



Cash on Delivery Aid for Education: Learning from a Hands-Off Approach

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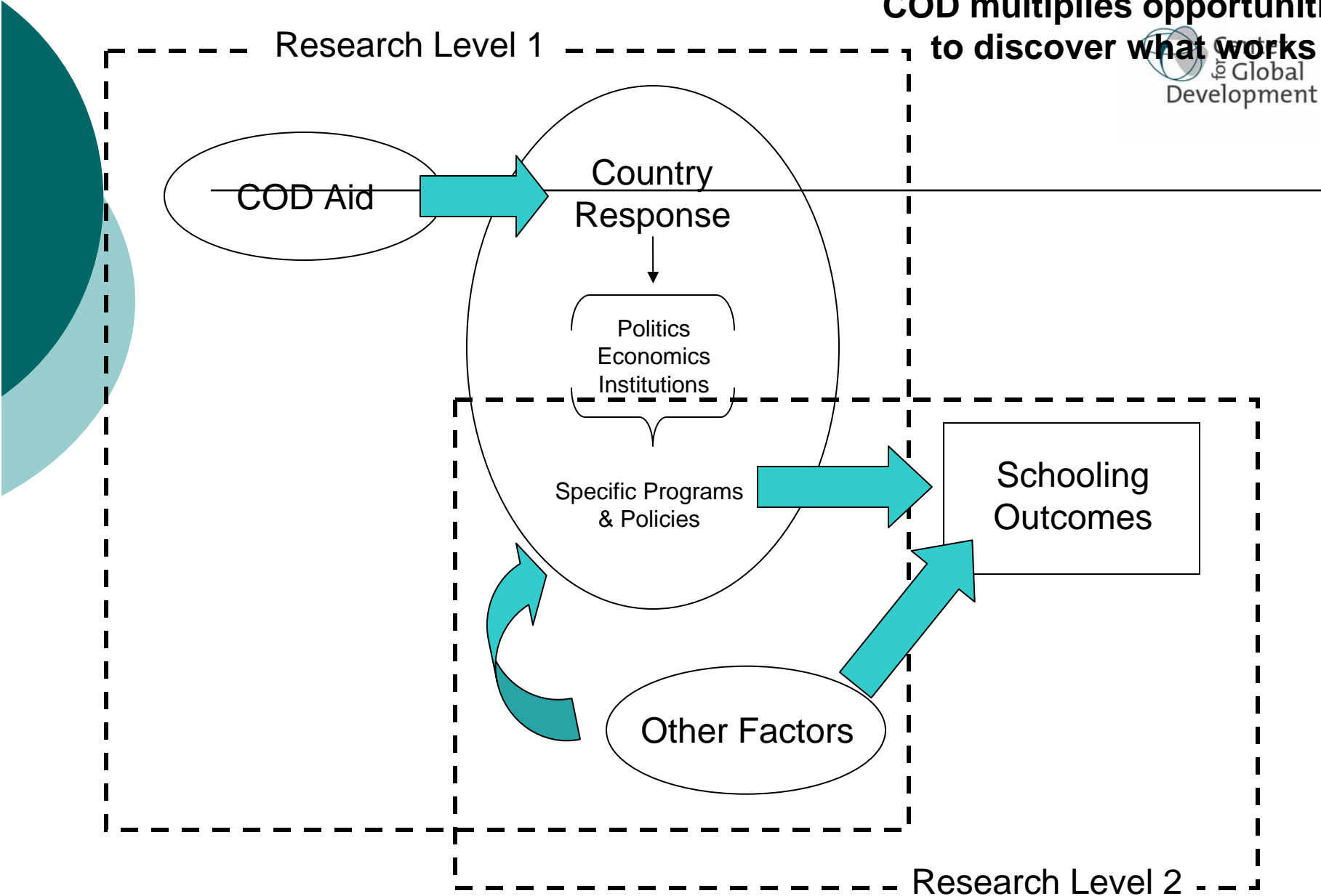
Bill Savedoff

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***for “What Works in Development?:
Thinking Big and Thinking Small***

Brookings Institution, May 30 2008

COD multiplies opportunities to discover what works



Level 1 Counterfactual: Traditional Aid / Compare With other country or sector?
Level 2 Counterfactual: Traditional Schooling Project / Compare across schools or districts?



Aid and thinking big (institutions, politics, systems)

- Functional system: taxes for outcomes
- Aid dependent countries: limited outcomes, no citizen scrutiny
- Donors micromanage inputs – a poor substitute for citizen scrutiny
- Aid for inputs without link to outcomes

Aid and thinking big....

- Functional system: taxes for outcomes
- Cash on Delivery aid: aid pays only for outcomes

The idea: COD Aid

- Donor-recipient binding contract

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- Donor guarantees specific additional payment for specific incremental progress, e.g. \$100 per child completing primary school and taking or passing a test

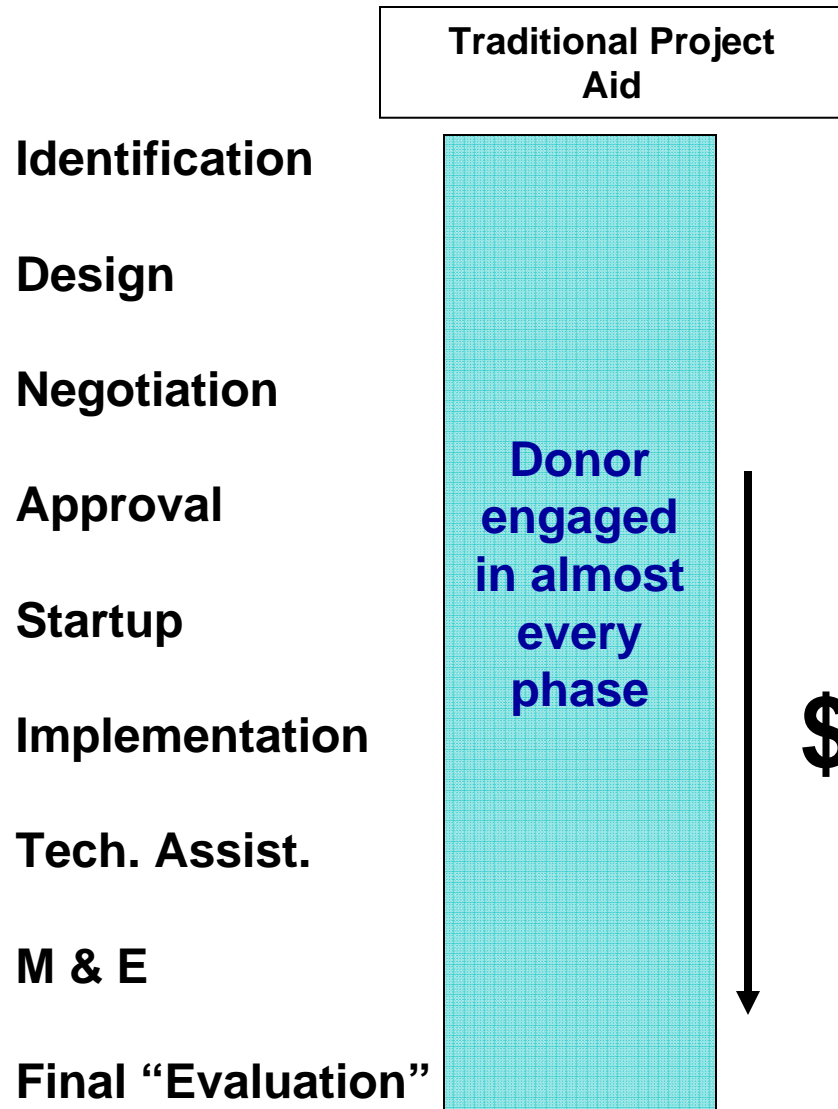
The idea: COD Aid

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- Recipient reports on progress and agrees to independent third-party audit

The idea: COD Aid

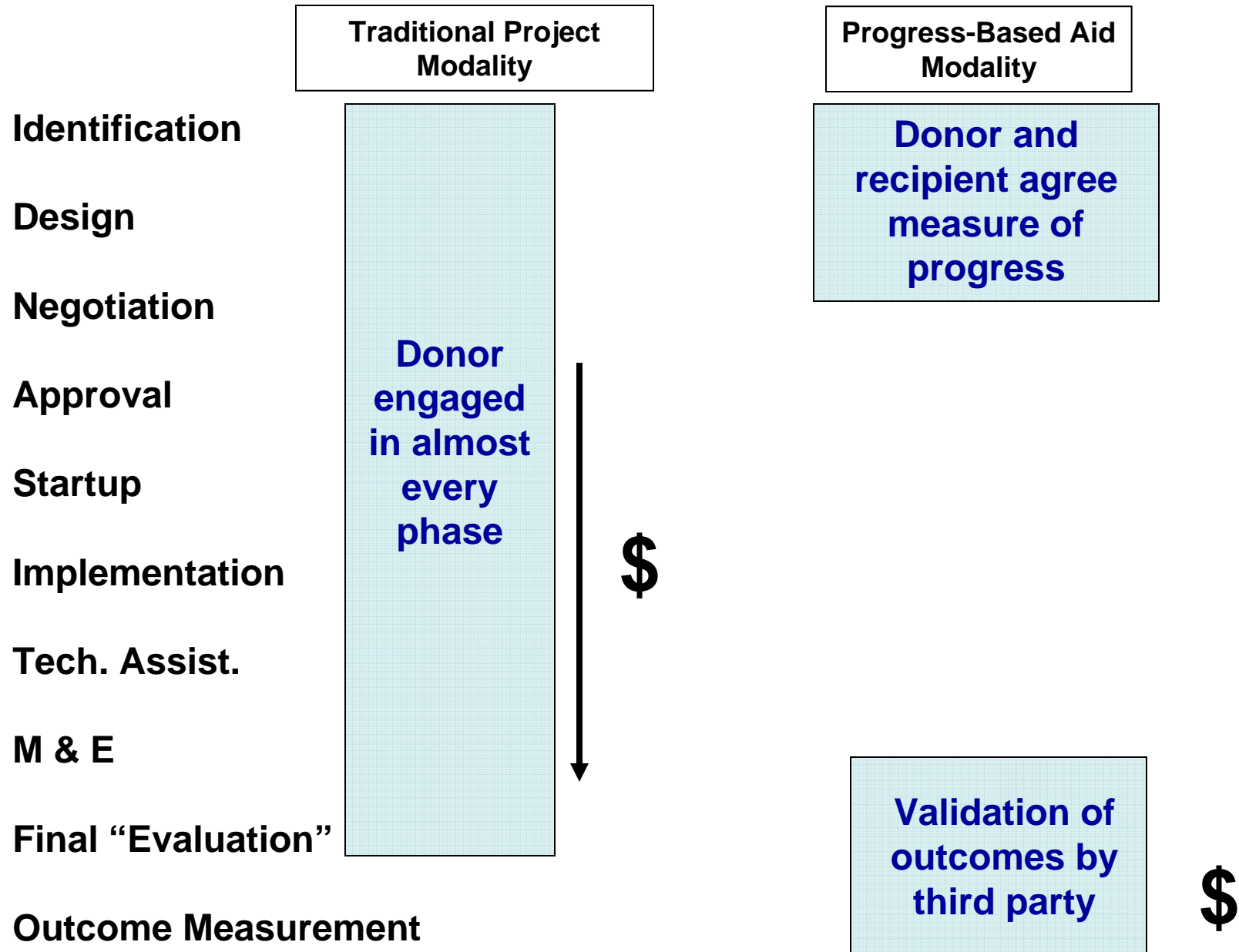
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- Donor guarantees specific additional payment for specific incremental progress, e.g. \$100 per child completing primary school and taking or passing a test
- Recipient reports on progress and agrees to independent third-party audit
- Country can spend the money on education supply, demand or outside the sector: no conditions on inputs

Donor Role in Hands-On Approach



Outcome Measurement?

Donor Role in Hands-Off Approach

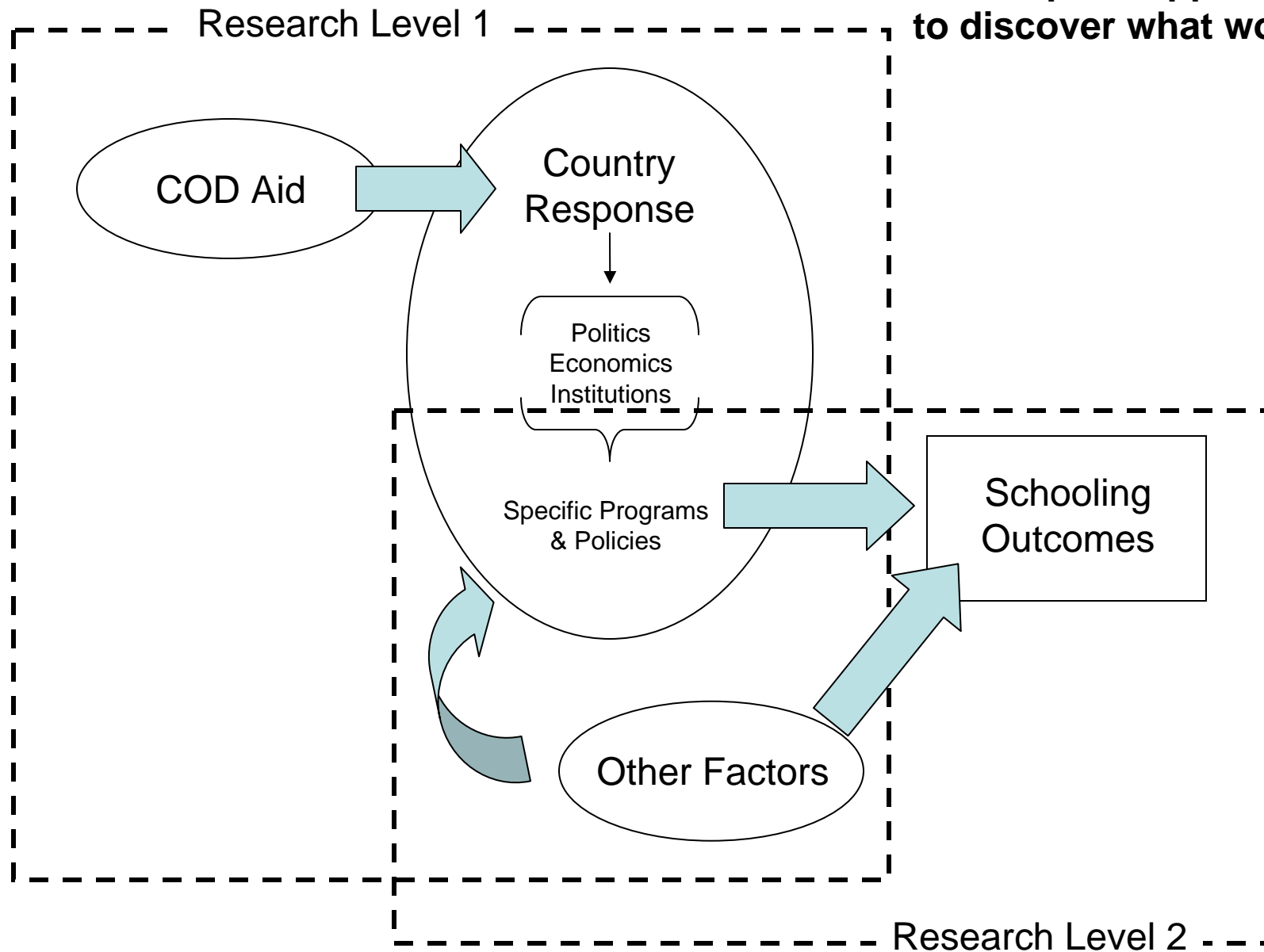




Citizens' role in making government accountable

- Government publishes contract
- Government could publish what inputs it buys
- Results available at local / school level, compared to other localities
- Results of testing published at some level

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Learning from COD aid

- Level 1: system/country response
 - no NAP!
 - no RCT, no counterfactual
 - attribution principle (inference, history, cosmology?)
 - some priors: incentives matter; transparency an input to accountability

Learning from COD Aid

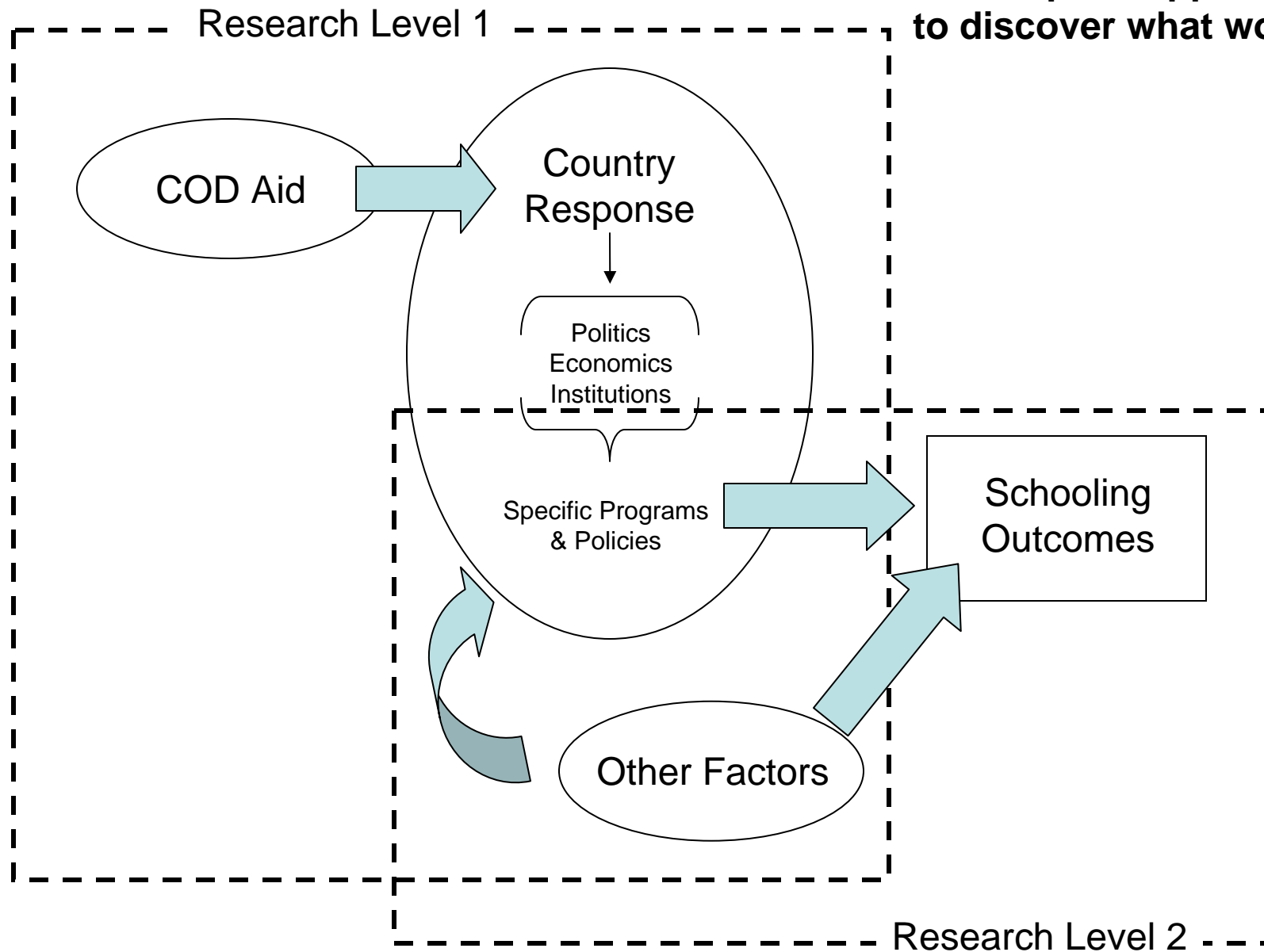
- Baseline data on
 - political economy in that setting
 - other institutional and bureaucratic arrangements
 - budgeting and expenditures
 - data and management info systems
 - accountability relationships



Learning from COD Aid

- Monitoring and tracking over 5 years
- Hypothesis development as goes along

COD multiplies opportunities to discover what works



Level 1 Counterfactual: Traditional Aid / Compare With other country or sector?
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Learning from COD Aid

- Level 2:
 - Government socialization taken as given
 - RCTs? Econometrics?

More information

www.cgdev.org

- > Initiatives
- > Cash on Delivery Education