Master of International Development Policy (MIDP)

Public Financial Management

Duke Center for International Development
Public Financial Management

The Public Financial Management (PFM) Program is designed to enable decision makers and managers to improve public sector budgeting and financial management decisions in order to enhance efficient, accountable and equitable public service deliveries. The PFM program is offered as a specialization within the Master of International Development Policy (MIDP) Program which is administered by the Duke Center for International Development (DCID) at the Sanford School of Public Policy.

PFM reforms are being implemented everywhere to create an enabling environment for economic growth, socio-economic development and poverty reduction. These reforms are designed to integrate revenue and expenditure, and achieve effective expenditure control and prioritization. These are accomplished through the development of medium-term and performance-based budgets focusing on sustainable results of government expenditure decisions. Improved PFM enhances transparency and accountability in public resource management, which can improve service delivery and reduce fiduciary risks affecting domestic revenue mobilization, borrowing, investment, grants and foreign aid.

Successful reforms require a combination of political will, effective management and administration, technical capacity and incentive structures. The PFM specialization develops those leadership, management and analytical skills needed to design and implement successful reforms throughout the world.

The program faculty brings a unique combination of academic and professional practice in the PFM field. They have been involved in a wide range of international public sector management reforms linked to planning, budgeting, fiscal policy, expenditure analysis, tax policy and administration, fiscal decentralization and local government finance, among others. This combination enhances the relevance of their teaching and research. As a result they provide the PFM Fellows with the theoretical underpinnings and exposure to the best practices from around the world.

DCID takes this opportunity to invite officials and other professionals involved in these public sector reforms to join in pursuing a high quality graduate-level education and training in the field of PFM.

Core Faculty

Core faculty members have extensive experience teaching graduate courses and executive education programs, conducting research and publishing in public finance, budgeting and financial management, fiscal decentralization, tax policy analysis, revenue forecasting and tax administration.

The faculty members also have extensive experience as government officials, long-term resident advisors and short-term consultants in a wide range of public financial management reforms in more than 30 countries.
This experience has ranged from coordinating tax modernization programs in Malawi and Kenya to directing technical assistance and advising on tax reforms in Russia and Eastern Europe. They have also designed and implemented fiscal decentralization reforms in Indonesia, Cambodia, Ghana, Malawi, Nepal, Tanzania and Zambia, and designed tax reform strategies for the Dominican Republic, Guyana, Jamaica, Nepal and Turkey. Their experience also includes developing and implementing budget and financial management reforms in India and Kenya, and providing technical assistance on macro-fiscal policy in the Middle East, Eastern Europe and Asia.

Program Structure

The Public Financial Management Program (PFM) currently provides two degree options: (i) Master of International Development Policy, one-year program; (ii) Master of International Development Policy, two-year program. Please refer to the back cover for information on how to apply. For additional information please visit dcid.sanford.duke.edu.

PFM Fellows will take core courses in economic development, macroeconomic policy, public finance, budgeting and financial administration, expenditure analysis and fiscal decentralization along with required courses covering policy analysis and economic analysis for development and a master’s project. In addition, a range of elective courses is available depending on specific interests and length of program undertaken.
One-year Master of International Development Policy

The one-year Master of International Development Policy with a focus on Public Financial Management is available to candidates who have completed at least one year of graduate studies prior to admission, including courses in economics, and who have at least five years of PFM-related work experience. One year Fellows take a combination of required courses and two electives. (See Course Requirements Box 1.) The one-year MIDP degree requires 30 credits.

<table>
<thead>
<tr>
<th>Semester</th>
<th>One-year Master's Degree, MIDP/PFM (30 credits)</th>
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<tr>
<td>Summer</td>
<td>Economic Principles for Public Finance (3)</td>
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<td>Analytical Methods for Public Finance (3)</td>
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<td>Fall</td>
<td>Public Finance in Developing and Emerging Economies (3)</td>
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<td>Public Budgeting and Financial Administration (3)</td>
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<td>Policy Analysis for Development (3)</td>
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<td>Evaluation of Public Expenditures or Elective Course (3)</td>
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<td>Master’s Project (1)</td>
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<td>Spring</td>
<td>Macroeconomics of the Public Sector (3)</td>
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<td>Applied Development Economics (3)</td>
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<td></td>
<td>Fiscal Decentralization and Local Government Finance or Elective Course (3)</td>
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<td></td>
<td>Master’s Project (2)</td>
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Numbers in parentheses indicate course credit value.

Two-year Master of International Development Policy

The two-year Master of International Development Policy with a focus on Public Financial Management is available to candidates who have completed an undergraduate degree and have at least five years of PFM-related work experience. Fellows in the two-year degree program take nine core courses and six electives for a total of 48 credits. (See Course Requirements Box 2.)

Depending upon a Fellow’s prior academic record and work experience, some of these core courses may be taken in the first year. During the summer between the first and second year, Fellows work as interns in public-sector organizations gaining additional knowledge and experience in public financial management. This required internship may also be satisfied through the conduct of a directed research project or teaching assistantship in an area of public financial management.

Fellows may specialize in both Public Financial Management and International Taxation during the two-year degree program by adding the four core taxation courses in place of electives. Fellows also have the option of taking the Tax Analysis and Revenue Forecasting Executive Program and/or the Project Appraisal and Risk Management Executive Program offered each year in June/July. Participation in either program is at an additional cost to regular tuition. The two-year MIDP degree requires 48 credits.
### Core Courses: PFM Specialization

#### Summer Courses

**ECONOMIC PRINCIPLES FOR PUBLIC FINANCE** examines the principles of micro- and macroeconomics required for analyzing and forecasting taxes and public financial management. The microeconomic component covers basic market principles, with a focus on the applied welfare economics necessary for public financial analysis. The macroeconomic component covers national accounting aggregates and input-output structures of an economy, and the relationships between savings, investment, growth and the external balances.

**ANALYTICAL METHODS FOR PUBLIC FINANCE** covers the quantitative analytical methods and tools required for public financial analysis, revenue forecasting and statistical analysis. Modeling and statistical methods are studied to assist in analyzing and forecasting growth in the economy, expenditure and revenues, and the distributional impacts of revenues and expenditures, including the building of databases for, and the use of, micro-simulation models.

### Other Core Courses

**POLICY ANALYSIS FOR DEVELOPMENT** provides an introduction to policy analysis for international development, developing skills on how to understand the develop-
ment policy environment; how to use technical tools for policy analysis and implement-
tation, including cost-benefit and decision analysis; and how to effectively communi-
cate practical policy advice to decision-makers. Emphasis is put on case studies and
specific policy problems of interest to Fellows.

**ECONOMIC FOUNDATIONS FOR DEVELOPMENT** provides an overview of micro-
economic and macroeconomic principles related to development. The course objective
is to provide analytical tools for studying economic policies and problems in developing
countries. Real world applications of economic theory with relevance to develop-
ing countries are stressed.

**APPLIED DEVELOPMENT ECONOMICS** provides a survey of economic growth and
development economics. It examines the variation in growth, income distribution and
development performance across countries and covers such topics as institutions; gov-
ernance and corruption; agriculture, trade and industrial policy; health and education
in development; environment and sustainable development; globalization and issues
related to investment and fiscal policy, foreign aid, debt relief and the financial crises.

**EMPIRICAL ANALYSIS FOR ECONOMIC DEVELOPMENT** provides the statistical
tools to analyze policy alternatives and impacts related to economic and social devel-
opment and public policy. The course includes a review of basic statistics and the ana-
lytical application to policy issues relevant to developing and emerging economies, in
the context of economic development and growth. The course covers descriptive statis-
tics and regression analysis with single and multiple predictors, including categorical
variables with interaction terms.

**PUBLIC FINANCE IN DEVELOPING AND EMERGING ECONOMIES** covers the theo-
ry, policy and practice of public finance. It examines the economic roles and rationale
for government, and potential methods of financing government. The nature of fiscal
policy and its relationship to macroeconomic policy is examined, including issues of
foreign aid, debt financing and inflation. The course analyzes approaches to pricing,
financing and evaluating public sector outputs such as transport, water and education,
and analyzes trade, consumption, income and natural resources taxes considering their
economic efficiency, administrative costs and distributional impacts.

**PUBLIC BUDGETING AND FINANCIAL ADMINISTRATION** focuses on the policies,
procedures and skills needed for effective budgeting and financial management in the
public sector. Core topics cover budget systems and controls, public sector accounting
and costing, financial reporting for accountability, and capital budgeting and debt
management. The emphasis is on the international practice of budgeting, with particu-
lar application to developing countries. Issues of program and performance budgeting,
participatory budgeting and citizen accountability, and decentralized fiscal systems are
discussed.

**MACROECONOMIC ANALYSIS OF THE PUBLIC SECTOR** focuses on how public sec-
tor activities and finances affect economic growth and other macroeconomic out-
comes. The course develops an accounting and analytical framework that can be used
to assess fiscal policy choices, discusses approaches to fiscal targeting, examines tax
and expenditure issues from a medium-term perspective, and considers the use of fiscal
policy for short-term macroeconomic stabilization. Among the specific topics covered
are: debt sustainability, public investment, fiscal responsibility frameworks, aid and
natural resource management, globalization and capital flows, and financial crises.

**EVALUATION OF PUBLIC EXPENDITURES** focuses on cost benefit analysis from
alternative points of view (e.g., equity, debt and the economy as a whole). Techniques
include: construction of cash flow, alternative investment rules, inflation adjustments,
optimal timing and duration of projects, private and social pricing. Adjustments for
economic distortions, foreign exchange adjustments, risk and income distribution
examined in the context of present value rules. Examples and cases are drawn from
both developed and developing countries.
FISCAL DECENTRALIZATION AND LOCAL GOVERNMENT FINANCE focuses on policy and administrative options to effectively empower local governments to improve service delivery, economic governance and citizen participation. The course covers the theory and practice of fiscal decentralization focusing on the four pillars of rationalizing central-local expenditure and revenue responsibilities, designing effective intergovernmental transfers and structuring local borrowing. Special attention is paid to the practical aspects of designing and implementing effective decentralization reforms to improve efficiency and accountability within the public sector.

**Elective Courses**

Fellows focusing on PFM can select elective courses from a wide range of options across Duke University and at UNC-Chapel Hill, such as the following:

**Courses in Public Finance and Management**
- Service Delivery Systems *(Sanford School of Public Policy)*
- Institutional Design for Sustainable Development *(Sanford School of Public Policy)*
- Poverty Reduction & International Financial Institutions *(Sanford School of Public Policy)*
- Politics of International Aid in Low-Income Countries *(Sanford School of Public Policy)*
- Managing the Project Cycle *(Sanford School of Public Policy)*
- Capacity Development *(Sanford School of Public Policy)*
- Strategic Management of Policy Change *(Sanford School of Public Policy)*
- Business and Government *(Sanford School of Public Policy)*
- Public Finance *(Duke Department of Economics)*
- Financial Accounting *(Duke Department of Economics)*
- Urban Economics *(Duke Department of Economics)*
- Resource and Environmental Economics *(Duke Department of Economics)*

**Courses in Taxation**
- Comparative Tax Policy *(Sanford School of Public Policy)*
- Comparative Tax Administration *(Sanford School of Public Policy)*
- Sales and VAT Law *(Duke Law School)*
- Federal Income Tax Law *(Duke Law School)*
- International Taxation *(Duke Law School)*
- Corporate Taxation *(Duke Law School)*
- Taxation and Global Management Decisions *(Fuqua Business School)*
- Taxes in Finance *(UNC Business School)*
- Tax Strategy *(UNC Business School)*

**Courses in International Investment and Trade**
- Fiscal Policy, Globalization, and Development *(Sanford School of Public Policy)*
- Globalization and Governance *(Sanford School of Public Policy)*
- Macroeconomic Policy and International Finance *(Sanford School of Public Policy)*
- International Trade and Policy *(Sanford School of Public Policy)*
- International Business Transactions and International Trade Law *(Duke Law School)*
- Financial Markets and Investment *(Duke Department of Economics)*
- International Trade *(Duke Department of Economics)*

Other elective courses are available on economic and policy issues relating to health, education, social welfare, environment, energy and natural resource, among others. MIDP mini-seminars are offered in a range of topics, including Leadership, Privatization, Pension Reform, Economic Reform, Land Management, Poverty Reduction Strategies, Capacity Development, etc.
Admissions and Financial Aid

For details on the PFM program, please see the PFM website: dcid.sanford.duke.edu/academics/public-financial-management.

For information concerning the Oliver Oldman Scholarship and other sources of financial assistance, please see: dcid.sanford.duke.edu/admissions/midp-tuition-scholarships.

All candidates must apply online. An electronic application form is accessible at: dcid.sanford.duke.edu/apply.

Application Deadline

The deadline for application to the fall semester is January 5. Late applications will be considered on a space-available basis.

For questions regarding the application process, please call +1 919-613-9281 or send an email to midpinfo@duke.edu.

Partnership with Governments and Donor Agencies

PFM is interested in establishing partnership programs with government and/or donor agencies that are interested in creating sustainable funding programs for the professional education of officers involved in public financial management of a country. To that end, financial assistance will be made available in the form of partial tuition waivers to a limited number of PFM Fellows from a country. Interested governments or donor agencies should contact the program at midpinfo@duke.edu or +1 919-613-9281.

Scholarships for Individual Applicants

Applicants to the Public Financial Management Program with no or only partial funding from an employer or donor agency can apply for funding under the Oliver Oldman Scholarships.

For details visit: dcid.sanford.duke.edu/admissions/midp-tuition-scholarships.