



# AIM CENTER FOR DEVELOPMENT MANAGEMENT

## C O U R S E D E S I G N

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### INTERNATIONAL FINANCIAL INSTITUTIONS AND DEVELOPMENT CODE: IFI

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**FACULTY:** PROFESSOR NIHAL AMERASINGHE

**No. of Sessions:**20

#### **Course Description:**

The International Financial Institutions (IFIs) are important sources of development finance and policy advice to governments of developing countries in Asia. The course (a full elective of 20 sessions) will provide insights into the work of the three most important IFI's working in the Asia-Pacific region, namely the International Monetary Fund, the World Bank Group, and the Asian Development Bank. The role of the IFIs as change agents and the key development challenges facing the developing countries and IFIs as development partners will be presented. The emphasis of the course will be on providing students with an in-depth knowledge of these important institutions and how to work with them in achieving national goals and improving development impact. The course is designed to provide a good balance between theory and practice, and will be illustrated by examples of actual IFI interventions in South and Southeast Asia.

#### **Course Objectives:**

1. Deepen the understanding of the political, economic, and social context in which the IFI's work in Asia and the changing paradigms of development.
2. Provide information on the history, organization, functions, and modalities of the IFIs.
3. Explain the various financial facilities extended by the IFIs, their modus operandi, and terms and conditionalities.
4. Discuss how national and sub-national agencies could maximize the development impact of IFI assistance.
5. Exposure to the variety of documents prepared by these institutions such as country strategies, sectoral analysis, economic reports, and program and project reports.

6. Provide an opportunity to critically review the effectiveness of development aid.

### **Organization:**

The course will be presented in five thematic segments:

#### **1. Introduction to International Financial Cooperation**

A historical background to the establishment of international financial institutions, principles and perspective. Development Aid and the rationale of donors. The flow of private capital and trends in official development assistance. Asia's development experience including the so-called Asian financial crisis. Issues relating to reforming the international financial architecture. The new emphases of development assistance.

#### **2. The International Financial Institutions**

The organization, functions, financial structures and instruments of the IMF, the World Bank Group, and the Asian Development Bank. The role of the International Bank for Settlements, and the Paris Club.

#### **3. The International Financial Institutions as Agents of Change**

The business market: what the IFIs lend for, why they lend, what instruments are used, and how much. Development effectiveness and working with the IFIs. How the challenges of sustainable development, poverty reduction, environmental management, gender issues, capacity building and governance are handled in the scope of IFIs work. The challenges of private sector development and forging public-private partnerships. Donor coordination mechanisms.

#### **4. Key Challenges for the International Financial Institutions**

The problems confronting the IFIs in their operations such as resource mobilization, issues of multilateral debt (non-concessional and concessional debt), performance-based lending, improving development effectiveness and delivery of aid.

#### **5. Challenges of National Governments**

Bridging the savings-investment gap in developing countries and options, maximizing development impact, reducing the cost of borrowings and debt management.

### **Method of Teaching:**

The Course sessions will be interactive with lectures and presentation of specific cases to illustrate modalities of assistance. There will also be guest speakers from the IFIs based in the Philippines who

would provide insights on their respective institutions work. A field trip to the Asian Development Bank for interaction with senior officials will also be arranged.

### **Workload and Grading System:**

Attendance is clearly important and critical to the learning progress of students. Selected readings and cases will be provided for study and review before relevant topics are discussed in class. To ensure that students have a good understanding of the reading materials, cases and lectures, students will submit two reflection papers.

Individual class participation	40%
Reflection Papers	<u>60%</u>
TOTAL	100%