Final_Examination_Information.pdf

Extenuating Circumstances: Students with extenuating circumstances are encouraged to visit the Office of Student Services & Advocacy to speak to a staff member as soon as possible. Staff may allow students to reschedule a final due to an unavoidable circumstance, such as religious observances, previously scheduled medical procedures/appointments, attendance at a funeral, or other ceremonies in which you are directly involved in the event. Supporting documentation will be required. Finals are not rescheduled for personal errors, like oversleeping or misreading the finals schedule. Finals are generally not rescheduled due to voluntary travel conflicts. Students (and parents) are encouraged to check the finals schedule before making travel plans.

University Emergency/Closings: In case of a University closing (emergency or severe weather conditions), finals may be rescheduled from the original date/time. The Registrar’s Office will determine the makeup finals schedule in these instances. Please check with the Registrar’s Office website for the most up to date information available.

Special Needs: If anyone has needs requiring special assistance, please see the instructor so arrangements can be made. <http://www.ossa.uconn.edu/facultystaff.html> under health for FAQ on this issue and http://www.csd.uconn.edu/accommodation_services.html for overview of accommodations and services at UConn for general info <http://www.csd.uconn.edu/> the website for Center for Students with Disabilities and <http://www.ossa.uconn.edu/> for Office of Student Affairs and Advocacy.

Cheating Policy: See cheating and plagiarism policy (web site from handbook; see Appendix A Code of Conduct http://www.community.uconn.edu/student_code_appendixa.html and(or) freshman English site on plagiarism <http://freshmanenglish.uconn.edu/instructors/forms/plagiarism.php>

COURSE OUTLINE

PART I: PROJECT IMPLEMENTATION & IMPACT EVALUATION

I.1 Introduction to Impact Evaluation and Project Implementation

- I.1.i Why Evaluate?
- I.1.ii Determining Evaluation Questions

I.2 Project Implementation

- I.2.i Project Cycle and Identification?
- I.2.ii Performance Indicators and Logical Framework

I.3 How to Evaluate

- I.3.i Causal Inference and Counterfactuals
- I.3.ii Randomized Selection Methods
- I.3.iii Regression Discontinuity Design
- I.3.iv Difference-in-Differences
- I.3.v Matching
- I.3.vi Combining Methods

I.4 How to Implement an Impact Evaluation

- I.4.i Operationalizing the Impact Evaluation Design
- I.4.ii Choosing the Sample
- I.4.iii Collecting Data
- I.4.iv Producing and Disseminating Findings

PART II: FOUNDATIONS OF COST-BENEFIT ANALYSIS

II.1 Introduction to Cost-Benefit Analysis

II.2 Conceptual Foundations of Cost-Benefit Analysis

II.3 Microeconomic Foundations of Cost-Benefit Analysis

II.4 Valuing Benefits and Costs in Primary Markets

II.5 Discounting Benefits and Costs in Future Time Periods

II.6 Dealing with Uncertainty – Expected Values, Sensitivity Analysis, and the Value of Information

II.7 Valuing Impacts from Observed Behavior – Demonstrations

II.8 Shadow Price-Applications to Developing Countries

II.9 Cost Effectiveness Analysis